Date: 23 January 2012
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To: The Chairman and Members of the Cabinet
Other Members of the Council for information
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Cabinet
Wednesday 1 February 2012
5.30 pm
Council Chamber, Knowle Sidmouth
.

Members of the Council who do not sit on the Cabinet are welcome to attend as observers.

Members of the public are welcome to attend this meeting.

- There is a period of 15 minutes at the beginning of the meeting to allow members of the public to ask questions.
- In addition, the public may speak on items listed on the agenda. After a report has been introduced, the Chairman (Leader of the Council) will ask if any member of the public wishes to speak and/or ask questions.
- All individual contributions will be limited to a period of 3 minutes – where there is an interest group of objectors or supporters, a spokesperson should be appointed to speak on behalf of the group.
- The Chairman has the right and discretion to control questions to avoid disruption, repetition and to make best use of the meeting time.

A hearing loop system will be in operation in the Council Chamber.

Councillors and members of the public are reminded to switch off mobile phones during the meeting. If this is not practical due to particular circumstances, please advise the Chairman in advance of the meeting.

AGENDA

Part A

1 **Public question time** – standard agenda item (15 minutes)
Members of the public are invited to put questions to the Cabinet through the Chairman (Leader of the Council).

Councillors also have the opportunity to ask questions of the Leader and/or Portfolio Holders during this time slot whilst giving priority at this part of the agenda to members of the public.

			Pages
2	To confirm the minutes of the meeting of the Cabinet held on 11 January 2012 as a true record.		5-14
3	To receive any apologies for absence.		
4	To receive any declarations of interest relating to items on the agenda.		
5	To consider any items, which, in the opinion of the Chairman, should be dealt with as matters of urgency because of special circumstances. (Note: Such circumstances need to be identified in the minutes. If you wish to raise a matter under this item, please do so in advance of the meeting by notifying the Chief Executive who will then consult with the Chairman).		
6	To agree any items to be dealt with after the public (including the press) have been excluded. There are two items which Officers recommend should be dealt with in this way.		
7	To note the contents of the Forward Plan for the period 1 February 2012 to 31 May 2012.		15-19
8	Matters referred to the Cabinet by the Overview and Scrutiny Committee for re-consideration in accordance with the Overview/Scrutiny procedure or budget and Policy Framework Procedure Rules under Part 4 of the Constitution. No items have been put forward.		
9	To note or take appropriate action in respect of the minutes of the meetings of the Overview and Scrutiny Committees held on: 5 January 2012 and 18 January 2012 (Special meeting – Budget and Service Planning)		 20-24 25-28
10	To note or take appropriate action in respect of the meetings of the Housing Review Board held on: 1 December 2011 and 12 January 2012		 29-34 35-42

Part A Matters for Decision – Key decisions

11	Revenue and Capital Estimates 2012/13 (Plus Appendix A & B)	Head of Finance	43-61
12	Flooding Risk to Sidmouth through the effects of Coastal Erosion at Pennington Point/Salcombe Hill Cliff (Plus 2 appendices)	Head of Economy	62-69

Part A Matters for Decision

13	Financial monitoring report 2011/12 – Month 9 – December	Financial Services Manager/ Senior Accountant	70-75
14	Treasury Management Strategy Plus Appendix A & B	Head of Finance	76-88

15	Discretionary Housing Payment (DHP) Policy Plus policy as attachment (The DHP equality impact assessment is available on the Council website with this agenda)	Revenues and Benefits Manager	89-96
16	Statutory Pay Policy Plus Appendix A and policy as attachment	Corporate Organisational Development Manager	97-103
17	Performance Monitoring Report until November 2011 (Appendices A & B re performance details are available on the Council website with this agenda)	Denise Lyon, Deputy Chief Executive	104-105
18	Shared ICT Service in Devon – proposal	Corporate ICT Manager	106-112
19	Exemption from Standing Orders – extension of an existing Waste and Recycling contract to achieve Best Value	Interim Waste & Recycling Manager	113-114
20	Exemption from Standing Orders - appointment of consultants to undertake a study on the development of a Local Revolving Infrastructure Fund.	Head of Economy	115-117
21	Meetings programme 2012/13 The proposed programme follows a similar pattern of meetings to the current year.	Corporate Licensing and Democratic Services Manager	118-120

22 **The Vice Chairman to move the following:-**
"that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B)."

PART B – Matters for Decision

23	Priority Disposal Programme: Littleham Trading Estate, Pankhurst Close, Exmouth (plus appendix)	Para 3 Schedule 12A Information relating to the financial or business affairs of any particular person (including the authority holding that information).	Head of Economy	121-124
24	Appointment of external legal advisers: waiver of contract standing orders – Priority Disposal Programme (Electricity Substation Sites)	As above	Senior Solicitor	125-126

Members remember!

- You must declare the nature of any personal or prejudicial interests in an item whenever it becomes apparent that you have an interest in the business being considered.
- Where you have a personal interest because the business relates to or is likely to affect a body of which you are a member or manager as an EDDC nominee or appointee, then you need only disclose that interest when (and if) you speak on the item. The same rule applies if you have a personal interest in relation to a body exercising functions of a public nature.
- Make sure you say the reason for your interest as this has to be included in the minutes.
- If your interest is prejudicial you must leave the room unless you have obtained a dispensation from the Council's Standards Committee or where Para 12(2) of the Code can be applied. Para 12(2) allows a Member with a prejudicial interest to stay for the purpose of making representations, answering questions or giving evidence relating to the business but only at meetings where the public are also allowed to make representations. If you do remain, you must not exercise decision-making functions or seek to improperly influence the decision; you must leave the meeting room once you have made your representation.

Getting to the Meeting – for the benefit of visitors

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The following buses all terminate at the Triangle in Sidmouth. From the Triangle, walk up Station Road until you reach the Council Offices (approximately ½ mile).
From Exeter – 52A, 52B
From Honiton – 52B
From Seaton – 52A
From Ottery St Mary – 379, 387
Please check your local timetable for times.

The Committee Suite has a separate entrance to the main building, located at the end of the visitor and Councillor car park. The rooms are at ground level and easily accessible; there is also a toilet for disabled users.

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Cabinet held in the Council Chamber, Knowle, Sidmouth on Wednesday, 11 January 2012

Present: **Councillors:**
Paul Diviani (Leader/Chairman)
Andrew Moulding (Vice Chairman)
Ray Bloxham
Iain Chubb
David Cox
Jill Elson
Graham Godbeer
Ian Thomas
Chris Wale

Also Present: **Councillors:**
David Atkins
Peter Burrows
Geoff Chamberlain
Maddy Chapman
Trevor Cope
Vivien Duval Steer
Martin Gammell
Steve Gazzard
Roger Giles
Steve Hall
Peter Halse
John Humphreys
Sheila Kerridge
Jim Knight
John O'Leary
Frances Newth
Helen Parr
Pauline Stott
Graham Troman
Phil Twiss
Mark Williamson
Tim Wood
Tom Wright

Also present: **Officers:**
Mark Williams, Chief Executive
Richard Cohen, Deputy Chief Executive
Denise Lyon, Deputy Chief Executive
Simon Davey, Head of Finance
John Golding, Head of Housing
Rachel Pocock, Corporate Legal & Democratic Services Manager
Chris Powell, Corporate ICT Manager
Diana Vernon, Democratic Services Manager

Apologies **Councillors**
Stephanie Jones

Non-Cabinet Members:
Mike Allen
David Chapman
Alan Dent
Stuart Hughes

The meeting started at 5.30 pm and ended at 7.42 pm.

*142 Public Questions

The Chairman invited Exmouth Town Councillor Richard Turner to speak to the Cabinet. Mr Turner advised that a recent article in the Exmouth Journal reported on a possible Council intention to re-locate the site for the launch and recovery of Jet Skis from Belshers slipway. Mr Turner wanted to set out concerns about any possible re-siting to the Harbour View slipway before a firm decision was made. He also suggested an alternative site between the Lifeboat Station and Orcombe Point.

Councillor Andrew Moulding Portfolio Holder for Strategic Development and Partnerships who chaired the Exmouth Regeneration Board advised that no firm decisions had yet been made. The Board was currently deliberating over the Masterplan and recognised that addressing the slipway issue was a key priority. Full consultation with interested parties would be carried out before a decision was made.

RESOLVED: that the Council's Communications Officer issue a press release to correct recent inaccurate media reporting in respect of jet ski issues at Exmouth.

*143 Minutes

The minutes of the meeting of the Cabinet held on 30 November 2011 were confirmed and signed as a true record subject to the following corrections:

- Councillor Knight to be included in the list of apologies given
- Minute119 – Councillor Cox was the owner of a second home outside East Devon.
- Minute 125 – Ray Bloxham – Portfolio Holder – Corporate Business

*144 Declarations of interest

Councillor/ Officer	Minute number	Type of interest	Nature of interest
Cllr Trevor Cope	148	Personal	Son employed by Leisure East Devon
Cllr Iain Chubb	156	Personal	Owner of a property in Seaton

*145 Exclusion of the Public

RESOLVED: that the classification given to the documents to be submitted to the Cabinet, be confirmed, and that the reports relating to exempt information, be dealt with under Part B.

*146 Forward Plan

Members noted the contents of the refreshed Forward Plan for the period 1 January to 30 April 2012. The future Plan would include reporting decisions on major projects in respect of Exmouth Regeneration.

*147 Matters referred to the Cabinet

There were no matters referred to the Cabinet by the Overview and Scrutiny Committee or the Council.

*148 Minutes of the Overview and Scrutiny Committee meetings of 24 November and 9 December 2011 (Special Meeting)

The Cabinet noted the minutes of the meetings of the Overview and Scrutiny Committee held on 24 November and 9 December 2011.

The Chairman had fed back the Committee's concerns on the Ice/Snow/Frost Treatment Plan (Minute 45 of 24.11.11 refers) to the Cabinet at its meeting on 30 November 2011.

The feedback from the Special Meeting of the Committee in respect of the Local Plan would be fed into the wider consultation process. Ward Members were encouraged to respond directly to the consultation on matters relating specifically to their Ward. The scrutiny of the Local Plan production was postponed until after the consultation period.

Councillor Tim Wood who had chaired the Leisure East Devon Task and Finish Forum presented the final version of the report. He advised that overall the Forum was satisfied with the monitoring arrangements in place and the quality of monitoring undertaken. The Forum had acknowledged the dedicated and effective work of the Monitoring Group and the LED Trustees. The Forum had helped to identify areas that were returning a profit and areas of loss. This information would be helpful in future service and facility planning. The Forum's recommendations included that EDDC and LED review the existing Service Level Agreement and the dual-use arrangements with schools/colleges which were likely to change with Academy status.

RESOLVED: that the following decisions be noted:

Minute 46 the Committee's positive response to the report on the New EC Revised Bathing Water Directive and the setting up of a Beach and Foreshore Forum – a press release would be issued;

Minute 47 the setting up of a Task and Finish Forum on the Community Infrastructure Levy to construct recommendations to aid the Council in both the transitional state and the introduction of the Levy. The Forum membership to comprise Councillors Mike Allen, Peter Bowden, Mike Howe, Sheila Kerridge, Graham Troman, Tim Wood and Claire Wright.

Minute 41 the Overview and Scrutiny Committee Forward Plan.

RESOLVED: that the recommendations of the Leisure East Devon Task and Finish Forum be noted and referred to the next quarterly meeting of the Leisure East Devon Board for consideration, with feedback being reported to a future meeting of the Overview and Scrutiny Committee in the first instance.

*149 Minutes of the meeting of the Recycling and Refuse Partnership Board

Members noted the minutes of the meeting of the Board held on 15 December 2011.

Councillor Iain Chubb, Portfolio Holder – Environment, highlighted the Board's decision to copy relevant Ward Members into correspondence sent to residents regarding changes to recycling and refuse collections. The cardboard and mixed plastics trial collections in Beer had been discussed and costs noted – the Communications Officer had sent out a press release on the trial and would feedback information from residents within the trial area. This would be used to assist the negotiations between SITA and EDDC for the possible roll out of similar schemes across the district. Missed bins information was considered at each meeting and was monitored closely, with any reasons for an increase in missed collections being investigated.

Councillor Chubb also highlighted the Board's detailed consideration of the issue of side waste and how this was to be dealt with in the future. The Board had revised the process which would include information stickers and re-worded letters of advice with effect from 6 February 2012. Members debated this process and raised the following issues:

- If bins without closed lids were not collected, how could the problem be resolved?
- There was concern that stickers, letters and non-collection would generate poor publicity and was not good customer service.
- There was no one size fits all solution.
- Not everyone was able to make use of the recycling centres.
- Collection of cardboard was a separate issue – it was recognised that most people wanted to be able to recycle more and for the scheme to be extended.
- The recycling and waste project had generally been well accepted by the public and the team should be congratulated.

Councillor Chubb (Chairman of the Partnership Board) and Councillor Cox (Former Chairman and current Board Member) explained that the instances of bins with open lids and side waste (other than at Christmastime) were relatively minor. Mistakes made by the operators in respect of the use of stickers in the trial area had been addressed. The letters had been re-worded and checked by the Member Champion – Plain English. Every opportunity needed to be taken to encourage recycling and reduce landfill.

The Council now had an excellent recycling record and the model used was being adopted by other authorities. There was 'no one size fits all' and different sized bins were provided to suit individual households on request. The Council recognised the importance of educating households to reduce landfill waste and accept their ethical and environmental responsibilities. The Waste Management Team had been invaluable in helping with this process and discussing solutions with individual households. However, it was not possible for the Team to personally visit each time a side waste/open bin problem arose. The use of stickers/letters with contact details would support this work, encouraging residents to phone the help line for advice.

Ward Members had a role to play in helping to improve communications and in helping to change attitudes.

*149 Minutes of the meeting of the Recycling and Refuse Partnership Board (cont)..

RESOLVED: that decisions of the Recycling and Refuse Partnership Board be noted with the Board being asked to monitor the use of stickers/letters to help ensure that the initiative retained the support of the public.

REASON The Cabinet recognised the valuable work being carried by the Partnership Board. Monitoring use of stickers/letters would help address concerns raised.

*150 Report of a meeting of the Member Development Working Party

Members noted the report of the meeting of Member Development Working Party held on 9 December 2011.

Councillor Maddy Chapman, Member Development Champion, had chaired the meeting. Councillor Andrew Moulding whose previous Portfolio had included responsibility for Member Development was invited to outline the significant achievements initiated by the Working Party including the work carried out on the Welcome and Refresher Programme, the steady intention to change the culture of the Council to recognise the importance of on-going development, the skills to share register, being awarded the South West Charter for Member Development in 2010 and being part of the drive to reduce the cost of postage and printing.

All Councillors had been asked for their feedback on the 3-month Welcome/ Refresher programme and the Working Party discussed issues raised. As a result of feedback, the Working Party suggested that it would be useful to run a refresher programme in the early spring. Those Councillors elected for the first time in May now had more experience and understanding of Council business and were in a better position to put the training into context. It was suggested that the Special Meeting of the Overview and Scrutiny Committee on 18 January 2012 would be a helpful development opportunity for Councillors to better understand the budget and scrutiny process.

The Working Party also discussed other learning methods including on-line learning, use of the Knowledge and its links to useful website. The value of attending, observing and contributing to the debate at Cabinet meetings was recognised by all Members present.

RESOLVED: that a Member Development refresher programme be organised for the particular benefit of Councillors who had been elected for the first time in May 2011 – the programme to include the suggestions made by the Working Party.

REASON The refresher programme would help Councillors to put information into context as Councillors now had more experience and understanding of Council business than when first elected.

*151 Council Tax Base for 2012/13 – Key decision

Members considered the report of the Revenues and Benefits Manager setting out the tax base for each parish, expressed in terms of Band D equivalent properties. This would be used as the basis for the Council's 2012/13 Council Tax.

RESOLVED that the tax base for 2012/2013 at 57,602 Band D equivalent properties be confirmed.

REASON This was a statutory requirement as prescribed by:

- The Local Government Finance Act 1992
- The Local Authorities (Calculation of Council Tax Base) Regulations 1992 No 612
- The Local Government Finance Act 2003

*152 Draft revenue and capital estimates for 2012/13 – Key decision

Simon Davey, Head of Finance presented the draft Revenue and Capital Estimates for 2012/13 for adoption by the Cabinet. The Estimates would next be considered in detail by the Overview and Scrutiny Committee at its Special Meeting on 18 January 2012 and by the Housing Review Board at its meeting on 12 January 2012. Their recommendations would then be referred to the Cabinet for consideration at its meeting on 1 February 2012.

The Head of Finance highlighted key issues including risks. The balanced draft budget being presented assumed a nil increase in Council Tax and an on-going reduction in formula grant. This meant that the Council would need to continue to build cost savings into future budgets. There were uncertainties in respect of the localism of Council Tax Benefit of which Members had previously been made aware. Special items bids had not been included in the draft budget. The Housing Revenue Account included the new self-financing arrangements. The draft Capital Programme for 2012/13 was funded but brought the Capital Reserve down to a minimum level. The Capital Receipts from the Elizabeth Hall had been assumed in the Estimates but no other Capital Receipts had been included. The New Homes Bonus (part) was being used to help support the Capital Programme. Potential future pressure on the General Fund was noted. The proposed draft budgets for 2012/13 would maintain both the General Fund Balance and the Housing Revenue Account Balance at, or above, the advisory level. The budgets would continue to be monitored by the Cabinet on a monthly basis to enable any corrective action to be taken in a timely way.

Councillor Cox, Portfolio Holder – Finance expressed his appreciation to the Head of Finance and his team for their detailed work and useful reports.

RESOLVED that the draft Revenue and Capital Estimates be adopted and forwarded to the Overview and Scrutiny Committee and Housing Review Board for consideration.

REASON This was to progress the process of setting balanced budgets, levy a Council Tax and set Council House Rents. The recommendations of the Overview and Scrutiny Committee and Housing Review Board would be considered at the Cabinet meeting of 1 February 2012. The Council would then agree the 2012/13 budget at its meeting on 22 February 2012.

*153 Financial monitoring report 2011/12 – Month 8 November 2011

Members considered the financial monitoring report which gave a summary of the Council's overall financial position for 2011/12 at the end of month 8 (30 November 2011). Current monitoring indicated that:

- The General Fund Balance was being maintained at or above the adopted level.
- The Housing Revenue Account Balance would be maintained at or above the adopted level and was now in a better position than previously;
- There was sufficient Capital Reserve to balance this year's Capital Programme. However it was estimated that there would only be £l.866M available in the Reserve to support the programme from 2012/13 onwards. Due to scheme variations, the Capital Reserve tended to change each month.

The report also advised that the Council administered a bequest known as the Robinson Bequest, the income of which was used to maintain the Garden of Rest in Beer. The arrangements in place required three authorised signatories but only one of these now remained at the Council.

RESOLVED

(1) that the variances identified as part of the Revenue and Capital Monitoring process up to Month 8 be noted;

(2) that the signatories for the Robinson Bequest be brought into line with those for the Council's bank account – namely, the Head of Finance, the Financial Services Manager and a specified Accountant.

REASON To keep the Council's finances under review, including considering whether any corrective actions were required for the remainder of the financial year.

154 Strategy proposal for electronic document management

Councillor Ian Thomas, Portfolio Holder Corporate Services introduced the report of the Corporate ICT Manager. He advised of the proposals to extend the current electronic document management systems (EDMS) to help the Council to become more 'paper light' and achieve savings in the cost of paper/print and reduce waste.

He gave details of the amount of storage space currently used at Knowle for live and historic paper files and stressed that this position must be challenged. The cost of providing equivalent space for storage in the proposed new Council Offices was prohibitive. The files could be scanned for electronic storage and work on this would start immediately. However the volume of stored documents needed to be significantly reduced to make scanning a viable option. Processes would be put in place to help differentiate between 'live' and 'historic' documents. The proposed document retention policy being drafted would be invaluable in helping to identify which documents needed to be saved and which could be destroyed.

The costs of the proposed extension of electronic document management systems would be funded from the Transformation Budget as 'invest to save' but it was thought appropriate to refer the matter to the Overview and Scrutiny Committee Special Budget and Service Planning meeting for wider consideration.

154 Strategy proposal for electronic document management (cont)..

RECOMMENDED that the proposed Electronic Document Management Strategy be implemented, including:

a) Appointment of a contract project manager for one year
b) Replacement of current EDMS with IDOX should existing supplier not improve offer sufficiently,
c) Initial funding of the project of £120,000 (from the transformation budget),
d) Analyse each paper document for back scanning benefits and action accordingly.

RESOLVED that the report be referred to the Special meeting of the Overview and Scrutiny Committee (Budget and Service Planning) for the Committee's information

REASON To begin taking steps to reduce the amount of storage space require for the proposed new Council Offices.

*155 Performance monitoring report until November 2011

Denise Lyon, Deputy Chief Executive, presented the performance information for the 2011/12 financial year until November 2011. Detailed performance reports had been made available to Members on line rather than in printed form.

RESOLVED that the progress and proposed remedial action for performance measures for the 2011/12 financial year until November 2011 be noted.

REASON To enable the Cabinet to continue to monitor the Council's progress in achieving excellent customer service using relevant performance measures.

*156 Seaton Town Management and Seafront Enhancement

Members considered the report of Richard Cohen, Deputy Chief Executive and the Economic Development Officer. The report set out a number of issues affecting the local Seaton economy. These included the loss of the Seaton Town Development Manager and the recent opening of Tesco's. It set out possible ways to provide some prompt support to the town and suggested that the Council worked though Business Information Point West Devon to recruit a dedicated Business Development Officer on a fixed term to June 2012 to work with the business community.

The Seaton Regeneration Programme Board, which included representation from the Town Council, had discussed and backed the need for replacement business support and for the seafront regeneration and enhancement to be progressed.

Although Councillor Burrows had raised concerns at the meeting of the Overview and Scrutiny Committee on 5 January 2012 about what he regarded as the lack of consultation with the Town Council, he had subsequently met with Councillor Graham Godbeer, Portfolio Holder – Economy, Richard Cohen and the Economic Development Manager and he now advised that his concerns had been allayed.

*156 Seaton Town Management and Seafront Enhancement (cont)..

Councillor Jim Knight asked for all Seaton Ward Members to be copied into progress reports in respect of the work programme and activities of the Business Development Officer.

Councillor Godbeer asked for the recommendations to be amended to reflect that the partners were committed to meet promptly to consider the longer term support of the Seaton business community.

RESOLVED

(1) that the Head of Economy be authorised to extend by up to £19,000 the Council's business support and advice contract, delivered by Business Information Point (BIP) West Devon Limited to enable BIP to recruit a fixed term dedicated part-time Business Development Officer, employed to work with Seaton Chamber of Commerce and the town's other businesses, as described in the report to the Cabinet, in the period to 1 July 2012,

(2) that the Council monitor, with the Seaton Regeneration Partnership Board, the activities and effectiveness of the approach (detailed in 1 above) and arrange a meeting of the Town Management Partnership soon to consider support for the town's business community in the longer term,

(3) that Seaton Town Council be advised of this Council's willingness to contribute up to £10,000 towards the costs of commissioning specialist expertise to produce detailed design, development and costed options of seafront enhancement in Seaton on condition that the Town Council at least matches the contribution.

REASON To help provide Seaton with immediate help to address current economic issues facing the town and explore longer term solutions.

*157 Exclusion of the Public

RESOLVED that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

*158 Seaton Regeneration Programme Board

The Portfolio Holder – Economy (Board Chairman) presented the confidential report of the meeting of the Seaton Regeneration Board held on 13 December 2011. He said that it had been a positive meeting. The Board had considered possible enhancements of Seaton Seafront, the opening of the Tesco store, the Wetlands project and progress in respect of the Visitor Centre for which expressions of interest for operators had been invited. The Board also discussed the need to address the loss of the Town Centre Manager and other issues likely to have an impact on Seaton.

*159 Exmouth Regeneration Programme Board

The Portfolio Holder – Strategic Development and Partnerships presented the confidential reports of the meetings of the Exmouth Regeneration Board held on 17 November and 1 December 2011. The Board had considered feedback from the consultation on the Masterplan, the Regeneration project prioritisation and up-dates on other issues likely to have an impact on Exmouth. Project teams would now be set up to progress the 4 priority projects identified.

Chairman ..... Date .....

