

Public Document Pack

MID DEVON DISTRICT COUNCIL

A MEETING of the **MID DEVON DISTRICT COUNCIL** will be held in the Phoenix Chambers, Phoenix House, Tiverton on Wednesday, 26 February 2020 at 6.00 pm

ALL MEMBERS of the **COUNCIL** are summoned to attend for the purposes of transacting the business specified in the Agenda which is set out below:

[The next meeting is scheduled to be held in Tiverton on Wednesday, 29 April 2020 at 6.00 pm]

STEPHEN WALFORD

Chief Executive

18 February 2020

Members are reminded of the need to make declarations of interest prior to any discussion which may take place

Reverend David Beasley (Saint Hill Baptist Church) will lead the Council in prayer.

AGENDA

1 Councillor John Daw and Honorary Alderman Eric Shapland

In memory of Councillor John Daw and Honorary Alderman Eric Shapland a minute's silence will take place.

2 Apologies

To receive any apologies for absence.

3 Public Question Time

To receive any questions relating to items on the agenda from members of the public and replies thereto.

4 Declarations of Interest under the Code of Conduct

Councillors are reminded of the requirement to declare any interest, including the type of interest, and the reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.

5 Minutes *(Pages 7 - 18)*

Members to consider whether to approve the minutes as a correct record of the meeting held on 8 January 2020.

The Council is reminded that only those Members present at the previous meeting should vote and, in doing so, should be influenced only by seeking to ensure that the minutes are an accurate record.

6 Chairman's Announcements

To receive any announcements which the Chairman of the Council may wish to make.

7 Petitions

To receive any petitions from members of the public.

8 Notices of Motions

(1) Motion 561 (Councillor R B Evans – 17 December 2019)

The following motion had been referred to the Cabinet for consideration and report:

Development Management Policy

That this council commits to proactively seeking out and exploring that every opportunity is taken to install a carbon neutral power supply option within all new build development from 01/01/2021 but specifically when residential development is being planned.

The Cabinet at its meeting on 13 February 2020 were due to consider the motion. At the meeting Councillor Evans requested that the motion be WITHDRAWN.

(2) Motion 562 (Councillor R B Evans – 17 December 2019)

The following motion had been referred to the Cabinet for consideration and report:

That MDDC commits to proactively seeking out and exploring development of a long term partnership with a company / companies that can supply innovative power generation that offers carbon neutral power and where possible seeks to give an income stream back to the authority when operational.

That officers are instructed to seek out and explore such opportunities with available companies with immediate effect in order that MDDC can ensure we are actively addressing our own policy to seeking to be carbon neutral by 2030.

The Cabinet at its meeting on 13 February 2020 considered the Motion and following discussion RECOMMENDED to Council that Motion 561 be supported.

9 **Reports (a)** *(Pages 19 - 220)*

To receive and consider reports, minutes and recommendations of the meetings held as follows:

(1) Cabinet

- 16 January 2020
- 13 February 2020

10 **Council Tax Resolution 2019/2020** *(Pages 221 - 232)*

To consider a report of the Deputy Chief Executive (S151) setting out the formal Council Tax Resolution for 2020/21.

11 **Reports (b)** *(Pages 233 - 336)*

To receive and consider the reports, minutes and recommendations of the meetings as follows:

2) Scrutiny Committee

- 27 January 2020
- 24 February 2020 – to follow

3) Audit Committee

- 28 January 2020

4) Environment Policy Development Group

- 14 January 2020
- 30 January 2020

5) Homes Policy Development Group

- 21 January 2020

6) Economy Policy Development Group

- 23 January 2020

7) Community Policy Development Group

- 28 January 2020

8) Planning Committee

- 15 January 2020
- 12 February 2020

9) Standards Committee

- 5 February 2020

12 **Questions in accordance with Procedure Rule 13**

To deal with any questions raised pursuant to Procedure Rule 13 not already dealt with during the relevant Committee reports.

13 **Special Urgency Decisions**

Decisions taken under Rule 16 (of the Constitution) Special Urgency – between October and December 2019.

There have been no such decisions in this period.

14 **Independent Remuneration Panel Report** (Pages 337 - 362)

To receive a report of the Head of Legal and Monitoring Officer informing Members of recommendations from the review undertaken by the Independent Remuneration Panel to set a Scheme of Allowances from 1 April 2020 until 31 March 2021.

15 **Green Group Nomination to Scrutiny Committee** (Pages 363 - 364)

To consider a report of the Head of Legal (Monitoring Officer) explaining the position where a political group is unable to nominate from within its group to one of its allocated seats and to note the position with regard to a nomination made by the Green group to Scrutiny Committee

16 **Questions to Cabinet Members**

Cabinet Members will answer questions from Members on their Portfolios.

17 **Members Business**

To receive any statements made and notice of future questions by Members.

Note: the time allowed for this item is limited to 15 minutes.

Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Member Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use other forms of social media to report on proceedings at this meeting.

Members of the public are welcome to attend the meeting and listen to discussion. Lift access to the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is time set aside at the beginning of the meeting to allow the public to ask questions.

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, or

If you would like a copy of the Agenda in another format (for example in large print) please contact Sally Gabriel on:

Tel: 01884 234229

Fax:

E-Mail: sgabriel@middevon.gov.uk

Public Wi-Fi is available in all meeting rooms.

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **COUNCIL** held on 8 January 2020 at 6.00 pm

Present

Councillors

L J Cruwys (Chairman)
Mrs E M Andrews, G Barnell, E J Berry,
W Burke, J Cairney, R J Chesterton,
S J Clist, Mrs C Collis, Mrs F J Colthorpe,
D R Coren, N V Davey, Mrs C P Daw,
R M Deed, J M Downes, C J Eginton,
R Evans, Mrs S Griggs, Mrs I Hill,
B Holdman, T G Hughes, D J Knowles,
F W Letch, E G Luxton, B A Moore,
S J Penny, D F Pugsley, R F Radford,
C R Slade, Mrs M E Squires, R L Stanley,
L D Taylor, Ms E J Wainwright,
B G J Warren, A White, A Wilce,
Mrs N Woollatt and J Wright

Apologies

Councillors

W J Daw, R J Dolley, Miss J Norton and
A Wyer

100 **Apologies**

Apologies were received from Councillors: W J Daw, R J Dolley, Miss J Norton and A Wyer.

101 **Public Question Time**

Jo Webber speaking with regard to item 6 on the agenda stated that she had a business in Tiverton for 26 years. She provided the following 5 concerns with regard to the increase in car parking charges in the multi storey car park:

- The British Independent Retailer Association recently drew up a 5 point plan to save the high street, included in this was 'give free car parking in town centres to increase footfall'.
- The multi storey car park is the gateway to Tiverton. It is often the first point of contact with our town.
- We need to encourage longer dwell times so people stay longer, buy from more than one shop or business.
- Tiverton needs to encourage people to work in the town centre and the tourists to visit.
- Our success is your success. Thriving business means full car parks and good revenue for Mid Devon. Let Tiverton be known as a vibrant exciting town. It takes teamwork and you have the key to make our town successful or empty. Let's do the right thing

My question is: Where did you base your facts on to support the proposed 200% increase on car parking charges for visitors in the multi storey?

Hon Alderman David Nation referring to the Governance item stated that I would ask you please if you will bear in mind when you consider this item that those of us who are advocating a serious review at the very least if not some changes thereafter do not wish to decrease the efficiency of the Council or anything of that nature. We are concerned about democracy, that means different things to different people and democracy doesn't come cheap, somebody once said. But the reality is that most of us would say that a system where major issues are discussed, a small number, probably no more than your current Cabinet of 7 can overrule the wishes of the majority of the Council of 42. That is clearly not democracy. It is that we would like you to consider, a thorough review of the possibilities. I may remind you that this Council was forced to adopt the constitution and the governance it has now by the Blair Government, a Labour Government, it was then a Conservative Government some years later which allowed councils to deviate from that requirement if they wished and a good many, mostly Conservative Councils, up and down the country have since changed from a Cabinet system to either a modified committee system or something close to it. I think what matters most to people who are concerned about some of the issues that have arisen in this Council in recent years is that you look very carefully indeed at what changes might be worth considering.

Patrick Collier referring to the Governance item stated he had a question about the debate which would be taking place tonight about possible changes to the Governance of the Council. As I understand it the Council as I see here consists of a Conservative Group, a Liberal Democrat Group and various independents. I would like to know whether either of the political groups have already decided their response to this debate before this meeting has taken place. When I attended a debate not so long ago about another matter, the debate was a farce because it was quite apparent that one of the groups had already decided their response before the debate had even taken place.

Steve Bush again referring to the Governance item stated that the Local Labour Party note the recommendation to the Council regarding future governance arrangements and that a politically balanced Governance Working Group be established. We would ask that other parties such as ourselves who do not currently have any seat be represented on the Working Group in order to ensure full political balance and input.

Ana Hendy referring to item 6 on the agenda stated that we in the Labour Party at Tiverton Town Council have noticed with some dismay the cost of parking in Tiverton is set to change quite considerably and that the multi storey car park in particular will become the most expensive car park in Mid Devon. We also note that a petition has been started by business owners in the town against these changes. We also question how these proposed changes will affect the town centre plan which has amongst it the ambition of attracting more visitors.

We are disappointed that MDDC have not consulted us at the Town Council on these changes and I in particular as Town Council representative for Central ward feel that before a final decision is made consultation with the Town Council would be appropriate so that the views of our constituents could be fairly represented and taken into consideration.

Judy Tucker spoke with regard to the Governance item and stated as one of the prime movers of a Campaign for Local Democracy in Mid Devon, she was delighted that the Council was considering this resolution to establish a full review into its governance arrangements. It's never been the objective of this campaign to undermine the Councils efficiency, merely to try to ensure that efficiency is more democratically directed towards the needs and aspirations of all the citizens of Mid Devon than can be the case under the present arrangements. Don't be misled by irrelevant scare stories from the past but look to a better future as the recommendation makes clear, there is time to get things done with careful thought and diligence. Will you keep the communities you represent and the future of all the citizens of Mid Devon foremost in you minds when you consider this issue and support the recommendation to have this review.

Miriam Hadcock referring to Motion 559 stated that she was glad to see the development of the Environment Policy Development Group and the progress made on this motion. She had been delighted to see the progress made by the Tiverton Tree Team. Since we last spoke in the region of £2k has been donated, 100+ local volunteers have given their time and 20 landlords have made offers of land for tree planting. Some of this has been private landowners making their land available for public access for community woodlands and orchards. 5 schools and nurseries have asked to be involved in planting seeds for next year's tree planting which we hope to be going ahead. There has been a large media response. By the end of this week we would have planted 1500 trees and by the end of January we would have planted 3000 trees and 4000 by the end of March. This shows the high level of public popularity for a large scale approach to tree planting in this area. I understand and accept the amendments to the motion to ensure that land appropriate for tree planting is used and that suitable trees are planted there. I appreciate that much of the land is already used for very valuable community purposes which we would not wanted to detract from in any way.

This still leaves much land available which includes corners of parks, brownfield, road verges, roundabouts, and land prone to flooding or too steep for building, other areas considered includes waste land, hedgerows and private gardens etc. Can the Council expand on what would be included in appropriate land, what criteria will be used to assess that and how wide the net will be to ensure that as much land as possible will be made available and not excluded in meeting the necessary targets for a positive impact on climate, habitat and biodiversity and what the clear public demand for this.

102 Declarations of Interest under the Code of Conduct (00-16-44)

Councillor C J Eginton declared a personal interest with regard to Item 6 (Car Parking Petition) as he owned a business in Tiverton.

Councillors: A Wilce and Mrs N Woollatt declared personal interests in Item 8 (Governance recommendation) as they were both supporters of the Campaign for Local Democracy.

103 Minutes (00-17-54)

The minutes of the meeting held on 6 November 2019 were agreed as a correct record and signed by the Chairman.

The minutes of the extraordinary meeting held on 4 December 2019 were agreed as a correct record and signed by the Chairman.

104 Chairman's Announcements (00-19-58)

The Chairman informed the meeting of the following events he had attended since the last meeting: he had attended the Armistice Parade in Tiverton on Remembrance Sunday and had led the ceremony in Tiverton on 11 November, with the Vice Chairman attending the event in Cullompton and Councillor D R Coren attending the event in Crediton. He had also attended various Christmas carol events during the Christmas period.

105 Petitions (00-21-50)

Mrs Miller presented a petition with 2118 signatures to the Chairman of the Council and outlined the basis for the petition:

We the undersigned want the Mid Devon District Council to not impose excessive fees for local shoppers and workers who use the Multi Storey on a daily basis which may cause them to venture elsewhere and to not take away the free parking currently available at Westexe South and William Street.

In accordance with Procedure Rule 12.2, Mrs Miller addressed the Council raising the following issues: Westexe South car park had a quick turnaround and the free parking allowed people to pop to the shops and have a hair cut within the 30 minutes free parking allowed. Her business had business rates to deal with and rent to pay and that she was afraid that the Westexe part of the town would die. She referred to the free parking available in Gold Street and how the shops benefitted from that, also that the multi-storey car park was used by shop owners and workers in the town and that the shops needed footfall and excessive car parking would not help that.

A debate then took place with the following issues arising:

- The discussions that had taken place with the working group and the recommendations made to the Economy Policy Development Group
- Whether the new charges were excessive and the impact on those who parked all day in the MSCP.
- The 30 minutes free parking that was currently available at Westexe South and at William Street and the need to support local traders.
- The need to encourage the purchase of permits which would reduce the costs.
- The introduction of £1 for 5 hours in long stay car parks that had been put in place in 2011 and the increase to £2 per day which had also proved popular.
- The impact of increased charges on the town and the need to listen to those who had signed the petition.
- The need for a clear recommendation to the Cabinet

It was therefore **RECOMMENDED** to the Cabinet that the decision to increase parking charges in Tiverton specifically the Multi-Storey Car Park and the loss of 30 minutes free parking in Westex South and William Street be reconsidered.

(Proposed by Councillor N V Davey and seconded by Councillor R J Chesterton).

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

Note: Councillor C J Eginton declared a personal interest as he owned a business in Tiverton.

106 Notices of Motions (00-45-35)

(1) Motion 559 (Councillor R B Evans – 22 October 2019)

The following motion had been referred to the Environment Policy Development Group for consideration and report:

It is well known that the planting of trees has an extremely positive effect in the fight against reducing carbon within the atmosphere, each trees sequestration process is known to benefit carbon reduction as each individual tree can absorb as much as 48 pounds of carbon dioxide per year and can sequester 1 ton of carbon dioxide by the time it reaches 40 years old. Given the above and the climate crisis declared by this council and its stated ambition to be carbon neutral by 2030 I ask that the following motion be supported by all members.

This council agrees to use any and all land within the ownership of the authority that is not suitable for development, for the planting of native British trees.

This council agrees to undertake an area wide audit with the assistance of members and land owners to identify suitable sites both within MDDC ownership and private ownership to maximise opportunities for such activity, to be completed within no more than twelve months from the date of this motion , if approved.

This council agrees to work alongside community groups and schools whenever possible to encourage community ownership and sense of place and wellbeing within our communities.

This council agrees that any and all opportunities should be sought to obtain trees from organisations such as government agencies and relevant charitable organisations. (Woodland Trust, Plant Life, DEFRA / Forestry Commission seeking any funding that may be available).

The Policy Development Group at its meeting on 26 November 2019 considered the Motion and following discussion, Councillor R B Evans in accordance with Procedure Rule 16.4 agreed that the Motion be amended to read:

‘It is well known that the planting of trees has an extremely positive effect in the fight against reducing carbon within the atmosphere, each trees sequestration process is known to benefit carbon reduction as each individual tree can absorb as much as 48 pounds of carbon dioxide per year and can sequester 1 ton of carbon dioxide by the time it reaches 40 years old. Given the above and the climate crisis declared by this

council and its stated ambition to be carbon neutral by 2030 I ask that the following motion be supported by all members.

This council agrees to use ~~any and all~~ **appropriate** land within the ownership of the authority that is not suitable for development, for the planting of ~~native British~~ **suitable** trees.

This council agrees to undertake an area wide audit with the assistance of members and land owners to identify suitable sites both within MDDC ownership and private ownership to maximise opportunities for such activity, to be completed within no more than twelve months from the date of this motion , if approved.

This council agrees to work alongside community groups and schools whenever possible to encourage community ownership and sense of place and wellbeing within our communities.

This council agrees that any and all opportunities should be sought to obtain trees from organisations such as government agencies and relevant charitable organisations. (Woodland Trust, Plant Life, DEFRA / Forestry Commission seeking any funding that may be available).'

The Environment Policy Development Group therefore recommended that the Motion (as amended) be supported.

Upon a vote being taken, the **MOTION** (as amended) was declared to have been **CARRIED**.

Note: The Chief Executive responded to the question posed in public question time stating that discussions had taken place at the Environment PDG with regard to the use of appropriate land for tree planting. There was a need for a clear policy to be put in place and that the asset team were looking into appropriate land within council ownership. The parameters for planting had not yet been set.

(2) Motion 560 (Councillor R J Chesterton – 23 October 2019)

The following motion had been referred to the Cabinet for consideration and report:

Review of Development Management Policies on Parking

This Council requests that officers start work on undertaking a review of Mid Devon's development management policies regarding parking on our new estates. These should include the number of parking spaces per property as well as how development management can help ease the transition to electric or hybrid vehicles in the future.

In addition to this, this Council requests that at the earliest available opportunity, and no later than three months after this motion is agreed, a paper is brought to the Planning Policy Advisory Group and Cabinet highlighting some of the possible changes members might have to consider and the best mechanism to bring these about.

The Cabinet at its meeting on 21 November 2019 considered the Motion and following discussion, RECOMMENDED to Council that Motion 560 be supported subject to further discussion prior to Council with regard to the timeframe for any report to the Planning Policy Advisory Group.

Councillor R J Chesterton in accordance with Procedure Rule 16.4 has agreed that the Motion be amended to read:

This Council requests that officers start work on undertaking a review of Mid Devon's development management policies regarding parking on our new estates. These should include the number of parking spaces per property as well as how development management can help ease the transition to electric or hybrid vehicles in the future.

In addition to this, this Council requests that at the earliest available opportunity, and no later than six months after this motion is agreed, a paper is brought to the Planning Policy Advisory Group and Cabinet highlighting some of the possible changes members might have to consider and the best mechanism to bring these about.

Upon a vote being taken, the **MOTION** (as amended) was declared to have **CARRIED**.

(3) Motion 561 (Councillor R B Evans – 17 December 2019)

The Council has before it a **MOTION** submitted for the first time:

Development Management Policy

That this council commits to proactively seeking out and exploring that every opportunity is taken to install a carbon neutral power supply option within all new build development from 01/01/2021 but specifically when residential development is being planned.

The **MOTION** was **MOVED** by Councillor R B Evans and seconded by Councillor B A Moore.

In accordance with Procedure Rule 14.4, the Chairman of the Council ruled that the **MOTION STAND REFERRED** to the Cabinet for consideration and report.

(4) Motion 562 (Councillor R B Evans – 17 December 2019)

The Council has before it a **MOTION** submitted for the first time:

That MDDC commits to proactively seeking out and exploring development of a long term partnership with a company / companies that can supply innovative power generation that offers carbon neutral power and where possible seeks to give an income stream back to the authority when operational.

That officers are instructed to seek out and explore such opportunities with available companies with immediate effect in order that MDDC can ensure we are actively addressing our own policy to seeking to be carbon neutral by 2030.

The **MOTION** was **MOVED** by Councillor R B Evans and seconded by Councillor B A Moore.

In accordance with Procedure Rule 14.4, the Chairman of the Council ruled that the **MOTION STAND REFERRED** to the Cabinet for consideration and report.

107 **Reports - Cabinet - Report of the meeting held on 19 December 2019 (00-50-35)**

The Leader presented the report of the meeting of the Cabinet held on 19 December 2019

1. Governance Review (Minute 99)

The Leader **MOVED** seconded by Councillor G Barnell:

THAT the recommendations of the Cabinet as set out in Minute 99 be **ADOPTED**.

Consideration was given to:

- The number of members on the working group
- The timescales for the review
- The amount of work and the time it would take to amend governance arrangements which would also require the constitution to be re-written and that there was a need to get on with the business of the council
- The pressing need to address other important issues such as climate change
- The cabinet system versus the committee system and which was the more democratic form of governance
- Agreeing to a review would diminish the possibility of a referendum via a petition
- The potential for alternative and modern governance
- Whether the policy development groups provided inclusive decision-making and the different ways in which members could be heard
- How the democratic process evolved and the positive benefits a review could bring
- The informal nature of a working group meeting in private and the involvement of local stakeholders

Councillor F W Letch **MOVED** in accordance with Procedure Rule 19.4

'THAT the vote in respect of this **MOTION** shall be by Roll Call'

A roll call of Members present at the meeting was then taken:

Those voting **FOR** the **MOTION**: Councillors: Mrs E M Andrews, G Barnell, W Burke, J Cairney, S J Clist, L J Cruwys, R M Deed, J M Downes, Mrs S Griggs, Mrs I Hill, B Holdman, D J Knowles, F W Letch, E G Luxton, L D Taylor, Ms E Wainwright, B G J Warren, A White, A Wilce, Mrs N Woollatt and J Wright

Those voting **AGAINST** the **MOTION**: Councillors E J Berry, R J Chesterton, Mrs C A Collis, Mrs F J Colthorpe, D R Coren, N V Davey, Mrs C P Daw, R B Evans, T G

Hughes, B A Moore, S J Penny, D F Pugsley, R F Radford, C R Slade, Mrs M E Squires and R L Stanley.

The **MOTION** was declared to have been **CARRIED**.

Note: Councillors A Wilce and Mrs N Woollatt declared personal interests as supporters of The Campaign for Democracy.

2. Schedule of Meetings (Minute 107)

The Leader **MOVED** seconded by Councillor B A Moore:

THAT the recommendations of the Cabinet as set out in Minute 107 be **ADOPTED**.

Upon a vote being taking, the **MOTION** was declared to have been **CARRIED**.

108 Scrutiny Committee - Report of the meeting held on 2 December 2019 (1-38-56)

The Chairman of the Scrutiny Committee presented the report of the meeting of the Committee held on 2 December 2019.

109 Scrutiny Committee - Report of the meeting held on 6 January 2020 (1-39-56)

The Chairman of the Scrutiny Committee presented the report of the meeting of the Committee held on 6 January 2020.

110 Audit Committee - Report of the meeting held on 10 December 2019 (1-39-38)

The Chairman of the Audit Committee presented the report of the meeting of the Committee held on 10 December 2019.

111 Environment Policy Development Group - Report of the meeting held on 26 November 2019 (1-40-14)

The Chairman of the Environment Policy Development Group presented the report of the meeting of the Group held on 26 November 2019.

112 Homes Policy Development Group - Report of the meeting held on 3 December 2019 (1-41-02)

Councillor D R Coren presented the report of the meeting of the Group held on 3 December 2019.

113 Economy Policy Development Group - Report of the meeting held on 28 November 2019 (1-41-53)

The Chairman of the Economy Policy Development Group presented the report of the meeting of the Group held on 28 November 2019.

114 Community Policy Development Group - Report of the meeting held on 10 December 2019 (1-42-27)

The Chairman of the Community Policy Development Group presented the report of the meeting of the Group held on 10 December 2019.

115 Planning Committee - Report of the meeting held on 20 November 2019 (1-43-00)

The Chairman of the Planning Committee presented the report of the meeting of the Committee held on 20 November 2019.

116 Planning Committee - Report of the meeting held on 17 December 2019 (1-43-44)

The Chairman of the Planning Committee presented the report of the meeting of the Committee held on 17 December 2019.

117 Questions in accordance with Procedure Rule 13 (1-44-29)

There were no questions submitted under Procedure Rule 13.2.

118 Leader's 6 Monthly Update (1-44-42)

The Leader addressed the Council stating that the Council was 7 months into the new administration. It had been his wish that a cross party Cabinet could have been formed and he still hoped that this would change.

The Cabinet fully considered all reports that were put before them, this sometimes led to delays in decision-making as fresh views and value for money were considered.

The new Corporate Plan was almost ready.

There had been much discussion about the council's subsidiary company 3 Rivers. This would be fully discussed at the Cabinet meeting on 13 February, all members were encouraged to attend as this may help to dispel some misunderstandings and perceptions.

119 Appointment of Independent Persons (1-49-58)

The Council had before it a *report of the Group Manager for Legal Services and Monitoring Officer recommending the appointment of an additional Independent Person.

The Leader **MOVED**, seconded by Councillor B A Moore that:

- a) Mr Rob Jeanes be appointed as the Council's second Independent Person for a term of 4 years to 1 January 2024; and
- b) Delegated authority be given to the Monitoring Officer to re-appoint Mr John Smith as an Independent Person from 14th December 2020, should he be

willing to continue in the role at that time, such appointment (if made) to be for a term of 4 years to 14 December 2024.

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

Note: *Report previously circulated.

120 **Outside Body Appointment (1-51-47)**

There was a need to seek a nomination for the appointment of an Armed Forces Champion for Mid Devon to represent the Council on the Devon Armed Forces Community Well-Being Partnership and other forums.

Councillor R B Evans **MOVED**, seconded by Councillor R J Chesterton that Councillor C R Slade be nominated.

Councillor Mrs N Woollatt **MOVED**, seconded by the Leader that Councillor D J Knowles be nominated.

Upon a vote being taken it was **RESOLVED** that Councillor D J Knowles be appointed as the Armed Forces Champion.

121 **Questions to Cabinet Members (1-54-12)**

Councillor D F Pugsley addressing the Cabinet Member for Planning and Economic Regeneration asked what were his plans for the buffer zone between the Garden Village and Kentisbeare?

The Cabinet Member responded stating that no decision had been made and that no policy had been formed to date, workshops continued to take place with community groups, the Parish Council and local residents and he looked forward to working closely with Councillor Pugsley.

122 **Members Business (1-56-00)**

Councillor D R Coren raised two issues:

- He complimented Councillor John Downes on his recent swim for charity, 1416 lengths of the swimming pool which equalled the 22 miles of the channel.
- He informed the meeting of a recent incident where Councillor Stuart Penny had saved the life of a child who had been found choking.

The Council showed their appreciation to both members.

(The meeting ended at 8.00 pm)

CHAIRMAN

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **CABINET** held on 16 January 2020 at 6.00 pm

Present

Councillors

R M Deed (Leader)
L D Taylor, S J Clist, D J Knowles, A White
and Mrs N Woollatt

Apologies

Councillor(s)

G Barnell

Also Present

Councillor(s)

Mrs C P Daw, R J Dolley, C J Eginton, R Evans,
Mrs S Griggs, Mrs I Hill, F W Letch and R L Stanley

Also Present

Officer(s):

Stephen Walford (Chief Executive), Jill May (Director of Corporate Affairs and Business Transformation), Kathryn Tebbey (Head of Legal (Monitoring Officer)), Andrew Busby (Group Manager for Corporate Property and Commercial Assets), Dean Emery (Group Manager for Revenues and Benefits), Joanne Nacey (Group Manager for Financial Services), Adrian Welsh (Group Manager for Growth, Economy and Delivery), Christie McCombe (Area Planning Officer) and Sally Gabriel (Member Services Manager)

111. **APOLOGIES**

Apologies were received from Cllr G Barnell.

112. **PUBLIC QUESTION TIME**

Jo Webber referring to item 12 on the agenda urged the Cabinet not to remove the half hour free car parking facility and to scrap the proposed increases in car parking charges.

Ros Nicholls also referring to item 12 on the agenda asked:

- Why were the funds received from the Premier Inn not earmarked to pay for the maintenance costs?
- Council staff do not pay for parking, how many staff and councillors are eligible for free parking in the Multi Storey and how many used the facilities? You promote the use of permits, could you not change the staff contracts and encourage use of permits at a reduced rate?
- For an explanation as to why there was 30 minutes free car parking in the evenings but not during the day?

Mrs Miller again referring to item 12 on the agenda asked the Cabinet to reconsider the increases in car parking charges and the impact this would have on the High Street.

Cllr Ana Hendy, speaking on behalf of Tiverton Town Council and referring to item 12 on the agenda asked the Cabinet to consider the effect of the charges on the Town Centre Regeneration Plan and urged them to reconsider the increase in car parking charges.

Cllr Andy Perris referring to item 7 asked what the coherent plan was for the Tiverton Town Centre.

The Chairman indicated that answers would be provided when the items were debated.

113. **DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT**

Cllr D J Knowles declared a personal interest with regard to Item 12 on the agenda (Off Street Parking Places Order) as he knew a number of the objectors.

Cllr C J Eginton declared a personal interest in Item 12 on the agenda (Off Street Parking Places Order) as he had a business in the Tiverton.

114. **MINUTES OF THE PREVIOUS MEETING (00-13-29)**

The minutes of the previous meeting were approved as a correct record and signed by the Chairman.

115. **MEETING MANAGEMENT (00-14-15)**

The Chairman indicated that he intended to take Item 12 (Off Street Parking Places Order) as the next item of business.

116. **OFF STREET PARKING PLACES ORDER**

The Cabinet had before it a further *report of the Deputy Chief Executive (S151) following the decision at the previous meeting to defer the item so that the Cabinet could consider objections and representations made in regard to the proposed changes to the Off-Street Parking Places Order ("OSPPO").

Also Members were requested to consider the following recommendation from Council following receipt of a petition: **RECOMMENDED** to the Cabinet that the decision to increase parking charges in Tiverton specifically the Multi-Storey Car Park and the loss of 30 minutes free parking in Westex South and William Street be reconsidered.

The Leader indicated that consideration would be given to the petition, the Cabinet were not 'anti' people in the town or those who used the car park. The initial decision had been made in August 2019 on recommendation from the Economy Policy Development Group who had considered the views of the Car Parking Working Group. The Scrutiny Committee had called in the decision and requested that the

decision be reconsidered which it had been. He therefore proposed to discuss the issue again, following further concerns raised by local businesses.

The Cabinet Member for Finance stated that there was a need to consider the objections and representations made during the public consultation and to consider the wording of the petition presented to Council. Some of the parking prices had been reduced and he highlighted the most used tariff for one hour's parking and emphasised the value of purchasing a permit. He understood the concerns raised and therefore made further proposals to reduce costs further: a charge of 50p for 30 minutes in Westexe South Car Park, Tiverton and William Street Car Park, Tiverton which he felt was good value for money. The preservation of free parking for 30 minutes between the hours of 8.30-9.30am and 3-4pm, Monday to Friday at William Street Car Park to allow for school arrivals and pick up times. And the changes to the tariff in the Multi-Storey Car Park to allow for 5 hours parking for £3 and 10 Hours parking for £5.

Consideration was given to:

- The compromises that had been made
- The need to increase footfall in the town
- The lack of free parking in CREDITON and CULLOMPTON
- The process for consultation which was a legal requirement
- Whether a working group should be reconvened to reconsider the whole issue of car parking in the towns
- Whether the Economy PDG be requested to review parking charges in a year's time
- The need to finance the maintenance of the car parks
- The parking available in the area of Westexe
- Permits available to purchase and the direct debit facility available
- The need for savings to be made by the Cabinet across other services to allow for the reduction in charges

The Chief Executive answered questions posed in public question time: with regard to the capital receipt from the Premier Inn, he confirmed that these funds were set aside in a reserve but were not set aside for maintenance work. With regard to Councillors and staff using the car park: 42 councillors used the car park as did about 80-100 staff, many of the staff lived locally and were able to walk to work. The Group Manager for Financial Services explained that capital receipts had to be spend on capital items and therefore could not be used to maintain the car parks.

Having considered

- all duly made representations and objections to the proposed Order;
- the petition presented to Council on 8th January 2020; and
- the recommendation of the Council arising from its consideration of the said petition

RESOLVED that the Order (including the charges and tariffs) be made in accordance with the public notice previously given, with the following modifications:

- (1) the re-introduction of 30 minutes' parking in Westexe South Car Park, Tiverton charged at £0.50 Monday to Saturday;
- (2) the re-introduction of 30 minutes' parking in William Street Car Park, Tiverton charged at £0.50 Monday to Saturday, save for the preservation of FREE parking for 30 minutes between the hours of 8.30-9.30am and 3-4pm Monday to Friday; and
- (3) the proposed charges for parking in the Multi-Storey Car Park, Tiverton be reduced as follows:
 - (a) for 5 hours' parking, the proposed charge is reduced from £4 to £3; and
 - (b) for 10 hours' parking, the proposed charge is reduced from £6 to £5.

(Proposed by Cllr A White and seconded by Cllr Mrs N Woollatt)

Notes:

- i) Cllr D J Knowles declared a personal interest as a number of objectors were known to him;
- ii) Cllr C J Eginton declared a personal interest as he had a business in Tiverton;
- iii) Cllr Miss E Wainwright left the meeting at this point;
- iv) *Report previously circulated, copy attached to minutes.

117. **CORPORATE HEALTH & SAFETY POLICY (1-02-55)**

Arising from a report of the Director of Corporate Affairs and Business Transformation, the Community Policy Development Group had recommended that the Cabinet note that the Health and Safety Policy had been approved by the JNCC on 4th September 2018, following subsequent review by the Health and Safety Committee and representatives from the union, there were no changes to be made to the current policy.

The Cabinet Member for the Working Environment and Support Services outlined the contents of the report stating that it was a legal requirement to review the policy on an annual basis and that no amendments had been required to the existing policy.

RESOLVED that the recommendation of the Policy Development Group be approved.

(Proposed by Cllr N Woollatt and seconded by Cllr D J Knowles)

Note: *Report previously circulated, copy attached to minutes.

118. **COUNCIL TAX REDUCTION SCHEME (1-04-11)**

Arising from a report of the Group Manager for Revenues and Benefits, the Community Policy Development Group had recommended that:

- a) The Council Tax Reduction (banded) scheme be adopted; and
- b) The updated Exceptional Hardship Policy (revised) be adopted.

The Cabinet Member for Finance outlined the contents of the report stating that the Council Tax Reduction Scheme also known as Council Tax Support was introduced in April 2013 and had replaced the national Council Tax Benefit Scheme, with a 10% funding reduction he highlighted the different schemes for working age customers and those that received a pension. He made reference to funding streams, the roll out of universal credit and the hardship scheme available.

Consideration was given to:

- The Hardship Policy and how it was made available
- Enforcement responsibilities

RESOLVED that the recommendation from the Policy Development Group be approved.

(Proposed by Cllr A White and seconded by Cllr L D Taylor)

Note: *Report previously circulated, copy attached to minutes.

119. **SCRUTINY COMMITTEE - CALL-IN - TIVERTON TOWN CENTRE REGENERATION TENDER OUTCOME (1-09-24)**

Following the meeting on 19th December 2019, the following *decision had been called in by members of the Scrutiny Committee:

1. The specific scheme that came forward in advance of the forthcoming Tiverton Town Centre Masterplan be postponed, and allows the second stage of the process to be properly completed before seeking to prioritise strategic investment opportunities.
2. The Cabinet Members for Planning & Economic Regeneration and Housing and Property Services:
 - a) Consider how a Tiverton Town Centre Regeneration Fund might be established to facilitate match-funding opportunities and encourage external investment into the town, with proposals to be brought back to the Cabinet.
 - b) Work with Tiverton Town Council, market traders, the Town Centre Partnership and other businesses in the town to identify a programme of

works that will make a significant improvement to the Town Centre in the short term.

Following consideration of the item at its meeting on 6 January 2020 the Scrutiny Committee had recommended that the decision to defer the Tiverton Town Centre Regeneration Project – Tender Outcome be reconsidered.

The Leader addressed the meeting raising the issue of the lack of consultation with Tiverton Town Council over the proposed scheme and the view that a better scheme could come forward and that it was not value for money to finance a scheme that was not supported by the town council. He highlighted the various schemes that had come forward over recent years and the cost of those projects

Discussion took place regarding:

- The reasons for the call in and that Article 15 (Principles of Decision making) had not been breached
- The views of the lead member for the call-in with regard to a difference of opinion and that there were no clear plans if the project was postponed nor the amount of funding that would be required if a further project was agreed
- The cost of the project to date
- The meetings that had taken place with Tiverton Town Council over the last few months and whether the ideas being put forward were realistic and could be funded and that a bigger scheme would require the loss of the bank which would impact on the residents of the town
- The concerns of local traders

RESOLVED that having reconsidered the decision to postpone the specific scheme, the original decision be confirmed. The Cabinet wishes to expedite a substitute scheme to be implemented as quickly as possible with a view to improving the Tiverton Town Centre Regeneration Project.

(Proposed by the Chairman)

Notes:

- i) Cllr R L Stanley declared a personal interest as he had been involved in the initial scheme;
- ii) Cllr C J Eginton declared a personal interest as he had a business in the town;
- iii) * Decision previously circulated copy attached to minutes.

120. **TAX BASE CALCULATION (1-42-06)**

The Cabinet had before it a * report of the Group Manager for Revenues and Benefits setting out the details of the statutory calculations necessary to determine the Tax Base for the Council Tax.

The Cabinet Member for Finance outlined the contents of the report stating that each year each billing authority was required to calculate and approve its Band D equivalent Council Tax base. It was also necessary to estimate a collection rate for 2020/21

RECOMMENDED to Council:

- a) That the calculation of the Council's Tax Base for 2020/21 be approved in accordance with The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 at **29,040.56** an increase of circa 233 Band D equivalent properties from the previous financial year.
- b) That the current Council Tax Rebate scheme is replaced by a banded system paragraph 4.
- c) That a new empty property premium be amended to include further classes of premium detailed in paragraph 3.7.

(Proposed by the Chairman)

Note: *Report previously circulated, copy attached to minutes.

121. CREDITON GP/NHS HUB (1-44-57)

The Group Manager for Financial Services informed the meeting that a report was put before Cabinet on 25 July 2019 with a recommendation to make an advance of £2.1m for 28 years at a fixed rate of 3.75% to facilitate the construction of a GP surgery/NHS Hub at Crediton with a further £4.1m of funding (80% of costs) being provided interest-free from the NHS.

Since then the forecast costs had been updated and contracts were in the process of being drawn up. The forecast costs had increased by £75k and as such a recommendation would be put to the Cabinet in February to increase the approval by £75k and add this to the capital programme.

She was also aware that the term of the loan was now 27 years. As part of the crystallisation of costs she was mindful that the Public Works Loan Board (PWLb) rates had increased across the board by 1%. The Deputy Chief Executive (S151) had since spoken with the contract lead and had agreed an increased rate of 4% fixed.

She informed the meeting how treasury decisions were made and that the authority would not necessarily borrow from the PWLB to fund any advance and therefore were not bound to reflect the full 1% rate increase in the offer.

She reminded the meeting of the following:

- The authority had a first charge on the property with Estates and Technology Transformation Fund (ETTF) NHS, having a second charge.
- State Aid issues had been explored and were not triggered.
- External advice had been taken (Michelmores)
- ETTF would fund 85% of the build and associated costs
- Current estimates suggested that authority would "make" c£750k in surplus interest over the 27 year period.

- Initial annual surplus of £42k in interest reducing to £2k in the final year (if borrowing to fund was required).
- Approval had been requested to borrow to fund this project but internal resources would be used initially to maximise the interest surplus.

Consideration was given to:

- the Public Works Loan Board rates
- State Aid and advice received.

The contents of the update was **NOTED**.

122. **CORPORATE PLAN (1-57-02)**

The Cabinet had before it a * report of the Chief Executive considering the new Corporate Plan for the council in light of comments and feedback from all four policy development groups that reviewed the working draft in December 2019.

The Chief Executive outlined the contents of the report and referred to the feedback that had been received from the Policy Development Groups (available at appendix B of the report) and that the broad consensus of the draft was one of support.

Consideration was given to:

- An amendment to the date of the previous plan to read 2016-2020
- How much influence the authority had on farming practices and whether other agencies should take those issues forward
- The need to include reference to the abolition of the 'Right to Buy'
- The removal of the wording 'hydro-energy and windpower' and leave the wording as 'green sources of energy'
- To include the wording 'private and third sector and communities' into the last bullet point on the Economy section
- To remove the word 'Enable and replace with 'Encourage'.... Communities to deliver their own projects to reduce carbon emissions
- Remove the wording 'by holding more meetings in the evening' from the bullet point ...Promote community involvement in Council activity
- The need to identify Bradninch and Bampton as towns within the map

RECOMMENDED to Council that the new Mid Devon Corporate Plan (as amended) be adopted and that delegated authority be given to the Chief Executive to make minor changes to layout or images as necessary prior to publishing.

(Proposed by the Chairman)

Note: * Report previously circulated, copy attached to minutes.

123. **FINANCIAL MONITORING (2-19-49)**

The Group Manager for Financial Services provided the meeting with a verbal update on financial monitoring to date stating that the October variance on budget had been £95k, this had changed in November to £243k deficit, the main factors being:

- **Environmental Services** - Net S106 expenditure slightly less than previously forecast (£9k) this is offset by EMR
- **Waste** – (£15k) Garden waste, permit sales down against budget. Numbers may pick up before year end.
- **Cemeteries** – Income below previously forecast (£10k)
- **Planning** – S106 expenditure has increased by £82k, but this is offset by EMR transfer. Planning income is a further £20k less than forecast at the Oct monitoring.
- **IT** – A salary pressure has been reduced by £11k.
- **Revenues and Benefits** – Housing Benefit Overpayments Recovery forecasts have dropped another £60k – revised forecast following identification of some duplication.
- **NNDR** – Retained Business Rates are forecast to be £48k lower than forecast in Oct following appeals.

The Housing Revenue Account remained unchanged from the October forecast.

124. **DRAFT BUDGET (2-24-55)**

The Cabinet had before it a * report of the Deputy Chief Executive (151) reviewing the revised draft budget changes identified and discussing any further changes required in order for the Council to move towards a balanced budget for 2020/21. Also, to highlight the impact of the proposed changes on the Medium Term Financial Plan (MTFP).

The Cabinet Member for Finance outlined the contents of the report stating that there was a need to consider the budget gap referred to in table 1 of the report and that there was a need to look to use reserves to bridge the gap unless further savings could be realised.

Consideration was given to:

- The proposed savings that had been put forward which included the removal of the weed team and collection calendars
- The special meeting of the Environment Policy Development Group planned for 30 January to consider budget issues
- How effective the weed team had been
- A hard copy of collection calendars would be available on request
- Tiverton Town Council's involvement in the maintenance and planting of flower beds
- The impairment of 25% of 3 Rivers working capital loan

It was therefore **RESOLVED** that:

- a) The updated budget proposals for 2020/21 included in Appendix 1 and 2 and the Capital Programme included in Appendix 4 be agreed.
- b) The payment in advance of the next 3 Years' Pension Deficit (see Section 4) be agreed.
- c) The revised Medium Term Financial Plan (MTFP) be noted.
- d) A minimum General Reserves (General Fund) limit of £2m see Section 5 and Appendix 6 be agreed

(Proposed by Cllr A White and seconded by Cllr L D Taylor)

Note: *Report previously circulated, copy attached to minutes.

125. **AREA B EASTERN URBAN EXTENSION - MASTERPLAN STAGE II PUBLIC CONSULTATION (2-42-08)**

The Cabinet had before it a *report of Head of Planning, Economy and Regeneration requesting approval of the Draft Tiverton Eastern Urban Extension SPD Area B Masterplan for Stage 2 Public consultation.

The Group Manager for Growth, Economy and Delivery outlined the contents of the report stating that the report had been presented to the Planning Policy Advisory Group who had recommended a number of amendments relating to bus provision, car parking, allotment provision and maintenance of open space.

An update sheet had been provided as a supplement to take the above into account.

Discussion took place with regard to the need to engage with local councillors.

RESOLVED that:

- a) The Draft Tiverton Eastern Urban Extension SPD Area B Masterplan for Stage 2 public consultation be approved (as amended);
- b) The associated Strategic Environmental Screening Report and the Habitats Regulations Assessment Screening Report for consultation be approved; and
- c) Delegated authority be given to the Head of Planning, Economy and Regeneration in consultation with the Cabinet Member for Planning and Regeneration to finalise the material and arrangements for consultation.

(Proposed by the Chairman)

Note: *Report previously circulated, copy attached to minutes.

126. **CULLOMPTON TOWN CENTRE MASTERPLAN STAGE 1 PUBLIC CONSULTATION (2-45-06)**

The Cabinet had before it a *report of Head of Planning, Economy and Regeneration considering the key themes detailed in this and seeking approval to progress to a Stage 1 Public consultation on the Cullompton Town Centre Masterplan and Delivery Plan.

The Group Manager for Growth, Economy and Delivery outlined the contents of the report stating that a baseline report (outlining the key messages gathered from a visioning workshop during Sept 2019) was presented to Members of the Planning Policy Advisory Group (PPAG) as well as consultation boards for discussion which had focussed on the following themes.

Principle 1: Cullompton's distinctive historic buildings and landscape will be restored and enhanced

Principle 2: Cullompton's centre will rediscover its historic role as a place of work and making

Principle 3: Cullompton will draw people into the town centre with an enticing experience for visitors

Principle 4: Cullompton's spaces will be reclaimed and redesigned to support a vibrant community life

Principle 5: Cullompton will be a sustainable town for its growing community: with education, community and recreational facilities

Principle 6: It will be easy of move around on foot, on bicycle, by bus and by train.

Changes to the consultation boards requested at PPAG included more emphasis on:

- a) Road / traffic
- b) Living in the town centre
- c) The use of key heritage assets e.g St Andrew's Church, The Walronds, The Manor Hotel and Town Hall.
- d) Delivery of public / private partnerships
- e) The third (community) economy.

Consideration was given to the consultation process and the possible use of 'Survey Monkey' and/or different forms of social media.

It was therefore:

RESOLVED that:

- a) The themes set out in this report to form the basis for a Stage 1 Public Consultation be agreed; and

- b) The associated Strategic Environmental Assessment Screening Report and the Habitats Regulations Assessment Screening Report for consultation be approved.
- c) Delegated authority be given to the Head of Planning, Economy and Regeneration in consultation with the Cabinet Member for Planning and Regeneration to finalise the material and arrangements for consultation.

(Proposed by the Chairman)

Note: *Report previously circulated, copy attached to minutes.

127. REPLACEMENT PVCU DOUBLE GLAZED UNIT / ENTRANCE DOORS 2020 - 2025, AWARD (2-49-11)

The Cabinet had before it a report of the Director of Operations advising Members on the results for the tendering of the Replacement PVCU Windows and Doors Programme 2020–2025 and confirm the award of the contract.

The Cabinet Member for Housing and Property Services outlined the contents of the report stating the term of the contract was 3 years with a possible 1 year extension subject to budgets, performance and the approval of the Cabinet Member. He explained the budget for the works and the number of homes which would receive replacements.

RESOLVED that the new five-year (3+1+1) PVCU Windows and Doors Replacement Contract be awarded to Contractor 1 with a forecast annual cost £400,000.00. The contract has been awarded to the contractor with the highest combined price/quality score with 40% of the total score based on price and 60% on quality.

(Proposed by Cllr S J Clist and seconded by Cllr D J Knowles)

Note: *Report previously circulated, copy attached to minutes.

128. NOTIFICATION OF KEY DECISIONS (2-52-06)

The Cabinet had before it and **NOTED** its rolling plan * for February 2020 containing future key decisions.

Note: *Plan previously circulated, copy attached to minutes.

129. ACCESS TO INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC (2-52-52)

Prior to considering the following item on the agenda, discussion took place as to whether it was necessary to pass the following resolution to exclude the press and public having reflected on Article 15 15.02(d) (a presumption in favour of openness) of the Constitution. The Cabinet decided that in all the circumstances of the case, the

public interest in maintaining the exemption outweighed the public interest in disclosing the information.

It was therefore:

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information)

(Proposed by the Chairman)

130. **DISPOSAL OF LAND AT PARK NURSERY, PARK ROAD, TIVERTON**

The Cabinet had before it a report * of the Deputy Chief Executive (S151) with regard to the disposal of an asset.

The Cabinet Member for Housing and Property Services outlined the contents of the report and a full discussion took place.

Returning to open session, the Cabinet:

RESOLVED that the asset disposal project of Park Nursery Depot, Park Road, Tiverton continue following consideration of the public objections to the notice of intention to dispose.

(Proposed by the Chairman)

Note: *Report previously circulated.

(The meeting ended at 9.00 pm)

CHAIRMAN

This page is intentionally left blank

COUNCIL TAX REDUCTION – BANDED SCHEME

Cabinet Member(s): Cllr Alex White
Responsible Officer: Andrew Jarrett – Deputy Chief Executive (S151 Officer)

Reason for Report: Section 13A (2) of the Local Government Finance Act 1992 requires the Council as the billing authority to make a localised Council Tax Reduction Scheme in accordance with Section 1A of the act.

The Council is looking to remodel the current scheme in order to improve our processes making them more streamlined for our customers.

Introduction

In April 2013 Council Tax Benefit was replaced by a new Council Tax Reduction scheme.

Council Tax Benefit had been funded by the Department for Work and Pensions and supported people on low incomes by reducing the amount of Council Tax they have to pay.

The Council Tax Reduction scheme is determined locally by District Councils rather than the Department of Work and Pensions. Although the Government initially provided funding for the scheme, the funding has reduced each year in line with the reduction in Revenue Support Grant provided to councils. From 2020 no funding will be provided for the scheme.

Universal Credit is replacing legacy benefits such as Income Support, Tax Credits and Housing Benefit. Universal Credit has increased the workload for local authorities, revenues and benefits departments. Nationally local authorities have developed a new income banded scheme to make administering Council Tax Support easier for themselves and the customer.

A separate Central Government scheme is retained for people of pension age so the new changes will only affect working age residents.

Mid Devon District Council along with other Devon Billing Authorities are proposing a revised scheme using Income Bands from 1 April 2020.

RECOMMENDATION: that the Policy Development Group recommend to the Cabinet that the Council:

- 1) Adopts the Council Tax Reduction (banded) scheme; and**
- 2) Adopts the updated exceptional Hardship Policy (revised).**

Financial Implications: The cost of the current scheme is increasing this is further compounded by zero support from the Revenues Support Grant. Banded Schemes are easier to administer and the proposed scheme will help manage expenditure whilst targeting those that really need the help. A hardship scheme will allow those

under the banded scheme to apply for additional assistance, during the transition period. It is envisaged that the funding for the extra support will come from the year one saving of the redesigned scheme.

Legal Implications: The Welfare Reform Act 2012 provided for the abolition of Council Tax Benefit and brought in instead, localisation of Council Tax Support under the Local Government & Finance Act 2012 from 1 April 2013. This Act made councils responsible for administering their own Council Tax Support Schemes. Councils are required to review their schemes annually and Full Council must make a decision as to whether to revise or replace the scheme.

Risk Assessment: Should the proposed scheme not be agreed there is a risk of reduced collection rates and further cost to the Council in funding the increasing administration requirements. The current scheme not fit for purpose and is expensive.

Equality Impact Assessment: The Revenues and Benefits service constantly monitors the issues affecting claimants on Council Tax Reduction. The banded scheme has been developed to support our most vulnerable customers in the ever changing landscape of welfare reform, whilst keeping the cost of the scheme cost neutral.

Since the roll out of Universal Credit it has become evident that the number of changes in circumstances issued by the Department of Work and Pensions (DWP) has increased significantly, this in turn has had a direct impact on Council Tax Reduction scheme and the amount customers receive.

The impact has been reviewed and modelled for the 2020/21 financial year. It is apparent that unless changes are made to the scheme the increased number of change of circumstances will result in higher volumes of bills and correspondence being issued to customers. This will in turn lead to confusion for customers due to the reissue of bills on one or more occasions and increase the costs of administering the scheme. Ultimately, this would have an impact on Council Tax collection rates.

Having reviewed our scheme and taken into consideration funding cuts, Council Tax arrears, Universal Credit and the impact of wider welfare reform Mid Devon Council recommends that the Banded Scheme starts from 01/04/2020.

Further detail can be seen on the Equality Impact Assessment attached to this report.

Relationship to Corporate Plan: Making sure that the “public purse” is used in an economic way.

