

Date: 1 June 2012
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To: The Chairman and Members of the Cabinet
Other Members of the Council for information
Chief Executive
Deputy Chief Executives
Heads of Service
Corporate Managers

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Cabinet
Wednesday 13 June 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.

2	To confirm the minutes of the meeting of the Cabinet held on 2 May 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 2 items which Officers recommend should be dealt with in this way.		
7	To note the contents of the Forward Plan for the period 1 June to 30 September 2012.		15-18
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: 26 April 2012		19-23
10	To note or take appropriate action in respect of the minutes of the meetings of the Housing Review Board held on: 3 May 2012		24-36
11	To note or take appropriate action in respect of the minutes of the Recycling and Refuse Partnership Board held on 24 May 2012		37-42
12	To note or take appropriate action in respect of the minutes of the Independent Remuneration Panel held on 18 April 2012.		43-45
13	Recommendations of the Communications and Reputation Manager post Task and Finish Forum.		46
Part A Matters for Decision			
14	Revenue and Capital Outturn Report 2011/12 Plus a) Appendix A b) Separate booklet	Head of Finance	47-55 Plus booklet
15	Treasury Management Performance 2011/12 Plus Appendix A and B	Head of Finance	56-65

16	Building Control Financial Statement 2011/12	Head of Economy	66-68
17	Performance Monitoring Report until April 2012 (Appendices summarising performance are available on the Council website with this agenda)	Denise Lyon, Deputy Chief Executive	69-70
18	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		
19	Review of the Council’s arts & culture programme.	Para 3 Schedule 12A Information relating to the financial or business affairs of any particular person (including the authority holding that information).	Countryside & Leisure Manager 71-76
20	Priority Disposal Programme – York Street Car Parking Spaces, Sidmouth Sale	As above	Head of Economy 77-79

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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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, 2 May 2012

Present:

Councillors:

Paul Diviani (Leader/Chairman)
Ray Bloxham
Iain Chubb
David Cox
Jill Elson
Graham Godbeer
Stephanie Jones
Chris Wale

Also
Present:

Councillors:

David Atkins
Roger Boote
Geoff Chamberlain
Alan Dent
Martin Gammell
Steve Gazzard
Steve Hall
Peter Halse
Stuart Hughes
John Humphreys

Ben Ingham
John O'Leary
Helen Parr
Ken Potter
Pauline Stott
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
Karen Jenkins, Corporate Organisational Development Manager
Rachel Pocock, Corporate Legal & Democratic Services Manager
Chris Powell, Corporate ICT Manager
Andrew Wood, Projects Director
Jamie Buckley, Community Engagement and Funding Officer
Diana Vernon, Democratic Services Manager

Apologies

Councillors:

Andrew Moulding
Ian Thomas

Non-Cabinet Members:

David Chapman
Maddy Chapman
Frances Newth
Geoff Pook
Eileen Wragg

The meeting started at 5.30 pm and ended at 7.40 pm.

***230 Public Questions**

The Chairman welcomed Councillors present at the meeting.

In reply to a question from Councillor Chamberlain about the failure of the Council's Outlook software over recent days, the Corporate ICT Manager outlined the extent of the problem and recovery work undertaken.

***231 Minutes**

The minutes of the meeting of the Cabinet held on 4 April 2012 were confirmed and signed as a true record subject to the inclusion of Councillor Pauline Stott in the list of Members present.

***232 Declarations of interest**

Councillor/ Officer	Minute number	Type of interest	Nature of interest
Councillor David Cox	242	Personal	Seconded member of Leisure East Devon Board

***233 Urgent item – Office relocation – appointment of architectural services**

The Leader agreed for this item to be taken as a matter of urgency to avoid unnecessary delays to the office relocation project. Due to the exempt information contained in the report (Paragraph 3 Schedule 12A – information relating to the financial or business affairs of any particular person), the item would be considered under Part B of the agenda.

***234 Exclusion of the Public**

RESOLVED: that the classification given to the documents to be submitted to the Cabinet (including the urgent item at minute 233 above), be confirmed, and that the reports relating to exempt information, be dealt with under Part B.

***235 Forward Plan**

Members noted the contents of the Forward Plan for the period 1 May to 31 August 2012.

***236 Matters referred to the Cabinet**

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

*237 Minutes of the meeting of the Overview and Scrutiny Committee held on 29 March 2012

RESOLVED: that the following decisions be noted:

Minute 90 The Overview and Scrutiny Committee to review the draft Strategy for Local Flood Risk Management during the consultation period in Autumn 2012.

Minute 91 The Local Police Area Commander to be invited to attend the Overview and Scrutiny Committee to give assurances on continued effective police levels for all areas under his command.

Minute 92 The amended policy documents in respect of equality policy and objectives to be circulated to members of the Committee.

*238 Minutes of the meeting of the Recycling and Refuse Partnership Board held on 28 March 2012

Councillor Iain Chubb, Partnership Board Chairman, up-dated Members on the progress being made in respect of the expansion of the service currently provided. A decision on cardboard banks had been delayed until a more detailed appraisal on the option of kerbside collection of cardboard was available. The SITA development team had been requested to produce a report for consideration by the Partnership Board on costings, types of materials that could be combined, vehicle design/capacity and an indicative timetable for introducing mixed plastics and cardboard to kerbside collections across the district. Councillor Chubb emphasised the importance of any expansion being cost effective. He also advised that SITA and Streetscene Officers were addressing problems previously reported in respect of side-waste.

*239 Recommendations of the meeting of the Community Fund Panel held on 2 April 2012

Each year the Council allocated a sum of money to be given in grants for community buildings in villages. The scheme was usually administered by the Community Council for Devon but this year had been administered by EDDC. The Panel had taken into account the application guidance notes and the background details of each application.

RESOLVED:

- (1) that the Panel's recommended contributions, as set out in the report, be approved;
- (2) that the Panel's recommended refusals/deferrals of applications, as specified in the report, and the reasons given, be supported;
- (3) that the Community Council of Devon's offer to administer the Village Halls' funding scheme in 2012/13 be accepted.

240 Transforming the Council – Key Decision

Members considered the joint report of Denise Lyon, Deputy Chief Executive, Corporate Organisation Development Manager and Corporate ICT Manager setting out plans (Customer, Communications and ICT) for achieving the Council's fourth priority of 'an outstanding Council.' The up-dated versions of the plans, following final input and editing, were circulated at the meeting. The plans would help drive improvement in customer focused service delivery, giving the public a choice of how these services could be accessed by harnessing advances in technology. Although the plans were distinctive, they had the same overarching aim which would draw the various strands together corporately.

Implementing the plans had cost implications which were set out in the report. The recommended appointment of a Communications and Reputation Manager to support the plans had sparked debate at the meeting of the Overview and Scrutiny Committee on 26 April 2012.

Councillor John Humphreys, Vice Chairman of the Overview and Scrutiny Committee gave feedback. He advised that the Committee had supported the intention of the report but Members wished to reassure themselves regarding the value for money aspects of the proposal bearing in mind the likely budget shortfalls. The Committee had asked for the decision on the Communications and Reputation Manager appointment to be deferred to allow a Task and Finish Forum to be set up to analyse the post's job description to ensure that the appointment would achieve value for money and defined benefits for the Council.

Further debate included:

- The drive for improved customer service, public perception and the Council's reputation;
- Improvement to the electronic channels of communication as well as continuing to provide more traditional links such as telephone and face-to-face;
- The proposed new Manager would operate strategically for the benefit of the whole Council, including keeping Members informed;
- The Council did not currently have sufficient in-house resource to be able to provide a proactive service;
- The use of social media and web opportunities would help the Council to engage with the public more widely;
- There were areas of Council involvement that were key to the future of the district but had been given limited media coverage – such as Cranbrook and the Jurassic Coast;
- It was important to improve the links between this Council and the local town and parish councils as these were the community leaders. Elected Councillors also had a role in developing and improving this key relationship.

RECOMMENDED: (1) that the Plans attached to the report to support the Council's transformation plans to become an outstanding Council be agreed;

240 Transforming the Council – Key Decision – continued.

- (2) that a Residents' Survey designed to track the Council's reputation be agreed - the finding would be used to improve Council services and people's quality of life (budgetary provision £6,500);
- (3) that the Local Future Group Ltd District profile tool be purchased to provide good data to inform the Council's audience-led communication, decision making and equalities agenda (budgetary provision £5,000).

RESOLVED: that a politically balanced Task and Finish Forum be set up to examine the job description of the proposed Communications and Reputation Manager with the recommendations being reported to Cabinet to enable the decision to be referred to the July meeting of Council.

(The Corporate Organisational Development Manager to run a workshop on corporate reputation for Members of the Task and Finish Forum in advance or as part of its meeting(s).

REASON To best meet the needs of East Devon residents in the context of a reducing public sector and the need to work more closely with communities to reflect their needs and wishes in how the Council operates.

*241 Investors in People Silver Standard

Members welcomed the report of the Corporate Organisational Development Manager who confirmed that the Council had been awarded the Silver Investors in People Standard. This strong and positive message reflected the Council's drive to be a great place to work and an organisation that people wanted to belong to. The assessor had provided a list of additional indicators that she felt the Council could work on to help achieve the Gold Standard. This information would be used as the basis of an action plan.

RESOLVED that an investment of £1,400 be agreed to enable the Council to go for the Gold Investors in People Standard – to reinforce pride in working at the Council and in the services delivered, help retain the skilled workforce and continue to enhance its reputation.

REASON The Investors in People Award helped to motivate staff and was an external endorsement of the great work being done across the Council.

*242 Development of the Cranbrook New Community – Key Decision

Members considered the report of the Projects Director which provided an up-date on the development of Cranbrook, with particular focus on its social development as a new community. The Projects Director recommended that expressions of interest be made to secure a community development resource to support the first residents of Cranbrook and to help manage the new Multi-Purpose Community Building. Members were also invited to consider how best to secure the political representation of Cranbrook in advance of the establishment of a formal parish/town council.

A letter received from Chief Executive of Leisure East Devon Limited proposing their early use of part of the multi-purpose building was circulated for consideration.

Members noted that Devon County Council would be providing mobile library services for the next 5 years with no future decision yet being taken regarding taking accommodation within the multi-purpose building. The County Council would not be contributing to the cost of fitting out the building. How to address the identified budget shortfall to progress the development of the building was discussed. The aim was for the building to become self-financing; it would provide accommodation for the town council when formed as well as use by community groups.

RESOLVED

- (1) that the progress being made with the delivery of the Cranbrook new community be noted;
- (2) that the approach of inviting formal expressions of interest for securing the community development resource be endorsed;
- (3) that the launch of a marketing exercise for the vacant space within the Multi-Purpose Building be supported;
- (4) that options for meeting the capital fit-out costs for the Multi-Purpose Building through external funding sources be explored;
- (5) that how best to support the political representation of Cranbrook, until a town council was established, be further explored;
- (6) that the proposal from Leisure East Devon be followed up and its feasibility or otherwise reported back to the Cabinet.

REASON

To ensure that the residents of Cranbrook are supported from the outset in the best way possible. Steps also needed to be taken to meet the cost of fitting out the multi-purpose building which was being delivered ahead of schedule.

***243** Local Communities Fund

The Community Engagement and Funding Officer presented her report, setting out the details of a new funding opportunity for Town and Parish Councils in East Devon that would equate to £1.10 per elector. Devon County Council had committed £1 per person on the electoral roll for East Devon and this Council had committed an additional 10p per elector from part of the New Homes Bonus Fund.

The scheme would be administered by this Council through the New Homes Bonus Panel plus a representative from Devon County Council. A copy of the application form and guidance was included with the agenda report. The fund would be launched by the Leader and Portfolio Holder – Corporate Business at the Town and Parish Councils Jubilee Awards event on 17 May 2012.

Some concern was raised regarding the requirement for local councils to work with at least one other council. However Members accepted that running the scheme as set out for a trial year and then review would be useful.

RESOLVED that the Local Community Fund application form and guidance notes be endorsed with delegated authority being given to the Corporate Organisational Development Manager to formally implement the scheme through the New Homes Bonus Panel.

REASON The new funding stream would be administered by EDDC on behalf of itself and Devon County Council. The scheme needed a coherent application form and guidance notes.

***244** Community Hall Funding

Members considered the report of the Community Engagement and Funding Officer in respect of the Community Funding Scheme for community halls. Until 2011, the scheme had been administered by the Community Council for Devon on behalf of the Council. The arrangement then ceased temporarily due to lack of funding but could be re-instated now that Community Council funding had been restored.

RESOLVED

- (1) that the Community Council of Devon once again administer EDDC's Community Funding for Village Halls;
- (2) that EDDC's criteria for the Community Hall funding be widened to include community shops and community pubs in villages.

REASON To make more effective use of Council resources and to better align the fund with the new Community Council of Devon criteria.

***245** Performance monitoring report until March 2012

Denise Lyon, Deputy Chief Executive presented the performance information for the 2011/12 financial year until March 2012. Performance report showed improved and positive performance across the board, including in respect of collection rates and rents, despite the recession. She thanked all staff who had helped achieve such a good performance. This information was now available on line.

*245 Performance monitoring report until March 2012 - continued

RESOLVED that the progress and proposed remedial action for performance measures for the 2011/12 financial year until March 2012 be noted welcomed and congratulations given to all concerned.

