



**One Council**  
for South Hams and West Devon

# Key Facts



**South Hams  
District Council**



**West Devon  
Borough  
Council**

## CONTENTS

Why change?	3
Proposal	4
Council Tax Implications	5 - 6
Other Considerations	7
What next?	8
Community Impact	9 - 10
How we are consulting	11
Survey Questions	12

### **We are consulting on a proposal to form one new Council to cover the areas currently served by South Hams District and West Devon Borough Councils.**

In July 2017 the majority of councillors at both authorities voted to conduct a One Council consultation on a proposal to bring the two political structures together and create One Council.

The proposal would save up to £0.5m a year, reduce the number of Councillors and require Council Tax for both areas to be brought to the same level.

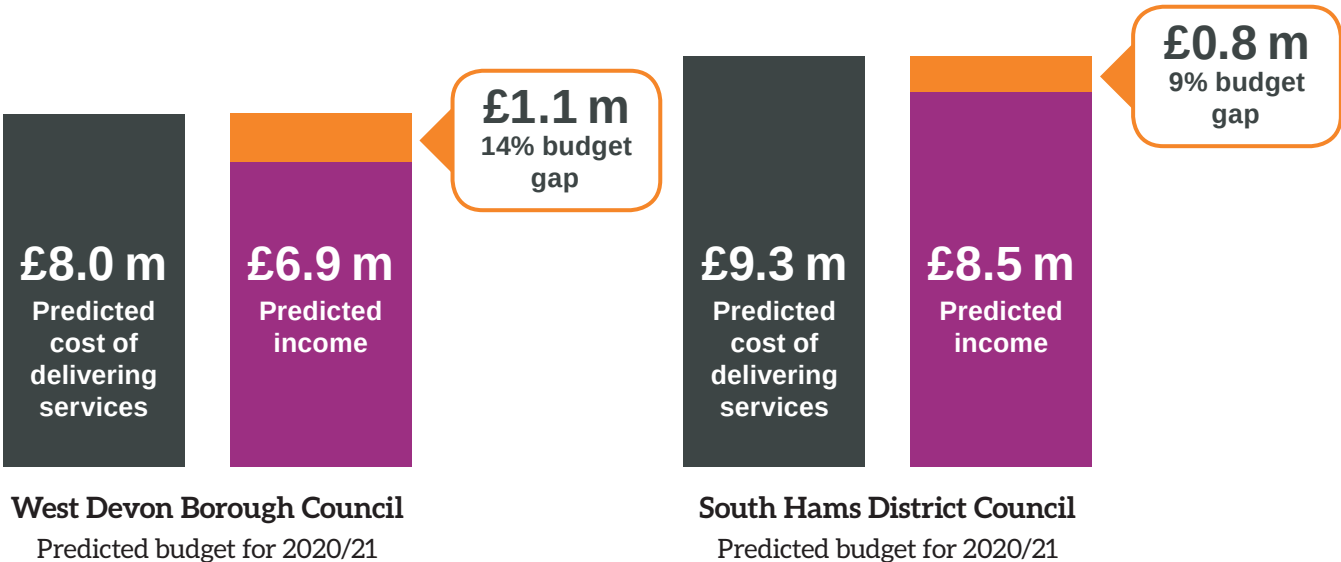
Have your say at [\*\*www.onecouncil.org.uk\*\*](http://www.onecouncil.org.uk)

## WHY CHANGE?

Since 2010 Local Authorities have had growing budget pressures and decreasing grants from Central Government. This position is looking significantly worse for the future given the recent budget settlements which see some government grants stopping completely from 2018.

To ensure that valued, local public services can continue to be delivered in the future, many Councils are looking at a range of solutions for addressing their budget gaps from outsourcing of services, establishing companies to deliver services to other councils and sharing services between councils.

The current budget gap forecast for 2020/21 is £1.1m for West Devon and £0.8m for South Hams, a total of £1.9m that needs to be saved across the two councils in order to balance their books for that year and beyond. Doing nothing is not an option and both Councils need an early plan for how they will address this funding gap.



While the Councils are also exploring a number of other options for closing the gap, forming one new Council is the only option for which we can provide firm figures that we are sure will contribute to closing that funding gap through generating up to £0.5m of savings a year and increasing income through Council Tax equalisation.