Impact on Climate Change: This policy has no known detrimental effect on climate change. The administration will be almost paperless and administered electronically where possible. As such it's considered to have a positive effect and will reduce the amount of paper currently used.

1.0 Introduction/Background

- 1.1 Council Tax Reduction (CTR also known as Council Tax Support -CTS) was introduced in April 2013 and replaced the national Council Tax Benefit Scheme, with a 10% funding reduction. The CTR scheme for working-age customers is a local scheme, however the scheme that exists for pension age recipients is a national scheme prescribed by regulations and cannot be varied locally. Therefore any savings to the scheme must come from working age customers.
- 1.2 Councils are required to consult fully on any changes they would like to bring into place within the scheme.
- 1.3 It is proposed to adopt a new scheme from 1 April 2020.
- 1.4 All Devon Billing Authorities are looking to implement similar Banded Schemes, this is also happening nationally.

2.0 CTR – Drivers for Change

- 2.1 Universal Credit Rollout.
- 2.2 Loss of joint Housing Benefit/Council Tax Reduction Claims.
- 2.3 High Volume Changes – Customers could receive a revised Council Bill c9 times a year. Generating confusion around what they have to pay.
- 2.4 Reduction in Admin Grant.
- 2.5 Digital and Self – Service Transformation – Citizen Access.
- 2.6 Simplify claim procedure.
- 2.7 Potential for full automation saving complex processing work – Officers can focus on other tasks/areas.

3.0 Options

Option 1 - Retain Current scheme

- 3.1 No migration, no losers, no additional software costs.
- 3.2 No efficiency gains, increasing volumes of UC claims and changes.
- 3.3 Current scheme is expensive to administer.
- 3.4 UC customers would continue to receive 9+ bills per year.

Option 2 - Move to Income Banded Scheme

- 3.5 Admin savings due to the bands 'catching' most of the changes in income.
- 3.6 C1500 or 75% of customers will gain entitlement due to changes.
- 3.7 C400 or 25% customers will have reduced or zero entitlement.
- 3.8 Scheme is simplified.
- 3.9 Customers should be able to work out their entitlement before applying.
- 3.10 Potential for customers to 'self-serve'.
- 3.11 Consistent with other Councils in Devon and Country wide.
- 3.12 Year one Hardship Relief to assist customers who see a reduction.

4.0 Summary of Impact as at 16/10/2019

Customers can apply for help via the Hardship Policy should the reduction in entitlement be causing them financial concern. Customers will be notified of changes due to the new scheme, they will be advised on what help can be applied for understanding that 'vulnerability' must and will be recognised by Mid Devon Council

| Scheme | Total Annual award for working age claims | Number of working age claims | Number of Gainers | Numbers of Losers | No Change | Lost Claims |
|---------------|---|------------------------------|-------------------|-------------------|-----------|-------------|
| Current | £1,746,431 | 2074 | 0 | 0 | 0 | 0 |
| Income Banded | £1,599,520 | 1889 | 1459 | 430 | 0 | 185 |

5.0 Banded Scheme

| Passported | | Family 2 Children | | Family 1 Child | | Couple | | Couple | |
|-------------|-----|-------------------|-----|----------------|-----|-------------|-----|-------------|-----|
| Income From | % | Income From | % | Income From | % | Income From | % | Income From | % |
| £0.00 | 85% | £0.00 | 85% | £0.00 | 85% | £0.00 | 85% | £0.00 | 85% |
| | | £260.01 | 65% | £200.01 | 65% | £120.01 | 65% | £75.01 | 65% |
| | | £310.01 | 45% | £250.01 | 45% | £160.01 | 45% | £120.01 | 45% |
| | | £360.01 | 25% | £300.01 | 25% | £210.01 | 25% | £170.01 | 25% |
| | | £410.01 | 0% | £350.01 | 0% | £260.01 | 0% | £220.01 | 0% |

The advantage of the banded scheme is that customers can see at a glance what % reduction they would get in accordance with their net income off their Council Tax. Increases and decreases in income should mainly stay with the bands, this will significantly reduce the amount of bills being issued. Currently some customers may receive up to 9 bills a year, this causes confusion and missed payments. The scheme should also help reduce enforcement due to keeping the amount owed stable.

6.0 What is Changing

- 6.1 Model takes into account the household size and income.
- 6.2 Increases maximum award from 80% to 85% to all passported claims and those in the lowest income band.
- 6.3 Capital limit reduced to £6,000 in line with UC and other Devon Authorities
- 6.4 Ignores non-dependents.
- 6.5 Simpler to administer – no complex calculations.
- 6.6 Banded scheme will continue to disregard Disability Living Allowance (DLA), Personal Independence Payment (PIP), Child Benefit and child maintenance payments.
- 6.7 Additional disregards for Carer's Allowance, the ESA support component.
- 6.8 £50 per week income disregard for any household including a disabled person.
- 6.9 The first £25 per week will be disregarded from their earned income.
- 6.10 Streamlines billing and enforcement, reduced bills, reminders and prosecution.

7.0 Key Impacts

- 7.1 Significant reduction in bills generated from small changes in income.
- 7.2 Officers will have greater flexibility when making payment arrangements.
- 7.3 Customers more likely to pay due to not having multiple bills.
- 7.4 Hardship policy to allow those who lose under the new scheme to apply for additional assistance during the transition period of 01/04/2020 – 31/03/2021

8.0 Rationale for Change

- 8.1 Over 25% of working age CTR cases have Council Tax Arrears.
- 8.2 Consistent with universal Credit Rules.
- 8.3 Simplifies claim procedure – no need to verify capital as Universal Credit already do this.
- 8.4 Much simpler to administer – no requirement to request non-dependent details.

- 8.5 Out of 187 claims with non-dependents in the household, only 19 have a charge.
- 8.6 Helps cushion the loss of old scheme premiums.
- 8.7 Recognises vulnerable groups.
- 8.8 Incentivises work.
- 8.9 Helps stakeholders such as CHAT and CAB to advise customers on reductions that could be claimed.

9.0 Consultation with the public and Preceptors

| | | Surveys Received | 405 |
|-------------------------------------|----------------|------------------|-----|
| Survey Question | Survey Results | | |
| | Yes | No & Skipped | |
| Should we keep the same scheme | 43.73% | 56.27% | |
| Should we change to a banded scheme | 46.10% | 53.90% | |

Mid Devon had a very good response by receiving 405, however it must be noted that not all questions were answered by everyone.

| | Date Agreed | Comments |
|--|-------------|--|
| Devon & Somerset Fire & Rescue Service | 23/07/2019 | Happy to Support the Banded Scheme |
| Devon County Council | 31/07/2019 | No Objection to the Introduction of the Scheme |
| Police & Crime Commissioner | 08/08/2019 | Proposed Scheme is Agreed |

Contact for more Information: Dean Emery, Group Manager for Revenues and Benefits – 01884 234945 / demery@middevon.gov.uk

Circulation of the Report: Leadership Team, Cllr Alex White, Community PDG and Cabinet

List of Background Papers: Hardship Policy, Equality Impact Assessment, CTR Policy

Equality Impact Assessment

"I shall try to explain what "due regard" means and how the courts interpret it. The courts have made it clear that having due regard is **more than having a cursory glance** at a document before arriving at a preconceived conclusion. Due regard requires public authorities, in formulating a policy, to give equality considerations the weight which is **proportionate in the circumstances**, given the potential impact of the policy on equality. It is not a question of box-ticking; it requires the equality impact to be **considered rigorously and with an open mind.**"

Baroness Thornton, March 2010

What are you completing the Impact Assessment on (which policy, service, MTFP reference etc)?

Changes to the Council Tax Reduction Scheme from April 2020

Version

1

Date

29.11.2019

Section 1 – Description of what is being impact assessed

Section 13A (2) of the Local Government Finance Act 1992 requires the Council as the billing authority to make a localised Council Tax Reduction Scheme in accordance with Section 1A of the act.

In April 2013 Council Tax Benefit was replaced by a new Council Tax Reduction scheme.

Council Tax Benefit had been funded by the Department for Work and Pensions and supported people on low incomes by reducing the amount of Council Tax they have to pay.

The Council Tax Reduction scheme is determined locally by District Councils rather than the Department of Work and Pensions. Although the Government initially provided funding for the scheme, the funding has reduced each year in line with the reduction in Revenue Support Grant provided to councils. From 2020 no funding will be provided for the scheme.

Universal Credit is replacing legacy benefits such as Income Support, Tax Credits and Housing Benefit. Universal Credit has increased the workload for local authorities, revenues and benefits departments. Nationally local authorities have developed a new income banded scheme to make administering Council Tax Support easier for themselves and the customer.

A separate Central Government scheme is retained for people of pension age so the new changes will only affect working age residents.

Mid Devon District Council along with other Devon Billing Authorities are proposing a revised scheme using Income Bands from 01 April 2020.

Section 2A – People or communities that are **targeted or could be affected** (taking particular note of the Protected Characteristic listed in action table)

The scheme works across the community, however it does look at working age people who will be expected to pay something towards their Council Tax.

Pension age customers will not be affected by the change.

Section 2B – People who are **delivering** the policy or service

The scheme will be delivered by the Revenues and Benefits Service.

Section 3 – Evidence and data used for the assessment (Attach documents where appropriate)

Proposal 1 – to introduce an Income Grid scheme, replacing the current scheme for applicants of working age

At present there are 2129 working age Council Tax Reduction claims which will be affected by the proposal to change to an income grid scheme from April 2020. The proposal will also affect any new working age applications from April 2020 onwards.

Proposal 2 – to limit the number of dependent children within the calculation for Council Tax Reduction to a maximum of two for all applicants

110 claims with 3+ dependent children (does not include passported claims which will not be affected).

20 of those will gain CTR of an average of £2.88 per week

90 of those will lose CTR of an average of £9.22 per week (56 of those losers are in receipt of Universal Credit so would lose anyway).

Proposal 3 – to remove non-dependant deductions from the scheme

235 working age claims have a non-dependant present in the household

61 have non-dependant deductions. These 61 claims will gain from not having a deduction taken.

Proposal 4 – to replace the current earnings disregards with a standard £25 disregard

Breakdown of affected claims:

Single - 132 earnings cases – 57 gain on average £3.48 per week – 56 lose on average £4.11 per week

Couples – 43 earnings cases – 5 gain on average £4.09 per week – 38 lose on average £12.46 per week – 32 of those claims are in receipt of UC

Family with 1 or 2 children – 129 earnings cases – 23 gain on average £3.87pw, 89 lose on average £9.75 per week.

Proposal 5 – to disregard a further £50 per week where the applicant, partner or dependant receives Disability Living Allowance (DLA) or Personal Independence Payment (PIP)

This proposal would help protect those with a disabled person in the household against reductions in their entitlement.

There are 186 claims with a disabled person in the household (excluding passported claims and those in the lowest income bands as they will already receive the maximum 85% discount).

The average increase for these claims is £5.03 per week.

Proposal 6 – to disregard Carer's Allowance which is currently taken into account as income

119 claims have Carer Premium at present and so would gain solely based on this proposal.

However, once other proposals are applied the effects would be:

Single – 20 claims – 6 gain an average of £3.11pw, 13 lose an average £8.31pw

Couples – 22 claims – 3 gain an average of £3.31pw, 18 lose an average of £11.05pw

Family with 1 child – 14 claims – 5 gain an average of £10.40pw, 8 lose an average of £11.61pw

Family with 2 or more children – 63 claims – 15 gainers an average of £3.06pw, 45 lose an average of £12.17pw

Proposal 7 – to remove the Extended Payment provision

The current scheme allows for a four-week 'extended payment period' (EPP) when their entitlement to certain legacy benefits ends due to starting work (and other specific conditions are met). Customers entitled to an EPP receive a further four weeks' full entitlement to Council Tax Reduction following the end of their legacy benefit.

In the 2018/19 subsidy year, a total of 68 claims were eligible for an EPP. This number will reduce due to the gradual introduction of Universal Credit. Customers moving from Housing Benefit to Universal Credit are entitled to a different extended payment period.

Proposal 8 – Any change in circumstances which affects Council Tax Reduction entitlement will be made from the date on which the change occurs, rather than on a weekly basis as at present

This proposal will affect all working age customers and will simplify the current scheme. Any changes to the customer's circumstances affecting their entitlement will take effect from the date of the change, as opposed to the Monday following the date of the change.

Proposal 9 – to reduce the capital limit to £6,000

43 working age CTR claims have over £6000 in capital and so will lose all their entitlement (an average loss of £15.90 per week).

Affected groups: Passported – 30 claims, Singles – 6 claims, Couples – 1 claim, Family with 1 child – 2 claims, Family with 2 or more children – 4 claims.

19 claims affected have someone in the household with a disability.

Proposal 10 – Remove the one calendar month limit for back date requests

This proposal will only serve to benefit customers as there will be no limit on backdated Council Tax Reduction.

Analysis of point 4 of the covering report

185 claims are lost due to not already being entitled 31.03.20, Capital being over £6000 or their weekly income is above the band limit for the household.

They are lost in the following areas:

Passported = 30

Single = 48

Couple = 23

Fam + 1 = 19

Fam +2 = 65

The new banded scheme shows a total of 1889 working age claims with 1459 gainers and 430 losers.

The losers are made up as follows:

Passported = 0

Single = 170

Couple = 20

Fam + 1 = 105

Fam +2 = 135

Couples

Having looked at all the Couple claims there are 14 biggest losers of over £10+ per week – this is due to the current scheme using the gross Universal Credit award as the applicable amount. All claims had a net income after disregards between £130.00 and £191.00 per week which puts them into the 65% or 45% categories. If Universal Credit had not been awarded the standard allowance used for a couple is £114.85 per week. All the biggest losers have a weekly income of more than this.

Singles

There are 41 claims which lose £10+ per week. These are all Universal Credit claimants. Income ranges are between £121.00 and £219 per week. The current allowance for a single claimant is £73.10 per week and these customers are all above this amount. A majority of these claimants also have other benefits such as personal independence payments and carers allowance of which are all disregarded under the new scheme.

Those that lose less than £10 per week have incomes ranging from £76.55 to £216.16 per week.

Fam +1

There are 2 claims which lose over £10+ per week, the income after disregards is £300.30+ per week they are both lone parents. There are 103 claims which lose less than £10 per week and their incomes range from £283.00 to £335.52 per week. Of the 105 claims 104 are Universal Credit customers.

11 claims have a partner present, 94 are lone parents. 3 claims have a disabled child. 69 claims have earnings.

Fam +2

There are 30 claims which lose over £10+ per week of which 27 are Universal Credit customers. The income range of these 27 is £310.41 to £408.80 per week.

12 claims are lone parents with 2 or more children and all in receipt of Universal Credit.

The weekly income of these customers range from £362.57 to £408.80 per week. Of these 12 claims 4 have disabled dependants. 3 claims have earnings.

18 claims have a partner present and 4 have a disabled dependant. The income ranges from £310.41 to £401.52 per week. 15 claims have earnings.

Section 4 – Conclusions drawn about the equalities impact (positive or negative) of the proposed change or new service/policy

The Revenues and Benefits Service constantly monitors the issues affecting customers in receipt of Council Tax Reduction (CTR). The proposed income grid scheme has been developed to support our most vulnerable customers in the ever changing landscape of welfare reform, whilst remaining cost neutral.

Since the roll out of Universal Credit, it has become evident that the number of changes in circumstances issued by the Department for Work and Pensions (DWP) has increased significantly. Subsequently, this has placed an increasing demand on the administration required from council officers and a complex system for customers. In addition to this, due to the way that Universal Credit income is taken into account under the current CTR scheme rules the amount of CTR paid out by Mid Devon District Council is increasing.

The impact of the new scheme has been reviewed and modelled for the 2020/2021 financial year. It is apparent that unless changes are made to the scheme, the increased administration will continue to cause confusion for customers due to the high number of bills they are sent and this could have implications for collection rates.

Having reviewed our scheme and taking into consideration funding cuts, Council Tax arrears, Universal credit and the impact of wider welfare reform changes on our residents we are proposing to change Mid Devon's Council Tax Reduction scheme from 1 April 2020.

| Identified issue drawn from your conclusions | Actions needed – can you mitigate the impacts? If you can how will you mitigate the impacts? | Who is responsible for the actions? When will the action be completed? | How will it be monitored? What is the expected outcome from the action? |
|---|---|---|---|
| Age | | | |
| <p>Working age customers suffer disproportionately due to the requirement to protect pensioners from financial loss.</p> <p>This could driver working age people out of the area because of the increased burden arising from Devon having a higher number of pensioners than other parts of the UK.</p> <p>Working age customers in Devon are already disadvantaged by low wages and seasonal work, rurality and poor ICT connectivity.</p> | <p>The new scheme is supplemented by a hardship relief policy. Those adversely affected by the changes can apply for additional help.</p> | <p>The new scheme will be monitored and treated as work in progress. Managers will have regular discussions to make sure any issues are flagged and worked through.</p> | <p>As this is a new approach, issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when required.</p> |
| Disability | | | |
| <p>Schemes must have regard to their statutory duties under The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970, which include a range of duties relating to the welfare needs of disabled people.</p> <p>The proposed CTR scheme as part of our ongoing commitment to support disabled people will disregard Carer's Allowance and the support element of Employment Support Allowance as well as continuing to disregard Disability Living Allowance,</p> | | | |

| | | | |
|--|--|--|---|
| <p>Personal Independence Payments and War Disablement Payments.</p> <p>All working age people will lose out and this could continue to affect some people with a disability if they are not part of the protected group.</p> | <p>The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.</p> | <p>The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through</p> | <p>Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.</p> |
| Gender Reassignment | | | |
| <p>The Banded Scheme works on the basis of “working age” people not gender.</p> <p>There are no known equality issues within this group</p> | <p>The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.</p> | <p>The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.</p> | <p>Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.</p> |
| Marriage and Civil Partnership | | | |
| <p>No issues identified</p> | <p>The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.</p> | <p>The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.</p> | <p>Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.</p> |

| Pregnancy and Maternity | | | |
|---|---|---|--|
| No issued identified. | The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help. | The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through. | Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required. |
| Race | | | |
| <p>Whilst information is held on 'race' the scheme looks at income only.</p> <p>No issues identified</p> | The new scheme will be monitored if concerns are raised the policy will be corrected as required. | The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through | Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required. |
| Religion and Belief | | | |
| We do not hold details of religion or belief. The scheme is an income/household based reduction and so will not treat people of different religion or belief differently. | The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help. | The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through. | Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required. |

| Sex | | | |
|--|---|---|--|
| Same as race question? | | | |
| Sexual Orientation | | | |
| We do not hold details of sexual orientation. The scheme is an income/household based reduction. | The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help. | The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through. | Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take |

| Other (including caring responsibilities, rurality, low income, Military Status etc) | | | |
|--|--|---|---|
| Rurality | | | |
| The proposed changes will not have any impact on those customers living in rural areas in comparison with those living in towns. | <p>The new Banded Scheme is supplemented by a Hardship Relief policy. Should some see an adverse effect that cannot be managed they can apply for additional help.</p> <p>Issues with regards connectivity can be overcome by a home visit. Customers can also call Customer Services or Revenues and Benefits</p> | <p>The Band Scheme will be monitored and treated as work in progress. Managers will discuss on a regular basis to make sure all issues are flagged and worked through.</p> <p>Any issues raised will be reviewed and a way forward discussed on a case by case basis.</p> | <p>Being this is a new approach issues and resolutions will be tracked and closely monitored by all officers and managers. Reactive corrections will take place as and when or if required.</p> |

Section 6 - How will the assessment, consultation and outcomes be published and communicated? E.g. reflected in final strategy, published. What steps are in place to review the Impact Assessment?

General publicity via the website, social media channels, individual letters to those existing customers affected and face-to-face with customers on a case by case basis. We are also engaging with local agencies such as CHAT and Citizen's Advice.

| | |
|--|--------------------------------|
| Completed by: | Revenues & Benefits Leadership |
| Date | 29/11/2019 |
| Signed off by: | Dean Emery (GM) |
| Date | 29/11/2019 |
| Compliance sign off Date | |
| To be reviewed by: (officer name) | |
| Review date: | |

This page is intentionally left blank

Council Tax Discounts & Exemptions (People & Property)

| Type/Class | Description |
|--|---|
| Single Person Discount | The full council tax charge for a property assumes there are at least 2 adults living in the property. If you live alone you may qualify for a 25% discount. |
| Students and Student Burses Discount | If you're a full time student or student nurse in Mid Devon you can apply for student discount or exemption. Each student in the house must register for council tax and apply for student exemption. |
| Apprentices Discount | Someone employed to learn a trade, business, profession or vocation may be entitled to a discount. They must be training to gain a qualification and they should earn less than £195 per week. |
| People in Detention | Someone detained in a prison, hospital or elsewhere (e.g. a police station) under a UK court order may be entitled to a discount. They should not be detained for non-payment of a fine or council tax. |
| Carers Discount | You may be eligible to a discount if someone lives at your address and provides care for more than 24 hours a week and is not your spouse, partner or child under 18. |
| Child Benefit (Persons over the age of 18) | If child benefit can be claimed for an 18 or 19 year old in a household, that person is not counted for council tax and you may be eligible to a discount. |
| Patients in hospital or care home discount | You can claim discount and in some cases an exemption to council tax if you are the sole occupant of a property and are now a permanent resident of a hospital, or a residential care home or nursing home. |
| Disabled Band Reduction | People with certain disabilities may be entitled to a reduction in council tax. Your income does not affect your claim and it does not matter which council tax band your property is in. We can reduce the council tax if a physically disabled person needs at least one of the following: <ul style="list-style-type: none"> • An extra bathroom or kitchen • Extra space for a wheelchair if they need to use a wheelchair inside • A room that is used mainly to meet their needs |

| | |
|---|--|
| Severely Mentally Impaired Discount | Someone with a severe impairment of intelligence and social functioning that appears to be permanent. For council tax purposes they must also be in receipt of one of the benefits listed on the online application form. If a person with a severe mental impairment is the sole occupant (of a property that they own or have a tenancy agreement for), they can claim an exemption. |
| Class D Properties Undergoing or in of Structural Repairs | You may be able to claim a 50% discount for up to 12 months if your property is in need of or undergoing major structural repairs and it is not occupied. |

Council Tax Exemptions

| | |
|---------|---|
| Class B | Owned and last used by a charity |
| Class E | Left empty by someone who has moved into a hospital, home or elsewhere to receive care |
| Class D | Left empty by someone who has gone into prison |
| Class K | Left empty by someone who has moved so they can care for someone else |
| Class F | Waiting for probate to be granted and for six months after probate has been granted |
| Class L | Reposessed |
| Class Q | The responsibility of a bankrupt's trustee |
| Class K | Left empty by a student whose term-time address is somewhere else |
| Class G | Empty because it is against the law to live there |
| Class T | Part of another property and may not be let separately |
| Class R | A pitch or mooring which is not occupied by a caravan or boat |
| Class C | If a property is unoccupied and substantially unfurnished exemption of a maximum of 3 months may be claimed |
| Class H | Unoccupied Dwelling held for a minister of religion |
| Class I | Person living with someone else in order to receive care |
| Class J | Property left empty by a person providing care |
| Class M | Halls of Residence |
| Class N | Property Occupied by Students |
| Class O | Armed Forces Accommodation |

| | |
|---------|--|
| Class P | Members (and dependants) of visiting forces |
| Class S | Occupied by persons under the age of 18 |
| Class U | Occupied by the Severely Mental Impaired |
| Class V | Main residence of a person with diplomatic privilege or immunity |
| Class W | Occupied by a dependant relative Note: Family discount is 50% (brought in and paid for by the Government) |

This page is intentionally left blank

CABINET
16 JANUARY 2020

Corporate Plan 2020-24

Cabinet Member(s): Leader, Cllr Bob Deed
Responsible Officer: Chief Executive, Stephen Walford

Reason for Report: To consider the new corporate plan for the council in light of comments and feedback from all four policy development groups that reviewed the working draft in December 2019. It is proposed that the new corporate plan will replace the current plan which expires in March 2020.

RECOMMENDATION:

That the Cabinet recommends to Council that the new Mid Devon Corporate Plan be adopted. That delegated authority is given to the Chief Executive to make minor changes to layout or images as necessary prior to publishing.

Relationship to Corporate Plan: This report introduces the final draft of what will replace the current corporate plan. The new corporate plan will set the overarching direction of travel for the council and will guide all future decision-making for the next four year cycle.

Financial Implications: The adoption of a new corporate plan will set the direction of policy travel for the council at a strategic level. However, it does not have any direct actions associated with it at this point, and the council's financial context will continue to be set at a strategic level via the annual budget and Medium Term Financial Planning processes. To that end, subsequent decisions that may be taken to realign activity to the new corporate plan in due course, will each be subject to the appropriate impact assessments given to decisions made by the council in the normal way.

Legal Implications: As above.

Equalities Impact Assessment: As above

Risk Assessment: As above.

Climate Change: As above.

1.0 Introduction

1.1 The current council Corporate Plan expires in March 2020. The council administration has substantially changed following the local elections in May 2019, and a cabinet of mixed political makeup now forms the executive.

1.2 As part of the arrangements for renewing the Corporate Plan, the new approach was discussed at an early stage with the new cabinet once those members had collectively had the chance to consider shared priorities. It was

then the subject of an all-member workshop session on 6th September 2019, where the whole membership had the opportunity to contribute.

2.0 Background

- 2.1 The member ‘away day’ produced not only a range of content, but also confirmed that there was cross-party support for a continuation of the four ‘thematic’ headings of the council’s current Corporate Plan approach (Community, Economy, Environment, Homes). This is notable since it also goes in some way to the format of governance arrangements of the council, since the four Policy Development Groups (PDGs) are based on these overarching headings. By agreeing to continue with the overarching themes, the council is giving clarity and certainty to the PDGs that are currently in place – making the most of experience and knowledge already clustered around these themes as a format for continuing policy development and onwards recommendations to cabinet. It is worthwhile recalling at this point that the council’s most recent Corporate Peer Review (March 2017) described the PDGs as *‘a novel concept that provides an opportunity for wider member involvement in the work of the council...[providing] a resource for the council to develop new policy ideas and recommend these to cabinet’*.
- 2.2 Alongside the four headings, there was an almost universally-agreed notion of embedding sustainability more prominently within the new plan. This would seem to be supported by a range of discussions and motions discussed by full council in recent months. This has been effected by introducing the plan as a matrix model rather than being presented as a purely thematic-based approach. There is no (and no need for) exact science about the formatting, but bearing in mind this will be the top-level public-facing expression of the council’s approach to prioritising outcomes, it is important for it to be well-understood without a lengthy supporting narrative.
- 2.3 After the member workshop, the content was refined in discussion with the cabinet to try and balance the many and varied priorities that were put forward, with the result that the first draft of a new Corporate Plan was taken to members via the PDGs in November and December 2019.

3.0 Member Views

- 3.1 The first draft of the new corporate plan was presented to each of the four Policy Development Groups (PDGs) to seek their views and comments so that the final version is seen by the whole membership as a genuinely co-produced document, as part of an open and transparent process. These meetings were as follows, and their recordings and minutes can be found in the usual places via the council’s website:
- 3.1.1 Environment PDG – 26th November
 - 3.1.2 Economy PDG – 28th November
 - 3.1.3 Homes PDG – 3rd December
 - 3.1.4 Community PDG – 10th December

- 3.2 At the time of the draft going through each of the PDGs, it was only in a text format – so members will not have seen the proposed layout and imagery until this point.
- 3.3 The detailed list of feedback can be found at Appendix B, however the broad consensus was one of support, with a few common points of interest to note:
 - 3.3.1 Balancing the need for the corporate plan to be an ambitious and aspirational reflection of the council’s intent, with the financial reality (as currently known) which makes it extremely challenging to deliver all that the council would wish to see.
 - 3.3.2 The tension in many of the statements where clearly there is going to need to be a balanced judgement made in future about how, and to what extent, some of these issues should be addressed.
 - 3.3.3 Reflecting on what was directly in the control of the council, and what would need us to influence partners, stakeholders and government.
- 3.4 There were also specific comments made on the following, which cabinet may wish to consider:
 - 3.4.1 Should we remove many of these priorities where we have little or no direct control?
 - 3.4.2 Should it be shorter and concentrate only on projects we are going to deliver?
 - 3.4.3 Should we include areas where we explicitly disagree with the government’s position? (Right-to-Buy for example).
 - 3.4.4 Should we explicitly include reference to trying to increase the amount of incubator and start up space available as part of the ‘Economy’ actions?

4.0 **Finalising the New Corporate Plan**

- 4.1 It is anticipated that the new Corporate Plan will be in a position to be adopted by full council alongside the budget at February’s meeting of full council.
- 4.2 The changes made to the substantive text of the first draft are limited to the inclusion of the additional reference as shown in 3.4.4 above. However, the draft as published contains additional contextual and supporting information as well as proposing a layout and design appropriate for the public document. As such, cabinet is invited to consider the views as put forward by members, in addition to their own views, in order to allow the finalised document to be recommended to full council on 26th February 2020.
- 4.3 It is proposed that the current system of publicising ‘priority activities’ each year and publishing these online, continues as per the delegations agreed under the previous administration – in order to be transparent on delivery activity while ensuring the document is kept ‘live’ on an annual basis. This ensures that officer activity on key priorities, as set out in operational

business plans, is made public in terms of understanding how council resources are being deployed.

Appendices

Appendix A - Proposed Corporate Plan 2020-24

Appendix B - Bullet point feedback from members as captured from previous discussion

List of Background Papers:

Draft Corporate Plan Report (to each of the 4 PDGs); available here:

<https://democracy.middevon.gov.uk/documents/s15755/Draft%20Corporate%20Plan%20for%20PDGs.pdf>

Appendix A – Corporate Plan 2020-24

Appendix B – Feedback on First Draft

Feedback from the PDGs in relation to the corporate plan

Environment PDG:

- Car park pricing mechanism – how would that be seen to be helping our town centres if the Council was also encouraging outside business parks like J27?
- Concern that the plan was a 4 year programme and that there were too many things to achieve in that timescale.
- Right to Buy – this is a Government Policy and should not be included.
- Promote sustainable farming practices – Some Members felt that this was down to DEFRA and others thought that it should be kept in the plan as an aspiration for farming communities to network and share good practice.
- Emissions from cattle and food production.
- Community Land Trusts.

Community PDG:

- Pleased to see that health and healthier living were part of the plan.
- ANOB for Exe Valley should be promoted.
- The need to understand what the Council could lobby others on and what could be directly influenced.
- The welcome change in emphasis due to the climate change declaration.

Homes PDG:

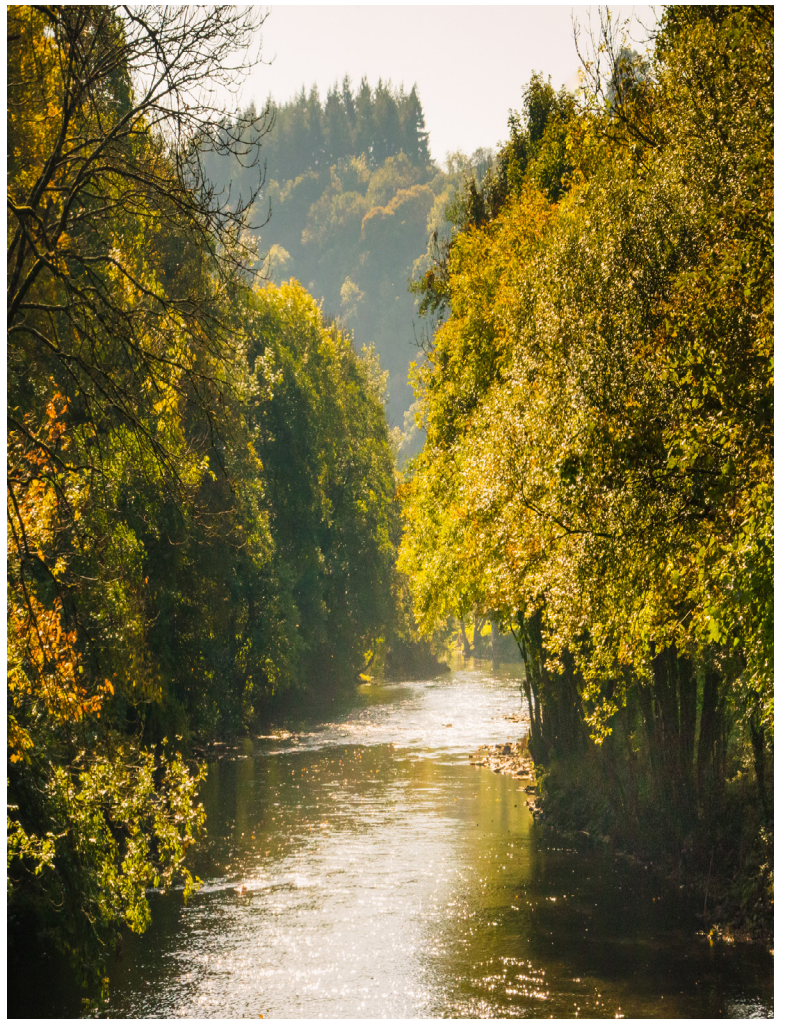
- The tension within the document between competing priorities and competing objectives. Decisions on how to implement activity and actions would be taken at a more detailed level at the appropriate time. However, it was important that the Corporate Plan set out what the Council was trying to achieve for the good of the local community.
- The difference between having direct control over an issue as a district council as compared to only having the ability to influence or lobby, for example, lobbying Devon County Council regarding the provision of post 16 education within the district. This was a good example of an issue that was collectively important across the district but which the Council had no direct control over.
- Another example of the Council working with partners would be to promote issues for the over 65s such as free bus passes as a means of promoting healthy lifestyles physically, socially and mentally.
- The need for a national policy for new developments regarding such issues as the installation of solar panels on new buildings.
- Concerns about whether information regarding emissions from farm animals and agriculture's contribution to emissions was truly accurate?
- Developers had become increasingly keen on stating that 'building materials were locally sourced' but where a product was made and transported from needed to be borne in mind as well.

Economy PDG:

- The tension within the document between competing priorities and competing objectives. Decisions on how to implement activity and actions would be taken at a more detailed level at the appropriate time. However, it was important that the Corporate Plan set out what the Council was trying to achieve for the good of the local community.

- It was stated that it would be good to know what the advantages and disadvantages were under each subject area, for example, the promotion of the Exe Valley as an Area of Outstanding Natural Beauty. It was explained that the word 'consider' was important in relation to this as the promotion of the AONB could be an aspiration but the implications of this needed to be fully 'considered'.
- It was suggested that incubation and start-up space be moved as a specific ambition under the Economy column rather than remain in the overarching comment at the top of the draft document.
- Projects and ambitions that were impossible to achieve, for example, due to a lack of funds, would not be included in the draft or final document. The final approved Corporate Plan needed to include realistic goals and aspirations.
- It was felt that it was correct to include lobbying or the abolition of 'Right to Buy' in the Homes column of the draft document since this reflected the views of the Homes PDG in the previous council and appears to have cross-party support in the new council. However, it was reiterated that full Council would need to sign off the final document and agree all the aspirations within it.
- The Chairman commented that he felt that the overarching comment at the top of the draft document reflected a change in the Council's commitment to the Climate Change Declaration as well as a number of green initiatives.

This page is intentionally left blank



Corporate Plan 2020-2024

Background

A welcome from the Leader

"As leader of the Council it gives me great pleasure to introduce this new corporate plan. I thank all elected members for contributing so passionately to its formulation and I believe it sets out a compelling and positive message on what this Council plans to achieve over the coming four years. As we have witnessed in recent times, changes in public ambition and expectation can arise both gradually and swiftly. I am confident that this plan strikes the right balance between maintaining our focus on existing areas of policy, while also reflecting a powerful new desire around themes of sustainability. We will of course keep this plan under review to ensure it continues to reflect the aspiration of the Council for the place and community of Mid Devon."



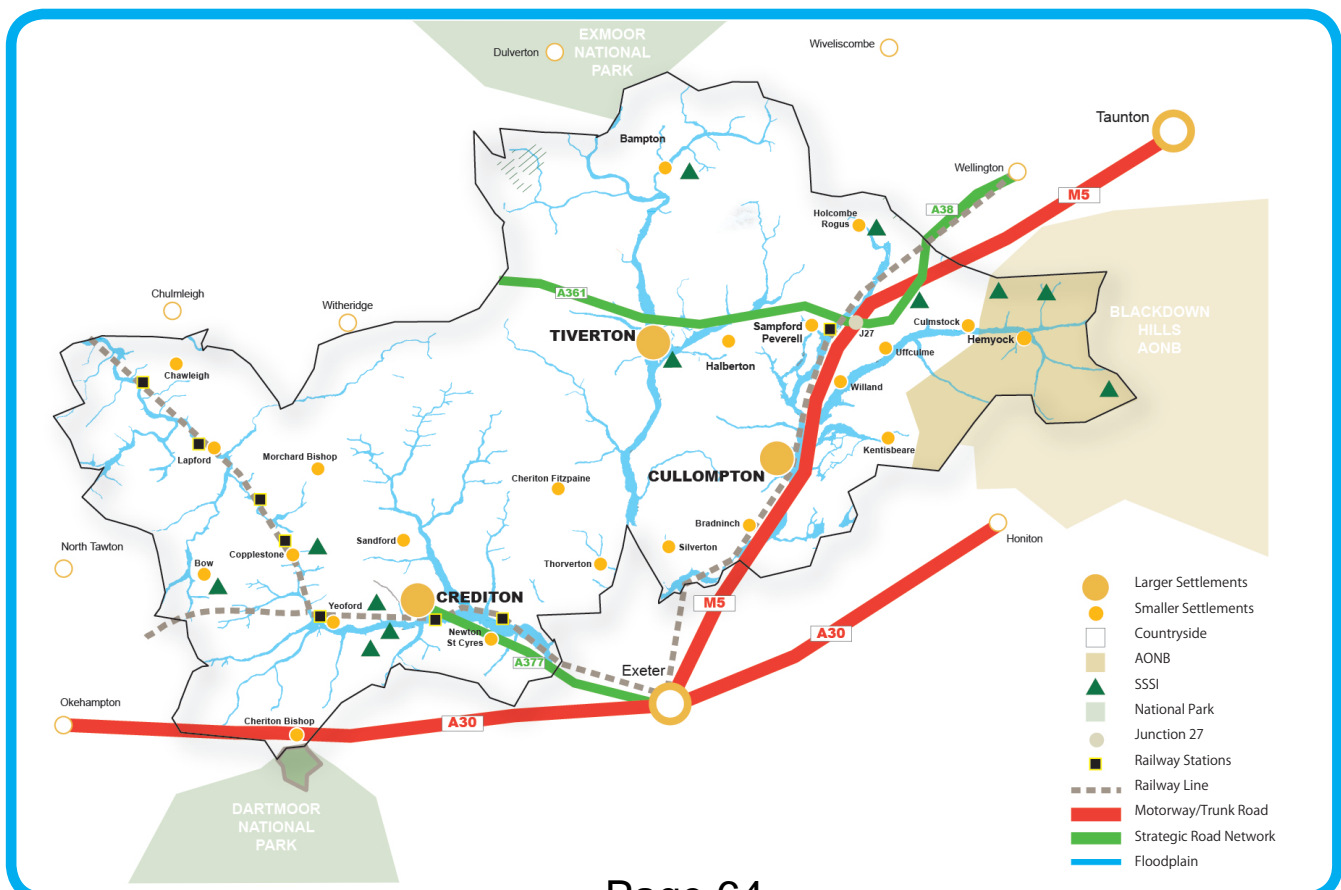
Council Leader:
Bob Deed

www.middevon.gov.uk

Mid Devon District Council serves a rural location covering an area of 353 square miles (914 km²) in the agricultural heartland of Devon, between Dartmoor, Exmoor and the Blackdown Hills. More than half the population of some 82,000 people is scattered in villages in the rural hinterland, with the balance divided between the three main towns of Tiverton, Cullompton and Crediton.

While it is the 23rd-largest district council in England by area, it is also the 34th-smallest by population. Our main offices lie to the north of the city of Exeter, one of the most rapidly expanding economies in the country, and as a district council Mid Devon has sought to maximise this opportunity by delivering quality growth in a high-quality environment.

Mid Devon District Council is a progressive council committed to providing high quality and sustainable services, creating an environment where communities and businesses can flourish and grow together.



Our Plan, Aspirations and Approach to Sustainability

This document sets out to share with you our plans and ambitions for the next four years. It also shows how these priority areas of work are funded and how they each support our pledge to tackle climate change at a local level.

Within this document you will see the keys areas of work the Council aspires to deliver over the next four years, but also how each of these priorities can be delivered in a way that supports our focus on sustainability, be it through creating sustainable and prosperous communities, a sustainable planet or by encouraging sustainable participation.

We have also set out how the Council's work will be funded over the next four years, shared some of the achievements the Council has made over the previous four years through our existing Corporate Plan (2016-2020) and highlighted the values our staff work towards when delivering these priorities.

Our Corporate Plan is a document which sets out what we want to achieve in the district to support and enrich our communities and businesses and the environment we are in. Our Corporate Plan for 2020-2024 retains the four key priority areas that were identified in 2016 and for the next four years our elected members and officers will work together to ensure these areas continue to be the focus of our work.

These priorities are:

Homes

Environment

Community

Economy





In 2019 Mid Devon District Council joined other local authorities in the county and became part of the Devon Climate Emergency Response Group, following Devon County Council's declaration of a climate emergency.

Members also voted unanimously to sign the Devon Climate Declaration and the Council is now a formal partner in the process to produce a county-wide carbon plan.

By pledging our support to tackling climate change and cutting carbon emissions the Council has agreed to look at the way it supports our people and environment to ensure we encourage and support projects that are sustainable long into the future.

Throughout each of the four priority areas within our Corporate Plan there is now a strong emphasis on local-level sustainability.



For each of our Corporate Plan priority strands the Council will ensure Mid Devon is working towards:

Sustainable and prosperous communities



Our villages and towns need affordable housing for local people.

We aim to build more social rented housing and housing for purchase that is truly affordable. We seek to bring higher skill and better paid jobs to the district, promoting economic development and greater economic diversity. Local businesses need incubation space, grow-on space and places to expand - and digital businesses need the capability and capacity to work from home as well as a business park.

Long distance commuting will have to drastically reduce in future to deliver on our carbon objectives, and we will support people seeking to lead a more 'local' life; living, working, eating, shopping and spending locally. We aim to ensure that new housing and commercial developments support and are consistent with the Council's policies on Climate Change.

These objectives will be achieved by encouraging and, where necessary, intervening in the market to deliver jobs and sustainable communities, and by working in partnership with statutory and non statutory bodies to win the resources we need.

A sustainable planet



Rural Devon is a great gift to us and the planet. We will challenge the suburbanisation of the countryside while encouraging growth in locations that provide low carbon homes for our children, our relatives, our colleagues and the communities of tomorrow. This will sit alongside the economic opportunities of greater digital connectivity in rural areas, our support for clean growth industry sectors, and a thriving agricultural industry that showcases sustainable food-to-fork practices and low food-miles to market.

Sustainable participation



We will enable and support local decisions made by local councillors using local funds and resources aimed at local problems in our community. Working in partnership with parish and town councils, voluntary and community groups, we will seek to deliver positive outcomes where the district no longer has the means to directly commission services.

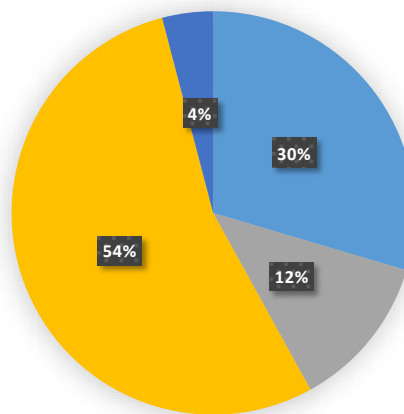
Budget

The Council's overall net annual budget (not including council housing and capital expenditure) is about £10 million. Income comes from a combination of council tax, central government grant and revenue earned from providing services such as collecting trade waste and car parking charges.

Prior to the start of each financial year the Council is required to set a budget for day-to-day income and expenditure for the year. This is the revenue budget. As part of this budget setting process the council tax for the district is decided.

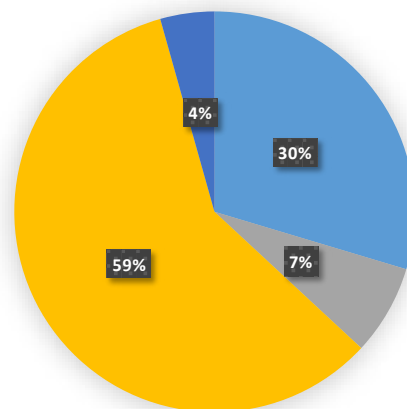
The Council also has a capital budget which is used for expenditure of a one-off and high value nature, such as for buying buildings or improving an asset the Council already owns. The Council has a legal duty to set a balanced budget and not to spend more money than it brings in, so expenditure must be matched by income or existing reserves.

2020/21 Funding

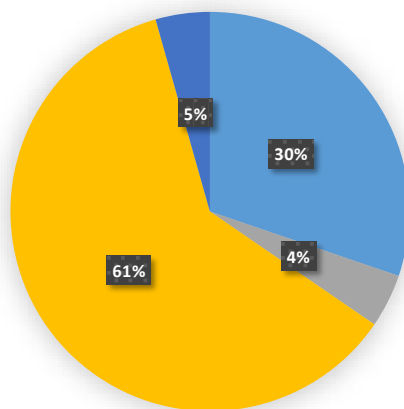


2021/22 Funding

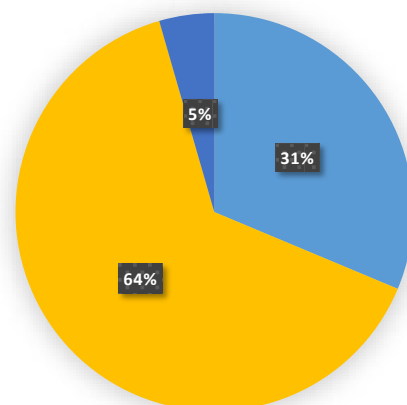
- Business Rates
- New Homes Bonus
- Council Tax
- Rural Services Delivery Grant



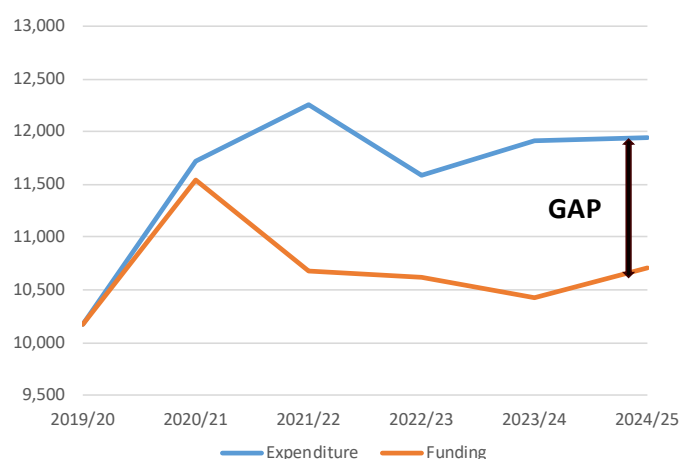
2022/23 Funding



2023/24 Funding



Budget Gap Forecast (£k)



Homes

Deliver more affordable housing and greater numbers of social rented homes

Work with Community Land Trusts and other organisations to deliver homes retained in perpetuity for local need



Work with landlords to ensure the high quality of homes in the private rented sector

Lobby to see the abolition of the 'Right-to-Buy' or the devolvement of discounting powers to individual local housing authorities

Promote the regeneration of our town centres by working with landlords and property developers to improve and increase the supply of quality housing

Introduce zero carbon policies for new development

Encourage the piloting of Modern Methods of Construction (MMC) and self-build opportunities



Use new development as opportunities to help communities to become increasingly sustainable and self-sustaining at neighbourhood level (district heating, energy use, recycling/re-use systems etc)

Work with local stakeholders to initiate delivery of the new garden village at Culm



Support and grow active tenancy engagement

Support the establishment of Community Land Trusts in partnership with parish councils and other local bodies

Environment

Encourage retro-fitting of measures to reduce energy use in buildings

Encourage "green" sources of energy, supply new policies and develop plans to decarbonise energy consumption in Mid Devon



Identify opportunities to work with landowners to secure additional hedgerow planting, biodiversity and reforestation

Consider promoting the designation of the Exe Valley as an Area of Outstanding Natural Beauty (AONB)

Encourage new housing and commercial developments to be "exemplars" in terms of increasing biodiversity and reducing carbon use

Increase recycling rates and reduce the amounts of residual waste generated



Explore large-scale tree-planting projects and re-wilding to enhance biodiversity and address carbon pressures

Promote sustainable farming practices in partnership with local farmers, district and county councils; including research into best practice re better soil management and animal husbandry



Work with parish and town councils to promote the development and retention of parks and play areas across the district

Support community activities that improve the environment such as litter-picks, guerilla gardening, or community adoption of assets

Economy

Work with developers to secure our ambitious plans for the J27 'Devon Gateway' development site

Consider acquiring or creating new business parks to accelerate economic growth, and creating new opportunities for incubator and start-up space

Identify strategic and tactical interventions to create economic and community confidence and pride in the places we live. This includes a continued focus on Town Centre Regeneration



Facilitate the creation of exciting new commercial opportunities within strategic developments at Culm Garden Village and Tiverton Eastern Urban Extension

Produce business plans for the creation of a commercial Economic Development function perhaps in partnership with other agencies

Explore commercial opportunities that deliver new or innovative services for customers that can generate revenue for the council

Promote zero carbon exemplar sites within commercial settings



Use car park pricing mechanism to effectively balance the needs of vehicular access with those of reducing car use

Promote the development of the farming economy and local food production. Working in partnership with farmers to develop and grow markets on the principle of reducing carbon emissions and sustainability



Support the creation of South West Mutual Bank and seek opportunities to encourage new branches being opened in areas that aren't well-served by existing banking services providers

Develop and deliver regeneration plans for all three main towns in partnership with town and parish councils, private and third sector and communities

Community

Work with developers and Devon County Council to deliver strategic cycle routes between settlements and key destinations

Secure decent digital connectivity for all of Mid Devon

Work with education providers to secure appropriate post-16 provision within the district to minimise the need to commute out for A/T level studies



Lobby Devon County Council and others to introduce 20mph speed limits where children play, and take opportunities to pilot car-free days/routes

Promote new, more integrated approaches to promoting good health and healthier living especially in the context of planned new developments

Seek opportunities to address public health issues and disparities to improve the health and wellbeing of everyone in Mid Devon



Encourage communities to deliver their own projects to reduce carbon emissions

Facilitate networking across volunteer and community groups to spread knowledge, expertise and awareness on climate issues

Work with the NHS and other health bodies to promote use of our leisure centres

Promote community involvement in Council activity



Promote new approaches to rural transport in partnership with town and parish councils through the deployment of emerging technologies

Work with county, town and parish councils to identify safer walking journeys to school

Achievements

Recycling rate increased by 2.83% since 2016

£18.2million funds from the Housing Infrastructure Fund, which is designed to unlock housing delivery, was secured. £10 million has been earmarked for the Cullompton Relief Road while £8.2 million will fund further junction improvements for Tiverton's Eastern Urban Extension

A record breaking number of food hygiene interventions have been carried out across Mid Devon. 1,291 food hygiene interventions were carried out in 2018/19 compared to a previous total of 554

£1.2million invested in an extension and refurbishment at Exe Valley Leisure Centre. A refit of the fitness studio at Lords Meadow Leisure Centre costing £185,000 was completed and a £200,000 investment in new equipment at Culm Valley Leisure Centre was made

Finalist for the LGC (Local Government Chronicle) Driving Growth Award 2019

The Council continues to support key 3rd party organisations with strategic grants of around £75,000 per annum

All household waste decreased by 6.23% since 2016

Our Empty Homes strategy has been hugely successful, bringing nearly 400 empty homes back into use in the past three years

Completed 78 new social housing units

Preferred route for the Cullompton town centre relief road agreed

The Local Plan Review has progressed significantly and the examination hearings have been completed. The plan provides for sustainable development up to 2033 and contains policies for the protection and enhancement of the natural as well as the built environment

Demand for business space continues to be strong, particularly along the M5 corridor, with significant investment interest at sites in Cullompton and Willand

Our Values and Priorities

“Equally as important to the ‘what’ we are trying to achieve, is the ‘how’ the organisation operates and conducts itself. To that end we have introduced an increased focus on values within the organisation to try and ensure that, whatever type of service is being provided, our colleagues all have a shared understanding of the values that are important. We use these within the organisation to help guide discussions around behaviours, culture and performance but at its heart we are simply reflecting how we can apply these values to best deliver the quality service and outcomes that the Council and our residents expect.”