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

*246 Exmouth Regeneration

Richard Cohen, Deputy Chief Executive gave a presentation on progress being made on the regeneration of Exmouth and the associated projects and timeframes. He outlined demographical information in respect of East Devon and then specifically Exmouth, with national comparisons. He set out Exmouth's positive characteristics and assets and areas where improvements were needed. The presentation indicated opportunities for growth and included the Masterplan, priority projects and possible future initiatives for the benefit of Exmouth.

The Leader thanked Richard for his informative and helpful presentation.

*247 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).

*248 Seaton Regeneration Programme Board – Action Points

Members noted the confidential report of the meeting of the Seaton Regeneration Board held on 20 March 2012 and progress being made in respect of prioritised projects.

*249 Exemption from Standing Orders – Seaton Discovery Centre

Members considered the report of the Head of Economy seeking approval for an exemption from Standing Orders to enable the preferred Seaton Discovery Centre operators to use their design company for the interior of the Centre. In addition an exemption from Standing Orders was also sought for the extension of services of Natural Histories as lead consultant on behalf of the Council.

- RESOLVED**
- (1) that an exemption from Standing Orders be approved to enable the extension of Natural Histories appointment to lead the design development and external funding bid of the Discover Centre;
 - (2) that an exemption from Standing Orders be approved to enable the appointment of Devon Wildlife Enterprise to develop the interpretative designs and installations within the Discovery Centre.

- *249 Exemption from Standing Orders – Seaton Discovery Centre - continued

REASON To assist the facilitation of a project that will enhance the area and support the Seaton Regeneration agenda in general and ambitions for the delivery of a Discovery Centre in particular. The Seaton Regeneration Programme Board was an enthusiastic supporter of the Seaton Jurassic Coast Discovery Centre.

- *250 Office relocation – appointment of architectural services, exemption from Standing Orders

Members considered the report of Richard Cohen, Deputy Chief Executive seeking an exemption from Standing Orders to extend Kensington Taylor Architects' existing appointment to help meet the very tight timetabled programmes.

RESOLVED

- (1) that the Kensington Taylor Architects' current engagement be approved for a further and final extension up to a sum of £27,700 (excluding VAT) to deliver services detailed in the report – with exemption to Contract Standing Orders requiring three written quotations being approved in the particular circumstances set out in the report;
- (2) that the details of the project spend to date be noted;
- (3) that a review of costs of the project viability period be approved with a further report being referred to the Cabinet following consideration by the Office Accommodation Member Working Party on 30 May 2012.

REASON To enable the project to continue through to outline planning stage using existing acquired expertise and to avoid 6-8 weeks project slippage.

- *251 Members' Office Relocation Working Party – Action notes

Members noted the confidential report of the meeting of the Members' Office Relocation Working Party held on 27 March 2012.

- *252 Budleigh Salterton Long Boat Cafe

Members considered the report of the Head of Economy seeking authority to grant a 99 year sub-lease on the store behind the public shelter adjacent to the Longboat Cafe to the cafe owners. Once in place, authority was then sought to grant a 125 year lease to Budleigh Salterton Town Council on the public shelter.

Budleigh Salterton Ward Members spoke on the report and added that the Town Council's intention was to refurbish the shelter in celebration of the Queen's Diamond Jubilee. They also asked for the conditions in respect of the sub-lease of the rear store to include the need to allow unrestricted access to the viewing platform on the roof of the store.

*252 Budleigh Salterton Long Boat Cafe - continued

RESOLVED

- (1) that a 99 year sub-lease be granted for the rear store behind the shelter adjacent to the Longboat Cafe on terms to be agreed by the Head of Economy in consultation with the Portfolio Holder – Economy, subject to Landlord’s consent;
- (2) that subject to (1) above, a sub-lease of the public shelter adjacent to the Longboat Cafe be granted to Budleigh Salterton Town Council for a term of 125 years at a peppercorn rent, subject to Landlord’s consent.

REASON

As set out in the report.

Chairman Date

EAST DEVON DISTRICT COUNCIL

FORWARD PLAN

For the 4 month period 1 June 2012 to 30 September 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	Housing Revenue Account Business Plan	Sustainable Home and Communities Portfolio Holder and Chairman of Housing Review Board	Head of Housing	Council (16 May 2012)	17 May 2012
2	CIL New Growth Point Charging Schedule – interim report	Strategic Development and Partnership Portfolio Holder	Head of Economy/ New Growth Point Manager (RC)	Cabinet (13 June 2012) Council (25 July 2012)	26 July 2012
3	Exmouth Regeneration/ Master plan – key projects action plan	Strategic Development and Partnership Portfolio Holder	Principal Estates Manager (RC)	Regeneration Programme Board (24 May 2012) Cabinet (13 June 2012)	21 June 2012
4	Recycling and Refuse – possible extension of scheme (cardboard and other)	Portfolio Holder – Environment	Andrew Hancock, Street Scene manager	Cabinet (28 November 2012) Council (5 December 2012)	6 December 2012
5	Honiton Community Centre – up-date	Strategic Development and Partnership Portfolio Holder	Richard Cohen, Deputy Chief Executive	Council (25 July 2012)	26 July 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)
6	Procurement Strategy - update	Procurement Champion	Head of Finance	Cabinet (11 July 2012) Council (25 July 2012)	26 July 2012
7	Colyford Depot Disposal	Economy Portfolio Holder	Head of Economy (RC)	Cabinet (13 June 2012)	21 June 2012
8	Asset Management – community asset transfer policy	Finance Portfolio Holder	Head of Economy (RC)	Cabinet (11 July 2012)	19 July 2012
9	Drainage Act	Portfolio Holder – Environment	Head of Economy	Cabinet (11 July 2012)	19 July 2012
10	Information Management Strategy	Corporate Services Portfolio Holder	Corporate ICT Manager (DL)	Information Management Group Cabinet (11 July 2012) Council (25 July 2012)	19 July 2012
11	EDDC Relocation Progress Report	Council Leader	RC	Member Working Group (31 May 2012) Cabinet (13 June 2012)	21 June 2012
12	Revised Partnership Policy and Compact	Strategic Development and Partnership Portfolio Holder	RC	SD+P Think Tank (TBA) Cabinet (11 July 2012)	19 July 2012
13	Local Investment Plan	Strategic Development and Partnership Portfolio Holder	RC	Cabinet (11 July 2012) Council (25 July 2012)	26 July 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	Review of Car Parks	Environment Portfolio Holder	Head of Environment	Asset Management Forum January 2012 Overview and Scrutiny (29.03.12) Cabinet (13 June 2012) Council (25 July 2012)	26 July 2012
15	Private Sector Renewal Strategy	Sustainable Home and Communities Portfolio Holder	Head of Housing	<i>Sustainable Homes and Communities Think Tank</i> <i>Housing Strategic Partnership</i> Cabinet (1 August 2012) Council (21 September 2012)	22 September 2012
15 6	Review of Arts Development Provision	Culture Champion	Countryside & Leisure Manager	Cabinet (5 September 2012) Council (3 October 2012)	26 July 2012
17	Seaton Visitor Centre	Strategic Development and Partnership Portfolio Holder	Richard Cohen, Deputy Chief Executive/Principal Estates Surveyor	Cabinet (5 September 2012) Council (3 October 2012)	4 October 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 May 2012

EAST DEVON DISTRICT COUNCIL
Minutes of a Meeting of a Special
Overview and Scrutiny Committee held
at Knowle, Sidmouth on 26 April 2012

Present:

Councillors:

Stuart Hughes (Chairman)	David Key
John Humphreys (Vice Chairman)	John O'Leary
Mike Allen	Brenda Taylor
Peter Bowden	Graham Troman
Derek Button	Tim Wood
David Chapman	Eileen Wragg
Deborah Custance Baker	Tom Wright
Vivien Duval Steer	
Sheila Kerridge	

Officers:

Simon Davey – Head of Finance
Andrew Ennis – Environmental Health and Parking Services Manager
Karen Jenkins – Corporate Organisational Development Officer
Denise Lyon – Deputy Chief Executive
Debbie Meakin – Democratic Services Officer
Chris Powell – Corporate ICT Manager
Mark Williams – Chief Executive

Also Present

Councillors:

Ray Bloxham	Peter Halse
Geoff Chamberlain	Douglas Hull
Trevor Cope	Stephanie Jones
David Cox	Ken Potter
Paul Diviani	Pauline Stott
Steve Gazzard	Ian Thomas
Graham Godbeer	Phil Twiss

Apologies:

Committee Members:

Graham Brown
Peter Burrows
Mike Howe
Claire Wright

Councillors:

Iain Chubb
Jill Elson
Steve Hall
Tony Howard
Mark Williamson

The meeting started at 6.30pm and ended at 8.23pm.

*94 Public Question Time
There were no questions from the public.

*95 Minutes

The minutes of the meetings of the Overview and Scrutiny Committee held on 29 March 2012 were signed and confirmed as a true record.

*96 Declarations of Interest

Councillor/ Officer	Minute number	Type of interest	Nature of interest
Cllr Stuart Hughes	99	Personal	Devon County Council Cabinet Member responsible for Flooding Risk

*97 Cabinet Agenda

The Portfolio Holder for Corporate Business highlighted a report on the Cabinet agenda for 2 May 2012. The report on the Local Communities Fund set out a new funding opportunity for town and parish councils. The fund, provided by Devon County Council at £1 per elector with an additional 10p per person from EDDC would be administered by this Council.

He highlighted one concern already raised within the County Council guidelines. The guidelines advise that bids will only be accepted from “clusters” of two or more towns or parishes. No single parish can bid from the fund. This was explained as a desire from the County Council to bring together parishes to form hubs that will mean the fund benefits a wider area, and to distinguish the fund from County Ward Member Locality budgets.

The Committee expressed concern about the practicalities of some areas, such as the major towns, working with other parishes or towns to bring about a bid. The Committee noted the guidelines proposed and were encouraged to attend the Cabinet meeting.

98 Update on Post Office Local Pilot Scheme

Councillor Ken Potter updated the Committee on his recent attendance to meeting also attended by the Minister for Post Offices and the Chief Executive of Post Office Limited. He had raised his concern directly with them on the proposals to upgrade the post office network.

Ward Members with a Post Office Local in their ward had met that afternoon to update Councillor Potter on how the Local style of post office branch was received by their constituents. Feedback would continue to be collated to send to Post Office Limited when the pilot scheme was completed.

RECOMMENDED that Cabinet be requested to write to the Local Government Association to request a conference on the post office network.

*99 On-street parking enforcement

The Environmental Health and Parking Services Manager presented his report highlighting the cost neutral enforcement service. The current team of officers, both full and part-time, also benefited the Council in providing a good level of cover for the on-street and off-street parking in the District. Their visible presence helped encourage compliance with parking restrictions. He gave the Committee a breakdown of penalty ticket numbers served in the main towns. In response to a question he made clear that resources were applied where issues were reported.

*99 On-street parking enforcement (continued)

RESOLVED that the Committee receive a further update on on-street parking enforcement in April 2013 .

100 Transforming the Council

Denise Lyon, Deputy Chief Executive, took the Committee through the plans to help deliver the Council's fourth priority of "an outstanding Council". She reminded Members of the significant improvements to service delivery over recent years. The plans before the Committee sought to keep improving service delivery in three key areas:

- Service design to cut waste, improve efficiency whilst meeting customer need;
- Keep pace with changing technology and customer demand for that technology;
- Continued improvement of communications, to listen to the customer.

The Corporate Business Think Tank discussed the plans earlier that day. Some wording had been changed to improve clarity.

The Corporate Organisational Development Manager informed Members of the recent review of reputation management for the Council. This had given a key message that well informed and engaged residents are more satisfied with the Council. The Local Futures software tool would provide valuable data on the demographics for the District to help inform service delivery, as would a residents survey to establish public satisfaction. The last survey was the Place Survey in 2009.

The Corporate ICT Manager highlighted the ICT plan as the key support to service delivery, helping to improve cost efficiency whilst maintaining government security requirements. He also stressed the preparations for future technological development.

The Head of Finance reminded the Committee of the financial implications of taking on a new post. He asked them to consider the benefits of the post balanced with the shortfall estimate of £400,000 in 2012/14.

The Committee debated the report, including:

- Applying plain english principles to the plans;
- Good work done by services needed to be communicated to the public to help build a positive reputation for the Council;
- Concern that public perception of the post and its on-costs would not be positive;
- Reputation could be built through actions rather than public relations;
- All plans should ensure that the population not prepared, or not able to use, technology to access Council services, are catered for. The Deputy Chief Executive assured the Committee that this was core to the delivery of all services in having available all means of access, including home visits, face to face meeting at reception, and telephone, as well as access via the Council's website;

100 Transforming the Council (continued)

- Concern that the job description for the post of Communications and Reputations Manager did not make clear the requirement to listen to the public; or have sufficient detail of dealing with social media requirements;
- Concern that the post scale was high for a post that appeared to be another press officer post. The Deputy Chief Executive made clear that the post required the ability and necessary authority to effectively change working practices and improve website content;
- Appreciation of the value of data from the Local Futures software tool but questioning if another, cheaper option would gain the same information, such as survey monkey software on the website. The Deputy Chief Executive explained that the use of survey monkey software would not provide a robust, representative sample of the district, but there was room for both these methods to be used;
- Questioning if communication work could be outsourced at less cost, such as from the County Council communications team.