EAST DEVON DISTRICT COUNCIL

FORWARD PLAN

For the 4 month period 1 February 2012 to 31 May 2012

Key Decision		**Lead Member**	**Lead Officer** **(Strategic Officer: DL or RC indicated in bold)**	**Proposed Consultation and meeting dates (Committees, principal groups and organisations)** **Members of the public are given the opportunity to speak at meetings unless shown in italics.**	**Operative Date for decision (if no call-in)**
1	Council budget	Portfolio Holders	Chief Executive/Head of Finance	Cabinet (1 February 2012) Council (22 February 2012)	1 April 2012
2	Housing Revenue Account Business Plan	Sustainable Home and Communities Portfolio Holder and Chairman of Housing Review Board	Head of Housing **(RC)**	Council (22 February 2012)	23 February 2012
3	Multi purpose building – transfer arrangements and Forward planning	Strategic Development and Partnership Portfolio Holder	Head of Economy (**RC**)	Cabinet (1 February 2012)	9 February 2012
4	Exmouth Regeneration/ Master Plan – key projects action planning	Strategic Development and Partnership Portfolio Holder	Principal Estates Manager (**RC**)	Regeneration Programme Board (* Mar 2012) Cabinet (1February 2012)	9 February 2012
5	CIL New Growth Point Charging Schedule – interim report	Strategic Development and Partnership Portfolio Holder	Head of Economy/ New Growth Point Manager **(RC)**	Cabinet (1 February 2012)	9 February 2012
6	Recycling and Refuse – possible extension of scheme	Portfolio Holder – Environment	Head of Environment **(RC)**	*Recycling and Refuse Partnership Board (December 2011)* Cabinet (1 February 2012) Council (22 February 2012)	23 February 2012

Key Decision		Lead Member	Lead Officer **(Strategic Officer: DL or RC indicated in bold)**	**Proposed Consultation and meeting dates (Committees, principal groups and organisations)** **Members of the public are given the opportunity to speak at meetings unless shown in italics.**	**Operative Date for decision (if no call-in)**
7	Customer Strategy	Corporate Business Portfolio Holder	Denise Lyon, Deputy Chief Executive	Cabinet (1 Feb or 7 March 2012) Council (22 February 2012)	23 February 2012
8	LDF/Local plan annual monitoring plan	Strategic Development & Partnerships Portfolio Holder	Head of Economy **(RC)**	Cabinet (1 February 2012)	9 February 2012
9	Asset Management – car parks review	Finance Portfolio Holder	Head of Environment **(RC)**	Cabinet (1 February 2012)	9 February 2012
10	Pennington Point Beach Management Plan	Strategic Development and Partnership Portfolio Holder	Kate Little	Cabinet (1 February 2012) Council (22 February 2012	23 February 2012
11	Honiton Community Centre – up-date	Strategic Development and Partnership Portfolio Holder	Richard Cohen, Deputy Chief Executive	Cabinet (1 February 2012) Council (22 February 2012)	23 February 2012
12	Planning fees Schedule	Environment Portfolio Holder	Head of Economy **(DL)**	Development Management Committee (1 February 2012) Council (22 February 2012) (awaiting regulations)	23 February 2012
13	Seaton Visitor Centre marketing testing process	Economy Portfolio Holder	Principal Estates Management **(RC)**	Cabinet (1 February 2012) Council (22 February 2012	23 February 2012

Key Decision		Lead Member	Lead Officer (Strategic Officer: DL or RC indicated in bold)	Proposed Consultation and meeting dates (Committees, principal groups and organisations) Members of the public are given the opportunity to speak at meetings unless shown in italics.	Operative Date for decision (if no call-in)
14	Report on Council Plan and suite of x3 Theme Strategies	Portfolio Holders: Sustainable Home and Communities . Economy Environment	DL + RC HoS	*Sustainable Homes and Communities, Economy and Environment Think Tanks* *Scrutiny (1 March 2012)* Cabinet (7March 2012) Council (11 April 2012))	19 April 2012
15	Procurement Strategy - update	Procurement Champion	Head of Finance (**RC**)	Cabinet (7 March 2012) Council (11 April 2012)	12 April 2012
16	Colyford Depot Disposal	Economy Portfolio Holder	Head of Economy **(RC)**	Cabinet (7 March 2012)	15 March 2012
17	Asset Management – community asset transfer policy	Finance Portfolio Holder	Head of Economy **(RC)**	Cabinet (7 March 2012)	15 March 2012
18	Drainage Act	Portfolio Holder – Environment	Head of Economy **(RC)**	Cabinet (7 March 2012)	15 March 2012
19	ICT Strategy	Corporate Services Portfolio Holder	Corporate ICT Manager **(DL)**	*Corporate Services Think Tank* Cabinet (7 March 2012) Council (11 April 2012)	12 April 2012
20	Investor in People Reassessment	Corporate Business Portfolio Holder	Corporate Organisational Development Manager	Cabinet (7 March 2012) Council (11 April 2012)	12 April 2012
21	Risk Management Strategy	Finance Portfolio Holder	Head of Finance **(DL)**	Audit and Governance Committee (8 March 2012) Council (11 April 2012)	12 April 2012

Key Decision		Lead Member	Lead Officer **(Strategic Officer: DL or RC indicated in bold)**	**Proposed Consultation and meeting dates (Committees, principal groups and organisations) Members of the public are given the opportunity to speak at meetings unless shown in italics.**	**Operative Date for decision (if no call-in)**
22	Localism Act	Strategic Development and Partnership Portfolio Holder	Head of Economy	Cabinet (4 April 2012) Council (11 April 2012	12 April 2012
23	Information Management Strategy	Corporate Services Portfolio Holder	Corporate ICT Manager **(DL)**	Information Management Group Cabinet (4 April 2012) Council (11 April 2012)	19 April 2012
24	EDDC Relocation Progress Report	Council Leader	RC	Member Working Group (30 Jan 2012) Cabinet (4 April 2012)	12 April 2012
25	Revised Partnership Policy and Compact	Strategic Development and Partnership Portfolio Holder	RC	SD+P Think Tank (TBA) Cabinet (4 April 2012)	1 2April 2012
26	Local Investment Plan	Strategic Development and Partnership Portfolio Holder	RC	Cabinet (4 April 2012) Council (11 April 2012)	12 April 2012
27	Review of Car Parks	Environment Portfolio Holder	Head of Environment **(RC)**	Asset Management Forum January 2012 Overview and Scrutiny (29.03.12) Cabinet (2 May 2012) Council (25 July 2012)	26 July 2012
28	Private Sector Renewal Strategy	Sustainable Home and Communities Portfolio Holder	Head of Housing **(RC)**	*Sustainable Homes and Communities Think Tank* *Housing Strategic Partnership* Cabinet (2 May 2012) Council (25 July 2012*)*	26 July 2012
29	Seaton Town Football Club site	Economy Portfolio Holder	Head of Economy	Cabinet (2 May 2012) Council (25 July 2012	26 July 2012

This plan contains all the key decisions that the Council's Cabinet expects to make during the 4-month period referred to above. The plan is rolled forward every month. Key decisions are defined by law as "**an executive decision** which is likely –

(a) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
(b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the Council's area

In accordance with section 38 of the Local Government Act 2000, in determining the meaning of "significant" regard shall be had to any guidance for the time being issued by the Secretary of State. The Secretary of State will be working with local authorities and the Local Government Association to identify best practice in determining what is a key decision. The Cabinet may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of the Constitution. A minute of each key decision is published within 2 days of it having been made. This is available for public inspection on the Council's website http://www.eastdevon.gov.uk, and at the Council Offices, Knowle, Sidmouth, Devon. The law and the Council's constitution provide for general exception and urgent key decisions to be made. A decision notice will be published for these in exactly the same way.

A list of background documents is available for each item on the Forward Plan from the originating Officer.

The members of the Cabinet are as follows: Cllr Paul Diviani (Leader of the Council and Chairman of the Cabinet), Cllr Andrew Moulding (Strategic Development and Partnerships Portfolio Holder), Cllr Ray Bloxham (Corporate Business Portfolio Holder) Cllr Ian Thomas (Corporate Services Portfolio Holder) Cllr Graham Godbeer (Economy Portfolio Holder), Cllr Iain Chubb (Environment Portfolio Holder) Cllr David Cox (Finance Portfolio Holder), Cllr Jill Elson (Sustainable Homes and Communities Portfolio Holder), and Deputy Portfolio Holders – Cllr Stephanie Jones (Deputy – Sustainable Homes and Communities) and Cllr Chris Wale (Deputy – Environment) Members of the public who wish to make any representations or comments concerning any of the key decisions referred to in this Forward Plan may do so by writing to the identified Lead Member of the Cabinet (Leader of the Council) c/o the Democratic Services Section, Council Offices, Knowle, Sidmouth, Devon, EX10 8HL.
16 January 2012

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Overview and Scrutiny Committee held at Knowle, Sidmouth on 5 January 2012

Present: **Councillors:**

Stuart Hughes (Chairman)
John Humphreys (Vice Chairman)
Graham Brown
Peter Burrows
Derek Button
Vivien Duval Steer
Roger Giles
Sheila Kerridge
David Key
John O'Leary
Graham Troman
Tim Wood
Tom Wright

Officers:
Mark Williams – Chief Executive
Richard Cohen – Deputy Chief Executive
Diana Vernon – Democratic Services Manager

Also Present **Councillors:**

Ray Bloxham
Iain Chubb
Trevor Cope
David Cox
Paul Diviani
Jill Elson
Graham Godbeer
Stephanie Jones
Andrew Moulding
Pauline Stott
Ian Thomas
Phil Twiss

Apologies: **Committee Members:**

Mike Allen
Peter Bowden
Mike Howe
Brenda Taylor
Eileen Wragg
Claire Wright

Councillors:

Alan Dent
Steve Gazzard
Steve Hall
Peter Halse
Geoff Pook

The meeting started at 6.30pm and ended at 8.35pm.

*58 Public Question Time

There were no questions from the public.

*59 Minutes

The minutes of the meetings of the Overview and Scrutiny Committee held on 24 November and 9 December 2011 were signed and confirmed as a true record subject to 'academy' being put in front of 'status schools' in Minute 57 and Councillor Derek Button's vote against the Local Plan consultation document being issued at this time being noted.

*60 Declarations of Interest

Councillor/ Officer	Minute number	Type of interest	Nature of interest
Cllr Trevor Cope	62	Personal	Member of Health Trust
Cllr Peter Burrows	62	Personal	Councillor's wife is employed by Health Trust

*61 Cabinet Agenda – 11 February 2012

The Chairman advised that he had received a request for the Committee to debate item 17 of the Cabinet agenda

Seaton Town Management and Seafront Enhancement.

The report set out a number of issues affecting the local Seaton economy. These included the loss of the Seaton Town Development Manager and the recent opening of a Tesco store in the town. It set out possible ways to provide support to the town and suggested that the Council worked though Business Information Point West Devon to recruit a dedicated Business Development Officer, on a fixed term to June 2012, to work with the business community.

Councillor Burrows raised concerns about the lack of consultation with the Town Council. He felt that the Town Council should be more involved with the appointment of the Town Centre Manager/Business Development Officer.

In response, the Portfolio Holder for Economy said that the Council was trying to find an immediate solution to the current problem for the positive benefit of Seaton. The Seaton Regeneration Programme Board, which included representation from the Town Council, had discussed and backed the need for replacement business support, and for the seafront regeneration and enhancement to be progressed. The Cabinet would consider the recommendations. This did not preclude having meetings with partners to discuss the Town's needs and how these could best be met.

Richard Cohen advised that certain confidential details discussed by the Partnership Board had not been included in the report.

Councillor Burrows advised that he would raise his concerns at the Cabinet meeting and contribute to the debate.

*62 Northern Devon Healthcare NHS

The Chairman welcomed representatives from the Northern Devon Healthcare NHS – Maureen Bignell (Director of Human Resources), Nick Lewis (one of the non-executive Directors) and Katherine Allen (Head of Communications).

The Chairman had invited them to the meeting to explain the proposed changes in healthcare provision and to enable the Committee's comments to be included in the consultation process.

*62 Northern Devon Healthcare NHS (cont)..

The presentation set out why the Northern Devon Healthcare was going for Foundation Trust (FT) status. The reasons included greater patient and stakeholder involvement, increased accountability to the local communities, and greater freedoms and opportunities to innovate.

The consultation process invited comment on the 5-year vision and proposed arrangements, and would run until 16 January 2012. The overall vision was for an integrated health and social care Trust delivering services locally, supporting the population to be as healthy and independent as possible. The Trust - Devon Care NHS Foundation Trust's proposed Governance Structure was:

- a Board of Directors (5 Executive Directors and 5 Non-Executive Directors),

- a Council of Governors (4 elected Staff, 13 elected members of the public from North Devon and Torridge (6) Exeter and East Devon (3), Mid Devon (3) and Cornwall, Somerset and Dorset (1), plus 6 nominated Stakeholders from NHS Devon, Clinical Commissioning Groups, Devon County Council, District Council and the Voluntary Sector), and

- plus opportunities for a wider membership to provide input on service provision.

The Trust Chairman would chair the Board of Directors and the Council of Governors.

The Trust sought support from EDDC in joining the membership and responding to the consultation.

Following the presentation, the Committee had the opportunity to raise issues and ask questions. The Committee raised the following points:

- East Devon was under-represented in the proposed governance arrangements,
- The Royal Devon and Exeter hospital was a vital resource in East Devon,
- The Committee had positive personal experiences of the existing joined-up arrangements within East Devon and with the RD&E,
- The proposed changed structure was likely to have cost implications – new signage, stationery, branding. There was concern that this would be financed by drawing funding from frontline services,
- The community hospitals needed to be fully utilized and protected,
- Resource needed to be made available to improve mental health services and increase the number of acute beds,
- Members had experience of the RD&E consultation meetings and regarded them as a public relations exercise that had little impact on service delivery,
- The public needed reassurances about proposed service provision and change,
- There needed to be full public consultation in advance of any future changes of provision,
- The Trust would have to address the broadband black spots issue before it would be able to achieve mobile working across the district using electronic access to patients records,
- Partnership working was vital.

*62 Northern Devon Healthcare NHS (cont)..

RESOLVED that feedback from East Devon District Council on the Northern Devon Healthcare NHS proposals include the following points:

1 Increase the number of East Devon representatives on the Board of Governors to 5 to reflect the geographical size of the area and its demographic profile,

2 Achieve clear and fully developed co-ordinated care arrangements with the Royal Devon and Exeter Trust,

3 The Trust to ensure that the well-supported community hospitals are fully integrated and valued within its arrangements. The Committee strongly emphasized the importance of the community hospitals and wanted to see positive steps taken by the Trust to make sure they did not miss out because of the re-structure. The hospitals and their services needed to be protected for the benefit of the local population,

4 Limit the cost of changing the arrangements and structures to avoid drawing funding away from front line services,

5 Take steps to increase mental health facilities and acute care provision,

6 Make sure that the proposed governance arrangements are genuine public consultations to improve services provided and not just a public relations exercise.

The Chairman thanked the speakers for their presentation and responses to questions asked. He reminded Members that they could submit responses individually before the close of consultation on 16 January 2012.

*63 Portfolio Holder – Strategic Development and Partnerships

Councillor Moulding up-dated the Committee on his work as Portfolio Holder and his longer term aims for the role. He outlined the remit of his portfolio and advised that this linked, and often crossed over with, the remit of the other portfolios. He worked closely with the other Portfolio Holders, for example working with Councillor Graham Godbeer (Economy) in respect of asset transfers to get the best outcome from Council assets.

He also outlined his partnership working role and how he was collaborating and developing partnerships to progress the Big Society initiative. This linked to Localism, and Councillor Moulding saw that Ward Members would have a key role in helping to identify community opportunities and in working with local groups including the parish and town councils.

*63 Portfolio Holder – Strategic Development and Partnerships (cont)..

He similarly outlined the value of partnership working and strategic planning in respect of the Growth Point Team and gave credit to achievements made so far. He suggested that it would be useful to arrange a Councillor tour of the Growth Point area.

Councillor Moulding referred to the Local Development Framework/Local Plan progress and the work of the Panel and the Strategic Development Team. He made reference to challenges ahead including the new financing arrangements for Council housing, Community Infrastructure Levy, Community Right to Buy/Build and local regeneration.

Councillor Moulding invited questions and responded in respect of the following issues raised:

- The resource within the Estates Team was being increased,
- The importance of strategic planning and major projects,
- The need to stimulate economic development – it was suggested that the National and Devon County initiative to stimulate local High Streets be supported,
- The Office Accommodation Working Party was currently testing the viability of the relocation project,
- A recent meeting in respect of Pennington Point had brought together interested people and organisations. A beach management plan based on partnership funding was being progressed,
- A Task and Finish Forum had already been set up to consider the Community Infrastructure Levy and the work of the Forum would be co-ordinated with the Portfolio Holder Think Tank,
- Arrangements in respect of the New Homes Bonus and how this money would be used to finance major projects.

The Chairman thanked Councillor Moulding for his presentation and for providing the Committee with an up-date of work carried out, progress of projects and plans.

*64 Forward Plan

Members noted the forward plan. The Chairman advised that the next meeting of the Committee would be the Special Meeting on Wednesday, 18 January 2012 to discuss and make recommendations on the 2012/13 Budget and Service Plans. The meeting, which would be open to the public, would commence at 11.30 am. The Member-only briefing would start at 9.00 am. All Councillors were encouraged to attend.

RESOLVED that a Task and Finish Forum be set up in respect of how best to progress town centre/High Street regeneration.

(Membership to include Councillor Tim Wood (Chair), Roger Giles, Sheila Kerridge, John O'Leary plus 3 others – all members other than those on the Cabinet being invited to advise if they would like to be part of this Task and Finish Forum.)

Chairman ..... Date .....

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of a Special Overview and Scrutiny Committee held at Knowle, Sidmouth on 18 January 2012

Present:

Councillors:

Stuart Hughes (Chairman)
John Humphreys (Vice Chairman)
Graham Brown
Peter Burrows
Derek Button
David Chapman
Vivien Duval Steer
Roger Giles
Sheila Kerridge
David Key
Graham Troman
Tim Wood
Eileen Wragg
Claire Wright
Tom Wright

Officers:

Mark Williams – Chief Executive
Richard Cohen – Deputy Chief Executive
Denise Lyon – Deputy Chief Executive
Simon Davey – Head of Finance
Chris Powell
Simon Smale – Head of Environment
Andrew Ennis
John Golding – Head of Housing
Karen Jenkins
Andrew Hancock
Kate Little – Head of Economy
Debbie Meakin – Democratic Services Officer

Also Present

Councillors:

Ray Bloxham
Geoff Chamberlain
Maddy Chapman
Iain Chubb
David Cox
Paul Diviani
Christine Drew
Jill Elson
Martin Gammel
Steve Gazzard
Peter Halse
Stephanie Jones
Andrew Moulding
Helen Parr
Ken Potter
Phillip Skinner
Pauline Stott
Ian Thomas
Chris Wale
Mark Williamson

Apologies:

Committee Members:

Mike Allen
Peter Bowden
Mike Howe
John O'Leary
Brenda Taylor

Councillors:

Trevor Cope
Alan Dent
Graham Godbeer
Steve Hall
Steve Wragg

The meeting started at 11.30am and ended at 2.30pm.

*65 Public Question Time

There were no questions from the public.

64 Draft Revenue and Capital Estimates 2012/13

The Committee considered the Draft Revenue and Capital Estimates for 2012/13. On reflection the Committee felt it was in a position to consider recommending Special Item Bids to the Cabinet for inclusion in the budget for 2012/13.

Comments made on the overall Draft Revenue and Capital Estimates included:

- Increasing the savings target set out in the estimated income in order to support some special items of merit to the Committee;
- Inclusion of Occupational Health fees for 2012/13 resulted in an increase for the estimate for corporate activities under the Corporate Services Portfolio.

Comments made on the Special Item Bids included:

- Linking with Town and Parish Councils to establish what Diamond Jubilee celebrations they may be undertaking, before committing to a scheme or project for the District;
- Security concerns for the WWII memorial, but general support for contributing towards it;
- Value of additional ICT post to help realise efficiencies identified;
- Seaton TIC had not been included in the Special Item Bid for running cost contribution because it had not requested assistance. In light of the existing TIC building still being vacant and in place, Councillor Peter Burrows would feed back to Seaton Town Council the debate on TIC contributions. Any request by Seaton Town Council to use that premises or for a rent contribution would be considered by the relevant Portfolio Holder;
- Councillor Roger Giles as Recycling Champion outlined his concern to the Committee of the cost, both actual and environmentally, in not undertaking cardboard recycling;
- The Portfolio Holder for Environment outlined a possible alternative solution to the replacement of Roman Way Bridge after inspecting it with the Streetscene Manager. He suggested to the Committee that repair work could be undertaken at around £5k; closure and removal of the bridge would still cost the authority around £2.5k;
- A need had been identified to establish renewal strategies for Axminster, Honiton and Sidmouth; the Committee were keen to support work on those strategies prior to any economic upturn;
- £10k had already been indentified for the De-Facto Parish Clerk – the remaining special item bid was to cover the remaining £10k required.

RECOMMENDED

1. that the Draft Revenue and Capital Estimates be recommended to Council for adoption
2. that the Savings Target of £125,000 identified in the estimated income for 2012/13 be increased to £175,000;
3. that the Special Items Bids detailed in table A below be included in the budget for 2012/13;

64 Draft Revenue and Capital Estimates 2012/13 (continued)

RECOMMENDED

4. that a contribution to the Exeter and Heart of Devon Employment and Skills Board at £12,500 for 2013/14 and 2014/15 budgets be recommended;
5. that future special bid items relating to maintenance should be included in the draft revenue estimates during preparation as part of the maintenance budget;
6. that an alternative solution to extending the Seaton Cemetery Memorial Wall is investigated and costed, with a view to reducing the special item bid of £12,000;

RESOLVED that the Committee's support of the Cabinet recommendation (11 January 2012) to use the Transformation Reserve to progress the electronic documentation management initiative be noted.

Table A: Special Items Bids

		Recommend add to Draft Budget
Corporate Services Portfolio		
Civic Fund	Queen's Diamond Jubilee	£5,000
Financial Assistance	Contribution towards WWII Battle of Britain Memorial, Exeter Airfield	£2,000
Local Apprenticeships	Two Apprentices	£6,000
ICT	Additional Post	£28,790
	Information Security Systems Monitoring for Servers	£10,000
Human Resources	Investors in People Reaccreditation	£5,500
Economy Portfolio		
Tourist Information Centre Support	Contributions to running costs for Axminster, Ottery St Mary and Budleigh Salterton TIC rent	£20,610
Economic Development	Exeter and Heart of Devon Employment and Skills Board contribution	£15,000
Environment Portfolio		
Arts Development	Museums Officer Contribution	£1,500
Beaches and Foreshores	Seafront Railings, Sidmouth – painting	£5,000
	Jacob's Ladder, Sidmouth - painting	£11,000
Cemeteries	Seaton Cemetery – memorial wall extension	£12,000
Coast Protection	Inspection and Repairs	£32,000
Parks and Gardens	Roman Way Bridge – Repair (rather than replace)	£5,000
Countryside Team	Two permanent posts from current fixed term posts	£19,200

*64 Draft Revenue and Capital Estimates 2012/13 (continued)

Table A: Special Items Bids

Strategic Development and Partnership Portfolio		
Regeneration	Town Centre renewal and resilience strategies	£30,000
Development	Cranbrook De-Facto Parish Clerk	£10,000
	Neighbourhood Plan referendum	£10,000
		£228,600

Chairman ..... Date .....

EAST DEVON DISTRICT COUNCIL

Minutes of a meeting of the Housing Review Board held at Knowle, Sidmouth on 1 December 2011

Present:

Councillors:
Pauline Stott (Chairman)
Christine Drew
Douglas Hull
Peter Sullivan

Co-opted Tenant Members:
Victor Kemp
Christine Morrison
Sally Lancaster
Pat Rous
Sue Saunders (Vice Chairman)

Co-opted Independent Community Representative:
Rob Finch

Officers:
Polly Anderson, Community Development Worker (Youth)
Dennis Boobier, Housing Needs and Strategy Manager
John Golding, Head of Housing
Paul Lowe, Housing Enabling Officer
Debbie Meakin, Democratic Services Officer
Natasha Redfern, Information and Analysis Officer
Jane Reading, Tenant & Communities Section Leader
Victoria Robinson, Community Development Worker (Youth)
Giles Salter, Assistant Solicitor

Also Present:

Councillors:
Stephanie Jones – Deputy Portfolio Holder for Sustainable Homes and Communities

Apologies

Councillors:
Vivien Duval Steer
Steve Gazzard
David Cox
Jill Elson

Co-opted Independent Community Representative:
Julie Adkin

The meeting started at 6.00pm and ended at 8.07pm.