Chief Executive:
Stephen Walford

The organisation has an agreed set of core values that underpin the way we work and how we fulfil our aspirations.

These values are known as the four Ps and set out what we believe should be the basis for the type of organisation we are. These values are:

People
Performance
Pride
Partnership

While our organisation is a place-based entity, rooted in the custodianship of a specific geographical area, it is primarily a people-focused business. Serving the democratically-elected representatives of the people, and run for the benefit of the people of Mid Devon.

Our performance as individuals and as a collective is paramount, and we expect all those working for or with Mid Devon to take pride not only in their own work, but in the way we operate and the outcomes that are achieved for our great communities.

Finally, we recognise the core value of partnership as the organisation’s role increasingly changes from being a simple provider of local government services, to one where we deliver outcomes in partnership in a multi-agency way. This could be through a systemic or structural partnership with government departments, neighbouring councils, or the health sector. Or through much more local partnerships with our many town and parish councils, or community groups that seek to deliver outcomes and improvements in their area.

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **CABINET** held on 13 February 2020 at 6.00 pm

Present

Councillors

R M Deed (Leader)
L D Taylor, G Barnell, S J Clist,
D J Knowles, Ms E J Wainwright, A White
and Mrs N Woollatt

Also Present

Councillor(s)

L J Cruwys, Mrs C P Daw, R J Dolley, R Evans,
B Holdman and F W Letch

Also Present

Officer(s):

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Jill May (Director of Corporate Affairs and Business Transformation), Kathryn Tebbey (Head of Legal (Monitoring Officer)), Jenny Clifford (Head of Planning, Economy and Regeneration), Andrew Busby (Group Manager for Corporate Property and Commercial Assets), Dean Emery (Group Manager for Revenues and Benefits), Claire Fry (Group Manager for Housing), Matthew Page (Group Manager for Human Resources), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Carole Oliphant (Member Services Officer) and Sally Gabriel (Member Services Manager)

131. APOLOGIES

There were no apologies.

132. PUBLIC QUESTION TIME

There were no members of the public present.

133. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT

Members were reminded of the need to declare any interests when appropriate.

134. MINUTES OF THE PREVIOUS MEETING (00-01-35)

The minutes of the previous meeting were approved as a correct record and signed by the Chairman.

135. **MEETING MANAGEMENT**

The Chairman indicated that he wished to take Item 22 (Performance and Risk) as the next item of business. This was **AGREED**.

136. **PERFORMANCE AND RISK (00-02-10)**

The Cabinet had before it and **NOTED** a * report of the Director of Corporate Affairs and Business Transformation providing Members with an update on the performance against the Corporate Plan and local service targets.

The Group Manager for Performance, Governance and Data Security outlined the contents of the report stating that some suggestions for additional measures for performance had been received from the Policy Development Groups.

Note: *Report previously circulated copy attached to minutes.

137. **HRA MEDIUM TERM FINANCIAL PLAN (00-04-23)**

Arising from a *report of Deputy Chief Executive (S151), the Homes Policy Development Group had recommended the Housing Revenue Account Medium Term Financial Plan be approved.

The Cabinet Member for Finance outlined the contents of the report stating the report had received universal support from the Homes Policy Development Group as there was a need to demonstrate a balanced budget and the need to determine a reasonable forecast of the financial position of the Housing Revenue Account for the coming years.

Consideration was given to the impact of Universal Credit within the district and countrywide with the Deputy Chief Executive suggesting that there did not seem to be much impact at the current time with under a 1% margin on arrears being recorded but that a watching brief continued to take place.

RESOLVED that the recommendations of the Policy Development Group be approved.

(Proposed by Cllr A White and seconded by Cllr S J Clist)

Note: * Report previously circulated, copy attached to minutes.

138. **INCOME MANAGEMENT POLICY (00-08-01)**

Arising from a *report of the Group Manager for Housing, the Homes Policy Development Group has recommended that the revised Income Management Policy be approved.

The Cabinet Member for Housing and Property Services outlined the contents of the report stating that slight amendments had been made to the original policy with reference to vulnerable clients, payments arrangements, and expectations of new tenants, the rationale for new tenant visits and generally how both parties should act.

RESOLVED that the recommendation of the Policy Development Group be approved.

(Proposed by Cllr S J Clist and seconded by the Leader)

Note: * Report previously circulated, copy attached to minutes.

139. **TENANT COMPENSATION POLICY (00-09-52)**

Arising from a *report of the Group Manager for Building Services, the Homes Policy Development Group had recommended that the revised Tenant Compensation Policy be approved.

The Cabinet Member for Housing and Property Services outlined the contents of the report highlighting the summary of additions and revisions outlined in appendix 1, which took into consideration tenant feedback, comments and complaints and provided greater clarity to tenants seeking compensations or looking to make qualifying improvements

Consideration was given to the involvement of the Tenants Together Group with the Group Manager for Housing agreeing to provide additional feedback to members.

RESOLVED that the recommendation of the Policy Development Group be approved.

(Proposed by Cllr S J Clist and seconded by Cllr L D Taylor)

Note: * Report previously circulated, copy attached to minutes.

140. **IMPROVEMENTS TO COUNCIL PROPERTY POLICY (00-13-20)**

Arising from a *report of the Group Manager for Building Services, the Homes Policy Development Group had recommended that the Review of Improvements to Council Properties Policy be approved.

The Cabinet Member for Housing and Property Services outlined the contents of the report stating that there had been minor changes to the policy which would be for officer use and tenant reference, this policy would be aligned with the latest tenancy agreements and also the tenant compensation policy.

Consideration was given to the involvement of the Tenants Together Group with the Group Manager for Housing agreeing to provide additional feedback to members.

RESOLVED that the recommendation of the Policy Development Group be approved.

(Proposed by Cllr S J Clist and seconded by Cllr D J Knowles)

Note: * Report previously circulated, copy attached to minutes.

141. MOTION 561 (COUNCILLOR R B EVANS – 17 DECEMBER 2019) (00-15-27)

The following motion had been passed to the Cabinet from Council for consideration and report:

Development Management Policy

That this council commits to proactively seeking out and exploring that every opportunity is taken to install a carbon neutral power supply option within all new build development from 01/01/2021 but specifically when residential development is being planned.

The Chairman invited Cllr Evans to address the Cabinet.

Cllr Evans made reference to a management note which suggested that any change to planning policy would be constrained until 2023, he therefore wished to withdraw the motion.

Therefore no further discussion took place with regard to this item.

142. MOTION 562 (COUNCILLOR R B EVANS – 17 DECEMBER 2019) (00-16-26)

The following Motion had been passed to the Cabinet from Council for consideration and report:

That MDDC commits to proactively seeking out and exploring development of a long term partnership with a company / companies that can supply innovative power generation that offers carbon neutral power and where possible seeks to give an income stream back to the authority when operational.

That officers are instructed to seek out and explore such opportunities with available companies with immediate effect in order that MDDC can ensure we are actively addressing our own policy to seeking to be carbon neutral by 2030.

The Chairman invited Cllr Evans to address the Cabinet.

Cllr Evans spoke, stating that he understood that much of the contents of his motion was already taking place or was proposed but that he would like the Council to commit to such actions.

Consideration was given to the contents of the draft Corporate Plan and the items identified within it.

It was therefore:

RECOMMENDED to Council that Motion 562 be supported

(Proposed by Cllr Mrs N Woollatt and seconded by Cllr D J Knowles)

143. NATIONAL NON-DOMESTIC RATES (00-18-15)

The Cabinet had before it a *report from the Group Manager for Revenues and Benefits providing Members with an update of the income generation and financial implications of the number of Business Rate properties in Mid Devon and to approve the NNDR1 (estimated income to be generated in 2020/21 from business rates). The report also included the introduction of the refreshed Business Rates Discretionary Relief Policy.

The Cabinet Member for Finance outlined the contents of the report informing the meeting of the statutory collection process for business rates, the estimated net yield from business rates for 2020/21 and how this was redistributed. There would be no grant from the DCLG towards collecting the business rates but that the authority would continue to retain the income from qualifying renewable energy schemes.

Consideration was given to:

- What qualified as renewable energy schemes
- The business rates reserve
- The Devonwide business rates pool
- Discretionary relief

RESOLVED :

- a) That the calculation of the NNDR1 net yield of £15.600m from 3206 Business Rated properties be noted and approved for 2020/21;
- b) That the proportions distributed to the respective authorities and Central Government be allocated as per the statutory regulations; and
- c) That Members note that Central Government will reimburse the Council through a Section 31 grant to compensate it for the reduction in collectable business rates as a result of introducing reliefs;
- d) That the revised Business Rates Discretionary Relief Policy be approved.

(Proposed by Cllr A White and seconded Cllr G Barnell)

Note: *Report previously circulated, copy attached to minutes.

144. FINANCIAL MONITORING (00-26-35)

The Cabinet had before it and **NOTED** a * report of the Deputy Chief Executive (S151) presenting a financial update in respect of the income and expenditure so far in the year.

The Cabinet Member for Finance outlined the contents of the report stating that the December variance on budget had been £270k, the main factors being:

| | £k |
|--|-------|
| Waste Services – Shared savings scheme and vacancies | (151) |
| Trade Waste and recycling - Increase in customers and reduced discounts etc. | (64) |
| New vehicle contract – Funded by EMR (Not an overspend on the contract) | 67 |
| Public Health – Air Quality S106 (covered by EMR) and legal costs | 92 |
| Planning – Downturn in Planning income less salary savings | 154 |
| Garden Village project – funded by EMR | 23 |
| Garden Village – Capacity funding | (150) |
| S106 spend re Public Open Space – funded by EMR | 178 |
| Cullompton Master Plan – funded by EMR | 56 |
| Local Plan – Funded by EMR | 32 |
| Tiverton Town Centre Regen – abortive capital costs | 87 |
| Bank charges – Additional charges | 10 |
| Cemeteries – Income below anticipated in budget | 25 |
| Car Parking – Shortfall Premier Inn; extra security and electricity usage | 33 |
| Private Sector Housing – legal costs of prosecution | 19 |
| General Fund Housing - Grant funding – to be earmarked | (127) |
| Property – Loss of income; etc. partly offset by salary savings | 61 |
| Customer services – Vacancy and overtime savings | (48) |
| HR – Review of service needs - restructuring | 24 |
| Legal – Various including consultancy budget saving | (53) |
| Democratic Services – District Elections shortfall | 25 |
| Electoral Registration – Increase in IER funding and delayed boundary review | (69) |
| Member Services – Vacancy saving | (7) |
| Leisure – Vacant posts, growth in membership etc. offset by utilities overspend and reduction in casual swim | 47 |
| Revs and Bens – Various including reduced overpayment recovery and software costs | 65 |
| 3 Rivers Impairment – Partly offset by a statutory reversal of £757k | 883 |
| Statutory Adjustments – Reversal of Capital impairment 3 Rivers | (757) |
| Statutory Adjustments – Reduction in Minimum Revenue Provision (less borrowing than anticipated) | (50) |
| Interest income – additional income | (100) |
| Interest Payable – reduction in charge | (60) |
| Earmarked Reserves transfers | (120) |
| Net Business Rates retention – more levy due to growth (benefit in future year) | 88 |

Major variances, current incomes from major funding streams and current employee costs were all shown within the appendices to the report.

The Housing Revenue Account continued to have a healthy underspend.

He outlined the Capital Programme position and discussion took place with regard to the impairments to the 3 Rivers loan (identified within the Riverside project) and the financial accounting that had to take place.

Further discussion took place with regard to:

- Whether the monitoring of the loans to 3 Rivers could be listed separately within the General Fund financial monitoring
- The ring-fenced '1:4:1' receipts and the need for those to be spent within 3 years of receipt otherwise the funding needed to be returned to the MHCLG, details of previous monies returned would be sent to the member
- Increased electricity costs within the MSCP
- Legal costs within the public health remit.

Note: *Report previously circulated, copy attached to minutes.

145. **HOMES POLICY DEVELOPMENT GROUP - RECOMMENDATION - BUDGET**

Arising from a report of the Deputy Chief Executive (S151), the Homes Policy Development Group had made the following recommendation with regard to the budget: that the proposed savings identified in relation to the weed team be removed and that the budget in this area be retained.

It was also noted that the other 3 PDGs had also agreed with the above recommendation.

The Cabinet Member for the Environment informed the meeting that the Weed Team project was added very late in the 2019/20 budget with no cost appraisal and without an idea of how effective it would be. The 2 man team had focussed on Tiverton, there had been little evaluation of the work that had taken place and that a number of parishes already precepted for such work to take place within their own areas. It was felt that this was a discretionary service and that the statutory responsibility lay with the County Council.

Discussion took place with regard to:

- The volunteers who picked up litter and disposed of weeds
- Whether the weed team could be funded by the parishes through their precepts
- The need to consider savings within the budget
- The possible requirement for a policy to consider what we would expect the town and parish councils to precept for.

It was therefore

RESOLVED that the recommendation of the Policy Development Group not be supported and that the proposed savings identified in relation to the weed team remain.

(Proposed by the Chairman)

146. **BUDGET (1-10-39)**

The Cabinet had before it a * a report of the Deputy Chief Executive (S151) providing the proposals for the General Fund and the Housing Revenue Account for the year 2020/21.

The Cabinet Member for Finance outlined the contents of the report stating that a temporary transfer of £284k would be required from the New Homes Bonus to balance the budget.

He outlined further movements in the budget calculation since the last meeting:

Reconciliation of further movements

| Movements | Amount £k |
|---|------------|
| 20/21 Budget Shortfall (Cabinet Report 16/01/20) | 177 |
| Amendment to Car Parking increase | 57 |
| Business Rates Retention forecast post NNDR1 | 21 |
| Contribution to Local Nature Partnership (LNP) | 2 |
| Essential car users – reduction in allowance | -9 |
| New Cabinet Member allowance | 7 |
| Reduction in interest from GP Hub due to timing of drawdown | 29 |
| Draft budget gap for 2020/21 | 284 |

He outlined the main proposals for the HRA 2020/21 budget:

- Following new legislation an increase of CPI plus 1% (2.7%) was proposed to social housing rents
- Affordable rents to increase subject to the market rent cap (to an average of £113.59 per week (over 52 weeks)
- Garage rents from £11.10 to £11.60 per week
- Increase garage plot ground rents by £25 to £275 per annum.

Consideration was given to:

- Benchmarking of Band D Council Tax across Devon and whether there was a national scheme for benchmarking
- The contribution to the Local Nature Partnership
- The reduction in interest from the GP Hub loan
- The certain loss of the New Homes Bonus in future years and the Government's Fair Funding Review
- The collection of garage rents over 52 weeks
- With the underspend being highlighted within the HRA whether the increase in rents was necessary

RECOMMENDED to Council that:

- a) Council Tax is increased by £5 (2.46%) on a Band D property to £208.84.
- b) General Fund budget for 2020/21 is approved.
- c) The 2020/21 budget requires no transfer from the General Fund Balance.
- d) The General Fund Budget requires a temporary transfer of £284k from the New Homes Bonus EMR.
- e) HRA budget for 2020/21 be approved – Appendix 5.

- f) HRA fees/charges are approved based on the attached schedule shown as Appendix 5a and 5b.
- g) Work on strategic planning for delivering balanced budgets in the future is commenced in the spring.

(Proposed by the Chairman)

Notes:

- i) It was noted that Cllr Miss E Wainwright arrived at the meeting at this point;
- ii) *Report previously circulated, copy attached to minutes.

147. **CAPITAL PROGRAMME (1-32-59)**

The Cabinet had before it * a report of the Deputy Chief Executive (S151) seeking approval for the 2020/21 Capital Programme and requesting it to note the draft 2021/22, 2022/23 and 2023/24 programmes.

The Cabinet Member for Finance outlined the contents of the report highlighting and explaining the proposed recommendations and stating that due to austerity the council continued to explore as many commercial opportunities as possible.

Consideration was given to:

- Funding for projects highlighted in the proposed Corporate Plan
- Amounts that would be rolled over from one financial year to the next
- The proposal for an in-year review of the Capital Programme, Capital Strategy and Treasury Management Strategy to take account of the emerging Corporate Plan and the delivery of projects for Cullompton and Tiverton.

It was therefore:

RESOLVED that an in-year review of the Capital Programme, Capital Strategy and Treasury Management Strategy take place to take account of the emerging Corporate Plan and the delivery of projects for Cullompton and Tiverton.

(Proposed by Cllr G Barnell and seconded by Cllr Mrs N Woollatt)

and

RECOMMENDED to Council that:

- a) The detailed Capital Programme for 2020/21 be approved (including an additional £75k for the loan for the Crediton GP Hub) and that the estimated amounts for 2021/22, 2022/23 and 2023/24 be noted.
- b) Earmark New Homes Bonus (NHB) monies of £1.068m to support the 2020/21 Capital Programme (see para 2.3) be agreed

(Proposed by the Chairman)

Note: *Report previously circulated, copy attached to minutes

148. **CAPITAL STRATEGY (1-47-37)**

The Cabinet had before it * a report of the Deputy Chief Executive (S151) seeking agreement of the proposed Capital Strategy for 2020/21

The Cabinet Member for Finance outlined the contents of the report stating that the strategy had a high level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services with an overview of how associated risk was managed and the implications for future financial sustainability.

Consideration was given to the climate change agenda and the need to incorporate it within the Medium Term Financial Plan

RECOMMENDED to Council that: the proposed Capital Strategy for 2020/21 be approved.

(Proposed by the Chairman)

Note: *Report previously circulated, copy attached to minutes.

149. **TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY (1-51-30)**

The Cabinet had before it * a report of the Deputy Chief Executive (S151) seeking agreement of the proposed Treasury Management Strategy and Annual Investment Strategy for 2020/21

The Cabinet Member for Finance outlined the contents of the report stating that the refreshed strategy highlighted the level of investment and borrowing and provided a detailed view of the economic climate.

Consideration was given to:

- The current portfolio position
- The limits to borrowing activity
- The annual investment strategy

RECOMMENDED to Council that: the proposed Treasury Management Strategy and Annual Investment Strategy for 2020/21, including the prudential indicators for the next 3 years and the Minimum Revenue Provision Statement (Appendix 1), be approved.

(Proposed by the Chairman)

Note: * Report previously circulated copy attached to minutes.

150. **POLICY FRAMEWORK (1-54-19)**

The Cabinet had before it a * report of the Chief Executive regarding the Policy Framework.

| **RECOMMENDED** to Council that the Policy Framework be adopted.

(Proposed by the Chairman)

Note: * Report previously circulated, copy attached to minutes.

151. **THE ESTABLISHMENT (1-54-55)**

The Cabinet had before it a *report of the Group Manager for Human Resources informing Members of the overall structure of the Council showing the management and deployment of officers.

Consideration was given to:

- The increase in employment costs outlined in the financial monitoring report
- A request for a year on year comparison of staff costs to be made available
- The increase in stress related sickness and how staff were supported
- The new sickness policy that had been adopted
- The employee assistance programme and counselling that was available to staff and members
- The number of staff with 100% attendance

| **RECOMMENDED** to Council that the Establishment be approved.

(Proposed by the Chairman)

Note: * Report previously circulated, copy attached to minutes.

152. **PAY POLICY (2-06-02)**

The Cabinet had before it a *report of the Group Manager for Human Resources relating to senior pay in particular the role of the Chief Executive, Directors and other senior officers.

| **RECOMMENDED** to Council that the Pay Policy be approved.

(Proposed by the Chairman)

Note: * Report previously circulated, copy attached to minutes.

153. PAINTING AND REPAIRS BEFORE PAINTING OF COUNCIL HOMES 2020 - 2025

The Cabinet had before it a * report of the Director of Corporate Affairs and Business Transformation advising Members of the results for the tendering of the External Painting and Repairs of the Council homes for the next 5 years (2020-2025).

The Cabinet Member for Housing and Property Services outlined the contents of the report stating that the contract was for 3 years with the option to extend it for a further two individual years subject to performance and informed the meeting of the number of houses repaired and painted per annum.

RESOLVED that: the contract for works required to decorate the Council's homes for 2020-2025 be awarded to Contractor 3 with a forecast annual cost £300,000.00 be approved. This is a three year contract with the option to extend for a further two individual years subject to acceptable performance. The contract has been awarded to the contractor with the highest combined price/quality score with 60% of the total score based on price and 40% quality.

(Proposed by Cllr S J Clist and seconded by Cllr G Barnell)

Note: *Report previously circulated, copy attached to minutes.

154. NOTIFICATION OF KEY DECISIONS (2-10-04)

The Cabinet had before it and **NOTED** its * rolling plan for March 2020 containing future key decisions.

Note: *Plan previously circulated, copy attached to minutes

155. ACCESS TO INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC (2-12-37)

Prior to considering the following item on the agenda, discussion took place as to whether it was necessary to pass the following resolution to exclude the press and public having reflected on Article 15 15.02(d) (a presumption in favour of openness) of the Constitution. The Cabinet decided that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

It was therefore:

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information)

(Proposed by the Chairman)

156. **DISPOSAL OF SAMPFORD PEVERELL PUBLIC CONVENIENCE**

The Cabinet had before it a report * of the Group Manager for Corporate Property and Commercial Assets with regard to the disposal of an asset.

The Cabinet Member for Housing and Property Services outlined the contents of the report and a full discussion took place.

Returning to open session, the Cabinet:

RESOLVED that the surrender of the lease of land upon which the public convenience at Lower Town, Sampford Peverell is situated be approved.

(Proposed by the Chairman)

Note: *Report previously circulated.

(The meeting ended at 8.22 pm)

CHAIRMAN

This page is intentionally left blank

Cabinet

13 February 2020

Budget for 2020/21

Cabinet Member: Cllr Alex White
Responsible Officer: Andrew Jarrett, Deputy Chief Executive (S151)

Reason for Report: This report provides the proposals for the General Fund and the Housing Revenue Account for the year 2020/21.

RECOMMENDATIONS:

That the Cabinet recommend to full Council that:

1. Council Tax is increased by £5 (2.46%) on a Band D property to £208.84.
2. General Fund budget for 2020/21 is approved.
3. The 2020/21 budget requires no transfer from the General Fund Balance.
4. The General Fund Budget requires a temporary transfer of £284k from the New Homes Bonus EMR.
5. HRA budget for 2020/21 be approved – Appendix 5.
6. HRA fees/charges are approved based on the attached schedule shown as Appendix 5a and 5b.
7. Work on strategic planning for delivering balanced budgets in the future is commenced in the spring.

Relationship to Corporate Plan: To deliver our Corporate Plan's priorities within existing financial resources.

Legal Implications: None directly arising from this report, although there is a legal obligation to balance the budget. There are legal implications arising from any future consequential decisions to change service provision, but these would be assessed at the time.

Risk Assessment: In order to comply with the requirement to set a balanced budget, management must ensure that the proposed savings are robust and achievable. We must also ensure that the assumptions we have used are realistic and prudent. Failure to set a robust deliverable budget puts the Council at risk of not being able to meet its commitments and casts doubt on its "going concern" and VFM status.

Equality Impact Assessment: There are no Equalities Impact implications relating to the content of this report.

Climate Change Assessment: The allocation of resources will impact upon the Council's ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years.

1.0 Introduction

- 1.1 The balancing of the Council's budget continues to be a challenge year on year following the Government's austerity measures and the subsequent reduction in our funding.

- 1.2 At this juncture it is worth remembering that the Council has already secured significant savings during the past 10 years in order to “balance the books” and maintain service delivery. Therefore, to secure further savings from 2021/22 onwards will not be possible without making some difficult decisions that will alter the shape/quality/quantity/frequency of services in the future.
- 1.3 Leadership Team, Group Managers and the Finance Team have been involved in discussions to secure significant savings, without reducing service delivery. However it is now becoming a more difficult challenge year on year and therefore looking to the future a new more strategic process will be required to match service provision to available funding.
- 1.4 The draft budget considered at PDG and Cabinet meetings in October and November showed a budget deficit of £346k, based upon a number of key assumptions (e.g. Government funding, inflation rates, pay award, Council Tax level, use of balances/reserves, etc.), and embraced a number of savings/ income increases offset by cost pressures together and funding reductions.

2.0 January PDGs and Cabinet – Budget Update

- 2.1 The subsequent PDG and Cabinet meetings in January received an update report on the draft budget position which highlighted a reduced budget gap of £177k. This accounted for a number of additional changes to service costs/incomes and provided an update on the Provisional Settlement from Central Government, the increased referendum limit and confirmed the levy to NHB.
- 2.2 Following representation by members of the public and local traders, Cabinet approved an amendment to a previous Car Park charge increase which meant that the budget gap was impacted on an ongoing basis by £57k. This increased the 2020/21 gap to £235k.

3.0 Budget Consultation

- 3.1 All budget decisions are clearly linked to our Corporate Plan priorities and are set against the context of annual budget consultation exercises.
- 3.2 A public consultation/survey took place in Nov/Dec and the results were made available to Members. The results are now available on our website to provide readers with a summary of the comments. The consultation has been very useful in highlighting the priorities of our residents.
- 3.2 The law also requires consultation with Business Ratepayers. This meeting was held on the 21 January 2020, where the current financial issues facing the Council were outlined to a group of our commercial ratepayers. This looked at the proposed budget for 2020/21 and talked through a number of assumptions which had been made. At this stage we were not in a position to present a “balanced” budget.

4.0 The Corporate Plan

- 4.1 The new Corporate Plan was presented to Cabinet on 16 January 2020. The approved recommendation gave delegated authority to the Chief Executive to make minor changes to the layout or images of the Plan before it is finalised. The new Corporate Plan sets the overarching direction of travel for the council and will guide all future decision-making for the next four year cycle.

5.0 Key Assumptions for the 2020/21 Budget

- 5.1 The Council has carefully scrutinised all existing budgets and the service risks associated with delivering them. It has also examined all material income sources, especially the ones which are most at risk, due to the continuing fluctuations in demand and price movements e.g. recycling products; planning and; leisure services income. In addition to the above, regard has been made to our existing and future levels of balances which are required. We have a number of ongoing commitments already made against this balance (e.g. future capital contributions, economic development and building projects, “spend to save” projects, business transformation, town centre regeneration, future grant settlements). At the 16 January Cabinet, Members received an analysis of the minimum level of general reserves which would be prudent to hold. This would be a reduction to £2m from the arbitrary 25% of net expenditure previously recommended. This was supported by Cabinet due to the accompanying high level of earmarked reserves which the council holds for specific projects.
- 5.2 With regard to all items of expenditure and income, Group Managers in conjunction with the Finance Team, review all areas for known increases/decreases based on both prevailing and predicted changes in demand, price inflation, contractual obligations, etc., when proposing the 2020/21 budget. More volatile budgets are subject to sensitivity analysis and a reasonably prudent assessment is made.
- 5.3 We have also now completed our Business Rates NNDR1 return which will accompany this report. This has shown further growth in our Business Rates but with the ever-present risk of appeals which the Valuation Office consider on a daily basis we have prudently set aside significant funds in a provision and our Business Rates Smoothing Reserve to mitigate this risk.

6.0 Local Government Finance Settlement

- 6.1 The 2020/21 Provisional Settlement was received on the 20 December 2019.
- 6.2 The Settlement confirmed our previous assumptions and the only additional sum we receive will be £88k in Section 31 Grant for a technical adjustment of Business Rates in previous years.

7.0 Requirements for Council Tax Setting

- 7.1 In recent years the Government (via the MHCLG) has become far more prescriptive with regard to acceptable levels of Council Tax increase. The implementation of the Localism Act has effectively replaced Government set

“capping limits” and replaced them with principles that allow the local electorate to call for a referendum if the Council is planning to increase its Council Tax above an acceptable level. The level for District Councils announced as part of the Settlement was set at a maximum of the greater of 2% or £5 for the 2020/21 budget year.

- 7.2 The Council Tax income included in the proposed budget includes a £5.00 (2.457%) increase. This equates to a band D charge of £208.84. (A 1% variation to our Council Tax changes the income generated by approximately £59k).

8.0 General Fund Budget 2020/21

- 8.1 The proposals contained in this report result in a balanced budget for the General Fund (see Appendix 1). After the updated budget report was considered by the PDGs and Cabinet in January there was still an outstanding budget gap of £235k. The following table shows some late amendments to the position presented to PDGs and to Cabinet.

Table 1 – Reconciliation of further movements

| Movements | Amount £k |
|---|------------------|
| 20/21 Budget Shortfall (Cabinet Report 16/01/20) | 177 |
| Amendment to Car Parking increase | 57 |
| Business Rates Retention forecast post NNDR1 | 21 |
| Contribution to Local Nature Partnership (LNP) | 2 |
| Essential car users – reduction in allowance | -9 |
| New Cabinet Member allowance | 7 |
| Reduction in interest from GP Hub due to timing of drawdown | 29 |
| Draft budget gap for 2020/21 | 284 |

- 8.2 Despite additional analysis work and discussions with Members and Budget Holders, it was not possible to reduce this gap further. Therefore we will have a requirement to take an additional £284k from the New Homes Bonus Earmarked Reserve.

9.0 Future Funding Concerns/Cost Pressures

- 9.1 Due to the increasing pressures on our budgets and the continuing reduction in our Central Government funding the Council will need to reassess its overall corporate priorities and therefore where it allocates future budgets, it will also need to consider:

- Statutory vs Discretionary service provision
- Reaffirm resident priorities
- How it can work more closely with Towns/Parishes
- Take on more commercial opportunities (but be aware of risks)
- Continue to consider any partnership possibilities
- Review Treasury options
- Maximise all income possibilities
- Impact of changes to New Homes Bonus

- 9.2 In the last Cabinet Report we reported the risks to New Homes Bonus allocation and the likelihood of the grant being extinguished completely in future years.
- 9.3 It's important to highlight how much New Homes Bonus is being used to help fund our General Fund and Capital Budgets in 2020/21, Appendix 4 shows a total transfer of £961k to contribute towards various General Fund projects, this includes £190k towards the ICT equipment sinking fund and; £80k towards Business Development, in addition the £284k transfer referred to in recommendation 4 of this report to close the budget gap. The NHB used to fund the Capital Programme amounts to £1.068m, (please see individual report also on this agenda) which gives a total of £2.029m to be utilised in 2020/21. Our allocation for 2020/21 is £1.418m but as previously reported to Cabinet this is expected to reduce considerably in 21/22 and 22/23 with a possibility that we will receive no NHB in 23/24 and subsequent years. Council will need to be mindful of the future funding available and agree service level changes accordingly.

10.0 Overall General Fund (GF) position at 31 March 2020

- 10.1 The monthly monitoring report to the end of December tabled to this Cabinet meeting shows an estimated GF overspend of £252k by the end of 2019/20. This will result in the Council ending this financial year with the General Fund balance showing £2.231m. This will be higher than the proposed minimum level of £2.0m. It may therefore be possible to make a transfer of the excess to an earmarked reserve.

11.0 Transfers to and from earmarked reserves

- 11.1 Appendix 3 shows in detail which amounts are being contributed to various earmarked reserves in 2020/21 and Appendix 4 shows which amounts are expected to be taken from earmarked reserves in 2020/21. These include £347k to fund maintenance at our Leisure sites and £522k which funds our new vehicle contract.

12.0 General Fund Budget Summary

- 12.1 The final budget summary for the 2020/21 General Fund is as follows:
- To provide a balanced budget
 - without any transfer from the General Fund Balance
 - To increase Council Tax by £5 i.e. 2.457%
 - To utilise New Homes Bonus receipts to balance the budget
 - To continue to provide the current level of service provision

13.0 Housing Revenue Account Budget 2020/21

- 13.1 The Housing Revenue Account (HRA) is ring fenced and accounts for the income and expenditure associated with the Council's statutory housing obligations to its tenants.
- 13.2 The recent budget proposals that went before the Homes PDG have resulted in a balanced draft budget for the Housing Revenue Account for 2020/21 as shown at Appendix 5.
- 13.3 The main proposals for the 2020/21 budget can be summarised as follows:
- Following new legislation an increase of CPI plus 1% (2.7%) is proposed to social housing rents
 - Affordable rents to increase subject to the market rent cap (to an average of £113.59 per week (over 52 weeks)
 - Garage rents from £11.10 to £11.60 per week
 - Increase garage plot ground rents by £25 to £275 per annum.
- 13.4 A more detailed analysis of the proposed rent increase can be found in Appendix 5a that shows that the average housing rent will increase to £79.44 on a 52 week basis.
- 13.5 The overall HRA budget has been constructed on a detailed line by line examination of expenditure and income, having regard to last year's outturn, this year's forecast position and the on-going improvement of the housing service.
- 13.6 Some items of expenditure can be defined quite accurately whilst others require managers to exercise business judgement based upon their experience, particularly in the case of new commitments. Where such judgement has been applied the proposals before Members are based upon realistic assumptions.
- 13.7 The main factors influencing this year's budget are broken down between the key national and local issues that are pertinent to next year's housing business plan as detailed below.

14.0 Key National Issues affecting the Housing Revenue Account

- 14.1 The key issues affecting the budget for the HRA are detailed below:
- Formula Rent (FR) increasing by 1% plus CPI
 - Right to buy (RTB) discounts, resulting in higher sales volumes
 - Universal Credit
- 14.2 In the Government budget announcement made in July 2015, we learnt that FR would reduce by 1% each year for the subsequent four years. Until that point, we had expected it to increase by CPI + 1% each year for the next nine years. Since dwelling rent is the largest number in the HRA, the impact was significant and we estimate that we lost c£2m in rental income for the period.

- 14.3 The single biggest issue facing social housing is welfare reform. The roll-out of Universal Credit in Mid Devon continues and we continue to monitor the impact. Nationally, further delays in the programme's roll-out were announced w/c 3 February 2020.
- 14.4 Current legislation on Right to Buy means that we're likely to sell several0 properties in future years. This will have an impact on our rent income, which in turn affects our ability to fund property maintenance and development as well as servicing any existing or new debt.

15.0 Key Local Issues affecting Mid Devon's HRA

- 15.1 The key local issues facing the HRA are as follows:
- Building more stock
 - Review our investment levels based on our 30 year Business Plan – in line with projected future demand
 - Demand for increased housing stock and funding to deliver it
- 15.2 The prospect of building new social housing raises the issue of significant financing requirements. It means that reserves may need to be built up or additional debt taken on in the near future, increasing the need to manage the impact on the revenue budget each year.

16.0 HRA - Capital Works and Planned Maintenance

- 16.1 The major repairs allowance is determined by the level of depreciation charged on our properties. The latest stock condition survey (2010) identified a need to spend £3.5m per annum over the next 30 years, meaning any operating surpluses or savings generated by the Self Financing system should be directed here.

17.0 Housing Benchmarking

- 17.1 The Council continues to undertake valuable benchmarking work in conjunction with Housemark. These findings are then used to inform the budget setting process. In doing so, MDDC are able to better identify their position in relation to other authorities in the sector and identify areas for improved efficiency.

18.0 Overall Financial Position of the Housing Revenue Account

- 18.1 It has been deemed as prudent to maintain the HRA reserve balance at £2.0m and it is expected to remain so throughout 2019/20. Other HRA reserves are expected to total £14.8m by the end of 2019/20.
- 18.2 This is made up of £14.3m in the Housing Maintenance Fund (HMF) and £0.5m in the Renewable Energy Fund (REF). It is intended that any expenditure funded from this money be used on renewable energy schemes.

19.0 Housing Revenue Account Budget Summary

- 19.1 The final budget summary for the 2020/21 HRA is shown in Appendix 5. It will continue to provide for an enhanced housing service which will allow for more capital investment and additions to our existing stock.

20.0 GF and HRA - Capital Programme 2020/21

- 20.1 This is discussed in a separate agenda item which shows that the 2020/21 programme totals £22.010m – the most significant funding source required to support this programme is the £19.579m of borrowing from the Public Works Loan Board. There are a number of projects proposed in the Capital Programme including the Cullompton Town Centre Relief Road (£3.705m) funded from HIF monies; 75 Affordable homes at Waddeton Park (£3.6m); £12.1m to fund the current 3 Rivers Projects across the district; £2.260m to repair existing Housing Stock (HRA) and £2m to replace end of life HRA assets and create building schemes for new HRA developments.

21.0 Conclusion

HRA

- 21.1 The HRA has an obligation to provide a high quality, value for money service for its tenants coupled with affordable rent levels. The Government's legal requirement to cut housing rents by 1% over the last 4 years has reduced the available income to fund both revenue and capital expenditure. In addition, the impact of the full roll-out of Universal Credit is a watching brief. We do however anticipate that this may have a significant impact upon revenue into the HRA due to the expected rise in the level of rent arrears.

General Fund

- 21.2 The General Fund budget has been set against a back drop of 10 consecutive years of cuts to Public Sector funding. Uncertainty is still the prevailing factor in Local Government funding as we await the Fair Funding Review and Business Rates Baseline Reset which are due to be announced in 2020/21.
- 21.3 We need to prepare for the future in a timely manner and this is why we will continue to discuss how we can provide a wide range of services in a much reduced funding envelope. The process will need to involve all staff, Members and our local residents/businesses.

Capital Programme

- 21.4 With few disposable assets and a greater reliance on Government grants our future capital programmes will come under greater pressure. If we continue to use a proportion of New Homes Bonus to help balance the General Fund there will be less available to help fund our annual capital programmes in the district. With anticipated reductions and the possible cessation of New Homes Bonus in future years we will need to start planning the affordability of revenue contributions for capital, to maintain the level of our capital programme.

Contact for more information: Andrew Jarrett, Deputy Chief Executive (S151)
01884 234242 (ajarrett@middevon.gov.uk)
Jo Nacey, Group Manager for Financial Services
01884 234254 (jnacey@middevon.gov.uk)

Circulation of the Report: Leadership Team, Cllr Deed, Cllr White

Background Papers: Oct, Nov & January Cabinet & PDG's (Budget Draft, MTFP and Budget Update reports)

This page is intentionally left blank

GENERAL FUND REVENUE ACCOUNT DRAFT BUDGET SUMMARY 2020/21

| | 2019/2020 Annual Budget | Movement | 2020/2021 Proposed Budget |
|--|-------------------------|--------------------|---------------------------|
| Notes | £ | £ | £ |
| Cabinet | 5,285,580 | 148,141 | 5,433,721 |
| Community | 3,106,818 | (216,373) | 2,890,445 |
| Economy | (468,390) | (80,622) | (549,012) |
| Environment | 3,697,570 | 39,280 | 3,736,850 |
| Homes | 206,560 | 97,320 | 303,880 |
| TOTAL NET DIRECT COST OF SERVICES | 11,828,138 | (12,254) | 11,815,884 |
| Net recharge to HRA | (1,571,110) | 89,480 | (1,481,630) |
| Provision for the financing of capital spending | 333,280 | 718,874 | 1,052,154 |
| NET COST OF SERVICES | 10,590,308 | 796,100 | 11,386,408 |
| Finance Lease Interest Payable | 44,420 | 3,920 | 48,340 |
| Interest from Funding provided for HRA | (49,000) | - | (49,000) |
| Interest Receivable / Payable on Other Activities | 167,580 | 272,298 | 439,878 |
| Interest Received on Investments | (442,540) | (125,782) | (568,322) |
| Transfers into Earmarked Reserves | 2,267,363 | 329,687 | 2,597,050 |
| Transfers from Earmarked Reserves | (2,146,050) | 99,847 | (2,046,203) |
| Proposed Contribution from New Homes Bonus Reserve | (253,350) | (30,357) | (283,707) |
| TOTAL BUDGETED EXPENDITURE | 10,178,731 | 1,345,713 | 11,524,444 |
| Funded by: - | | | |
| Revenue Support Grant | - | - | - |
| Rural Services Delivery Grant | (466,695) | (5) | (466,700) |
| New Homes Bonus | (1,243,503) | (174,687) | (1,418,190) |
| BR Levy Re-distribution | (33,408) | 33,408 | |
| Retained Business Rates | (3,213,597) | (3,900) | (3,217,497) |
| Business Rates Deficit | 778,906 | (874,136) | (95,230) |
| Business Rates Pooling Dividend | (100,000) | (50,000) | (150,000) |
| CTS Funding Parishes | - | - | - |
| Collection Fund Surplus | (71,330) | (40,670) | (112,000) |
| Council Tax (£29,040.60 x £208.84) | (5,829,104) | (235,723) | (6,064,827) |
| TOTAL FUNDING | (10,178,731) | (1,345,713) | (11,524,444) |
| REQUIREMENT TO BALANCE THE BUDGET | - | - | - |

Current Assumptions: -

1. Council Tax has been increased by £5 from £203.84 to £208.84 with an increased property growth of 444.
2. 2020/21 Salary budgets include an increase of 2% for all scales.
3. All earmarked reserves have been reviewed and adjustment made based upon existing need.
4. All income flows have been reviewed and adjusted for changes in demand and unit price.
5. Investment income has been based upon the existing lending criteria now in force.
6. Support services have been calculated in accordance with the annual process.
7. New Homes Bonus receipts based on existing legislation changes.
8. BR Deficit - 18/19 Significant increase in appeals provision resulted in a 19/20 Deficit. 19/20s growth although not reflected in year, results in a surplus in 20/21.
9. A temporary transfer of £284k from NHB has been proposed.

This page is intentionally left blank

PDG SERVICE UNIT MOVEMENTS
APPENDIX 2

| GENERAL FUND SUMMARY | | Budget Net Direct Cost | Current Budgeted Net Direct Cost | Movement | +/- % |
|----------------------|-------------------------------|------------------------|----------------------------------|------------------|--------------|
| | | 2019/20 | 2020/21 | | |
| | Cabinet | | | | |
| SCM01 | Leadership Team | 485,280 | 442,690 | (42,590) | -8.8% |
| SCM02 | Corporate Functions | 83,810 | 86,790 | 2,980 | 3.6% |
| SCM03 | Corporate Fees | 217,990 | 365,110 | 147,120 | 67.5% |
| SCM06 | Pension Backfunding | 909,440 | 753,571 | (155,869) | -17.1% |
| SES01 | Emergency Planning | 8,280 | 7,500 | (780) | -9.4% |
| SFP01 | Accountancy Services | 411,470 | 436,790 | 25,320 | 6.2% |
| SFP02 | Internal Audit | 92,100 | 92,100 | 0 | 0.0% |
| SFP03 | Procurement | 111,400 | 121,580 | 10,180 | 9.1% |
| SFP04 | Purchase Ledger | 46,990 | 47,320 | 330 | 0.7% |
| SFP05 | Sales Ledger | 45,360 | 46,210 | 850 | 1.9% |
| SHR01 | Human Resources | 329,580 | 377,680 | 48,100 | 14.6% |
| SHR02 | Mddc Staff Training | 33,040 | 33,750 | 710 | 2.1% |
| SHR03 | Payroll | 56,300 | 48,870 | (7,430) | -13.2% |
| SHR04 | Learning And Development | 46,170 | 53,190 | 7,020 | 15.2% |
| SIT01 | It Gazetteer Management | 70,580 | 74,880 | 4,300 | 6.1% |
| SIT03 | It Information Technology | 902,030 | 919,770 | 17,740 | 2.0% |
| SLD01 | Electoral Registration | 197,020 | 203,830 | 6,810 | 3.5% |
| SLD02 | Democratic Rep And Management | 477,680 | 490,630 | 12,950 | 2.7% |
| SLD04 | Legal Services | 347,790 | 357,890 | 10,100 | 2.9% |
| SPR01 | Building Regulations | 3,400 | (6,430) | (9,830) | -289.1% |
| SPR04 | Local Land Charges | (20,530) | (19,200) | 1,330 | -6.5% |
| SRB01 | Collection Of Council Tax | 294,730 | 397,010 | 102,280 | 34.7% |
| SRB02 | Collection Of Business Rates | (102,250) | (103,370) | (1,120) | 1.1% |
| SRB03 | Housing Benefit Admin & Fraud | 177,740 | 132,520 | (45,220) | -25.4% |
| SRB04 | Housing Benefit Subsidy | (45,000) | 5,000 | 50,000 | -111.1% |
| SRB06 | Debt Recovery | 105,180 | 68,040 | (37,140) | -35.3% |
| | | 5,285,580 | 5,433,721 | 148,141 | 2.8% |
| | Community PDG | | | | |
| SCD01 | Community Development | 87,500 | 77,650 | (9,850) | -11.3% |
| SCS20 | Customer Services Admin | 110,360 | 23,350 | (87,010) | -78.8% |
| SCS22 | Customer First | 660,150 | 716,935 | 56,785 | 8.6% |
| SES03 | Community Safety - C.C.T.V. | 2,310 | 6,010 | 3,700 | 160.2% |
| SES04 | Public Health | 4,090 | 3,990 | (100) | -2.4% |
| SES11 | Pool Cars | - | 1,280 | 1,280 | - |
| SES16 | Es Staff Units/Recharges | 760,700 | 788,210 | 27,510 | 3.6% |
| SES17 | Community Safety | 6,350 | 6,220 | (130) | -2.0% |
| SES18 | Food Safety | (21,140) | (25,070) | (3,930) | 18.6% |
| SES21 | Licensing | (3,250) | 14,400 | 17,650 | -543.1% |
| SES22 | Pest Control | 5,000 | 5,000 | 0 | 0.0% |
| SES23 | Pollution Reduction | (720) | (650) | 70 | -9.7% |
| SPR02 | Enforcement | 105,820 | 110,370 | 4,550 | 4.3% |
| SPR03 | Development Control | 330,710 | 357,990 | 27,280 | 8.2% |
| SPR09 | Forward Planning | 252,520 | 270,620 | 18,100 | 7.2% |
| SPR11 | Regional Planning | 116,000 | 99,390 | (16,610) | -14.3% |
| SRS01 | Recreation And Sport | 690,418 | 434,750 | (255,668) | -37.0% |
| | | 3,106,818 | 2,890,445 | (216,373) | -7.0% |
| | Economy PDG | | | | |
| SCD02 | Economic Development | 50,180 | 60,640 | 10,460 | 20.8% |
| SCP01 | Parking Services | (531,710) | (632,962) | (101,252) | 19.0% |
| SPR06 | Economic Development | 444,000 | 427,810 | (16,190) | -3.6% |
| SPS12 | Gf Properties Shops/Flats | (430,860) | (404,500) | 26,360 | -6.1% |
| | | (468,390) | (549,012) | (80,622) | 17.2% |

| GENERAL FUND SUMMARY | | Budget Net Direct Cost | Current Budgeted Net Direct Cost | Movement | +/- % |
|----------------------|-------------------------------|------------------------|----------------------------------|-----------------|---------------|
| | | 2019/20 | 2020/21 | | |
| | <u>Environment PDG</u> | | | | |
| SES02 | Cemeteries | (86,540) | (85,300) | 1,240 | -1.4% |
| SES05 | Open Spaces | 91,800 | 126,120 | 34,320 | 37.4% |
| SGM01 | Grounds Maintenance | 633,740 | 567,810 | (65,930) | -10.4% |
| SPS01 | Asset Management | 30,000 | 40,000 | 10,000 | 33.3% |
| SPS03 | Flood Defence And Land Drain | 26,430 | 26,430 | 0 | 0.0% |
| SPS04 | Street Naming & Numbering | 7,560 | 7,830 | 270 | 3.6% |
| SPS05 | Administration Buildings | 257,790 | 241,380 | (16,410) | -6.4% |
| SPS06 | Mddc Depots | 38,040 | 38,190 | 150 | 0.4% |
| SPS07 | Public Transport | (13,220) | (15,690) | (2,470) | 18.7% |
| SPS08 | Office Building Cleaning | 65,980 | 62,250 | (3,730) | -5.7% |
| SPS09 | Property Services Staff Unit | 600,710 | 687,640 | 86,930 | 14.5% |
| SPS11 | Public Conveniences | 61,800 | 50,710 | (11,090) | -17.9% |
| SWS01 | Street Cleansing | 483,130 | 449,720 | (33,410) | -6.9% |
| SWS02 | Waste Collection | 369,210 | 290,450 | (78,760) | -21.3% |
| SWS03 | Recycling | 824,550 | 879,630 | 55,080 | 6.7% |
| SWS04 | Waste Management | 306,590 | 369,680 | 63,090 | 20.6% |
| | | 3,697,570 | 3,736,850 | 39,280 | 1.1% |
| | <u>Homes PDG</u> | | | | |
| SES15 | Private Sector Housing Grants | (6,070) | (11,640) | (5,570) | 91.8% |
| SHG03 | Homelessness Accommodation | 212,630 | 315,520 | 102,890 | 48.4% |
| | | 206,560 | 303,880 | 97,320 | 47.1% |
| | | | | | |
| | GRAND TOTAL | 11,828,138 | 11,815,884 | (12,254) | -0.10% |

2020-21 BUDGETS

Appendix 3

Transfers into Earmarked Reserves

| SERVICE | EMR | | MAINT 20/21 BUDGET | PLANT 20/21 BUDGET | EQUIPMENT 20/21 BUDGET | VEHICLES 20/21 BUDGET | OTHER 20/21 | NEW HOMES BONUS | |
|-----------------|-------|---|-----------------------|-----------------------|---------------------------|--------------------------|----------------|--------------------|------------------|
| CP540 | EQ686 | PAYING CAR PARKS (MACHINE REPLACEMENT SINKING FUND) | | | 3,000 | | | | |
| IT800 | EQ754 | PHOENIX HOUSE PRINTING | | | 2,200 | | | | |
| ES100 | EQ766 | CEMETERIES | 25,000 | | | | | | |
| ES450 | EQ767 | PARKS & OPEN SPACES | 25,000 | | | | | | |
| GM960 | EQ760 | GROUNDNS MAINTENANCE - PLANT | | 14,360 | | | | | |
| LD201 | EQ720 | ELECTION COSTS - DISTRICT | | | | | 25,000 | | |
| LD300 | EQ721 | DEMOCRATIC REP & MANAGEMENT | | | | | 5,000 | | |
| PR810 | EQ728 | STATUTORY DEVELOPMENT PLAN | | | | | 100,000 | | |
| PS880 | EQ765 | BUS STATION | 5,000 | | | | | | |
| PS990 | EQ685 | FORE STREET MAINT S.FUND | 5,000 | | | | | | |
| PS992 | EQ685 | MARKET WALK MAINT S.FUND | 20,000 | | | | | | |
| RS140 | EQ837 | LEISURE SINKING FUND | | | 75,000 | | | | |
| WS725 | EQ761 | KERBSIDE RECYCLING | | 20,000 | | | | | |
| WS725 | EQ763 | RECYCLING MAINT SINKING FUND (DEPOT FLOOR) | 2,700 | | | | | | |
| WS710 | EQ839 | WASTE PRESSURE WASHER | | | 2,500 | | | | |
| IT400 | EQ755 | ICT EQUIPMENT SINKING FUND | | | 189,500 | | | | |
| IE435 | EQ653 | NEW HOMES BONUS GRANT | | | | | | 1,418,190 | |
| PS980 | EQ837 | PROPERTY MAINTENANCE | 100,000 | | | | | | |
| FM100 | EQ756 | FLEET CONTRACT FUND | | | | 559,600 | | | |
| TOTAL | | | 182,700 | 34,360 | 272,200 | 559,600 | 130,000 | 1,418,190 | 2,597,050 |
| 2019/20 | | | 182,700 | 34,360 | 272,200 | 409,600 | 125,000 | 1,243,500 | 2,267,360 |
| Movement | | | - | - | - | 150,000 | 5,000 | 174,690 | 329,690 |