South Hams and West Devon already have a strong history of working together to achieve savings and deliver services in a more efficient way. This history of working together (from 2007) has culminated in a smaller, shared workforce delivering these services across both Councils whilst saving £6 million per year. The Councils want to continue to protect services and the savings already achieved. Creating one new Council is the next logical step in this journey. As a result of sharing their workforce, the Councils are financially dependent on each other; this means that if either Council were to fail to balance their budget, there would be a significant negative impact on the finances of the other Council.

## PROPOSAL

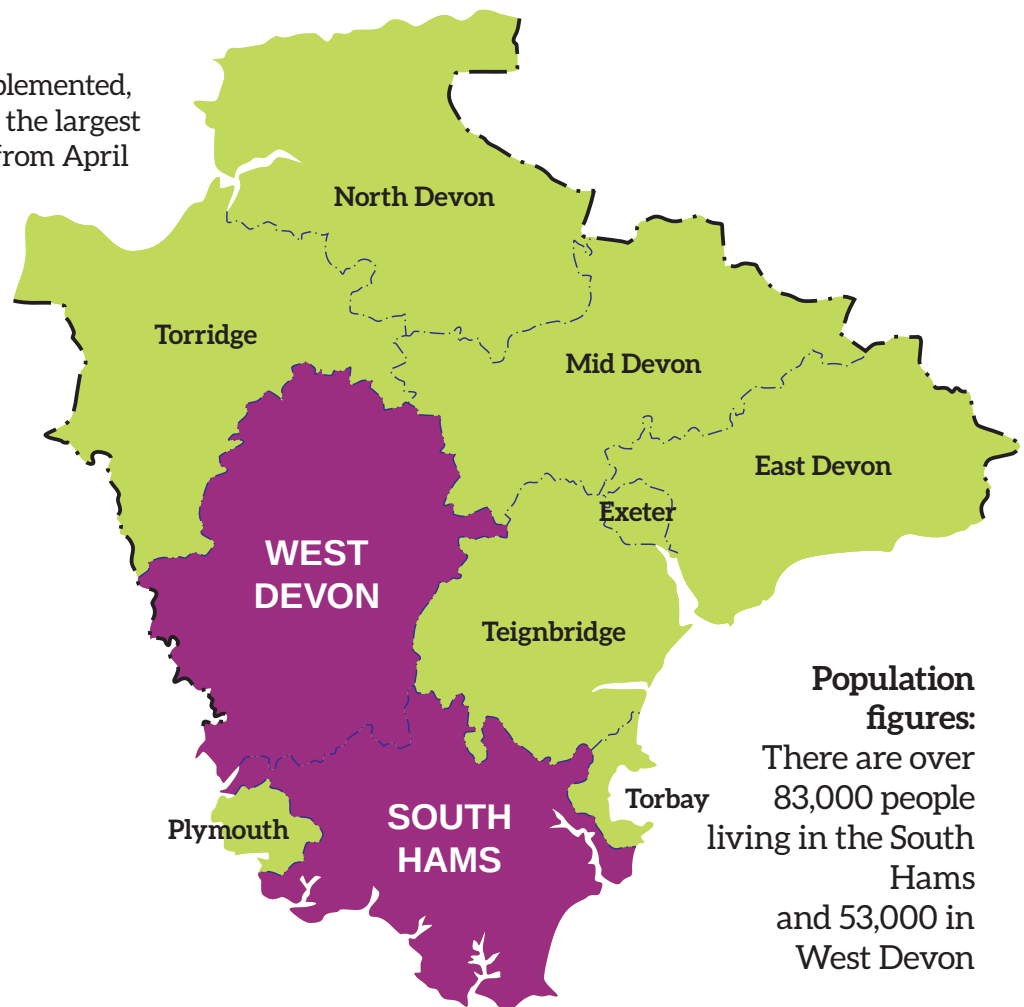
The Councils consider that if one new Council is created, we can save up to £0.5 million a year. This will not be through cuts to services, but through the new Council costing less to operate; the new Council will need fewer Council and Committee meetings and there will be no need for each Council to make separate decisions; there will be one budget and one set of financial systems. The cost of forming a single Council is estimated to be £325,000 which includes project management, consultation on the proposal, remodelling of the Council finances and creating a new website and identity for the new Council.