*26 Public Question Time

There were no questions raised by members of the public.

*27 Minutes

The minutes of the meeting of the Housing Review Board held on 8 September 2011, were confirmed and signed as a true record.

*28 Declarations of Interest

Board Member	Minute number	Type of interest	Nature of interest
Rob Finch		Prejudicial	Works for DCH who are part of PSW

*29 Urgent items – Update on self-financing HRA

The Head of Housing updated the Board on the recalculation of models for the self-financing HRA. This followed publication of the final consultation on the settlement figure of £84.8 million. He was cautiously optimistic that, in light of a clear choice for lender and future risks relating to income streams and welfare reforms, the HRA would be in a strong position. The Board will be presented with detailed budget proposals and revised business plan projections at their next meeting.

*30 Standardised Tenant and Resident Satisfaction Survey

The Housing Needs and Strategy Manager presented the report prepared by the Information and Analysis Officer, outlining the new style tenant satisfaction survey using HouseMark's "STAR" framework. He reminded the Board of the previous STATUS survey last undertaken in 2008. The survey being proposed would allow monitoring of tenant satisfaction and benchmarking against other landlords. The report also set out the option of working with Exeter and Mid Devon Councils to commission the survey and there was also the opportunity of asking district related questions whilst retaining core questions to allow benchmarking across authorities.

The Board agreed that a standardised tenant survey was the correct option to follow. They were also keen to stress that a balance had to be struck between enough questions to guage satisfaction but not too many to deter tenants from taking part.

RESOLVED:

1. that the Board supports the implementation of a standardised tenant and resident satisfaction survey by setting a financial budget and identifying staff resources available to undertake the survey;
2. that if funding is available earlier, the Head of Housing be delegated to agree the wording of the survey in conjunction with the Chairman and Vice-Chairman of the Board.

31 Housing Community Development (Youth) report

The Board received an update on the Community Development work to date and future plans. They were reminded of the remit of the post of Community Development Worker and were given an update on the current projects:

- The Switch project in Littleham, Exmouth and Millwey Rise, Axminster;
- Community festivals and Fundays across the District;
- Supporting and adding value to other local groups and organisations.

31 Housing Community Development (Youth) report (continued)

The Board watched two films, produced by My Pockets and First Light Productions, about the SWITCH projects in Exmouth and Millwey Rise, Axminster. The Exmouth film centred on three young men from Exmouth and their lives, including how the SWITCH project provided them with an opportunity to create music, which in turn helped build their confidence and self-worth. The Axminster film showed young people from the Millwey Rise area creating memories of their childhood including some activities provided by the SWITCH project. Both films helped illustrate to the Board the value of the work undertaken by the Community Development Workers.

Many Board members congratulated the workers on what they had achieved with only the equivalent of one full time post and a very small budget, boosted by funding bids where possible. Councillor Stephanie Jones, Deputy Portfolio Holder for Sustainable Homes and Communities, spoke of her praise and admiration of the officers who were helping to rebuild communities. The Board agreed that the budget should be increased, which may be possible from the HRA in the future under the new self-financing regime.

RESOLVED:

1. that the Board recognises the achievements and continues to support funding for community development work for youth within the District;
2. that the Board looks to finance an additional post and increased budget for community development work in 2012/12.

RECOMMENDED: that the My Pocket and First Light Production films about SWITCH projects in Exmouth and Axminster are presented to Council.

*32 Housing Review Board Forward Plan

The Board considered the forward plan presented by the Head of Housing. The Board received short briefing notes on the Housing Strategy for England, published by the government in November; and the Tenant Services Authority consultation on a revised regulatory framework.

The Chairman requested that feedback from the Tenant Scrutiny Panel be timetabled into the Forward Plan.

RESOLVED: that the forward plan be noted.

*33 East Devon Homes

The Board considered the proposal outlined in the Head of Housing's report. The proposal was to establish a business unit for landlord services. This would help prepare for the self-financing and managing new housing debt. He was keen to stress that the proposal was not an intention to become an Arms Length Management Organisation (ALMO). He explained it was an opportunity to embrace good practice in the sector and undertake some of the best features of housing association practice.

*33 East Devon Homes

He outlined how creating the business unit, entitled *East Devon Homes*, would symbolise the changes introduced by the Tenant Service Authority. The unit would create a stronger identity for the landlord service but within the Council's corporate identity. It could go on to develop the Council's community role and take on other housing related initiatives.

RESOLVED: that the Head of Housing work up the concept of *East Devon Homes* with the Portfolio Holders for Homes and Communities, the Chairman of the Housing Review Board, and selected tenants, in preparation for a launch in April 2012.

*34 Value for Money

The Head of Housing set out the new guidance that had emerged relating to value for money (VFM) for the service, based on a recent HouseMark publication. He reminded the Board of the Audit Commission inspection of the service and the work undertaken to reach the proposals for a VFM strategy.

He explained that VFM was a Tenant Services Authority (TSA) standard that ensures that the Council manages its resources to provide cost-effective, efficient, quality services and homes to meet tenants' and prospective tenants' needs.

RESOLVED: that the revised approach to achieving value for money in the delivery of housing services be adopted.

*35 Localism Bill 2011 – Tenancy Strategy

The Board considered the requirements on the Council following the enactment of the Localism Bill, in particular the requirement to publish a Tenancy Strategy. The Local Authorities in Devon have agreed to prepare a common framework for the strategy, and some consultation work has already been undertaken across the county.

The new strategy was required to be consistent with local homeless strategies and allocation schemes, as well as tenancy and rent standards. The key areas of the strategy would include:

- Defining affordability in the area – this may be linked with housing allowance
- Affordable rent
- Fixed or Flexible Tenancies
- Succession
- Advice and assistance to tenants at end of tenancy

The Board discussed some elements of the strategy, including introducing a five year tenancy review and keeping a property to a good standard.

RESOLVED: that the Tenancy Strategy be prepared for consideration and approval at a future meeting of the Housing Review Board.

*36 Council Own Build update

The Board considered the update that highlighted the issues relating to pursuing building new homes in partnership with Partnership South West (PSW). The expected programme of funding had been halved by the Homes and Communities Agency (HCA) due to an oversubscribed national programme and reduced central grant funding.

Due to the relevant sections of the Localism Bill not being effective until April 2012, the Council was unable to sign contracts with PSW, effectively reducing the Council to a "silent partner" in the programme with them. Legal opinion had indentified financial risk to the Council, such as indemnity against any other partners of PSW not performing in accordance with their build programme. The Head of Housing suggested, with some reluctance, that the grant offer is not taken up, and a possible knock to reputation taken rather than risk a large financial impact in continuing.

Alternative options to continue building would be investigated and he was keen to stress that this did not mean the end to building Council homes.

(Rob Finch left the meeting for this item)

RESOLVED: that alternative funding approach be approved for the continuation of the Council Own Build Programme.

*37 Housing revenue account – programmed, cyclical and improvement works

The Board considered the report setting out an alternative approach to the way that programmed works are undertaken. The report used the painting programme as an example, currently undertaken on the exterior elements of homes every five years. An alternative option provided to the Board outlined a budget of £700,000 over the next ten years to replace all external wooden elements of properties with plastic options, with an ongoing budget of £200,000 per annum for cement render repair and painting.

The Board also discussed the option of moving away from annual tenders to longer term contracts and a smarter way of tendering to achieve both best value and quality of service. Some examples of poor work for the programmed work were expressed by the Board Members and this new approach, with annual reviews, could help to alleviate such issues in the future.

RESOLVED:

1. that under the painting programme, the Board agrees to an annual budget of £700,000 over the next ten years to replace all external wooden elements of properties with plastic options, with an ongoing budget of £200,000 per annum for cement render repair and painting;
2. that the proposals for changes to the programmed works length of contracts as set out in the report be approved, in order to secure better value for money;

*37 Housing revenue account – programmed, cyclical and improvement works

RESOLVED 3. that the agreed priorities for investment in programmed works for the next five years are:

- Boiler replacement;
- Kitchen replacement;
- External door replacement;
- Shift from painting wooden elements of property to replace with “plastic”;
- Bring those properties indentified in the Stock Condition Survey up to Decent Homes standard;
- Catch-up repairs indentified in the Stock Condition Survey.

*38 HRA position statement

The Board noted the budget monitoring report on the Housing Revenue Account.

RESOLVED: that the half year financial position statement on the Housing Revenue Account be noted.

Chairman …….. Date ……..

EAST DEVON DISTRICT COUNCIL

Minutes of a meeting of the Housing Review Board held at Knowle, Sidmouth on 12 January 2012

Present:

Councillors:

Pauline Stott (Chairman)
Christine Drew

Co-opted Tenant Members:

Victor Kemp
Christine Morrison
Sally Lancaster
Sue Saunders (Vice Chairman)

Co-opted Independent Community Representatives:
Julie Adkin
Rob Finch

Officers:

Dennis Boobier, Housing Needs and Strategy Manager
Simon Davey, Head of Finance
John Golding, Head of Housing
Giles Salter, Assistant Solicitor
Alethea Thompson, Democratic Services Officer
Mandy White, Senior Accountant
Mark Williams, Chief Executive

Also Present:

Councillors:

Jill Elson - Portfolio Holder for Sustainable Homes and Communities

Paul Diviani
Steve Gazzard
Phil Twiss
Brenda Taylor

Apologies

Councillors:

Derek Button
David Cox
Douglas Hull
Peter Sullivan

Stephanie Jones – Deputy Portfolio Holder for Sustainable Homes and Communities

Co-opted Tenant Member:
Pat Rous

The meeting started at 6.00pm and ended at 7.40pm.

*39 Public Question Time

Councillor Brenda Taylor asked if there was a suitable empty garage in Exmouth to store salt as part of the snow warden scheme. The scheme wanted to use the Camperdown depot, but this facility was not available due to security restrictions. The request would be considered during a review of Council owned garages.

The Chairman informed the Board that there would be a Housing Seminar on Wednesday 29 February from 6.00 - 8:30pm. This was part of the Councillor refresher programme and would explore the role of housing and how the Council was working to delivery its key priority (sustainable communities). The session would be led by the Portfolio Holder – Sustainable Homes and Communities and the Head of Housing. All members of the Housing Review Board were invited to attend.

*40 Minutes

The minutes of the meeting of the Housing Review Board held on 1 December 2011, were confirmed and signed as a true record, subject to minute 31, resolution 2 being amended to read '2012/13'.

*41 Declarations of Interest

Board Member	**Minute number**	**Type of interest**	**Nature of interest**
Jim Knight	46	Personal	His daughter lived in a Council owned property in Courtney Drive

*42 Housing Review Board Forward Plan

The Head of Housing presented the forward plan. The dates of the housing drop in sessions were highlighted and Board members were invited to attend these.

The Head of Housing reported that he should be able to give the results of the responsive repairs and works to void properties contract re-tendering at the next Board meeting.

It was requested that the solar photovoltaic project be amended to 'projects'.

RESOLVED: that the forward plan be noted.

43 Housing Revenue Account reform and self financing

The Board considered the Head of Housing's report. The report looked at the latest consultation paper on the Housing Revenue Account (HRA) self-financing determinations, considered the implications and effect on the thirty year financial models, together with the initial advice on borrowing tactics and servicing debt. The East Devon self-financing debt settlement was proposed at £84,782,000 and was likely to be the sum to be paid to the Secretary of State on or before 28 March 2012.

43 Housing Revenue Account reform and self financing (cont'd)

The recent Communities and Local Government (CLG) publication on HRA determinations was likely to be the final consultation on self-financing and allowed the Council to finalise preparations for the new financial regime. The Council was also reaching a position where it could complete the update of the HRA Business Plan.

The stock valuation for East Devon set out in the consultation paper on determinations was £87,603,000 and the debt settlement was £84,782,000. CLG had assumed £646,000 as existing borrowing used to fund the Council's new build last year, and had given EDDC a borrowing cap of £88,249,000. This gave an additional borrowing capacity of £3,467,000 before the borrowing cap was reached. The cap would be carefully monitored and regular reports would be brought to the Housing Review Board.

The key elements of the self-financing model were:

- Assumed rental income
- Assumed costs to manage and maintain stock
- Stock numbers

It was noted that the Government had announced that the Right to Buy scheme changes would not impact on the viability of self-financing landlords. The CLG intended to link the Right to Buy policy to actual sales rather than forecasts. This would mean that unpredictable levels of sales would not pose a risk to local authority landlords' business plans.

Final debt settlement determinations would be published in January 2012. The Head of Housing would provide a further progress report to the Board in March 2012, along with firmer assumptions on the debt settlement, interest rates, and the HRA Business Plan. The Business Plan would show reinvestment options which would prevent the HRA balance reaching high levels of surplus and enable the Council to maintain its assets and provide an excellent service to tenants.

It was recommended that a cautious approach be taken initially to additional investment items. There should be a minimum £2million surplus, which would equate to £500 per property. Greater provision should also be made for bad debt and rent loss. Welfare reform changes and changes to the Universal Credit system could mean the Council's income collection would not be as good as it was currently. These suggested changes had been built into the financial model.

Sector Treasury Services was providing the Council with treasury management advice on its borrowing strategy. The borrowing strategy was a crucial element of the business planning and integral to the future financial health of the HRA. The Government was providing what seemed to be the best deal through the Public Works Loan Board (PWLB). Sector was advising a portfolio of different loans, all to be repaid by 2037. Surpluses in the existing HRA would be used to pay off debts as quickly as possible.

The Chairman thanked the Head of Housing, the Head of Finance, the Senior Accountant, and all the other staff involved for their hard work.

RECOMMENDED: that the Council approve the Business Plan assumptions and the outline borrowing strategy.

*44 Draft Housing Revenue Account 2012/13

The Housing Review Board considered the draft Housing Revenue Account for 2012/13. The account showed the main areas of anticipated income and expenditure on landlord activities for the year ahead. It was a statutory requirement for Councils that managed and owned their housing stock to produce a Housing Revenue Account. It set a financial context for the operation of the Council's landlord service, and demonstrated some of the constraints in which EDDC operated as a local authority housing service. It was a key document for the Board to influence. The annual HRA was underpinned and influenced by a 30 year HRA Business Plan.

Due to the major reform to social housing finance and a move to self-financing, the HRA was projecting a healthy position. However, this was subject to assumptions on interest rates, amongst other factors. The HRA would meet its own capital programme requirements in the forthcoming year. The HRA for next year allowed significant investment in the housing stock on improvements and modernisation.

A rent increase of 6.1% in Council homes, in line with the Government's rent convergence formula, and a 3% increase in garage rents was assumed. This would make the average weekly rent in 2012/13 £72.42. The planned expenditure on repairs and improvements was noted, as well as staffing costs and a new housing IT software system.

The Board also noted the refreshed Housing Service Plan. This was updated annually and sat alongside the budget.

The HRA was still in draft and would to go through the Overview and Scrutiny Committee, then to the Cabinet, before being finalised and agreed by Council.

A request was made for a special area in the budget to be made available for loft conversions. The Head of Housing explained that loft conversions would be included under the 'modernisation' heading or in the capital programme. It was agreed to make it clearer in the capital programme and rename the heading 'major improvements/modernisations/loft conversions'.

It was noted that the Council's landlord service was spending £7 million per annum directly into the local economy on repairs and maintenance, by employing local businesses and people.

RESOLVED: that the report on the 2012/13 Housing Revenue Account be recommended to the Cabinet, subject to 'loft conversions' being added to the capital budget heading 'major improvements/extensions'.

45 Fire risk assessments

The Board considered the report of the Housing Needs and Strategy Manager which set out the requirement for the Council to undertake Fire Risk Assessments (FRA) of blocks of flats in the housing stock. The FRA must comply with the requirements of the Housing Act 2004 and the Regulatory Reform (Fire Safety) Order 2005. The Council had a duty to ensure that appropriate fire precautions/measures were in place to ensure the safety of residents who resided in 'blocks' of flats in its ownership. The Council owned 222 'blocks' of flats and was required to undertake an FRA for each block. A common assessment form had been prepared and approved to be used for the assessment of each block. The assessment would identify the fire precaution measures in place and recommend any further changes or improvements to the fire safety at individual blocks of flats. The assessment process was estimated to be completed within two years.

The FRA was primarily a review of fire precaution measures the Council already had in place and to implement any changes to bring those measures up to date, if necessary. The FRA would identify any improvements that needed to be made at each block of flats. The majority of changes would relate to 'means of escape' and directional signage and Fire Notices. Once completed the FRA's would be held on the Council's IT system, available to all Housing staff that required access to this information.

It was suggested that all district councillors should be informed of the fire risk assessments so that they were aware of any issues which may arise from tenants being asked to move their personal belongings out of communal areas. It was reported that the Estate Management team were frequently informing tenants that they should not store items in communal areas. A request was made for capacity number notices to be displayed in each community centre.

RECOMMENDED: 1 that the Fire Assessment outlined in the report be approved.

2 that an annual budget of £50,000 be approved to carry out the identified additional fire safety works required.

*46 Car parking

The Board considered the recommendations of the Task and Finish Forum, set up in April 2011 to look at identified car parking issues in Council housing areas. Members noted the housing areas that had been considered, the Forum's findings and the recommended action for approval by the Board.

A budget of £50,000 had been agreed for 2011/12. So far £15,000 had been committed to resolve the car parking problem at Furzehill, Sidbury. This left £35,000 uncommitted for the current financial year. It was requested that the following be undertaken in this financial year to ensure that the capital funding was spent:

- The parking area at Wytch Green, Hawkchurch to be white lined to provide proper car parking spaces.

- To provide a new sign at the bottom of the entrance to Bucknall Close, Branscombe clearly stating that the parking was for residents only.

*46 Car parking (cont'd)

- Provide double yellow lines on both sides of the road at the entrance to Dunning Court, Honiton.

- Tarmac the parking bay in front of Orchard Close, Talaton and mark two disabled spaces out in the bay for EDDC residents only.

- Put a new sign at the entrance to Albion Court, Exmouth stating that parking was for residents only, and mark out the parking area to increase the number of parking spaces available.

- At Churchill Court, Lympstone prepare a planning application to provide the off road parking along the grass area on Glebelands, and round the corner on the grassed area outside the flats in Trafalgar Road, with dropped kerbs.

In addition, Officers would progress the following:

- Consult with the tenants of Kendall House, Honiton to find out what the actual parking issues were.

- Write to all residents in Mead View Road, Honiton informing them that the entrance driveway was private property and asking them not to park in this area.

- At Arcot Park, Sidmouth consult with tenants about allocating and enforcing the parking spaces for their use only, with a cost for the necessary permits and enforcement.

- At Courtney Drive, Colyton, seek the tenants' of Nos. 33, 34 & 35 views on EDDC providing parking in their front gardens adjacent to the footpath leading to their properties, and consult the neighbouring private property owner about the opportunity for a small part of his/her land to be used to provide the above.

Members went on to consider the priority given to each scheme, and the associated costs. Overall, this was a significant programme of improvements to the identified car parking issues in housing areas. It could take three years to complete, depending on the allocated funds available each year.

The Chairman (of the Board and the TaFF) commented that the TaFF had been very interesting and comprehensive. She thanked all those involved with it.

RESOLVED:

1 that the recommendations of the Task and Finish Forum, set out in the minutes of the meeting held on 25 November 2011, be approved.

2 that the suggested priority of the car parking improvement schemes set out in the report, be agreed.

(Councillor Jim Knight declared a personal interest in the above item as he had a daughter living in a Council property in Courtney Drive.)

*47 Garage management review

The Board considered the report of the Housing Needs and Strategy Manager, which provided an update on the current garage management performance. The management of garages was a key function in Housing Services. The Council had 762 garages that provided an annual rental income of £424,000. Currently there were 120 garages empty at a loss of £70,000 per annum – 16% of total debit. The economic situation and the level of rental charge had seen the number of void garages increase from an average of 70 at any one time to this increased level. The report set out the current position with regard to garage management and options for the Board to consider.

RESOLVED:

1 that a Task and Finish Forum be set up to carry out a review of garages and their management.

2 that the membership of the TaFF be the same as that of the Car Parking TaFF (Councillors Stott, Drew, Hull and Knight, and tenant Pat Rous), with the addition of tenant member Victor Kemp.

*48 Systems Thinking – Housing Repairs

The Board considered the report of the Housing Needs and Strategy Manager, which set out the findings of a Systems Thinking review of day to day (responsive) housing repairs undertaken during 2011/12. The report highlighted the findings of the 'Check' phase, the key areas of success and where focus was needed to improve the service. The 'Redesign' phase had been completed and the report identified those key areas where changes in service delivery, contract management and ICT would help to improve the service for tenants.

Members discussed further options for improving the service, including looking at the whole life cost of products, and linking planned and unplanned repairs visits.

RESOLVED: that the proposals set out in section 3 of the report be approved.

*49 Tenant scrutiny

The Board noted the progress report on the activities of the Tenant Scrutiny Panel, which had been in operation since April 2011. The first project started in May 2011. The subject under scrutiny was housing owned and managed community centres. A full report on the community centres project would be reported to the Housing Review Board in March 2012. It was noted that the Panel currently had two vacancies.

RESOLVED: that the progress made by the Tenant Scrutiny Panel and the work being carried out for their first scrutiny project be noted.

*50 New tenant survey

The Board noted the results of the new tenant telephone survey. Following changes to the procedures used for new EDDC tenants, as part of the Systems Thinking review process, a rolling programme of telephone surveys was undertaken. 64 respondents answered the telephone survey during September, October and November 2011.

RESOLVED: that the new tenants telephone survey be noted.

Chairman …….. Date ……..

Agenda Item 11

Cabinet Report
1 February 2012
SD

Revenue and Capital Estimates 2012/13

Summary

The Cabinet adopted draft Revenue and Capital Estimates for 2012/13 at its meeting on 11 January 2012. A Special Overview and Scrutiny Committee reviewed those budgets on 18 January.

A detailed draft budget report and estimate book was presented to the last meeting of the Cabinet.

The Cabinet is asked to recommend the Revenue and Capital Estimates for 2012/13 and to reaffirm decisions identified in the body of this report

As part of the Prudential Code for Capital Finance in Local Authorities the Council is also required to set prudential indicators as part of its budget setting process and these are appended to this report.

Recommendation

It is recommended:

1. That the Committee agree to the inclusion of special item bids totalling £0.229m as proposed by the Overview and Scrutiny Committee detailed in the minutes of that Committee.

2. That the Net Revenue General Fund Estimates of £13.430m are approved.

3. That the Capital Budget totalling £6.646m is approved.

4. That the Housing Revenue Account Estimates with a net surplus of £1.734m are approved.

5. A Council Tax requirement is set for 2012/13 at £7.015m with a resulting Council Tax Band 'D' of £121.78 (2011/12 £121.78).

6. Council House Rents are increased from April 2012 in line with the Government Social Rent Reform guidelines with the general increase being given at a 6.1% increase.

7. Council garage rents are increased from April 2012 by 3%.

8. That the Prudential indicators detailed in Appendix A of this report are adopted.

a) Reasons for Recommendation

There is a requirement for the Council to set a balanced budget for both the General Fund and Housing Revenue Account and to levy a Council Tax for 2012/13.

b) Alternative Options

Please see main body of report

c) Risk Considerations

Risks have been considered in preparing the budgets and the financial implications have been assessed at the point of preparation. Various budget assumptions have been made including the treatment of inflation and interest rates; estimates on the level and timing of capital receipts; the treatment of demand led pressures; the treatment of planned efficiency savings/productivity gains; levels of income; financial risks inherent in any new arrangements; capital developments; the availability of funds to deal with major contingencies and the need for any provisions. In each of these areas the Council's financial standing, management and track record has been considered in order to prepare robust budget proposals.

An Equality Impact Assessment has been undertaken on the proposed budget and this is contained in Appendix B.

d) Policy and Budgetary Considerations

The estimates have been prepared in line with the Corporate Plan and in conjunction with the Council's Financial Strategy (2012 onwards).

A detailed assessment of the key financial risks were outlined in the draft budget report to Cabinet on the 11 January, these risks still remain.