This page is intentionally left blank

2020-21 BUDGET

Appendix 4

Transfers from Earmarked Reserves

| SERVICE | Reserve | | UTILISE NHB | OTHER | |
|-----------------|---------|---|------------------|--------------------|--------------------|
| EQ638 | EQ638 | DEV CONT LINEAR PARK | | (4,170) | |
| EQ640 | EQ640 | W52 POPHAM CLOSE COMM FUND | | (1,950) | |
| EQ641 | EQ641 | W67 MOORHAYES COM DEV FUND | | (1,630) | |
| EQ642 | EQ642 | W69 FAYRECROFT WILLAND EX WEST | | (4,620) | |
| EQ643 | EQ643 | W70 DEVELOPERS CONTRIBUTION | | (6,650) | |
| EQ644 | EQ644 | DEV CONT WINSWOOD CREDITON | | (3,080) | |
| ES733 | EQ652 | PUBLIC HEALTH | | (52,090) | |
| PR225 | EQ824 | GARDEN VILLAGE PROJECT (PR225) | | (55,360) | |
| PR400 | EQ653 | BUSINESS DEVELOPMENT | (45,000) | | |
| PR400 | EQ653 | BUSINESS DEVELOPMENT | (80,000) | | |
| IT400 | EQ653 | ICT EQUIPMENT SINKING FUND | (189,500) | | |
| PR810 | EQ728 | STATUTORY DEVELOPMENT PLAN (PR810) | | (61,890) | |
| IE440 | EQ659 | NNDR EMR | | (150,500) | |
| FM100 | EQ756 | VEHICLE LEASE | | (521,770) | |
| RS100 | EQ837 | PROPERTY MAINTENANCE | | (347,000) | |
| PS992/PS995 | EQ838 | GF SHOPS | | (30,000) | |
| Various | EQ653 | NHB TO FUND ADDITIONAL PROJECTS FLAGGED IN CAPITAL - DEEMED REVENUE IN NATURE | (110,000) | | |
| FP100 | EQ755 | ICT EQUIPMENT SINKING FUND | | (20,000) | |
| CS900 | EQ753 | CENTRAL COPY EQUIP SFUND | | (7,000) | |
| HG320 | EQ752 | HOMELESSNESS EMR | | (101,660) | |
| IE800 | EQ653 | MRP MOVEMENT | (252,333) | | |
| | EQ653 | RELEASING OF RESERVES TO FUND THE 20/21 GF BUDGET | (283,707) | | |
| TOTAL | | | (960,540) | (1,369,370) | (2,329,910) |
| 2019/20 | | | (587,850) | (1,811,550) | (2,399,400) |
| Movement | | | (372,690) | 442,180 | 69,490 |

This page is intentionally left blank

Appendix 5

| Code | Service Unit | Previous Year Outturn | Current Year Budget | Movement | Proposed Budget 2020/21 |
|--------|--|-----------------------|---------------------|---------------|-------------------------|
| | Income | | | | |
| SHO01 | Dwelling Rents Inc | (12,181,633) | (11,977,170) | (389,580) | (12,366,750) |
| SHO04 | Non Dwelling Rents Inc | (565,736) | (564,870) | (30,850) | (595,720) |
| SHO07 | Leaseholders' Ch For Serv | (26,633) | (21,640) | 0 | (21,640) |
| SHO08 | Contributions Towards Exp | (116,226) | (27,720) | (1,500) | (29,220) |
| SHO10 | H.R.A. Investment Income | (99,169) | (83,000) | 30,000 | (53,000) |
| SHO11 | Misc. Income | (189,583) | (7,350) | 0 | (7,350) |
| | Services | | | | |
| SHO13A | Repairs & Maintenance | 3,152,591 | 3,174,000 | 419,980 | 3,593,980 |
| SHO17A | Housing & Tenancy Services | 1,229,082 | 1,732,360 | (246,740) | 1,485,620 |
| | Accounting entries below the line | | | | |
| SHO29 | Bad Debt Provision | 28,083 | 53,000 | 0 | 53,000 |
| SHO30 | Share Of Corp And Dem | 294,567 | 199,100 | (36,460) | 162,640 |
| SHO32 | H.R.A. Interest Payable | 1,165,119 | 1,178,580 | (63,400) | 1,115,180 |
| SHO34 | H.R.A. Trf To/From Emr | 3,046,802 | 1,713,350 | 359,060 | 2,072,410 |
| SHO37 | Capital Receipts Res Adj | (16,900) | (26,000) | 0 | (26,000) |
| SHO38 | Major Repairs Allowance | 2,080,581 | 2,285,000 | (25,000) | 2,260,000 |
| SHO45 | Renewable Energy Transactions | (142,709) | (139,000) | 50,000 | (89,000) |
| | NET DIRECT TOTAL | (2,341,763) | (2,511,360) | 65,510 | (2,445,850) |

Subjective Analysis

| Code | Service Unit | | Current Year Budget | Movement | Proposed 20/21 Budget |
|------|----------------------------|--|---------------------|---------------|-----------------------|
| 1000 | Employees | | 2,621,550 | 270,040 | 2,891,590 |
| 2000 | Premises | | 194,770 | 2,550 | 197,320 |
| 3000 | Transport | | 266,510 | (10,450) | 256,060 |
| 4000 | Cost Of Goods And Services | | 7,395,180 | 137,780 | 7,532,960 |
| 7000 | Income | | (12,989,370) | (334,410) | (13,323,780) |
| | NET DIRECT TOTAL | | (2,511,360) | 65,510 | (2,445,850) |
| | | | | | |
| 5000 | Recharges | | 1,534,110 | (52,480) | 1,481,630 |
| 6000 | Capital Charges | | 977,250 | (13,030) | 964,220 |
| | | | | | |
| | TOTAL | | 0 | 0 | 0 |

HRA Rent Budget 2020/21

| Description | Average rent (52 week basis) £ | Average properties 2020/21 | Annual rent total £ | Void level | Annual rent total (less voids) | Budget (rounded) |
|----------------------------|--------------------------------|----------------------------|---------------------|------------|--------------------------------|------------------|
| Social rent (in use) | 79.44 | 2,907 | 12,008,468 | 0.69% | 11,925,610 | 11,925,610 |
| Affordable rent properties | 113.59 | 81 | 478,441 | 0.69% | 475,140 | 475,140 |
| Rent written off | | | | | (35,000) | (35,000) |
| Write-offs recovered | | | | | 1,000 | 1,000 |
| HO700 budget | | | | | 12,366,750 | 12,366,750 |
| Affordable rent surplus | | | | | 87,163 | 87,160 |
| TOTAL | | 2,988 | | | | |

| | |
|--------------|-------|
| Formula Rent | 79.55 |
|--------------|-------|

HRA: Proposed Fees and Charges 2020/21

| | <u>2019/20</u> | <u>Increase</u> | <u>Increase %</u> | <u>2020/21</u> |
|---|----------------|-----------------|-------------------|----------------|
| Garage rents per week (48 week basis) <i>It should be noted that council tenants receive a discount of £2.00 per week on any garage rent</i> (note rents for 20/21 will be charged on a 52 week basis) | £11.10 | £0.50 | 4.50% | £11.60 |
| Garage ground rents (Annual charge) | £250 | £25 | 10.00% | £275 |
| <u>N.B</u> | | | | |
| MDDC Formula Rent on average (52 weeks) | £77.46 | | | £79.55 |

Assumptions**Appendix 5c**

- All rents to increase up to a maximum of 2.7% subject to rent caps
- Twenty properties sold during 20/21
- Average of 19 void properties
- Affordable rents to increase subject to the market rent cap (to an average of £113.59 per week (over 52 weeks)
- Garage rents to increase by 50p per week, to £11.60 (based on a 48 week year)
- Garage ground rents proposal to increase from £250 to £275 per annum
- Income generated from HRA retail units expected to remain at current levels
- Base pay increase of 2% also planned salary increase to cover future projects work circa £173k
- Cost of Goods and Services has increased due to an increased contribution being made to the Housing Maintenance Fund
- Returns on external invested cash balances forecast to be lower on 20/21 (£33k)
- PWLB debt repayments, based on the nature of the borrowing, is £2.645m, however the make-up for 20/21 shows interest payments of £0.975m a reduction of £94k on 19/20. We have budgeted to fund a capital project from borrowing, estimate of interest in 20/21 £89k. We will pay to the General Fund £46k of interest on internal borrowing
- £1.190m contribution to the Housing Maintenance Fund to be made.
- Recharges (in) to decrease by £82k

Assumptions**6000 CAPITAL CHARGES**

| | £000 |
|-------------------------------|------------|
| MRP for Leases and Wells Park | 47 |
| Depreciation | 2,000 |
| Depreciation Reversal | (2,000) |
| PWLB loan MRP | 916 |
| | <u>963</u> |

SHO34 HRA Transfer to/from EMR

| | |
|--------------------------|--------------|
| Surplus amount | 1,190 |
| Renewable energy surplus | 89 |
| Affordable Rent surplus | 87 |
| Loan Premium Deficit | 706 |
| | <u>2,072</u> |

PWLB LOAN

| | |
|-------------------------|------------|
| Principal repaid | 1,622 |
| Principal accounted for | 916 |
| Loan Premium deficit | <u>706</u> |

CABINET
13 FEBRUARY 2020

CAPITAL PROGRAMME 2020/21 – 2023/24

Cabinet Member Cllr Alex White
Responsible Officer Andrew Jarrett, Deputy Chief Executive (S151)

Reason for Report: To seek approval of the 2020/21 Capital Programme and note the draft 2021/22, 2022/23 and 2023/24 programmes.

RECOMMENDATIONS: That the Cabinet recommend to Full Council:

- 1. The detailed Capital Programme for 2020/21 be approved (including an additional £75k for the loan for the Crediton GP Hub) and the estimated amounts for 2021/22, 2022/23 and 2023/24 be noted.**
- 2. To agree to earmark New Homes Bonus (NHB) monies of £1.068m to support the 2020/21 Capital Programme (see para 2.3).**

Relationship to the Corporate Plan: The Capital Programme identifies the capital investment proposed across all strands of the Corporate Plan over the next four years.

Financial Implications: The Capital Programme submitted for 2020/21 is fully funded. It does, however, include £19.579m anticipated PWLB borrowing to fund various projects including Cullompton Town Centre Relief Road £3.380m, Land Acquisition £0.400m, additional monies to that approved in 19/20 for the GP Practice NHS hub building £0.075m, Waddeton Park scheme £3.605m and 3 Rivers Development Company committed projects of £12.119m. Future capital receipts are now estimated at such a low level that the Council needs continue to evaluate ways of making additional provision to fund its long-term capital programme or reduce its property portfolio. This is especially relevant after recent announcements on the future of New Homes Bonus.

Legal Implications: See comments below in relation to spending of grants and receipts.

Risk Assessment: There is a risk of clawback of external funds if sums received are not spent in accordance with the terms on which they were given, or not within agreed timescales. Useable Capital Receipts for 2020/21 have been projected at a prudent level of £570k but there is a risk that if these do not materialise, the Authority may need to delay scheme start dates to the following financial year or to make a revenue contribution to Capital to ensure full programme delivery.

Equality Impact Assessment: It is considered that the impact of this report on equality related issues would be nil.

Impact on Climate Change: There are no direct impacts from the content of this report. Any major asset replacements/upgrades will, however, consider the environmental impact in relation to carbon footprint.

1.0 Introduction

- 1.1 The proposed Capital Programme has been produced following detailed consultation with officers and is now mainly focused on essential asset maintenance, funding a range of private sector housing projects, ICT replacement and investment and ensuring that our existing housing stock is maintained to the decent homes standard. The programme also includes Council House building projects and spend to save projects that will only be undertaken if a robust business case demonstrates an acceptable payback period.
- 1.2 A significant amount of work was undertaken when producing the Council's Medium Term Financial Plan (MTFP) during the late summer, which helped to scope the size and funding of the 2020/21 capital programme. A number of subsequent meetings were held with Group Managers which focused on the essential projects (in terms of end of life asset replacement or health and safety) and involved reprioritising or rescheduling expenditure to future years.

2.0 The 2020/21 Capital Programme

- 2.1 Through reprioritisation of capital projects the Council has been able to set a balanced capital programme for 2020/21. Appendix 1 shows the proposed Capital Programme for 2020/21, which totals £27.220m.
- 2.2 The 2020/21 Capital Programme is fully funded by a combination of:

| General Fund Project Funding Sources | Amount of Funding £k |
|---|---------------------------------|
| S106 & Affordable Housing Contributions | 145 |
| Capital Reserve | 42 |
| DCLG (Disabled Facilities Grant) | 647 |
| New Homes Bonus (NHB) | 1,047 |
| HIF Funding | 430 |
| Contribution from existing Useable Capital Receipts | 70 |
| PWLB Borrowing | 19,579 |
| Other Funding (other earmarked reserves) | 50 |
| Total Funding General fund Projects | 22,010 |
| HRA Project Funding Sources | Amount of Funding £k |
| Contribution from existing Useable Capital Receipts | 541 |
| Use of forecast Useable Capital Receipts to be generated in 20/21 | 570 |
| Major Repairs Allowance | 2,260 |

| | |
|--|---------------|
| New Homes Bonus (NHB) | 21 |
| Use of forecast Replacement Homes Capital Receipts | 750 |
| Contrib from Renewable Energy fund EMR | 150 |
| Contrib from Housing Maintenance Fund | 846 |
| *Contrib from Affordable Rents Surplus EMR | 72 |
| Total Funding HRA Projects | 5,210 |
| | |
| Total Funding (GF & HRA) | 27,220 |

* Note Affordable Rents Surplus is the additional amount generated from new Council Houses let at affordable rents as opposed to social rent historically charged for our Council Homes.

- 2.3 The 2020/21 Capital Programme requires £1.068m (£1.047m General Fund + £0.021m HRA) of New Homes Bonus (NHB) funding to ensure it is balanced. Further contributions from NHB are required over the life of the MTFP, with the forecast contributions amounting to £1.995m for 2021/22, 2022/23 and 2023/24.
- 2.4 We are aware that the mechanism behind allocating NHB will change in the near future. This is a major risk to the availability of funding for our future capital programme. The Revenue report highlights the need to explore other revenue income streams to try to mitigate reduction in NHB but this will of course be challenging.
- 2.5 A contribution is expected from the Housing Maintenance Fund (30 year maintenance plan) of £0.846m in order to deliver the HRA related projects identified in the 20/21 Capital Programme. Further contributions from this reserve will be required to deliver council house building aspirations identified in our MTFP amounting to £3.692m for 2021/22 and 2022/23. The remainder of these schemes will be mainly funded by a combination of useable capital receipts (general and replacement homes receipts).
- 2.6 A deliverable programme of £2.260m has been identified to maintain our existing council house stock, the balance of available monies will remain in the Housing Maintenance Fund in order to deal with future additional spend that has been identified by the stock condition survey.
- 2.7 Appendix 1 shows, the 20/21 Capital Programme that has evolved from the MTFP and Appendix 2 shows the updated MTFP, which was originally presented at the October 2019 & subsequently at the January 2020 Cabinet; this has been refreshed with up to date information on expenditure and funding as referred to in paragraphs 2.1 to 2.6 above. A summary of the subsequent 3 years is shown in the table below.

MTFP Summary 2021/22, 2022/23 & 2023/24

| | 2021/22 £k | 2022/23 £k | 2023/24 £k |
|--|-----------------------|-----------------------|-----------------------|
| Total General Fund Capital Projects | 20,568 | 18,150 | 1,595 |
| | | | |
| Total HRA Capital Projects | 6,485 | 6,310 | 3,310 |
| | | | |
| Total GF & HRA Capital Projects | 27,053 | 24,460 | 4,905 |

For a detailed breakdown, please refer to Appendix 2

- 2.8 The further into the future we try to predict the more difficult it is to do with the same level of certainty, therefore although 2022/23 and 2023/24 give an indication of the likely resource required during these years, we will know with a greater level of certainty nearer the time and therefore the predicted level of expenditure may well change.

3.0 Funding the Capital Programme

- 3.1 NHB funding forms a substantial amount of the funding of this programme (as referred to in para 2.3 above) (£3.063m over the four years which includes £1.068m in 20/21). The anticipated change in NHB funding (referred to in para 2.4), may impact on our future capital programmes and those proposed projects may need to be curtailed to match the funding we have available.
- 3.2 Due to the very low level of estimated new capital receipts for 2020/21, only a small number of Council funded schemes have been incorporated in the Capital Programme. Council house sales have been predicted at 20 sales per annum for the life of this programme. The Government Pooling arrangements mean a proportion of the sale is pooled to the Government, a proportion is retained in a ring-fenced reserve for replacement house building (linked to the HRA self-financing arrangements that have been in place since 01/04/12) and the balance is retained by the authority as a useable capital receipt, which can be used to support our Capital Programme.
- 3.3 The projected level of usable capital receipts available for 2020/21 is £1.181m (this is made up of £0.570m, net of pooling, estimated to be generated from sales in 2020/21 and a contribution of £0.611m (£0.07m GF + £0.541m HRA) from existing Useable Capital Receipts). All other previously generated capital receipts have been used to balance the subsequent years of the MTFP.
- 3.4 The figures assumed for receipts from the sale of assets have been calculated prudently and therefore if any additional receipts are generated we can return to some of the projects which could not be funded in the first instance and consider their inclusion. Any such decision (subject to constraints within the financial rules) would require Full Council approval and be linked to the Corporate Plan priorities.

- 3.5 We continue to set aside sinking funds for future asset maintenance, replacement of Leisure plant and equipment and for future replacement of ICT systems and equipment. This ensures the revenue base budget is more robust and that we are making adequate provision to replace assets in much the same way as we have in the past for our vehicle fleet.

4.0 Council Borrowing

- 4.1 Prudential borrowing has been estimated for 2020/21, this will be used to fund General Fund schemes amounting to £19.579m which includes development schemes, infrastructure (Cullompton Relief Road) and land acquisition schemes. All schemes will be subject to a rigorous business case assessment; their cost and timing of spend will determine the amount of actual prudential borrowing required.
- 4.2 Borrowing is also envisaged in 2021/22, 2022/23 and 2023/24 amounting to £18.660m to deliver General Fund projects which includes similar projects mentioned in 4.1: development projects, infrastructure (Cullompton Relief Road) and land acquisition schemes. Borrowing is only considered in exceptional circumstances, whether in relation to the projects detailed above or for spend to save projects following a robust cost/benefit analysis exercise that would be able to demonstrate both an acceptable 'payback period' and that savings would be generated in excess of the annual revenue cost of servicing the debt.

5.0 Conclusion

- 5.1 As previously mentioned, the Capital Programme for the next four years is limited due to the scarce availability of funding (with the exception of borrowing). It is, therefore, imperative that capital funds are only spent on those projects which enable the Council to deliver its Corporate Plan objectives or reduce operational cost or generate a financial return.
- 5.2 Due to the continuing austerity programme being implemented by Central Government the Council is beginning to explore more commercial options in order to balance budgets. Examples include regeneration projects and land or building acquisition; any such projects will need to be justified through robust business cases. Projects of this type will need significant capital funding either from existing receipts or from longer term borrowing. All Members will be kept informed of any developments in these areas.

Contact for more information: Andrew Jarrett, Deputy Chief Executive (S151)
01884234242(ajarrett@middevon.gov.uk)
Robert Fish, Principal Accountant
01884 234313 rfish@middevon.gov.uk

Circulation of the Report: Cabinet

Background Papers: Capital Bid Submissions and workings for MTFP

File Reference None

MID DEVON DISTRICT COUNCIL
MONITORING OF 2020/21 CAPITAL PROGRAMME

Appendix 1

| Code | Scheme | Approved Capital Programme |
|-------|--|----------------------------|
| | | 2020/21 |
| | | £000's |
| | <u>General Fund Projects</u> | |
| | <u>Leisure</u> | |
| CA642 | Reception infrastructure review - All sites | 120 |
| CA463 | All Leisure Etarmis - Security Swipe - (linked to security project) | 30 |
| | <u>Phoenix House</u> | |
| CA487 | Etarmis - Secuirty Swipe - (linked to securty project) | 50 |
| CA488 | Boiler replacement & controls | 90 |
| | <u>General Car parks</u> | |
| CA489 | MSCP Capital Project - Phase 2 | 589 |
| | <u>MDDC Depot Sites</u> | |
| CA833 | Carlu Close - Water containment for Water Transfer Station | 80 |
| CA832 | Land acquisition for operational needs | 400 |
| | <u>MDDC Shops/Industrial Units</u> | |
| CA583 | Market Walk - Flat roof replacement | 30 |
| | <u>Other Projects</u> | |
| CA491 | Fire Dampeners - Corporate sites | 80 |
| CA485 | GP Practice NHS Hub Building | 75 |
| CA490 | West Exe South - Remodelling - additional parking spaces | 90 |
| | <u>HIF Schemes</u> | |
| CA719 | Cullompton Town Centre Relief Road (HIF) bid | 3,705 |
| CA720 | Tiverton EUE A361 Junction Phase 2 (HIF (bid) | 250 |
| | <u>ICT Projects</u> | |
| CA492 | Final phase of Desktop estate replacement/refresh | 50 |
| | <u>Other General Fund Development Projects</u> | |
| CA493 | Other projected 3 Rivers Borrowing | 2,399 |
| CA462 | 3 Rivers Scheme - Riverside Development (rear of Town Hall) Tiverton | 2,528 |
| CA486 | 3 Rivers scheme - Knowle Lane, Cullompton | 7,192 |
| CA581 | Waddeton Park, Post Hill, Tiverton | 3,605 |
| | | 21,363 |
| | <u>Private Sector Housing Grants</u> | |
| CG201 | Disabled Facilities Grants-P/Sector | 572 |
| CG208 | Wessex Reinvestment Trust Grants Scheme | 75 |
| | | 647 |
| | Total General Fund Projects | 22,010 |
| | <u>HRA Projects - Existing Housing Stock</u> | |
| CA100 | Major Repairs to Housing Stock | 2,260 |
| CA111 | Renewable Energy Fund | 150 |
| CG200 | Home Adaptations - Disabled Facilities | 300 |
| | <u>Housing Development Schemes</u> | |
| CA146 | HRA Regeneration Scheme 1 | 2,000 |
| CA147 | Affordable Housing/Purchase of ex RTB | 500 |
| | Total HRA Projects | 5,210 |
| | CAPITAL PROGRAMME GRAND TOTAL | 27,220 |

| Code | Funding Stream | Approved Capital Programme 2020/21 |
|------|--|------------------------------------|
| | | £000 |
| | General Fund Projects | |
| 9801 | S106 & Affordable Housing Contributions | 145 |
| 9990 | General Capital Reserve | 42 |
| 9701 | Govt Grant (DCLG passported from DCC) | 647 |
| 9727 | New Homes Bonus (GF) | 1,047 |
| 9980 | Contribution from existing Useable Capital Receipts | 70 |
| 9942 | PWLB Borrowing | 19,579 |
| 9990 | ICT EMR | 50 |
| 9959 | HIF Funding | 430 |
| | Total General Fund Projects | 22,010 |
| | HRA Projects | |
| 9980 | * Useable Capital Receipts | 1,111 |
| | * Contribution from existing Useable Capital Receipts £541k | |
| | * Balance to be generated in 2020/21 £570k | |
| 9710 | MRA Reserve | 2,260 |
| 9727 | New Homes Bonus (HRA) | 21 |
| 9980 | UCR 1:4:1 replacement homes | 750 |
| 9990 | Renewable energy EMR | 150 |
| 9990 | Housing Maintenance Fund | 846 |
| 9990 | Affordable rents surplus EMR | 72 |
| | Total HRA Projects | 5,210 |
| | | |
| | Grand Total (GF & HRA) | 27,220 |

| | Estimated Capital Programme 2020/21 £k | Estimated Capital Programme 2021/22 £k | Estimated Capital Programme 2022/23 £k | Estimated Capital Programme 2023/24 £k | Total £k |
|---|--|--|--|--|---------------|
| <u>Estates Management</u> | | | | | |
| <u>Leisure - Site Specific</u> | | | | | |
| <u>Lords Meadow Leisure Centre</u> | | | | | |
| Dance Studio space challenge | | 220 | | | 220 |
| Passenger lift upgrade | | 30 | | | 30 |
| <u>Exe Valley Leisure Centre</u> | | | | | |
| Hanovia UV unit | | 35 | | | 35 |
| Tennis court dome / multi purpose area | | | 150 | | 150 |
| ATP replacement | | | | 250 | 250 |
| Boilers and CHP | | 90 | | | 90 |
| Mansafe roof harness point access | | | | 40 | 40 |
| Fitness Studio equipment | | | | 214 | 214 |
| <u>Culm Valley sports centre</u> | | | | | |
| Reception and managers office extension | | 90 | | | 90 |
| Remodelling dance studio | | 150 | | | 150 |
| External doors | | 50 | | | 50 |
| ATP replacement | | | 250 | | 250 |
| <u>Leisure - Other</u> | | | | | |
| Reception infrastructure review - all sites | 120 | | | | 120 |
| All Leisure Etarmis - Security Wipe - (linked to security project). | 30 | | | | 30 |
| <u>Other MDDC Buildings</u> | | | | | |
| <u>Phoenix House</u> | | | | | |
| Cooling options AHU | | | | 150 | 150 |
| Etarmis - Security Wipe - (linked to security project). | 50 | | | | 50 |
| Mansafe roof harness point access | | | | 60 | 60 |
| Automatic doors | | 80 | | | 80 |
| Boiler replacement & controls | 90 | | | | 90 |
| <u>General Car parks</u> | | | | | |
| MSCP Capital Project - Phase 2 | 589 | | | | 589 |
| <u>MDDC Depot sites</u> | | | | | |
| Carlu Close - Water containment for Waste Transfer Station | 80 | | | | 80 |
| Carlu Close - Fuel tank | | | 75 | | 75 |
| Industrial Estate- Kings Mill | | 100 | 100 | | 200 |
| Hard surfacing - Kings Mill | | 50 | | | 50 |
| Land acquisition for operational needs | 400 | | | | 400 |
| Depot Design and Build | | 250 | 3,500 | | 3,750 |
| <u>MDDC Shops/industrial Units</u> | | | | | |
| Market Walk - Flat roof replacement | 30 | 30 | | | 60 |
| Market walk - Phase 2 of landscaping improvements | | | 55 | | 55 |
| <u>Play Areas</u> | | | | | |
| Open Space infrastructure | | 50 | 50 | | 100 |
| <u>Public Conveniences</u> | | | | | |
| West Exe South - Remodelling - additional parking spaces | 90 | | | | 90 |
| <u>Other Projects</u> | | | | | |
| Fire dampeners - Corporate sites | 80 | | | | 80 |
| MDDC CCTV Review & replacement | | 50 | | | 50 |
| GP Practice NHS Hub Building | 75 | | | | 75 |
| <u>HIF Schemes</u> | | | | | |
| Cullompton Town Centre Relief Road (HIF bid) | 3,705 | 4,141 | 6,504 | 0 | 14,350 |
| Tiverton EUE A361 Junction Phase 2 (HIF bid) | 250 | 4,700 | 3,200 | 0 | 8,150 |
| <u>ICT Projects</u> | | | | | |
| Final phase of Desktop estate replacement/refresh | 50 | 0 | | | 50 |
| Hardware replacement of Network Core Switch which provides all voice and data connectivity for PH and remote sites. | | | 80 | | 80 |
| Workstation refresh | | | | 50 | 50 |
| Secure WIFI Replacement | | | | 25 | 25 |
| MPLS Remote site contract ends July 2021 - Install costs | | 20 | | | 20 |
| <u>Other ICT Service related projects</u> | | | | | |
| Replacement Access Database - Property Services | | 100 | | | 100 |
| <u>Private Sector Housing Grants</u> | | | | | |
| Disabled Facilities Grants–P/Sector | 572 | 577 | 581 | 586 | 2,316 |
| Wessex Reinvestment Trust Grants Scheme | 75 | | | | 75 |
| <u>Other General Fund Development Projects</u> | | | | | |
| Other projected 3 Rivers Borrowing | 2,399 | 1,085 | 0 | 0 | 3,484 |
| 3 Rivers Scheme - Riverside Development (rear of Town Hall) Tiverton | 2,528 | 177 | | | 2,705 |
| 3 Rivers scheme - Knowle Lane, Cullompton | 7,192 | 3,598 | | | 10,790 |
| Waddeton Park, Post Hill, Tiverton | 3,605 | 4,895 | 3,605 | 220 | 12,325 |
| <u>Grand Total</u> | | | | | |
| Total Leisure | 150 | 665 | 400 | 504 | 1,719 |
| Total Other | 1,484 | 610 | 3,780 | 210 | 6,084 |
| Total HIF Schemes | 3,955 | 8,841 | 9,704 | 0 | 22,500 |
| Total ICT | 50 | 120 | 80 | 75 | 325 |
| Total PSH Grants | 647 | 577 | 581 | 586 | 2,391 |
| TOTAL GF PROJECTS | 6,286 | 10,813 | 14,545 | 1,375 | 33,019 |
| TOTAL GF OTHER DEVELOPMENT PROJECTS | 15,724 | 9,755 | 3,605 | 220 | 29,304 |
| GRAND TOTAL GF PROJECTS | 22,010 | 20,568 | 18,150 | 1,595 | 62,323 |

HRA Projects

Existing Housing Stock

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Major repairs to Housing Stock | 2,260 | 2,260 | 2,260 | 2,260 | 9,040 |
| Renewable Energy Fund | 150 | 250 | 250 | 250 | 900 |
| Home Adaptations - Disabled Facilities | 300 | 300 | 300 | 300 | 1,200 |

* Housing Development Schemes

| | | | | | |
|---|-------|-------|-------|-----|-------|
| HRA regeneration scheme 1 | 2,000 | | | | 2,000 |
| HRA regeneration scheme 2 | | 1,500 | | | 1,500 |
| HRA regeneration scheme 3 | | | 3,000 | | 3,000 |
| Garages Block - Redevelopment | | 800 | | | 800 |
| Affordable Housing/ Purchase of ex RTB | 500 | 500 | 500 | 500 | 2,000 |
| * Proposed Council House Building / Other schemes subject to full appraisal | | | | | |
| Depot rationalisation | 0 | 850 | | | 850 |

| | | | | | |
|-------------------------------|--------|--------|--------|-------|--------|
| Total HRA Projects | 5,210 | 6,460 | 6,310 | 3,310 | 21,290 |
| | | | | | 0 |
| | 0 | 25 | | | 25 |
| Total HRA ICT Projects | 0 | 25 | 0 | 0 | 25 |
| | | | | | 0 |
| GRAND TOTAL HRA PROJECTS | 5,210 | 6,485 | 6,310 | 3,310 | 21,315 |
| | 0 | 0 | 0 | 0 | 0 |
| | | | | | 0 |
| GRAND TOTAL GF + HRA Projects | 27,220 | 27,053 | 24,460 | 4,905 | 83,638 |
| | 0 | 0 | 0 | 0 | 0 |

MDDC Funding Summary

General Fund

| | 2020/21 £k | 2021/22 £k | 2022/23 £k | 2023/24 £k | Total £k |
|---------------------------------------|---------------|---------------|---------------|---------------|-------------|
| EXISTING FUNDS | | | | | |
| Capital Grants Unapplied Reserve | 792 | 577 | 706 | 711 | 2,786 |
| Capital Receipts Reserve | 70 | 70 | 70 | 69 | 279 |
| NHB Funding | 1,047 | 1,013 | 442 | 477 | 2,979 |
| Other Earmarked Reserves | 92 | 62 | 123 | 118 | 395 |
| HIF Funding | 430 | 8,358 | 8,857 | 0 | 17,645 |
| Subtotal | 2,431 | 10,080 | 10,198 | 1,375 | 24,084 |
| NEW FUNDS | | | | | |
| PWLB Borrowing | 19,579 | 10,488 | 7,952 | 220 | 38,239 |
| Subtotal | 19,579 | 10,488 | 7,952 | 220 | 38,239 |
| Total General Fund Funding | 22,010 | 20,568 | 18,150 | 1,595 | 62,323 |
| Housing Revenue Account | | | | | |
| EXISTING FUNDS | | | | | |
| Capital Receipts Reserve | 1,861 | 1,711 | 2,161 | 707 | 6,440 |
| NHB Funding | 21 | 21 | 21 | 21 | 84 |
| HRA Housing Maintenance Fund | 846 | 2,146 | 1,546 | 0 | 4,538 |
| Other Housing Earmarked Reserves | 2,482 | 2,582 | 2,582 | 2,582 | 10,228 |
| Subtotal | 5,210 | 6,460 | 6,310 | 3,310 | 21,290 |
| NEW FUNDS | | | | | |
| Revenue Contributions | 0 | 25 | 0 | 0 | 25 |
| Subtotal | 0 | 25 | 0 | 0 | 25 |
| Total Housing Revenue Account Funding | 5,210 | 6,485 | 6,310 | 3,310 | 21,315 |
| TOTAL FUNDING | 27,220 | 27,053 | 24,460 | 4,905 | 83,638 |

Cabinet
13 February 2020

Capital Strategy 2020/21

Cabinet Member: Councillor Alex White
Responsible Officer: Deputy Chief Executive (S151), Andrew Jarrett

Reason for Report: To agree the proposed Capital Strategy for 2020/21.

RECOMMENDATION(S) that Cabinet recommend to Council that:

- 1. The proposed Capital Strategy for 2020/21 is approved.**

Relationship to the Corporate Plan: A strategic approach to Asset Management supports our Corporate Plan priorities of business retention; growth and development. Maximising our return from all associated treasury activities enables the Council to support current levels of spending in accordance with our Corporate Plan.

Financial Implications: Good financial management and administration underpins the entire strategy.

Legal Implications: Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.

Risk Assessment: The S151 Officer is responsible for the administration of the financial affairs of the Council. A co-ordinated approach to Asset Management and Financial Planning will help mitigate the risks associated with holding and utilising assets. Financial risk is mitigated by sound Treasury Management practices and defined limits.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: There are no direct impacts from the content of this report.

Overview

- 1.1 The capital strategy for 2020/21, gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.2 The strategy is designed to be a user-friendly document which can direct stakeholders to the relevant documents relating to Treasury decisions; Asset Management and the Capital Programme for the coming years. It provides a link between these activities and reiterates the need for these to be co-ordinated to support the objectives of the Corporate Plan.

2.0 Conclusion and Recommendation

- 2.1 That Cabinet recommend to Council that: The proposed Capital Strategy for 2020/21 is approved.

Contact for more Information: Jo Nacey, Group Manager for Financial Services
01884 23(4254)
jnacey@middevon.gov.uk

Circulation of the Report: Leadership Team and Cabinet Member

Capital Strategy Report 2020/21

Introduction

The capital strategy was first published in 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance Members' understanding of these sometimes technical areas. The aim of the strategy is to ensure that elected Members fully understand the overall policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy/build assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £20k are not capitalised and are charged to revenue in year.

The detail of our approach to capitalisation is shown in our Accounting Policies in the Statement of Accounts that we produce each year.

<https://www.middevon.gov.uk/media/347892/annual-accounts-2018-19.pdf>

In 2020/21, the Council is planning capital expenditure of £27.220m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

| | 2018/19 actual £m | 2019/20 forecast £m | 2020/21 budget £m | 2021/22 budget £m | 2022/23 budget £m |
|--|----------------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Non-HRA | 948 | 2.240 | 9.816 | 15.708 | 18.150 |
| HRA | 6.030 | 4.359 | 5.210 | 6.485 | 6.310 |
| Commercial activities/ non-financial investments * | 2.639 | 7.995 | 12.194 | 4.860 | 0 |
| Total | 9.617 | 14.594 | 27.220 | 27.053 | 24.460 |

*Commercial activities / non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

The main capital projects budgeted for in 2020/21 include the following General Fund Schemes: £3.705m Cullompton Town Centre Relief Road (HIF Funded); Various in-flight projects by 3Rs £2.399m; 3Rs Riverside Development £2.258m; 3Rs Knowle Lane Development £7.192m; £3.605m Waddeton Park (75 Affordable Homes) and; HRA Schemes: £2.260m for major repairs to Housing Stock and £2.0m for Council House building schemes.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately.

Governance: Service managers bid annually to include projects in the Council's capital programme. Bids are collated by Finance who calculate the financing cost (which can be nil if the project is fully externally financed). The relevant PDGs appraise all bids based on a comparison of service priorities against financing costs and makes recommendations to Cabinet. The final capital programme is then presented to Cabinet in February and to Council the same month each year.

- For full details of the Council's capital programme see report on this Agenda.

All capital expenditure must be financed, whether from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

| | 2018/19 actual £m | 2019/20 budget £m | 2020/21 budget £m | 2021/22 budget £m | 2022/23 budget £m |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| PWLB Borrowing | 2.686 | 21.354 | 19.579 | 10.488 | 7.952 |
| New Homes Bonus | 0.260 | 1.382 | 1.068 | 1.034 | 0.463 |
| Housing Maint Fund | 1.779 | 4.098 | 0.846 | 2.146 | 1.546 |
| Capital Receipts Reserve | 1.343 | 2.044 | 1.931 | 1.781 | 2.231 |
| Other Housing EMRs | 2.252 | 2.632 | 2.482 | 2.582 | 2.582 |
| Capital Grants Unapplied | 0.929 | 1.076 | 0.792 | 0.577 | 0.706 |
| Heritage Enterprise Grant bid | | 0.600 | | | |
| HRA/RCCO | | | | 0.025 | |
| Housing Infrastructure Fund (HIF) | | 0.555 | 0.430 | 8.358 | 8.857 |
| Homes and Communities Agency Grant (HCA) | 0.183 | 0.733 | | | |
| Other GF EMRs | 0.185 | 0.719 | 0.092 | 0.062 | 0.123 |
| TOTAL | 9.617 | 35.193 | 27.220 | 27.053 | 24.460 |

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP is as follows:

Table 3: Planned MRP payments - £ millions

| | 2018/19 actual £m | 2019/20 budget £m | 2020/21 budget £m | 2021/22 budget £m | 2022/23 budget £m |
|----------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| GF - MRP/Revenue | 0.286 | 0.537 | 0.995 | 1.078 | 1.079 |
| HRA - MRP/Revenue | 0.977 | 0.972 | 0.972 | 1.005 | 1.005 |

- The Council's full minimum revenue provision / loans fund repayments statement is shown in Appendix 1 of the Treasury Management Strategy Statement

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt. The CFR is expected to increase by £22.271m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

| | 31.3.2019 actual £m | 31.3.2020 forecast £m | 31.3.2021 budget £m | 31.3.2022 budget £m | 31.3.2023 budget £m |
|---|------------------------------------|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| General Fund services | 6.800 | 7.771 | 19.034 | 25.609 | 32.678 |
| Council housing (HRA) | 42.189 | 41.439 | 41.957 | 41.147 | 40.208 |
| Commercial activities/non- financial investments | 2.259 | 10.204 | 20.695 | 25.302 | 0 |
| TOTAL CFR | 51.248 | 59.415 | 81.686 | 92.058 | 72.886 |

NB. Of the £22m increase, £10.491m relates to "in-flight" projects undertaken by 3 Rivers. There is an additional £3.380m which relates to the forward funding of Cullompton Relief Road.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Council currently has £40.445m (as at 31/03/2020) borrowing (inc Finance leases) at an average interest rate of c2% and £29m treasury investments at an average rate of 0.74%.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, and leases are shown below, compared with the capital financing requirement (see above).

Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

| | 31.3.2019 actual £m | 31.3.2020 forecast £m | 31.3.2021 budget £m | 31.3.2022 budget £m | 31.3.2023 budget £m |
|-------------------------------|------------------------------------|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Debt (incl. leases) | 41.027 | 40.445 | 56.084 | 63.812 | 47.909 |
| Capital Financing Requirement | 51.248 | 59.415 | 81.686 | 92.058 | 72.886 |

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 5, the Council expects to comply with this in the medium term.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

| | 2019/20 limit | 2020/21 limit | 2021/22 limit | 2022/23 limit |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Authorised limit – borrowing/lease | 72.0 | 95.0 | 105.0 | 86.0 |
| Operational boundary – borrowing/lease | 63.0 | 86.0 | 96.0 | 77.0 |

- Further details on borrowing are in pages 7 to 8 of the Treasury Management Strategy.

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the Government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 7: Treasury management investments in £millions

| | 31.3.2019 actual | 31.3.2020 forecast | 31.3.2021 budget | 31.3.2022 budget | 31.3.2023 budget |
|-------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Near-term investments | 18.5 | 17.0 | 15.0 | 15.0 | 15.0 |
| Longer-term investments | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| TOTAL | 23.5 | 22.0 | 20.0 | 20.0 | 20.0 |

- Further details on treasury investments are in the treasury management strategy.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Deputy Chief Executive (S151) and staff, who must act in line with the treasury management strategy approved by Full Council annually. Reports on treasury management activity are presented to Cabinet three times per year.

Investments for Economic Development Purposes

The Council makes investments to assist local public services, including making loans to other public sector bodies and the Council's subsidiary to promote economic development and provide an income stream. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it is still planned for such investments to generate a profit after all costs, and after conducting all appropriate due diligence.

In 2019/20 the Council approved a loan to fund a GP Surgery/NHS Hub in Crediton. Not only will this provide the Council with a return on its loan, it will also provide an important, modern NHS Hub in Crediton, replacing two existing GP Surgeries and offering further NHS services to the public.

Governance: Decisions on investments of this type are made by the relevant service manager in consultation with the Deputy Chief Executive (S151) and must meet the criteria and limits laid down in the Treasury Management Strategy Statement (TMSS). Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Commercial Activities

With Central Government financial support for local public services declining, the Council invests in Commercial Property for financial gain and for Economic Development purposes. It lends to its subsidiary 3 Rivers Developments Ltd to develop land and commercial income generating projects. We charge interest on loans to 3 Rivers at a commercial rate.

With economic development being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include the timing of debt repayments; development market values; development costs and profitability of the subsidiary. These risks are managed by due diligence of business cases. Although there is no cap on the level of lending between the Authority and the subsidiary, advance approval of the level of lending is required from Cabinet before the start of each financial year, with reference to the company's Annual Business Plan.

Governance: Decisions on commercial investments are made by the Deputy Chief Executive (S151) in conjunction with the Leadership Team members, in line with the criteria and limits approved by Council in the Treasury Management Strategy Statement (TMSS). Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved alongside the capital programme.

The Council also has commercial activities in retail properties, which expose it to normal commercial risks. The over-arching ethos behind these activities is economic

regeneration and retention of premises within the town centre rather than the income stream.

Asset Management

In order to ensure we are allocating our resources in the most effective way, we maintain an Asset Management Plan (AMP). The AMP sets out the Council's approach to the Strategic Management of its land and building assets. It has been developed in consultation with the Senior Officers and members of the Council who form the Capital Strategy Asset Management Group (CSAG). The AMP seeks to ensure that assets are used in the most effective and efficient way to support the delivery of the Corporate Plan.

The AMP can be found here.

<https://www.middevon.gov.uk/media/343202/20160707amp-2016-2020-cabinet-2.pdf>

The AMP enables us to consider the best use of our assets by identifying those that require investment in planned maintenance; those that we should consider disposal of; those that could generate additional income from leasing out etc. These considerations will then inform our capital programme and funding decisions.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council expects to receive £1.335m of capital receipts in the coming financial year as follows:

Table 8: Capital receipts in £ millions

| | 2018/19 actual | 2019/20 forecast | 2020/21 budget | 2021/22 budget | 2022/23 budget |
|--------------|---------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| Asset sales | 1.463 | 1.828 | 1.335 | 1.335 | 1.335 |
| Loans repaid | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1.463 | 1.828 | 1.335 | 1.335 | 1.335 |

- Further details of planned asset disposals are in the attached capital programme.

Liabilities

In addition to debt of £40.445m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £59.379m 2018/19).

Governance: The risk of liabilities crystallising and requiring payment is monitored by Finance and Legal. Any new material liabilities would be reported to Full Council for approval/notification as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and Minimum Revenue Provision (MRP) are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

| % | 2018/19 Actual | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Non-HRA | 0.09% | 1.72% | 6.88% | 7.90% | 7.66% |
| HRA | 15.85% | 16.17% | 15.25% | 15.34% | 14.65% |

- Further details on the revenue implications of capital expenditure are found in the attached Revenue Budget report.

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Deputy Chief Executive (S151) is satisfied that the proposed capital programme is prudent, affordable and sustainable because the Council has adequate means of financing and repaying any required borrowing.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Deputy Chief Executive (S151) is a qualified accountant with 16 years' of experience and the Group Manager for Corporate Property and Commercial Assets is experienced across the full range of Property responsibilities. The Council employs eight finance staff who hold one or more of the following qualifications CIPFA, CIMA, ACCA and AAT.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Link Asset Services as treasury management advisers and Ichabod Industries as technical advisers on accountancy matters. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

This page is intentionally left blank

Cabinet
13 February 2020

Treasury Management Strategy Statement
Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2020/21

Cabinet Member: Councillor Alex White
Responsible Officer: Deputy Chief Executive (S151), Andrew Jarrett

Reason for Report: To agree the proposed Treasury Management Strategy and Annual Investment Strategy for 2020/21.

RECOMMENDATION(S):

That the proposed Treasury Management Strategy and Annual Investment Strategy for 2020/21, including the prudential indicators for the next 3 years and the Minimum Revenue Provision Statement (Appendix 1), be approved.

Relationship to the Corporate Plan: Maximising our return from all associated treasury activities enables the Council to support current levels of spending in accordance with our Corporate Plan.

Financial Implications: Good financial management and administration underpins the entire strategy.

Legal Implications: Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.

Risk Assessment: The S151 Officer is responsible for the administration of the financial affairs of the Council. Implementing this strategy and the CIPFA Code of Practice on Treasury Management manages the risk associated with the Council's treasury management activity.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: There are no direct impacts from the content of this report.

1.0 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need

of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

CIPFA defines treasury management as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.0 Reporting requirements

2.1 Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;

- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisers used (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

To demonstrate the proportionality between the treasury operations and the non-treasury operations, high-level comparators are shown throughout this report.

2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. Prudential and treasury indicators and treasury strategy (this report)**
 - The first, and most important report is forward looking and covers:
 - the capital plans (including prudential indicators);
 - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
 - the treasury management strategy (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy (the parameters on how investments are to be managed).
- b. A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny. The above reports are required to be adequately scrutinised before being recommended to the Council. The Cabinet undertakes this role.

2.3 Treasury Management Strategy for 2020/21

The strategy for 2020/21 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on the use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

2.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training requirements will be reviewed in 2020/21 and training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

2.5 Treasury management consultants

The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

3.0 THE CAPITAL PRUDENTIAL INDICATORS 2020/21 – 2022/23

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

3.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

| Capital expenditure £000 | 2018/19 Actual | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Non-HRA | 948 | 2,240 | 9,816 | 15,708 | 18,150 |
| HRA | 6,030 | 4,359 | 5,210 | 6,485 | 6,310 |
| Commercial activities/ non-financial investments * | 2,639 | 7,995 | 12,194 | 4,860 | 0 |
| Total | 9,617 | 14,594 | 27,220 | 27,053 | 24,460 |

* Commercial activities / non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

| Financing of capital expenditure £000 | 2018/19 Actual | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Capital receipts | 1,343 | 670 | 1,931 | 1,781 | 2,231 |
| Capital grants | 1,112 | 1,931 | 1,222 | 8,935 | 9,563 |
| Capital reserves | 67 | 202 | 42 | 42 | 43 |
| Revenue | 4,408 | 3,756 | 4,446 | 5,807 | 4,671 |
| Net financing need for the year | 2,687 | 8,035 | 19,579 | 10,488 | 7,952 |

The net financing need for commercial activities / non-financial investments included in the above table against expenditure is shown below:

| Commercial activities / non-financial investments £000 | 2018/19 Actual | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Capital Expenditure | 2,639 | 7,995 | 12,194 | 4,860 | 0 |
| Financing costs | | | 338 | 589 | 327 |
| Net financing need for the year | 2,639 | 7,995 | 12,532 | 5,449 | 327 |
| Percentage of total net financing need % | 98.2% | 99.5% | 64.0% | 52.0% | 4.1% |

3.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £1.489m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

| £000 | 2018/19 Actual | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Capital Financing Requirement | | | | | |
| CFR - non housing | 6,800 | 7,771 | 19,034 | 25,609 | 32,678 |
| CFR - housing | 42,189 | 41,439 | 41,957 | 41,147 | 40,208 |
| CFR - Commercial activities / non-financial investments | 2,259 | 10,204 | 20,695 | 25,302 | - |
| Total CFR | 51,248 | 59,415 | 81,686 | 92,058 | 72,886 |
| Movement in CFR | | 8,167 | 22,271 | 10,372 | (19,172) |

Note that the movement in CFR will not directly match the Net Financing Need (see 3.1) due to slippage in the capital programme. Of the £22m increase, £10.491m relates to "in-flight" projects undertaken by 3 Rivers. There is an additional £3.380m which relates to the forward funding of Cullompton Relief Road.

4.0 BORROWING

The capital expenditure plans set out in section 3 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

4.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2019, with forward projections, is summarised below. The table shows the actual external debt (the treasury management operations) against the underlying capital borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

| £000 | 2018/19 Actual | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| External Debt | | | | | |
| Debt at 1 April | 41,027 | 40,445 | 39,974 | 38,200 | 35,804 |
| Expected change in Debt | | | 16,110 | 25,612 | 12,105 |
| Other long-term liabilities (OLTL) | | | | | |
| Expected change in OLTL | | | | | |
| Actual gross debt at 31 March | 41,027 | 40,445 | 56,084 | 63,812 | 47,909 |
| The Capital Financing Requirement | 51,248 | 59,415 | 81,686 | 92,058 | 72,886 |
| Under / (over) borrowing | 10,221 | 18,970 | 25,603 | 28,246 | 24,977 |

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Deputy Chief Executive (S151) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

4.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR,

but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

| Operational boundary £000 | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Debt | 63,000 | 86,000 | 96,000 | 77,000 |
| Other long term liabilities | | | | |
| Total | 63,000 | 86,000 | 96,000 | 77,000 |

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

| Authorised limit £000 | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Debt | 68,000 | 91,000 | 101,000 | 82,000 |
| Other long term liabilities | 4,000 | 4,000 | 4,000 | 4,000 |
| Total | 72,000 | 95,000 | 105,000 | 86,000 |

4.3 Prospects for interest rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

| | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank Rate View | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% | 1.25% |
| 5yr PWLB Rate | 2.30% | 2.30% | 2.40% | 2.40% | 2.50% | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% |
| 10yr PWLB Rate | 2.50% | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% | 3.30% |
| 25yr PWLB Rate | 3.00% | 3.00% | 3.10% | 3.20% | 3.30% | 3.40% | 3.50% | 3.60% | 3.70% | 3.80% | 3.80% | 3.90% | 3.90% |
| 50yr PWLB Rate | 2.90% | 2.90% | 3.00% | 3.10% | 3.20% | 3.30% | 3.40% | 3.50% | 3.60% | 3.70% | 3.70% | 3.80% | 3.80% |

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC were likely to cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a "gradual pace and to a

limited extent". Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise Bank Rate.

A more thorough economic outlook is detailed in appendices 2 and 3.

4.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Deputy Chief Executive (S151) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates* (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long-term borrowing will be postponed.
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast*, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- The Council will consider all external loan options available in the market including Public Works Loans Board, Banks, Other Local Authorities and the Municipal Bond Agency. The term and repayment profile of any loans will be determined by the periods we need finance. The level of borrowing will stay within the limits.

Any decisions will be reported to the Cabinet at the next available opportunity.

4.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

4.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps increase in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.

If rescheduling is done, it will be reported to the Cabinet at the earliest meeting following its action.

4.7 New financial institutions as a source of borrowing and / or types of borrowing

Following the decision by the PWLB on 9 October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- Municipal Bonds Agency (no issuance at present but there is potential)

The degree to which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing but our advisors will keep us informed.