The Portfolio Holder for Corporate Services explained how the ways of accessing the Council's services would remain the same but change in levels of demand as technology improved. He stressed the need to resource the implementation of the plans adequately, to achieve the objectives of the plans.

RECOMMENDED that Cabinet defer consideration on recommendation 2 (agree recruitment of a Communications and Reputation Manager) of the report on Transforming the Council until 13 June 2012 to allow a Task and Finish Forum to consider the job description in detail and consider practicalities of outsourcing communication work.

RESOLVED that, subject to the Cabinet decision on the report on Transforming the Council on 2 May 2012, a Task and Finish Forum be set up to review the Communications and Reputations Manager role proposed and consider the practicalities of outsourcing communications work; comprising Councillors Mike Allen, Peter Bowden, John Humphreys, Vivien Duval Steer from the Committee, and Councillor Trevor Cope (Plain English Champion).

*101 Implementation of the Localism Act

Denise Lyon, Deputy Chief Executive, presented the information report by the Corporate Legal and Democratic Services Manager. The Committee welcomed the report as a useful, clear guide on the Localism Act for future reference.

She responded to specific questions relating to the future of the Standards Committee and the Code of Conduct. A Devon group of solicitors are currently formulating a Code for the Devon area. A report will be coming to the Standards Committee and Cabinet on the new Code, and how complaints will be handled. She reminded the Committee that regulations were still pending on the detail of this aspect of the Act.

*102 Draft Annual Report of the Overview and Scrutiny Committee

The Committee considered the report. The Chairman requested any further comments to be directed to the Democratic Services Officer by the 1 May 2012.

RESOLVED that the final version of the Annual Report be agreed by the Chairman and Vice Chairman on behalf of the Committee.

*103 Forward Plan

The Committee received an update on the plan. A presentation on the public health agenda would be arranged for 2013. Regular Portfolio Holder updates would be scheduled in throughout the civic year.

Chairman Date

EAST DEVON DISTRICT COUNCIL

Minutes of a meeting of the Housing Review Board held at Knowle, Sidmouth on 3 May 2012

Present:

Councillors:

Pauline Stott (Chairman)
Christine Drew
Douglas Hull
Jim Knight
Peter Sullivan

Co-opted Tenant Members:

Sue Saunders (Vice Chairman)
Victor Kemp
Pat Rous

Co-opted Independent Community Representative:

Rob Finch

Officers:

Sue Bewes, Landlord Services Manager
Dennis Boobier, Housing Needs and Strategy Manager
Emma Charlton, Housing Projects Officer
Amy Gilbert, Support Services and Home Safeguard Manager
John Golding, Head of Housing
Peter Richards, Rental Manager
Alethea Thompson, Democratic Services Officer

Also Present:

Councillors:

Jill Elson - Portfolio Holder for
Sustainable Homes and
Communities
Stephanie Jones – Deputy
Portfolio Holder for Sustainable
Homes and Communities
Geoff Chamberlain
Martin Gammell

Apologies

Co-opted Tenant Member:

Sally Lancaster

Co-opted Independent Community Representative:

Julie Adkin
Vivienne Ash, Honorary Alderman
Giles Salter, Solicitor

The meeting started at 6.00pm and ended at 8.55pm.

*66 Chairman's welcome

The Chairman welcomed all those present to the meeting.

*67 Public Question Time

There were no questions raised by members of the public.

*68 Minutes

The minutes of the meeting of the Housing Review Board held on 8 March 2012, were confirmed and signed as a true record.

The Head of Housing gave two brief updates on the minutes. He reported that the Portfolio Holder for Sustainable Homes and Communities' Think Tank had considered Minute 55 (restrictions on the sale of former Council homes) and agreed that the policy was still appropriate and should stay as it was, with no changes proposed. The Portfolio Holder for Sustainable Homes and Communities' Think Tank and the Housing Service Managers Team had also considered Minute 57 (Tenant Scrutiny Panel report – scrutinising community centres) and their responses would be presented to the June meeting of the Board.

*69 Declarations of Interest

Board Member	Minute number	Type of interest	Nature of interest
Jim Knight		Personal	His daughter lived in a Council owned property.
Sue Saunders	73	Personal	She lived in sheltered accommodation.
Rob Finch	83	Prejudicial	He worked for Devon and Cornwall Housing Association.

*70 Exclusion of the Public

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

*71 Housing Review Board Forward Plan

The Head of Housing presented the forward plan.

RESOLVED: that the forward plan be noted.

*72 Tenant and Council Partnership Statement

The Housing Review Board considered the Tenant and Council Partnership Statement. This was the commitment between the Council, tenants, leaseholders and staff. It set out how the Council would help tenants to get involved in influencing and shaping decisions taken to deliver a housing service which met the needs and priorities of tenants. There were a number of key commitments that would be jointly delivered to enable tenants to be involved in the decision making processes related to Council housing. It continued the theme of the Tenant and Council Partnership Agreement and would be incorporated into the revision of the Tenant Involvement Strategy. The Statement would be signed by the Head of Housing, the Chair of the Housing Review Board and the Vice Chair of the Tenant Representative Group.

RESOLVED: that the Tenant and Council Partnership Statement be noted.

73 Supporting People position and TaFF report

The Board received a presentation from the Landlord Services Manager, the Rental Manager and the Support Services and Home Safeguard Manager updating them on the work of the Sheltered Housing Task and Finish Forum (TaFF) and seeking a steer on the future direction of Housing Support Services in East Devon. A full copy of the presentation can be viewed at:

http://www.eastdevon.gov.uk/future_of_supported_housing_hrb030512.pdf

Over the past few years there had been major changes in the way in which support services had been viewed, paid for and delivered. This had influenced the way in which the housing service responded to the need for support services. The Board were asked to agree a series of recommendations that would effectively set the direction for the future of Housing Support Services in East Devon.

There were some concerns around separating tenancy and support agreements alongside the provision of support in general needs accommodation and the private sector. This could signal the end of sheltered housing and would have implications on the allocation of sheltered homes. It was agreed that an impact/risk assessment should be carried out prior to a decision on these recommendations.

A further report on the TaFF's first task, to monitor the progress of decommissioning some of EDDC's sheltered housing, would be reported to the Board in June 2012.

On behalf of the Board the Chairman thanked the Support Services and Home Safeguard Manager, the Landlord Services Manager and the Rental Manager for an excellent presentation. The Portfolio Holder for Sustainable Homes and Communities thanked all the members of the Sheltered Housing Task and Finish Forum for their effort and hard work.

73 Supporting People position and TaFF report (cont'd)

- RECOMMENDED:**
- 1 that a single price support charge of £9.85 per week is introduced to all sheltered housing residents regardless of where they live, subject to prior consultation with the Tenant Representative Group.
 - 2 that the spot contracts route be agreed in principle, but that no decision be made until more was known about the eligibility criteria, longevity of the contracts and the freedoms and flexibilities allowed.
 - 3 that officers develop a separate support contract for customers who had a support need according to the eligibility criteria, subject to the following conditions:
 - a) that the Housing Review Board sees the draft agreement for approval;
 - b) that assurances are gained from Devon County Council that the money released from block contracts can be reinvested, before EDDC enters into spot contracts;
 - c) that sheltered housing continues to be used for those with support needs.
 - 4 that officers run a pilot project for Mobile Support Officers to deliver support to tenants living within the authority's general needs accommodation . The costings and eligibility criteria for the pilot would be brought to a future Board meeting.
 - 5 that the Board agree a vision, a simple statement to clearly encompass the values and aspirations held for the future of support services in East Devon. The vision would be "to deliver outstanding support services to all residents of East Devon, regardless of housing tenure".
 - 6 that a risk/impact assessment be undertaken on recommendations 2 and 3 and that a report be brought back to the Board on the financial impact and service delivery impact on residents.

(Sue Saunders declared a personal interest in the above item as she lived in sheltered accommodation).

74 Troubled families initiative

Consideration was given to the report of the Head of Housing which explained the concept of the troubled families' initiative and how EDDC might get involved locally (as the local housing authority). The concept simply saw a considerable amount of resource going towards a relatively small number of 'problem' families and proposed a better way of co-ordinating action with the aim of achieving successful outcomes. The report outlined the thinking behind the scheme and what work was being undertaken locally to take part in the initiative.

74 Troubled families initiative (cont'd)

Devon County Council was the natural lead authority because of its responsibilities towards children and families. 137 families in East Devon using specific DCC services had been identified. DCC anticipated that the initiative would 'go live' in September 2012. Members of the Board were pleased with the report and felt that it was a good initiative.

RECOMMENDED: that the Council support the concept of troubled families intervention and works with other agencies on implementing the scheme locally.

75 Housing Revenue Account reform update

The Housing Review Board considered the Head of Housing's report which provided an update on the loans taken out by the Council following the move to self-financing. It also included an assessment on how this impacted on the Housing Revenue Account (HRA) Business Plan. The loans to achieve self-financing were taken out through the Public Works Loans Board and the rates were favourable on the day that loan finance was secured. 24 loans were taken out over varying periods of maturity, all at fixed rates of interest. The average rate of interest for all loans was 2.99%.

This put the HRA in a healthy financial position and gave cause for much optimism. The Business Plan projections had been updated with the actual debt and interest rates. This had increased the surpluses that accumulated each year, which could be projected assuming other assumptions remained correct. The HRA surplus was a proxy indicator of how well the Business Plan was doing.

Concern was expressed over the changes to the Right to Buy scheme and how this would impact on the HRA Business Plan. A request was made for regular reports to the Housing Review Board on the number of houses in East Devon that were being sold under the Right to Buy scheme, and how much money the Council received from the sales. The Head of Housing would put this on the forward plan and would bring regular reports to the Board. Further concern was expressed over welfare reform and the Board acknowledged the need to keep a very close eye on the impact of the welfare reform measures. It was suggested that the two local M.P.s be invited to attend a meeting of the Housing Review Board to hear members' concerns.

An annual review of the Housing Revenue Account Business Plan, and one off reviews when major spending decisions were required was proposed in the report. A business case for each additional spending item would be brought to the Board to allow them to consider and prioritise new expenditure.

The Board thanked the Head of Housing and his team for all the work they had done to achieve the HRA reform and self-financing. Officers were also thanked for negotiating such good interest rates on the loans.

75 Housing Revenue Account reform update (cont'd)

RECOMMENDED that the Head of Housing include the Right to Buy scheme on the Housing Review Board's forward plan and bring regular reports to the meetings on the number of houses being sold under the scheme and the income received as a result of those sales.

RESOLVED: that the position on housing finance, as set out in the report, be noted.

*76 Draft annual report of HRB activity

The Board considered the draft annual report prepared by the Democratic Services Officer, covering the work of the Board in that civic term. The report demonstrated the vast amount of work that had been undertaken by the Board during the previous year.

RESOLVED: that the draft annual report of the Housing Review Board be agreed.

*77 Revised regulatory framework

The Board received the report of the Housing Projects Officer which outlined the new framework for the regulation of social housing, which came into force on 1 April 2012, and how these new regulations would affect EDDC. The Tenant Services Authority no longer existed and responsibility for regulation had passed to the Homes and Communities Agency (HCA). There was a greater emphasis on self regulation.

The full consultation document could be viewed at <http://www.tenantservicesauthority.org/upload/pdf/rf-main-full.pdf>. The new regulatory framework implemented the amendments to the Housing and Regeneration Act 2008 introduced by the Localism Act 2011 and the Secretary of State's directions on specific standards. Housemark had produced a useful briefing guide which could be viewed at [http://www.housemark.co.uk/hmresour.nsf/lookup/CoregulationBriefing.pdf/\\$File/Co regulationBriefing.pdf](http://www.housemark.co.uk/hmresour.nsf/lookup/CoregulationBriefing.pdf/$File/Co%20regulationBriefing.pdf).

There were significant changes to the way in which social housing providers were regulated. In summary these were:

- There was a clear distinction between how providers' performance against 'economic' and 'consumer' standards were assessed;
- The regulator's main focus was on ensuring that the economic standards were met, and their involvement with consumer standards was limited;
- The fundamental basis of regulation was co-regulation, composed of self regulation combined with tenant scrutiny.

The key items of significance to EDDC were changes to the handling of complaints and changes to the tenancy standard.

*77 Revised regulatory framework (cont'd)

The steps that EDDC were taking to comply with the new requirements could be summarised as:

- Continuing to support co-regulation, tenant involvement at all levels and the work of the Tenant Scrutiny Panel.
- Continuing to provide feedback on performance and local standards in the Annual Report to Tenants.
- Working with tenants, through the Customer Care Commitments Service Review Group and the Tenant Representative Group, to improve the complaints process and to consider whether they wished to introduce a designated tenant panel for complaints.
- Working on a new tenancy policy and the introduction of a flexible tenancy. This work would be presented to the HRB at a future meeting.
- Ensuring that the Council continued to subscribe to a mutual exchange service and that this was accessible to all tenants.

RESOLVED:

that the Board notes:

- 1) that the new framework for the regulation of social housing has come into force;
- 2) the key matters of importance to EDDC as a provider of social housing; and
- 3) the steps that are being taken to comply with the legislation.