Positive Impact Overall

Affordable Homes.
Thriving Economy.
Safe Environment.
Clean Environment.
Green Environment.
Recycling.
Excellent Customer Service.
Inspirational Council.
Meeting our crime and disorder duties.
Meeting our Diversity and Equality duties.
Providing more service at same cost.
Providing same service at less cost.
Create Cashable Savings

e) Date for Review of Decision

Full Council 22 February 2012

East Devon District Council

1. Introduction.

1.1 The Cabinet adopted draft revenue and capital estimates on the 11 January 2012.

1.2 The estimates and associated service implications were then considered by:

- A special meeting of the Overview and Scrutiny Committee on 18 January.
- The Housing Review Board considered the Housing Revenue Account estimates at its meeting on 12 January.
- East Devon Business Forum was presented with the Council's draft budget proposals on 4 January whereby representatives of the business community were invited to make comment on the draft budget.

2. Update and Summary of recommendations to Cabinet.

2.1 A detailed report was presented to Cabinet on 11 January on the Revenue and Capital estimates for 2012/13 along with the detailed estimate book showing the draft budget, service by service, with main variations to the current year budget explained.

2.2 The minutes of the Overview and Scrutiny Committee meeting on 18 January are contained on this agenda.

General Fund Budget

2.3 The draft budget adopted by Cabinet had a net General Fund budget of £13.202m, with a list of special items totalling £0.302m not included in the budget. Consideration was required as to whether items should be included in the budget and funded from balances recommended up to value of £0.232m.

2.4 The recommendation of the Overview and Scrutiny Committee after careful consideration of the budget and list of special item bids was to;

- include £0.229m worth of special item bids into the budget, and to recommend
- that the savings target included in the budget of £0.125m be increased to £0.175m to offset part of this increase spend with the remaining £0.179m being met from the General Fund Balance.

The details of these recommendations can be found in the minutes of the Committee detailed on this agenda.

2.5 Taking these recommendations gives a budget position which requires £0.179m being taken from the General Fund Balance, leaving the General Fund Balance still significantly above the adopted level to meet the number of acknowledged financial risks facing the Council.

Housing Revenue Account Budget

2.6 No amendments have been proposed to the draft budget originally adopted by Cabinet.

Capital Budget

2.7 No amendments have been proposed to the draft budget originally adopted by Cabinet.

3. Confirmation of Revenue and Capital Estimates 2012/13

3.1 In summary the position for 2012/13 considering the above is as follows;

General Fund

Proposed Figures:	**General Fund Revenue £000**
Net Expenditure	13,430
Funded from:	
Formula Grant	(5,232)
Local Services Support Grant (Homelessness)	(99)
Council Tax Freeze Grant – from 2011/12	(174)
Council Tax Freeze Grant – from 2012/13	(175)
External Interest Receipts	(301)
External Interest Payments	74
Section 106 – New Community Planning Officer	(40)
Council Tax Collection Fund Surplus	(114)
Savings Target	(175)
General Fund Balance	(179)
Required from Council Tax payers	**(£7,015)**

- The 2012/13 Council Tax Base has been determined at 57,602, equivalent Band "D" properties. This is used to calculate the Council Tax for a Band D property.

- The amount required from Council Tax payers in 2012/13 is £7,014,770 which results in a Council Tax Band 'D' of £121.78 (the same amount as 2010/11and 2011/12).

Housing Revenue Account

Proposed Figures:	**HRA £000**
Expenditure	11,370
Funded from:	
Property and Garage Rents	(16,318)
Other rents & Income	(89)
External Interest Receipts	(13)
External Interest Payments	3,316
Transfer to Housing Revenue Account Balance	**£1,734**

- Council House Rents are increased from April 2012 in line with the Government Social Rent Reform guidelines with a general increase being applied of 6.1%. Individual property rent increases will vary dependant on the current rent level and the target rent for each property at the end of the convergence period.

- Council garage rents are increased from April 2012 by 3%.

- The interest payments relate in the main to the loans totalling £84.782m taken out on 28 March 2012 to make a payment to Government under the implementation of self financing.

Capital Programme

Proposed Figures:	**Capital £000**
Proposed Programme (net of grants)	6,646
Funded from:	
In year Receipts – General Fund	(689)
In year Receipts – Housing Revenue Account	(35)
Housing Revenue Account payment for schemes included in Programme	(750)
External Grants	(3,250)
New Homes Bonus	(347)
Shortfall met from Capital Reserve	**(£1,575)**

In addition to these figures £4.140m of capital expenditure is spent on Council Dwellings funded through the Housing Revenue Account (Major Repairs Sum)

4. Council's Balances and Reserves

4.1 After taking account of proposals in the 2012/13 budgets then the expected balances at the 31 March are:-

Reserve/Balance	Estimated Balance 31 March 2012 £000	Movement In 2012/13 £000	Estimated Balance 31 March 2013 £000	Agreed Recommended Levels £000
General Fund (note 1)	(£4,423)	£ 179	(£4,244)	(£1,511)
HRA (Note 2)	(£1,204)	(£1,734)	(£2,938)	(£2,108)
Capital Reserve (note 3)	(£1,874)	£1,575	(£ 299)	-

Notes: (1) **General Fund balance**

The General Fund Balance is currently predicted to be above the minimum level by £2.733m. Members have reaffirmed there position of holding such a sum because of areas of uncertainty in the current economic climate. Other areas of concern are:

- The estimated General Fund balance at 31 March 2012 is based on predicted savings of £0.118m, in line with the current year monitoring position. There is a risk that an element of these savings items may not materialise.

- Budgets for maintenance provisions is still minimal and there is a possibility of requests coming forward in the course of the year for supplementary estimates for legitimate reasons where expenditure can not be capped within the tight budgets.

- The introduction of the Localisation of Council Tax Benefit in April 2013 brings with it a high financial risk. There is also a growing pressure on the Council's homelessness budgets for the future.

- There is uncertainty over Local Land charges income and issues relating to legality.

- No provision has been included in the 2012/13 budget for a pay increase and there is still uncertainty over the final agreement.

- Further risk relates to future grant settlements in the final 2 years of the current Comprehensive Spending Review period.

- Future funding of the Capital Programme is of concern and if schemes are deemed essential there maybe a need to fund through revenue contributions and a need to utilise the General Fund Balance.

(2) **Housing Revenue Account Balance**

The Housing Revenue Account Balance is £0.830m above the new adopted level. This is considered appropriate at this stage in the first year of self financing; this situation will be

revisited as more certainty of operating under the new regime is gained.

(3) **Capital Reserve**

The Capital Reserve has a projected balance at the end of 2012/13 of £0.299m. With the proposed capital programme shortfall of £0.964m in 2013/14 the reserve will be depleted with still a deficit to find.

4.2 The Council has other reserves as outlined in the draft budget report to the Cabinet at its last meeting, these being:

- **Transformation Reserve**

  The uncommitted balance on this reserve is currently £1.142m, after deducting the recent agreement to use up £0.120m on Electronic Document Management project and up to £0.200m on the relocation scheme. This sum was set aside to assist the Council's transformation programme by meeting upfront costs necessarily incurred in order to produce savings in future years.

- **Local Authority Business Growth Incentive Scheme Reserve**

  The purpose of this reserve is to promote and deliver economic development. The uncommitted sum on this reserve is currently £0.244m.

- **Asset Management & Maintenance Reserve**

  This reserve is used to support initiatives around the management of the Councils General Fund Assets and planned maintenance and backlog work.

  It is proposed that £0.405m of this Reserve is used in 2012/13 leaving a balance at the end 2012/13 of £0.936m.

- **New Homes Bonus**

  Monies have been received of £0.311m in 2010/11 and £0.759m in 2011/12 giving a total to date of £1.070m. Members have committed £0.105m to a Community Fund allocation, with the remaining £0.965 being allocated to the Capital programme for one off items.

  The 2012/13 proposed Capital Programme uses £0.347m of the New Homes Bonus, with some of schemes running into 2013/14 and thereby using a further £0.230m. This leaves an uncommitted balance of £0.388m to be allocated against the 2013/14 capital programme in the next budget round subject to member approval.

  Sums to be received in 2012/13 under the scheme are unknown at this stage and the implications on the future formula grant settlements uncertain. It is therefore expected that the New Homes Bonus Panel will meet again when more details are known and further sums available for allocation.

5 Future General Fund and Capital Programme Budgets

5.1 The Medium Term Financial Plan (MTFP) highlights future deficits being predicted for the General Fund as government funding continues to reduce.

When this and all other matters are taken into account the MTFP records a funding gap of;

- 2013/14 = £0.427m
- 2014/15 = £0.496m (assuming balanced budget previous year)
- 2015/16 = £0.386m (assuming balanced budget previous year)

This highlights future pressures on the Council's finances and the need to start preparing plans to achieve a balanced budget going forward.

5.2 The Capital Reserve will be depleted in 2013/14 and work is required on balancing the capital budget for future years.

5.3 It is envisaged in both these areas that work will begin early in the new financial year to prepare for 2013/14 and future year budgets.

6. The Prudential Code for Capital Finance in Local Authorities

6.1 The Prudential Code for Capital Finance in Local Authorities gives the requirement to report on a series of prudential indicators, which are designed to support and record local decision making. These indicators are required to be part of the Council's budget setting report and attempt to show the overall effect on various financing and borrowing strategies that the Council plans to adopt over the next three financial years. These indicators will be monitored and reported and when necessary updated to reflect any changes in policy.

6.2 This Council's prudential indicators are shown in Appendix A to this report and include some explanations to assist Members in understanding the purpose of each indicator.

Legal Implications

The requirements for budget setting and council tax are set out in statute and regulations which the finance team take account of in the preparation of the report.

From 1 April 2011 the new general equality duty in the Equality Act 2010 came into force, building on existing equality legislation. Having regard to the Council's duties under the Act, Appendix B has been prepared which contains the Equality Impact Assessment carried out by the Corporate Manger - Organisational Development on the budget implications.

Financial Implications

Details are contained within the body of the report.

Consultation on Reports to the Executive

Details of this report have been considered by the Overview and Scrutiny, the Housing Review Board and the East Devon Business Forum.

Background Papers

- Financial Services estimate working papers.
- Housing Subsidy Determinations.
- Financial Strategy 2012 onwards
- Details from external investment Fund Manager.
- Local Government Finance Settlement.
- Localism Bill

Simon Davey ext 2690
Head of Finance

Cabinet
1 February 2012

Prudential Indicators for East Devon District Council

1.0 Introduction

1.1 As part of the Prudential Code for Capital Finance in Local Authorities, the Council is required to attach the following Prudential Indicators to the annual budget setting report. These indicators help show the overall effect of various financing and borrowing strategies that the Council plans to adopt over the next three financial years.

1.2 The Prudential Code and the indicators that each Council are set, support the system of capital investment in the authority. They are set with regard to:

- Service objectives – strategic planning for the authority
- Stewardship of assets – asset management planning
- Value for money – option appraisal
- Prudence and sustainability – external borrowing implications
- Affordability – implications for council tax and housing rents
- Practicality – achievability of the forward plan

These indicators will also act as an early warning mechanism to flag up if the Council decides to set capital programmes without the necessary finances to fund them.

1.3 Tables 1 to 8, shown below, detail all the Prudential Indicators that are required to be attached to this budget report.

2.0 Affordability Indicators

2.1 **Estimated and actual ratio of financing costs to net revenue stream**
Table 1 shows how this indicator is calculated. A positive figure indicates external debt.

Table 1: Basis of calculation for ratio of financing costs to net revenue stream				
General Fund:				
Financing costs (Interest charged on loans Less Interest earned on investments)	÷	**Budget requirement** (Revenue Support Grant + Council Tax)	=	**The ratio of financing costs to net revenue stream (General Fund)** as a %
Housing Revenue Account (HRA):				
Financing costs (Interest charged on loans Less Interest earned on investments)	÷	**Budget requirement** (Council house tenants income + Government subsidy received)	=	**The ratio of financing costs to net revenue stream (HRA)** as a %

Table 2 shows both the actual ratio of financing costs to net revenue stream for 2010/11 and the estimates for 2011/12 to 2014/15.

Table 2 Ratio of Financing Costs to Net Revenue Stream 2010/11 to 2014/15

	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Per 12/13 Estimates as at 23/12/11			
	%	%	%	%	%
General Fund	(1.33)	(3.43)	(1.80)	(2.20)	(2.20)
HRA	(0.05)	0.07	22.31	25.59	25.59

2.2 **Estimates of incremental impact of new capital investment decisions on Council Tax and average Weekly Housing Rents**

Table 3 shows the incremental impact of capital investment decisions proposed in this budget report, over and above the capital decisions that have previously been taken by the Council. Only the financing costs associated with capital loans are included. The indicator takes into account the Council Tax base of 57,602 and housing stock of 4,303 for 2012/13.

2.3 The Council currently have £1.245 Million in loans from Public Works Loan Board (PWLB) for Recycling & Refuse and Affordable Homes, resulting in debt repayments of £111,189 (includes interest of £35,189) from 2011/12. These are fixed for the life of the loan and include both repayment of principal and interest.

2.4 On 28th March 2012 the council will take out £84.782 million in PWLB loans to cover the HRA Self Financing Debt. This will result in an additional interest charge of £3,243,748 to the HRA in per year.

These loans are interest only, with the principle being repaid at the end of the loan. The maturities of the loans have been profiled in line with the business plan generating resources to be able to repay the principle.

A balance has been struck between repaying as soon as possible and allowing the HRA to generate sufficient surpluses as a cushion against uncertainties and enabling it to carryout improvements to stock.

The financing effect of these loans on average weekly rents is £0.17 in 2011/12 rising to £14.68 from 2012/13. (See table 3)

2.5 By 2013/14 the current Capital Programme will require financing of £673,000 unfunded expenditure, and in 2014/15 a further £726,000 will be needed. 10 year loans will result in repayments of £67,300 and £72,600 respectively.

The financing effect of these loans is to increase the Council's band D tax level by £0.21 in 2011/12, and further increases of £1.25 in 2012/13, £2.43 in 2013/14 and £3.64 in 2014/15 (See table 3).

Table 3 Incremental Impact of new capital investment decisions on Council Tax and Weekly Housing Rents					
	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Per 12/13 Estimates as at 23/12/11			
	£	£	£	£	£
Band D Annual Council Tax	0.00	0.21	1.25	2.43	3.64
Average Weekly Housing Rent	0.00	0.17	14.68	14.68	14.69

3.0 Prudence

3.1 Net borrowing

Table 4 shows the net position at each year end of amounts borrowed and investments held. Year end borrowing includes the short term bank overdraft and long terms loans from PWLB.

The 2010/11 Statement of Accounts shows a £3.2 Million overdraft and £1.45 Million in loans from Public Works Loan Board (PWLB). From 2011/12 onwards, the 2012/13 Draft Estimates are used, based on known phasing and estimated interest rates.

Table 4 Total Borrowing Outstanding					
	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Per 12/13 Estimates as at 23/12/11			
	£000's	£000's	£000's	£000's	£000's
General Fund:					
Total Borrowed at Year End	3,799	4,539	5,479	6,193	6,962
Total Invested at Year End	(29,680)	(30,161)	(30,408)	(30,712)	(31,019)
General Fund Net Borrowing	**(25,881)**	**(25,622)**	**(24,929)**	**(24,519)**	**(24,058)**
Housing Revenue Account (HRA)					
Total Borrowed at Year End	646	85,412	85,396	85,379	84,391
Total Invested at Year End	(511)	(1,236)	(2,970)	(6,918)	(12,240)
HRA Net Borrowing	**135**	**84,176**	**82,426**	**78,462**	**72,151**
Total Net Borrowing	**(25,746)**	**58,554**	**57,497**	**53,943**	**48,093**

3.2 Capital Financing Requirement

The Council's Capital Programme is funded from various sources:

- Use of capital receipts (sale proceeds from property)
- Contributions from revenue budgets
- Capital grants e.g. Environment Agency Grants, Disabled Facility Grant
- Contributions from other parties e.g. DCC, the Arts Council

This inevitably leaves an unfunded balance which can be met from reserves or borrowing. The Capital Reserve at Year End 2010/11 stood at £5.303 Million and will be used over 2011/12 to 2013/14.

The Capital Financing requirement therefore represents the Council's underlying need to borrow for capital purposes less any principal already repaid.

Table 5 shows both the actual capital financing requirement for 2010/11 and the estimates for 2011/12 to 2014/15

Table 5 Capital Financing Requirement (Actual and Estimated)					
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**
	Actual	**Per 12/13 Estimates as at 23/12/11**			
	£000's	**£000's**	**£000's**	**£000's**	**£000's**
GF	599	538	478	1,093	1,760
HRA	646	85,412	85,396	85,379	84,391
Totals	**1,245**	**85,950**	**85,874**	**86,472**	**86,151**

4.0 Capital Expenditure to be incurred

Table 6 shows both actual capital expenditure incurred in 2010/11 and estimates for the years 2011/12 to 2014/15.

These figures show the Council's capital programme net of any grants or contributions received from third parties e.g. Environment Agency, Arts Council.

Capital expenditure also includes the major repairs capital expenditure (MRA) which for accounting purposes is shown within the HRA.

Table 6 Total Capital Expenditure to be incurred (Actual and Estimated)					
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**
	Actual	**Per 12/13 Estimates as at 23/12/11**			
	£000's	**£000's**	**£000's**	**£000's**	**£000's**
General Fund	2,813	5,487	5,593	1,653	1,085
HRA	1,353	827	1,053	635	635
Sub Total	**4,166**	**6,314**	**6,646**	**2,288**	**1,720**
Major Repairs	2,912	2,810	4,140	2,599	1,760
Total	**7,078**	**9,124**	**10,786**	**4,887**	**3,480**

5.0 Authorised Limit for External Debt

5.1 The authorised limit is based on the Council's estimate of the most likely and prudent requirement for external debt (borrowing) during the year (the Operational Boundary) plus additional headroom for unusual cash movements.

5.2 External debt is the sum of both capital items (see 3.2 above) and short term borrowings to meet day to day cash flow variations.

5.3 In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt gross of investments. The Council is asked to approve these limits and to delegate authority to the Section 151 Officer (Head of Finance), to operate within the total limit for any individual year.

5.4 It will be the duty of the Section 151 Officer to ensure that the authorised limits are consistent with the Council's current and future capital requirements. This limit should take account of risk management strategies, with regard to capital schemes and all future cash flow predictions and includes headroom for unusual cash movements.

5.5 Table 7 shows the actual external debt for 2010/11 and the Authorised Limit for external debt for 2011/12 to 2014/15. Based on 2012/13 estimates for capital expenditure and financing.

Table 7 Authorised Limit for External debt (Estimated)

	Actual	Per 12/13 Estimates as at 23/12/11			
	2010/11	2011/12	2012/13	2013/14	2014/15
	£000's	£000's	£000's	£000's	£000's
Borrowing - General Fund	3,799	7,539	8,479	9,193	9,962
Other LTL's - General Fund	733	670	667	632	467
General Fund Total	**4,532**	**8,209**	**9,146**	**9,825**	**10,429**
Borrowing - HRA	646	88,249	88,249	88,249	88,249
Other LTL's - HRA	0	0	0	0	0
HRA Total	**646**	**88,249**	**88,249**	**88,249**	**88,249**
Overall Total	**5,178**	**96,458**	**97,395**	**98,074**	**98,678**

6.0 Operational Boundary for External Debt

6.1 The operational boundary for external debt is based on the same estimates that were used to derive the authorised limit, shown above. However, the amount included to give a degree of 'headroom' is removed. Therefore, this is fundamentally the level of external debt that the Council estimates will be undertaken during any one year. The Council is again asked to approve these limits and to delegate authority to the Section 151 Officer to effect movement between these agreed limits and report back to you, immediately after the event.

Table 8 Operational Boundary for External debt (Estimated)

	Actual	Per 12/13 Estimates as at 23/12/11			
	2010/11	2011/12	2012/13	2013/14	2014/15
	£000's	£000's	£000's	£000's	£000's
Borrowing - General Fund	3,799	4,539	5,479	6,193	6,962
Other LTL's - General Fund	733	670	667	632	467
General Fund Total	**4,532**	**5,209**	**6,146**	**6,825**	**7,429**
Borrowing - HRA	646	85,412	85,396	85,379	84,391
Other LTL's - HRA	0	0	0	0	0
HRA Total	**646**	**85,412**	**85,396**	**85,379**	**84,391**
Overall Total	**5,178**	**90,620**	**91,541**	**92,205**	**91,819**

7.0 External Debt

7.1 The Council's actual external debt at 31 March 2011 was £4.45 Million.
(General fund = £3.8m & HRA £0.65m).

8.0 Treasury Management Strategy

8.1 All treasury management matters will be undertaken in accordance with CIPFA's revised code for Treasury Management in the Public Services which is up for adoption on a previous agenda item. This recommends best practice on setting interest rate exposures and duration terms for investments.

8.2 These limits are detailed in the Treasury Management Strategy.

9.0 Maturity Structure of Borrowing

This indicator is now contained within the Treasury Management Strategy.

Claire Read
Accountant

Cabinet
February 2011

Equality Analysis Form

Please see **Equality Analysis Guidance** before completing this document

Stage 1 Screening for relevance

Name of service, policy or process	Revenue and Capital Estimates Setting 2012/13
Main purpose of service, policy or process	To ensure that Council has a balanced budget.
Equality relevance	High
Owner	Simon Davey Head of Finance
Date	January 2012

List service, policy or processes to be covered by this Equality Analysis:

The budget is broken down into the Capital and Revenue budgets.

The Capital budget varies year on year and is used to fund investment projects such as flood alleviation schemes or refurbishment of our assets so an annual comparison is not meaningful.

The Revenue budget shows a net reduction of £0.085m for 2012/13. In the main the reductions relate to reductions in Supplies and Services budgets for the Council and will not have an impact on service provision and a reduction in a one off budget included in 2011/12 for asset management initiatives. The following items are considered to have a potential impact relating to the equality and the protected characteristics listed in the Equality Act (Age, Disability, Race etc).

Item	Description
1	Equality and Diversity Budget (£1670). This budget was a contribution to Devon Racial Equality. Corporate responsibility for the achievement of our Equality objectives now lies within the remit of Deputy Chief Executive.
2	Savings in printing for Members have been achieved through proposing less printing and greater use of electronic, on-line documentation. Adaptations and modifications are available and can assist those who find it harder to access documents electronically.
3	Staff Long Service Award Scheme has been modified so that it will no longer recognise service from previous public sector employers. Additionally, awards will be made whilst employees are in service rather than on leaving the Council's employment. This may adversely impact those who have already received 40 years' service and are close to retiring. Therefore implementation will include protecting those adversely impacted in this way so they do not miss out on what they would have received under the old scheme.
4	Reduction in consultation budget of £13k. This was primarily for use of external consultants to assist in consultation and this work is now undertaken in-house. This will not affect the level of consultation activity.
5	Government funding for Tourist Information Centres will be considered. If removed this may impact the viability of the TIC's or they may be able to gain

funding from elsewhere. Removal of these services may adversely impact those with special needs whilst on holiday. (£8k)

6 Charges for car park permits will increase by 3% which may particularly affect those with a disability or on low incomes.

7 Benefit payments have increase by £1.5 million due to economic circumstances and Government criteria for eligibility.

8 The Homesafeguard charge will increase by 5%.

9 The total budget provision for Disabled Facility Grants has been reduced based on previous demand but the service will continue as applications are made.

Stage 2 – Reviewing the evidence

- ✓ Please indicate existing sources of information available:

Customer feedback/complaints	✓
Results from consultations	✓
Information from equality monitoring of service users	✓
Information about the local community	✓
Comparable information from other departments or other authorities	✓
Recommendations from inspections or audits	✓

What other information is required and who needs to be involved?

Who	**How are they going to be involved?**
Staff	Staff will be consulted regarding the new Service Recognition Scheme.
Service users/customers	Customers will continue to be consulted regarding services through 'What Matters' surveys.
General public	The Council Plan includes the Financial Strategy and comments are currently being sought.
Equality organisations	Equality organisations have not been consulted in relation to specific budgetary changes.
Trade unions	UNISON will be involved in changes affecting Long Service Awards.
Other	Business groups have been consulted on the Council's budget through the East Devon Business Forum.
	Members of the Overview and Scrutiny Committee will make recommendations on the budget to Cabinet and Full Council.
	Parish and Town Councils have been consulted in relation to Car Park operation and charging.