The proposal would mean that Council Tax for residents in South Hams would need to increase to the same level as West Devon residents pay. South Hams Council Tax is currently £62.97 less a year than West Devon for those living in Band D housing (see pages 5-6 of this document for a list of all council tax bands). This difference would be addressed over a number of years and is explored in more detail on the Council Tax Implications page of this document.

The proposal would also see a reduction in the number of district Councillors representing the new Council area. While we do not have exact figures, we estimate that the new Council would have about 48 Councillors, 28 in South Hams and 20 in West Devon (subject to a Boundary Commission Review). Currently each Council has 31 Councillors (62 in total).

Both Councils have agreed to consult on the proposal and seek the views of the public, businesses and other organisations we work with before considering whether or not to submit a proposal to the Department of Communities and Local Government. If the view is that the proposal should be submitted, the ultimate decision on whether the new Council can be formed rests with the Secretary of State for Communities and Local Government.

Should the proposal be implemented, one new Council would be the largest District Council in Devon from April 2020, represented by 4 MPs, 11 County Councillors and in the region of 48 District Councillors.



## COUNCIL TAX IMPLICATIONS

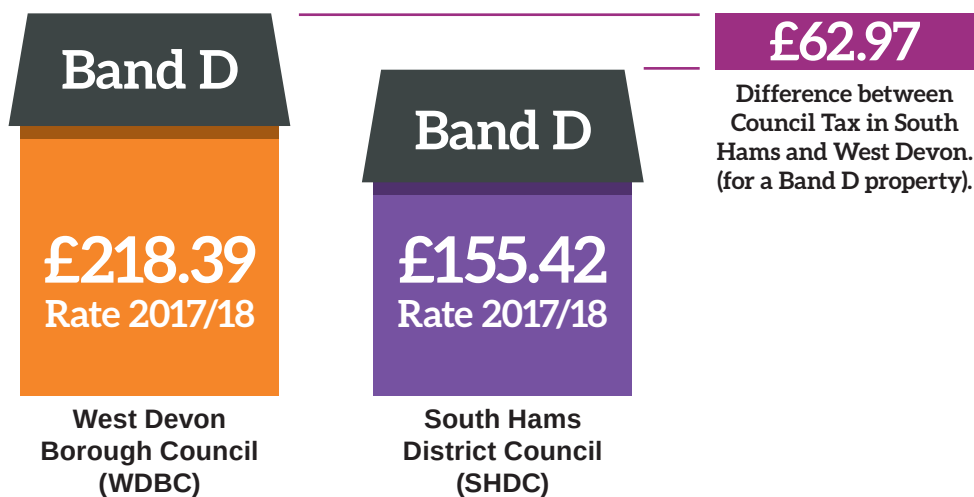
Since both authorities began sharing one workforce, South Hams District Council has benefited from greater savings than West Devon (£3.9m per annum for South Hams and £2.2m a year for West Devon). This has helped make it possible to freeze the district council element of Council Tax in South Hams in the past.

However, if a new Council is formed, Council Tax would need to be brought up to the same levels across the whole of the new Council area. Currently, West Devon residents are paying more Council Tax than South Hams residents for very similar services. This means that for South Hams residents, their District Council element of Council Tax would need to increase up to the same level as West Devon, this is known as equalisation. Equalisation could take place over a period of up to 10 years (so by the end of the period all residents of the Council area would be paying the same levels of Council Tax).

The amount of money that both councils collect from council tax bills to pay for the services they provide is less than 12% of the overall bill, the rest goes to Devon County Council, Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and the Town and Parish Councils.

The increase to South Hams residents is set out in the following table which shows how much South Hams Council Tax would increase each year. The increase includes the already forecast £5 a year increase. Using the figures below, West Devon residents would also see an increase of £5 per year which is already forecasted, but would not see an additional increase as they are already paying council tax at a higher rate.

### Increases required to equalise South Hams District Council's Council Tax with West Devon Borough Council's Council Tax rates.