*78 Housing service complaints review

The Board considered the report of the Housing Projects Officer providing information on formal complaints for the period April 2011 – March 2012. It explained the role of the Customer Care Commitments Service Review Group (CCCSRG) in monitoring complaints and outlined the progress being made with monitoring service issues. It also explained the changes to the regulation of social housing that would affect the complaints procedure.

RESOLVED:

that the Board notes:

- 1) the steps being taken to monitor and learn from formal complaints and service issues;
- 2) the work of the CCCSRG with regard to monitoring and promoting the complaints process; and
- 3) the forthcoming changes to the way complaints can be passed to the Housing Ombudsman.

79 Reinvigorating the Right to Buy

Consideration was given to the report of the Head of Housing which set out the recent changes to the Right to Buy scheme and made an initial assessment of the impact locally. The report showed a comparison between the current scheme and the changes. There was a need to carefully monitor Right to Buy enquiries and sales for any renewed interest in the scheme following the changes. The Housing Revenue Account Business Plan could be updated with the latest information on trends once the Council was in a position to predict future sales.

79 Reinigorating the Right to Buy (cont'd)

It was noted that most of the changes to the scheme were already in place. The most significant one was the increase in the discount cap to £75,000. Other key points and changes included:

- Every additional home sold under Right to Buy should be replaced by a new home for affordable rent.
- Local authorities would be able to retain the receipts for replacement housing.
- Councils would be able to deduct the necessary amount to cover the debt from the receipt, but would not be required to use this part of the receipt to repay loans.
- Councils would be able to deduct a certain amount from the receipt for the cost of withdrawn applications.
- Local authorities would be allowed to fund up to 50% of the cost of re-purchasing a former council home, up to a maximum of 6.5% of any additional net receipts.
- The 'cost floor' had been retained and extended from 10 years to 15 years, and the Government would continue to allow councils to apply for exemption from pooling arrangements.

It was noted that there had already been a lot of interest and the Council had received nine applications under the Right to Buy scheme during April 2012. Three properties had been sold under Right to Buy during 2011. Approximately 50% of Right to Buy applications usually went through to completion. As agreed previously during the meeting, it was decided to monitor the number of applications and houses sold under the Right to Buy Scheme at every meeting of the Housing Review Board.

Members agreed that it would not possible to provide one for one replacement properties (with the capital receipts) in East Devon due to the high cost of development and acquisitions in the area. Also, affordable rents (at 80% of market value), not social rents would be charged on these new replacement properties.

It was felt that a paper should be produced showing evidence of what selling off an EDDC property meant and what it would cost to build a new property. The Portfolio Holder for Sustainable Homes and Communities reported that she had been lobbying the local M.P. Hugo Swire and the Housing Minister Grant Shapps on this issue.

RECOMMENDED: that the Housing Review Board receive regular reports on the impact of the Right to Buy scheme and monitor the number of homes being sold under the scheme.

RESOLVED: that the Board note the changes to the Right to Buy scheme and its impact on housing finances.

*80 Empty properties (voids) performance

Consideration was given to the report of the Housing Needs and Strategy Manager which set out the performance in respect of letting void properties for the financial year 2011/12 (period April 2011 to March 2012).

*80 Empty properties (voids) performance (cont'd)

The report showed that it had taken on average 24 days to relet each empty property compared with a target for 2011/12 of 25 days.

RESOLVED: that the report be noted.

*81 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).

82 Retendering of the responsive repairs and work to void properties contract

The Head of Housing's report was presented to Cabinet in April. It summarised the re-tendering process for contracts relating to responsive repairs and works to void properties. The tender evaluation process was explained. Two clear winners had emerged from the robust and comprehensive scoring system. The Head of Housing had issued the intention to award contract notices and notified tenderers of the standstill period. He had held a pre-contact meeting with both contractors and hoped for a seamless transfer of services. Fortnightly meetings would be held and the target date for the new contract was 2 July 2012. The Council had deliberately reverted back to using two contractors in case one was to go out of business in the future.

There had been a number of enhancements made to the contract, including an early evening appointment slot and a Saturday morning slot. The new contract was showing the potential for significant financial savings, and the Council had achieved very good value for money. On behalf of the Board the Chairman thanked the Head of Housing for all his efforts.

The Portfolio Holder for Sustainable Homes and Communities felt that a press release should go out before the start of the new contract stating the impact of repairs service on the local business economy. Both contractors were local firms and were encouraged to employ local people and source local materials.

RECOMMENDED: that a press release be issued before the start of the new contract informing East Devon residents of the positive impact the Council housing repairs service had on the local business economy.

RESOLVED: that the Cabinet decision – to authorise the Head of Housing to enter into contract with the two contractors scoring the highest marks in the tender evaluation process for responsive repairs to Council owned homes and work to void properties – be noted.

83 Affordable housing – acquisition of 11 houses at Morton Way, Axminster

The report of the Head of Housing presented an opportunity to acquire 11 newly completed homes at a price that represented excellent value for money. The report advised the Board of the business case behind the potential to acquire additional affordable homes consistent with the Council’s Homes and Communities Plan and Housing Revenue Account Business Plan. The intention was to make the developer an offer for the homes (subject to survey and valuation) and agree terms and conditions for the sale. This might prove to be successful, but equally the developer could reject the offer.

RECOMMENDED: that the Chief Executive uses his delegated authority to acquire new affordable homes on terms and conditions to be agreed.

(Rob Finch declared a prejudicial interest in the above item as he was employed by Devon and Cornwall Housing Association. He left the Chamber during the discussion and voting).

Chairman

Date

TROUBLED FAMILIES INITIATIVE – BRIEFING NOTE

CABINET 13 JUNE 2012

- 1.1 Plans to radically transform the lives of the country's most troubled families were announced on 15 December 2011 by the Prime Minister and Communities Secretary. **A troubled family is considered one that has serious problems and causes serious problems. In every troubled family there are a range of common factors including things like parents not working, mental health problems, children not in school, the family causing crime and anti-social behaviour and costing local services a lot of time and money routinely responding to these problems.**
- 1.2 Almost £450 million has been made available in a new, cross-government drive to turn around the lives of 120,000 of some of the country's most troubled families by the end of this Parliament.
- 1.3 Estimates show that troubled families cost the tax payer an estimated £9 billion per year, equivalent to £75,000 per family. This is spent on protecting the children in these families and responding to the crime and anti-social behaviour they perpetrate. The costs are exemplified by the fact that children who live in troubled families are 36 times more likely to be excluded from school and six times more likely to have been in care or to have contact with the Police.
- 1.4 A new Troubled Families Team based within the Department for Communities and Local Government and headed by Louise Casey, has been established to join up efforts across Whitehall, provide expert help to local areas and drive forward the new initiative.
- 1.5 The £450 million funding being made available means the Government will offer up to 40 per cent of the cost of dealing with these families to local authorities - but on a payment-by-results basis when they and their partners achieve success with families. The Government has outlined the headline goals and how success will be measured with the following, criteria:
- children back into school;
 - reduce their criminal and anti-social behaviour;
 - parents on the road back to work, and;
 - reduce the costs to the taxpayer and local authorities.
- 1.6 The new programme will also fund a national network of Troubled Family 'Trouble-Shooters' who will be appointed by local councils. The trouble-shooters will oversee the programme of action in their area. Their responsibilities will include making sure the right families are getting the right type of help, that sanctions are in place when needed, and that positive results are being achieved with the troubled families in their area.
- 1.7 This will be backed by a new, concerted national push from the Government to give this work a renewed impetus and higher profile, but also build on the successful work already going on in areas of the country.
- 1.8 The Local Government Association in support of the announcement, said:
- "Improving lives for families and residents is at the heart of what councils do and closer working between public sector agencies like job centres, schools, police, probation officers and social services locally will get better results and cost less.

"It is great news that the money announced today will go to local areas to build on much excellent work already underway. We must ensure this support gets to where it is most needed and is not tied up in endless bureaucracy and form filling.

"We are pleased Government has recognised the need for all departments to work much more closely with councils at a local level. This is vital to help us overcome historic hurdles which have stood in the way of the huge savings and greater local accountability this coordinated approach can deliver."

- 1.9 The Government has also released the estimated number of troubled families in each upper-tier local authority area based on indicative numbers in previous government research. These are based on a family suffering from five out of seven specified disadvantages.
 - 1.10 Councils will now be asked to look to identify actual families, based on factors such as truancy, antisocial behaviour and cost to public services.
 - 1.11 Simultaneously, the Department of Work and Pensions announced that some European Social Fund funding will be used to help some of the country's most disadvantaged families get back on their feet and into jobs. The programme will provide targeted and personal support for tens of thousands of families and will be delivered by leading welfare to work providers working with local authorities and local organisations.
 - 1.12 The Troubled Families initiative is linked with the concept of Community Budgets. A **Community Budget** gives local public service partners the freedom to work together to redesign services around the needs of citizens, improving outcomes, reducing duplication and waste and so saving significant sums of public money.
 - 1.13 Government has stated that - too often a resident's experience of local public services is one of frustration at the complexity, fragmentation and difficulty finding a way through the bureaucracy. In too many places inequalities in access to good services have left our society less fair, exacerbated by control from Whitehall that has created uncoordinated, inefficient and unnecessarily expensive public service silos. Delivering excellent, joined up, services to people must be our goal. The Community Budget approach is a powerful new way to address this.
2. Local application of the Troubled Families initiative
 - 2.1 Devon County Council is the natural lead authority because of their responsibilities towards children and families. We have signalled our willingness to be a partner in the initiative.
 - 2.2 There is some high level data matching going on and initial 'hotspots' have been identified. In East Devon these are Exmouth Town; Exmouth Withycombe Raleigh; Exmouth Littleham; Honiton St. Michael's and Sidmouth Sidford. From an initial data matching exercise using safeguarding referrals; social care –children in need data; youth offending; and school exclusions, DCC have identified 137 families in East Devon using specific DCC services.
 - 2.3 From a social inclusion and communities perspective the initiative is something that I believe housing should be leading from the district Council perspective. I would expect Housing Benefit colleagues to have an interest/involvement as the project develops.
 - 2.4 In housing we work with a number of families that might be labelled 'troubled'. A template has been devised to capture key information on the families concerned. There are data

protection issues to consider when sharing data of a sensitive and personal nature, but it is anticipated that we will agree a way a sharing appropriately the data necessary to share for this initiative.

- 2.5 DCC anticipates that the initiative will 'go live' in September 2012 and there are local governance issues to consider and clarity is needed on how we intend to measure outcomes and use the funds being made available. The most recent data from DCC suggests that Exmouth (wards of Littleham; Withycombe Raleigh; and Exmouth Town) have 66 troubled families and is likely to be one of the first pilot areas for early intervention.
- 2.6 I have indicated our willingness to get involved in the initiative and work in partnership towards resolving the issues faced by troubled families.

John Golding
Head of Housing

EAST DEVON DISTRICT COUNCIL

Minutes of a meeting of the East Devon Recycling and Refuse Partnership Board, held at Knowle, Sidmouth on 24 May 2012

Present:	Councillors: Iain Chubb – Portfolio Holder, Environment David Cox – Portfolio Holder, Finance Steve Gazzard Geoff Pook Phil Twiss
Also present:	Councillor: Roger Giles – Recycling Member Champion
SITA:	Rick Aldridge – Senior Contract Manager Steve Bell – Deputy Regional Manager Peta Johnson - SITA Development Team
Officers	Simon Davey – Head of Finance Paul Deakin – Waste and Recycling Manager Naomi Firth – Waste Management Officer Nick Stephen – Communications Officer Alethea Thompson – Democratic Service Officer Mark Williams – Chief Executive
Apologies:	Andrew Hancock - StreetsScene Manager Denise Lyon – Deputy Chief Executive

The meeting started 10.00 am and finished at 12.15 pm.

*1 Election of Chairman

RESOLVED that the Portfolio Holder – Environment, Councillor Iain Chubb be elected as Chairman for the ensuing year.

*2 Appointment of Vice Chairman

RESOLVED that the Deputy Portfolio Holder – Environment, Councillor Phil Twiss be appointed as Vice Chairman for the ensuing year.

*3 Welcome and introductions

Following the election and appointment of Chairman and Vice Chairman, the Chairman invited all those present to introduce themselves. He welcomed Councillors Steve Gazzard and Phil Twiss to the meeting. It was noted that Honorary Alderman Ron Mudge had retired from the Partnership Board and the Chairman commented on the excellent job that Ron Mudge had done. He had attended all the meetings, given good input and would be missed.

*4 Minutes

The minutes of the Recycling and Refuse Partnership Board meeting held on 28 March 2012 were agreed and signed as a true record, subject to the finishing time of the meeting being amended to read 11.45 am.

The Waste and Recycling Manager reported that the bank system for small electrical waste items (small WEEE) would be rolled out Devon wide, with five or six banks being provided across East Devon (minute 64 refers).

*5 Side waste update

Members considered the report of the Waste and Recycling Manager concerning the process of contacting households who put out side waste or were not using EDDC branded containers. This process commenced on 6 February 2012 and had been running for just over four months, resulting in a marked improvement. The process was continuing to run and all areas would have had eight collections since the campaign began.