Stage 3 – Identifying the risks and benefits/opportunities

Protected characteristic	Neutral	Negative	Positive	Negative: What are the risks? Positive: What are the benefits/opportunities?
Age		✓		Item 3 – potential negative impact on staff nearing retirement and having reached 40 years' service.
Disability		✓		Item 6 – potential negative impact due to increase in car parking charges on people with disabilities and low incomes.
Sex including issues relating to pregnancy and maternity				None
Sexual orientation				None
Race				None
Religion or belief				None
Transgender				None
Community considerations such as socio-economic factors, criminal convictions, rural living or Human Rights		✓		Item 8 – the increase in Homesafeguard charge of 5% could potentially negatively impact vulnerable people.

Stage 4 – Outcome and identifying actions where appropriate

Outcome of equality analysis - No change needed

Item No.	Action	Implement - ation date	Owner	Review date
8	In relation to **Homesafeguard charges**, the service will continue to benchmark against competitors to ensure that it charges less than others such as Age Concern. The Portfolio Holder retains the authority to agree a waiver of charges where there are praticular hardship issues.	Ongoing	Head of Housing	Annual
3	**Service Recognition Scheme** – ensure mitigation for those nearing retirement who have already achieved 40 years' service.	March	Corporate OD Manager	January 2013
	Potential equality impacts to be considered by Cabinet and Full Council when making budgetary decisions.	Febuary	Head of Finance	Quarterly

Assessor	**Karen Jenkins Corporate OD Manager**	**Signature:**
Responsible Manager	**Simon Davey Head of Finance**	**Signature:**

Agenda Item 12

Cabinet
1 February 2012
KAL

Flooding Risk to Sidmouth through the effects of Coastal Erosion at Pennington Point/Salcombe Hill Cliff

Summary

Further to the first meeting of the working party set up to assess the current situation and find agree away forward to tackle the cliff erosion at Pennington Point, it was agreed that the most positive way forward was to have a Beach Management Plan (BMP) for Sidmouth in place as soon as possible. This would give a clear assessment of the issues involved, the options necessary to protect the beach and the town and to give EDDC a realistic opportunity to bid for Defra funding in the future.

There is currently £27k in the capital budget remaining from the emergency works carried out in 2009. It was decided that this report should to to Cabinet to ask for this £27k to be used towards the £80k BMP in order that it should be completed as soon as possible. Match funding from Devon County Council and Sidmouth Town Council has been sought.

Recommendation

It is recommended that:

1) **£27,000 in the capital budget be made available to go towards the Beach Mangement.**

a) Reasons for Recommendation

Refer to the report.

b) Alternative Options

Option one is not to produce a BMP and do nothing.

Option two is to provide a small rock groyne to protect Alma Bridge, the sea wall and the river wall from overtopping and from easterly drift. This would be a short term fix to enable a more sustainable solution to be found and would cost in the region of £90k.

Option three to undertake beach management including refreshing the beach. For both options 2 and 3, if funding is required from Devon a BMP must be produced.

c) Risk Considerations

Failure to act could put the east side of Sidmouth at risk from flooding through the effects

d) Policy and Budgetary Considerations

The proposed work meets the corporate priorities "Thriving Communities" and "An Outstanding Environment". There is currently no budget available for this BMP.

Positive Impact Overall

Thriving Economy.
Safe Environment.
Green Environment.
Excellent Customer Service.

e) Date for Review of Decision

Not applicable.

1.0 Recent History

1.1 In September 2008, Royal Haskoning was commissioned to carry out a study of the cliffs following falls earlier that year. The report went to the Executive Board on 2 December 2009. The report concluded the following:

1) The overall cliff erosion which has occurred since 2002 is less than that predicted in the 2001 report, even taking account of the accelerated erosion since 1996.
2) Some recent cliff falls have occurred at Pennington Point and further falls are likely to occur in the future, particularly where there are overhanging sections of cliff.
3) There are no assets which are immediately at risk which might lead to an economic justification for undertaking emergency work.
4) There is no change in the risk of flooding to Sidmouth, due to increased exposure to wave attack.
5) Four options for protecting Pennington Point were identified within the 2001 report. While the options would provide additional protection, only upgrading of the River Sid wall could be justified economically.
6) The frontage is located within an area that has several environmental designations and is therefore subject to the appropriate considerations. The Environmental Statement of December 2002 covers many of these issues and any works in this area will need to take account of these designations in their design and implementation.
7) There is a clear danger to the public from cliff falls, which can occur at anytime.
8) At the time of writing, there are no visible signs that would suggest the imminent loss of the footpath that ascends the Pennington Point Hill, although the cliff face is in close proximity to this footpath and should be monitored.

1.2 Following on from the above, Haskoning's recommendations were:

1) There is no need to undertake immediate emergency works to Pennington Point.

2) It would be good practice to undertake periodic surveys of the cliff and beach. This would provide a useful database which would assist with future decisions on the management of the frontage. This work would inform the Council when there is an increase risk to Sidmouth of flooding due to erosion and determine a need for action.
3) Both the coastal footpath and the Alma Bridge are at the highest risk if no works are carried out to protect against erosion, although failure is unlikely to occur in the very short term.
4) Further option investigation, including beach management, to protect Pennington Point and the adjacent Salcombe Hill cliff could be undertaken. However, it should be recognised that the likelihood of attracting central government funding for such schemes is very limited.
5) Measures should be put in place to warn the public of the dangers of cliff falls. We note that this is currently being addressed.
6) A review should be carried out to determine the work which might be appropriate to upgrade the River Sid Western wall. We believe the wall is the responsibility of the Environment Agency, who as the owner of the asset would be responsible for inspection and maintenance. The local assets at risk if wall failure occurred are both the South West Water pumping station and public open space.
7) If no further protection work is to be undertaken, management plans should be drawn up for rerouting of the coastal footpath and relocating the Alma Bridge. At some point it will become necessary to close the footpath and/or bridge for health and safety reasons. The condition of the footpath and bridge should be monitored regularly. An alternative route for the coastal footpath has been highlighted. Devon County Council, as owners of the asset, would be responsible for inspection, maintenance and if necessary diversion.

It was resolved that the conclusions and recommendations of the report (including the requirement to make periodic surveys of the cliff and beach) be accepted and used as a useful database to assist with future decisions on the management of the frontage. It could also assess future risk to the eastern part of the town of Sidmouth. The need for future budgetary provision for survey work of approximately £10k was noted and that sources of funding be explored to enable a further report (a Project Appraisal report) to be commissioned to take into consideration the outcomes of the Pennington Point study in 2001 and the Environmental Statement developed in 2002, with this report forming part of a submission to Defra requesting approval and funding for a programme of works or a scheme which would give better protection to the Town of Sidmouth from the consequences of continued erosion of the cliffs east of Sidmouth. The need for budgetary provision for this report of approximately £40k was noted.

2.0 **The Recent Falls**

2.1 During the weekend of 20/21 February 2010, a substantial cliff fall occurred at Pennington Point. Approximately 50 tons of cliff material came loose and deposited itself on the beach below. With this material came down the remains of the wooden fence that protected the old coastal footpath steps.

2.2 The fall was reported to DCC who sent their bridge team out to inspect Alma Bridge which they found to be intact. DCC's Public Rights of Way team were alerted and they, with the help of Streetscene, closed off the footpath the public.

A meeting was organised for 26 February with DCC, Streetscene and a representative from Royal Haskoning where a visual survey was carried out of the cliff face and the coastal footpath. From this meeting the following was agreed:

1) DCC would keep the footpath closed for a minimum of 21 days,
2) EDDC would inspect the path and stone wall on a daily basis and take photos,
3) DCC would investigate the possibility of installing a temporary steps/footpath link in the short term
4) DCC would involve their design team to survey and draw up plans for a more permanent solution in accordance with DDA.
5) EDDC to install a new cliff warning sign at the gate to the beach to the east of Alma Bridge

On 8 March EDDC received an assessment from Royal Haskoning of the visual inspection carried out on 26 February.

In essence the cliffs at Pennington Point comprise a reasonably coherent, fractured mudstone overlain by head material, of varying depth. Although the head material is the same material as the cliffs, it has been subject of historic weathering, reworking and degradation, and consequently has very different properties to the cliffs below it.

There is a clear distinction between the head material and the underlying, more competent, mudstone. These two materials will respond differently following their recent exposure due to the cliff collapse.

1) The mudstone is relatively hard and can only be scratched with a hard object. The mudstone will gradually degrade. The rate of degradation will tend to be driven by exposure to wave action. Its typical failure mode involves detachment of material that has been undermined by wave driven erosion.
2) The head material is friable and easily removed by light hand action. The head material is already degraded and will weather very quickly simply due to its exposure to the elements. Root structures and even the light cohesive forces that are generated in wet material will have a temporary stabilising effect. It is normal, however, for such material to degrade quickly due to drying, freeze/thaw, loss of root structure and rain. Failure of this material is not directly linked to wave action and failure can occur at any time.

The coastal footpath is now within approximately 3m of the edge of the cliff and perched above the level of the cliff edge. It is reasonable to assume that the path is founded on the weaker head material that is evident at the cliff face.

There are signs of cracking in the footpath and changes in angle of the low masonry wall which suggests movement of cliff in this area. These signs of movement have been present for at least the last two years and there are no obvious signs of recent wall or path movement. This does not mean that a cliff collapse is not imminent.

Based on the visual inspection the following conclusions and recommendations were drawn up:

1) The coastal footpath, in the vicinity of the cliff edge, should now be permanently closed. The path is founded

East Devon District Council

on weak material that is likely to degrade quickly due to its recently increased exposure. The path is close enough to the edge of the cliff to be lost at any time and without warning – Done.

2) A permanent footpath diversion should be considered in the approximate location agreed with DCC during the recent site visit – Done.
3) In view of the recommendation that the path be closed, there is no longer a need to undertake daily monitoring. It is however, suggested that the site be visited regularly and that a photographic record be taken now. A repeat laser scan of the cliff would be useful as an accurate record of the current situation, but not essential. Any survey or inspection should be preceded by an appropriate health and safety risk assessment as cliff failure can occur without warning – started this project.
4) It remains advisable to deter people from accessing the base of the cliff on safety grounds. Subsequent collapses are likely, particularly in the recently exposed and unstable head material.

3.0 Consultation and Future Progress

3.1 In July 2011, EDDC submitted a bid to Defra for money to put together a BMP for Sidmouth, including Pennington Point. This bid was for money from the national fund and was up against schemes across the whole of Great Briton. Unfortunately our bid was not included in the Defra allocation for 2012/13 but, we are told, it has been included for 2013/14 although we will have to bid again in July 2012.

3.2 The BMP will give an analysis of the beach including management, definition of the areas included in the plan. Its relationship with other plans including the Shoreline Management Plan 2, the Strategic Flood Risk Assessment and the Catchment Flood Management Plan. It will also cover issues such as flooding, erosion risk, over flanking and overtopping. It will include environment issues and opportunities, beach safety & amenity, funding, responsibility and options including maintenance to current levels, change approach and economic cost assessment. The plan would be built up using information from the current ongoing Coastal Monitoring Programme which will give an idea of the shingle movement and current erosion levels. The plan will give a 100 year outlook for the beach and a 10 year programme of maintenance work and possible new works to the sea walls, shingle beach and surrounding structures.

Without the BMP in place, EDDC would be unsuccessful in any future bid to Defra for money to carry out any works. The Sidmouth BMP is the first of a number of bids we plan to put in to Defra, over the coming years, for all our beaches and sea frontages as without them in place bids for work on other beaches would also be unsuccessful.

Following a recent planning application, put forward by local residents for 240m of rock armour and which was with drawn in October 2011, a working party was set up chaired by Cllr Moulding to assess the current situation and to find an agreed way forward to tackle the cliff erosion at Pennington Point. The working party included representatives from the Environment Agency, Natural England, The National Trust, Devon County Council, Local EDDC members, Town councillors, SAFE, VISION, local residents and the Sidmouth Chamber of Commerce.

The working party agreed that the most positive way forward was to have the BMP for Sidmouth in place as soon as possible. This would give a clear view of the issues involved, the options necessary to protect its beach and Sidmouth and therefore giving EDDC the realistic opportunity to bid for Defra funding in the future.

It is anticipated that a BMP will cost in the region of £80m to draw up. There is currently £27k in the capital budget remaining from the emergency works carried out in 2009. Sidmouth Town Council and Devon County Council have been contacted with a view to helping to fund the BMP. A verbal update on their response will be given at the meeting.

Legal Implications

There are no legal observations at this stage.

Financial Implications

A firm commitment from the other funding bodies will be needed before the gross project budget of £80k expenditure can be added to the Capital Programme.

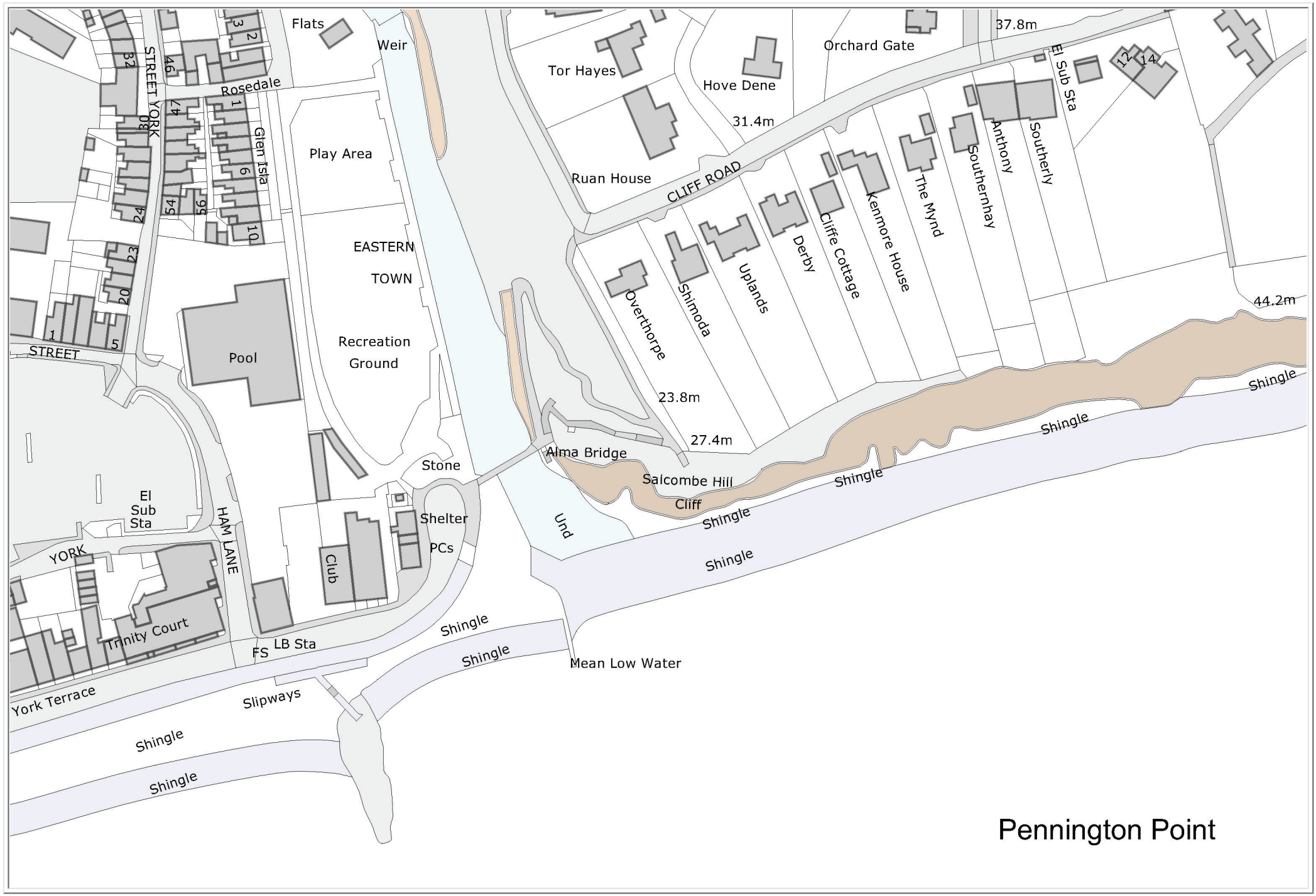
A match funding budget of £53,000 income would also need to be added, leaving a net EDDC commitment to the project of £27,000.

Background Papers

- Royal Haskoning Report of 2008

Kate Little Ext 2735
Head of Economy

Cabinet
1 February 2012



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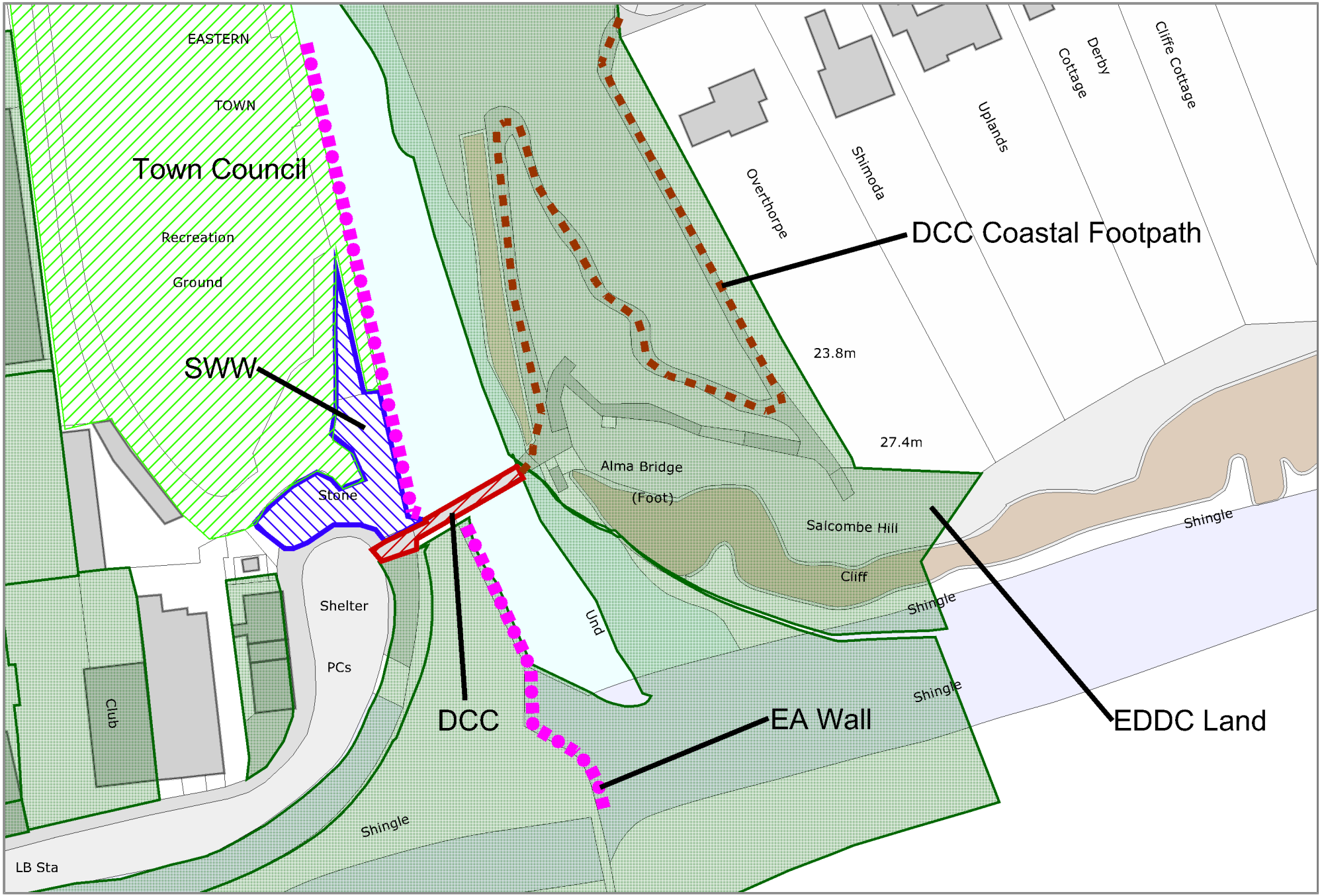

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Agenda Item 13

Cabinet
1 February 2012
MW/LG

Financial Monitoring Report 2011/12 – Month 9 December

Summary

This report gives a summary of the Council's overall financial position for 2011/12 at the end of month nine (31 December 2011).

Current monitoring indicates that:

- The General Fund Balance is being maintained at or above the adopted level.
- The Housing Revenue Account Balance will be maintained at or above the adopted level.
- There is a sufficient Capital Reserve to balance this year's capital programme. However, it is estimated that only £1.874m will be available in the Reserve to support the programme from 2012/13 onwards.
- The counter party limit was exceeded for 4 days.

Recommendation

1. **The variances identified as part of the Revenue and Capital Monitoring process up to month nine be acknowledged.**
2. **Note that the counterparty limit was exceeded.**

a) Reasons for Recommendation

The report updates Members on the overall financial position of the Authority following the end of each month and includes recommendations where corrective action is required for the remainder of the financial year.

b) Alternative Options

To disagree with the recommended actions proposed.

c) Risk Considerations

Current monitoring indicates that the Council's balances and reserves are being maintained at or above the adopted levels.

In compiling this report we have looked at all large, high risk and volatile budget areas. Predicted spending patterns have been linked to operational activity and all material budgets have been subject to thorough risk assessments by operational managers and finance staff. Any continuing variances in spending patterns will then be considered as part of the medium term financial strategy.

d) Policy and Budgetary Considerations

This report highlights all budgetary variances and then comments on the level and adequacy of Reserves.

e) Date for Review of Decision

Updated positions are to be presented at future meetings of the Cabinet.

Financial Monitoring Report 2011/12 – To Month Nine December

1. Introduction

1.1 The purpose of this monitoring report is to update members of the Cabinet on the overall financial position of the Authority following the end of month nine and to report on areas that may require corrective action during the remainder of the financial year.

2. General Fund Position as at Month Nine.

2.1 The following table shows the position on investments:

Investments	Annual Budget £000	Variation at Month 9 £000	Predicted Outturn Variation £000
External Investments	(397)	(111)	(82)
Internal investments	(48)	6	4

The positive variation on external investment is due to gains of over £169k in trading of investments to date. The estimated year end surplus reduces to £82k due to lower than budgeted interest receipts. The internal investment receipts deficit of £6k at Month 9 is due to low interest rates.

2.2 The following table shows the original budget set for the year and a total of the variations identified which are likely to affect the budget to give a predicted budget figure for the year.

	£
Budget Requirement (set 09/02/11)	**12,914,180**
Add: Month 9 predicted net underspend to Year End	(118,000)
Predicted Budget Requirement	**12,796,180**

A summary of the predicted over and under spends to the year end are shown below:

Predicted over / (under) spends to Year End	Variation at Month 9 £000	Predicted Outturn Variation £000
Streetscene Portfolio:		
Replacement recycling boxes and bins – in addition to £10k outturn variation already reported Mth 8	20	15
Operations and Engineers – short term vacancies	(17)	(23)
Finance Portfolio:		
Savings on accountancy staff costs	(25)	(25)
Interest - additional to £73k outturn variation already reported	(36)	(36)
Outturn Variations reported as at Month 8		(49)
Predicted Outturn Total Variations		**(118)**

2.3 These variations will have the following overall effect on the Council's General Fund Balance.

	£	£
Available General Fund Balance 01/04/11		**(4,388,124)**
Less:		
Planned use of general fund balance in setting the budget	0	
Items identified in paragraph 2.2 above (predicted variations)	(118,000)	
Supplementary Estimate (purchase of NNDR IT system)	72,400	
Supplementary Estimate (purchase of snow equipment)	10,836	
		(34,764)
Predicted General Fund Balance 31/03/12		**(4,422,888)**

This predicted balance of £4.423m is £2.904m above the Council's adopted level for the General Fund Balance (£1.519m). The Council has agreed to maintain a higher balance than the adopted level at this present time because of the many financial uncertainties and risks facing the Council.

2.4 An analysis of the main income streams is shown below:

	Annual Budget £000	Variation at Month 9 £000	Predicted Outturn Variation £000
Car Park charges	(2,629)	64	140
Planning fees	(804)	(174)	(100)
Building Control fees	(497)	(1)	0
Local Land Charges	(200)	(22)	0

2.5 Summary of Other Reserves:

	Balance B/f £000	Spend to date £000	Income to date £000	Estimated additional Spend/Income £000	Predicted Balance C/f £000
Transformation Reserve	(1,608)	51		295	(1,262)
Asset Management Reserve	(1,306)	160	(195)		(1,341)
Capital Reserve	(5,303)	0		3,428	(1,874)

3. Housing Revenue Account Position up to Month 9.

3.1 The following table shows the original budget set for the year and a total of variations identified which are likely to affect the budget to give a predicted budget requirement for the year. The service has identified savings that can be made within the budget to bring the HRA balance back in line with the adopted levels.