4.8 Approved Sources of Long and Short term Borrowing

| On Balance Sheet | Fixed | Variable |
|-------------------------|--------------|-----------------|
| PWLB | ● | ● |
| Municipal bond agency | ● | ● |
| Local authorities | ● | |
| Banks | ● | ● |
| Finance leases | ● | ● |

5.0 ANNUAL INVESTMENT STRATEGY

5.1 Investment policy – management of risk

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (a separate report).

The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. The Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. See Appendix 4 for a list.
5. **Lending and transaction limits** (amounts and maturity), for each counterparty will be set through applying the matrix table in section 5.2.
6. The Council will set a limit for the amount of its investments which are invested for **longer than 365 days** (see section 5.4).
7. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see section 5.3).
8. The Council has engaged **external consultants** (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the Council in the context of the expected level of cash balances and need for liquidity throughout the year.
9. All investments will be denominated in **sterling**.

10. As a result of the change in accounting standards for 2019/20 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1 April 2018.)

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance (see section 5.5). Regular monitoring of investment performance will be carried out during the year.

The above criteria are unchanged from last year.

5.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Deputy Chief Executive (S151) will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty with the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term Fitch rating of AAA
 and have, as a minimum, a credit rating of F1 (Fitch), with regard for Moody's and Standard & Poor's credit ratings (where rated).
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. These banks can be included provided they continue to be part nationalised or meet the ratings in Banks 1 above.
- Banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Building societies – The Council will use all societies which:
 - i. Meet the Fitch rating for banks outlined above; and
 - ii. Have assets in excess of £1bn;
- Money Market Funds Fitch CNAV AAmmf/AAA
- Money Market Funds LNAV AAmmf/AAA
- Money Market Funds VNAV AAmmf/AAA
- UK Government (including gilts, Treasury Bills and the DMADF)
- Local authorities, Police, Fire, parish councils and other public bodies

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

| | Fitch Short term Rating | Money and/or % Limit | Transaction Limit | Time Limit |
|-------------------------------|-------------------------|----------------------|-------------------|------------|
| Banks 1 higher quality | F1 | £5m | £5m | 2yr |
| Banks 1 medium quality | n/a | n/a | n/a | n/a |

| | | | | |
|--|----------------------------|-----------------------------|---------------------------|-------------------|
| Banks 1 lower quality | n/a | n/a | n/a | n/a |
| Banks 2 – part nationalised | F1 | £5m | £5m | 1yr |
| Limit 3 category – Council’s banker (not meeting Banks 1) | F2/F3 | £5m (call account) | £5m (call account) | 1 day |
| Other institutions limit (including subsidiaries) | n/a | n/a | n/a | n/a |
| DMADF | UK sovereign rating | unlimited | unlimited | unlimited |
| Local authorities & other public bodies | N/A | unlimited | unlimited | unlimited |
| Other Bodies | N/A | £3m | £3m | unlimited |
| | Fund Rating | Money and/or % Limit | Transaction Limit | Time Limit |
| Money Market Funds - CNAV | AAAmmf/AAA | £2m | £2m | liquid |
| Money Market Funds - LVNAV | AAAmmf/AAA | £2m | £2m | liquid |
| Money Market Funds - VNAV | AAAmmf/AAA | £2m | £2m | liquid |

The proposed criteria for specified and non-specified investments are shown in Appendix 4 for approval.

UK banks – ring fencing

The largest UK banks (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits) are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will

continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings (and any other metrics considered), will be considered for investment purposes.

5.3 Other limits

Due care will be taken to consider the country, group and sector exposure of the Council's investments.

- a) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AAA. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- b) **Other limits.** In addition:
 - no more than 30% of overall investment balances will be placed with any non-UK country at any time;
 - limits in place above will apply to a group of companies;
 - the Council will not hold more than £5m with any banking group;

5.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations.

On the assumption that the UK and EU agree a Brexit deal including the terms of trade by the end of 2020 or soon after, then Bank Rate is forecast to increase only slowly over the next few years to reach 1.25% by quarter 1 2023. Bank Rate forecasts for financial year ends (March) are:

- Q1 2021 0.75%
- Q1 2022 1.00%
- Q1 2023 1.25%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

| | |
|-------------|-------|
| 2019/20 | 0.75% |
| 2020/21 | 0.75% |
| 2021/22 | 1.00% |
| 2022/23 | 1.25% |
| 2023/24 | 1.50% |
| 2024/25 | 1.75% |
| Later years | 2.25% |

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal is agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

| Upper limit for principal sums invested for longer than 365 days | 2020/21 (£m) | 2021/22 (£m) | 2022/23 (£m) |
|--|--------------|--------------|--------------|
| Principal sum invested for longer than 365 days but not exceeding 2 years. | 5 | 5 | 5 |

For its cash flow generated balances, the Council will seek to utilise money market funds and short-dated deposits (overnight to 365 days) in order to benefit from the compounding of interest.

5.5 Investment performance / risk benchmarking

The Council will use an investment benchmark to assess the performance of its investment portfolio of 7 day LIBID.

5.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5.7 Commercial and Non-Financial Investments

Property Investments. A limit of £5m will be applied to the use of non-specified investments. This principally relates to property funds, which is within the Local Authorities' Property Fund via CCLA.

Non-Financial Investments. On the 30th March 2017, Cabinet approved the establishment of a Special Purpose Vehicle – 3 Rivers Developments Limited and that the Council could lend to 3 Rivers Developments Ltd. This company is a subsidiary of Mid Devon District Council and has the sole purpose of property development.

There is no cap on the amount of money that can be loaned to 3 Rivers Developments Ltd. However, for each new project the company takes on, there is an individual loan agreement signed by the S151 Officer prior to any lending. All project spending / borrowing requirements are approved annually by Cabinet during March as part of the Annual Report/Business Plan.

Please refer to the Capital Strategy for a more detailed programme and borrowing streams.

APPENDICES

1. Prudential and treasury indicators and MRP statement
2. Interest rate forecasts
3. Economic background
4. Treasury management practice 1 – credit and counterparty risk management
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The treasury management role of the Section 151 Officer
8. Current list of eligible counterparties
9. Treasury Management Practices (TMPs)

Contact for more information:

Andrew Jarrett (01884 234242 / ajarrett@middevon.gov.uk) or

Kieran Knowles (01884 244624 / kknowles@middevon.gov.uk)

APPENDIX 1

1.0 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2020/21 – 2022/23

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

1.1 Capital expenditure

See section 3.1 for the breakdown of capital expenditure.

1.1.1 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

| % | 2018/19 Actual | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Non-HRA | 0.09% | 1.72% | 6.88% | 7.90% | 7.66% |
| HRA | 15.85% | 16.17% | 15.25% | 15.34% | 14.65% |

The estimates of financing costs include current commitments and the proposals in this budget report.

1.2 Minimum Revenue Provision (MRP) Policy Statement

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities & Local Government *Statutory Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently updated in 2018.

The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The Council is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR.

These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction)

These options provide for a reduction in the borrowing need over approximately the asset's life.

Finance leases will have their capital financing applied on a straight line basis over the life of the lease contract.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

The MRP requirement for a finance lease or PFI contract is deemed to be equal to the element of the charge/rent that goes to write down the balance sheet liability.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan.

Capital expenditure incurred during 2020/21 will not be subject to a MRP charge until 2021/22.

1.3 MRP Overpayments

A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2020, the total VRP overpayments were £0m.

APPENDIX 2

2.0 INTEREST RATE FORECASTS 2020-2023

Link Asset Services Interest Rate View

| | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank Rate View | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% | 1.25% |
| 5yr PWLB Rate | 2.30% | 2.30% | 2.40% | 2.40% | 2.50% | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% |
| 10yr PWLB Rate | 2.50% | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% | 3.30% |
| 25yr PWLB Rate | 3.00% | 3.00% | 3.10% | 3.20% | 3.30% | 3.40% | 3.50% | 3.60% | 3.70% | 3.80% | 3.80% | 3.90% | 3.90% |
| 50yr PWLB Rate | 2.90% | 2.90% | 3.00% | 3.10% | 3.20% | 3.30% | 3.40% | 3.50% | 3.60% | 3.70% | 3.70% | 3.80% | 3.80% |

The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC were likely to cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a “gradual pace and to a limited extent”. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise Bank Rate.

Bond yields / PWLB rates. There has been much speculation during 2019 that the bond market has gone into a bubble, as evidenced by high bond prices and remarkably low yields. However, given the context that there have been heightened expectations that the US was heading for a recession in 2020, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last thirty years. We

have therefore seen over the last year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated, as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of dismal ultra-low interest rates on cash deposits.

During the first half of 2019-20 to 30 September, gilt yields plunged and caused a near halving of longer term PWLB rates to completely unprecedented historic low levels. There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but also in the UK due to a correlation between US treasuries and UK gilts; at various times this correlation has been strong but at other times weak. However, forecasting the timing of this, and how strong the correlation is likely to be, is very difficult to forecast with any degree of confidence. Changes in UK Bank Rate will also impact on gilt yields.

One potential danger that may be lurking in investor minds is that Japan has become mired in a twenty-year bog of failing to get economic growth and inflation up off the floor, despite a combination of massive monetary and fiscal stimulus by both the central bank and government. Investors could be fretting that this condition might become contagious to other western economies.

Another danger is that unconventional monetary policy post 2008 (ultra-low interest rates plus quantitative easing), may end up doing more harm than good through prolonged use. Low interest rates have encouraged a debt-fuelled boom that now makes it harder for central banks to raise interest rates. Negative interest rates could damage the profitability of commercial banks and so impair their ability to lend and / or push them into riskier lending. Banks could also end up holding large amounts of their government's bonds and so create a potential doom loop (A doom loop would occur where the credit rating of the debt of a nation was downgraded which would cause bond prices to fall, causing losses on debt portfolios held by banks and insurers, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices etc.). In addition, the financial viability of pension funds could be damaged by low yields on holdings of bonds.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

In addition, PWLB rates are subject to ad hoc decisions by **H.M. Treasury** to change the margin over gilt yields charged in PWLB rates: such changes could be up or down. It is not clear that if gilt yields were to rise back up again by over 100bps within the next year or so, whether H M Treasury would remove the extra 100 bps margin implemented on 9 October 2019.

Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above forecasts (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates

- Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress was made with an agreed Brexit, then there is upside potential for earnings.

Borrowing interest rates were on a major falling trend during the first half of 2019-20 but then jumped up by 100 bps on 9 October 2019. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. However, the unexpected increase of 100 bps in PWLB rates requires a major rethink of local authority treasury management strategy and risk management.

APPENDIX 3

3.0 ECONOMIC BACKGROUND

UK

- **General election** December 2019 returned a large Conservative majority on a platform of getting Brexit done. UK to leave the EU by 31 January 2020.
- There is still considerable uncertainty about whether the UK and EU will be able to agree the details of a **trade deal** by the deadline set by the prime minister of December 2020. This leaves open the potential risks of a no deal or a hard Brexit.
- **GDP growth** has been weak in 2019 and is likely to be around only 1% in 2020.
- **November and December MPC meetings** were concerned about weak UK growth caused by the dampening effect of Brexit uncertainties and by weak global economic growth. There has been no change in Bank Rate in 2019.
- **CPI inflation** has been hovering around the Bank of England's target of 2% during 2019, but fell again in both October and November to a three-year low of 1.5%. It is likely to remain close to, or under, 2% over the next two years and so it does not pose any immediate concern to the MPC.
- **Labour market.** Employment growth has been quite resilient through 2019 until the three months to September where it fell by 58,000. However, there was an encouraging pick up again in the three months to October to growth of 24,000, which showed that the labour market was not about to head into a major downturn. The unemployment rate held steady at a 44-year low of 3.8%.
- **Wage inflation** has been steadily falling from a high point of 3.9% in July to 3.5% in October (3-month average regular pay, excluding bonuses). This meant that in real terms (i.e. wage rates higher than CPI inflation), earnings grew by about 2.0%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

USA

- **Growth** in 2019 has been falling after a strong start in quarter 1 at 3.1% (annualised rate), to 2.0% in quarter 2 and then 2.1% in quarter 3; fears of a recession in 2020 have largely dissipated but growth is likely to be relatively weak.
- The strong growth in **employment numbers** during 2018 has weakened during 2019, indicating that the economy had been cooling, while inflationary pressures were also weakening.
- **The Fed** finished its series of increases in rates to 2.25 – 2.50% in December 2018. It has cut rates by 0.25% in July, September and October to end at 1.50 – 1.75%.
- In August it also ended its programme of **quantitative tightening** (selling its holdings of treasuries etc. @ \$50bn per month during 2019).

- At its September meeting it also said it was going to **start buying Treasuries again**, although this was not to be seen as a resumption of quantitative easing but rather an exercise to relieve liquidity pressures in the repo market. In the first month, it will buy \$60bn.
- **Trade war with China.** The trade war is depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. However, progress has been made in December on agreeing a phase one deal between the US and China to roll back some of the tariffs; this gives some hope of resolving this dispute.

EUROZONE.

- **Growth** has been slowing from +1.8 % in 2018 to around half of that at the end of 2019; there appears to be little upside potential in the near future.
- **The European Central Bank (ECB)** ended its programme of quantitative easing purchases of debt in December 2018, which then meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by quantitative easing purchases of debt.
- However, the downturn in EZ growth in the second half of 2018 and during 2019, together with inflation falling well under the upper limit of its target range of 0 to 2% (but it aims to keep it near to 2%), has prompted the ECB to take various new measures to stimulate growth starting in March.
- However, since then, the downturn in EZ and world growth has gathered momentum; at its meeting on 12 September, it **cut its deposit rate** further into negative territory, from -0.4% to -0.5%, and announced a **resumption of quantitative easing purchases of debt for an unlimited period**. These purchases would start in November at €20bn per month - a relatively small amount compared to the previous buying programme.
- It is doubtful whether the various monetary policy easing measures in 2019 will have much impact on growth and, unsurprisingly, the ECB has stated that governments would need to help stimulate growth by '**growth friendly**' fiscal policy.
- Several EU countries have **coalition governments**. More recently, Austria, Spain and Italy have been in the throes of trying to form coalition governments with some unlikely combinations of parties i.e. this raises questions around their likely endurance. The latest results of German state elections has put further pressure on the frail German CDU/SDP coalition government and on the current leadership of the CDU.

CHINA.

- Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and shadow banking systems. In addition, there still needs to be a greater switch from

investment in industrial capacity, property construction and infrastructure to consumer goods production.

JAPAN

- It has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH – reversal of globalisation

- Until recent years, world growth has been boosted by **increasing globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support (i.e. subsidies) to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.
- **This weak global growth outlook for 2020 and beyond therefore means that central banks are likely to come under more pressure to support growth by looser monetary policy measures; this will militate against central banks increasing interest rates and reversing the distortions in financial markets caused by a decade of ultra-low interest rates.**
- The trade war between the US and China has been a major concern to **financial markets** due to the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming up in the US (though such fears have largely dissipated towards the end of 2019).
- These concerns resulted in **government bond yields falling sharply in 2019** in the developed world. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries (apart from

the US). There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some countries. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been predicting a downturn in growth; this confirms investor sentiment that the outlook for growth during the year ahead is weak.

INTEREST RATE FORECASTS

The interest rate forecasts provided by Link Asset Services in paragraph 3.3 are **predicated on an assumption of an agreement being reached on Brexit between the UK and the EU**. On this basis, while GDP growth is likely to be subdued in 2019 and 2020 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement on the detailed terms of a trade deal is likely to lead to a boost to the rate of growth in subsequent years. This could, in turn, increase inflationary pressures in the economy and so cause the Bank of England to resume a series of gentle increases in Bank Rate. Just how fast, and how far, those increases will occur and rise to, will be data dependent. The forecasts in this report assume a modest recovery in the rate and timing of stronger growth and in the corresponding response by the Bank in raising rates.

- In the event of an **orderly non-agreement exit in December 2020**, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.
- If there were a **disorderly Brexit**, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. Quantitative easing could also be restarted by the Bank of England. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably even, but dependent on a successful outcome of negotiations on a trade deal.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal was agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed since 2008. This means that the neutral rate of interest in an economy (i.e. the rate that is neither expansionary nor deflationary) is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. In 2018, Italy was a major concern due to having a populist coalition government which made a lot of anti-austerity and anti-EU noise. However, in September 2019 there was a major change in the coalition governing Italy which has brought to power a much more EU friendly government; this has eased the pressure on Italian bonds. Only time will tell whether this new coalition based on an unlikely alliance of two very different parties will endure.
- Weak capitalisation of some **European banks**, particularly Italian banks.
- **German minority government**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in recent state elections but the SPD has done particularly badly and this has raised a major question mark over continuing to support the CDU. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until 2021.
- **Other minority EU governments**. Austria, Finland, Sweden, Spain, Portugal, Netherlands and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.
- In October 2019, the IMF issued a report on the World Economic Outlook which flagged up a synchronised slowdown in world growth. However, it also flagged up that there was **potential for a rerun of the 2008 financial crisis**, but this time centred on the huge debt binge accumulated by corporations during the decade of low interest rates. This now means that there are corporates who would be unable to cover basic interest costs on **some \$19trn of corporate debt in major western economies**, if world growth was to dip further than just a minor cooling. This debt is mainly held by the shadow banking sector i.e. pension funds, insurers, hedge funds, asset managers etc., who, when there is \$15trn of corporate and government debt now yielding negative interest rates, have been searching for higher returns in riskier assets. Much of this debt is only marginally above investment grade so any rating downgrade could force some holders into a fire sale, which would then depress prices further and so set off a spiral down. The IMF's answer is to suggest imposing higher capital charges on lending to corporates and for central banks to regulate the investment operations of the shadow banking sector. In October 2019, the deputy Governor of the Bank of England also flagged up the dangers of banks and the

shadow banking sector lending to corporates, especially highly leveraged corporates, which had risen back up to near pre-2008 levels.

- **Geopolitical risks**, for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

APPENDIX 4

4.0 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

SPECIFIED INVESTMENTS: All investments with a high level of credit quality subject to a maturity limit of one year.

NON-SPECIFIED INVESTMENTS: Any investments that do not meet the specified investment criteria. These may be of a lower credit quality, for periods in excess of one year, or are more complex instruments which require a greater consideration by members and officers before being authorised for use. A maximum of £5m will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

| | Minimum credit criteria | Max % of total investments / £ limit per institution | Max. maturity period |
|---|---|--|----------------------|
| DMADF – UK Government | N/A | 100% | Any |
| UK Government gilts | UK sovereign rating | 100% | Any |
| UK Government Treasury bills | UK sovereign rating | 100% | Any |
| Money Market Funds CNAV | AAAmf/AAA | 100% | Liquid |
| Money Market Funds LNAV | AAAmf/AAA | £2m | Liquid |
| Money Market Funds VNAV | AAAmf/AAA | £2m | Liquid |
| Local authorities | N/A | 100% | Any |
| Term deposits with banks and building societies | F1 (Fitch) / £1bn asset base for building societies | £5m | 2 Years |

| | | | |
|--|-------------------------------|------|---------|
| Term deposits with Non-UK banks and building societies | Sovereign Fitch rating of AAA | £3m | 1 Year |
| Gilt funds | UK sovereign rating | 100% | Any |
| Property funds | LA Property Fund | £5m | Ongoing |

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

Non-specified investments. A maximum of £5m will be held in aggregate in non specified investments.

APPENDIX 5

5.0 APPROVED COUNTRIES FOR INVESTMENTS

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

The sovereign ratings shown above are at 3 January 2019 from Link.

APPENDIX 6

6.0 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Cabinet

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

(iv) Delegation from the Deputy Chief Executive (S151) to the nominated post(s) for the taking of the investment decisions:

- Group Manager for Finance (Deputy S151)

APPENDIX 7

7.0 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe for example 25+ years;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*

- *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
- *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

APPENDIX 8

8.0 CURRENT LIST OF ELIGIBLE COUNTERPARTIES

Counterparty Lending List as at 31/01/2020:

| UK Banks | | | |
|---|---------------------|-------------------|-------------------|
| | Fitch Credit Rating | Moody's Rating | S&P Rating |
| Bank | Short Term | Short Term | Short Term |
| HSBC Bank plc | F1+ | P-1 | A-1+ |
| Bank of Scotland Plc | F1 | P-1 | A-1 |
| Barclays Bank plc | F1 | P-1 | A-1 |
| Close Brothers Ltd | F1 | P-1 | |
| Lloyds Bank Plc | F1 | P-1 | A-1 |
| Goldman Sachs International | F1 | P-1 | A-1 |
| Standard Chartered Bank | F1 | P-1 | A-1 |
| Santander UK plc | F1 | P-1 | A-1 |
| Sumitomo Mitsui Banking Corp Europe | F1 | P-1 | A-1 |
| UBS | F1+ | P-1 | A-1 |
| Nationalised/Part Nationalised Banks | | | |
| Royal Bank of Scotland Plc | F1 | P-1 | A-1 |
| National Westminster Bank | F1 | P-1 | A-1 |

Building Societies

| Group Asset Ranking | | Society Assets £m | Fitch Short Term | Year end |
|----------------------------|---------------|--------------------------|-------------------------|-----------------|
| 1 | Nationwide | 238,301 | F1 | Apr-19 |
| 2 | Coventry | 46,071 | F1 | Dec-18 |
| 3 | Yorkshire | 43,055 | F1 | Dec-18 |
| 4 | Skipton | 23,204 | F1 | Dec-18 |
| 5 | Leeds | 19,390 | F1 | Dec-18 |
| 6 | Principality | 9,687 | F2 | Dec-18 |
| 7 | West Bromwich | 5,554 | - | Mar-19 |
| 8 | Nottingham | 4,054 | - | Dec-18 |
| 9 | Newcastle | 3,698 | - | Dec-18 |
| 10 | Cumberland | 2,577 | - | Mar-19 |
| 11 | The Family | 2,166 | - | Dec-18 |
| 12 | Progressive | 1,839 | - | Dec-18 |
| 13 | Cambridge | 1,455 | - | Dec-18 |
| 14 | Newbury | 1,116 | - | Dec-18 |
| 15 | Monmouthshire | 1,109 | - | Apr-19 |

Note:

Not all of the top 20 Building Societies are Fitch rated, therefore we use the overall asset base in conjunction with the Fitch Rating to assess the lending criteria. The above list does not include Non-UK Banks or Building Societies as this does not at present form part of the Treasury Strategy.

APPENDIX 9

9.0 TREASURY MANAGEMENT PRACTICES (TMPs)

CIPFA lists 12 TMPs that the council are recommended to adopt. The Deputy Chief Executive (S151) will have delegated approval over the TMPs. Any recommendations from the Deputy Chief Executive (S151) will be submitted to Cabinet for review.

This page is intentionally left blank

CABINET

13 FEBRUARY 2020

POLICY FRAMEWORK

Cabinet Member Cllr R M Deed - Leader
Responsible Officer Stephen Walford - Chief Executive

Reason for Report: To endorse the policy framework.

RECOMMENDATION(S): To recommend to Council that the Policy Framework be adopted.

Financial Implications: None arising from this report.

Legal Implications: The report is required by the constitution

Risk Assessment: Not updating the strategic policies of the Council would result in policies not being aligned to corporate objectives and an inefficient use of resources.

Equality Impact Assessment: There are no concerns with regard to equalities impact relating to the content of this report.

Relationship to Corporate Plan: An efficient and effective policy framework helps provide the infrastructure to deliver the corporate plan

Climate Change: Several policies within the Policy Framework have a direct link to climate change.

1.0 Introduction

- 1.1 The Policy Framework consists of both statutory documents that have to be adopted or approved by the Council as well as locally determined policies and strategies that form an integral part of the decision making process and their subsequent implementation.
- 1.2 A list of Strategies and Policies covered by the Framework is attached at Appendix 1.
- 1.3 It is recommended that these Strategies and Policies be formally approved as the Council's Policy Framework in accordance with the Constitution so far as they still apply and are relevant.
- 1.4 As new policies are approved by Council they will automatically be added to the Policy Framework.

2.0 Way Forward

- 2.1 Under the Budget and Policy Framework Procedure Rules, the Cabinet will be responsible for the implementation of the Budget and Policy Framework.

- 2.2 The purpose of this report therefore is to inform the Cabinet of their role in the implementation of the budget and policy framework, and highlighting to the Scrutiny Committee, Audit Committee and Policy Development Groups its work for the coming year.
- 2.3 The table therefore covers all strategic rather than operational policies and highlights those which are for Cabinet only approval and those which require full Council approval.

Contact for more Information:

Stephen Walford – Chief Executive

Sally Gabriel - Member Services Manager, sgabriel@middevon.gov.uk 01884 234229

Circulation of the Report: Councillor R M Deed, Cabinet Members and Leadership Team

| Annexe 1 | | | | | | |
|--|---|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|
| Community Policy Development Group | | | | | | |
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Air Quality Action Plan | Group Manager for Public Health and Regulatory Services | Nov-17 | Community PDG | Nov-21 | Cabinet | 4 yearly |
| Community Engagement <u>Strategy</u> (including Action Plan) | Director of Corporate Affairs & Business Transformation | Nov-18 | Community PDG | Nov-20 | Cabinet | 2 yearly |
| Community Safety Partnership Plan | Group Manager for Public Health and Regulatory Services | Nov-18 | Community PDG | Nov-20 | Council | 2 yearly |
| Corporate Anti Social Behaviour Policy | Director of Operations | Jan-18 | Community PDG | Jan-21 | Cabinet | 3 yearly |
| Corporate Heath & Safety Policy | Director of Corporate Affairs and Business Transformation | Jan-20 | Community PDG | Jan-21 | Cabinet | Annually |
| Customer Care Policy | Director of Corporate Affairs & Business Transformation | Sep-18 | Community PDG | Oct-21 | Cabinet | 3 yearly |
| Grant payments to external organisations (the strategic grants review process) | Group Manager for Growth, Economy & Delivery | Oct-16 | Community PDG | Mar-21 | Cabinet | 4 yearly |
| Operations Directorate Enforcement Policy | Director of Corporate Affairs and Business Transformation | Mar-19 | Community PDG | May-20 | Cabinet | Annually |
| Safeguarding Children & Adults at Risk Policy and Procedures | Director of Corporate Affairs and Business Transformation | Feb-19 | Community PDG | Feb-22 | Cabinet | 3 yearly |
| Single Equalities Policy and Equality Objective | Director of Corporate Affairs and Business Transformation | Nov-19 | Community PDG | Nov-20 | Cabinet | Annually |
| Town and Parish Charter | Director of Corporate Affairs and Business Transformation | Jan-18 | Community PDG | Jan-21 | Cabinet | 3 yearly |
| Unauthorised Encampment Policy | Deputy Chief Executive (S151) | Feb-19 | Community PDG | Feb-22 | Cabinet | 3 yearly |
| Contaminated Land Cost Recovery Policy | Group Manager for Public Health and Regulatory Services | Mar-15 | Environment PDG | Mar-20 | Cabinet | 5 yearly |

| Environment Policy Development Group | | | | | | |
|---|--|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Bereavement Services Fees and Charges | Deputy Chief Executive (S151) | May-18 | Environment PDG | Mar-20 | Cabinet | Annually |
| Climate Strategy and Action Plan | Group Manager for Corporate Property and Commercial Assets | Mar-16 | Environment PDG | Mar-20 | Cabinet | 4 yearly |
| High Hedges Policy | Group Manager for Street Scene and Open Spaces | Aug-16 | Environment PDG | Aug-23 | Cabinet | 7 yearly |
| Litter and Dog Bin Policy | Group Manager for Street Scene and Open Spaces | Jun-17 | Environment PDG | Mar-20 | Cabinet | 3 yearly |
| National Assistance Burial Procedure | Deputy Chief Executive (S151) | Jun-19 | Environment PDG | Jun-24 | Cabinet | 5 yearly |
| Open Space and Play Area Strategy (2013 - 2033) | Group Manager for Street Scene and Open Spaces | Jan-15 | Environment PDG | Jan-33 | Cabinet | 18 yearly |
| Parks and Open Spaces 10 Year Management Plan and Design Principles | Group Manager for Street Scene and Open Spaces | Nov-17 | Environment PDG | Nov-27 | Cabinet | 10 yearly |
| Play Area Safety Inspection Policy | Deputy Chief Executive (S151) | Aug-19 | Environment PDG | Aug-22 | Cabinet | 3 yearly |
| Environment Educational Enforcement Policy | Group Manager for Public Health and Regulatory Services | Mar-17 | Environment PDG | Mar-20 | Cabinet | 3 yearly |
| Tree Policy | Deputy Chief Executive (S151) | May-16 | Environment PDG | May-21 | Cabinet | 5 yearly |

| Economy - Policy Development Group | | | | | | |
|---|--|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Destination Management Plan for Mid Devon | Chief Executive and Director of Growth | Mar-18 | Economy PDG | Mar-23 | Economy PDG - Cabinet | Every 5 years |
| Economic Strategy 2019-2024 (formerly known as the Mid Devon Economic Development Strategy 2012 - 2015) | Chief Executive and Director of Growth | Feb-19 | Economy PDG | Jan-24 | Economy PDG - Cabinet | 5 yearly |
| Joint Exeter and the Heart of Devon (EHOD) Economic Development Strategy (review progress against action plan only) | Chief Executive and Director of Growth | Jan-19 | Economy PDG | May-20 | Economy PDG - Cabinet | Annually |
| Market Environmental Strategy 2017-2022 | Chief Executive and Director of Growth | Feb-18 | Economy PDG | Feb-22 | Economy PDG - Cabinet | Every 5 years |
| Shopfront Enhancement Schemes (£15k non-key) | Chief Executive and Director of Growth | Jan-19 | Economy PDG | Jan-22 | Economy PDG - Cabinet | 3 yearly |
| Strategy for Tiverton 2017/27 | Chief Executive and Director of Growth | Feb-17 | Economy PDG | Feb-27 | Economy PDG - Cabinet | Every 10 years |
| Joint Exeter and Heart of Devon (EHOD) Economic Development Strategy | Chief Executive and Director of Growth | Jan-17 | Cabinet | Sep-20 | Cabinet | 3 Yearly |

| Homes Policy Development Group | | | | | | |
|---|---|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Aids and Adaptations Policy | Director of Corporate Affairs and Business Transformation | Sep-16 | Homes PDG | Sep-20 | Cabinet | 4 yearly |
| Allocations Policy and Procedures | Director of Corporate Affairs and Business Transformation | March 2016 | Homes PDG | Mar-20 | Cabinet | 3 yearly |
| ASB Policy and Procedures | Director of Corporate Affairs and Business Transformation | Jul-15 | Homes PDG | May-20 | Cabinet | 3 yearly |
| Car Parking Management Policy (housing amenity, residential and permit holder car parks). | Director of Corporate Affairs and Business Transformation | Jan-16 | Homes PDG | Mar-20 | Cabinet | 4 yearly |
| Community Houisng Fund Grant Policy | Director of Corporate Affairs and Business Transformation | May-18 | Homes PDG | May-22 | Cabinet | 4 yearly |
| Compensation Policy | Director of Corporate Affairs and Business Transformation | Jan-20 | Homes PDG | Dec-29 | Cabinet | 10 yearly |
| Decant Policy | Director of Corporate Affairs and Business Transformation | Jan-17 | Homes PDG | Jan-21 | Cabinet | 4 yearly |
| Domestic Abuse Policy | Director of Corporate Affairs and Business Transformation | Jul-15 | Homes PDG | May-20 | Cabinet | 4 yearly |
| Fire Risk in Communal Areas Policy | Director of Corporate Affairs and Business Transformation | Jul-17 | Homes PDG | Jul-21 | Cabinet | 4 yearly |
| Gararge Management Policy | Director of Corporate Affairs and Business Transformation | Jan-16 | Homes PDG | Mar-20 | Cabinet | 4 yearly |
| Gas Safety Policy | Director of Corporate Affairs and Business Transformation | Sep-18 | Homes PDG | Sep-22 | Cabinet | 4 yearly |
| Harrassment Policy | Director of Corporate Affairs and Business Transformation | Oct-19 | Homes PDG | Oct-29 | Cabinet | 10 yearly |
| Hoarding Policy | Director of Corporate Affairs and Business Transformation | Oct-19 | Homes PDG | Oct-29 | Cabinet | 10 yearly |
| Homelessness Strategy | Director of Corporate Affairs and Business Transformation | Dec-19 | Homes PDG | Dec-24 | Cabinet | 5 yearly |
| Housing Assistance Policy, Devon wide (previously known as the Private Sector Renewal Policy) | Director of Corporate Affairs and Business Transformation | Mar-19 | Homes PDG | Mar-20 | Cabinet | Annually |
| Housing Enabling - SPD (S106 - Houisng Need Allocation - Exception Sites) | Director of Corporate Affairs and Business Transformation | May-17 | Homes PDG | May-20 | Cabinet | 3 yearly |
| Housing Revenue Account Asset Management Strategy | Director of Corporate Affairs and Business Transformation | May-14 | Homes PDG | Mar-20 | Cabinet | 5 Yearly |

| Homes Policy Development Group | | | | | | |
|---|---|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Housing Strategy | Director of Corporate Affairs and Business Transformation | Jan-16 | Homes PDG | Jan-21 | Cabinet | 5 yearly |
| Improvements to Council Property Policy | Director of Corporate Affairs and Business Transformation | Jan-20 | Homes PDG | Dec-29 | Cabinet | 10 yearly |
| Income Management Policy | Director of Corporate Affairs and Business Transformation | Jan-20 | Homes PDG | Dec-29 | Cabinet | 10 yearly |
| Introductory Tenancies Policy | Director of Corporate Affairs and Business Transformation | Sep-16 | Homes PDG | Sep-20 | Cabinet | 4 yearly |
| Leasehold Management policy | Director of Corporate Affairs and Business Transformation | Dec-15 | Homes PDG | May-20 | Cabinet | 4 yearly |
| Neighbourhood Management Policy | Director of Corporate Affairs and Business Transformation | Sep-18 | Homes PDG | Sep-22 | Cabinet | 4 yearly |
| Pets and Animals policy | Director of Corporate Affairs and Business Transformation | Oct-19 | Homes PDG | Oct-29 | Cabinet | 10 yearly |
| Private Sector Fees & Charges | Director of Corporate Affairs and Business Transformation | Mar-19 | Homes PDG | Mar-20 | cabinet | Annually |
| Recharge Policy | Director of Corporate Affairs and Business Transformation | Sep-18 | Homes PDG | Sep-22 | Cabinet | 4 yearly |
| Service Standards Review | Director of Corporate Affairs and Business Transformation | Sep-16 | Homes PDG | Sep-20 | Cabinet | 4 yearly |
| Severe Weather Emergency Protocol and Extended Winter Provision Protocol | Director of Corporate Affairs and Business Transformation | Jan-18 | Homes PDG | Sep-20 | Cabinet | 2 yearly |
| Supply and Demand Policy | Director of Corporate Affairs and Business Transformation | Jan-19 | Homes PDG | Jan-22 | Cabinet | 3 yearly |
| Telecare Policy | Director of Corporate Affairs and Business Transformation | Mar-17 | Homes PDG | Mar-21 | Cabinet | 4 yearly |
| Tenancy Policy | Director of Corporate Affairs and Business Transformation | Aug-15 | Homes PDG | May-20 | Cabinet | 4 yearly |
| Tenancy Changes Policy (formerly known as the 'Succession and Assignment Policy') | Director of Corporate Affairs and Business Transformation | Jun-16 | Homes PDG | May-20 | Cabinet | 4 yearly |
| Tenancy Agreement | Director of Corporate Affairs and Business Transformation | Jul-16 | Homes PDG | Jul-21 | Cabinet | 5 yearly |
| Tenancy Inspection Policy | Director of Corporate Affairs and Business Transformation | Jul-16 | Homes PDG | Jul-20 | Cabinet | 4 yearly |
| Tenant Involvement Policy | Director of Corporate Affairs and Business Transformation | May-18 | Homes PDG | May-22 | Cabinet | 4 yearly |
| Tenant Involvement Strategy | Director of Corporate Affairs and Business Transformation | May-18 | Homes PDG | May-22 | Cabinet | 4 yearly |

| Homes Policy Development Group | | | | | | |
|---|---|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Tenancy Strategy (Formerly known as the Strategic Tenancy Policy) - <i>Awaiting Government Regulations on Tenancy Policies</i> | Director of Corporate Affairs and Business Transformation | Nov-12 | Homes PDG | May-20 | Cabinet | 4 yearly |
| Void Management Policy | Director of Corporate Affairs and Business Transformation | Jan-19 | Homes PDG | Jan-29 | Cabinet | 10 yearly |
| Vulnerability Policy | Director of Corporate Affairs and Business Transformation | Mar-17 | Homes PDG | Mar-21 | Cabinet | 4 yearly |

| Licensing Committee | | | | | | |
|---|---|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|
| Policy | Responsible Officer | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Hackney Carriage and Private Hire Policy and Conditions | Group Manager for Public Health and Regulatory Services | Nov-18 | Regulatory Committee | Nov-21 | Regulatory Committee | 3 Yearly |
| Licensing Policy | Group Manager for Public Health and Regulatory Services | Nov-18 | Licensing Committee | Oct-23 | Council | 5 yearly |
| Statement of Principles for Gambling Act 2005 | Group Manager for Public Health and Regulatory Services | Oct-18 | Licensing Committee | Oct-21 | Council | 3 Yearly |

| Audit Committee | | | | | | |
|--|---|---------------|-----------------------------------|---------------------------------|--------------------------------|--------------------------|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Annual Governance Statement and Governance Framework | Director of Corporate Affairs and Business Transformation | Jul-19 | Audit Committee | Jul-20 | Audit Committee | Annually |
| Anti-fraud and Corruption and Anti-Money Laundering Policies | Director of Corporate Affairs and Business Transformation | Nov-18 | Audit Committee | Dec-22 | Audit Committee | 4 yearly |
| Debt Collection Policy | Deputy Chief Executive (S151) | Mar-18 | Audit Committee | Mar-21 | Cabinet | 3 yearly |
| Data Quality Policy | Director of Corporate Affairs and Business Transformation | Nov-18 | Audit Committee | Dec-22 | Audit Committee | 4 yearly |
| Financial and Contract Procedure Rules | Deputy Chief Executive (S151) | Jan-19 | Audit Committee | Jan-22 | Audit Committee - Full Council | 3 yearly |
| Four year Strategic Audit Plan and Work Programme | DAP | Mar-19 | Audit Committee | Mar-20 | Audit Committee | Annually |
| Internal Audit Charter and Strategy | DAP | Mar-19 | Audit Committee | Mar-20 | Audit Committee | Annually |
| Risk and Opportunity Management Strategy | Director of Corporate Affairs and Business Transformation | Mar-19 | Audit Committee | Mar-20 | Audit Committee | Annually |
| Whistleblowing Policy | Director of Corporate Affairs and Business Transformation | Mar-17 | Audit Committee | Mar-21 | Audit Committee | 4 yearly |

| Cabinet | | | | | | |
|--|---|---------------|--|--|--|--|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Statement of Community Involvement | Head of Planning, Economy and Regeneration | Aug-12 | PPAG | Mar-20 | Cabinet - Council | As and when required |
| Area of Special Control for advertisements | Head of Planning, Economy and Regeneration | Dec-11 | PPAG | Linked to the Local Plan | Cabinet - Council | When required |
| Asset Management and Capital Strategy Plan 2016-2020 | Deputy Chief Executive (S151) | Jul-16 | Cabinet | Jul-20 | Cabinet | 4 years |
| Capital Strategy & Asset Management Plan 2016 - 2020 | Deputy Chief Executive (S151) | Jul-16 | Cabinet | Jul-20 | Cabinet | 4 yearly |
| Channel Access Strategy 2014-2017 | Director of Corporate Affairs abd Business Transformation | Sep-18 | Cabinet | Oct-21 | Cabinet | 3 years |
| Community Infrastrure Levy | Head of Planning, Economy and Regeneration | Dec-16 | PPAG | As and when required as part of the Local Plan | Cabinet - Council | As and when required as part of the Local Plan |
| Complaints and Feedback policy | Director of Corporate Affairs and Business Transformation | Oct-18 | Cabinet | Sep-21 | Cabinet | 3 years |
| Corporate Asbestos Policy | Deputy Chief Executive (S151) | Oct-15 | Cabinet | Feb-20 | Cabinet | 3 years |
| Corporate Debt Recovery Policy | Deputy Chief Executive (S151) | Feb-18 | Audit Committee - Cabinet | Feb-21 | Cabinet | 3 years |
| Corporate Plan (2016 - 2020) | Director of Corporate Affairs and Business Transformation | Mar-16 | Cabinet | Mar-20 | Cabinet - Council | 4 yearly |
| Council Tax Reduction Scheme | Deputy Chief Executive (S151) | Dec-16 | Cabinet | Feb-20 | Cabinet | When required |
| Data Protection Policy | Director of Corporate Affairs and Business Transformation | Jun-19 | Cabinet | Jun-22 | Cabinet | Annually for the first year (2019) and then 3 yearly after that. |
| Discretionary Rate Relief Scheme | Deputy Chief Executive (S151) | Feb-19 | Cabinet | Feb-20 | Cabinet | Annually |
| Email Policy | Director of Corporate Affairs and Business Transformation | Dec-15 | Cabinet Member for Community-Well-Being | Apr-20 | Cabinet Member for Community Well-Being | 5 Yearly |
| The Establishment | Director of Corporate Affairs and Business Transformation | Feb-19 | Cabinet | Feb-20 | Cabinet | Annually |
| Freedom of Information Policy | Director of Corporate Affairs and Business Transformation | Jun-19 | Cabinet or Cabinet Member | Jun-22 | Cabinet | Annually for the first year (2019) and then 3 yearly after that. |
| ICT Strategy | Director of Corporate Affairs and Business Transformation | Feb-19 | Cabinet | Feb-24 | Cabinet | 5 yearly |
| Internet Policy | Director of Corporate Affairs and Business Transformation | Dec-15 | Cabinet Member for the Working Environment and Head of ICT | Apr-20 | Cabinet Member for the Working Environment | 5 Yearly |

| Cabinet | | | | | | |
|--|---|---------------|--|--|------------------------|--|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed |
| Leisure Pricing Policy | Deputy Chief Executive (S151) | Dec-19 | Individual Decision by the Cabinet Member for Community Well Being | Dec-20 | Cabinet | Annually |
| Local Development Scheme | Head of Planning, Economy and Regeneration | May-18 | PPAG | As and when required as part of the Local Plan or GESP | Cabinet | As and when required as part of the Local Plan or GESP |
| Local Enforcement Plan (replaces Development Control Enforcement Policy) | Head of Planning, Economy and Regeneration | Jan-18 | PPAG | Jan-21 | Cabinet - Council | 3 yearly |
| Medium Term Financial Strategy | Deputy Chief Executive (S151) | Oct-19 | Cabinet | Oct-20 | Cabinet | Annually |
| Pay Policy | Director of Corporate Affairs and Business Transformation | Feb-19 | Cabinet | Feb-20 | Cabinet - Council | Annually |
| Records Management Policy | Director of Corporate Affairs and Business Transformation | Jun-18 | Cabinet | Jun-22 | Cabinet | 4 yearly |
| Treasury Management Strategy and Annual Investment Strategy | Deputy Chief Executive (S151) | Feb-19 | Cabinet | Feb-20 | Council | Annually |
| Information Security and Information Security Incident Policies | Director of Corporate Affairs and Business Transformation | Oct-18 | Cabinet | Oct-21 | Cabinet | 3 yearly |

CABINET FEBRUARY 13 2020

ESTABLISHMENT

Cabinet Member(s): Cllr Bob Deed, Cllr Nikki Woollatt
Responsible Officer: Matthew Page, Group Manager for HR

Reason for Report: To inform Members of the overall structure of the Council showing the management and deployment of officers. This report should be read in conjunction with the functions of individual officers highlighted in the Constitution.

RECOMMENDATION: The Cabinet is asked to recommend to Council the Establishment.

Financial Implications: Financial risk will only occur where the structure of a service changes without adherence to allocated budgets.

Legal Implications: In accordance with article 14 of the Constitution.

Risk Assessment: If the establishment is not appropriately managed and reviewed then service delivery will be put at risk.

Equality Impact Assessment: No equality issues highlighted in this report.

Relationship to Corporate Plan: This report highlights the Establishment figures and, as such, supports our aim to reduce costs without affecting service quality and continuity.

Impact on Climate Change: No climate change issues highlighted in this report.

1.0 Introduction/Background

- 1.1 Under Article 14 of the Mid Devon District Council Constitution, the Chief Executive is required to report to full Council on the manner in which the discharge of the Council's functions is coordinated, the number and grade of officers required and the organisation of officers (see Structure Charts).

2.0 Structure of the Council

- 2.1 There has been a good amount of progress made in providing practical solutions and expertise to support the Council with the delivering of its objectives. The creation of a new all staff consultative group, a new sickness absence policy (see section 4) and the development of the competency framework are some of the highlights from the past six months. There is a lot more to do however, particularly in improving the quality of line management (informal) interventions and delivering the all-important skills review (audit) this autumn.

3.0 Establishment

- 3.1 The FTE as at 1 December 2019 was 432.18 (including 12 Apprentices) compared to 419.92 (including 15 Apprentices) as at 1 December 2018. The small rise in staff in Finance and Operations is partly down to vacancies being included in the establishment which have not been filled (so the establishment looks fuller than it actually is).
- 3.2 There was also the recruitment of some additional posts including the addition of a Group Manager in Revenues and Benefits. Some Operations departments have made a concentrated effort to reduce casual workers but have allocated more hours to the actual establishment to cover service delivery (eg Leisure).

| Directorate | FTE 2019 | FTE 2018 |
|-------------------|----------|----------|
| Chief Executive | 4.86 | 4.86 |
| Corporate Affairs | 60.24 | 62.01 |
| Finance & Assets | 54.13 | 49.87 |
| Operations | 270.9 | 259.81 |
| Planning | 42.05 | 43.38 |
| | | |
| Total | 432.18 | 419.92 |

4.0 Sickness Absence

- 4.1 Sickness absence continues to be managed and support is provided to assist employees on long term sickness back to work. The current data below indicates a decrease of 0.4 days lost per FTE during the monitoring period compared to last year.

| Monitoring Period | Days Lost | Long Term Absence (15+ days) | Short Term Absence (less than 15 days) |
|--------------------------|------------------------------------|------------------------------------|--|
| 1 Dec 2018 – 30 Nov 2019 | 3564 (average 8.2 per employee) | 1628 (average 3.7 per employee) | 1936 (average 4.5 per employee) |
| 1 Dec 2017- 30 Nov 2018 | 3635 (average 8.6 per employee) | 1884 (average 4.4 per employee) | 1750 (average 4.1 per employee) |

- 4.2 Out of an average headcount of 524 members of staff, 150 had no recorded sickness absence during the 12 month monitoring period which equates to 28% of the workforce.

- 4.3 The table below provides a breakdown of both Long and Short Term absence by reason with the highest highlighted in red during the period 1 December 2018 to 30 November 2019.

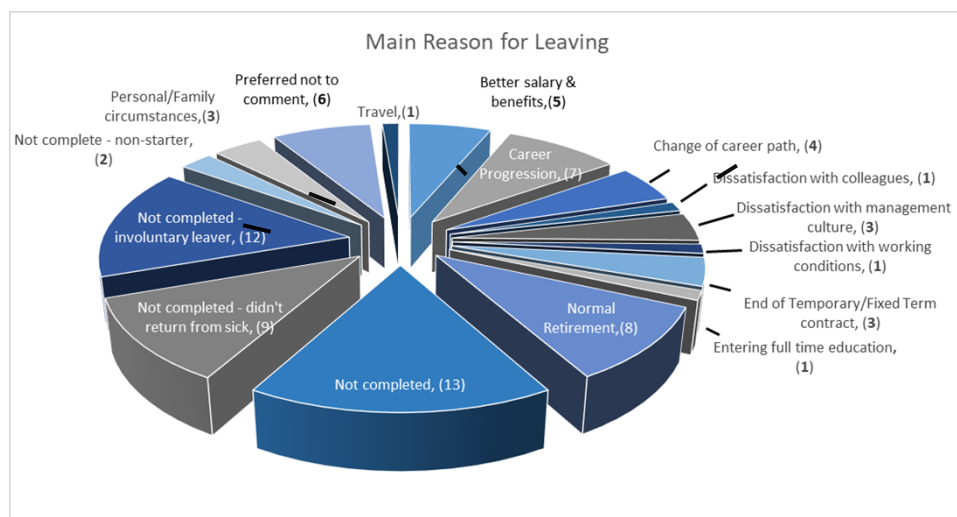
| Reason | Long Term days | Short Term days | Total Days Lost |
|---|----------------|-----------------|-----------------|
| Back & Neck | 103 | 111 | 214 |
| Chest & Respiratory | 151 | 96 | 247 |
| Eye, ear, nose & mouth | 55 | 123 | 178 |
| Genitourinary/gynaecological | 116 | 37 | 153 |
| Heart, Blood Pressure | 49 | 38 | 87 |
| Infection | 69 | 476 | 545 |
| Musculo-skeletal | 406 | 177 | 583 |
| Neurological | 0 | 98 | 98 |
| Pregnancy related | 0 | 6 | 6 |
| Skin disorder | 0 | 24 | 24 |
| Stomach, liver, Kidney | 63 | 380 | 443 |
| Stress, mental health | 616 | 302 | 918 |
| Industrial Injury | 0 | 9 | 9 |
| Other | 0 | 59 | 59 |
| Total | 1628 | 1936 | 3564 |
| Days Lost per employee (total days/FTE) | 3.77 | 4.48 | 8.25 |

- 4.4 A new Sickness Absence Policy has been brought in from the 1 February 2020 to improve the quality of management interventions around sickness. Key changes include the requirement for employees to directly certify their sickness to their line manager on the first day of their sickness, a new guideline that we would not expect any employee to exceed 6 days of sickness in the rolling year and clearer advice on how to manage short term and long term sickness.
- 4.5 The statistics detailed above in 4.3 show the number of days lost due to short term sickness higher than the days lost due to long term sickness. This is unusual and suggests that we require a more robust approach to managing short term sickness. The policy looks to help improve this aspect of management performance.

5.0 Turnover

- 5.1 The annual turnover rate to December 2019 is 14.7%. During the 12 month monitoring period 77 employees left the council; 55 were resignations, 8 were retirements, 11 dismissals and 3 end of fixed term contract.

- 5.2 Turnover is higher than at the same stage of the reporting cycle last year (11.73%). This is in part down to restructuring carried out in different parts of the business but also to some difficult capability, conduct and sickness issues that have needed to be addressed.