The Waste and Recycling Manager circulated figures showing the number of first, second, third and fourth side waste letters that had been sent out to households over the period since 6 February. In addition to this a considerable number of non EDDC containers had been identified and these figures were noted. It was agreed that the side waste campaign had been successful in tackling the issue of side waste. The cost of the exercise was noted. Members agreed that the campaign had been time consuming, but very effective. The Board acknowledged the considerable amount of effort and involvement of the Waste Management Officers, the Customer Services Team and SITA operatives.

The Waste and Recycling Manager suggested that in future the first letter no longer be issued, but that a sticker with amended wording be used. It was hoped that the change would reduce the administrative burden on the Waste Management Officers. The Board debated this proposal but felt that letter one should continue to be used for a further three months.

The Waste and Recycling Manager reported that he had received a letter from Lord Taylor of Holbeach concerning interim changes to local authority enforcement powers regarding household waste collection and the reduction in fixed penalty fines, with an option for a reduced cost for early payment.

RESOLVED that letter 1 continue to be issued to households putting out side waste or using a non-EDDC branded container, with the process being reviewed by the Board in three months.

*6 Statistical information

The Board considered a report presented by the Waste and Recycling Manager, setting out statistical and operational data on missed collections, finance and National and SITA key performance indicators.

Members noted the amount of household waste being collected had reduced by 8.8% from the previous year. There had also been a dramatic reduction in the cost of refuse and in the number of calls received by the Customer Service Centre. The Board agreed that this was all excellent news.

The Waste and Recycling Manager gave a brief overview of the Otter Rotters garden waste collection service, how this had impacted on the statistical information for 2010/11 and why the figures did not show an increase in the figures for 2011/12.

*7 Devon wide waste analysis

The Board noted the results of a Devon wide analysis of residual waste carried out in March 2012. This analysis was carried out to establish what materials were still in the bin after recycling had taken place. Waste was collected and analysed from 40 properties per day, with 200 properties being collected from in the chosen areas.

The result showed that East Devon had made a good impact on recycling in the area, and also showed the Council the way forward. 15% of kitchen waste was still being placed in the bins, but this figure was good compared with other authorities. The amount of paper, cardboard and plastics was still relatively high. The analysis demonstrated the need for more education to be done on the type of materials that the Council already recycled.

*8 Joint waste project board for Devon

The Waste and Recycling Manager reported that at a recent meeting of Devon Authorities Waste Reduction and Recycling Committee (DAWRRC), which had representatives of all the Councils in Devon, a proposal was put forward and agreed to consider moving forward to options for closer integrated work in waste management across Devon. The proposition from DAWRRC had been further discussed at a meeting of the Devon Local Government Steering Group (DLGSG) in April who had approved the recommendation for the establishment of a Waste Integrated Service Project Board, to be tasked with considering options for closer integrated working across waste management in Devon

The purpose of a Waste Integrated Service Project Board was noted. It was envisaged that the Board would have a member (with responsibility for waste) representation from all the Devon authorities and would be serviced by an officer Project Executive which would have representation from all authorities at a senior waste officer level. The first Board meeting would be held on 28 June 2012 and the first Project Executive meeting would be held on 30 May 2012.

RESOLVED that the Recycling and Refuse Partnership Board fully supports the process to consider working towards a Waste Project Board for Devon.

*9 Review of the Devon Waste Strategy

The revised Devon Waste Strategy was out for consultation and had been included in the agenda papers. There was also a summary and questionnaire document. DCC would be running a road show in East Devon and had asked the Council to help with this.

RESOLVED that the Waste and Recycling Manager, in consultation with the Chairman and Vice Chairman draw up a draft response to the strategy, to be circulated to Board members for consideration, before submitting the response to Devon County Council.

10 Recycling Champions meeting

Members considered the notes of the Recycling Champions meeting held on 18 April 2012. It was suggested that Ward Members ask their parishes to nominate a recycling champion in each parish and engage the town and parish councils in recycling. It was felt that the Council offices should lead by example in recycling and sustainability and members were invited to the SITA offices to see the types of things that they did.

RECOMMENDED that Ward Members ask their parish and town councils to be involved in recycling and to nominate a recycling champion.

*11 Update from SITA

The Health and Safety Executive (HSE) had visited SITA and East Devon in February 2012 as part of an intervention project and subsequently carried out a site visit in May to see operational practices. The HSE report was still awaited but the inspector had indicated that he was very impressed with the processes in place. Two small issues had been raised which SITA would address and overcome.

The Contracts Manager highlighted some of the benefits of the HWRC contract that SITA had with DCC in that the depot was being used by the HWRC operation and charged which helped cover the operational costs of the depot.

*12 Communications update and call details

This item had already been covered earlier in the meeting.

*13 Any other business

Exmouth Colony collections

It was noted that there was a problem with one property regarding side waste, but that generally collections were no longer an issue in the area.

RSM Tenon

The Waste and Recycling Manager reported that he had received a draft Forensic Accounting report from RSM Tenon. The Board agreed that it would be useful for the auditor to attend the next Board meeting to discuss the report and felt that a presentation would help resolve some of the issues that had been raised.

*13 Any other business (cont'd)

Plant and Waste Recycling Show

The Waste and Recycling Manager reported that the Council had been shortlisted for a food waste award at the Plant and Waste Recycling Show (PAWRS) to be held in Torquay in June. He had received two free tickets to a black tie gala dinner and presentation on 13 June 2012.

RESOLVED

- 1 that a representative from RSM Tenon be invited to attend the next meeting of the Partnership Board to present the draft report.
- 2 that the Board Chairman and Waste and Recycling Manager attend the Plant and Waste Recycling Show gala dinner and presentation on 13 June 2012.

*14 Next meeting

RESOLVED

that the next meeting of the Recycling and Refuse Partnership Board be held on 27 June 2012, at 9.00am, in the Committee Room.

*15 Options for cardboard and mixed plastics collections

The Board received a report from the SITA development team on the options for the collection of an extended range of materials and noted the options that had been considered. SITA's proposal included the collection of both cardboard and mixed plastics and was designed to maximise the cost effectiveness of services through the re-direction of existing assets. Containerisation had been considered to ensure that the services were clear to residents, and would provide them with sufficient storage for their materials over the collection period. The proposal was for the collection of cardboard and mixed plastics to be provided on alternating weeks (this would mean that plastic bottles would no longer be collected weekly). Four additional vehicles would be required for this service. The additional revenue and the cost of the service (both ongoing and the set up costs) were noted. The cost of containers had not been included in any pricing within the report.

Members discussed a number of issues relating to the proposal including;

- the growing number of people wanting to recycle cardboard,
- the need to educate residents with a new service,
- the reduction in side waste,
- the storage issue for residents caused by using additional recycling containers,
- the need to increase council tax in order to provide an enhanced recycling service and the possibility of a referendum.

It was noted that the current contract with SITA expired on 31 March 2016, and the re-tendering process would need to start at least 18 months prior to this. From spring 2014 all East Devon waste would go into a waste to energy plant and not to landfill.

*15 Options for cardboard and mixed plastics collections (cont'd)

Members felt that they needed to discuss the proposal internally, without SITA present. All SITA representatives left the meeting at 11.50am and the meeting continued.

Those now present agreed that due to other financial pressures that the Council would face in the following financial year, and the current uncertainty regarding future office relocation and the rate settlement from Central Government, that the current proposal for recycling an enhanced range of materials should be considered during the Council's full budget discussions for 2013/14, by Cabinet in the autumn. Members were concerned about introducing substantial changes to the budget midterm, but felt that the proposal should be looked at positively, with a view to implementation in April 2013.

RESOLVED that the proposal for an enhanced recycling contract be considered during the Council's full budget discussions for the 2013/14 financial year.

Chairman

Date

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Independent Remuneration Panel
held at Knowle, Sidmouth on Wednesday 18 April 2012

Present: Malcolm Elliott
Susette Henson
Sarah Moore
Bob Wiltshire

Also in attendance: Councillor Paul Diviani
Councillor Pauline Stott

Chris Lane, Democratic Services Officer
Diana Vernon – Democratic Services Manager

Apologies: Tina Day
Terry Wilson

The meeting started at 3.30pm and finished at 5.05pm.

*1 Election of Chairman

Bob Wiltshire was elected Chairman of the Panel for the meeting.

*2 Minutes

The minutes of the meeting of the Independent Remuneration Panel held on 13 October 2011 were confirmed and signed as a true record.

*3 Recommendations of the Panel in 2010/11

Members of the Panel noted that the recommendations of the Panel agreed at the meeting on 13 October 2011 had been accepted by Council.

4 The Council Committee Structure 2012/13

The Panel discussed any possible changes to the Council's Committee Structure for the new Council year with the Leader of the Council, Councillor Paul Diviani. Councillor Diviani reported on his high profile approach to his new role since being appointed Leader in May 2011. This had included attending as many meetings as possible. Although he had committed a lot of time to this, he believed it was necessary and had been worthwhile.

He did not anticipate making any significant changes to the Committee Structure for the new Council Year. The changes he had made at the start of his Leadership in May 2011 were now having a positive effect. The only possible change he anticipated was the appointment of further Member Champions, a role which was currently unremunerated.

4 The Council Committee Structure 2012/13 (Cont)

Councillor Diviani hoped to have no increase in Council Tax in the 2012/13 year and therefore he did not anticipate any request for increases in Members Allowances during this period. The status quo would be maintained.

RESOLVED that the proposed maintenance of the status quo for the Council's Committee Structure on 2012/13 be noted.

RECOMMENDED that no change be made to Member Basic Allowance for 2012/13.

5 Members Allowances Overnight/London Allowance

Members of the Panel discussed possible increases to Members' Allowances for Overnight/London stays. The current subsistence allowance in the case of an absence overnight from the usual place of residence was £95 or for such an absence overnight in London or an annual conference of the Local Government Association or such other association of bodies as the Secretary of State may designate was £125. The cost for overnight accommodation above these limits would not be reimbursed but the Councillor was entitled to pay the difference.

The Panel asked Councillor Paul Diviani, Leader of the Council, whether he considered these allowances were sufficient to cover overnight stays in suitable accommodation, particularly in London. He responded that he tried to find the best accommodation at the lowest possible price. He normally booked advance on line and found £125 was usually sufficient to pay for such accommodation.

Panel members also discussed whether the London evening meal allowance of £14.83 was realistic to obtain a meal in London. Although it was felt that it would be difficult to obtain an evening meal for this figure, as an evening meal was often included with the accommodation, this allowance was used infrequently.

RECOMMENDED

1. that no change be made to the Members' Allowance for Overnight/ London accommodation of £125;
2. that no change be made to the subsistence allowances for meals.

6 Special Responsibility Allowance – Chairman of the Housing Review Board

Members of the Panel welcomed Councillor Pauline Stott, Chairman of the Housing Review Board, who answered questions about the special responsibilities of the post of the Chairman of the Housing Review Board.

Councillor Pauline Stott talked about the Council's new responsibility through the self-financing of council housing initiative and the consequent debt of £84,376,000. She outlined how this would impact on the Council as a whole and the housing service provided. It would be a significant responsibility but would give the Council greater freedoms in respect of the Council's existing stock to achieve maximum benefit for its tenants as well as the potential to build/acquire new stock.

6 Special Responsibility Allowance – Chairman of the Housing Review Board (Cont)

Councillor Pauline Stott advised that she attended meetings of the tenants which could be full days and in so doing strengthened the link between the tenants and the Council.

She said that relevant housing legislation was changing all the time – particularly at the moment – and it was vital to keep up to date with this and for her to be aware of the consequential changes in the service.

Panel members felt Councillor Stott had worked hard, particularly in familiarising herself with the role of Chairman and also in view of the high level of self-financing debt that had been taken on. They hoped the workload would reduce in due course.

RECOMMENDED

that the Special Responsibility Allowance for the Chairman of the Housing Review Board be increased to £3,098 from 1 June 2012 to reflect the increased work and responsibility for this role with this increase being reviewed in 12months.

Members of the Panel noted that the minutes of the meeting would be presented to the Cabinet on 13 June 2012.

Chairman Date

Recommendations of the Communications and Reputation Manager Post Task and Finish Forum held at Knowle, Sidmouth on 22 May 2012

- RECOMMENDED**
1. that the name of the post be changed to “Communications and Public Affairs Manager” to better reflect the role;
 2. that the job description and person specification be amended to incorporate change management capability, research capability, and the ability to undertake education of officers and Members in communication;
 3. that consideration is given to the addition of an Apprentice to work with the new post and the existing Communications Officer, to specifically cover social media work and other associated duties.

Agenda Item 14

Cabinet

13 June 2012

SD



Revenue and Capital Outturn Report 2011/12

Summary

During 2011/12 monthly budget monitoring reports have informed members of the anticipated year end position. This report contains the final position for the year and compares this outturn position against the budgets set for 2011/12.

The report outlines the implications of these results on the Council's reserves and makes proposals on those reserves.

The year end position in summary:

General Fund Services have an overall surplus of £1.013m gained through one off items of budget underspend/additional income on a few major budget headings. Where appropriate these variations have been factored into the current budget. It is proposed that this surplus is transferred into the Council's Capital Reserve to help maintain a programme of essential capital works in the short term as we work to balance the capital budget going forward. If members accept this recommendation then the General Fund Balance will still remain at a level deemed appropriate under assessed current financial risks, in particular with continued reductions in Government funding.