Budget surplus (set 09/02/11)		**(39,710)**
Month 9 predicted net underspend to year end	(653,000)	(653,000)
Predicted Budget Requirement		**(£692,710)**

A summary of the predicted over and under spends to the year end is shown below:

	Variation at Month 9 £000	Predicted Outturn Variation £000
Overspend on programmed maintenance in communal areas and on solid fuel appliances	78	70
Saving on adaptations for disabled	(75)	(100)
Mobile Support Officers - vacancies	(48)	(30)
Mobile Support Officers – additional supporting people income	(19)	(20)
Housing Subsidy – further adjustment re 2010/11	(18)	112
Variations from Month 8		(685)
Total		**(653)**

3.2 These variations will have the following effect on the Housing Revenue Account Balance.

	£	£
Housing Revenue Account Balance (01/04/11)		**(511,201)**
Predicted budget requirement as above		(692,710)
Predicted HRA Balance (31/03/12)		**(£1,203,911)**

The recommended level for the HRA balance, at £245 per dwelling, is currently £1.054m. The predicted balance is currently £0.150m above the recommended level but this is considered prudent in preparation for the self-financing regime in April 2012.

4. Capital Programme Position up to Month 9.

4.1 The following table currently estimates the total required from the Capital Reserve as £3.429m.

4.1.1 This will reduce the Capital Reserve balance from £5.303m to £1.874m.

	£	£
Net Capital Programme Budget (Exec Board 09/02/11)		**5,257,180**
2010/11 scheme costs slipped into 2011/12 (as agreed by Cabinet in the Outturn report in June 2011)	1,685,178	
Revised 2011/12 budget		6,942,358
Month 1- 8 Variations already reported	(627,969)	
Month 9 Programme Variations (a)	(7,280)	
Predicted Budget Requirement		**6,307,109**
Financed by:		
In Year Usable Capital Receipts	(386,153)	
HRA Contribution	(282,000)	
Transformation reserve	(95,000)	
General Fund contribution	(65,000)	
Asset maintenance reserve – Exmouth boiler	(76,000)	
Environment Agency b/f Rockbeare flood prevention	(28,980	
Use of New Homes Bonus for Seaton rockery	(1,000)	
S.106 Contribution for Ham play equipment	(21,030)	
S.106 balance of Ottery Cycle path b/f	(223,370)	
S.106 Tesco Seaton	(1,700,000)	
Predicted Capital Reserve requirement	(3,428,576)	
Total Funding		**(6,307,109)**

Note (a) Month 9 Programme Variations	£
Manor Pavillion mechanical refurbishment saving (additional £5k on Honiton Sports Centre refurbishment in 12/13 due to both jobs done by same contractor)	(5,000)
Honiton Community Centre adjust timing for 11/12 expenditure	4,000
Exe estuary 2009/10 scheme aditional costs	15,500
Exe estuary 2009/10 scheme aditional costs Environment Agency funded	(15,500)
Pennington Point – slip to 12/13 assuming Beach management plan approved (See separate report to Cabinet 1/2/12)	(27,280)
Individual flood protection Rockbeare – additional costs due to amendment to specifications	21,000
Total Month 9 Programme Variations	**(7,280)**

Capital Reserve	£
Brought forward balance 1 April 2011	(5,302,604)
Estimated use of reserve in 2011/12	3,428,576
Balance carried forward to 2012/13	**(1,874,028)**

5. Exceeding counterparty limit

5.1 We have exceeded our Bank of Scotland counterparty limit by £1.65 Million for 4 days, due to the timing of receipts and payments. This was agreed with the Section 151 Officer and the Finance Portfolio Holder Cllr Cox.

Legal Implications

No legal implications have been identified

Financial Implications

Details are contained within the report.

Consultation on Reports to the Cabinet

Not applicable

Background Papers

- Accountancy working papers

Laurelie Gifford (Financial Services Manager) Ext 2613 1 February 2012
Mandy White (Senior Accountant) Ext 2357

Agenda Item 14

Cabinet
1 February 2012
TMS/CR

2012/13 Treasury Management Strategy

Summary

The Chartered Institute of Public Finance and Accountancy (CIPFA) produce a Code of Practice for Treasury Management in the Public Services. One of the main recommendations of this code is the requirement to have an annual Treasury Management Strategy formally adopted by the Cabinet. There is also a requirement to set prudential indicators relating to all treasury activities that the authority will undertake in the forthcoming financial year. These indicators are appended to the 2012/13 budget report included on the agenda.

Recommendation

The Council adopts this Treasury Management Strategy for 2012/13.

The Council adopt the amended Authorised Limit & Operational Boundaries for Debt for 2011/12, to allow Prudential Borrowing for the HRA Self Financing.

a) Reasons for Recommendation

The Council is required to formally adopt a Treasury Management Strategy before the beginning of the financial year.

To allow the Council to undertake borrowing, for the express purpose of funding the £84.782 Million of HRA debt, under the self financing regime.

b) Alternative Options

To not adopt the strategy or approve borrowing for HRA self financing.

c) Risk Considerations

The Council would fail to comply with CIPFA recommended 'best practice' for treasury management.

The Council would be in not be able to pay over to the government the £84.782 million on 28th March and would incur penalty charges and interest

d) Policy and Budgetary Considerations

Recommending a Treasury Management Strategy provides a clear working framework for officers to adhere to in all aspects of their treasury management duties

e) Date for Review of Decision

February 2013

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1. Introduction

1.1 The CIPFA Code of Practice for Treasury Management in the Public Services and guidance from Communities and Local Government (CLG) on Local Government Investments in England require that the Council adopt an Annual Treasury Management Strategy.

1.2 The code and guidance requires that the Authority's Cabinet to be informed of; position on debt and investments, the use of credit ratings in selecting counterparties, the use of treasury advisors, the overall borrowing limits, the prospect on interest rates and whether there are likely to be any material transactions that will be required to or from reserves or investment portfolios.

2. Investment Policy & Strategy

2.1 The overriding policy objective is to manage the Councils funds prudently, ensuring that we minimise risks while maximising returns, to this aim the Councils investment priorities, are:

- Security of the invested capital;
- Liquidity of the invested capital;
- Yield, which is in line with security and liquidity.

2.2 Investments are categorised as 'Specified' or 'Non Specified'.

Specified investments are required to be in Sterling and have a maximum maturity of 1 year; and are either:

- Investments in UK Government
- Investments in Local Authorities
- With institutions or schemes of a 'high credit quality' as determined by the Council.

'High credit quality' is determined as:

Investments in institutions with a credit rating of at least A/F1, including investments in the European Development Banks, to provide more security the capital invested per institution is limited depending on their credit ratings as follows:

AA+/F1+ 20% of value of external fund

A/F1 10% of the value of external fund

Internal Investments less than 6 months, up to agreed limits, in Top 20 UK Building Society's with an asset basis of over £1 Billion.

Non Specified investments are:

- Investments greater than 1 year up to a maximum of 50% of the value of the external fund (which currently stands at £30.4 Million)
- Corporate Bonds up to a maximum of 20% of the external investment fund (if CLG guidance is amended in line with current consultation on the Capital Financing System)

Please see appendices A & B for a full list of counterparties and limits.

2.3 While the conditions set out in 2.2 provide the basis for setting our counterparty list, we currently have restricted our investments within the Eurozone countries to Deutsche Bank, Rabobank International, Nordea Bank, European Investment Bank And European Bank for Reconstruction, as agreed by Cabinet on 2nd November 2011.

2.4 The Council selects it's counterparties with reference to;

- Credit ratings as provided by the three main rating agencies – Fitch, Moody's and Standard & Poor's
- The financial returns of Building Societies (internal only)
- News, articles and market sentiment

In addition, our external fund managers take into consideration the following when setting limits on duration and capital investment;

- Credit Default Swaps – are used as a market indicator of risk of the counterparty defaulting.
- Support – this is the perceived support an institution will get from the government in the institutions county of origin.

All credit ratings are reviewed at least monthly and more frequently when deemed appropriate, for example in response to statements/articles in the financial press.

2.5 The Council currently employee's treasury consultants to manage its external investment fund of £30.5 million.

Our external fund managers, Investec, have managed the fund for a number of years and the returns they achieve are 'bench marked' against the 7 day LIBID (London Interbank Bid) rate.

However as agreed by Council we will be considering the best option for the future management of this fund, which may include bring this in house and using advisors to assist the team. The finance team need to complete preparation of 2012/13 budgets before undertaking this work.

2.6 In relation to future returns, the UK Bank Base rate is expected to continue at the record low of 0.50% until mid 2013, while the focus is on securing growth over reducing inflation. The Eurozone crisis is still rumbling on and the flight to safe havens continuing, with UK Gilts among these havens for the time being.

As a result market rates will remain low and with this our returns at between 0.5-1%.

This last year has seen many financial institutions having their credit ratings downgraded due to the reduction in the likelihood of further government support and the Eurozone crisis. Resulting in a reduction of the number of counterparties we can deal with.

However, if the proposed changes to local authority capital financing rules come into effect, this opens the way for investments in corporate bonds enabling us to increase diversification in our external investments.

3. Borrowing Requirement

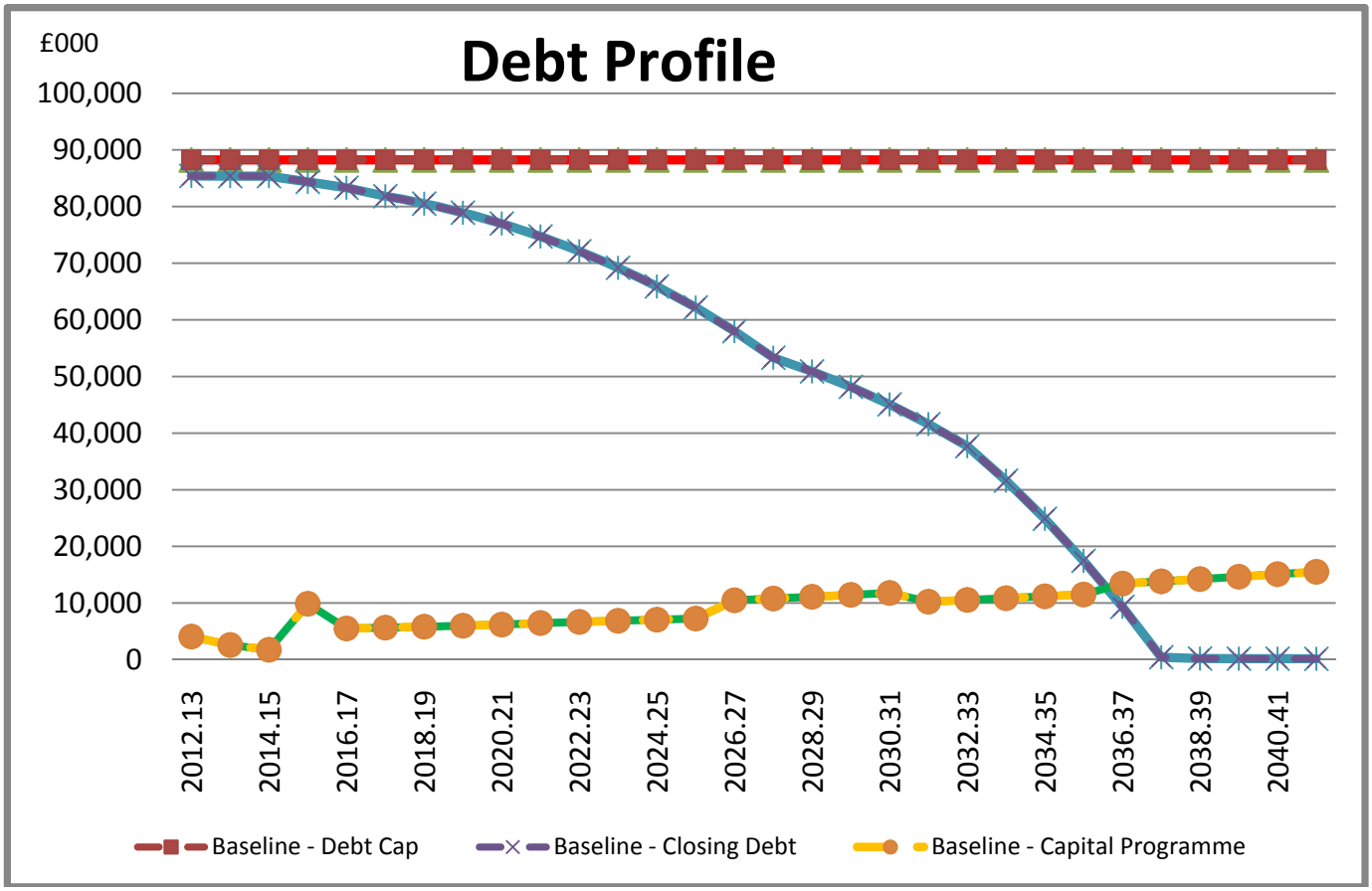
3.1 The Council currently has long term borrowings of £1.245 million to cover capital schemes for Recycling & Refuse and Affordable Housing.

3.2 Under the governments self financing regime, the Council will be taking on £84.782 million of debt, which will have to be borrowed with repayments being met by the Housing Revenue Account (HRA). Differing options for borrowing have been considered and external advice obtained from Sector Treasury Services.

It is considered that the most prudent option is to borrow the money through the Public Works Loan Board (PWLB), in light of the announcement by HM Treasury to reduce the rates available through the PWLB on 26th March 2012 for Councils wishing to borrow for the purpose of HRA self financing. This is widely expected to be a reduction of 0.85% on rates currently on offer.

PWLB loan rates are set based on the rate at which the government can borrow; the yield on Gilts, as a result rates are volatile and likely to change between now and March. Therefore the budget has been set using interest rates available on 2 December (average 3.84%, ranging from 1.65%-4.25), with no reduction applied.

With the decision of who to borrow from set at the PWLB, the next step has been to profile the maturity of the debt to when the HRA Business Plan generates the resources to be able to make repayments (to be made on maturity of the loans).



In setting the profile of repayments, as illustrated above, a balance has been struck between the ability to make repayments as quickly as possible; saving interest payments, whilst ensuring the HRA has enough funds to allow for uncertainties and the ability to invest in stock with its own resources.

The debt repayment profile shows that all associated loans will be repaid by 2039, with debt falling significantly up to this point.

Under the Localism Act 2011, Government has the power to put a limit on Local Authorities indebtedness, with regards to the HRA. This has been set at £88.249 for the HRA and this is used in the prudential indicators as our Authorised Limit for HRA debt.

3.3 To enable the borrowing of £84.782m on 26 March for the HRA Self Financing regime, the Council is asked to approve the revised 2011/12 prudential operational boundary of £85.412 Million and the authorised limit for external debt of £88.249 Million.

3.4 Currently there is no plans/requirement for the General Fund to borrow to support its capital programme in 2012/13.

3.5 As part of the CIPFA code for Treasury Management it is recommended that the Cabinet is informed of the anticipated borrowing limits required for the forthcoming financial year. These limits are included in the prudential indicators appended to the 2012/13 budget report on the agenda.

In addition to loans mentioned earlier, the Council will still need to make use of short term borrowing to meet day to day cash flow shortfalls. The limits on the level of borrowings are stated below:

Operational boundary for external debt – estimate of the prudent (most likely) level of external debt, taken from the authorities' estimate of its capital financing and cash flow requirements.

Table 8 Operational Boundary for External debt (Estimated)

	Actual	Per 11/12 Est. as at 22/12/10			
	2010/11	2011/12	2012/13	2013/14	2014/15
	£000's	£000's	£000's	£000's	£000's
Borrowing - General Fund	3,799	4,539	5,479	6,193	6,962
Other LTL's - General Fund	733	670	667	632	467
General Fund Total	**4,532**	**5,209**	**6,146**	**6,825**	**7,429**
Borrowing - HRA	646	85,412	85,396	85,379	84,391
Other LTL's - HRA	0	0	0	0	0
HRA Total	**646**	**85,412**	**85,396**	**85,379**	**84,391**
Overall Total	**5,178**	**90,620**	**91,541**	**92,205**	**91,819**

Authorised limit for external debt – the operational boundary plus headroom to provide for any unusual cash flows.

Table 7 Authorised Limit for External debt (Estimated)

	Actual	Per 11/12 Est. as at 22/12/10			
	2010/11	2011/12	2012/13	2013/14	2014/15
	£000's	£000's	£000's	£000's	£000's
Borrowing - General Fund	3,799	7,539	8,479	9,193	9,962
Other LTL's - General Fund	733	670	667	632	467
General Fund Total	**4,532**	**8,209**	**9,146**	**9,825**	**10,429**
Borrowing - HRA	646	88,249	88,249	88,249	88,249
Other LTL's - HRA	0	0	0	0	0
HRA Total	**646**	**88,249**	**88,249**	**88,249**	**88,249**
Overall Total	**5,178**	**96,458**	**97,395**	**98,074**	**98,678**

Actual External Debt as at 31 March 2011 = £4.45 Million (General fund = £3.8m & HRA £0.65m).

4. Treasury Indicators

4.1 As per the CIPFA Code, it is recommended that Cabinet is informed of the limits on fixed and variable interest exposure, the maturity structure of borrowing and the upper limit for the total of principle sums invested longer than 364 days.

4.2 **Interest rate exposure** – In general we only make use of investment & borrowing instruments which are at fixed rates, with the exception of a call account which is linked to the base rate and therefore may vary over the time the money is invested. Based on the projected investment and borrowing requirements of the Council over the next three years the upper limit on fixed interest rate exposure is;

Interest Rate Exposure				
	General Fund (£,000)		**HRA (£,000)**	
	Fixed	**Variable**	**Fixed**	**Variable**
2010/11 (actual)	97.38%	2.62%	98.80%	1.20%
2011/12	99.06%	0.94%	99.99%	0.01%
2012/13	99.09%	50.00%	100.00%	50.00%
2013/14	99.19%	50.00%	100.00%	50.00%
2014/15	99.30%	50.00%	100.00%	50.00%

4.3 **Maturity structure of borrowing** – this is the amount of projected long term borrowing that is due for repayment in each period.

Maturity Structure of Fixed Rate Borrowing as % of Total Borrowing					
		General Fund		**HRA**	
		Projected Borrowing Amount Maturing £,000	**Total**	**Projected Borrowing Amount Maturing £,000**	**Total**
Current Year	2011/12	60	**10.02%**	16	**0.02%**
Next yr	2012/13	60	**10.02%**	16	**0.02%**
Yr 3-5	2013/14 - 2014/15	180	**30.05%**	1,005	**1.18%**
Y6 -10	2015/16 - 2019/20	299	**49.92%**	7,382	**8.66%**
Y11-20	2020/21 - 2029/30	0	**0.00%**	31,894	**37.41%**
Y21-30	2030/31 - 2039/40	0	**0.00%**	44,937	**52.71%**
		599	**100.00%**	**85,250**	**100.00%**

In addition to this the Council has an overdraft limit of £350,000 and can borrow for periods less than 2 months at fixed rates through our brokers, in order to meet daily cash flow requirements.

4.4 **Upper limit for total principle sums invested over 364 days –** The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested. This limit is set at 50% of the portfolio.

Total Principle sums invested for periods longer than 364 days						
	General Fund		HRA		Total	
	Estimate total investments £'000s	Upper limit £'000s	Estimate total investments £'000s	Upper limit £'000s	Estimate total investments £'000s	Upper limit £'000s
2011/12	(30,161)	(15,081)	(1,236)	(618)	(31,397)	(15,699)
2012/13	(30,408)	(15,204)	(2,970)	(1,485)	(33,378)	(16,689)
2013/14	(30,712)	(15,356)	(6,918)	(3,459)	(37,630)	(18,815)
2014/15	(31,019)	(15,510)	(12,240)	(6,120)	(43,259)	(21,630)

5. Other Items

5.1 Current Position on Debt and Investments

	@ 31/12/11 (£'M)	
Short Term Internal Investments		
Bank of Scotland call account	2.00	
Fixed Term Cash Deposits < 1 Month	8.70	
Fixed Term Cash Deposits < 2 Month	2.00	
Fixed Term Cash Deposits < 3 Month	1.50	
	14.20	**31.82%**
External Investments (at book value)		
Certificates of deposits < 1 Month	11.90	
Certificates of deposits < 3 Months	3.00	
Certificates of deposits < 6 Months	8.40	
Certificates of deposits < 1 Year	6.30	
Cash / Deposits	0.08	
Fixed Interest Security	0.75	
	30.43	**68.18%**
Total Investments	**44.63**	
Borrowing		
Short Term Cash Flow Borrowing	0.00	
PWLB Loan (General Fund) < 10 years	0.60	
PWLB Loan (HRA) < 40 years	0.65	
	1.24	

*Certificates of Deposits are instruments issued by banks & building societies, at a fixed rate for a fixed term.

5.2 Training; CIPFA's revised code requires the Head of Finance (Section 151 Officer) to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

We have a post with specific responsibility for treasury management and we are committed to ensuring the holder gains any relevant qualifications and has access to the training and support they require.

In addition procedures for the finance team are in place and independent checks and authorisations are carried out. The council also maintains an internal audit function through the South West Audit Partnership (SWAP), who annually carries out a review of our treasury management function.

5.3 Use of Reserves; the draft 2012/13 budget has been compiled on the basis that the Council will make the following withdrawals from reserves

	£'M
General Fund Balance	0
Capital Reserves	1,575
	1,575
Transformation Reserve (Balance £1.6 Million)	To be determined

The final amount to be withdrawn from reserves is subject to the final decision of full council on 22 February 2012.

We will keep under review the need to withdraw any further funds from our investment portfolio.

Legal Implications

There are no legal observations.

Financial Implications

These are as stated in the report

Consultation on Reports to the Cabinet

Background Papers

- CIPFA Treasury Management codes of Practice and Guidance Notes 2011
- CLG Guidance on Investments 2011
- CLG Consultation paper on changes to the capital financing system.
- CIPFA Prudential Code 2011
- CIPFA Guide to Housing Self-financing
- Investec returns and papers
- Treasury working papers

Claire Read (x2691)
Accountant

Cabinet
1 February 2012

Appendix A –External Fund (Investec) Lending List

United Kingdom

Abbey National / Santander UK PLC

Barclays Bank PLC

Clydesdale Bank

HSBC Bank

Lloyds TSB Bank Plc

Nationwide Building Society

Royal Bank of Scotland PLC

Standard Chartered Bank

Australia

Australia & New Zealand Banking Group

Commonwealth Bank of Australia

National Australia Bank Ltd

Westpac Banking Corporation

Canada

Bank of Montreal

Bank of Nova Scotia (Scotia bank)

National Bank of Canada

Royal Bank of Canada

Toronto Dominion Bank

Europe

European Investment Bank

European Bank for Reconstruction

Finland

Nordea Bank Finland

France

BNP Paribas – Suspended

Credit Agricole S.A. (Calyon) – Suspended

Credit Industriel et Commercial (CIC) – Suspended

Germany

Commerzbank - Suspended

Deutsche Bank

Netherlands

ING Bank NV - Suspended

Rabobank International

Spain

Banco Bilbao Vizcaya Argentaria – Suspended

Japan

Bank of Tokyo-Mitsubishi

Norway

Den Norske Bank

Saudi Arabia

Riyad Bank London

Sweden

Svenska Handelsbanken

Switzerland

Credit Suisse First Boston

UBS AG

Appendix B – Internal Counterparty List

Building Societies

Criteria: Top 20 UK Building Society with over £1 Billion in total assets.
If over £5 Billion then can invest £3 Million

		Total Assets £'000	Max Investment £
1	Nationwide	187,699,000	3,000,000
2	Yorkshire	33,186,800	3,000,000
3	Coventry	25,452,400	3,000,000
4	Skipton	14,059,400	3,000,000
5	Leeds	9,510,000	3,000,000
6	West Bromwich	7,253,400	3,000,000
7	Principality	6,262,100	3,000,000
8	Newcastle	4,350,100	2,000,000
9	Norwich & Peterborough	3,723,600	2,000,000
10	Nottingham	2,403,800	2,000,000
11	Kent Reliance	2,251,476	2,000,000
12	Progressive	1,666,043	2,000,000
13	Cumberland	1,526,893	2,000,000
14	National Counties	1,206,844	2,000,000
15	Cambridge	946,228	0
16	Manchester	865,072	0
17	Furness	812,594	0
18	Saffron	835,070	0
19	Leek United	735,973	0
20	Monmouthshire	692,125	0

Banks

UK or Irish bank with presence in UK and a short term Fitch rating of F1+ or higher.