6.0 Looking Forward

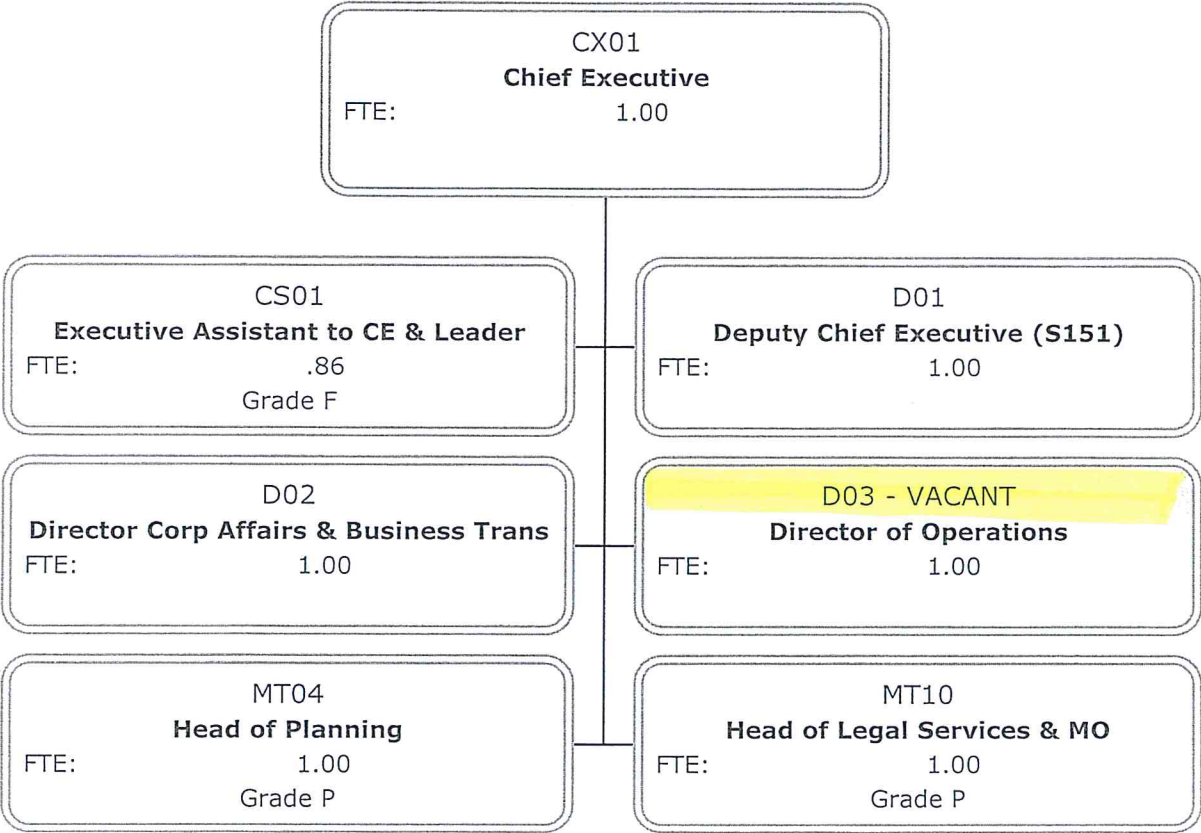
- 6.1 Leadership Team and the recently formed Corporate Management Team will continue to review both the make-up and content of our Establishments to ensure they are robust and market ready.
- 6.2 The successful implementation of the new Sickness Absence policy is vital to reducing short term absence and subsequent pressures eg agency spend. This will be a key area of focus for the Group Manager for HR and the management teams across the Council.
- 6.3 The carrying out of the skills review (audit) in October of this year will be a key milestone in terms of our workforce planning and us knowing the wider strengths and development opportunities in our employees. This will help further develop and focus our talent development.
- 6.4 The regular provision of workforce data (quarterly) will allow us to better understand our establishment performance eg turnover, vacancy rate, and compare this to our financial and operational performance eg agency spend.

Contact for more Information: Matthew Page, Group HR Manager (01884 234919 / mpage@middevon.gov.uk)

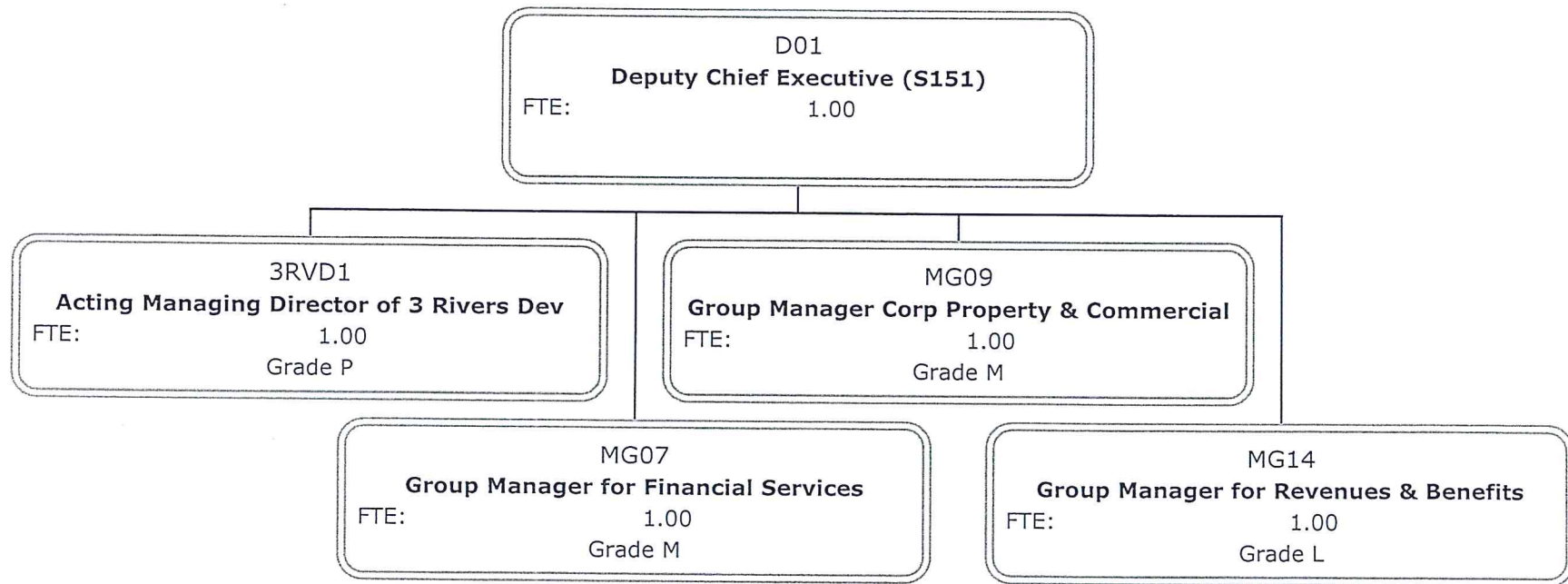
Circulation of the Report: Cllr N Woollatt, Cabinet, Leadership Team

List of Background Papers: Establishment Report 2019, Structure Charts

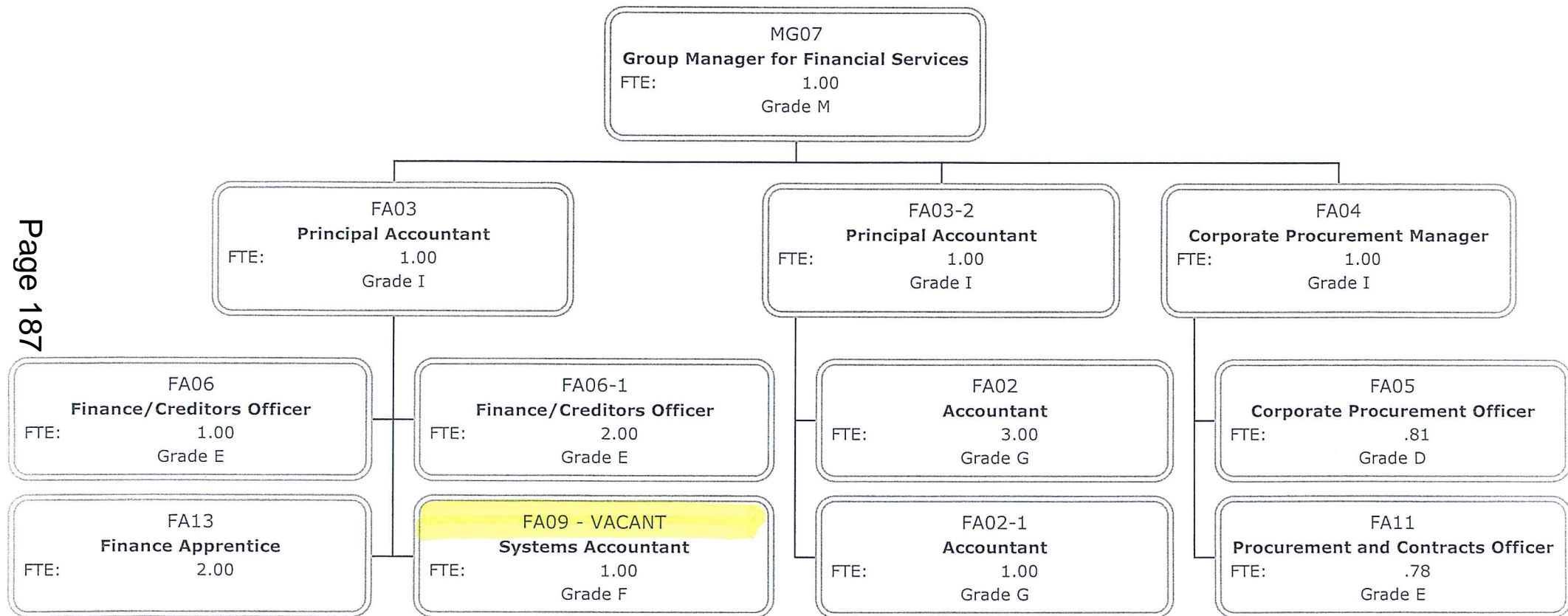
Chief Executive



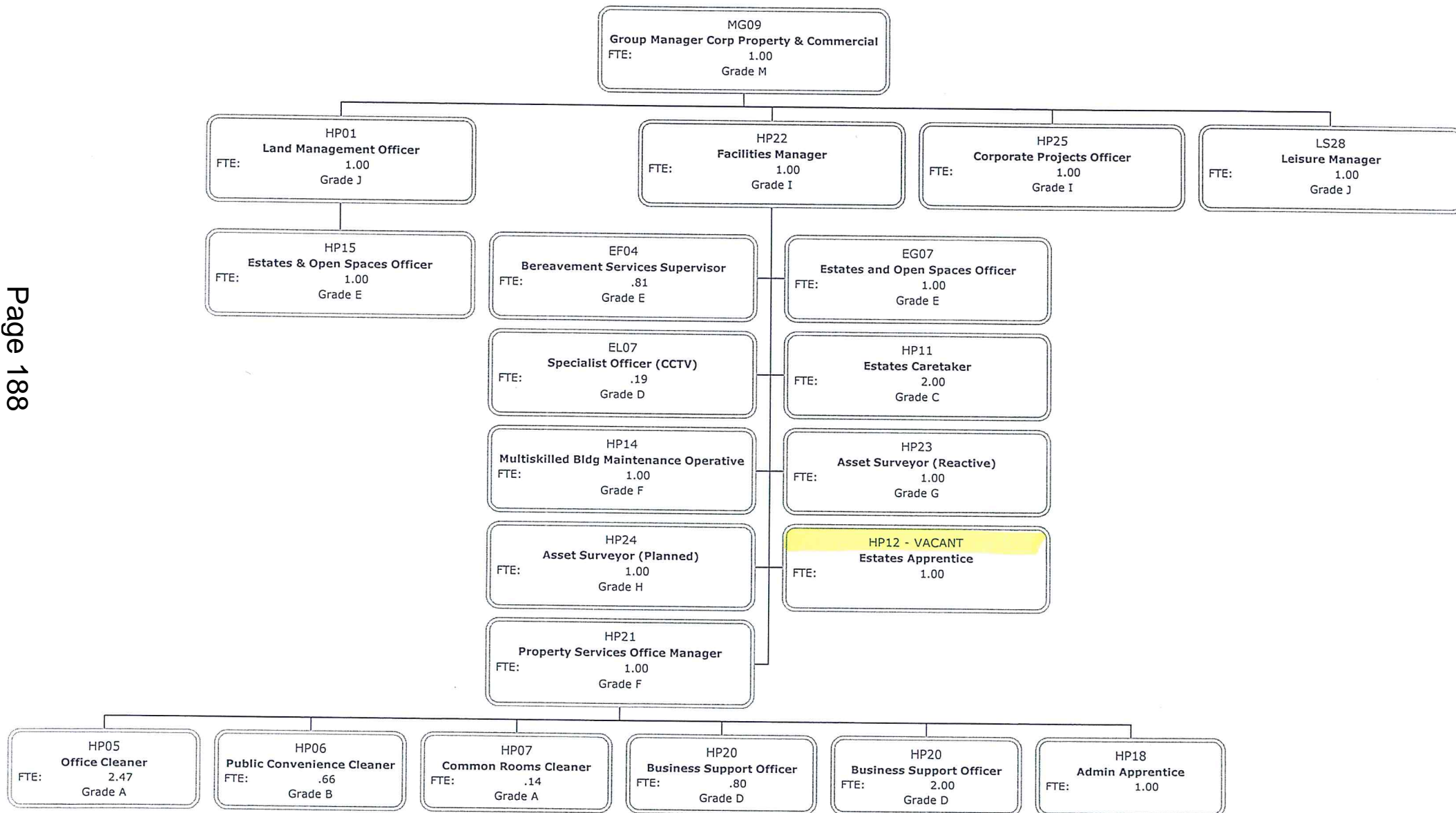
Deputy Chief
Executive (S151)



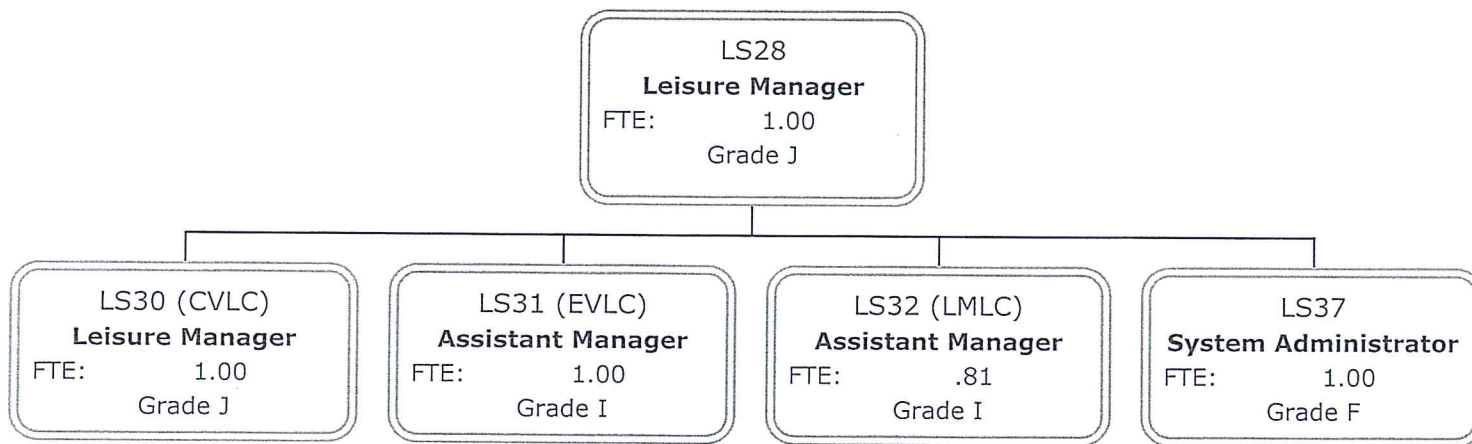
Finance



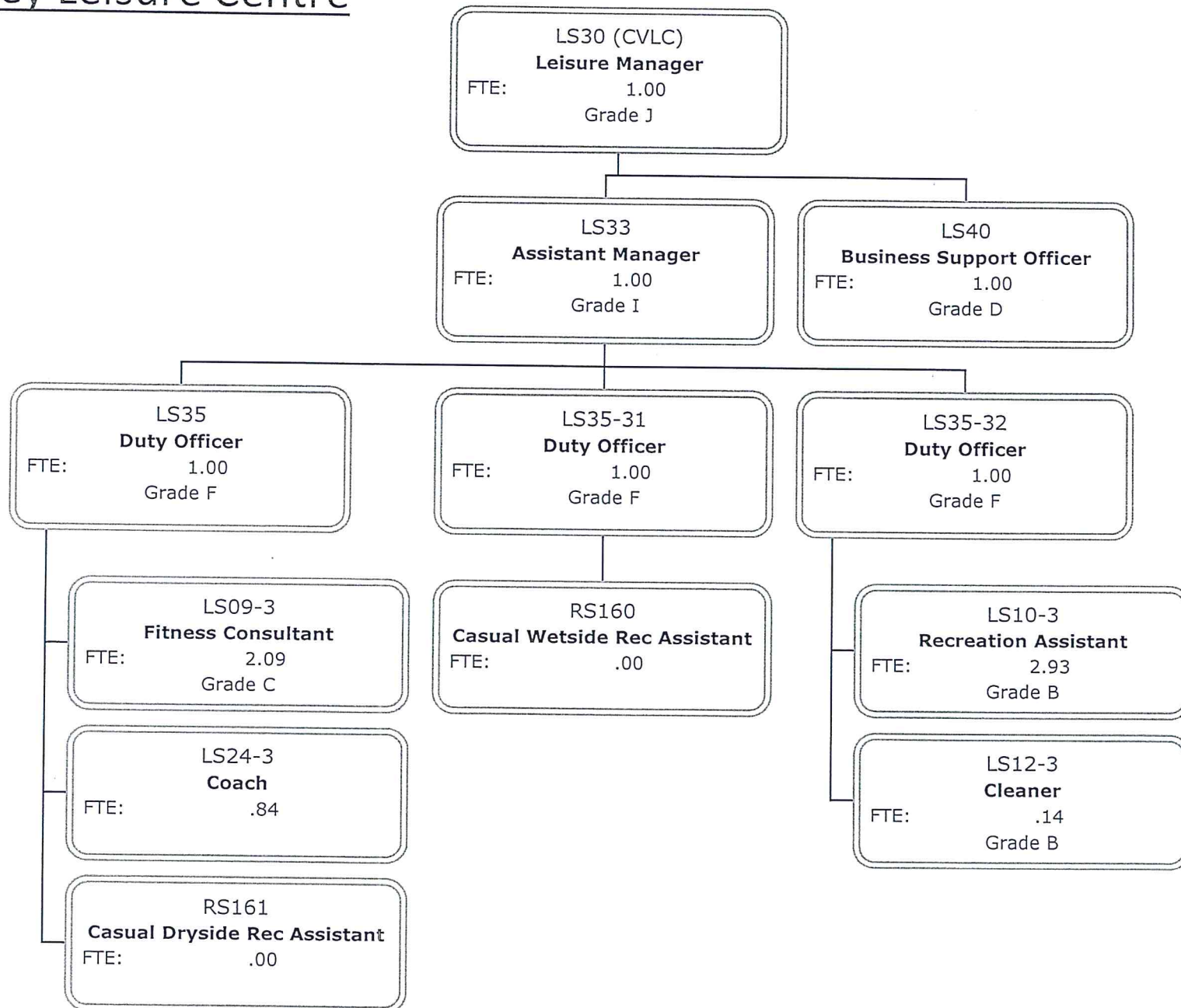
Property Services



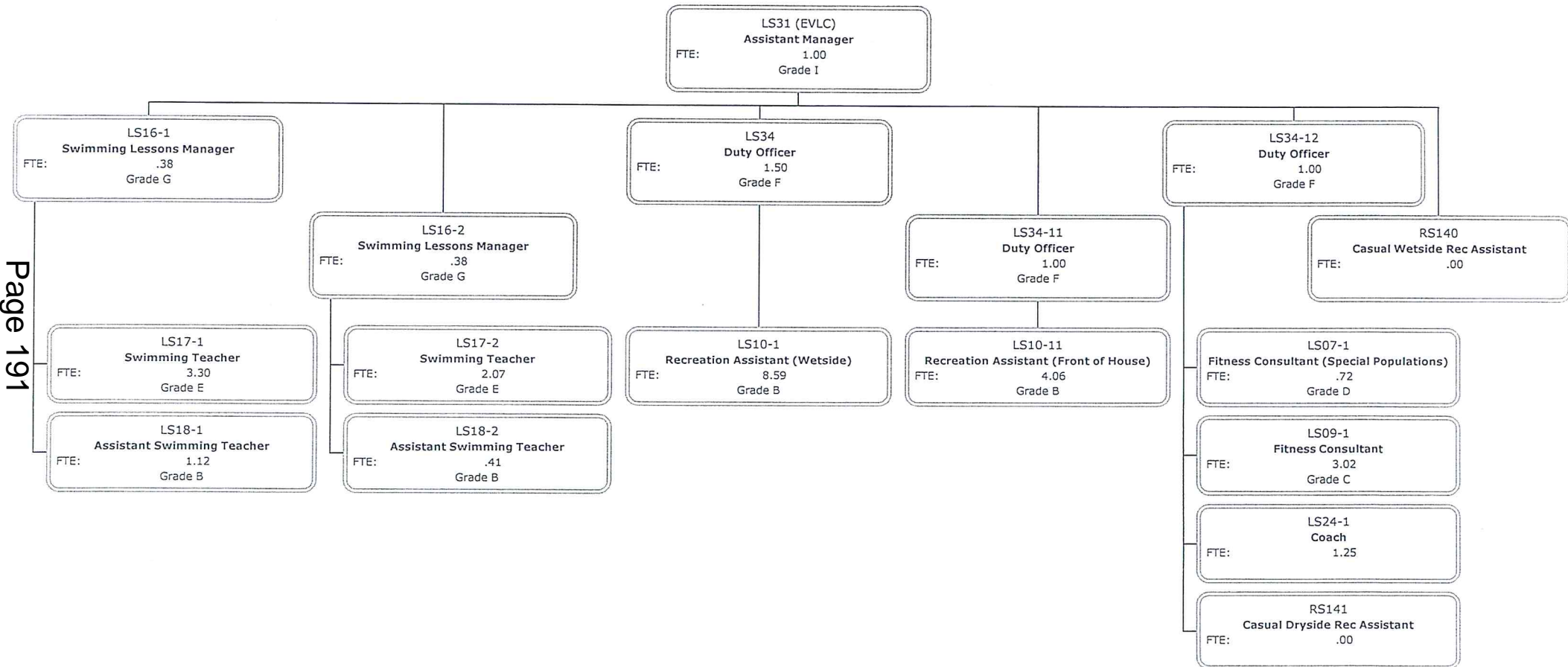
Leisure



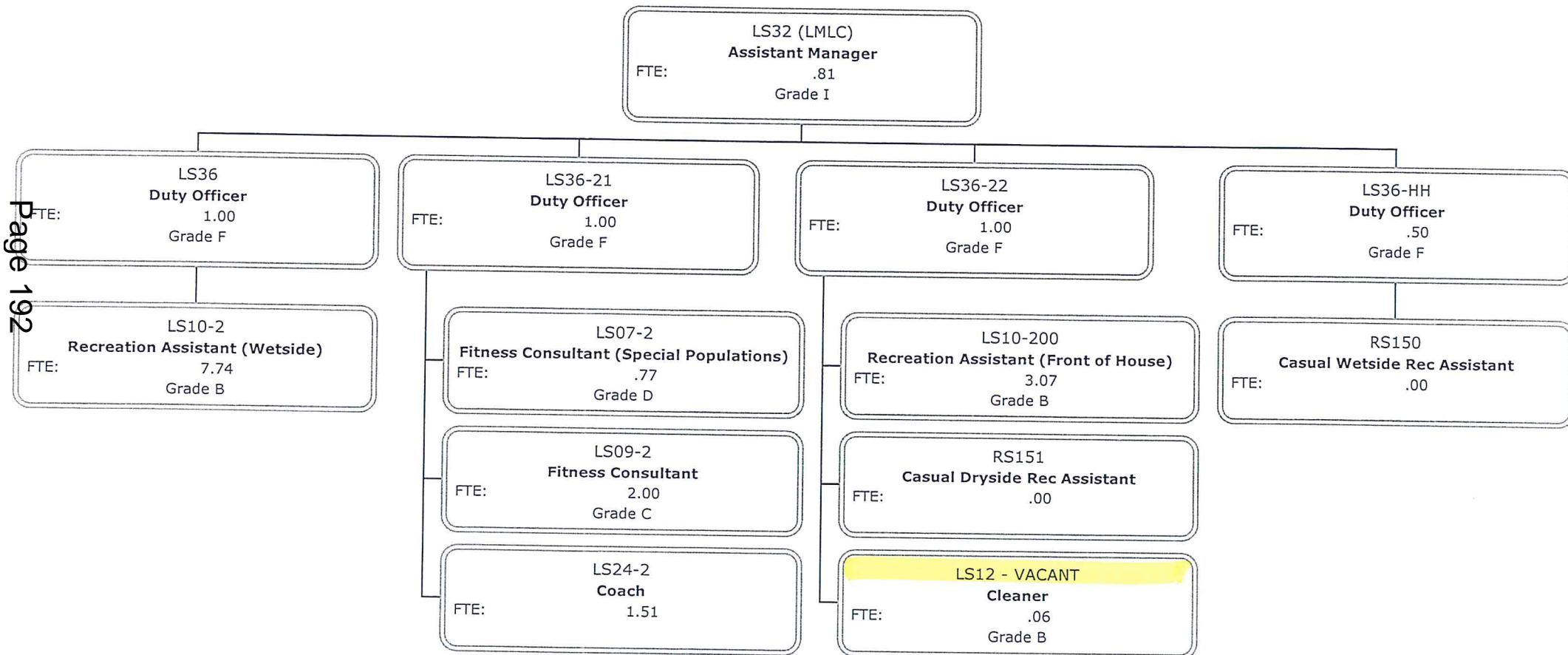
Culm Valley Leisure Centre



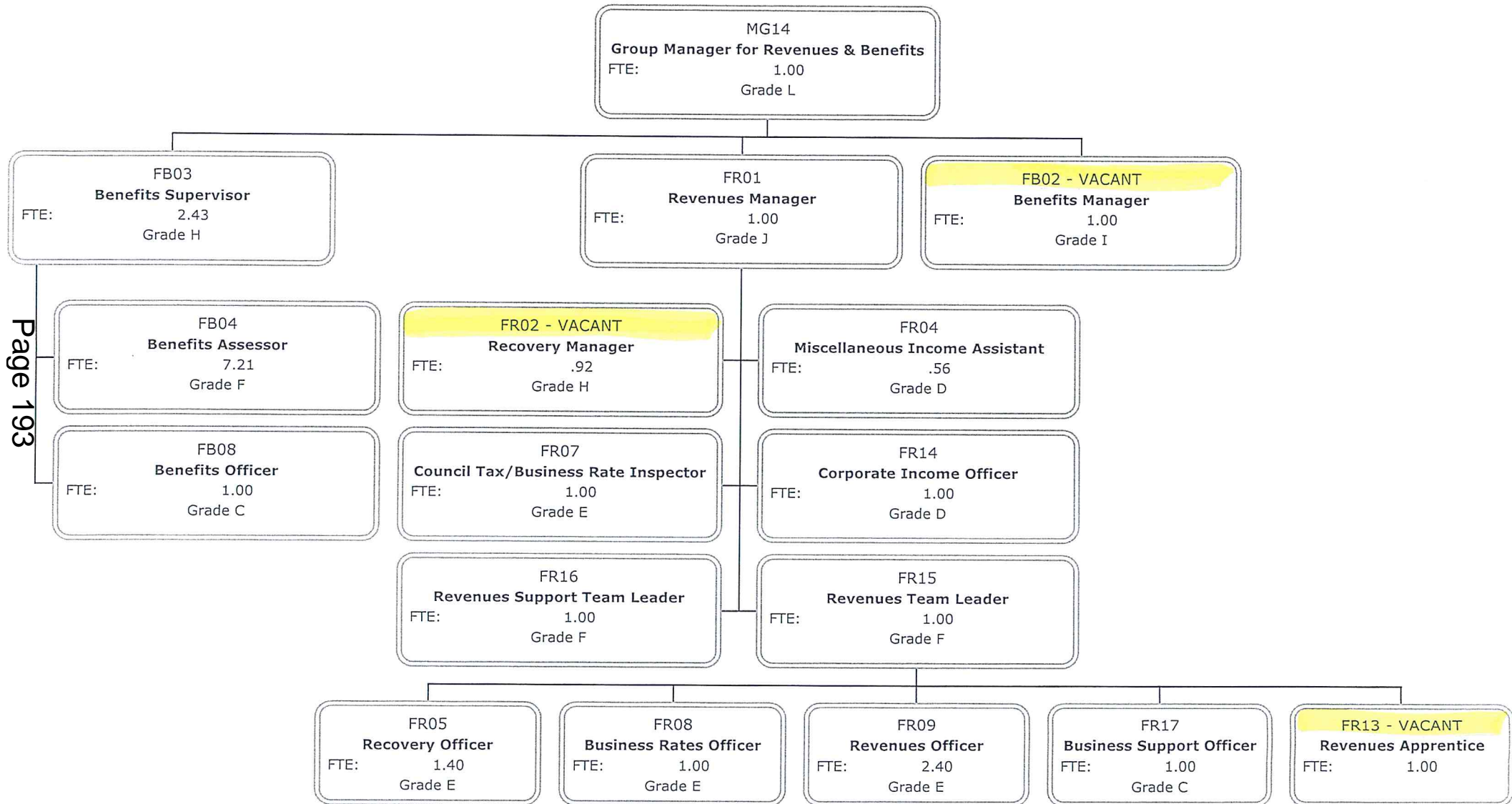
Exe valley Leisure Centre



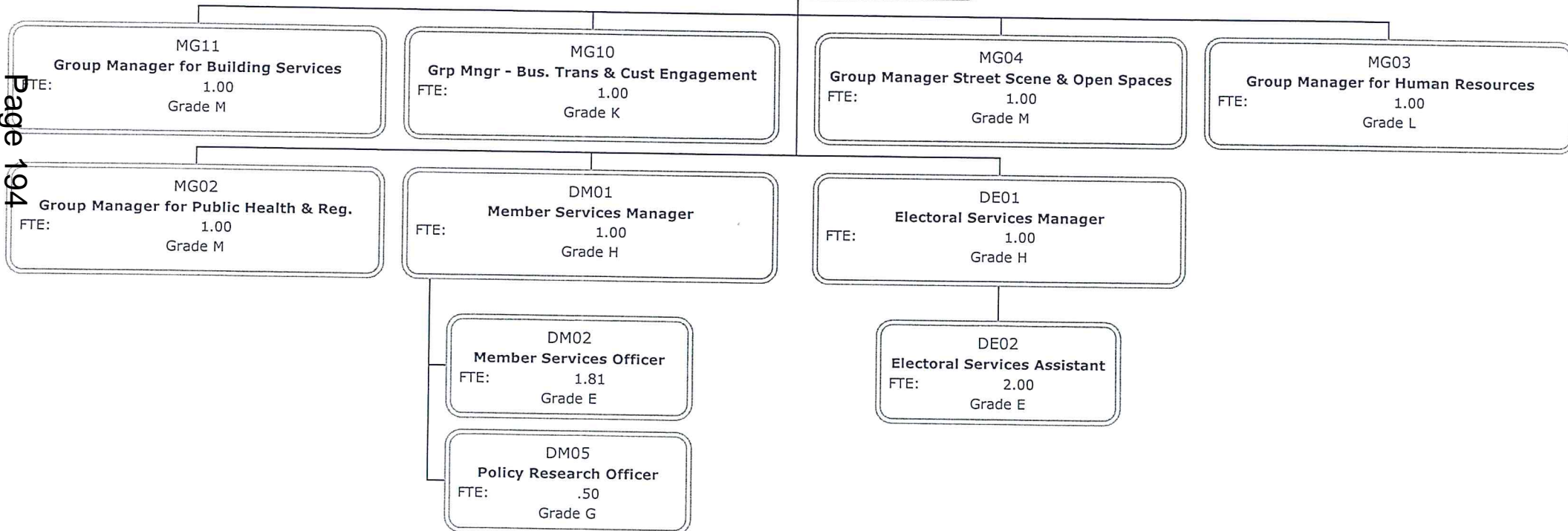
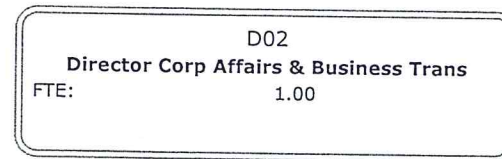
Lords Meadow Leisure Centre



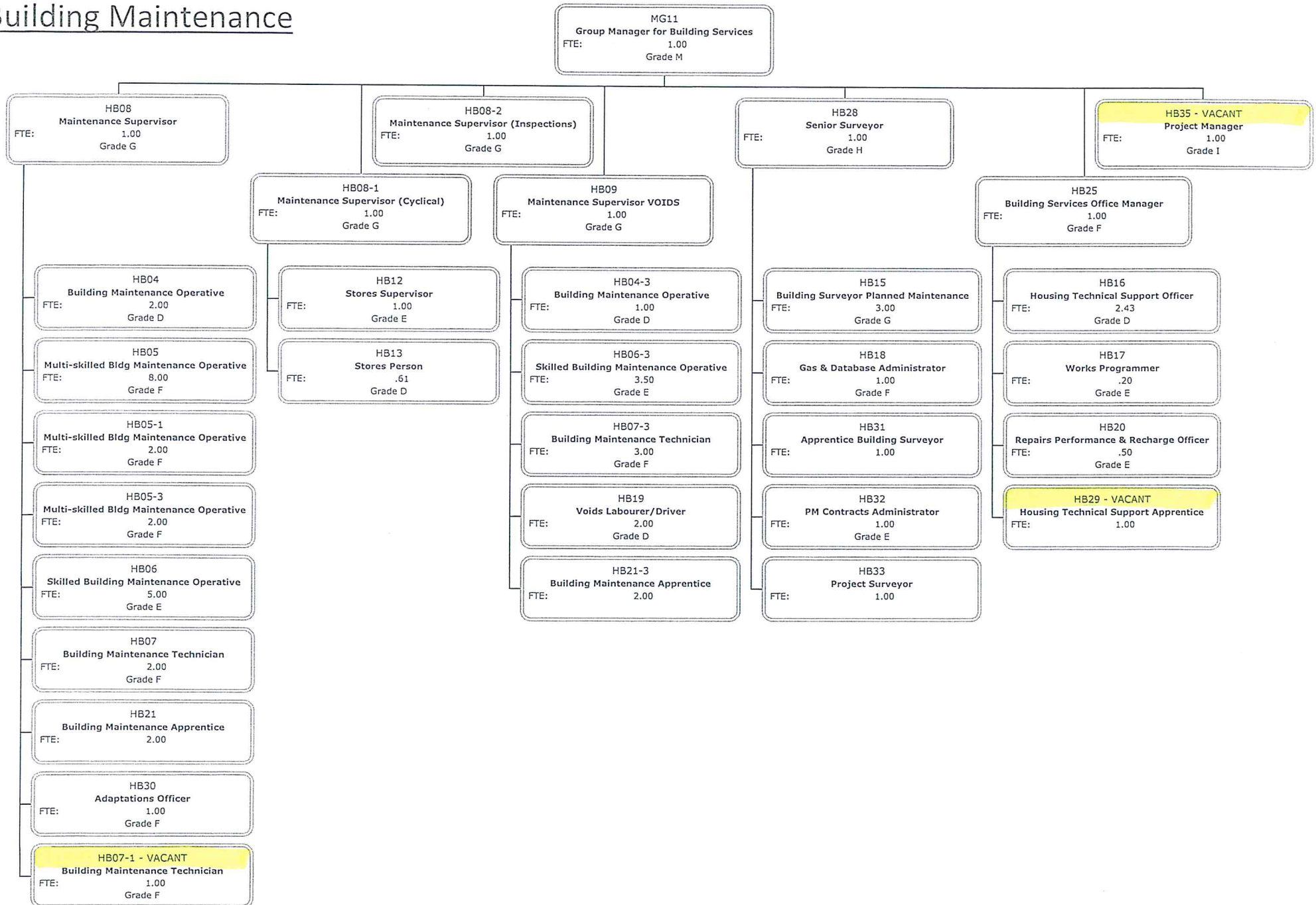
Revenues & Benefits



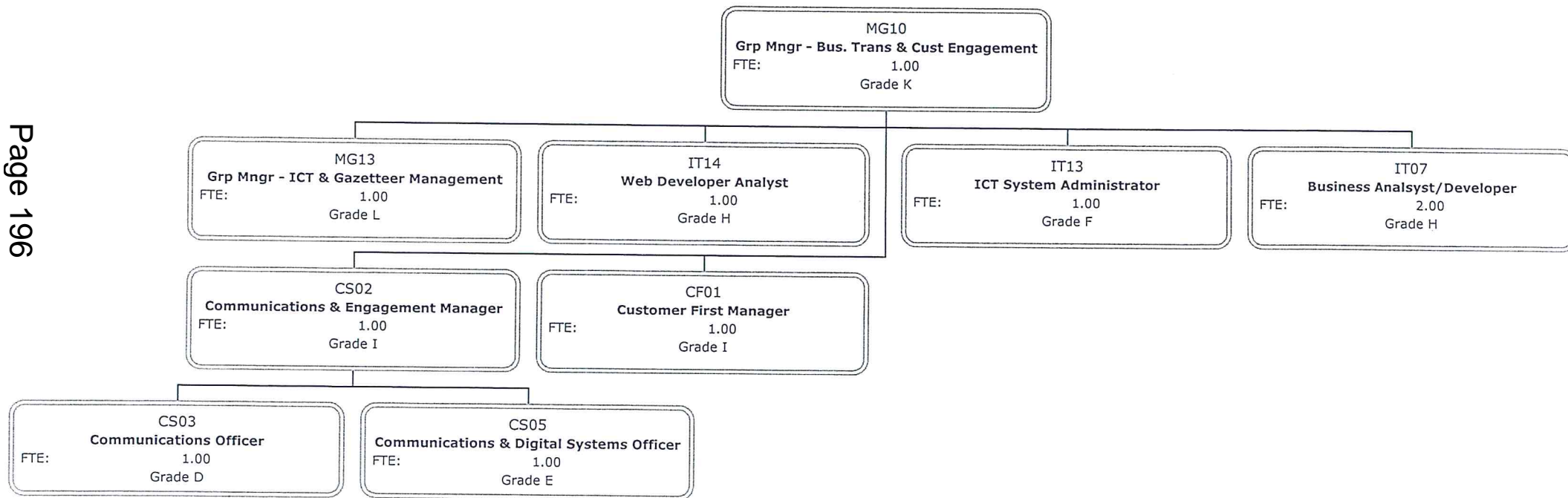
Corporate Affairs & Business Transformation



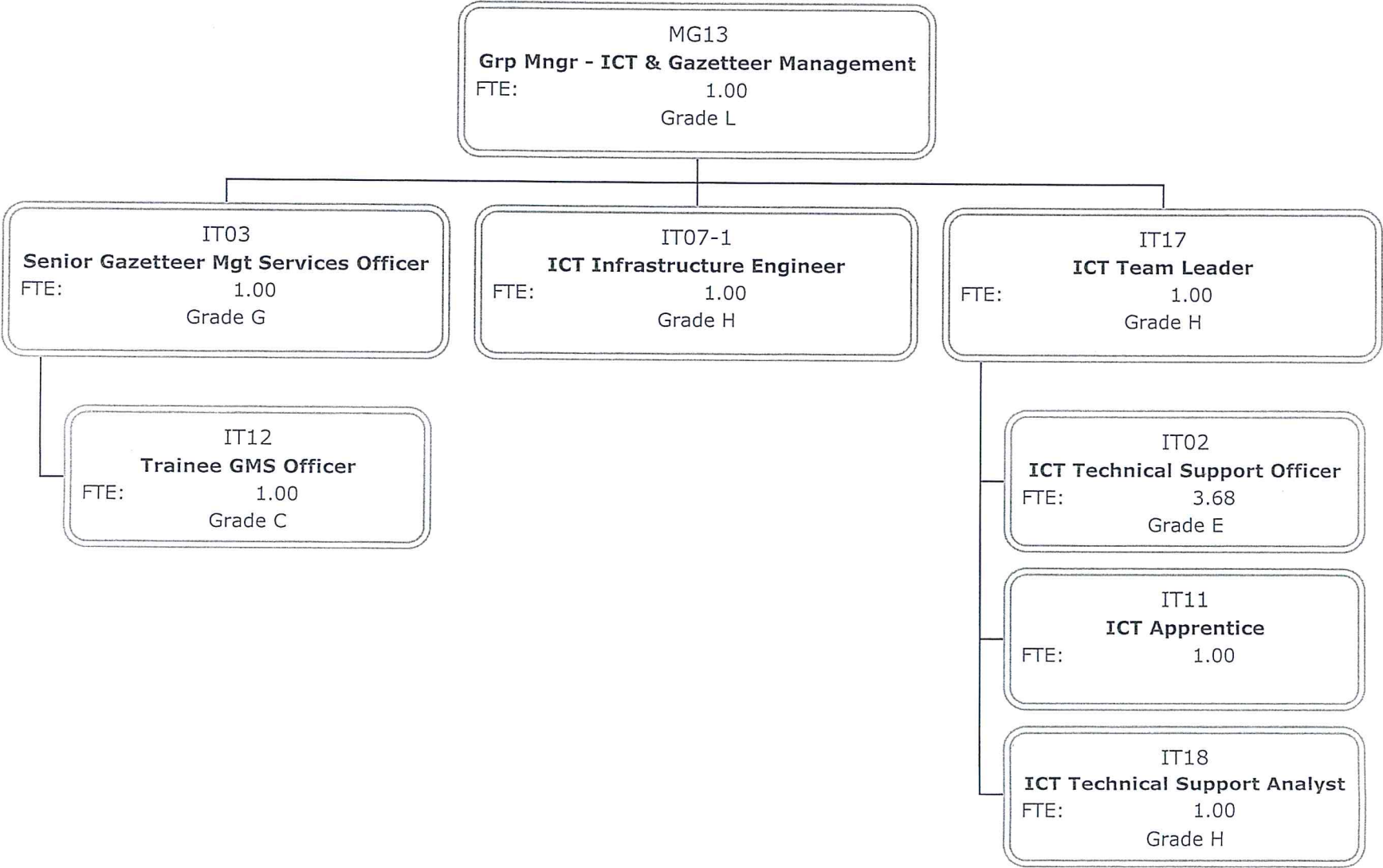
Building Maintenance



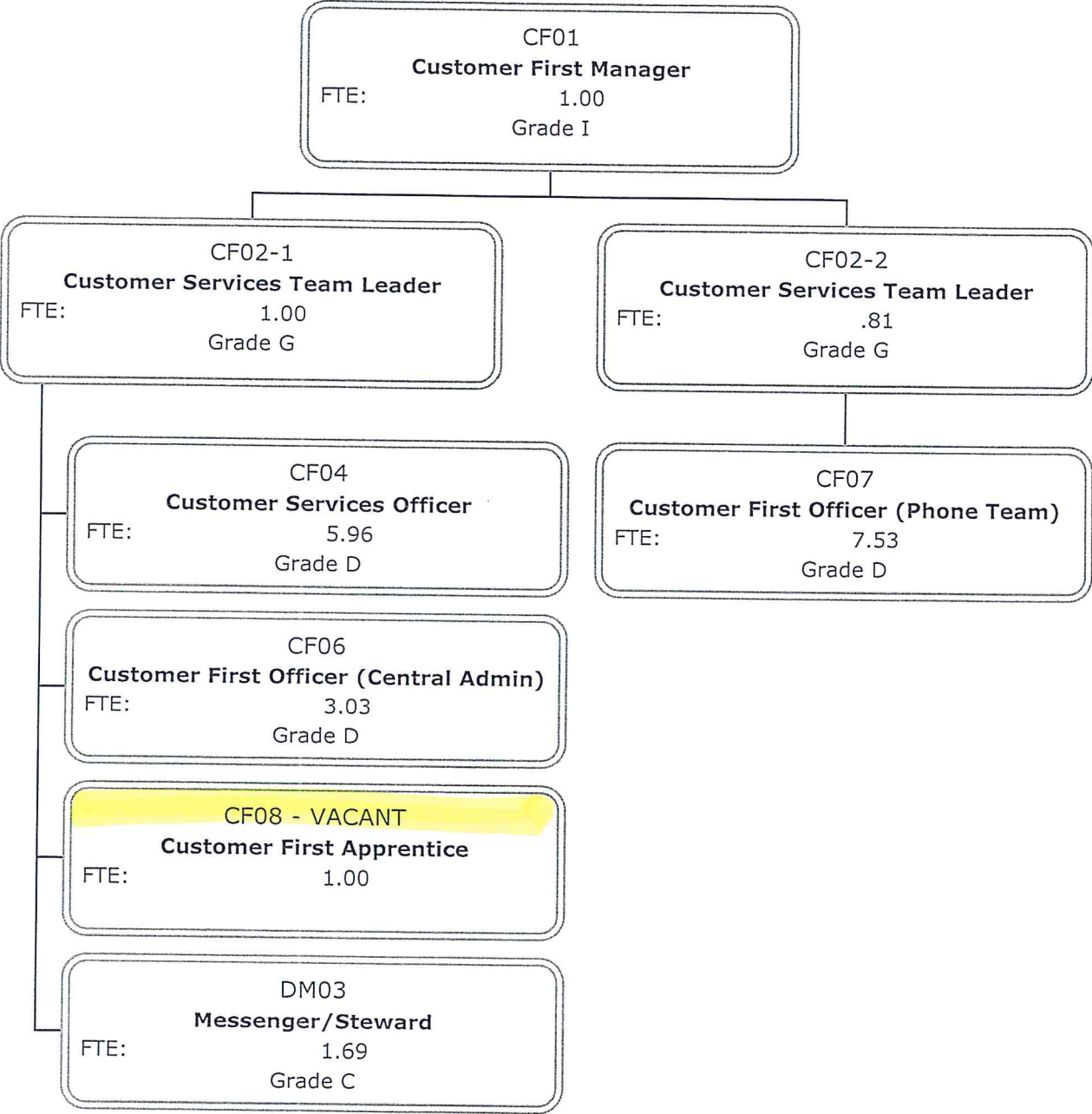
Business Transformation & Customer Engagement