#### £ Increase per annum for South Hams to equalise council tax

No of Years	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total increase over period to equalise Council Tax at Band D between WDBC & SHDC*
2	£ 24.32	£ 28.38	£ 32.43	£ 36.49	£ 44.59	£ 52.70	£ 60.81	£ 72.97	£ 72.97
3	£ 17.33	£ 20.21	£ 23.10	£ 25.99	£ 31.77	£ 37.54	£ 43.32	£ 51.98	£ 77.97
5	£ 11.73	£ 13.68	£ 15.64	£ 17.59	£ 21.50	£ 25.41	£ 29.32	£ 35.19	£ 87.97
6	£ 10.33	£ 12.05	£ 13.77	£ 15.50	£ 18.94	£ 22.38	£ 25.83	£ 30.99	£ 92.97
7	£ 9.33	£ 10.89	£ 12.44	£ 14.00	£ 17.11	£ 20.22	£ 23.33	£ 27.99	£ 97.97
10	£ 7.53	£ 8.79	£ 10.04	£ 11.30	£ 13.81	£ 16.32	£ 18.83	£ 22.59	£ 112.97

\*Both South Hams and West Devon are already budgeting to increase the council tax by £5 per year and this is factored into the figures shown on this page.

## Pence per week increase for South Hams to equalise council tax

No of Years	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2	£ 0.47	£ 0.55	£ 0.62	£ 0.70	£ 0.86	£ 1.01	£ 1.17	£ 1.40
3	£ 0.33	£ 0.39	£ 0.44	£ 0.50	£ 0.61	£ 0.72	£ 0.83	£ 1.00
5	£ 0.23	£ 0.26	£ 0.30	£ 0.34	£ 0.41	£ 0.49	£ 0.56	£ 0.68
6	£ 0.20	£ 0.23	£ 0.26	£ 0.30	£ 0.36	£ 0.43	£ 0.50	£ 0.60
7	£ 0.18	£ 0.21	£ 0.24	£ 0.27	£ 0.33	£ 0.39	£ 0.45	£ 0.54
10	£ 0.14	£ 0.17	£ 0.19	£ 0.22	£ 0.27	£ 0.31	£ 0.36	£ 0.43

## Annual increase of District Council component of council tax bill

No of Years	Increase (£) SH	Increase (%) SH	Increase (%) Total bill
2	£ 36.49	22.06	1.96
3	£ 25.99	15.71	1.40
5	£ 17.59	10.63	0.95
6	£ 15.50	9.37	0.83
7	£ 14.00	8.46	0.75
10	£ 11.30	6.83	0.61

**Both South Hams and West Devon are already budgeting to increase the council tax by £5 per year and this is factored into the figures shown on page 5.**

As an example, if you are a South Hams Band D Council Tax payer and equalisation took place over 5 years, your Council Tax would need to increase by £17.59 each year for 5 years (or 34p per week for 5 years). On top of any increases from Devon County Council, town and parish councils, the fire services and police.

The increase in Council Tax income also provides a real opportunity to improve and enhance services and invest in the community, for example through affordable housing schemes and community grants. Real benefits can also be achieved through combining our properties and other assets

## Hardship Fund

The new Council would continue to operate an Exceptional Hardship Fund. This is a fund to offer short-term help to customers getting Council Tax reduction who are most severely affected by the changes.

The Councils seek your views on the periods over which you feel Council Tax should be equalised.

## OTHER CONSIDERATIONS

The proposal to form one new Council is one of several measures that the Councils are considering to help close the £1.9m funding gap forecast for 2020/2021. The other major measures that the Councils are currently considering are:

- Outsourcing some of their front-line services such as waste and recycling services (these are already outsourced in West Devon however the contract is coming to an end in 2019) or creating a company owned by the two councils to deliver some of these services
- Considering a programme of buying and renting out commercial properties which could lead to a regular income for the Councils by renting out the properties it has purchased. West Devon councillors recently voted to pursue this option whilst South Hams has decided to defer until the outcome of the One Council consultation is known.

These measures are being considered alongside each other as there is no single solution to the financial pressures faced by the Councils to meet the funding gap, and to ensure financial stability for the medium to long term. We can accurately calculate the positive financial impact the one new council proposal will make to the funding gap, this cannot be said of the other measures being considered.