UK High Street Banks	Short Term Fitch Rating	Max Investment £
Lloyds Banking Group		
Lloyds TSB	F1	2,000,000
Bank of Scotland	F1	2,000,000
Halifax	F1	2,000,000
Royal Bank Of Scotland Group		
Royal Bank of Scotland	F1	2,000,000
National Westminster	F1	2,000,000
Others		
Santander UK PLC	F1+	2,000,000
Barclays	F1+	2,000,000
HSBC	F1+	2,000,000
Clydesdale Bank	F1	2,000,000
Co-op Bank	F2	0
Irish Banks with UK Presence		
Bank of Ireland	F2	0
Allied Irish	F2	0

Agenda Item 15

Cabinet
01 February 2012
DHP

Discretionary Housing Payment (DHP) Policy

Summary

Under the Welfare Reform Bill there are a number of cuts that are currently being implemented in the way Housing and Council tax benefit is calculated. As part of these changes the Government has increased the amount of funding it gives under DHP and has also published new guidance. We expect more customers will start to apply for DHP as the cuts start to take effect. It is therefore important for this Council to have a DHP policy to ensure that we manage the scheme fairly, reasonably and consistently.

Recommendation

The draft policy be adopted

a) Reasons for Recommendation

To ensure that we are dealing with customers fairly, reasonably and consistently

b) Alternative Options

Not to have a formal policy

c) Risk Considerations

By not having a policy we are at risk of being challenged that we are not awarding DHP's in a fair and consistent way.

d) Policy and Budgetary Considerations

The grant EDDC receives for DHPs for 2011/12 is £70,921. The maximum the Council can give is limited to 2.5 times the annual grant. We are currently on track to spending close to the grant received from the Government.

Positive Impact Overall

Excellent Customer Service.
Meeting our Diversity and Equality duties.

e) Date for Review of Decision

See draft policy

1 Main Body of the Report

Draft policy attached.
Equality Impact Assessment – Appendix A

Legal Implications

The statutory framework and procedure is set out in the attached Policy and EIA appendix.

Financial Implications

The grant received in the current year is £70,921 and it is budgeted to spend close to this sum.

Consultation on Reports to the Cabinet

We have consulted with Citizens Advice Bureau, Christians Against Poverty, Smartmove, Westcountry Housing and our Housing Service.

As a result of the consultation exercise we have made a number of changes which have been incorporated within the draft Policy.

Background Papers

- Equality Impact Assessment (available on the Council's website with this agenda)
- Consultation responses
- DWP DHP Good Practice Guide

Libby Jarrett
Revenues & Benefits Manager

Cabinet
1 February 2012

Discretionary Housing Payment Policy

1. Reasons for introducing the Policy

The Government issued a new practice guide in March 2011 which replaces the March 2008 Discretionary Housing Payments Best Practice to reflect local authorities' role in assisting customers affected by Housing Benefit reforms from April 2011.

2. What are DHPs - Terms Explained

2.1 DHPs are paid on top of Housing or Council Tax Benefit (HB/CTB). They can only be awarded if customers already receive either or both of these benefits and need further financial support to pay rent or Council Tax. DHPs are not HB or CTB.

.

2.2 Payments are discretionary and it is up to the council to determine how to operate the scheme. There is no statutory right to a payment but the council must be satisfied that a customer is genuinely in need of further financial assistance with their housing costs.

2.3 The amount we have to spend on DHPs is limited. The DHP fund can be up to a maximum of two and a half times the amount of the government grant. For 2011/2012, the grant is £70,921 and the maximum size of the fund is therefore £177,303 (£106,382 for EDDC).

3. Specific Policy Areas

3.1 Policy Aims

3.1.1 The Policy is intended to ensure that DHPs contribute to the Council's aims and objectives for the development of the East Devon area and to promote social and financial inclusion.

3.1.2 We will seek to make the process fair and to ensure that payments are made in line with our purpose in the delivery of HB/CTB to pay the right person, the right amount at the right time.

3.1.3 We need to manage the expectations of customers and welfare agencies successfully as, regrettably, for the majority of those affected by the cuts in benefit, DHPs will not be able to meet the full shortfall.

3.1.4 The Revenues and Benefits service is committed to working with other council services and the wider community, such as housing landlords and the voluntary sector, to provide an inclusive approach to addressing financial difficulties. We will deal with claims for DHP in a professional and fair manner that shows respect for customers, members of staff and anyone else involved in the process.

3.1.5 East Devon District Council is committed to equality of opportunity and to the elimination of unfair and unlawful discrimination in our policies, practices and procedures. We have a duty to act fairly, reasonably and consistently when considering awards of DHP. Our aim is to provide equality of access to each customer regardless of their age, disability, gender, language, marital status, race, religion or sexuality.

3.2 Objectives

The Council will treat each application for a DHP on its merits, in line with the Council's corporate aims and objectives, and seek to:

- alleviate poverty;
- safeguard residents in their own homes;
- sustain tenancies and help prevent homelessness
- help customers through personal crises and difficult events over which they have no control;
- keep families together;
- support vulnerable or elderly customers in the local community;
- help those who are trying to help themselves;
- encourage customers to obtain and sustain employment;
- support vulnerable young people, such as those leaving care, in the transition to adult life;
- signpost customers seeking advice and guidance about debt to the appropriate agencies.

3.3 Awarding DHPs

3.3.1 We will consider awarding a DHP (if there is some benefit entitlement already), in a wide variety of circumstances. Some examples of when we may give temporary help are:

- a customer experiences unexpected changes in their income/expenditure which they have no control over but are still tied into the terms of their current tenancy;
- to help a customer to move into work after a period of unemployment;
- if benefit is less than the full rent because a customer's disability or vulnerability makes it hard for them to move to cheaper accommodation;
- a person has moved to cheaper accommodation and there is an unavoidable overlap in rent costs.

3.3.2 In all cases we will look carefully at a customer's circumstances before coming to a decision.

3.3.3 Customers can claim DHP by:

- telephoning
- emailing
- writing in
- visiting our offices or at the customer's home.

It is particularly important that the most vulnerable customers know how to apply (see Publicity 3.10).

3.4 How we will make our decisions

3.4.1 In deciding whether to award a DHP, the Council will take into account the following criteria:

- the shortfall between HB/CTB and the actual housing costs;
- any steps taken by the customer to reduce their rental or council tax liability;
- household income and expenditure including savings and capital;
- regular debt repayments;
- exceptional circumstances (including ill health and disability);
- the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation;
- the period that the customer anticipates the DHP will be needed for;
- any other special circumstances brought to the attention of the Council
- the amount available in the DHP budget at the time of the application.

3.4.2 We will work with the Housing Service in order to address wider support issues. For example, customers may need to apply under the Rent Deposit Scheme for help in moving to smaller and/or cheaper accommodation more appropriate to their circumstances and away from reliance on DHPs.

3.4.3 DHPs for rent deposits will be awarded only in exceptional circumstances if an application with the Housing Service has been disallowed.

3.4.4 We will encourage customers to identify excessive non priority expenditure and, if appropriate, signpost them to accredited Debt Advice agencies such as CAB, Christians Against Poverty, Homemaker, etc.

3.4.5 Although there are many situations when we can award a DHP, we can't use DHP to meet a service charge that isn't eligible for housing benefit or make an award for a period when there isn't any HB/CTB entitlement.

3.5 Length of awards

No award can be made past the end of the financial year in which the award starts. In general, short term awards may be appropriate if a customer just needs time to sort out their financial circumstances; longer term awards may be appropriate depending on the customer's circumstances and the likelihood of change.

3.6 Reviews

3.6.1 Customers have no statutory right of appeal against DHP decisions because DHPs are not payments of benefit and therefore cannot be appealed to the HB/CTB tribunal.

3.6.2 If a customer disagrees with a DHP decision we will review it. The review will always be undertaken by someone other than the original officer in order to mitigate against the risk of legal challenge or allegation of maladministration.

3.6.3 If a customer's application has been reconsidered and they are still not happy with the outcome they can:

- seek a Judicial Review
- make a complaint through the Council's complaint policy, which explains how it can be escalated to the Ombudsman.

3.7 Notification

3.7.1 The Council will normally make a decision about awarding a DHP within 10 days of receiving all the information required.

3.7.2 We will tell all customers the outcome of their application for DHP, whether successful or not, and let them know:

- the reason for the decision
- that they can ask us to look at our decision again
- that they have the right to take the application to a judicial review

3.7.3 For successful applications, our letters will include the following information;

- the amount of the award
- the period of the award
- the need to notify of any changes in circumstances
- advice that we cannot guarantee that any future applications for help will be successful, even if circumstances have not changed because DHP is cash limited and the threshold set by Government cannot be exceeded.

3.8 Overpayments

The Council cannot recover overpaid DHPs from ongoing Housing or Council Tax Benefit because they are not benefit awards. The Council can recover overpayments from ongoing DHPs or by issuing an invoice to the person to whom the DHP payment was made.

3.8.1 Overpayments will be recovered in-line with the Council's Corporate Debt Policy.

3.9 Fraud

East Devon District Council is committed to fighting fraud and therefore we will always aim to investigate any DHP applications which are suspected of being fraudulent. Submitting a fraudulent claim for DHP is a criminal offence and offenders may be prosecuted.

3.10 Publicity

3.10.1 We will raise awareness of DHPs in a wide variety of ways including:

- the Council's website
- leaflets
- in letters advising customers about their Housing and/or Council Tax Benefit awards
- when customers come to us to discuss a claim
- by working closely with our Housing team
- by making landlords and Social Services aware of the scheme
- by involving key voluntary sector organisations such as CAB, Smartmove, Christians Against Poverty, etc.

3.10.2 The Council will publish the criteria that we will consider when making decisions about DHP claims. This will promote the overall aim of linking the scheme to the council's vision.

4. Outcomes

See 3.2 Objectives

5. Who is responsible for delivery

5.1 The Benefits Team are responsible for administering, determining and awarding DHPs.

5.2 The Revenues and Benefits manager will monitor the overall budget spend.

6. Performance Monitoring

In order to monitor and manage the DHP budget effectively and fulfill its duty to act fairly, reasonably and consistently the Council will keep records on:

- amounts awarded
- type of accommodation
- reason for the award
- duration of the award
- customers' characteristics

7. Policy Consultation

Consultation with Housing service, Citizens Advice Bureau, Smartmove, Westcountry Housing and Christians Against Poverty.

8. Assessment and Appraisals

Equality Impact Assessment

9. Policy Review

This Policy will be managed by the Revenues and Benefits Manager and will be reviewed in 2014.

10. Related Policies/Strategies, Procedures and Legislation

10.1 Strategies

- Corporate strategy
- Homeless Strategy 2008-2013
- Homeless Strategy in the Housing Strategy 2008-2011 and the Private Sector Renewal Strategy 2008-2011
- Corporate Debt Policy (draft)

10.2 Legislation

- Section 69-70 of The Child Support, Pensions and Social Security Act 2000.
- The Discretionary Financial Assistance Regulations 2001
- Article 7 of The Discretionary Housing Payment (Grants) Order 2001
- Schedule 1 to the Housing Benefit Regulations 2006 and Schedule 1 to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006
- Regulation 11(3) of the Housing Benefit Regulations 2006 and Regulation 11(2) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006
- The Human Rights Act 1992
- Data Protection Act 1998

Agenda Item 16

Cabinet Meeting
1 February 2012
KJ/MW

Statutory Pay Policy

Summary

Recommendation

This Statutory Pay Policy seeks to address the legal requirement set out in Section 38 (1) of the Localism Act 2011 which requires English and Welsh local authorities to produce a statutory pay policy statement for 2012/13 and for each financial year after that.

Members agree to the Policy which outlines the process and accountability for setting Chief Officer pay.

a) Reasons for Recommendation

This policy has been introduced to comply with legislation.

b) Alternative Options

None

c) Risk Considerations

This policy will ensure that senior level pay is proportionate and balances the need to recruit and retain high calibre chief officers with the need to protect the Council's resources.

Main Body of the Report

1.1 In the context of managing scarce public resources, remuneration at all levels within the Council needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive.

1.2 East Devon District Council has already adopted a Pay and Reward Strategy which seeks to ensure that its pay and reward systems facilitate the retention and recruitment of employees with the right skills and capabilities and takes account of regional and national variations and local market factors.

1.3 This policy is designed to cover chief officer pay and includes arrangements for the posts of Chief Executive, Deputy Chief Executive (including Monitoring Officer

responsibility), Heads of Service (including Section 151 responsibility) and Corporate Managers.

1.4 Salary data and recommendation on senior level pay are available from South West Employers as part of the annual fee paid to this organisation by EDDC. Additionally, Members may wish to see additional data which can be provided by Incomes Data Services at an approximate cost of £1500.

Legal Implications

Section 38 of the Localism Act requires Councils to prepare and approve pay policy statements to cover its chief officers and deputies on an annual basis. The statutory definition of deputy chief officer includes those who as respects all or most of the duties of their post, are required to report directly or is directly accountable to Heads of Service or Corporate Managers [this excludes administrative posts].

The factors which must be addressed in the policy are set out in the Localism Act. These include the definition of “lowest-paid employees” adopted by the authority for the purposes of the statement, and the authority’s reasons for adopting that definition.

Pay policy statements, and any amendments to them, are to be approved by a meeting of full council; the preparation of pay policy statements is not a Cabinet function. The annual policy must be approved by full Council by 31 March for the financial year that follows.

As soon as is reasonably practicable after approving or amending a pay policy statement, the authority must publish the statement or the amended statement in such manner as it thinks fit (which must include publication on the authority’s website).

Having approved its pay policy statement, the Council must comply with it in relation to the pay and conditions of chief officers and deputies. As stated above, the policy may be amended through full Council mid-year if required.

Financial Implications

The levels of remuneration in Appendix A are included in the 2012/13 Budget Estimates which will be approved at full Council in February 2012.

Background Papers

- Statutory Pay Policy
- Appendix A

Karen Jenkins Ext 2762
Corporate Organisational Development Manager

Cabinet meeting
1 February 2012

1. The levels and elements of remuneration for each chief and senior officer are:

Post Title	**Remuneration (per annum)**	**Car Allowances pa** **(Based on mileage allowances in excess of 1,000 miles pa)**
Chief Executive	£121,000	£5,524 Lease car £3,000 Travel Allowance
Deputy Chief Executive x 2	£85,248 £69,120 (P/T)	£1,239 Car allowance in accordance with criteria
Head of Service x 4	£61,731 x 4 posts	£1,239 Car allowance in accordance with criteria
Corporate Manager x 3	£59,674 x 2 posts £53,706 (P/T)	£1,239 Car allowance in accordance with criteria

2. The FT remuneration of the lowest paid employee.

Post Title	**Remuneration**	**Other Allowances**
Buildings Cleaner	£12,787	None

3. The multiplier of the remuneration of the chief officer and other officers based upon taxable earnings

	Total Remuneration per annum(including cash value of Company Car and travel allowances)
Annual Mean FTE average Pay of all employees	£24,200
Pay multiple of Chief Executive to mean average FTE	**5.30** **2.65** **(as half cost of CEO paid by South Somerset District Council)**
Pay multiple of Chief executive to lowest paid FTE employee	**10.02** **5.01** **(as half cost of CEO paid by South Somerset District Council)**

East Devon District Council

Pay Policy Statement for Chief Officers

1 Purpose and scope of the Policy

1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a statutory pay policy statement for 2012/13 and for each financial year after that.

1.2 In the context of managing scarce public resources, remuneration at all levels within the Council needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive.

1.3 East Devon District Council has already adopted a Pay and Reward Strategy which seeks to ensure that its pay and reward systems facilitate the retention and recruitment of employees with the right skills and capabilities and takes account of regional and national variations and local market factors.

1.4 This pay policy statement applies specifically to chief officers (a term which includes both statutory and non-statutory chief officers) and addresses the legal requirement to set out how the policy for agreement of chief officer remuneration differs to that of other Council employees. For the purposes of this statement this includes:

- **Chief Executive Officer (the Chief Executive Officer is shared with South Somerset District Council)**
- **Deputy Chief Executives including Monitoring Officer responsibilities**
- **Heads of Service including Section 151 Officer responsibilities**
- **Corporate Managers**

1.5 The Hutton Report outlined that the most appropriate metric for pay dispersion is the multiple of chief executive to median earnings. Tracking this multiple will ensure public service organisations are accountable for the relationship between the pay of their executives and the wider workforce. Through this pay policy statement EDDC will track this multiple annually and will also publish the following information (please see Appendix A):

- the level and elements of remuneration for each chief officer;
- the remuneration of the lowest paid employees;
- the relationship between the remuneration of its chief officers and other officers;
- other specific aspects of chief officer remuneration.

3 Terms Explained

Spot salaries – these are salaries which are a specific sum and are not related to a grade with increasing levels of pay.

Pay multiple – this is calculated by comparing all taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of benefits in kind) for the Chief Executive compared to median earnings and the lowest paid in the organisation.

4 Specific Policy Areas

4.1 The Joint Negotiating Committee has previously emphasised that 'it is good governance that local authorities can demonstrate that decisions on pay and reward packages for chief executives and chief officers have been made in an open and accountable way.'

4.2 Salaries will be 'spot salaries' and these will be agreed through an accountable and transparent process. Salary levels will be consistent with similar organisations which aim to pay according to median salaries. There will be due regard to balance the need to ensure value for money but enable EDDC to recruit and retain high quality chief officers in the context of national, regional and local labour markets.

4.3 In determining the remuneration package for appointments to Chief Executive, Deputy Chief Executives, Heads of Service and Corporate Managers, the Leader of the Council will take independent pay advice from South West Regional Services or similar. The Leader will then make recommendations which will be subject to the approval of Full Council.

4.4 The Leader of the Council may recommend to Full Council changes to the remuneration package following an annual review. Any changes to the remuneration packages will be subject to Full Council approval.

4.5 Salary increases in relation to cost of living will be made in line with National Joint Council recommendations.

4.6 As outlined in the Pay and Reward Strategy the use of market supplements may be applied in certain circumstances but at present are not considered necessary for Chief Officers.

4.7 At present, there are no additional payments made to senior officers which specifically relate to performance such as performance bonuses; neither is there an element of pay which can be enhanced for performance. Performance issues will be dealt with through the Performance Excellence Review process.

4.8 Any termination payments to chief officers on ceasing office will comply with East Devon District Council's Redundancy Policy and no additional payments will be made without the express approval by Full Council.

4.9 Additional payments are made by Central Government to officers carrying out additional duties at elections. These payments are not within the scope of this policy.

4.10 Through this policy the pay multiple of the Chief Executive will be monitored annually. Should the mulitplier between the annual salary paid to a full time employee on the lowest spinal column point and the annual salary paid to the Chief Executive be greater than 10, this will be reported by teh Leader of the Council to Full Council for consideration.

5 Outcomes

In introducing this policy East Devon District Council will ensure that the process for setting pay at a senior level is transparent. This policy will be reviewed annually to track the relationship of chief officer pay with the rest of the workforce.

6 Who is responsible for delivery?

The Corporate Organisational Development Manager is responsible for the delivery of this policy.

7 Performance Monitoring

Annual monitoring of this policy will take place in March.

8 Policy/Strategy Consultation

This policy will be agreed by Strategic Management Team, Council, Full Council and Scrutiny Committee.

9 Equality Impact Considerations

The principles of equal pay are integral to this policy. 'Equal work' is defined as:

- Like work where the woman and the man are doing the same job
  or
- Work rated as equivalent where the 2 jobs are different but have been evaluated by the employer's job evaluation scheme (JES) at the same level/grade
  or
- Work of equal value where the jobs are again different but an argument is made that both jobs should be regarded as being of equal value or worth.

10 Related Policies/Strategies, Procedures and Legislation

Pay and Reward Strategy
Equal Pay Act
Equality Act 2010
Localism Act 2010
Discretionary Pension Policy

Agenda Item 17

Cabinet
11 January 2012
Performance Information until December 2011

Performance Monitoring Report until December 2011

Summary

Performance information for the 2011/12 financial year until December 2011 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.

Recommendation

That the Cabinet considers the progress and proposed remedial action for performance measures for the 2011/12 financial year until December 2011.

a) Reasons for Recommendation

This report demonstrates our progress in achieving targets set for relevant performance measures and highlights any areas of concern.

b) Alternative Options

None.

c) Risk Considerations

A failure to make satisfactory progress in addressing the areas of concern may lead to the Council being criticised by its customers, by inspectors in a future inspection and could also compromise the Council's reputation and budgets.

d) Policy and Budgetary Considerations

One of our corporate goals is 'Excellent services for our customers' and these performance reports help members understand whether we are improving services from our customers' point of view. Quarterly and monthly performance monitoring conforms with existing Council policy and the Council's current budget. However, any consequent improvement action could have policy and financial implications.

Positive Impact Overall

Excellent Customer Service.
Inspirational Council.
Providing more service at same cost.

e) Date for Review of Decision

Performance information is provided on a monthly basis.

1 Main Body of the Report

1. In summary all measures are showing satisfactory performance.

2. A full report showing more detail for all the performance indicators mentioned above appears in Appendix A.

3. Rolling reports/charts for Housing, Planning, StreetScene, Benefits and ICT appear in Appendix B.

4. An explanation and definitions of these measures can be found in Appendix C.

Legal Implications

There are none arising from the recommendations in this report.

Financial Implications

There are no direct financial implications.

Consultation on Reports to the Cabinet

Relevant Heads and officers have contributed to the appendices.

Background Papers

- Appendix A - The Performance Indicator monitoring report for the 2011/12 financial year until November 2011.
- Appendix B - Rolling reports for Planning, Housing, StreetScene, Benefits and ICT
- Appendix C - Explanations and definitions.

Joanne Avery Ext 2332
Management Information Officer

Cabinet
11 January 2012

Agenda Item 18

Cabinet
February 1 2012
CPFeb

Initial proposal for Shared ICT Service in Devon

Summary

The need to reduce costs within the council is paramount. The ICT service and the smart use of IT solutions are expected to help make this happen.

To this aim a proposal has been drafted by a few ICT colleagues in Devon for creation of a single ICT service for all local authorities within Devon. The single ICT service described in the proposal would:

- Reduce costs for all participating councils
- Improve the resilience and capability of ICT services
- Provide greater access to IT innovation.

The business model in the proposal is that of a "mutual company", a separate legal entity that is owned and controlled by its customers. This provides the benefits of a bigger organisation without the loss of control or lack of flexibility of an outsourced arrangement.

The proposal has been reviewed and discussed by Council Leaders and Chief Executives at the Devon Districts' Forum and the Devon Local Government Steering Group. The direction from these groups is for further investigation, with the assistance of external resources, to gain better knowledge of the likely costs savings, benefits, risks and issues of such a venture.

All District Councils have agreed to contribute £2000 each towards the external resource, with the County and the Unitaries contributing higher amounts up to £5000.

The investigation, the timetable for which is yet to be established, will be lead by East Devon. The outcome will be a report for initial review by the Devon Local Government Steering Group.

Recommendation:

Note the details in the Proposal papers and the £2000 contribution towards the external resource for the next phase of the investigation.

a) Reasons for Recommendation

To bring to members attention the possibility of a combined ICT service in Devon. . We need to cut costs while also maintaining robust ICT services. This is a proposal that could achieve both aims.

b) Alternative Options

More and more ICT resources are being spent on "keeping the lights on". The Council could decide to continue or increase spending on ICT but this could potentially impact on front-line services.

c) Risk Considerations

The risks involved in carrying out further investigation are nil.
The risks involved in implementing a shared service are many and various and are to be considered in detail if a shared service of any sort goes ahead.

d) Policy and Budgetary Considerations

Positive Impact Overall
Thriving Economy.
Green Environment.
Young People.
Excellent Customer Service.
Inspirational Council.
Meeting our Diversity and Equality duties.
Providing more service at less cost.
Create Cashable Savings

e) Date for Review of Decision

For a wider discussion of the proposal, next Overview and Scrutiny Committee meeting on 1 March 2011.