The Housing Revenue Account (HRA) has a surplus of £0.112m. This is less than was targeted in year in order to bring the HRA Balance up to an acceptable level. The 2012/13 budget has been set to bring the balance back in line and to increase the sum as considered necessary under the new risks associated with HRA self financing. This will be monitored through 2012/13 and progress reported to members.

The Capital Budget has seen many variations to that originally planned, the result being planned expenditure of £3.564m moving from 2011/12 into 2012/13. This will require £2.175m to be taken from the Capital Reserve in 2012/13, leaving a balance that will be depleted in 2013/14 or 2014/15 depending on future schemes proposed. Subject to member approval the transfer of the revenue surplus into the Capital Reserve will alleviate the immediate urgency and give more time to work on asset management and other initiatives to address the balancing of the Capital Programme.

Recommendation

1. The Cabinet agree the outturn position for 2011/12.
2. To agree with the transfers and the level of Reserves detailed in the report.
3. To consider whether to endorse the position of carrying forward £80,000 of a capital contribution to Seaton Town Council into the 2012/13 capital programme as detailed in 4.4 of the report.

a) Reasons for Recommendation

To report the Outturn position for the Council's approved budgets for General Fund Services, Housing Revenue Account and Capital Expenditure. This final position will flow through to the Council's Statement of Accounts. Members are asked to note the variations from the budgets identified within the report and consider the final position.

It is appropriate at this stage to reflect on the reserves and balances held by the Council and determine if these are the right reserves at the right levels going forward.

b) Alternative Options

The Outturn position is the final year end position for members to note and to be satisfied on the explanations given in the variations reported compared with the plans and budgets they originally approved for the year.

Proposals have been made on future reserve and balance levels with the need for certain sums to be held. Alternatives can be considered by members in terms of the sums to be held and whether appropriate reserves have been determined.

c) Risk Considerations

The 2011/12 budget was set as a balanced budget with £65,500 being taken from Reserves to meet one off costs associated with the District Elections. The aim for budget managers in the year was to reduce costs where possible and continuously look for efficiencies. This has been achieved but work still remains going forward with further reductions in Government funding.

This report also looks at the monies the Council holds in reserves and considers these in the light of the current economic situation and future Government funding cuts. Consideration is given to the Council's financial track record, internal and external audit reports on financial controls and is reflective of occurrences from external factors which affect the Council's finances.

d) Policy and Budgetary Considerations

This report outlines the financial results for 2011/12 and states the impact on the Council's reserves and balances.

e) Date for Review of Decision

The Outturn position will be reported to Audit & Governance Committee in June who will then, in September, receive a copy of the Audited Accounts for approval. The Housing Review Board will also be updated on the Housing Revenue Account year end position.

1. Introduction

- 1.1 This report compares the outturn position (actual amount spent or income received for the year) against budgets set for the financial year 2011/12 for General Fund Services, the Housing Revenue Account and the Capital Programme.

- 1.2 A summary position is contained in this report for each of these areas with an accompanying “Outturn Book” giving detailed information on actual spend against the budget set by members. The Book gives an explanation of any significant variations of spend or income against budget and highlights other matters to be drawn to members’ attention.
- 1.3 The report looks at the effect the outturn figures have on the Council’s balances and reserves and considers future policy for holding these sums.

2. General Fund services

- 2.1 Appendix A shows the net outturn figures for General Fund services giving for each Portfolio the original budget set for the year, any revised budgets specifically approved by members during the course of the year and the actual net spend for each Portfolio. Details are then given of loan repayments and investment income, various transfers to and from reserves, non ring fenced grants received to support Council expenditure generally and then Council Tax income. These amounts equate to an overall surplus on the General Fund for the year of £1.013m, against a gross budget for the year of £63.8m. These details are summarised below:

	Outturn Position £000
Portfolio Total Net Cost	12,288
Net Investments, Interest and loan repayments	(474)
Agreed use of earmarked reserves to fund expenditure in year	(324)
Agreed contributions from Revenue to Capital Programme	176
Transfers to Earmarked Reserves for future year expenditure	516
New Homes Bonus Grant	(311)
Transfer to New Homes Bonus Reserve	311
Collection Fund Surplus	(8)
Council Tax freeze reimbursement grant	(174)
Local Services Support Grant	(99)
Formula Grant	(5,963)
Council Tax	(6,951)
Surplus for year	(1,013)

- 2.2 A balanced budget was set for 2011/12, whereby expenditure was matched by income. The exception being £65,500 to be taken from the General Fund Balance to pay for the one off costs of the District Election. The surplus position of £1.013m is due to under spends against budgeted expenditure or more income received than expected. A detailed list of these variations is contained in the Outturn Book. In summary the main areas are:

Main Areas of Variation against budget	£000
Recycling Income higher than budgeted due to higher volume and price than predicted. Income levels are reliant on market conditions for differing recycled products; if the budget is set too optimistically then this could leave the Council with a deficit to find.	(384)
Savings made on grounds maintenance costs (parks & gardens) and increased contributions received towards work carried out.	(72)
Streetscene management posts vacant for periods of the year	(63)
Housing Benefit Subsidy. This is a £38m claim and in setting the budget we do err on the side of caution as the effect of over estimating the subsidy would severely damage the Council's finances. £206,000 represents a 0.5% variance.	(206)
Land charges Income (less contribution to new software)	(27)
Development Management posts vacant for part of the year	(39)
Additional planning income	(255)

The majority of these items are seen as one offs, however any trends were taken into account when setting the following year's budget. The areas above have been considered and reflected in the 2012/13 budget, for instance increases have been made in both planning and recycling income in the current year's budget 2012/13.

- 2.3 It is proposed that the £1.013m saving is transferred into the earmarked Capital Reserve to help the Council maintain essential elements of the capital programme in future years. Good progress is being made with asset management to aid the balancing of the capital programme going forward, but an additional £1.013m in the Capital Reserve would give essential time to complete the process and assist the Council in setting a 2013/14 capital programme.
- 2.4 The General Fund balance at the beginning of 2011/12 was £4.388m; if members agree to transfer the £1.013m saving into the Capital Reserve then the balance at 31/3/2012 will remain at £4.388m. At this amount the General Fund Balance is still in excess of the Council's adopted sum (£1.511m) by £2.877m. Members have in the past reaffirmed the decision to hold a balance in excess of the adopted sum and it is assumed this will continue into 2012/13 because of the many uncertainties in the current economic situation. In the main these are focused around:
- 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 cannot be capped within the tight budgets.
 - The introduction of the Localisation of Council Tax Benefit in April 2013 brings with it financial risk. There is also a growing pressure on the Council's homelessness budgets for the future.
 - There is uncertainty over Land charges income and issues relating to legality.
 - Further risk relates to future grant settlements in the final 2 years of the current Comprehensive Spending Review period. If reductions in Government funding are worse than predicted then the Balance could be used in the short term until the Council can re-adjust its service delivery to meet the finances available.

3. Housing Revenue Account

3.1 The net outturn position for the Housing Revenue Account (HRA) is a surplus of £0.112m. The details are summarised below:

	Outturn Position £000
Expenditure on management and maintenance	6,109
Housing Subsidy payable to Government	5,945
Contribution to Capital (major repairs and capital programme)	3,204
Net interest and loan repayments	57
Property rentals and other income	(15,427)
Surplus for year	(112)

3.2 A surplus budget of £0.040m was initially set for 2011/12. However, because of the decline of the HRA Balance by the end of 2010/11 it was agreed additional savings would be made during 2011/12. The main variations to the budget set are detailed below; a full explanation is contained in the Outturn Book.

Main Areas of Variation against budget	£000
Rental income has increased due to reduced void times and higher collection rates	(172)
Repairs and maintenance was overspent due to increased demand for responsive repairs and additional boiler replacements	230
Savings on supervision and management costs due to posts vacant during the year and reduced property insurance premiums.	(170)
Major Repairs overspend due to increased work to bring change of tenancy properties up to lettable standard.	115
A post was budgeted for the downsizing scheme, but administration has been covered by existing staff.	(21)
Interest and loan repayments for new build was over budgeted	(50)

The HRA balance at the beginning of 2011/12 was £0.511m with the recommended adopted level being £1.054m. With the surplus in 2011/12 of £0.112m this has raised the year end Balance to £0.623m, still some £0.431m below the level required. The savings target outlined to Members in the monthly monitoring reports during the year to bring the Balance back to an acceptable level was not fully achieved.

The 2012/13 budget is the first year under the self financing regime and as such members agreed that the adopted HRA Balance should be increased to £490 per property increasing the Balance to £2.107m. The 2012/13 budget has been set in order to achieve at least this level of Balance; this will be monitored carefully through the year and progress reported to Cabinet.

4. Capital Budget

- 4.1 The net outturn position for the Capital programme is show below with net expenditure to be financed for the year of £4.874m. There are many variations to the Capital Programme to that originally planned and these are detailed in the Outturn Book; two main variations relate to scheme slippage of the Visitor Centre Seaton and the Honiton Community Centre.

	Outturn Position £000
Portfolio Total Net Cost	4,874
Capital Receipts	(258)
Section 106 contributions	(277)
Government Grant for Combined Heat and Power Plant Cranbrook	(1,628)
Other Government Grants	(38)
Revenue contribution to Capital Programme (General Fund)	(103)
Revenue contribution to Capital Programme (Housing Revenue Account)	(296)
New Homes Bonus Reserve	(2)
Transformation Reserve (CAPS IT System)	(95)
Asset Maintenance Reserve	(77)
Use of Capital Reserve	(2,100)
Balance Unfunded	0

- 4.2 In addition to the above, £0.075m of expenditure on two schemes agreed to be in the capital programme (£74,000 ICT Mobile Working Project and £1,000 on Exmouth Regeneration – Splash/Estuary Site) is being treated as revenue. This is due the nature of expenditure and the uncertainty at this stage that the spend will result in an actual asset.

This can still be funded from the Capital Reserve as originally agreed, as this reserve was created from revenue monies and can therefore be used for revenue or capital purposes. This is a formality but does ensure our Accounts at year are correct. The Capital Reserve in total will be reduced by £2.175m (£2.100m + £0.075m) in 2011/12.

This leaves a balance on the Capital Reserve at the end of 2011/12 of £3.128m.

- 4.3 The Outturn Book shows scheme slippage from 2011/12 to 2012/13 of £3.564m, this revised position requires £2.715m to be taken from the Capital Reserve in 2012/13. Leaving a balance available for 2013/14 of £0.413m.

This would be sufficient to fund the current 2013/14 capital budget but the programme will grow as requests are made for scheme inclusion as we approach 2013/14 budget round. It is likely the Reserve would be depleted in 2013/14, if not then 2014/15. If members agree to the transfer of £1.013m from the one off revenue savings in 2011/12 into the Capital Reserve this would alleviate funding problems for the short term subject to no major proposals coming forward.

- 4.4 The Executive Board at its meeting on 2 December 2009 resolved “that the completion of the land transfer of Elizabeth Road Playing Fields to Seaton Town Council as a contribution to plans for improved youth facilities be noted and £80,000 of capital receipts from the Land Agreement be authorised to be held in reserve 2010/11 to contribute to match funding a project led by Seaton Town Council to improve youth facilities and/or provide a youth club, as to be determined most appropriate by Seaton Town Council.” This money has not been claimed as yet by the Town Council and in preparing the outturn position on the capital programme this sum has been treated as scheme slippage and moved into 2012/13 as still available to the Town Council.

Members need to decide whether to endorse this position as the minute of the Executive Board did make the contribution time bound. An alternative to carrying forward the commitment would be to use the monies to help fund an underfinanced capital programme, either related to Seaton or as part of funding the overall programme meeting the Council’s priorities generally.

5. Other Main Reserves and Balances Available – year end position

Transformation Reserve

The uncommitted balance on this reserve is currently **£1.150m**, 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 **£0.235m**.

Asset Maintenance Reserve

This reserve is used to support the Council’s General Fund Assets and planned maintenance backlog/essential work (created from one off VAT refunds obtained).

The year end balance is £1.358m. It is proposed that £0.405m of this Reserve is used in 2012/13 leaving a balance at the end 2012/13 of **£0.953m**.

New Homes Bonus

Monies received/announced of £0.311m in 2011/12 and £0.759m in 2012/13 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 £0.346m of the New Homes Bonus (NHB), with some schemes’ expenditure running into 2013/14 and thereby using a further £0.230m. This leaves an uncommitted balance of **£0.387m** to be allocated against the 2013/14 capital programme in the next budget round subject to member approval.

NHB monies to be received in 2013/14 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 are available for allocation.

Asset Management Plan

Members agreed a budget of £0.218m in 2011/12 to help with resources to progress the Asset Management Plan work. Only £0.030m of this was spent in 2011/12, the remaining balance of **£0.188m** has been transferred to this Reserve to continue funding this work in 2012/13.

Other Earmarked Reserves

There are other earmarked reserves for specific projects where funding or contributions have been made in advance of spend and monies are held at year end to fund this work in future years. Appendix A of the report highlights any transfers being made in 2011/12 and the Accounts when published will show a complete list of all Reserves held.

Legal Implications

On the assumption this report reflects local authority financial requirements/available discretions; no specific legal comment is required. The proposals put forward appear to be reasonable in terms of the exercise of council discretion.

Financial Implications

Details are contained in the report.