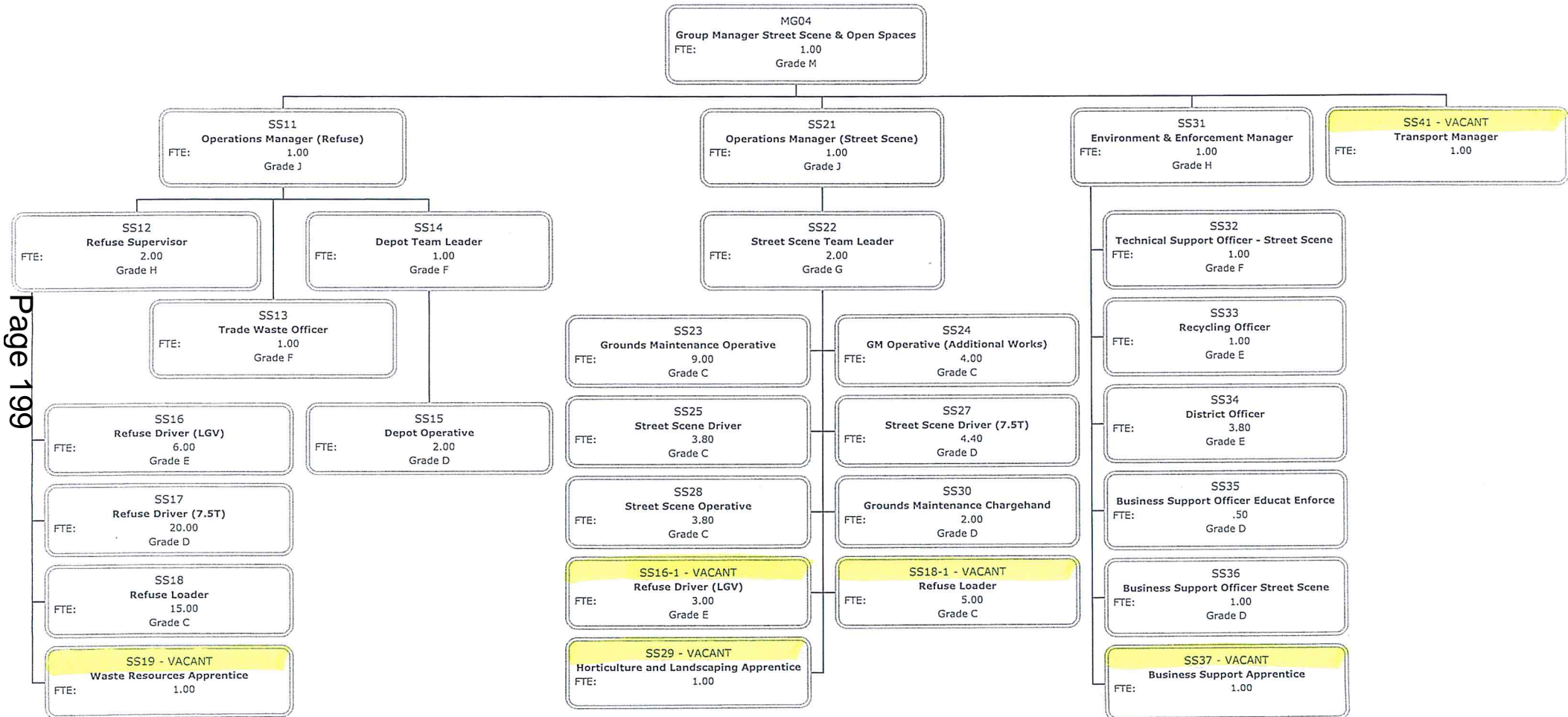
ICT & Gazetteer Management



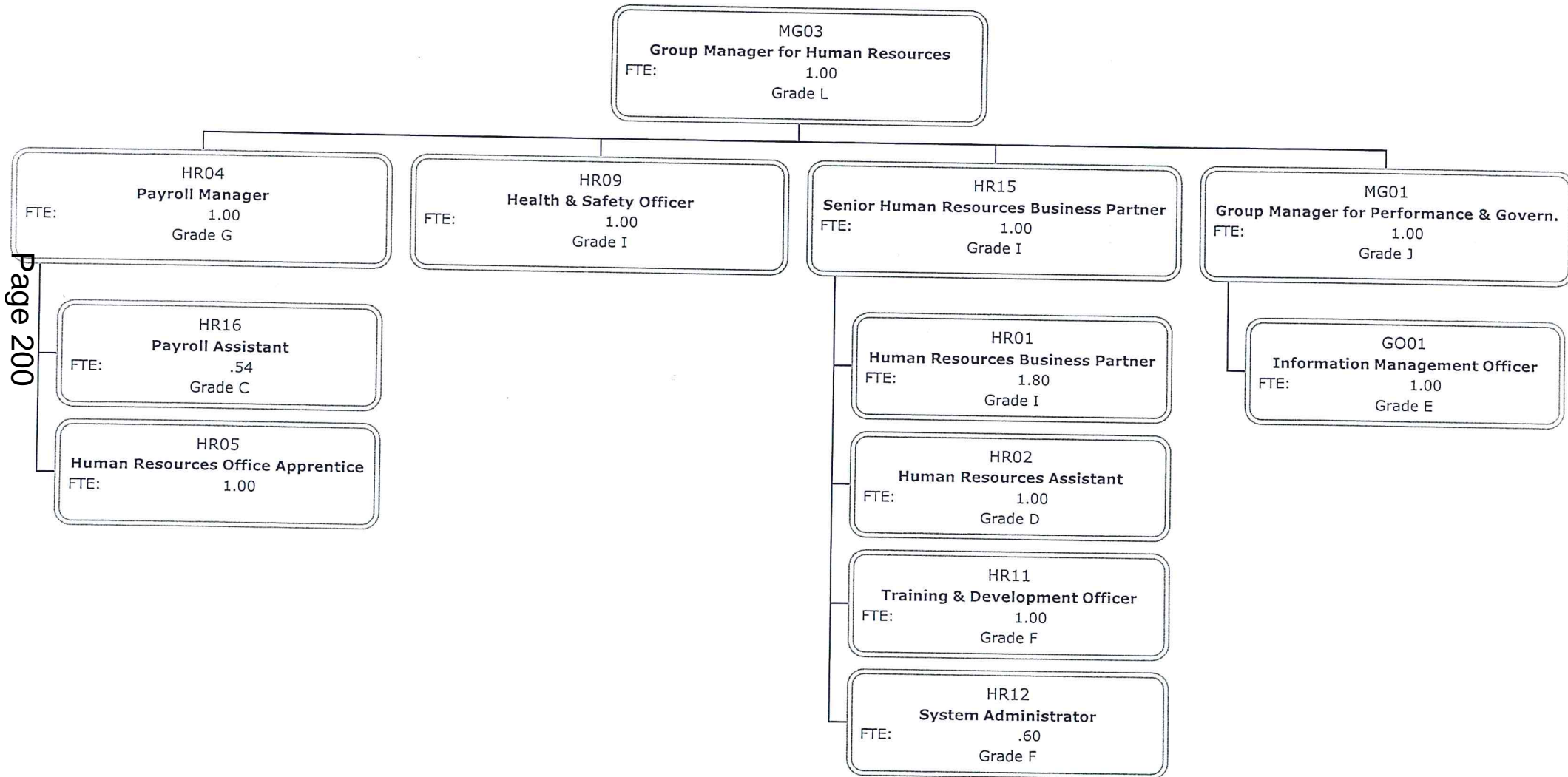
Customer Services



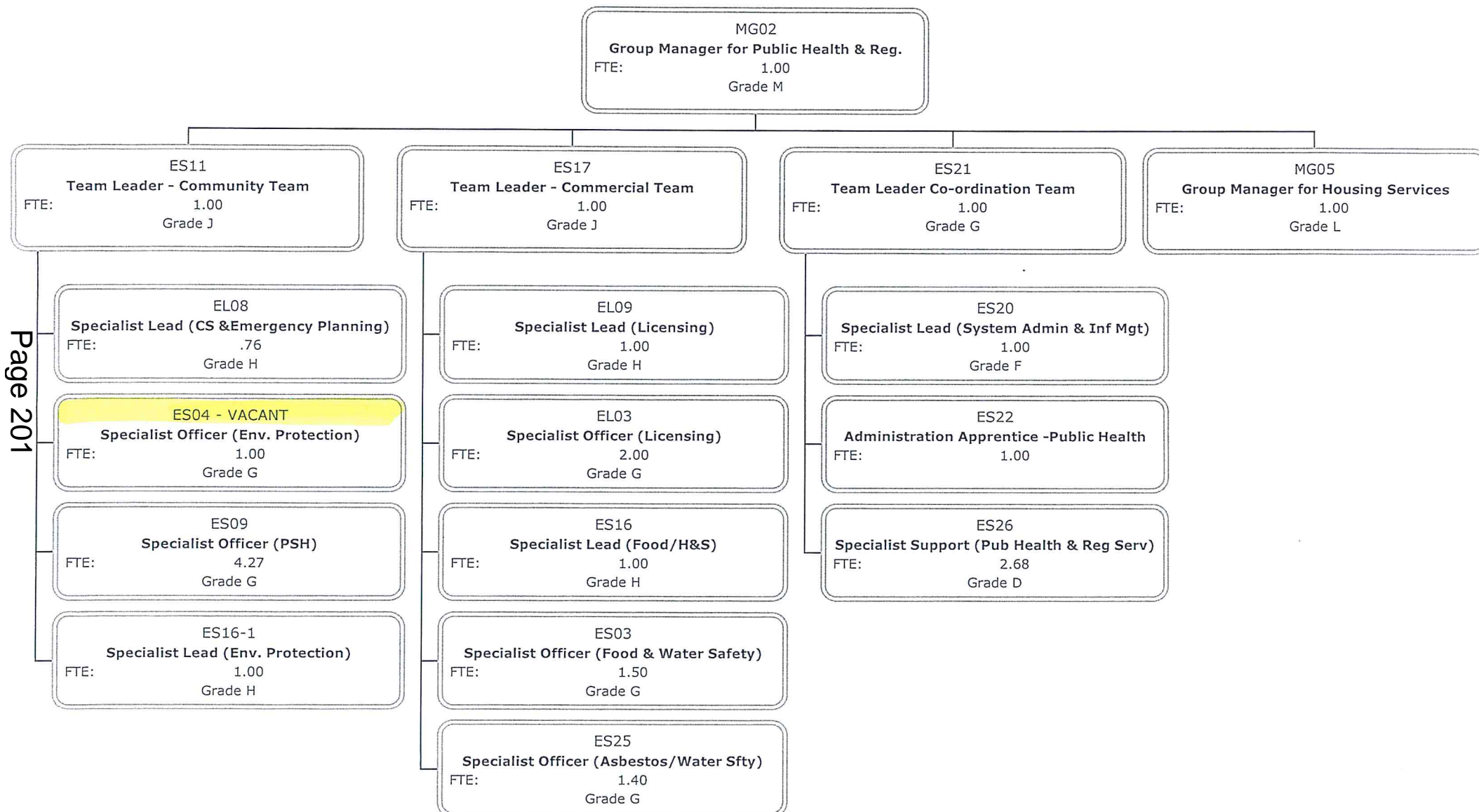
Street Scene & Open Spaces



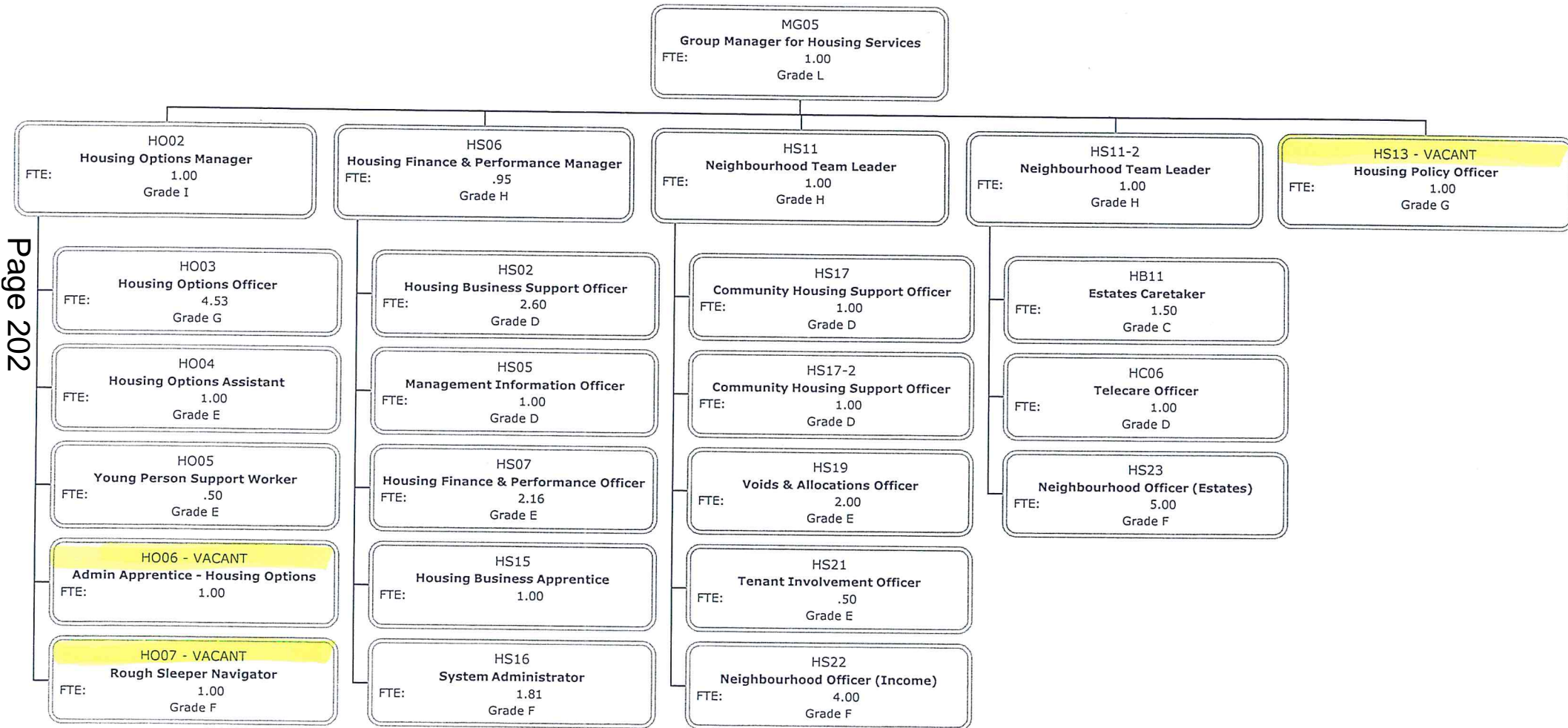
Human Resources



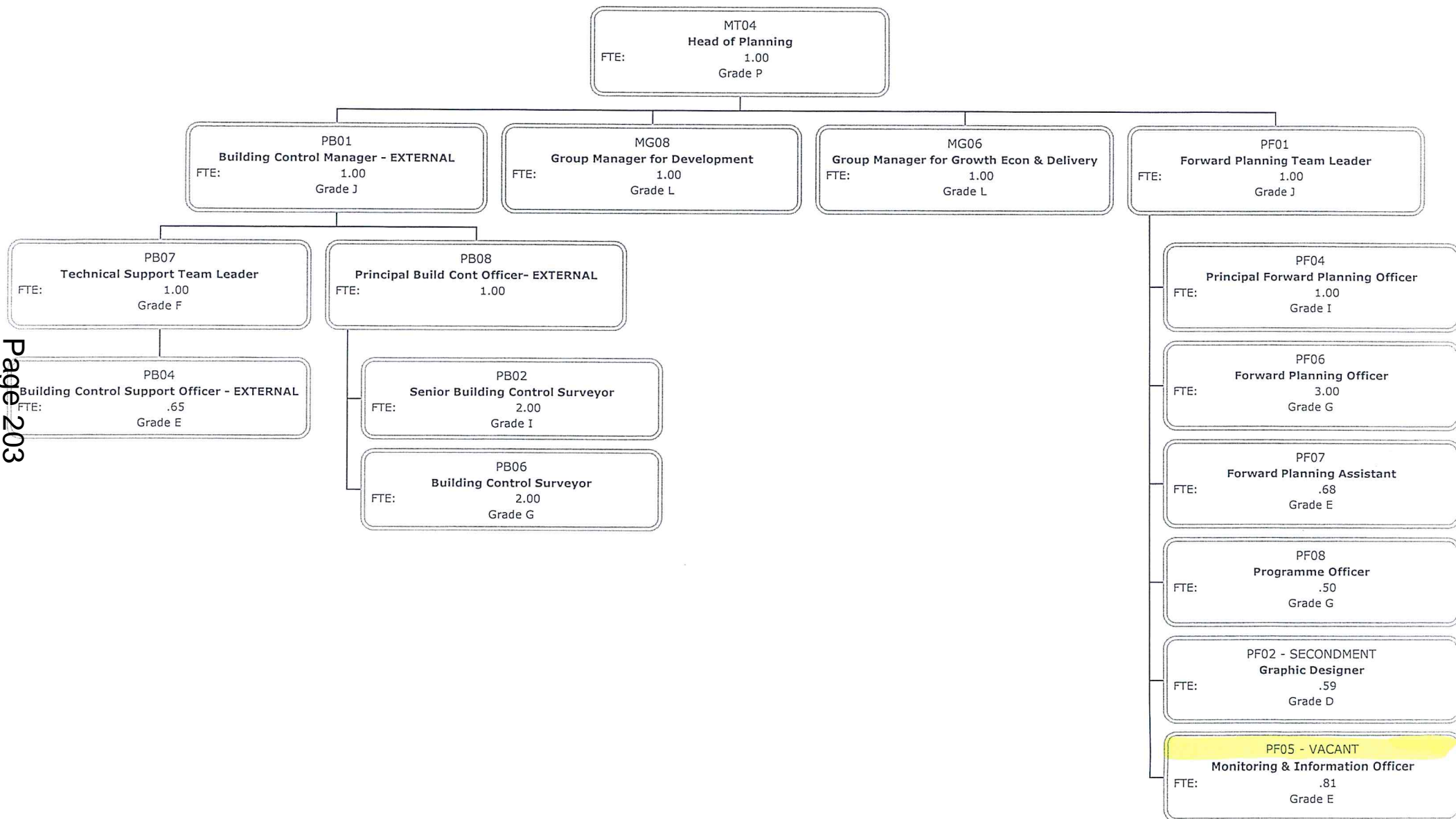
Public Health & Regulations



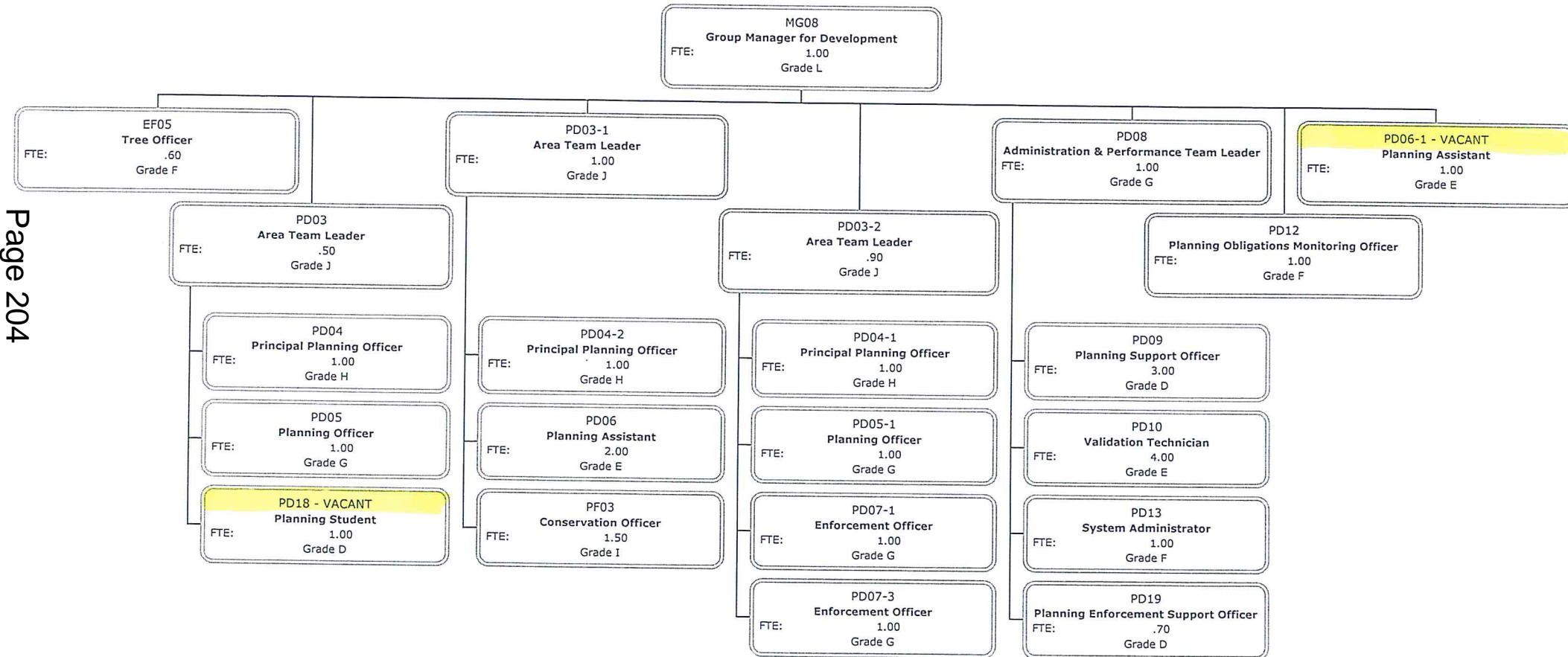
Housing Services



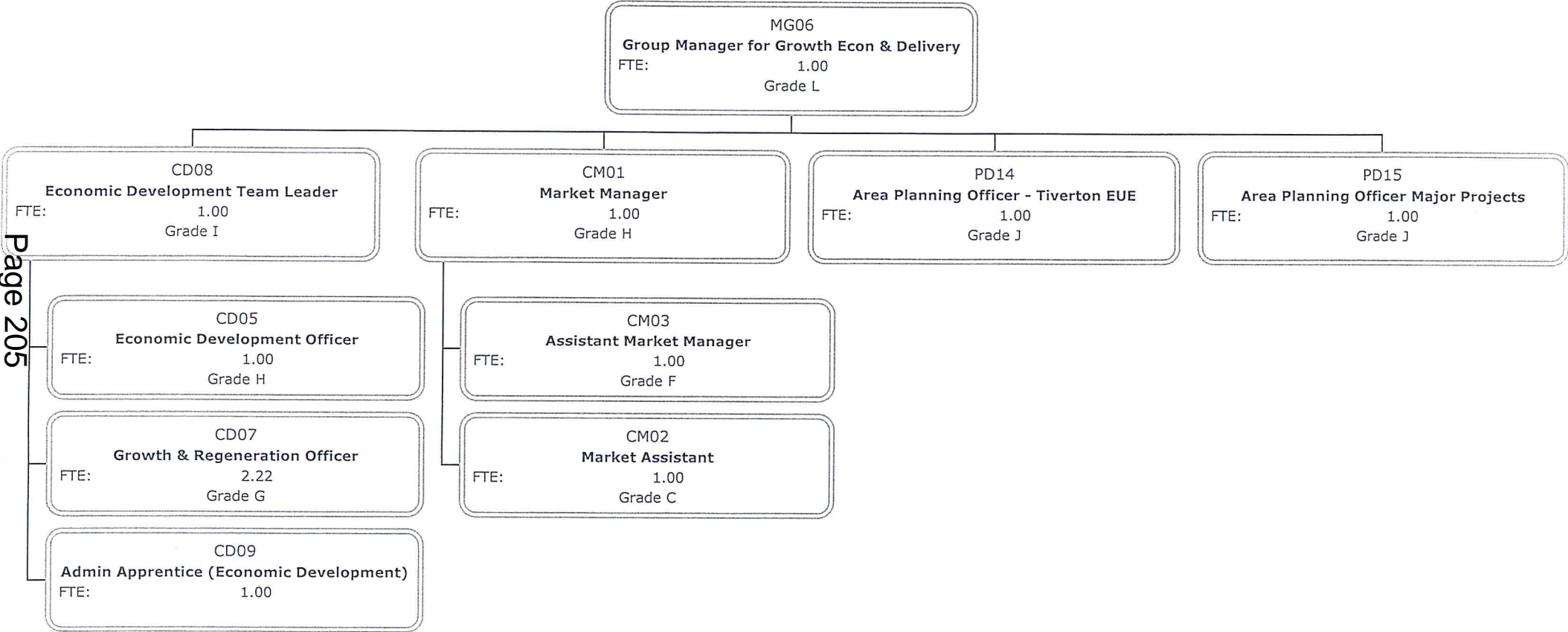
Head of Planning



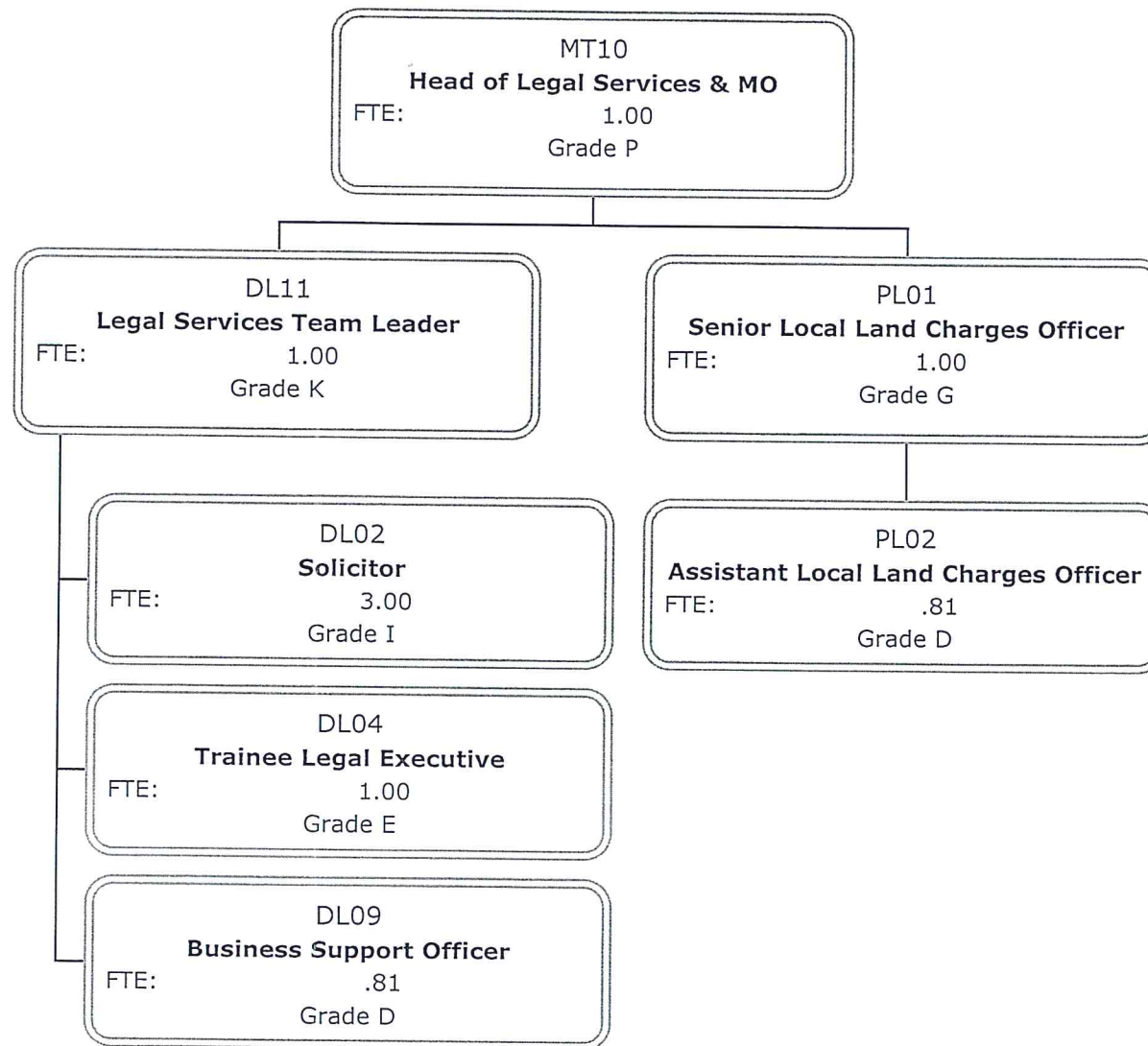
Development



Growth Economy & Development



Legal Services



CABINET
13 FEBRUARY 2020

PAY POLICY

Cabinet Member(s): Cllr Bob Deed
Responsible Officer: Matthew Page, Group HR Manager

Reason for Report: To comply with the legislative requirements of the Localism Act 2011 relating to senior pay in particular the role of the Chief Executive, Directors and other senior officers. The Localism Act 2011 requires an annually published Pay Policy which has been adopted by full Council.

RECOMMENDATION: The Cabinet is asked to recommend to Council the Pay Policy 2020.

Financial Implications: None arising from this report which aims to ensure that the Council pays enough to recruit and retain senior staff, but avoids excessive pay levels.

Legal Implications: None directly arising from this report.

Risk Assessment: The risk to the Council of not complying with the legislative requirement is mitigated by this report and having a robust performance management system.

Equality Impact Assessment: No equality issues identified for this report.

Relationship to Corporate Plan: To have a robust Pay Policy which ensures good use of public money in respect of the salaries of the most senior employees of the Council that is both transparent and visible. To ensure the Council is able to recruit and retain staff of a sufficiently high calibre who are able to deliver the objectives of the Corporate Plan.

Impact on Climate Change: No climate change issues identified for this report.

1.0 Introduction/Background

- 1.1 The localism bill required that all local authorities publish a Pay Policy on an annual basis. The Policy should be agreed by a meeting of the Council and be published on the Council's website.
- 1.2 The purpose of having a Pay Policy is so that the pay and related awards structure of the Council are transparent.
- 1.3 At the present time, the Chief Executive is appraised on an annual basis by a group of Members as set out in the Constitution. The Leader consults Cabinet colleagues and the other two main party leaders on the objectives to be set and these are agreed with the Chief Executive.

1.4 Cabinet and Leadership Team meet on a monthly basis to monitor progress within each service area. Cabinet members can raise issues with the Chief Executive and Directors on performance in any area of the Council.

2.0 Recommendation/Action

2.1 The Council is asked to note and approve the attached Pay Policy and its contents regarding the establishment and its pay.

Contact for more Information: Matthew Page, Group HR Manager (01884 234919 / mpage@middevon.gov.uk)

Circulation of the Report: Cllr B Deed, Cabinet, Leadership Team

List of Background Papers: Cabinet Summary Paper 2019, Cabinet Pay Policy 2019

Human Resources Policy

Version Control Sheet

Title: Pay Policy 2020

Reference No: HRI

Purpose: The Localism Bill requires that all local authorities publish a Pay Policy on an annual basis. The Policy should be agreed by a meeting of Council and be published on the Council's website.

The purpose of having a Pay Policy is so that the pay and related rewards structure of the Council is transparent.

Owner: Group Manager for Human Resources
mpage@middevon.gov.uk

Date: Feb 2020

Version Number: 4

Status: Final

Review Frequency: Every year

Next review date: February 2021 to be published by March 2021

Pay Policy

1. INTRODUCTION

Local authorities must publish a pay policy statement for each financial year. This must be approved by a Council resolution before 31 March each year. The Act specifies a number of elements that must be covered by the statement including: the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay for chief officers, the use of bonuses for chief officers, the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and the publication of and access to information relating to remuneration of chief officers.

The specific part of the Localism Act 2011 relating to a pay policy is Section 38 (1). Pay is an emotive issue for staff, Councillors and also for the public at large. Transparency in what and how we pay our senior staff particularly, but also all council employees is of paramount importance.

A pay policy statement will be updated and taken to full Council each year in March, in this way a clear view of the salaries and benefits paid to the most senior staff at the Council can be tracked.

2. REFERENCES

Equal Pay Act 1970
Equality Act 2010
Localism Act 2011

3. SCOPE

This policy applies to:-

- Chief Executive Officer including Head of Paid Service responsibilities
- Directors, Heads of Service and certain Group Managers including Monitoring Officer responsibilities and Section 151 Officer responsibilities

4. POLICY

Clarity in the provision of pay and other benefits is essential to ensure that the Council can attract and retain good calibre employees at all levels but particularly so at the most senior level.

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

This pay policy statement applies specifically to chief officers (a term which includes both statutory and non-statutory chief officers which for the purposes of this policy are the Directors, Heads of Service, Monitoring Officer and certain Group Managers) and addresses the legal requirement to set out how the policy for agreement of chief officer remuneration differs to that of other Council employees. For the purposes of this statement this includes:

- **Chief Executive Officer (Head of Paid Service)**
- **Deputy Chief Executive (151)**
- **Director of Corporate Affairs & Business Transformation**
- **Director of Operations**
- **Head of Planning and Regeneration**
- **Group Manager for Legal Services & Monitoring Officer**
- **Group Managers**

The definition of chief officers (as set out in section 43(2) of the Localism Act 2011) is not limited to Directors, Heads of Paid Service or statutory chief officers. It also includes those who are their direct reports (who may or might not be statutory chief officers and those who report directly to non-statutory chief officers (deputy chief officers).

The metric used for pay dispersion is the multiple of chief executive to mean earnings. Tracking this multiple will ensure public service organisations are accountable for the relationship between the pay of their executives and the wider workforce. Through this pay policy statement Mid Devon will track this multiple annually. **(This is shown as Officer Remuneration in accounts)**

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

In respect of Officer Remuneration Note in accounts: It should be noted that this information will relate to the previous year as shown in the annual accounts.

- Salary, fees and allowances
- Bonuses
- Expenses allowance
- Compensation for loss of employment
- Employers pension contribution
- Any other emoluments

Pay multiple

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

Specific Policy Areas

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

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

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

The cost of living increase does not apply automatically to the Chief Executive and the two/three Director roles. Any increase given to them will be determined by the Leader of the Council, having sought the views of the Cabinet, and will be based on performance. The annual assessment/pay award for the Chief Executive and Directors has been delayed until the end of June each year, in order to allow for adequate reflection on the previous year's performance. As such any increase will take effect from 1st July annually (salary increases for all other employees continue to take effect from 1st April each year).

The use of market supplements may be applied in certain circumstances but at present are not considered necessary for any senior role.

At present, there are no additional payments made to senior officers which specifically relate to performance such as performance bonuses; neither is there an element of pay which can be enhanced for performance, other than those already mentioned in respect of the Chief Executive and Director roles. Performance issues will be dealt with through the achievement of agreed objectives and appraisal review process.

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

Through this policy the pay multiple of the Chief Executive will be monitored annually. Should the multiplier between the annual salary paid to a full time employee on the lowest spinal column point and the annual salary paid to the

Chief Executive be greater than 10, this will be reported by the Leader of the Council to Full Council for consideration.

Our support for apprenticeships, which may be considered a temporary employment, will not be used to skew the pay multiple metric and will therefore be excluded from the calculation. In order to ensure complete transparency however we have also included the salary of apprentices.

There are no arrangements currently in place for tax and national insurance payments to be paid other than through the normal channels, ie through the normal PAYE route for all officers of the Council.

5. PAYMENT OF RETURNING OFFICER

Additional payments are set and made by Central Government to officers carrying out additional duties at elections. These payments will only be received when elections take place and although fixed, do vary according to the type of election for which the payment is made. These payments are not within the scope of this policy.

6. OUTCOMES

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

7. PERFORMANCE MONITORING

Annual monitoring of this policy will take place in March. Monitoring of the Chief Executive's performance takes place through an annual appraisal process.

8. POLICY/STRATEGY CONSULTATION

This policy will be agreed with the Council's Leadership Team, Cabinet and Full Council.

9. EQUALITY IMPACT CONSIDERATIONS

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

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

10. RESPONSIBILITIES

The Group Manager for Human Resources will be responsible for this policy and for updating information on an annual basis.

11. RECORDS

Documents and records generated as a result of the application of this policy will be held electronically and retained as legally required.

All records will be maintained and processed in compliance with the Data Protection Act.

12. DOCUMENT HISTORY

| Date | Version | Update |
|------------|---------|------------|
| 10/02/2017 | 1 | Pay Policy |
| 05/04/2018 | 2 | Pay Policy |
| 07/02/2019 | 3 | Pay Policy |
| 13/02/2020 | 4 | Pay Policy |

1. The level of remuneration for all officers earning over £50,000 is shown below:

| Post Title | Remuneration | |
|---|-------------------------------|--------------------------------|
| | 2019/20 | 2018/19 |
| Chief Executive | £111,825 | £109,650 |
| Deputy Chief Executive (S151) | £81,600 | £80,000 |
| Director of Corporate Affairs and Business Transformation | £77,775 | £76,250 |
| Director of Operations (Left 02/01/2020 – not replaced) | £77,775 | £76,250 |
| Head of Service: Planning and Regeneration | Grade P £63,857 to £67,765 | Grade 17 £62,605 to £66,436 |
| Head of Service: Legal Services & Monitoring Officer (new post from 01/01/2020) | Grade P £63,857 to £67,765 | N/A |
| Group Manager: Legal Services and Monitoring Officer (post ended 31/12/2019) | Grade N £54,500 to £57,837 | Grade 15 £53,431 to £56,702 |
| Group Manager: Street Scene and Open Spaces | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |
| Group Manager: Building Services | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |
| Group Manager: Corporate Property and Commercial Assets | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |
| Group Manager: Financial Services | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |
| Group Manager: Public Health and Regulatory Services | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |

2. The full time remuneration of the lowest paid employee.

| Post Title | Remuneration | | Other Allowances | |
|----------------|--------------|---------|------------------|---------|
| | 2019/20 | 2018/19 | 2019/20 | 2018/19 |
| Office Cleaner | £17,711 | £16,398 | None | None |
| Apprentice | £7,524 | £7,215 | None | None |

3. The multiplier of the remuneration of the Chief Executive based upon taxable earnings.

| Category | Total Remuneration | |
|--|-------------------------------------|-------------------------------------|
| | 2019/20 | 2018/19 |
| Pay multiple of Chief Executive to Mean | 5.32 | 5.64 |
| Pay multiple of Chief executive to lowest paid FT employee | 6.31 (based on office cleaner) | 6.69 (based on office cleaner) |
| | 15.50 (based on apprentice rate) | 15.21 (based on apprentice rate) |
| Annual Mean Pay of all employees (Total Salaries/Number of contracts) | £21,019 | £19,437 |

Officer Remuneration Note in Accounts

Publication of Officers Remuneration

We are required to publish the following information in respect of officer remunerations:

- a) The number of employees whose remuneration in the year was greater or equal to £50,000, grouped in rising bands of £5,000.
- b) An analysis by job title of the remuneration and employer's pension contributions in respect of senior employees whose salary is £50,000 or more per year (or by name and job title where the salary is £150,000 per year)

4. Officers' Emoluments

This table includes all statutory and non-statutory posts whose overall remuneration exceeds £50k excluding pension contributions and non-taxable allowances as published in [Mid Devon District Council Statement of Accounts 2019](#)

| Remuneration Band | 2018/19 | | 2017/18 | |
|---------------------|---------------------|------------------|---------------------|------------------|
| | Number of Employees | Left During Year | Number of Employees | Left During Year |
| £50,000 - £54,999 | 5 | 0 | 1 | 0 |
| £55,000 - £59,999 | 1 | 0 | 0 | 0 |
| £60,000 - £64,999 | 0 | 0 | 1 | 0 |
| £65,000 - £69,999 | 1 | 0 | 0 | 0 |
| £70,000 - £74,999 | 0 | 0 | 2 | 1 |
| £75,000 - £79,999 | 2 | 0 | 2 | 0 |
| £80,000 - £84,999 | 0 | 0 | 1 | 0 |
| £85,000 - £89,999 | 0 | 0 | 0 | 0 |
| £95,000 - £99,999 | 0 | 0 | 0 | 0 |
| £100,000 - £104,999 | 0 | 0 | 0 | 0 |
| £105,000 - £109,999 | 1 | 0 | 1 | 0 |

Note – The above table includes one employee who received a termination payment in 2017/18. In completing the 2018/19 Accounts we have complied with the statutory instrument regarding officer emoluments. The statutory instrument requires the individual naming of any officers with an annual salary of £150,000 or more and the post title of any officers earning £50,000 or more who occupy statutory roles or are responsible for managing the strategic direction of services.

The Council had no officers earning at or in excess of £150,000 in 2018/19

5 Termination Benefits

| 2018/19 Exit Package Cost Band | Number of Compulsory redundancies | Number of Other Departures Agreed | Total number Of exit Packages by Cost band | Total cost of Exit packages in each band £'000 |
|--------------------------------------|---|--|---|--|
| £0 - £19,999 | 1 | 9 | 10 | 47 |
| £20,000-£39,000 | - | - | - | - |
| £40,000-£59,999 | - | - | - | - |
| £60,000-£79,999 | - | - | - | - |
| Total | 1 | 9 | 10 | 47 |

During 2018/19 a number of settlement agreements and redundancies were made. These were associated with service restructures and changes in order to reduce future employee costs. This helps match ongoing expenditure against the well documented cuts in Central Government funding

6 Gender Pay Gap

6.1 Pay quartiles by gender

The Mid Devon District Council figures set out below have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

| Quartile | Males | Females | Description |
|----------|-------|---------|---|
| 1 | 59% | 41% | Includes all employees whose standard hourly rate places them at or below the lower quartile |
| 2 | 36% | 64% | Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median |
| 3 | 49% | 51% | Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile |
| 4 | 42% | 58% | Includes all employees whose standard hourly rate places them above the upper quartile |

6.2 Mid Devon District Council's Gender Pay Gap

| | Mean Average Hourly Rate | Median Average Hourly Rate |
|------------|--------------------------|----------------------------|
| Male | £13.02 | £11.98 |
| Female | £13.21 | £11.98 |
| | | |
| HMRC % gap | -1.46% | 0.00% |

The mean gender pay gap for the whole economy (according to the October 2019 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.3%; at -1.46% Mid Devon District Council's mean gender pay gap is, therefore, significantly lower than that for the whole economy.

This page is intentionally left blank

COUNCIL 26 FEBRUARY 2020

COUNCIL TAX RESOLUTION 2020/21

Cabinet Member: Cllr Alex White
Responsible Officer: Andrew Jarrett – Deputy Chief Executive (S151)

Reason for Report: The Council as a billing authority is required to set the Council Tax for 2020/21.

RECOMMENDATION: To approve the formal Council Tax Resolution.

Relationship to Corporate Plan: The 2020/21 budget shows the costs of delivering the key priorities of the Council's Corporate Plan.

Financial Implications: This report sets out the Council's Council Tax Requirement for 2020/21 which is derived from its aggregate budget requirement which was finally recommended by Cabinet on the 13 February 2020.

Legal Implications: The Council has a statutory duty to approve a Council Tax Requirement.

Risk Assessment: The Council is required under the Local Government Finance Act 1992 to set a Council Tax.

Equality Impact Assessment: It is considered that the impact of this report on equality related issues will be nil.

Impact on Climate Change: There are no direct impacts from the content of this report.

1.0 Introduction

- 1.1 The introduction of the Localism Act has seen some minor amendments to the legislative process of approving a Council Tax Requirement and has also removed the formal capping rules. These capping rules have now been replaced by a range of maximum percentage increases based upon the relevant precepting body, which if exceeded, would result in the need for a local referendum (this limit was confirmed as part of the overall grant settlement announcement made in late December 2019), the flexibility this gives means the council can approve an increase up to 2% or a £5 cash increase, whichever is higher, on a Band D bill for District Councils.
- 1.2 In addition to the Council Tax levels permissible for a District Council, Central Government has confirmed the referendum limit for County Councils as 2% with the additional flexibility for those with Adult Social Care responsibilities to allow a further increase of 2%. These additional funds have to be ring-fenced for Adult Social Care

costs. Fire Authorities also have a 2% referendum limit, whereas Police and Crime Commissioners are able to increase a Band D bill by £10.

- 1.3 Within this Resolution the billing authority has to indicate whether any of the major precepting bodies have exceeded their specified limit (see Appendix A paragraph 6.0).

2.0 2020/21 Council Tax Resolution

- 2.1 Since the meeting of the Cabinet on the 13 February 2020 the precept levels of other precepting bodies have been received. These are detailed below:

Town and Parish Councils

The Town and Parish Councils precepts for 2020/21 are detailed in Appendix A, paragraph 3.1, and total £1,837,470.89. The increase in the average Band D Council Tax for Town and Parish Councils is 5.50% and results in an average Band D Council Tax figure of £63.27 for 2020/21 (£59.97 for 2019/20).

Devon County Council

Devon County Council met on the 20 February 2020 and set their precept at £41,802,725 adjusted by a Collection Fund surplus of £588,941. This results in a Band D Council Tax of £1,439.46, a 3.99% increase on the previous year. This precept includes an additional 2% Adult Social Care premium.

Devon & Cornwall Police & Crime Commissioner

Devon & Cornwall Police & Crime Commissioner met on the 7 February 2020 and set their precept at £6,436,550 adjusted by a Collection Fund surplus of £90,314. This results in a Band D Council Tax of £221.64, being a 4.41% increase on the previous year.

Devon and Somerset Fire & Rescue Authority

Devon and Somerset Fire & Rescue Authority met on the 18 February 2020 and set their precept at £2,562,539 adjusted by a Collection Fund surplus of £36,810. This results in a Band D Council Tax of £88.24, being a 1.99% increase on the previous year.

- 2.2 The recommendations of the Cabinet are set out in the formal Council Tax Resolution in Appendix A. If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

Table 1 – Council Tax Levies in Mid Devon

| Council Tax Levies | 2019/20 £ | 2020/21 £ | Variation % (1) |
|---|----------------------|----------------------|-------------------------------|
| Mid Devon District Council | 203.84 | 208.84 | 2.45 |
| Parish & Town Councils (Average) | 59.97 | 63.27 | 5.50 |
| Sub Total | 263.81 | 272.11 | |
| Devon County Council | 1,384.29 | 1,439.46 | (includes 2% for ASC) 3.99 |
| Devon & Cornwall Police & Crime Commissioner | 212.28 | 221.64 | 4.41 |
| Devon & Somerset Fire & Rescue Authority | 86.52 | 88.24 | 1.99 |
| TOTAL | 1,946.90 | 2,021.45 | |

(1) Note - rounded to 2 decimal places. MDDC increase is 2.453%

3.0 2020/21 General Fund Budget

- 3.1 On the 13 February 2020 the Cabinet considered the budget for the financial year 2020/21 which included our final settlement for Formula Grant as confirmed by the Secretary of State. This meeting recommended a balanced General Fund budget and a 2.453% (£5) increase in Council Tax (as detailed in table 1 in para 2.2 above).
- 3.2 Precepts from the Town and Parish Councils within Mid Devon have now all been received and their total is confirmed as £1,837,470.89 (£1,714,992.66 for 2019/20).
- 3.3 In making decisions in relation to the setting of Council Tax, the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to it on the robustness of the estimates and the adequacy of the financial reserves. This statement is presented in the following sections of this report.

4.0 Section 151 Officer's Report

- 4.1 The Local Government Act 2003 imposes a duty on the Council's Section 151 Officer to comment, as part of the budget setting process, on:
 - The robustness of the estimates, and
 - The adequacy of reserves

5.0 Robustness of the estimates

- 5.1 The estimate process adopted by the Council for 2020/21 is concerned with the mitigation of risk when approving the budget.
- 5.2 Construction of the estimates for 2020/21 has taken full account of the following:

- a. Previous years outturn
- b. Current year revised estimates
- c. Regular budget monitoring up to and including December 2019
- d. Inflation levels
- e. Current income levels
- f. Changes in legislation
- g. Service prioritisation linked to the current Corporate Plan
- h. Feedback from Budget Consultation
- i. Potential changes to NHB and Business Rates following the impending Central Government Fair Funding Review and Business rates Baseline reset.

- 5.3 Budget monitoring throughout 2019/20 has informed the forward year budget process. In particular regular reviews of income streams and expenditure patterns at variance with profiles of expected activity are identified at the earliest opportunity to Members and officers so that corrective action can be initiated.
- 5.4 The Council has sought to involve all Members throughout the budget setting process. The first round of PDG and Cabinet meetings in October/November took place and an initial budget gap of circa £346k was estimated for 2020/21. This was as a result of a number of factors including inflation; pay increases and; provisional business rates and council tax income. Further savings were proposed and following the receipt of the Final Settlement from Central Government and the completion of our Business Rates estimates (NNDR1) the budget gap was reduced to £284k. This is proposed to be closed by a temporary transfer from the New Homes Bonus Reserve.
- 5.5 All budgets were compiled on a prudent basis, bearing in mind the level of risk associated with certain income sources (e.g. car parking, planning, leisure and interest receipts). We also have increased volatility and risk in the Council's overall budget (i.e. the Council Tax Reduction scheme (CTR), the localisation of Business Rates and our commercial rental portfolio). These budgets have been carefully monitored during 2019/20 and this process will continue during 2020/21.
- 5.6 The Finance Team have liaised with all Service Managers, Senior Management and Members during this process and have ensured a robust challenge process of all proposed budgets. Two additional all member budget briefings were arranged and a meeting with the Business Rates Consultative Committee was also held in January.
- 5.7 In all respects the estimates are prepared on the best information available. We review current experience, for example, the estimates of income have been rebased, especially where the income stream is demand led. In a similar way all salary estimates have been constructed on an individual officer basis because this element of the budget is such a significant expenditure heading.
- 5.8 Finally, in preparing the detailed estimates the Council takes advice from third party organisations concerning a number of discrete areas. In particular Treasury Management decisions are informed with reference to interest rate movements forecast by Link Asset Services and similarly external guidance on insurance and pension contributions is also used.

- 5.9 Once the draft budget has been reviewed by the four PDGs and the Cabinet it is then taken to the Scrutiny Committee for further review and challenge, prior to a final Cabinet meeting which has recommended the budget for approval by Full Council on 26 February.
- 5.10 The key component for ensuring the estimates are reviewed and deliver the priorities of the Council is the budget monitoring process. The ability to manage and control spending within the approved budgets during the course of the forward year mitigates the Council's level of financial risk.

6.0 Adequacy of Reserves

- 6.1 Reserves are held for three main purposes:
- a. A contingency to cushion the impact of unexpected events
 - b. As a cushion against uneven cash flows
 - c. As a means of building up funds to meet known or predicted liabilities (earmarked reserves)
- 6.2 CIPFA makes it clear that the level of reserves for each Council cannot be decided by the application of a formula. Each Council must assess their own reserve levels based on the specific risks and pressures they face.
- 6.3 The General Fund balance brought forward into 2019/20 amounted to £2.501m. The 2019/20 budget monitoring reports are predicting a year end deficit of approximately £270k, giving a forecast General Fund balance of £2.231m.
- 6.4 We received the Final Grant Settlement on 6 February 2020. There remains, however, a great deal of uncertainty over the levels of Government funding as this was a one-year only settlement and the Fair Funding Review and Business Rates Baseline reset has been postponed until the coming year, with the implications not expected to take effect until 2021/22. We were also appraised of the intention to phase out New Homes Bonus Grant.
- 6.5 With these uncertainties in mind we undertook an extensive review of our General Reserve minimum level. We benchmarked against our "nearest neighbours" (authorities with a similar make-up and rurality) and also considered the risks that are included in our Risk Register. With consideration to the comparatively high level of earmarked reserves that we hold for specific purposes and the robustness of our budget setting, it was proposed to reduce the minimum level of General Reserves to £2m. Any excess could then be targeted at other reserves such as the Business Rates Smoothing Reserve which will help mitigate the impact of the Baseline reset and the Property Reserve which is used to mitigate adhoc requirements to maintain our assets (outside of the HRA). Therefore, it is my strong recommendation that the Council aims to maintain its level of reserves at £2m.

7.0 Conclusion

- 7.1 As noted above a great deal of work has been carried out to ensure the robustness of the estimates. Because of this work, combined with the increased awareness by Members

and officers of the Council's financial position, and the availability of reserves, it is my considered opinion as Section 151 Officer that the budget for 2020/21 has been set within a robust framework and the impact of this resolution will maintain an adequate level of the financial reserves held by the Council.

Contact for more information: Andrew Jarrett, Deputy Chief Executive (S151)
01884 234242 (ajarrett@middevon.gov.uk)

Background Papers: Cabinet Report – 13 February 2020

Circulation of Report: Full Council

The Council is recommended to resolve as follows:

- 1.0 It be noted that on 16 January 2020 the Cabinet calculated the Council Tax Base for 2020/21
- (a) for the whole Council area as 29,633.21 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
- (b) for dwellings in those parts of its area to which a Parish Precept relates as detailed in 1.1 below.
- 1.1 Taxbase for Councils area adjusted from overall Council Tax Base of 29,633.21 reduced to 98% (29,040.56), to allow for less than full collection. (subject to rounding)

| | |
|---------------------|----------|
| Bampton | 756.99 |
| Bickleigh | 110.84 |
| Bow | 456.19 |
| Bradninch | 741.37 |
| Brushford | 24.40 |
| Burlescombe | 332.43 |
| Butterleigh | 53.16 |
| Cadbury | 66.39 |
| Cadeleigh | 88.41 |
| Chawleigh | 250.34 |
| Cheriton Bishop | 297.15 |
| Cheriton Fitzpaine | 356.27 |
| Clannaborough | 24.22 |
| Clayhanger (B Gate) | 57.13 |
| Clayhidon | 228.37 |
| Coldridge | 157.81 |
| Colebrooke | 188.57 |
| Copplestone | 442.64 |
| Crediton | 2,692.64 |
| Crediton Hamlets | 539.29 |
| Cruwys Morchard | 208.85 |
| Cullompton | 3,406.71 |
| Culmstock | 370.50 |
| Down St Mary | 148.69 |
| Eggesford | 33.02 |
| Halberton | 636.16 |
| Hemyock | 855.32 |
| Hittisleigh | 58.97 |
| Hockworthy (B Gate) | 86.29 |
| Holcombe Rogus | 215.61 |
| Huntsam (B Gate) | 65.06 |
| Kennerleigh | 40.24 |
| Kentisbeare | 384.06 |
| Lapford | 391.36 |
| Loxbear | 77.54 |
| Morchard Bishop | 417.30 |
| Morebath | 149.40 |
| Newton St Cyres | 389.26 |
| Nymet Rowland | 49.51 |
| Oakford | 178.19 |
| Poughill | 81.58 |
| Puddington | 90.83 |
| Sampford Peverell | 498.41 |
| Sandford | 499.55 |
| Shobrooke | 204.21 |
| Silverton | 794.61 |
| Stockleigh English | 29.69 |
| Stockleigh Pomeroy | 59.95 |
| Stoodleigh | 150.47 |
| Templeton | 63.79 |
| Thelbridge | 136.31 |
| Thorverton | 397.63 |
| Tiverton | 7,046.01 |
| Uffculme | 1,051.77 |
| Uplowman | 156.00 |
| Upton Hellions | 33.04 |
| Washfield | 166.38 |
| Washford Pyne | 40.02 |
| Wembworthy | 105.69 |
| Willand | 1,173.02 |
| Woolfardisworthy | 71.79 |
| Zeal Monachorum | 163.16 |

Total Tax Base **29,040.56**

- 2.0 As a preliminary step, calculate that the Council Tax requirement for the Council's own purposes for 2020/21 (excluding Parish precepts) is £6,064,830 (subject to rounding to nearest £10)
- 3.0 That the following amounts be calculated for the year 2020/21 in accordance with Sections 30 and 31A to 36 of the Act:
- (a) £ 50,199,809 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £ 42,297,508 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £ 7,902,301 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £ 272.11 being the amount at 3(c) above (item R), all divided by Item T (1.0 (a) above), calculated by the council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £ 1,837,471 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act as detailed in column 2 of table in 3.1 below. (subject to rounding)
 - (f) £ 208.84 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1.0(a) above), calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
 - (g) See text across The amounts stated in valuation Band D in table at 3(h) below given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the council area specified in column 3 of table in 3.1 divided in each case by the amount in 1(a) above (result in column 3 of table in 3.1 below), calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area set out in column 2 of table in 1.1 to which one or more special items relate.
- e.g. Silvertown - table 3h column 5 = £242.19 this is made up of 3f = £208.84 + £33.35 in table 3.1 column 3. The £33.35 is calculated by taking the Parish Precept in Column 2 of table 3.1 and dividing by the relevant taxbase figure detailed in column 2 of the table in 1.1 above (in this example £26,500.00/794.61 = £33.35).