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1 Summary - The Vision for a Shared Service

Voluntary, co-operative working amongst ICT in Devon councils has been largely non-existent. This is despite the potential benefits of shared ICT being huge, as proven by examples of shared ICT around the country. The vision for the shared ICT service, nicknamed the "Twelfth Entity", is to change from voluntary sharing to a single organisation (the company) supplying the ICT services for the councils in Devon.

The company mostly created from the ICT sections of participating councils will:

1.1 Be owned and directed by its members…could be organised on a mutual basis as a separate legal entity whereby any profits are reinvested for the benefit of the membership. It would have its own constitution and be overseen by a board of directors drawn from member councils who will have control of the company direction.

1.2 Deliver a full range of ICT services focused on meeting the needs of its "owning members"….this includes a single datacentre, desktop computing and telephony services, business application development 'project management, information security, business analysis and any services that currently fall under the banner of "ICT".

1.3 Generate significant cost savings for owners compared to running their own in-house ICT service….through removal of duplication of major elements of the ICT infrastructure; using economies of scale to negotiate contracts; consolidation of software licences; and potentially sharing of business applications.

1.4 Reduce the risks of not being able to maintain critical ICT services…combining forces will create a greater critical mass of resource and expertise with less reliance on individuals with their unique knowledge. The combined resources will also be able to strengthen information security and disaster recovery management.

1.5 Be a centre of excellence of ICT capability and provide an environment that attracts, retains and motivates ICT professionals…the company will have improved career paths for all branches of ICT; employ pragmatic best practice processes; be able to match ICT salaries and benefits in the private sector.

1.6 Generate more capacity for ICT development to enable greater innovation from technology…by removal of duplication of effort; sharing of expertise across councils; sharing the benefits of a single development with all owners.

1.7 Operate in a lean, efficient manner using good system thinking principles …it will beat private sector outsourcers on price; with cost savings and profits returned to the owners

1.8 Deliver the range of opening hours for ICT support desks that customers are beginning to demand…a greater critical mass of support staff will enable a wider range of "opening hours"

1.9 Preserve professional ICT jobs within the County…creating a strong, highly professional, customer focused, cost effective ICT operation for Devon will help counter job threats from government ICT strategy

2 Summary - The Rationale

There are strong reasons for combining forces to deliver ICT services from a single company:

2.1 The local authorities in Devon continue to have significant duplication with ICT. The combined authorities have 11 datacentres (computer rooms); 11[1] ICT organisations; 11 sets of vendors and contracts; 11 sets of business software; everyone has their own disaster recovery arrangements; and a range of policies and procedures all delivering essentially the same outcomes for their customers. If we had the opportunity to start again would we design it like this?

2.2 Voluntary co-operative working between local authorities on ICT issues has proved problematic despite a seeming willingness to share. When sharing has been offered and investigated it has frequently fallen by the wayside as issues arise such as :

- Investment timings and the need to "sweat assets" over their life cycle
- Technical differences over the best solution to choose resulting in stalemates
- Costs and cost recovery differences between councils
- Interpretation and application of security policies
- Pressures to achieve in different timescales.

[1] Note – South Hams and West Devon ICT organisations (and Strategies etc) will soon be integrated and shared.

2.3 Having said that Devon authorities do not share voluntary, there are exceptions that prove we can. Majority of councils operate a shared, hosted Housing system from Abritas to provide Devon Home Choice. Also, although not a shared system, but a shared procurement, most councils use the Lalpac licensing system from IDOX

2.4 The Board of the single ICT company will be empowered to make decisions to drive simplification and standardisation for the basic ICT services across Devon. It could also focus development capacity on the things that make a difference to councils and their customers by moving investment from "keeping the lights on" to more innovative use of IT.

2.5 Increased capability to devise creative solutions to meet unique and common business issues will come from organisationally combining the "solution development" teams in ICT across Devon. Having a single ICT organisation delivering services to several organisations will act as a catalyst for cross-fertilisation of ideas and enable more of a "joined-up" approach between tiers of local authorities.

2.6 South Hams and West Devon are "pairing up" to share services. They are realising savings and capability improvements. However there is much more to be gained for not much more work if several councils joined together to create a bigger "critical mass". Notably, these improvements only really began once a single ICT leader was appointed and empowered.

2.7 Savings from the creation of a single organisation will depend upon the number of local authorities involved but could easily be in the £millions. Savings will initially come from standardisation of ICT infrastructure. All councils have unique identities and their own corporate priorities but all councils should be able to operate successfully with a standard ICT core infrastructure including desktop, email, remote access, network, voicemail, telephones, security policy etc.

2.8 ICT infrastructure investment is a major cost area. For example, Plymouth is planning to build a new data centre at a cost of £1m; East Devon and North Devon are each investing over £100,000 in storage networks and disaster recovery mechanisms. Other councils have similar projects planned over the next 4 years. The cost of data centre technology alone could be cut by more than 25% if there was a single data centre that all councils would use.

2.9 For the sake of sizing the opportunity I have estimated the number of staff managing the various current ICT infrastructures across Devon to be around 45 in total for the 11 authorities. If this dropped to around 25 with a single data centre and a managed network in place this could mean a total saving around £600,000 a year ie £3m over 5 years.

2.10 Again to provide a scale a single data centre for Devon would house in the region of 100 racks of equipment. South West Telecoms in Exeter run a profitable hosting business based upon 120 racks. We could either extend existing councils data centres, outsource to the "cloud" or build a new one.

2.11 Robust technology now exists to deliver a secure," private cloud" of IT services for local authorities in Devon. This technology is already being developed and implemented in several authorities. Although we are trying to learn from each

other we are again all moving in slightly different directions creating different solutions to the same problems that affect us all.

2.12 The lack of a viable data network was a major hurdle to sharing of IT systems in Devon but this has largely been solved by the implementation of the Siemens Devon Network and the emergence of PSN ready network providers.

2.13 The easy savings have all been made over the last five years. Further "salami slicing" savings in ICT will increase risk of ICT failure and even take it beyond acceptable levels in some councils. Absence of key employees for some is already a risk and a resignation may cost heavily.

2.14 The private sector ICT is showing signs of recovery just as local authorities are facing an unparalleled need to cut costs. This poses serious risks for staffing the ICT services. A company with a reputation as a centre of ICT excellence with good career paths and good terms and conditions offers some protection against the risk of talented people moving elsewhere.

2.15 ICT is becoming ever more complex and invasive for councils. More, not less, expertise and capacity is required to apply and manage it at a time when training budgets are being cut and employees are being redundant. The risks are increasing.

2.16 Outsourcing a complete ICT service is often proven not to provide the cost savings or flexibility needed by local authorities (see Annex 2 in the second document for a SOCITM[2] report).

2.17 Government is encouraging shared ICT services or delivery of ICT through other means such as Community Interest Companies (CICs) or mutuals. Resources are being made available by government to assist Councils through this process.

2.18 The single ICT organisation would be ideally placed to take advantage of any new "cloud services" emerging from the suppliers of the government's ICT strategy. Although the "G Cloud" is aimed at central government and is quite a few years away from delivering tangible outcomes the direction makes sense. Devon needs to be in a good place to enable us to take full advantage of any developments.

2.19 Different methods of sharing of ICT have been mooted but they are all much weaker in terms of benefits than the end goal of a single company. For example:

- Each council hosting various applications for others to use…still results in 11 data centres and ICT organisations retained with their disparate technology sets
- Sharing a skills list…nice idea, tried in the past, and failed. There is simply no capacity available to "sell" to other councils
- Having "experts" in various technologies agreed around Devon….reduces the need for all councils to retain specialists but there are still the issues of capacity availability, different directions on technology, retention of 11 data centres.

[2] SOCITM – The Society of IT Managers, whose objective is to promote the effective and efficient use of Information Technology in Local Government and the Public Sector. All Devon Heads of ICT are members of SOCITM.

- Agreeing procurement of single solutions…we just can't seem to do this in Devon. The latest effort (a system for Log File monitoring and Analysis) petered out after many months of effort.

2.20 The recent SOCITM report "Successful sharing: a practical guide for local public services" includes a number of case studies with different organisational models for sharing ICT services. The report acknowledges that initiating, planning and implementing shared services is a non-trivial exercise and that there are many issues relating to organisational politics, people and technology to address. However, the case studies show that this is all possible and that the outcomes are worth the effort.

2.21 The ICT Company will need to deal with member councils on a number of levels. It is important that organisation design establishes those functions critical to maintaining sovereignty in each Council. These functions could cover regulatory compliance, security oversight, design authority and a strong intelligent client to ensure VFM is sustained and business needs are met.

2.22 Combining ICT services for local authorities in Devon seems so logical. This proposal offers one way of achieving it but there are others. A single mutual company, **owned and directed by its owner members**, which does not depend upon any one council delivering services to another has the major attractions of:

a) Best cost saving opportunity…and, even allowing for major errors in assumptions, will result in £millions of savings over a period of 3-5 years being returned to customer-owners.

b) Councils retaining control of ICT direction and flexibility to adapt to changing circumstances…unlike with most long-term outsource arrangements with a private sector supplier

c) Reducing the risk of ICT failure, improving the capability for innovative use of IT while retaining jobs in Devon.

Legal Implications

A council mutual is one of a number of options for a legal vehicle which could be used for outsourcing. The general power of competence contained in the Localism Act would facilitate such an arrangement, once in force. In July 2011, the government published the White Paper, *Open Public Services*. The White Paper repeats the government's commitment to promoting the use of mutuals within the public sector, including coucil owned mutuals.

Another option is a joint committee of several authortiies, such as that used for our internal audit arrangements.

The costs and advantages/disadvantages of a range of legal vehicles should be considered as part of the initial investigation/assessment work and consideration of a detailed business case, to ensure fitness for purpose.

Outsourcing raises a range of legal issues including:

Service delivery arrangements for each authority
Asset transfer/licence and due diligence issues
Risk allocation between the parties for liabilities
Possible public procurement issues
Possible impact of State Aid rules
Transfer of staff/pensions
Tax impact
Exit strategy

Financial Implications

There is clearly the potential for substantial savings. Financial data collected from Devon Councils for comparisons and savings calculations must clearly defined so they are comparable. The Devon Accountants Group is a potential source of expertise and support. The initial £2k would be funded from the general fund.

Consultation on Reports to the Cabinet

The proposal has been created by Chris Powell of East Devon and Katrina Ralph of DCC as an action from the Devon IT Managers group.

The Portfolio Holder Corporate Services has received the proposals.

The Devon Districts' Forum and Devon Local Government Steering Group have reviewed the proposal.

Background Papers

The detailed proposal referred to the Devon Districts' Forum.

Chris Powell
Corporate ICT Manager

Cabinet
1 February 2012

Agenda Item 19

Cabinet
1 Febuary 2012
PD/smep

Exemption from Standing Orders

Extension to an existing contract for the purpose of achieving Best Value – Waste and Recycling

Summary

This report seeks Cabinet approval for an exemption from Standing Orders to extend the contract for forensic accounting and value for money survey to be carried out by RSM Tenon. The original engagement was through a quotation process whereby RSM were awarded the contract for 3 years which has now been completed. The original cost of carrying out this work was in the region of £30,000 per annum with variations in the requirement either for a forensic accounting exercise or one for best value. The Waste & Recycling Board has been pleased with the external auditing of the Waste Partnership and Sita and would like to extend the contract by a further 3 years.

Recommendation

To agree the request for an exemption under Standing Order 1.13 to enable the contract for forensic accounting and value for money survey to be carried out by RSM Tenon to be extended by 3 years.

a) Reasons for Recommendation

For the purpose of achieving Best Value.

b) Alternative Options

To not agree to the request.

c) Risk Considerations

That there is no external view of how the accounts are presented and are calculated by Sita and how the service is delivering.

d) Policy and Budgetary Considerations

Detailed in the report

e) Date for Review of Decision

N/A

1 Main Body of the Report

The contract with RSM Tenon has given the authority the ability to check whether all the aspects of the accounting practices operated by Sita in submitting accounts to the authority are satisfactory, it has also shown that the new waste and recycling scheme is delivering in raising the recycling rate and reducing the amount of waste to landfill and its cost effectiveness. In the value for money exercise it benchmarks the service against others to establish if EDDC are receiving value for money.

RSM Tenon have submitted a quote to carry out on a rotating basis a forensic account exercise and value for money audit for the sum of £10,000 (50% to be paid for by Sita from resources outside the contract) for the next 3 years.

Legal Implications

There are no legal implications to report.

Financial Implications

Financial details are contained in the report and costs can be met from existing budget provision.

Consultation on Reports to the Cabinet

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Background Papers

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Paul Deakin – Ext. 1617
Interim Waste & Recycling Manager

Cabinet
1 February 2012

Agenda Item 20

Cabinet
1 February 2012
KAL/AW

Exemption from Standing Orders

Appointment of consultants to undertake a study on the development of a Local Revolving Infrastructure Fund

Summary

This report seeks Cabinet approval for an exemption from Standing Orders in order to appoint consultants to undertake a study to help inform the development of a Local Revolving Infrastructure Fund. It is proposed to appoint Cooper Simms to undertake this work as they have been heavily involved in the financial appraisal of projects in the West End including the Science Park and investments from the Regional Infrastructure Fund.

Recommendation

To agree the request for an exemption under Standing Order 1.11 to enable the appointment of Cooper Simms to complete the work referred to in the report; this work to be managed by the Projects Director of the Exeter and East Devon Growth Point Team to a maximum cost of £10,000.

a) Reasons for Recommendation

To ensure that the best qualified consultancy support is appointed expeditiously. To ensure that there is a robust evidence for how a local revolving infrastructure fund could function including harnessing both existing investments and new funding mechanisms.

b) Alternative Options

Not to have robust evidence – this would frustrate the successful introduction of a Local Infrastructure Fund.

c) Risk Considerations

In the absence of robust evidence there is a risk that we may not be able to make the best possible case for establishing a long term infrastructure fund and thereby fail to secure the necessary resources to support our growth ambitions.

d) Policy and Budgetary Considerations

Funding for this work will be met entirely from Growth Point Team budgets with support from the Homes and Communities Agency.

Positive Impact Overall
Thriving Economy.

e) Date for Review of Decision
N/A

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1 Appointment of Consultants

1.1 The Cabinet considered a paper at the October 2011 meeting on the potential establishment of a local revolving infrastructure fund. The paper highlighted the significantly changed landscape in terms of the availability of funding to support the delivery of development. There is a clear expectation that in future localities should lead their own development and put in place the necessary measures to support this. New incentives and financial mechanisms are being introduced to facilitate this including the Community Infrastructure Levy.

1.2 The paper highlighted that the establishment of a local infrastructure fund represented a significant opportunity to respond positively to this agenda and to smooth the transition to the revised delivery arrangements. The paper also cautioned that this was a new and challenging area of both policy and practice for the Council and the potential benefits and drawbacks would need to be very carefully considered before moving forward. It was resolved that further work would be undertaken to better understand how such a fund could operate including modelling detailed examples and that a subsequent paper would come back to the Cabinet.

1.3 Subsequent to this meeting a letter was written by the Leader of the Council to the regional director of the HCA requesting that any overage from the HCA's investment in affordable housing provision in the first phase of Cranbrook be reinvested in to supporting the delivery of further phases of the new community. This letter spawned a wider meeting with the HCA, the Chairman of the Heart of the South West LEP and other Local Authority partners from the Growth Point area. This was in recognition that there was a wider opportunity to align different funding streams, including for example from the recently announced Growing Places Fund, to support delivery.

1.4 The outcome from this meeting was that the HCA and LEP would support further work to model how different funding streams can be aligned and blended to facilitate the delivery of growth over the long term and in the most cost effective way. Financial support has been secured from the HCA and it is proposed to commission Cooper Simms to undertake this work. Cooper Simms were the sole consultant used to appraise applications to the Regional Infrastructure Fund including the £12m of forward funding for the Cranbrook Main Local Route, Primary School and Clyst Honiton Bypass. Cooper Simms also completed all the appraisal work underpinning the funding for the Exeter Science Park and subsequent revisions to the Business Plan and led the development of the Devon Employment Space Strategy.

1.5 Given their background Cooper Simms are considered to be uniquely placed to undertake the further work to model how a Local Revolving Infrastructure Fund could be introduced in the Growth Point area and to advise on the processes, marketing, negotiation and engagement with government and potential funding bodies to turn this proposition into reality. The partners have confidence in the quality of their work and the analysis can be completed quickly, an important ingredient given likely deadlines for accessing new funding streams early in the New Year. It is deemed appropriate to appoint Cooper Simms to undertake this work without going through a process of competitive tender. It is unlikely that other consultants would be as competitive as Cooper Simms nor have the established knowledge of major developments and investments in the locality to be as quick or cost effective in delivering the partners' requirements.

1.6 It is understood that Government will be launching a further initiative to support the delivery of locally planned large scale development early in 2012. This was a proposal of the recently published Housing Strategy. Part of the offer of this initiative is likely to be a long term partnership with Government (including HM Treasury) to secure the delivery of critical infrastructure to support growth. Clearly the work that is being commissioned will be invaluable in terms of defining our requirements and helping to support a successful bid to this initiative during the first few months of 2012.

Legal Implications

There are no legal implications to report.

Financial Implications

The financial implications are included in the report.

Consultation on Reports to the Cabinet

None.

Background Papers

- Local Revolving Infrastructure Fund, Cabinet 5 October 2011

Kate Little
Head of Economy

Cabinet
1 February 2012

Andy Wood
Projects Director, Exeter and East Devon Growth Point

DATES FOR COUNCIL, CABINET & COMMITTEE MEETINGS 2012/2013

(Unless otherwise indicated meetings will normally be held at Knowle, Sidmouth. Rates Consultation and Panel meetings are not open to the public. The public can be asked to leave other meetings on specified grounds.)

MAY 2012				
Wednesday	16		ANNUAL COUNCIL	6.30 pm
JUNE				
Thursday	7		Overview and Scrutiny Committee	6.30pm
Tuesday	12	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	12	†	Licensing and Enforcement Committee	9.30 am
Tuesday	12		Development Management	2.00 pm
Wednesday	13		Cabinet	5.30 pm
Tuesday	19	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	19		Standards Committee	10.00 am
Thursday	21		Asset Management Forum	9.30 am
Thursday	21		Housing Review Board	6.00 pm
Friday	22		Planning Inspections	#
Tuesday	26	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	28		Audit and Governance Committee (DO NOT MOVE)	2.30 pm
JULY				
Tuesday	3	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	5		Overview and Scrutiny Committee	6.30pm
Tuesday	10	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	11		Cabinet	5.30 pm
Thursday	12		Asset Management Forum	9.30 am
Tuesday	17	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	17		Development Management	2.00 pm
Tuesday	24	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	25		COUNCIL	6.30 pm
Thursday	26		Overview and Scrutiny Committee (if required)	6.30pm
Friday	27		Planning Inspections	#
Tuesday	31	††	Licensing and Enforcement Sub (if required)	9.30 am
AUGUST				
Wednesday	1		Cabinet (if required)	5.30 pm
Tuesday	7	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	14	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	16		Asset Management Forum	9.30 am
Tuesday	21	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	21		Development Management	2.00 pm
Tuesday	28	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	28	†	Licensing and Enforcement Committee	9.30 am
Thursday	30		Overview and Scrutiny Committee	6.30pm
Friday	31		Planning Inspections	#
SEPTEMBER				
Tuesday	4	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	5		Cabinet	5.30 pm
Thursday	6		Housing Review Board	6.00 pm
Tuesday	11	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	13		Asset Management Forum	9.30 am
Tuesday	18	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	18		Development Management	2.00 pm
Tuesday	25	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	27		Audit and Governance Committee	2.30 pm
Thursday	27		Overview and Scrutiny Committee	6.30pm
Friday	28		Planning Inspections	#
OCTOBER				
Tuesday	2	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	3		Cabinet	5.30 pm
Tuesday	9	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	10		COUNCIL	6.30 pm
Thursday	11		Asset Management Forum	9.30 am
Tuesday	16	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	16		Development Management	2.00 pm
Tuesday	23	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	25		Overview and Scrutiny Committee	6.30pm
Friday	26		Planning Inspections	#
Tuesday	30	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	30		Standards Committee	10.00 am
Wednesday	31		Cabinet	5.30 pm

NOVEMBER

Tuesday	6	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	8		Audit and Governance Committee	2.30 pm
Thursday	8		Asset Management Forum	9.30 am
Tuesday	13	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	13		Development Management	2.00 pm
Thursday	15		Housing Review Board	6.00 pm
Tuesday	20	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	20	†	Licensing and Enforcement Committee	9.30 am
Thursday	22		Overview and Scrutiny Committee	6.30pm
Friday	23		Planning Inspections	#
Tuesday	27	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	28		Cabinet	5.30 pm

DECEMBER

Tuesday	4	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	4		Development Management	2.00 pm
Wednesday	5		COUNCIL	6.30 pm
Thursday	6		Asset Management Forum	9.30 am
Tuesday	11	††	Licensing and Enforcement Sub (if required)	9.30 am
Friday	14		Planning Inspections	#
Tuesday	18	††	Licensing and Enforcement Sub (if required)	9.30 am

JANUARY 2013

Wednesday	2	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	3		Overview and Scrutiny Committee	6.30pm
Tuesday	8	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	8		Development Management	2.00 pm
Wednesday	9		Cabinet	5.30 pm
Thursday	10		Asset Management Forum	9.30 am
Thursday	10		Housing Review Board	6.00 pm
Tuesday	15	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	**16**		**Overview and Scrutiny Committee Service Planning and Budget** (all day meeting)	**9.00 am**
Thursday	17		Audit and Governance Committee	2.30 pm
Friday	18		Planning Inspections	#
Tuesday	22	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	22		Standards Committee	10.00 am
Thursday	24		Overview and Scrutiny Committee	6.30 pm
Monday	28	##	Rates Consultation	6.30 pm
Tuesday	29	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	30		Cabinet	5.30 pm

FEBRUARY

Tuesday	5	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	5		Development Management	2.00 pm
Tuesday	12	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	14		Asset Management Forum	9.30 am
Friday	15		Planning Inspections	#
Tuesday	19	††	Licensing and Enforcement Sub (if required)	9.30 am
Wednesday	20		COUNCIL – **setting Council Tax and agreeing budgets**	6.30 pm
Tuesday	26	†	Licensing and Enforcement Committee	9.30 am
Tuesday	26	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	28		Overview and Scrutiny Committee	6.30pm

MARCH

Tuesday	5	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	5		Development Management	2.00 pm
Wednesday	6		Cabinet	5.30 pm
Thursday	7		Housing Review Board	6.00 pm
Tuesday	12	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	14		Asset Management Forum	9.30 am
Thursday	14		Audit and Governance Committee	2.30 pm
Friday	15		Planning Inspections	#
Tuesday	19	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	26	††	Licensing and Enforcement Sub (if required)	9.30 am
Thursday	28		Overview and Scrutiny Committee	6.30pm

APRIL				
Tuesday	2	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	2		Development Management	2.00 pm
Wednesday	3		Cabinet	5.30 pm
Tuesday	9	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	9		Standards Committee	10.00 am
Wednesday	10		COUNCIL	6.30 pm
Thursday	11		Asset Management Forum	9.30 am
Friday	12		Planning Inspections	#
Tuesday	16	††	Licensing and Enforcement Sub (if required)	9.30 am
Tuesday	23		Licensing and Enforcement Sub (if required)	9.30 am
Thursday	25		Overview and Scrutiny Committee	6.30pm
Tuesday	30	††	Licensing and Enforcement Sub (if required)	9.30 am
MAY				
Tuesday	7		Development Management	2.00 pm
Wednesday	8		Cabinet	5.30 pm
Thursday	9		Asset Management Forum	9.30 am
Thursday	9		Housing Review Board	6.00 pm
Friday	10		Planning Inspections	#

Time to be arranged
If requested by the East Devon Business Forum

† The Licensing and Enforcement Committee includes within its functions the Licensing Act 2003, Gambling Act 2005, and all matters relating to hackney carriages and private hire.

†† Sub-Committees of the Licensing and Enforcement Committee whose functions are primarily to deal with hearings under the Licensing Act 2003 and Gambling Act 2005.

Note:

- Devon County Council Budget meeting time tabled for February 2013 (date to be confirmed)
- Devon County Council elections scheduled for 2 May 2013.
- Meetings of the Standards Sub Committees will be arranged as required.

Exclusion of the Public

The Vice-Chairman of the Committee to move the following:-

"that under Section 100(A)(4) of the Local Government Act 1972, the public (including the press) be excluded from the meeting as exempt information, of the description(s) set out on the agenda is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B)."