Consultation on Reports to the Cabinet

This report and its implications have been discussed by SMT

Background Papers

- Financial Services Working Papers

Simon Davey
Head of Finance

Cabinet
13 June 2012

APPENDIX A				Variation	% change
	2011/12		2011/12	Revised 11/12 to	Revised 11/12
	Original	Revised	Outturn	Outturn 2011/12	to Outturn 2011/12
General Fund Revenue Outturn 2011/12					
Portfolio Budget Submissions - Net Expenditure	£	£	£	£	
Corporate Business	5,665	5,665	(464)	(6,129)	-108%
Corporate Services	1,458,400	1,460,400	1,415,623	(44,777)	-3%
Economy	800,160	738,160	542,806	(195,354)	-26%
Environment - General	1,049,170	1,049,170	1,049,835	665	0%
Environment - StreetScene	7,675,960	7,748,350	7,202,267	(546,083)	-7%
Finance	1,829,680	1,829,680	1,506,324	(323,356)	-18%
Strategic Development & Partnerships	1,792,465	1,792,465	1,604,653	(187,812)	-10%
Sustainable Homes & Communities	730,610	730,610	777,284	46,674	6%
IT Mobile working project reclassified as Revenue			73,446		
Exmouth Regeneration reclassified as Revenue			1,167		
Portfolio Totals	15,342,110	15,354,500	14,172,940	(1,181,560)	
Reversal of Capital Charges (Depreciation & Amortisation)	(1,837,410)	(1,837,410)	(1,884,820)	(47,410)	
Portfolio Total Net of Capital Charges	13,504,700	13,517,090	12,288,120	(1,228,970)	
Interest Receipts (Net of investment management fees)	(464,470)	(464,470)	(546,492)	(82,022)	
Interest Payable	7,070	7,070	657	(6,413)	
PWLB principal & interest repayments	113,890	113,890	72,079	(41,811)	
Net Expenditure	13,161,190	13,173,580	11,814,364	(1,359,216)	
Financing 2011/12:					
Use of Earmarked Reserves to fund expenditure in year:					
LABGI Reserve for Regeneration projects			(70,495)		
Asset Maintenance Reserve maintenance			(65,947)		
Transformation Fund for voluntary redundancies			(42,412)		
Transformation Fund for Relocation Project			(36,850)		
S106 contributions for New Community Officer			(36,461)		
PDG Reserve for Local Development Framework - Local Plan			(68,201)		
Manor Pavilion Reserve for lighting and stage screen equipment			(4,000)		
				(324,366)	
Revenue Contribution to Capital:					
Contribution from Assets sales below £10k deminimis to General Capital Reserve			50,423		
Contribution to Capital Projects Reserve - IDOX Land charges			25,000		
Contribution to Capital Project - NNDR upgrade			65,000		
Accountancy underspend to Capital Projects Reserve (CEDAR 4.1 upgrade)			20,900		
Legal Services underspend to Capital Projects Reserve (Legal Case Management System)			15,000		
				176,323	
Transfers to Earmarked Reserves:					
Financial Services underspend to Finance Revenue Projects Reserve (Treasury Management Tender / E-proc)			13,680		
Contribution to Seaton Town Centre Manager Reserve			27,679		
Asset Management Plan unspent balance to Asset Management Plan Reserve			188,296		
Contribution to Asset Maintenance Reserve - Car Park VAT			195,135		
Contribution to Visitor Centres Reserve			11,445		
Contribution to NNDR IT System Revenue Reserve			7,400		
Contribution to Cranbrook historical record			10,000		
Contribution to Car Park Ticket Machines Reserve			12,000		
Contribution to Local Development Framework Inquiry			50,000		
				515,635	
Transfer to New Homes Bonus Reserve			310,872	310,872	
Use of Collection Fund Surplus	(8,000)	(8,000)	(8,000)	(8,000)	
Non-ringfenced Government Grants:					
Council Tax Freeze Reimbursement Grant 2011/12	(173,510)	(173,510)	(173,769)		
Local Services Support Grant - Homelessness			(99,469)		
New Homes Bonus			(310,872)		
				(584,110)	
Use of General Fund Reserve for expenditure in year:					
GF contribution for one-off cost (District Council Elections)	(65,500)	(65,500)	(65,500)		
Supplementary estimate (Snow Equipment)		(10,390)	(10,836)		
Supplementary estimate (Devon Shared IT services)		(2,000)	(2,000)		
Supplementary estimate (NNDR IT System)			(72,400)		
Capital projects reclassified as Revenue			(74,613)		
			1,238,816		
Net Balance to GF Reserve				1,013,467	
Budget Requirement	12,914,180	12,914,180		12,914,185	
Formula Grant (Government)	(5,963,470)	(5,963,470)		(5,963,475)	
Council Tax Requirement	6,950,710	6,950,710		6,950,710	

Agenda Item 15

Cabinet

13 June 2012



Treasury Management Performance 2011/12

Summary

This report details the overall performance of the Council's investment portfolio during 2011/12. Also included are updates to the 2012/13 Treasury Management Strategy and request for exemption to standing orders to recruit consultants to carry out the tender for an external investment manager.

Recommendation

Cabinet is requested to note the investment return for 2011/12.

That the Cabinet agrees the following amendments to the 2012/13 Treasury Strategy:

- **Credit Rating from which our external fund managers can lend 20% of the fund be amended from AA+ to AA- in line with previous years**
- **That the use of Money Market Funds be agreed with a counterparty limit of £2,000,000 per fund.**

To exempt from standing orders the appointment of Sector Treasury Service to undertake the tender for an external investment manager.

a) Reasons for Recommendation

The Investec Report to 31 March 2012 (included as Appendix A), substantiates the performance of our externally-managed funds. Almost all of the interest earned by the Council in 2011/12 has come from this source.

To allow our external fund managers to continue to operate in line with previous mandates.

To increase the number of options available to the accountancy team when placing moneys in the short term.

b) Alternative Options

Not relevant

c) Risk Considerations

Any depositing of surplus funds exposes the Council to a certain degree of risk relating to the security of deposits and investment return. However, through the Council's treasury management strategy and the external fund investment mandate the level of risk is proactively managed to an acceptable level.

d) Policy and Budgetary Considerations

For 2011/12, the Council had budgeted to generate a net return of £331,940 from its investment activities.

e) Date for Review of Decision

Treasury management performance is reviewed at six-monthly intervals. The 2012/13 half yearly review performance will be going to Cabinet in November 2012.

The Treasury Management Strategy will be reviewed for 2013/14 and will come before Cabinet at the end of January 2013

1. Introduction

- 1.1 This report is submitted in accordance with the “Code for Treasury Management in Public Services” published by the Chartered Institute of Public Finance & Accounting (CIPFA). It covers the period 1 April 2011 to 31 March 2012.
- 1.2 The average 7-day rate for this period is the London Interbank Bid (LIBID) rate. This rate was 0.55% for the period and is used as a benchmark for comparison purposes.

2. Overview

- 2.1 The 2011/12 budget estimated a net return on all General Fund investment & borrowing activities of £331,940. The actual return for 2011/12 is £460,416.

General Fund (GF)	Actual 2010/11 £'000	Budget for 2011/12 £'000	Actual for 2011/12 £'000	Variance 2011/12 £'000
Internal Investments				
Interest on Market Investments	(59)	(62)	(58)	4
Other Investment interest*	(3)	7	(3)	(10)
Return on Internal Investments	(62)	(55)	(61)	(6)
Externally Managed Funds				
Interest Received net of fees	(267)	(398)	(302)	96
Fair Value (Gains)/Losses**	(34)	0	(170)	(170)
Return on External Investments	(302)	(398)	(472)	(74)
Total Return on Investments	(364)	(453)	(533)	(80)

General Fund (GF)	Actual 2010/11 £'000	Budget for 2011/12 £'000	Actual for 2011/12 £'000	Variance 2011/12 £'000
Borrowing				
Temporary Borrowing	1	7	0	(7)
Long Term borrowing - PWLB	0	114	72	(42)
Total Payable on Borrowings	1	121	72	(49)
Net Return on Treasury Activities				
	(363)	(332)	(460)	(128)

*Net of transfer of interest to Housing Revenue Account (HRA)

**This is the gain or loss in value from selling an investment before maturity

2.2 The 2011/12 budget estimated a net charge on Housing Revenue Account (HRA) for investment & borrowing activities of £65,740. The actual charge for 2011/12 is £27,537. Below is a breakdown of how this was achieved:

Housing Revenue Account (HRA)	Actual 2010/11 £'000	Budget for 2011/12 £'000	Actual for 2011/12 £'000	Variance 2011/12 £'000
Interest Receivable				
Investment interest	(7)	(16)	(9)	7
Return on Investments	(7)	(16)	(9)	7
Long Term Debt				
PWLB	0	81	39	(42)
PWLB Self Financing Loans	0	0	(3)	(3)
Payable on Borrowings	0	81	37	(45)
Net Return on Treasury Activities				
	(7)	66	28	(38)

2.3 Below is a table of the rate of return for the main treasury items expressed as a percentage.

	2010/11 %	2011/12 %	7 Day LIBID %	Difference %
External Investment Fund	0.99	1.59	0.55	1.04
Total Internal	0.53	0.58	0.55	0.03
Market Investments	0.49	0.53	0.55	(0.02)
Bank of Scotland	0.75	0.75	0.55	0.20

3. Internal Investments

- 3.1 A total of 102 investments were made in 2011/12, ranging from £0.2m to £3.6m. During this time we exceeded our agreed counterparty limit with the Bank of Scotland on two occasions, for no longer than a week, as agreed with the Portfolio Holder – Resources/Finance and the Section 151 Officer.
- 3.2 These investments generated interest totalling £0.058m. The repayment terms varied from call (instantly repayable), to fixed periods of up to 92 days. The interest rate on these investments averaged 0.58%, 0.03% above the 7 Day LIBID rate of 0.55%.
- 3.3 From market investments, in fixed term deposits with building societies on our counterparty list, we achieved an average return of 0.53%, from deposits with durations from 7-92 days. This is below the 7 Day LIBID rate mainly due to the fact that for cash flow purposes over half of our deals were for less than 4 weeks, under which the market was paying less than the Bank of England base rate of 0.50%.
- 3.4 From deposits in our Bank of Scotland call account, we achieved a return of 0.75%. As a result of the mass downgrading of UK banks by the main ratings agencies in October 2011, we reduced our counterparty limit with the Bank of Scotland to £2m.

4. External Investments

- 4.1 During 2011/12 the fund earned the Council £471,901, leaving a Closing Balance at 31st March 2012 of £30,670,953. This has resulted in a return on investment of 1.59%.
- 4.2 The return on investment of 1.59% is 1.04% higher than the 7 Day LIBID rate and 0.60% higher than at the same time last year. This is due to strong gains made from exposure to inflation linked government bonds and superannuation bonds. A copy of Investec's valuation report as at 31 March 2012 is attached as Appendix A.

5. Temporary Borrowing

- 5.1 In addition to the use of bank overdraft facilities, the Council borrowed on two occasions during 2011/12 (one in 2010/11), with the total interest paid being £303 compared with £1,084 for 2010/11. The average interest rate paid was 0.39%.

6. Long Term Borrowing

- 6.1 No new long term loans were taken out to fund the capital programme during 2011/12, leaving the Council with only two Capital Loans with an outstanding value of £1.189 million.
- 6.2 The saving shown in both the General Fund and HRA is due to changes in both rates and amount required between budgeting and actually taking out the loans.
- 6.3 As part of the HRA Self Financing regime the Council took out £84.376 million of loans on the 27 March 2012 ranging in duration from 3 to 24 years with an average interest rate of 2.99%. The first loan is repayable in March 2015.

- 6.4 Currently there is no plan for the Council to borrow in 2012/13 to fund its capital programme, though this will be kept under review.

7. 2012/13 Treasury Strategy

- 7.1 The 2012/13 Treasury Management Strategy that came before cabinet in February 2012 listed the credit rating with which our external fund managers could invest 20% of the fund as AA+. This should have read AA-, in line with previous years.

On discovery of this error the Finance Portfolio Holder and the S151 Officer were contacted and they agreed to maintain the limit at AA-. We now ask that Cabinet approve this decision.

- 7.2 One of the challenges facing the Treasury/Accounting Team is where to place short term money. Particularly where the amount is less than one million and/or duration is less than one week.

Currently the only option available is to place the money in our instant access account with the Bank of Scotland. Where necessary this has involved obtaining agreement from both the Finance Portfolio Holder and the S151 Officer to breach the counterparty limit of £2 Million.

An option available to the Council is to allow the Team to invest in Money Market Funds (MMF's), which although not specifically mentioned in the Strategy fall within our definition of High Credit Quality as a scheme with a credit rating above A/F1, with most funds being given a rating of AAAMf by rating agencies.

A Money Market Fund is a pooled fund which invests in a range of short term assets providing high credit quality and high liquidity.

They work by essentially aggregating the deposits from numerous organisations and making investments with this money as per the fund's investment criteria.

Deposits can be made with as little as £25,000 - £100,000 and can be recalled at any time (within fund guidelines), with variable interest paid monthly or quarterly net of fees.

By investing in a Money Market fund we would be spreading the risk of counterparty default, while being able to access funds daily.