A further option for the Councils is to reduce services or stop delivering some entirely. It is possible for the budget gap up to 2020 for both Councils to be addressed by stopping community grants, cutting some other discretionary services and reducing the frequency or quality of statutory services, as well as the significant use of reserves. However, these options are not sustainable and will not address the challenges in the medium to longer term from 2020 onwards. At present the two Councils share staff and the consequences of either Council failing to balance its budget would have a significant detrimental impact on the finances of the other leading to the need for increases in Council Tax as well as further cuts to services. Councillors believe that these services are important to the community and they are striving to maintain them.

## Combined Assets and Balance Sheet for one new Council

Residents across West Devon and South Hams would benefit from the joint assets of each council, as well as needing to meet the costs and service the liabilities of each council.

If one new Council is created it would be the responsibility of the councillors elected to the new Council to decide how to use the existing assets and the current council offices at Follaton House and Kilworthy Park.

A single Council would have an Asset Base valued at over £95m. Below is a summary of how a new Council's balance sheet could look, based on the 2016/17 Unaudited Statement of Accounts of both Councils:

	South Hams District Council £'000s	West Devon Borough Council £'000s	Combined Single Council £'000s
Long-Term Assets	£ 76,089	£ 19,526	£ 95,615
Current Assets	£ 36,568	£ 12,182	£ 48,750
Current Liabilities	£ (12,975)	£ (5,597)	£ (18,572)
Long-Term Liabilities*	£ (57,843)	£ (29,020)	£ (86,863)
<b>NET ASSETS</b>	<b>£ 41,839</b>	<b>£ (2,909)</b>	<b>£ 38,930</b>
Usable Reserves	£ 18,866	£ 5,482	£ 24,348
Unusable Reserves	£ 22,973	£ (8,391)	£ 14,582
<b>TOTAL RESERVES</b>	<b>£ 41,839</b>	<b>£ (2,909)</b>	<b>£ 38,930</b>

\*Over 90% of the long-term liabilities for each council are made up of pension liabilities.

## WHAT NEXT?

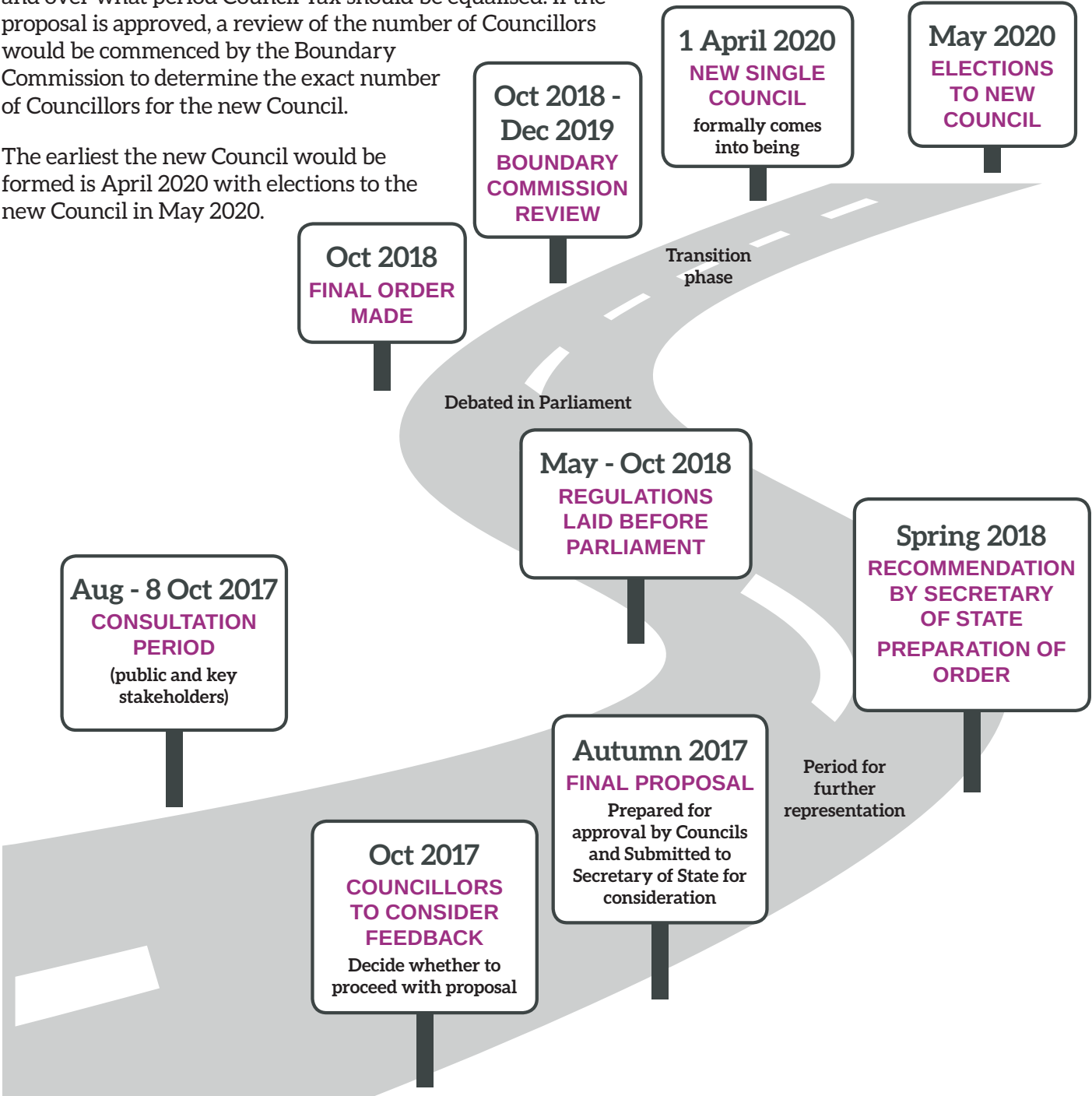
Your Councillors are keen to know your views on the proposal to form one new Council. This consultation phase is running until midnight on Sunday 8 October 2017 during which time we will be undertaking a random telephone consultation and running an online survey on [www.onecouncil.org.uk](http://www.onecouncil.org.uk). Our Councillors will also be attending a number of local events so that you can ask any questions you may have regarding the proposal.

