

FAQs



FINANCE AND COUNCIL TAX

Why Change?

Since 2010 local authorities have received decreasing income from Central Government. Some government grants will stop completely from 2018. West Devon and South Hams have a predicted budget gap for 2020/21 of £1.9m that needs to be saved in order to balance the books and continue to deliver valued local public services.

How much will it cost?

The estimated cost of establishing one new Council would be £325,000 which includes project management, consultation on the proposal, remodelling of the Council finances and creating a new website and identity for a new Council.

How much will it save?

Up to £0.5 million a year. This will not be through cuts to services, but through a new Council costing less to operate. A new Council will need fewer Council and Committee meetings and there would be no need for each Council to make separate decisions; there would be one budget and one set of financial systems.

Would I have to pay more Council Tax and why?

Each council has already budgeted to increase the council tax by £5 per year in their medium term financial plans. In addition to this, the proposal to create one new council would mean South Hams residents would need to pay an additional £63 per year on a Band D property. This is because the council tax paid would need to be brought up to the same levels across the whole of a new council area.

What will happen with the extra Council Tax money raised?

The money would be used to continue to provide valued services and invest in our communities e.g. affordable housing and community grants.

Why do South Hams residents have to pay more Council Tax than West Devon?

West Devon residents are already paying Council Tax at a higher level. South Hams residents would therefore need to pay more to bring their council tax up to the same level as West Devon residents.

Is it true this proposal is to bail out West Devon?

No, both councils have a budget short fall. West Devon's situation is more pressing than South Hams but the financial health of both councils is interdependent. The Councils have a shared workforce and any failings in one council would have a significant detrimental impact on the other.

Does West Devon have high debt?

Each council has assets and liabilities. Long term liabilities for both councils include the calculations required to meet the pensions deficits and this accounts for over 90% of the long term liabilities. In addition to this West Devon has a £2.1 million loan, repayments for which are already budgeted. This loan relates to West Devon Borough Council's headquarters at Kilworthy Park which is an asset worth over £2.2 million on the council's balance sheet. In late July 2017 Councillors at West Devon also agreed to borrow up to £25 million to buy commercial properties to rent out to achieve a regular income.

DEMOCRACY

Will we be having a referendum to vote on this?

No, there is no requirement to hold a referendum on the proposal. However we are holding this consultation to help Councillors to decide whether to submit the proposal to the Secretary of State. We also need to be able to demonstrate support of

local MPs and other neighbouring councils including Devon County Council for the proposal to progress.

How many councillors would there be?

It is estimated there would be in the region of 48 councillors.

Would the boundaries change?

The combined boundary for South Hams and West Devon would remain the same, however some ward boundaries may change within.

Would the county, town or parish council have to change?

No

SERVICE DELIVERY

Will I receive the same services if a new Council goes ahead?

Yes, the purpose of creating one new Council is to protect services. However, it would be up to the new Council to decide on the level of service delivery.

Will there be a reduction in staff?

It is envisaged that there will be less than 10 job losses which is less than 3% of the current workforce. We would expect to achieve this through natural turnover over the period before implementation.

Will there be a new headquarters?

That would be up to a new Council to decide.

Why don't we consider joining with other authorities instead?

This is not within our gift, we are concentrating on what we have control over however this does not stop us from joining with other authorities in the future. There is currently no interest from other authorities.

If this goes ahead when would a new council be in place?

April 2020.