We propose that the use of money market funds be added to our Strategy for 2012/13 with the amount invested to be limited to £2,000,000 in line with our Bank of Scotland Account.

8. External Fund Management Tender

- 8.1 The Council is committed to going out to tender for the management of its External Investment Fund, which currently stands at £30.6 Million. Due to the technical nature of under taking this process we would like to appoint Sector Treasury Services to carry out the tendering at a cost of £5,000. Please find attached as Appendix B, an exemption to standing orders form.

Legal Implications

As is indicated in the report, financial management of this type is subject to a range of regulatory controls and accounting conventions, which the finance team manage on a day to day basis. Otherwise the Council has discretion in terms of its financial strategies, acting reasonably.

The case for a standing order exemption is set out in the report and has been supported by the Legal and Democratic Services Manager.

Financial Implications

Financial implications are included in the body of the report.

Consultation on Reports to the Cabinet

Background Papers

- ❑ Investec portfolio valuation and quarterly investment report.
- ❑ Accountancy working papers
- ❑ Sector Treasury Reports and Data

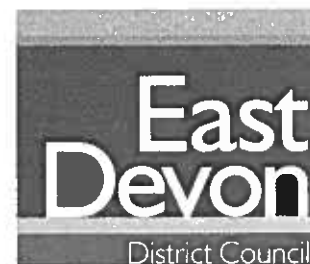
Claire Read x2691
Accountant

Cabinet
13 June 2012

Portfolio valuation

As at 30 March 2012

Nominal	Security	Cost Price	Purchase Yield	Book Cost	Market Price	Market Yield	Profit / (Loss)	Net Market Value	Accrued Interest	Total Market Value	Duration
FIXED INTEREST SECURITIES											
750,000	EUROPEAN BANK FOR RECONSTRUCTI NOTES 12/13 1.875	99.83	1.94	748,695.00	101.58	0.93	13,147.50	761,842.50	4,264.86	766,107.36	1.87
440,000	UNITED KINGDOM GILT INFLATION BONDS 07/16 2.5	341.93	-1.14	1,504,476.60	344.67		12,071.40	1,516,548.00	5,651.18	1,522,199.18	4.04
				2,253,171.60			25,218.90	2,278,390.50	9,916.04	2,288,306.54	3.24
TOTAL FIXED INTEREST SECURITIES											
CERTIFICATES OF DEPOSITS											
3,200,000	NAT AUSTRALIA BK CD 0.6 12012012-12042012	100.00	0.60	3,200,000.00	100.00	0.57	29.22	3,200,029.22	4,103.01	3,204,132.23	0.04
6,100,000	NORDEA GROUP 0.77% 12 JAN 12 - 12 APR 12	100.00	0.77	6,100,000.00	100.01	0.57	424.50	6,100,424.50	10,037.42	6,110,461.92	0.04
3,000,000	BARCLAYS - BACR 1.58 26 APR 2011 - 26 APR 2012	100.00	1.58	3,000,000.00	100.07	0.65	2,051.61	3,002,051.61	44,023.56	3,046,075.17	0.07
1,000,000	COM BK AUSTRALIA CD 0.4 27032012-27042012	100.00	0.40	1,000,000.00	99.98	0.65	(192.23)	999,807.77	32.88	999,840.65	0.08
2,700,000	LLOYDS BANK 1.56 09 MAY 2011 - 09 MAY 2012	100.00	1.56	2,700,000.00	100.09	0.70	2,502.36	2,702,502.36	37,619.51	2,740,121.87	0.11
2,700,000	NATIONWIDE B.S CD 1.46 03082011-01062012	100.00	1.46	2,700,000.00	100.11	0.81	3,001.54	2,703,001.54	32,508.00	2,735,509.54	0.17
3,000,000	RABOBANK 1.05 10 AUG 2011 - 10 AUG 2012	100.00	1.05	3,000,148.85	99.97	1.14	(1,194.17)	2,998,954.68	20,108.22	3,019,062.90	0.36
3,300,000	HSBC SECURITIES 1.5% 24 NOV 11 - 23 NOV 12	100.00	1.50	3,300,000.00	100.01	1.47	380.49	3,300,380.49	17,223.29	3,317,603.78	0.65
3,100,000	RABOBANK 1.47% 26 JAN 12 - 25 JAN 13	100.00	1.47	3,100,152.76	99.84	1.66	(4,973.79)	3,095,178.97	7,990.36	3,103,169.33	0.82
TOTAL CERTIFICATES OF DEPOSITS				28,100,301.61			2,029.54	28,102,331.15	173,646.25	28,275,977.40	0.26
DEPOSITS											
60,000	BK NOVA SCOTIA TD 0.25 02042012-02042012	100.00	0.25	60,000.00	100.00	0.25		60,000.00		60,000.00	
TOTAL DEPOSITS				60,000.00				60,000.00		60,000.00	
CASH											
GBP Cash -- Settled Balance				46,668.67				46,668.67		46,668.67	
TOTAL CASH				46,668.67				46,668.67		46,668.67	
TOTAL				30,460,141.88			27,248.44	30,487,390.32	183,562.29	30,670,952.61	0.48



REQUEST FOR EXEMPTION TO STANDING ORDERS

An exemption to Standing Orders can be made under SO 1.11 – 1.15. No exemption can be used if the EU Procedure applies.

Name: Simon Davey	Date: 14 May 2012
Directorate: Finance	Service:
	Value: £5,000

Background (including supplier details, costs etc:

Members have agreed to retender the role of investment fund manager. It was also agreed that we would use consultants to help with the selection process due to specialised nature and importance of selecting the right company.

We currently employ Sector as part of an annual agreement secured under the initial advice and continued advice on our HRA business Plan and Borrowing Strategy. We have found their work and advice excellent and from the reviews they have carried out they are fully aware of our Treasury Management function, East Devon's Balance Sheet and Portfolio. The individual we have been dealing with from Sector has an excellent knowledge and background in Fund Manager Selection and has given us a set price of £5,000 to undertake this work, which will include;

- Assisting the Authority in agreeing a suitable mandate for the Fund Manager to operate within
- Supporting the Authority in identifying a suitable list of external Fund Managers.
- Drafting and agreeing with the authority the detailed questionnaire and letter of invitation to send to Fund Managers.
- Collating questionnaire responses from Fund Manager. These will then be analysed by us, Sector, who will provide a précis of the findings
- Meeting with the authority to review fund manager responses. This will result in the authority producing short list to invite for a 'beauty parade'.
- Sector will then arrange for the short list presentations, either to be held at Sector's office in London or at the authority's office.
- We will assist the Authority in producing an interview pack for use at the Fund Manager tender presentation. This will include both generic and specific questions
- We will assist the Authority in the decision making process following on from the presentations.
- And lastly we will assist the authority in any fund manager documentation that may be required

There are only a few companies that offer this independent advice and specialise in local authority investments, we are keen to use Sector because they have been excellent in their performance to date, they have knowledge of the Council and the fee is seen to be good value considering the work required in this process.

Business Reasons for an Exemption:		
Although the following are justifiably accepted as valid reasons for an exemption to Standing Orders, they are closely monitored and should be applied only in cases where a full procurement exercise is not a viable option. (please tick appropriate boxes)		
An Emergency	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Goods or Services to existing systems or kit	<input type="checkbox"/>	<input type="checkbox"/>
Purchase or repair of patented or proprietary articles sold only at a fixed price	<input type="checkbox"/>	<input type="checkbox"/>
Effective competition is prevented by government control	<input type="checkbox"/>	<input type="checkbox"/>
Goods and/or Services recommended by a Central Government Department	<input type="checkbox"/>	<input type="checkbox"/>
Extension to an existing contract for the purpose of achieving Best Value	<input type="checkbox"/>	<input type="checkbox"/>
Purchase or Sale by Auction	<input type="checkbox"/>	<input type="checkbox"/>
Where the Contract is with a Public Utility Company or other organisation which will assume liability for the works on completion e.g. sewer adoption	<input type="checkbox"/>	<input type="checkbox"/>
Other Reasons (please provide details)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Business Benefits for an Exemption: Financial Savings / Efficiencies etc:
The benefits are listed above and the cost is less than expected. For the appointment of consultants up to £3,000 one verbal quotation is required under the Council's contract standing orders and between £3,001 to £100,000 three written quotations are required. At £5,000 this is only slightly over the threshold whereby 3 quotes are required and a request is made to appoint Sector without seeking alternative suppliers and what is a restrictive market and because of the sensitivity and risk of the ultimate appointment being made we would prefer to deal with an individual whom we have used before and trust to do good job on our behalf.

What are the implications to the following:
Finance: Members agreed in 2011/12 to fund this work up to £10,000. Monies have been set aside to undertake this work and carried forward into 2012/13 (£5,000).
Human Resources: N/A – The skills required for this work are of specialist nature that we do not have in house
ICT: N/A
Asset Management: N/A


Strategic and/or Operational Objectives: To ensure we employ a suitable fund manager

Risk Assessment:


Detail risks here: The Treasury Management function is recorded on the council's risk register with appropriate controls including ensuring an appropriate fund manager and mandate is in place.

Or attach print from the RM system


Signature of Officer Requesting Exemption:



Supporting Signature of Procurement Officer

In absence 

Supporting Signature of Head of Finance:



Supporting Signature of Corporate Legal & Democratic Services Manager:

Rachel L Powell

PLEASE NOTE:

Standing Order 1.13 requires you to prepare a report for Cabinet to support the action taken.

Procurement is required to keep a Register of Exemptions. **Please ensure that your report to Cabinet is copied to Procurement.**

Agenda Item 16

Cabinet

13 June 2012

PS



Building Control Financial Statement 2011/12

Summary

It is a requirement that the Building Control Service provide an approved annual end of year financial statement as required by the charges regulations, the overriding objective being cost recovery only. This is the second annual statement enabling a review of the level of charges set.

Recommendation

To note the annual financial statement of the Building Control chargeable and non-chargeable accounts 2011/12.

a) Reasons for Recommendation

The report is for noting

b) Alternative Options

N/A

c) Risk Considerations

N/A

d) Policy and Budgetary Considerations

The budget position is a positive one because there was a working surplus in the fee earning account at year end of £55,176.50. This offsets the non fee earning activity and cost¹ to the Council of £229,064.50 as the fee and non fee earning budgets are interrelated. However, for the service objectives and purposes of this report the Council has completed the second of the three year rolling accounting period with a surplus in the relevant budget. In accordance with the overriding objective of the charges regulations, being investment and cost recovery only, the Charges Regulations allow for the service to develop (over a five year rolling period) with this in mind, developing and moving to mobile and remote working and other investments, will involve expenditure for the service, now possible with a working fund available to support this.

A review of current charges has indicated that the Schedule of Charges should remain the same with no increase in the level of charges being proposed. The variations seen in the budget can be accounted for by a reduction in some ICT software costs and an increase in the number of major project applications, enforcement and dangerous structure activity with the resulting fee income that this has generated.

¹ Non fee earning service includes demolition, dangerous structure, enforcement and other non-fee earning work.

Positive Impact Overall

Thriving Economy.
Safe Environment.
Green Environment.
Young People.
Excellent Customer Service.
Inspirational Council.
Providing more service at same cost.
Create Cashable Savings

e) Date for Review of Decision

Annually

1 Main Body of the Report

Building Control Financial Statement - building regulations chargeable and non-chargeable account -2011/12

	Fee earning 2011/12 £	Non-fee earning 2011/12 £	Total BC 2011/12 £
Expenditure			
Employees	281,808.00	141,327.00	423,135.00
Premises	0.00	0.00	0.00
Transport	28,385.00	14,235.00	42,620.00
Supplies and Services	17,900.00	8,977.00	26,877.00
Third Party Payments	0.00	0.00	0.00
Support Services	132,054.00	66,225.00	198,279.00
Depreciation and impairment losses	0.00	0.00	0.00
Capital Financing Costs (notional interest)	0.00	0.00	0.00
TOTAL EXPENDITURE	460,147.50	230,764.50	690,911.00
Income			
Building Regulation Charges	515,324.00	0.00	515,324.00
Miscellaneous Income	0.00	1,700.00	1,700.00
TOTAL INCOME	515,324.00	1,700.00	517,024.00
SURPLUS/(DEFICIT) For the Year	55,176.50	(-229,064.50)	(-173,888.00)
SURPLUS/(DEFICIT)	0.00		
Brought forward	92,499.00		
Carried forward	147,675.50		

Legal Implications

The Building (Local Authority Charges) Regulations 2010 set out the detail of the legal framework under which the Council's charging scheme must operate.

Financial Implications

The financial implications are as indicated within the report.

Consultation on Reports to the Cabinet

Background Papers

- None

Kate Little
Head of Economy

Cabinet
13 June 2012

Agenda Item 17

Cabinet

13 June 2012

Performance Information April 2012



Performance Monitoring Report April 2012

Summary

Performance information for the 2012/13 financial year for April 2012 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 2012/13 financial year for April 2012.

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.

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 are under review this month to ensure that we provide the most relevant information for the committee and will be available next month.

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

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 Executive

Relevant Heads and officers have contributed to the appendices.

Background Papers

- Appendix A - The Performance Indicator monitoring report for the 2011/12 financial year for April 2012.
- Appendix B - Explanations and definitions.

Joanne Avery Ext 2332
Management Information Officer

Cabinet
13 June 2012

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).”