Once the consultation period has closed in October 2017, the results will be considered by our Councillors and they will decide whether or not to submit a proposal to the Secretary of State for Local Government in November.

If they decide to proceed, the proposal would be submitted (along with the results of the consultation) to the Secretary of State in early November 2017.

The Secretary of State would have the ultimate power to decide if the new Council is to be formed and over what period Council Tax should be equalised. If the proposal is approved, a review of the number of Councillors would be commenced by the Boundary Commission to determine the exact number of Councillors for the new Council.

The earliest the new Council would be formed is April 2020 with elections to the new Council in May 2020.





## COMMUNITY IMPACT

Both Councils have previously set out that it is important to them to protect frontline services and this proposal would contribute to services being protected in the South Hams and West Devon areas. There would however be some changes as a result of forming a single Council.

### What would change by creating one new Council?

- There would be just one district council covering the areas currently administered by South Hams District Council and West Devon Borough Council from April 2020
- There would be a reduction of Councillors for the new Council. We estimate that the numbers would reduce to around 48 (although the final number will be subject to the outcome of a Boundary Review)
- The elected term of current councillors would be extended by 12 months to 2020 allowing for the Boundary Review in 2018/19
- Businesses, public sector and voluntary organisations operating across the area would only have to work with one Council rather than two, with the same policies and procedures across the new Council area
- The new Council would have one budget across the new area giving greater flexibility
- The new Council would cost up to £500,000 a year less to run than the current two Councils
- Council Tax levels would need to equalise. Currently the Council Tax in West Devon is higher than in South Hams. South Hams Council Tax would therefore need to increase to the same level as West Devon over a period of up to 10 years. (See Council Tax Implications page of this document)
- Additional income generated by Council Tax equalisation could be invested in community schemes, affordable housing and service improvements
- The Council would have a new name, but it would keep the areas covered by South Hams and West Devon the same, preserving their identities and those of the local communities

### What wouldn't change?

- You would still be able to vote for a local district councillor to represent your community
- The same frontline staff would continue to deliver the services that the community receives from South Hams and West Devon councils
- Services which are the responsibility of Devon County Council would be unaffected by this proposal (e.g. Education, Social Services and highways)
- Parish and Town councils would still exist and operate in the way they do now

## Borough Mayor and District Chairman roles explained

West Devon Borough Council currently has a Mayor and South Hams has a Chairman to carry out civic duties. The Mayor and the Chairman are chosen every year at the Council's Annual Meeting and must be one of the elected Members of the Council. They are the civic representative (attending events and undertaking ceremonial duties) of the Council and have no formal power on decision making except to chair the Council meeting where they must:

- uphold and promote the purposes of the Constitution, and interpret the Constitution where necessary
- preside over meetings of the Council so that business can be carried out efficiently and with regard to the rights of Councillors and the interests of the community
- hold the casting vote in the event of a situation arising at a council meeting where political parties cannot reach a majority decision

The new Council would be formed as a District Council with a Chairman rather than a Borough Council with a Mayor. Borough status in the United Kingdom is granted by Royal Charter to local government districts in England, Wales and Northern Ireland. The status is purely honorary, and does not give any additional powers to the council or inhabitants of the district. Borough Councils are allowed to award the status of "honorary freeman of the borough". Once formed the new Council could apply to the Privy Council to be granted Borough status if it so wished.



## HOW WE ARE CONSULTING

The Councils are committed to treating people with dignity and respect and will respond positively to different needs and circumstances. The Councils welcome diversity and recognise that different people bring different perspectives, ideas, knowledge and this difference brings great strength. In consulting the views of our community on One Council, the Councils have considered equality and diversity and endeavoured to reach all individuals including those with protected characteristics to invite their views and comments.

The consultation will commence in mid August and will run to early October and includes:

- Dedicated website with online consultation survey
- Post card mailing to every household in South Hams and West Devon
- Independent telephone survey to a representative sample of households in South Hams and West Devon
- Local engagement events led by councillors in towns and villages throughout South Hams and West Devon
- Consultation letters and briefings with neighbouring local authorities, town and parish councils, Devon County Council, local MPs and key partners of the councils
- Targeted emails to local businesses
- Social media and press releases

### Survey Questions

These can be found on the back cover of this document and on the website:

[www.onecouncil.org.uk](http://www.onecouncil.org.uk)

The survey closes at midnight on Sunday 8 October 2017. Shortly after the consultation a Consultation Outcome report will be published on [www.onecouncil.org.uk](http://www.onecouncil.org.uk). This report will also be subject to overview and scrutiny by councillors at each council in October 2017.

### This survey is available in other formats on request

If you have difficulty in completing the consultation survey, we can make reasonable adjustments to assist you. If you need any support in completing the consultation survey, please let us know as soon as possible by calling 01822 813301 or 01803 861417.

## ONE COUNCIL CONSULTATION SURVEY QUESTIONS

1. Are you responding as a resident, business or visitor?
2. Do you support the idea of creating one new council?
3. Are you located in South Hams or West Devon?
4. **IMPORTANT** question for South Hams residents. If one new council is created, council tax between South Hams and West Devon would need to be equalised. This would mean an increase in Council Tax for South Hams residents, at present the difference is £63. Which of the following options would be your preferred timeframe to equalise council tax?
  - 2 years - £36.49 increase per year on a Band D property (70 pence per week)
  - 3 years - £25.99 increase per year on a Band D property (50 pence per week)
  - 5 years - £17.59 increase per year on a Band D property (34 pence per week)
  - 6 years - £15.50 increase per year on a Band D property (30 pence per week)
  - 7 years - £14.00 increase per year on a Band D property (27 pence per week)
  - 10 years - £11.30 increase per year on a Band D property (22 pence per week)

\*Both councils are already budgeting to increase the council tax by £5 per year and this is factored into the figures above.

5. If one new council is created what benefits would you like to see for your community?
6. There are currently 62 councillors across the council – 31 for South Hams and 31 for West Devon. If one new council is created the number of councillors is likely to reduce to about 28 for South Hams and 20 for West Devon (subject to a Boundary Commission Review). Does this concern you?
7. How often have you had contact with your borough/district councillor(s) in the last 2 years?
8. If one new council is created would it be important to you for the civic leadership to be through a civic Mayor or a Chairman?
9. If one new council is created do you have a suggested name for it?
10. Do you have any comments, concerns or alternatives to creating one new council?

[www.onecouncil.org.uk](http://www.onecouncil.org.uk)



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