- 3.1 This table shows the full precept for each parish and the band D equivalent charge which is determined by dividing the total precept in column 2 by the relevant parishes taxbase detailed in column 2 table 1.1 above.

| | Total Precept £ | Band D Equivalent £ |
|-----------------------|--------------------|------------------------|
| Bampton | 59,750.00 | 78.93 |
| Bickleigh | 4,000.00 | 36.09 |
| Bow | 10,500.00 | 23.02 |
| Bradninch | 41,750.00 | 56.31 |
| Brushford | 0.00 | 0.00 |
| Burlescombe | 12,525.00 | 37.68 |
| Butterleigh | 1,000.00 | 18.81 |
| Cadbury | 550.00 | 8.28 |
| Cadeleigh | 1,650.00 | 18.66 |
| Chawleigh | 12,790.00 | 51.09 |
| Cheriton Bishop | 13,671.00 | 46.01 |
| Cheriton Fitzpaine | 12,000.00 | 33.68 |
| Clannaborough | 0.00 | 0.00 |
| Clayhanger (B Gate) | 1,378.00 | 24.12 |
| Clayhidon | 9,300.00 | 40.72 |
| Coldridge | 6,000.00 | 38.02 |
| Colebrooke | 11,000.00 | 58.33 |
| Copplestone | 16,000.00 | 36.15 |
| Crediton | 261,918.47 | 97.27 |
| Crediton Hamlets | 9,500.00 | 17.62 |
| Cruwys Morchard | 4,750.00 | 22.74 |
| Culiompton | 404,350.00 | 118.69 |
| Culmstock | 33,337.00 | 89.98 |
| Down St Mary | 3,750.00 | 25.22 |
| Eggesford | 0.00 | 0.00 |
| Halberton | 13,425.00 | 21.10 |
| Hemyock | 83,235.00 | 97.31 |
| Hittisleigh | 1,950.00 | 33.07 |
| Hockworthy (B Gate) | 1,850.00 | 21.44 |
| Holcombe Rogus | 11,110.00 | 51.53 |
| Huntsham (B Gate) | 1,572.00 | 24.16 |
| Kennerleigh | 100.00 | 2.49 |
| Kentisbeare | 36,946.00 | 96.20 |
| Lapford | 19,713.42 | 50.37 |
| Loxbear | 0.00 | 0.00 |
| Morchard Bishop | 8,207.00 | 19.67 |
| Morebath | 6,100.00 | 40.83 |
| Newton St Cyres | 13,431.00 | 34.50 |
| Nymet Rowland | 800.00 | 16.16 |
| Oakford | 5,355.00 | 30.05 |
| Poughill | 3,630.00 | 44.50 |
| Puddington | 1,600.00 | 17.62 |
| Sampford Peverell | 16,555.00 | 33.22 |
| Sandford | 19,491.00 | 39.02 |
| Shobrooke | 5,518.00 | 27.02 |
| Silverton | 26,500.00 | 33.35 |
| Stockleigh English | 0.00 | 0.00 |
| Stockleigh Pomeroy | 0.00 | 0.00 |
| Stoodleigh | 4,000.00 | 26.58 |
| Templeton | 5,300.00 | 83.09 |
| Thelbridge | 2,000.00 | 14.67 |
| Thorverton | 15,739.00 | 39.58 |
| Tiverton | 434,642.00 | 61.69 |
| Uffculme | 95,000.00 | 90.32 |
| Uplowman | 3,100.00 | 19.87 |
| Upton Hellions | 0.00 | 0.00 |
| Washfield | 1,505.00 | 9.05 |
| Washford Pyne | 500.00 | 12.49 |
| Wembworthy | 3,700.00 | 35.01 |
| Willand | 57,427.00 | 48.96 |
| Woolfardisworthy | 500.00 | 6.96 |
| Zeal Monachorum | 5,500.00 | 33.71 |
| Total Parish Precepts | 1,837,470.89 | 2,193.01 |

- 3(h) The amounts set out in table below given by multiplying the amounts at 3g above by the number which, in the proportion set out in section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that particular proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Valuation Bands £

| | A | B | C | D | E | F | G | H |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bampton | 191.85 | 223.82 | 255.80 | 287.77 | 351.72 | 415.67 | 479.62 | 575.54 |
| Bickleigh | 163.29 | 190.50 | 217.72 | 244.93 | 299.36 | 353.79 | 408.22 | 489.86 |
| Bow | 154.58 | 180.33 | 206.10 | 231.86 | 283.39 | 334.91 | 386.44 | 463.72 |
| Bradninch | 176.77 | 206.23 | 235.69 | 265.15 | 324.07 | 383.00 | 441.92 | 530.30 |
| Brushford | 139.23 | 162.43 | 185.64 | 208.84 | 255.25 | 301.66 | 348.07 | 417.68 |
| Burlescombe | 164.35 | 191.74 | 219.13 | 246.52 | 301.30 | 356.09 | 410.87 | 493.04 |
| Butterleigh | 151.77 | 177.06 | 202.36 | 227.65 | 278.24 | 328.83 | 379.42 | 455.30 |
| Cadbury | 144.75 | 168.87 | 193.00 | 217.12 | 265.37 | 313.62 | 361.87 | 434.24 |
| Cadeleigh | 151.67 | 176.94 | 202.23 | 227.50 | 278.06 | 328.61 | 379.17 | 455.00 |
| Chawleigh | 173.29 | 202.17 | 231.05 | 259.93 | 317.69 | 375.46 | 433.22 | 519.86 |
| Cheriton Bishop | 169.90 | 198.22 | 226.54 | 254.85 | 311.48 | 368.12 | 424.75 | 509.70 |
| Cheriton Fitzpaine | 161.68 | 188.63 | 215.58 | 242.52 | 296.41 | 350.31 | 404.20 | 485.04 |
| Clannaborough | 139.23 | 162.43 | 185.64 | 208.84 | 255.25 | 301.66 | 348.07 | 417.68 |
| Clayhanger(B Gate) | 155.31 | 181.19 | 207.08 | 232.96 | 284.73 | 336.50 | 388.27 | 465.92 |
| Clayhidon | 166.38 | 194.10 | 221.84 | 249.56 | 305.02 | 360.48 | 415.94 | 499.12 |
| Coldridge | 164.58 | 192.00 | 219.44 | 246.86 | 301.72 | 356.58 | 411.44 | 493.72 |
| Colebrooke | 178.12 | 207.80 | 237.49 | 267.17 | 326.54 | 385.91 | 445.29 | 534.34 |
| Copplestone | 163.33 | 190.55 | 217.77 | 244.99 | 299.43 | 353.88 | 408.32 | 489.98 |
| Crediton | 204.08 | 238.08 | 272.10 | 306.11 | 374.14 | 442.16 | 510.19 | 612.22 |
| Crediton Hamlets | 150.98 | 176.13 | 201.30 | 226.46 | 276.79 | 327.11 | 377.44 | 452.92 |
| Cruwys Morchard | 154.39 | 180.12 | 205.85 | 231.58 | 283.04 | 334.51 | 385.97 | 463.16 |
| Cullompton | 218.36 | 254.74 | 291.14 | 327.53 | 400.32 | 473.10 | 545.89 | 655.06 |
| Culmstock | 199.22 | 232.41 | 265.62 | 298.82 | 365.23 | 431.63 | 498.04 | 597.64 |
| Down St Mary | 156.04 | 182.05 | 208.06 | 234.06 | 286.07 | 338.09 | 390.10 | 468.12 |
| Eggesford | 139.23 | 162.43 | 185.64 | 208.84 | 255.25 | 301.66 | 348.07 | 417.68 |
| Halberton | 153.30 | 178.84 | 204.40 | 229.94 | 281.04 | 332.14 | 383.24 | 459.88 |
| Hemyock | 204.10 | 238.12 | 272.14 | 306.15 | 374.18 | 442.22 | 510.25 | 612.30 |
| Hittesleigh | 161.28 | 188.15 | 215.04 | 241.91 | 295.67 | 349.43 | 403.19 | 483.82 |
| Hockworthy(B Gate) | 153.52 | 179.11 | 204.70 | 230.28 | 281.45 | 332.63 | 383.80 | 460.56 |
| Holcombe Rogus | 173.58 | 202.51 | 231.44 | 260.37 | 318.23 | 376.09 | 433.95 | 520.74 |
| Huntsham(B Gate) | 155.34 | 181.22 | 207.12 | 233.00 | 284.78 | 336.56 | 388.34 | 466.00 |
| Kennerleigh | 140.89 | 164.37 | 187.85 | 211.33 | 258.29 | 305.26 | 352.22 | 422.66 |
| Kentisbeare | 203.36 | 237.25 | 271.15 | 305.04 | 372.83 | 440.62 | 508.40 | 610.08 |
| Lapford | 172.81 | 201.61 | 230.41 | 259.21 | 316.81 | 374.42 | 432.02 | 518.42 |
| Loxbeare | 139.23 | 162.43 | 185.64 | 208.84 | 255.25 | 301.66 | 348.07 | 417.68 |
| Morchard Bishop | 152.34 | 177.73 | 203.12 | 228.51 | 279.29 | 330.07 | 380.85 | 457.02 |
| Morebath | 166.45 | 194.19 | 221.93 | 249.67 | 305.15 | 360.64 | 416.12 | 499.34 |
| Newton St Cyres | 162.23 | 189.26 | 216.31 | 243.34 | 297.42 | 351.49 | 405.57 | 486.68 |
| Nymet Rowland | 150.00 | 175.00 | 200.00 | 225.00 | 275.00 | 325.00 | 375.00 | 450.00 |
| Oakford | 159.26 | 185.80 | 212.35 | 238.89 | 291.98 | 345.07 | 398.15 | 477.78 |
| Poughill | 168.90 | 197.04 | 225.20 | 253.34 | 309.64 | 365.94 | 422.24 | 506.68 |
| Puddington | 150.98 | 176.13 | 201.30 | 226.46 | 276.79 | 327.11 | 377.44 | 452.92 |
| Sampford Peverell | 161.38 | 188.27 | 215.17 | 242.06 | 295.85 | 349.64 | 403.44 | 484.12 |
| Sandford | 165.24 | 192.78 | 220.32 | 247.86 | 302.94 | 358.02 | 413.10 | 495.72 |
| Shobrooke | 157.24 | 183.45 | 209.66 | 235.86 | 288.27 | 340.69 | 393.10 | 471.72 |
| Silverton | 161.46 | 188.37 | 215.28 | 242.19 | 296.01 | 349.83 | 403.65 | 484.38 |
| Stockleigh English | 139.23 | 162.43 | 185.64 | 208.84 | 255.25 | 301.66 | 348.07 | 417.68 |
| Stockleigh Pomeroy | 139.23 | 162.43 | 185.64 | 208.84 | 255.25 | 301.66 | 348.07 | 417.68 |
| Stoodleigh | 156.95 | 183.10 | 209.27 | 235.42 | 287.74 | 340.05 | 392.37 | 470.84 |
| Templeton | 194.62 | 227.06 | 259.50 | 291.93 | 356.80 | 421.68 | 486.55 | 583.86 |
| Thelbridge | 149.01 | 173.84 | 198.68 | 223.51 | 273.18 | 322.85 | 372.52 | 447.02 |
| Thorverton | 165.62 | 193.21 | 220.82 | 248.42 | 303.63 | 358.83 | 414.04 | 496.84 |
| Tiverton | 180.36 | 210.41 | 240.48 | 270.53 | 330.65 | 390.77 | 450.89 | 541.06 |
| Uffculme | 199.44 | 232.68 | 265.92 | 299.16 | 365.64 | 432.12 | 498.60 | 598.32 |
| Uplowman | 152.48 | 177.88 | 203.30 | 228.71 | 279.54 | 330.36 | 381.19 | 457.42 |
| Upton Hellions | 139.23 | 162.43 | 185.64 | 208.84 | 255.25 | 301.66 | 348.07 | 417.68 |
| Washfield | 145.26 | 169.47 | 193.68 | 217.89 | 266.31 | 314.73 | 363.15 | 435.78 |
| Washford Pyne | 147.56 | 172.14 | 196.74 | 221.33 | 270.52 | 319.70 | 368.89 | 442.66 |
| Wembworthy | 162.57 | 189.66 | 216.76 | 243.85 | 298.04 | 352.23 | 406.42 | 487.70 |
| Willand | 171.87 | 200.51 | 229.16 | 257.80 | 315.09 | 372.38 | 429.67 | 515.60 |
| Woolfardisworthy | 143.87 | 167.84 | 191.83 | 215.80 | 263.76 | 311.71 | 359.67 | 431.60 |
| Zeal Monachorum | 161.70 | 188.65 | 215.60 | 242.55 | 296.45 | 350.35 | 404.25 | 485.10 |

- 3(i) This table shows the proportions payable for the MDDC element of Council Tax and would be the amount payable for those Parishes who's Precept has been set at zero.

Valuation Bands £

| | A | B | C | D | E | F | G | H |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| All other parts of the Council's area | 139.23 | 162.43 | 185.64 | 208.84 | 255.25 | 301.66 | 348.07 | 417.68 |

- 4.0 That it be noted that for the year 2020/21 Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands £

| Precepting Authority | A | B | C | D | E | F | G | H |
|--|--------|----------|----------|----------|----------|----------|----------|----------|
| Devon County Council | 959.64 | 1,119.58 | 1,279.52 | 1,439.46 | 1,759.34 | 2,079.22 | 2,399.10 | 2,878.92 |
| Devon & Cornwall Police and Crime Commissioner | 147.76 | 172.39 | 197.01 | 221.64 | 270.89 | 320.15 | 369.40 | 443.28 |
| Devon & Somerset Fire Authority | 58.83 | 68.63 | 78.44 | 88.24 | 107.85 | 127.46 | 147.07 | 176.48 |

- 5.0 That, having calculated the aggregate in each case of the amounts at 3h and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2020/21 for each part of its area and for each of the categories of dwellings shown below:

Valuation Bands £

| | A | B | C | D | E | F | G | H |
|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Bampton | 1,358.08 | 1,584.42 | 1,810.77 | 2,037.11 | 2,489.80 | 2,942.50 | 3,395.19 | 4,074.22 |
| Bickleigh | 1,329.52 | 1,551.10 | 1,772.69 | 1,994.27 | 2,437.44 | 2,880.62 | 3,323.79 | 3,988.54 |
| Bow | 1,320.81 | 1,540.93 | 1,761.07 | 1,981.20 | 2,421.47 | 2,861.74 | 3,302.01 | 3,962.40 |
| Bradninch | 1,343.00 | 1,566.83 | 1,790.66 | 2,014.49 | 2,462.15 | 2,909.83 | 3,357.49 | 4,028.98 |
| Brushford | 1,305.46 | 1,523.03 | 1,740.61 | 1,958.18 | 2,393.33 | 2,828.49 | 3,263.64 | 3,916.36 |
| Burlescombe | 1,330.58 | 1,552.34 | 1,774.10 | 1,995.86 | 2,439.38 | 2,882.92 | 3,326.44 | 3,991.72 |
| Butterleigh | 1,318.00 | 1,537.66 | 1,757.33 | 1,976.99 | 2,416.32 | 2,855.66 | 3,294.99 | 3,953.98 |
| Cadbury | 1,310.98 | 1,529.47 | 1,747.97 | 1,966.46 | 2,403.45 | 2,840.45 | 3,277.44 | 3,932.92 |
| Cadeleigh | 1,317.90 | 1,537.54 | 1,757.20 | 1,976.84 | 2,416.14 | 2,855.44 | 3,294.74 | 3,953.68 |
| Chawleigh | 1,339.52 | 1,562.77 | 1,786.02 | 2,009.27 | 2,455.77 | 2,902.29 | 3,348.79 | 4,018.54 |
| Cheriton Bishop | 1,336.13 | 1,558.82 | 1,781.51 | 2,004.19 | 2,449.56 | 2,894.95 | 3,340.32 | 4,008.38 |
| Cheriton Fitzpaine | 1,327.91 | 1,549.23 | 1,770.55 | 1,991.86 | 2,434.49 | 2,877.14 | 3,319.77 | 3,983.72 |
| Clannaborough | 1,305.46 | 1,523.03 | 1,740.61 | 1,958.18 | 2,393.33 | 2,828.49 | 3,263.64 | 3,916.36 |
| Clayhanger(B Gate) | 1,321.54 | 1,541.79 | 1,762.05 | 1,982.30 | 2,422.81 | 2,863.33 | 3,303.84 | 3,964.60 |
| Clayhidon | 1,332.61 | 1,554.70 | 1,776.81 | 1,998.90 | 2,443.10 | 2,887.31 | 3,331.51 | 3,997.80 |
| Coldridge | 1,330.81 | 1,552.60 | 1,774.41 | 1,996.20 | 2,439.80 | 2,883.41 | 3,327.01 | 3,992.40 |
| Colebrooke | 1,344.35 | 1,568.40 | 1,792.46 | 2,016.51 | 2,464.62 | 2,912.74 | 3,360.86 | 4,033.02 |
| Copplestone | 1,329.56 | 1,551.15 | 1,772.74 | 1,994.33 | 2,437.51 | 2,880.71 | 3,323.89 | 3,988.66 |
| Crediton | 1,370.31 | 1,598.68 | 1,827.07 | 2,055.45 | 2,512.22 | 2,968.99 | 3,425.76 | 4,110.90 |
| Crediton Hamlets | 1,317.21 | 1,536.73 | 1,756.27 | 1,975.80 | 2,414.87 | 2,853.94 | 3,293.01 | 3,951.60 |
| Cruwys Morchard | 1,320.62 | 1,540.72 | 1,760.82 | 1,980.92 | 2,421.12 | 2,861.34 | 3,301.54 | 3,961.84 |
| Cullompton | 1,384.59 | 1,615.34 | 1,846.11 | 2,076.87 | 2,538.40 | 2,999.93 | 3,461.46 | 4,153.74 |
| Culmstock | 1,365.45 | 1,593.01 | 1,820.59 | 2,048.16 | 2,503.31 | 2,958.46 | 3,413.61 | 4,096.32 |
| Down St Mary | 1,322.27 | 1,542.65 | 1,763.03 | 1,983.40 | 2,424.15 | 2,864.92 | 3,305.67 | 3,966.80 |
| Eggesford | 1,305.46 | 1,523.03 | 1,740.61 | 1,958.18 | 2,393.33 | 2,828.49 | 3,263.64 | 3,916.36 |
| Halberton | 1,319.53 | 1,539.44 | 1,759.37 | 1,979.28 | 2,419.12 | 2,858.97 | 3,298.81 | 3,958.56 |
| Hemyock | 1,370.33 | 1,598.72 | 1,827.11 | 2,055.49 | 2,512.26 | 2,969.05 | 3,425.82 | 4,110.98 |
| Hittesleigh | 1,327.51 | 1,548.75 | 1,770.01 | 1,991.25 | 2,433.75 | 2,876.26 | 3,318.76 | 3,982.50 |
| Hockworthy(B Gate) | 1,319.75 | 1,539.71 | 1,759.67 | 1,979.62 | 2,419.53 | 2,859.46 | 3,299.37 | 3,959.24 |
| Holcombe Rogus | 1,339.81 | 1,563.11 | 1,786.41 | 2,009.71 | 2,456.31 | 2,902.92 | 3,349.52 | 4,019.42 |
| Huntsman(B Gate) | 1,321.57 | 1,541.82 | 1,762.09 | 1,982.34 | 2,422.86 | 2,863.39 | 3,303.91 | 3,964.68 |
| Kennerleigh | 1,307.12 | 1,524.97 | 1,742.82 | 1,960.67 | 2,396.37 | 2,832.09 | 3,267.79 | 3,921.34 |
| Kentisbeare | 1,369.59 | 1,597.85 | 1,826.12 | 2,054.38 | 2,510.91 | 2,967.45 | 3,423.97 | 4,108.76 |
| Lapford | 1,339.04 | 1,562.21 | 1,785.38 | 2,008.55 | 2,454.89 | 2,901.25 | 3,347.59 | 4,017.10 |
| Loxbeare | 1,305.46 | 1,523.03 | 1,740.61 | 1,958.18 | 2,393.33 | 2,828.49 | 3,263.64 | 3,916.36 |
| Morchard Bishop | 1,318.57 | 1,538.33 | 1,758.09 | 1,977.85 | 2,417.37 | 2,856.90 | 3,296.42 | 3,955.70 |
| Morebath | 1,332.68 | 1,554.79 | 1,776.90 | 1,999.01 | 2,443.23 | 2,887.47 | 3,331.69 | 3,998.02 |
| Newton St Cyres | 1,328.46 | 1,549.86 | 1,771.28 | 1,992.68 | 2,435.50 | 2,878.32 | 3,321.14 | 3,985.36 |
| Nymet Rowland | 1,316.23 | 1,535.60 | 1,754.97 | 1,974.34 | 2,413.08 | 2,851.83 | 3,290.57 | 3,948.68 |
| Oakford | 1,325.49 | 1,546.40 | 1,767.32 | 1,988.23 | 2,430.06 | 2,871.90 | 3,313.72 | 3,976.46 |
| Poughill | 1,335.13 | 1,557.64 | 1,780.17 | 2,002.68 | 2,447.72 | 2,892.77 | 3,337.81 | 4,005.36 |
| Puddington | 1,317.21 | 1,536.73 | 1,756.27 | 1,975.80 | 2,414.87 | 2,853.94 | 3,293.01 | 3,951.60 |
| Sampford Peverell | 1,327.61 | 1,548.87 | 1,770.14 | 1,991.40 | 2,433.93 | 2,876.47 | 3,319.01 | 3,982.80 |
| Sandford | 1,331.47 | 1,553.38 | 1,775.29 | 1,997.20 | 2,441.02 | 2,884.85 | 3,328.67 | 3,994.40 |
| Shobrooke | 1,323.47 | 1,544.05 | 1,764.63 | 1,985.20 | 2,426.35 | 2,867.52 | 3,308.67 | 3,970.40 |
| Silverton | 1,327.69 | 1,548.97 | 1,770.25 | 1,991.53 | 2,434.09 | 2,876.66 | 3,319.22 | 3,983.06 |
| Stockleigh English | 1,305.46 | 1,523.03 | 1,740.61 | 1,958.18 | 2,393.33 | 2,828.49 | 3,263.64 | 3,916.36 |
| Stockleigh Pomeroy | 1,305.46 | 1,523.03 | 1,740.61 | 1,958.18 | 2,393.33 | 2,828.49 | 3,263.64 | 3,916.36 |
| Stoodleigh | 1,323.18 | 1,543.70 | 1,764.24 | 1,984.76 | 2,425.82 | 2,866.88 | 3,307.94 | 3,969.52 |
| Templeton | 1,360.85 | 1,587.66 | 1,814.47 | 2,041.27 | 2,494.88 | 2,948.51 | 3,402.12 | 4,082.54 |
| Thelbridge | 1,315.24 | 1,534.44 | 1,753.65 | 1,972.85 | 2,411.26 | 2,849.68 | 3,288.09 | 3,945.70 |
| Thorverton | 1,331.85 | 1,553.81 | 1,775.79 | 1,997.76 | 2,441.71 | 2,885.66 | 3,329.61 | 3,995.52 |
| Tiverton | 1,346.59 | 1,571.01 | 1,795.45 | 2,019.87 | 2,468.73 | 2,917.60 | 3,366.46 | 4,039.74 |
| Uffculme | 1,365.67 | 1,593.28 | 1,820.89 | 2,048.50 | 2,503.72 | 2,958.95 | 3,414.17 | 4,097.00 |
| Upplowman | 1,318.71 | 1,538.48 | 1,758.27 | 1,978.05 | 2,417.62 | 2,857.19 | 3,296.76 | 3,956.10 |
| Upton Hellions | 1,305.46 | 1,523.03 | 1,740.61 | 1,958.18 | 2,393.33 | 2,828.49 | 3,263.64 | 3,916.36 |
| Washfield | 1,311.49 | 1,530.07 | 1,748.65 | 1,967.23 | 2,404.39 | 2,841.56 | 3,278.72 | 3,934.46 |
| Washford Pyne | 1,313.79 | 1,532.74 | 1,751.71 | 1,970.67 | 2,408.60 | 2,846.53 | 3,284.46 | 3,941.34 |
| Wembworthy | 1,328.80 | 1,550.26 | 1,771.73 | 1,993.19 | 2,436.12 | 2,879.06 | 3,321.99 | 3,986.38 |
| Willand | 1,338.10 | 1,561.11 | 1,784.13 | 2,007.14 | 2,453.17 | 2,899.21 | 3,345.24 | 4,014.28 |
| Woolfardisworthy | 1,310.10 | 1,528.44 | 1,746.80 | 1,965.14 | 2,401.84 | 2,838.54 | 3,275.24 | 3,930.28 |
| Zeal Monachorum | 1,327.93 | 1,549.25 | 1,770.57 | 1,991.89 | 2,434.53 | 2,877.18 | 3,319.82 | 3,983.78 |

- 6.0 The Council has determined that its relevant basic amount of Council Tax for 2020/21 is not excessive in accordance with principles approved under section 52ZB Local Government Finance Act 1992.

As the billing authority has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2020/21 is excessive and therefore that the billing authority is not required to hold a referendum in accordance with section 52ZK Local Government Finance Act 1992.

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **SCRUTINY COMMITTEE** held on 27 January 2020 at 2.15 pm

Present Councillors

W Burke, R J Chesterton, L J Cruwys,
Mrs C P Daw, R Evans, Mrs I Hill,
B Holdman, B A Moore, R L Stanley,
B G J Warren and A Wilce

Apologies Councillor(s)

F W Letch

Also Present Councillor(s)

R M Deed, D J Knowles and A White

Also Present Officer(s):

Joanne Nacey (Group Manager for Financial Services), Simon Newcombe (Group Manager for Public Health and Regulatory Services), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Lee Chester (Leisure Manager), Clare Robathan (Scrutiny Officer) and Carole Oliphant (Member Services Officer)

109 **APOLOGIES AND SUBSTITUTE MEMBERS (00.00.26)**

Apologies were received from Cllr F W Letch who was substituted by Cllr L Cruwys.

The Chairman asked for a Member to act as Vice Chairman for the meeting and Cllr A Wilce was nominated to the role for the meeting.

110 **DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (00.01.13)**

There were no declarations made.

111 **PUBLIC QUESTION TIME (00.01.22)**

There were no members of the public present.

112 **MEMBER FORUM (00.02.23)**

There were no issues raised under this item.

113 **MINUTES OF THE PREVIOUS MEETING (00.02.37)**

The minutes of the last meeting held on 6th January were approved as a correct record and **SIGNED** by the Chairman.

114 DECISIONS OF THE CABINET (00.03.21)

The Committee **NOTED** that none of the decisions made by the Cabinet on 16th January had been called in.

115 CHAIRMAN'S ANNOUNCEMENTS (00.03.36)

The Chairman had no announcements to make.

116 CABINET MEMBER FOR COMMUNITY WELL-BEING REPORT (00.03.43)

The Committee had before it and **NOTED** a *report from the Cabinet Member for Community Wellbeing outlining performance in the services areas he was responsible for.

He provided highlights of his portfolio including:

- Strategic Grants
- ICT Services
- Gazetteer Management Services
- Leisure
- Public Health

Members discussed and received answers to the following:

- The current status of the migration of S106 data
- An issue with the back door at Exe Valley Leisure Centre
- The introduction of the Noise App
- Congratulations to the Food Safety Team for a recent prosecution
- Drug busting visits

The Cabinet Member informed Members that he had attended the opening of the Culm Valley Leisure suite that morning.

Note: *report previously circulated and attached to the minutes.

117 DRAFT BUDGET (00.22.41)

The Committee had before it and **NOTED** the *draft budget report from the Deputy Chief Executive (S151) presented by the Group Manager for Finance.

She informed Members that the present budget gap was £234k and that it was not recommended that reserves were used to plug the gap.

She confirmed that there had been no monies set aside in the budget for future Climate Change specific projects. She explained that a business case and action plan detailing the projects required and costings would need to be agreed and approved.

Members gave consideration to the following:

- The current year's budget deficit
- The cost of the cancellation of the Tiverton Town Centre Regeneration Project due to committed expenditure
- Renewable energy transactions
- Major repairs allowance
- Garage rents
- Planned maintenance programme for Council Housing Stock

Note: *draft budget report previously circulated and attached to the minutes

118 **WHISTLEBLOWING 6 MONTH UPDATE (00.51.09)**

The Group Manager for Governance, Performance and Data Security explained to the Committee that there had been no whistleblowing instances in the previous 12 months.

119 **PERFORMANCE AND RISK (00.51.57)**

The Committee had before it and **NOTED** a *report of the Group Manager for Performance, Governance and Data Security presenting Members with an update on performance against the corporate plan and local service targets for 2019-20 as well as providing an update on the key business risks.

She explained that the reports had been seen by the PDG's. She also explained that a request to benchmark the Council Carbon Footprint against neighbouring authorities would not be advisable as the Council were not directly comparable to other authorities.

She explained that additional measures would be introduced once the Corporate Plan had been adopted.

Note: *Report previously circulated and attached to the minutes.

120 **SCRUTINY OFFICER UPDATE (01.00.52)**

The Scrutiny Officer provided Members with an update on the 5G Spotlight review currently ongoing with Devon County Council and explained that over 1200 responses had been received to date to their public survey. She informed Members that DCC would now be holding focus groups with the respondents, before holding a final panel with experts, and that this would take a few months to complete. Members agreed that it would be prudent to wait for the outcome of the Spotlight review before deciding to complete any MDDC review into the issue. Members requested that any investigation completed by the Scrutiny Officer was provided to them.

She explained that an all Member briefing on the procurement process was planned for 19th March and that once Members had attended they could confirm if any further investigation into the processes used was required.

121 **FORWARD PLAN (01.02.55)**

The Committee had before it and **NOTED** the *Forward Plan.

Members requested that the 3 Rivers Development Ltd – Additional Governance Report be presented to Scrutiny before being presented to Cabinet.

Note: *Forward Plan previously circulated and attached to the minutes.

122 IDENTIFICATION OF ITEMS FOR FUTURE MEETINGS (01.05.23)

No items were identified.

(The meeting ended at 3.22 pm)

CHAIRMAN

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 28 January 2020 at 5.30 pm

Present

Councillors

R Evans (Chairman)
Mrs C Collis, B A Moore, D F Pugsley,
A Wilce, J Wright and A Wyer

Also Present

Councillor

R M Deed

Also Present

Officers

Catherine Yandle (Group Manager for Performance, Governance and Data Security), Joanne Nacey (Group Manager for Financial Services), David Curnow (Deputy Head of Devon Audit Partnership) and Sarah Lees (Member Services Officer)

57. **APOLOGIES**

There were no apologies for absence.

58. **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

There were no interests declared under this item.

59. **PUBLIC QUESTION TIME**

There were no members of the public present.

60. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman informed the Committee that the Group Manager for Financial Services, Jo Nacey, would be leaving the authority to take up a post elsewhere. On behalf of the committee he extended his thanks to Jo for all the hard work she had undertaken for the Council. She had shown respect, diplomacy, good grace and always wore a smile. He wished her well for the future.

61. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 10 December 2019 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

62. **PERFORMANCE & RISK REPORT**

The Committee had before it, and **NOTED**, a report * from the Director of Corporate Affairs & Business Transformation providing Members with an update on performance against the Corporate Plan and local service targets for 2019-20 as well as providing an update on the key business risks. The report had been discussed by

three Policy Development Groups and the Scrutiny Committee. There had been discussion at the Scrutiny Committee about the Council's carbon footprint with a suggestion that Mid Devon's be compared with that of other authorities. However, it was felt that this would not add much value since figures were not directly comparable given that other authorities provided different services in house.

Further discussion took place with regard to:

- How well the Private Sector Housing team were performing in 'bringing empty homes back into use'.
- Whether a trend line in relation to the number of empty shops bar chart would add any value?
- The number of days lost due to sickness. This topic had regularly been discussed by the Committee with the promise of a revised policy being drawn up by officers some time ago. The Committee were informed that a revised policy had been circulated to Group Managers this week with a view to it being fully adopted by 1st February 2020. The Chairman requested that the Committee receive reassurance from the Leadership Team that the policy was now in place and had gone through all the required processes, for example, the union.
- The need for a thorough analysis of the performance indicators in relation to the Council's commitment to the climate change declaration and the new Corporate Plan.
- A mitigating action in relation to GDPR compliance risk being behind target, however, the Committee were reassured that there was an action plan in place and officers knew what they had to do going forwards.

Note: * Report previously circulated; copy attached to the signed minutes.

63. **EXTERNAL AUDIT PROGRESS REPORT**

The External Auditor provided a verbal update on where Grant Thornton were in terms of delivering their responsibilities as the Council's external auditors. It was explained that since the last Audit Committee they had had a second meeting with the Group Manager for Financial Services and the Deputy Chief Executive (S151). They had started work on the value for money risks and confirmed that the pooling of capital receipts work had been completed. No issues of concern had been identified.

64. **EXTERNAL AUDITORS AUDIT PLAN FOR 2019/2020**

The Committee had before it, and **NOTED**, a report from Grant Thornton providing an overview of the planned scope and timing of the statutory audit of Mid Devon District Council for the year ending 31st March 2020.

Key highlights within the report included the following:

- Those risks requiring special audit consideration continued to be in relation to the 3 Rivers Development Limited and the employer's pension fund liability as there was a significant amount of estimation in these areas.
- There were also risks in relation to changes within the Finance team with the Group Manager and an Accountant having recently left or about to leave. This

would leave a gap in terms of expertise and staff resource until replacement members of staff were fully conversant with the Council's processes.

- The proposed fee for the 2019/2020 external audit would be £44,229.
- From Grant Thornton's initial discussions with officers, 3 Rivers 'work in progress' was forecast to be c£9m. Although this did not meet the criteria requiring an external audit, it was a material balance to the group accounts and would need additional assessment by the external auditors.
- There had been a change to International Financial Reporting Standard (IFRS) 16 to do with leases. Under the new standard the current distinction between operating and finance leases is removed for lessees and, subject to certain exceptions, lessees will recognise all leases on their balance sheet as a right of use asset and a liability to make lease payments.
- The threshold for materiality would be kept at 2% of the Council's gross expenditure.
- With regard to financial sustainability the external auditors were keen to stress that the Council continued to face significant financial challenges over the medium term.
- The interim audit would commence in the following week with the final audit commencing at the end of May. A final report would be brought to the Audit Committee in July.

Consideration was given to:

- In order for 3 Rivers Development Limited to trigger an external audit they would need to meet 2 out of 3 criteria in relation to numbers of staff (50 or more), annual turnover (of more than £10.2m) and assets exceeding £5.1m. These criteria were not currently met. There was provision within the agreement for an external audit of 3 Rivers to be undertaken by an independent external audit company but it would be a costly expense to the Council and may not represent value for money given the overall percentage spend.
- The need for more information to the Audit Committee about exactly what the Grant Thornton audit of the 3 Rivers areas entailed and the results of their necessary risk assessments.
- The Committee were keen to more fully understand the external auditor's view of the Council's financial sustainability but the audit needed to be completed first before the Committee could have that discussion with them.
- The number of days and weeks the external auditors would be undertaking the audit in relation to the fee they were charging.

Note: * Report previously circulated; copy attached to the signed minutes.

65. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING

There were no further items identified for the next meeting other than those already listed within the work programme.

(The meeting ended at 6.25 pm)

CHAIRMAN

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **ENVIRONMENT POLICY DEVELOPMENT GROUP**
held on 14 January 2020 at 5.30 pm

Present

Councillors

B G J Warren (Chairman)
E J Berry, D R Coren, B Holdman,
R F Radford, R L Stanley,
Ms E J Wainwright and J Wright

Also Present

Councillor(s)

R M Deed and L D Taylor

Also Present

Officer(s):

Jill May (Director of Corporate Affairs and Business Transformation), Kathryn Tebbey (Head of Legal (Monitoring Officer)), Joanne Nacey (Group Manager for Financial Services), Stuart Noyce (Group Manager for Street Scene and Open Spaces), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Philip Langdon (Solicitor), Clare Robathan (Scrutiny Officer), Vicky Lowman (Environment and Enforcement Manager) and Carole Oliphant (Member Services Officer)

55 APOLOGIES AND SUBSTITUTE MEMBERS (00.00.55)

There were no apologies or substitute members.

56 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (00.01.18)

There were no declarations made.

57 PUBLIC QUESTION TIME (00.01.27)

There were no members of the public present.

58 MINUTES OF THE PREVIOUS MEETING (00.01.53)

The minutes of the previous meeting held on 26th November 2019 were agreed as a true record and **SIGNED** by the Chairman.

59 CHAIRMAN'S ANNOUNCEMENTS (00.02.54)

The Chairman informed the Group of the need to have a special meeting to discuss the budget proposals before they were considered by Cabinet. The Group agreed the meeting be arranged for 30th January 2020 at 4pm.

The Chairman invited Cllr Ms E J Wainwright to give an update on the Net Zero Working Group.

Cllr Ms E J Wainwright informed Members that a new web page had been launched which concentrated on the DCC taskforce, she explained that the working group would be looking at additional content to assist community groups. She explained that a press release was due shortly which would inform the public what MDDC had already done to reduce its carbon footprint and what would be done moving forward. She explained that the Carbon Baseline report had lots of tangible things which could be achieved and that this would be investigated at the next Net Zero working group meeting.

60 **FINANCIAL MONITORING (00.07.51)**

The Group Manager for Finance explained to the Group that the October variance was a £95k deficit and this had increased to £234k in November.

She provided Members with the main areas of movement since the October monitoring report which included:

- Environmental Services - Net S106 expenditure was slightly less than previously forecast (£9k) and that this was offset by Ear Marked Reserves (EMR).
- Waste – (£15k) Garden waste and permit sales were down against budget but numbers may pick up before year end.
- Cemeteries – Income below previously forecast (£10k)
- Planning – S106 expenditure had increased by £82k, but this was offset by EMR transfer. Planning income was a further £20k less than forecast at the October monitoring.
- IT – A salary pressure had been reduced by £11k.
- Revenues and Benefits – Housing Benefit Overpayments Recovery forecasts had dropped another £60k – revised forecast following identification of some duplication.
- NNDR – Retained Business Rates were forecast to be £48k lower than forecast in October following appeals.

In response to questions raised she confirmed that she would provide details of the £20k Planning income forecast and what this included.

She explained that the Budget setting process included trend analysis and assumptions of income to the end of the financial year.

61 **ENVIRONMENT EDUCATIONAL ENFORCEMENT POLICY (00.18.01)**

The Group had before it a *report of the Group Manager for Street Scene and Open Spaces detailing changes to the Environment Educational Enforcement Policy.

The Group discussed enforcement and neighbouring authorities who were using independent companies to carry out enforcement action in their areas. The Group discussed the pros and cons of using outside contractors and gave consideration to:

- Current officer capacity to deal with litter enforcement
- Costs for employing a contractor to carry out enforcement duties
- How complaints about fixed penalty notices issued by a contractor would be handled

- The Enforcement Policies were valid for 10 years so a decision with regard to the use of contractors would need to be settled prior to adopting them
- The capacity of the current legal team to deal with non-payment of fines issued by contractors
- The appetite for external companies to run operations in Mid Devon as the opportunity for profit was not guaranteed
- The possibility of joint arrangements with a neighbouring authority to employ a contractor for enforcement duties

The Group **AGREED** that officers explore a private company to undertake enforcement duties throughout the District and to investigate working with neighbouring authorities to provide a contracted out service. Members requested that a report be brought back to a future meeting of the Policy Development Group giving clear recommendations on the options available for contracted out enforcement duties and the costs associated with them.

(Proposed by the Chairman)

Fly Tipping Policy

The Group discussed the amended Fly Tipping Policy and considered the following points:

- Scenarios when prosecution would not be appropriate
- The maximum fines set by the Government
- Compliance with the code of prosecutors for prosecutions
- The need to publicise successful prosecutions
- The use of mobile CCTV
- The cost of purchasing mobile CCTV equipment

The Group Manager for Performance, Governance and Data Security explained that a Policy on the use of CCTV, which would include mobile CCTV units, was currently being investigated by officers and that this would be presented to the Community PDG by July.

The Group **RECOMMENDED** to the Cabinet that:

- i) The amended Fly Tipping Policy (Appendix A) be renewed
- ii) The fixed penalty notices be increased from £200 to £400 for fly tipping
- iii) The powers to use CCTV, subject to investigation into the powers allowed under regulations, to assist with fly tipping fixed penalty notices be authorised

(Proposed by the Chairman)

Littering from Vehicles Policy

The Group discussed the Littering from Vehicles policy and agreed that the delegation of powers to officers was not clear. Members requested that this be updated and the Constitution be amended if required.

The Group **RECOMMENDED** to the Cabinet that:

- iv) The Littering from Vehicles Regulations 2018 Policy (Appendix B) be adopted subject to confirmation of delegated powers to officers.

(Proposed by the Chairman)

Compulsory Recycling Policy

The Group discussed the Compulsory Recycling Policy and considered the following:

- The need to tell residents that they had to recycle and what they can recycle
- Residents living in flats
- Different district recycling schemes
- Education about food waste

The Group **RECOMMENDED** to the Cabinet that:

- a. The revised Compulsory Recycling Policy to follow government guidelines (Appendix C) be adopted subject to: the inclusion of information on what could currently be recycled

(Proposed by the Chairman)

Public Space Protection Order

The Group discussed the Public Space Protection Order and Members felt that the document presented required further work before the consultation process began. The Solicitor explained that the current dog fouling order was due to end in October 2020.

The Group **AGREED** that the Public Space Protection order should be deferred until the March meeting of the Environment Policy Development Group for officers to prepare and present a revised covering report and plan that could be recommended to Cabinet for public consultation.

(Proposed by Cllr R L Stanley and seconded by Cllr D R Coren)

Abandoned Vehicle Policy

The Group discussed the Abandoned Vehicle Policy and consideration was given to the following:

- Clarification of Authorisations
- What amounts to service
- Letter in ordinary post was sufficient for giving notice

The Group **RECOMMENDED** to the Cabinet that:

- v) The amended Abandoned Vehicle Policy be adopted (Appendix E)

(Proposed by the Chairman)

Stray Dog Policy

Members advised that they required changes to some of the wording of the Policy and that the process for dealing with dogs with microchips should be added as an appendix to the policy.

The Group **RECOMMENDED** to the Cabinet that:

- vi) The amended Stray Dog Policy be adopted subject to:
 - i. 3.6 Unclaimed strays – the wording be amended to: By destroying it humanely and by a qualified veterinary surgeon
 - ii. 4.0 Penalties and payments – Remove the administration and kennelling specific fees and replace with ‘current contractor fees’
 - iii. Inclusion of the process for dealing with dogs with microchips

And:

- vii) Authority for the Environment and Enforcement Manager to be the officer appointed under section 149 of the Environmental Protection Act 1990 be granted. (Appendix F)

(Proposed by the Chairman)

Note: *Report previously circulated and attached to the minutes.

62 **PERFORMANCE AND RISK (01.45.23)**

The Group had before it and **NOTED** a *report of the Group Manager for Performance, Governance and Data Security presenting Members with an update on performance against the corporate plan and local service targets for 2019-20 as well as providing an update on the key business risks.

Note: *Report previously circulated and attached to the minutes.

63 **IDENTIFICATION OF ITEMS FOR FUTURE MEETINGS (01.48.45)**

No additional items were identified.

(The meeting ended at 7.21 pm)

CHAIRMAN

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **ENVIRONMENT POLICY DEVELOPMENT GROUP**
held on 30 January 2020 at 4.00 pm

Present

Councillors

B G J Warren (Chairman)
E J Berry, W Burke, D R Coren, B Holdman,
R F Radford, R L Stanley and J Wright

Also Present

Councillor(s)

D J Knowles, L D Taylor and Ms E J Wainwright

Also Present

Officer(s):

Joanne Nacey (Group Manager for Financial Services) and
Carole Oliphant (Member Services Officer)

64 APOLOGIES AND SUBSTITUTE MEMBERS (00.00.29)

There were no apologies

65 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (00.00.34)

No Interests were declared under this item.

66 PUBLIC QUESTION TIME (00.01.27)

There were no members of the public present

67 MINUTES OF THE PREVIOUS MEETING (00.01.31)

The minutes of the previous meeting held on 14th January 2020 were agreed as a true record and **SIGNED** by the Chairman.

68 CHAIRMAN'S ANNOUNCEMENTS (00.04.40)

The Chairman informed the Group that the Street Scene enforcement officers had issued a fixed penalty notice to an individual for fly tipping.

69 DRAFT BUDGET (00.05.39)

The Group had before it the *draft budget report from the Deputy Chief Executive S151 presented by the Group Manager for Financial Services.

She explained that the budget gap was currently calculated at £234k and that it had risen due to the changes to the car parking charges proposals made by the Cabinet which would see a £57k reduction in projected income.

Members discussed the implications of the proposed revision of the General Reserves (General Fund) limit to £2m. The Group Manager for Financial Services

explained that it was proposed that £500k was moved from the General Reserves (unallocated reserves) to Earmarked Reserves (allocated reserves).

She explained to the Group that by law the Council had to produce a balanced budget and that with a projected budget gap for 2020/2021 of £234k the default position was that the budget gap would need to be found from the reserves (either the General Fund reserve or earmarked reserves) unless significant savings could be found.

Members questioned how budget gaps had been dealt with in previous years and she explained that previously the gaps had been plugged by New Homes Bonus and underspend on the agreed budgets. She explained that the New Homes Bonus revenues had significantly reduced due to changes in Government funding with further reductions proposed which would see the Grant disappear completely. It was therefore no longer the “go to” reserve to close the budget gap

The Group Manager for Finance gave further detail on the following:

- Budget proposals for 2020/2021 and the Capital Programme
- Advance payment of the next 3 years pension deficit
- The revised Medium Term Plan
- The proposed revision of the minimum General Reserves (General Fund) limit to £2m

The Group gave consideration to the following:

- The process for agreeing the budget through the Cabinet and Full Council
- The SWEED annual subscription of £5k
- The proposed saving to remove the budget for the weed team. It was felt that the parishes in particular made use of this service and the appearance of the district was important to a great many people. The Chairman informed the Group that some parishes paid for their own weed team. The removal of this saving would add c£53k to the budget gap.
- The proposed arrangement for emptying bins on the Canal and the change of funding to DCC
- Committed expenditure due from the Tiverton Town Centre regeneration plan being postponed. The Group Manager for Financial Services confirmed that this would be an in-year cost rather than something which would be a pressure in the 2020/21 Budget.

The Group then considered the recommendations of the report individually:

- 1) The Group considered the updated budget proposal for 2020/2021 and discussed the removal of the weed team and it was explained that the Homes PDG had made a recommendation to the Cabinet that the proposed savings identified in relation to the weed team be removed and that the budget in this area be retained. The Group **AGREED** to endorse the recommendation of the Homes PDG.

(Proposed by the Cllr R L Stanley and seconded by Cllr W Burke)

- 2) The Group considered the proposal to make a payment in advance of the next 3 years pension deficit and **AGREED** to the proposal.

(Proposed by the Chairman)

- 3) The Group **NOTED** the Medium Term Financial Plan.

(Proposed by the Chairman)

- 4) The Group considered the proposed revision of the minimum General Reserves (General Fund Limit) to £2m and **AGREED** to the proposal.

(Proposed by the Chairman)

Note:

- i) Councillors R L Stanley and E J Berry requested that their abstention from voting for the proposed revision of the minimum General Reserves (General Fund Limit) to £2m be recorded.
- ii) *draft budget previously circulated; copy attached to the minutes.

70 **NET ZERO WORKING GROUP (01.21.04)**

The Chairman explained that since Cllr Ms E J Wainwright's move onto the Cabinet the Net Zero Working Group and the PDG were down one member and he asked the Group for volunteers to sit on the working group.

The Group discussed the progress of the DCC Climate Change Taskforce and the link to the Devon wide plan. Members felt that the working group should await some outcomes from the Devon wide plan before moving forward with specific standalone plans for carbon reduction in the District.

The Group **AGREED** to postpone the next meeting of the working group and to determine the membership until after the next ordinary meeting of the Group on 10th March 2020 when the replacement of Cllr Wainwright on the PDG was known and there would be more information available on progress of the DCC taskforce.

(Proposed by the Chairman).

71 **IDENTIFICATION OF ITEMS FOR FUTURE MEETINGS (01.27.39)**

No items were identified.

(The meeting ended at 5.30 pm)

CHAIRMAN

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 21 January 2020 at 2.15 pm

Present

Councillors

R J Dolley (Chairman)
J Cairney, D R Coren, L J Cruwys,
Mrs C P Daw, C J Eginton, F W Letch and
S J Penny

Apologies

Councillor

Mrs E M Andrews

Also Present

Councillor

R L Stanley

Also Present

Officers

Simon Newcombe (Group Manager for Public Health and Regulatory Services), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Joanne Nacey (Group Manager for Financial Services), J P McLachlan (Principal Accountant), Mike Lowman (Repairs and Adaptations Supervisor), Lisa Harber (Neighbourhood Team Leader), Helen Carty (Housing Policy Officer) and Sarah Lees (Member Services Officer)

59 MINUTE SILENCE - COUNCILLOR JOHN DAW

The Chairman opened the meeting and asked that those in attendance observe a minute's silence in memory of Councillor John Daw.

Those present spent a minute in quiet contemplation.

60 APOLOGIES AND SUBSTITUTE MEMBERS

Apologies were received from Councillor Mrs E Andrews.

61 DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT

No interests were declared under this item.

62 PUBLIC QUESTION TIME

There were no members of the public present.

63 MINUTES

The minutes of the meeting held on 3 December 2019 were confirmed as a correct record and **SIGNED** by the Chairman.

64 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Cllr Mrs Chris Daw on to the Group. She had been appointed as a replacement for Cllr John Daw.

65 PERFORMANCE AND RISK REPORT (00:06:16)

The Group had before it, and **NOTED**, a report * from the Director of Operations providing Members with an update on performance against the Corporate Plan and local service targets for 2019/20 as well as providing an update on the key business risks.

Note: * Report previously circulated; copy attached to the signed minutes.

66 FINANCIAL MONITORING (00:08:03)

The Group Manager for Financial Services provided the following verbal update with regard to the income and expenditure so far in the current financial year explaining that a full set of reports would be provided to the next meeting.

In October a variance of £95k deficit had been reported, this had increased to a deficit of £243k for November.

The main areas of movement since October monitoring included the following:

- **Environmental Services** – net S106 expenditure was slightly less than previously forecast (£9k) this was offset by Earmarked Reserves.
- **Waste** – (£15k) garden waste and permit sales were down against budget, however, it was noted that numbers might pick up before year end.
- **Cemeteries** – income was below that which was previously forecast (£10k)
- **Planning** – S106 expenditure had increased by £82k, however, this was offset by Earmarked Reserves transfer. Planning income was a further £20k less than forecast at the October monitoring.
- **IT** – a salary pressure had been reduced by £11k.
- **Revenues and Benefits** – Housing Benefit Overpayments Recovery forecasts had dropped another £60k. The forecast had been revised following identification of some duplication.
- **NNDR** – Retained Business Rates were forecasted to be £48k lower than forecasted in October following appeals.
- **HRA** – a favourable variance of £486k remained.

The information received was **NOTED**.

67 GENERAL FUND BUDGET UPDATE FOR 2020/21 (00:14:50)

The Group had before it, and **NOTED**, a report * from the Deputy Chief Executive (S151) presenting the revised draft budget changes identified and discussing any further changes required in order for the Council to move towards a balanced budget for 2020/21. This report had been considered by the Cabinet at its meeting on 16 January 2020, however, the Group were asked whether they wished to feed back any further comment to the Cabinet for them to consider at their meeting on 13 February before the budget was finally approved by Council on 26 February.

The contents of the report were outlined with an explanation that the next budget report to the Cabinet would legally need to show a balanced position.

As an update to the Group it was reported that the Cabinet, at its meeting on 16th January, had resolved that a payment be made in advance of the next 3 Years' Pension Deficit and that there be a minimum General Reserves (General Fund) limit of £2m. It was also reported that there was an amendment to the car parking charges proposal that would increase the overall deficit position by £57k.

Key messages within the report included the following:

- The Council had been notified by the Devon Pension Fund that the employers' contributions for 2020/2021 needed to increase from 14.7% to 16.6%, this added £177k to the Council's costs but was partly offset by a reduction in the lump sum payment of £134k as shown in Appendix 2 of the report.
- The Council needed to finalise the Business Rates forecast to Central Government by the end of January, however, the Council had a Business Rates Smoothing Reserve which would help to address the volatility of Business Rates and the impact of appeals.
- The Final Settlement from Central Government rarely changed from what was provisionally announced in December each year. Unless any further savings were proposed the default position in order to balance the budget would be to make a transfer from reserves which would be the last resort. The situation for 2021/2022 was looking like leading to an even bigger budget gap.

Discussion took place with regard to:

- The proposed saving to remove the budget for the weed team. It was felt that the parishes in particular made use of this service and the appearance of the district was important to a great many people. The removal of this saving would add c£53k to the budget gap.
- The capital budget in relation to the Pannier Market; the revenue proposal in the report being the cheaper of two considered options.
- The budget in relation to the Tiverton Bus Station and the proposal to increase the cost 'per visit' by a further 5p.

RECOMMENDED to the Cabinet that the proposed savings identified in relation to the weed team be removed and that the budget in this area be retained.

(Proposed by Cllr C Eginton and seconded by Cllr R J Dolley)

Note: * Report previously circulated; copy attached to the signed minutes.

68 **DRAFT 2020/21 HOUSING REVENUE ACCOUNT (HRA) BUDGET (00:33:56)**

The Group had before it a report * from the Deputy Chief Executive providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) in 2020/21. It included a proposal on the rent increase and a schedule of other fees and charges.

It was explained that the position in relation to the HRA draft budget remained largely unchanged since the previous meeting.

Key issues included:

- Social and affordable rents.
- Salary changes.
- Pension contribution pressures.
- Contributions towards renewables.

Discussion took place regarding:

- The poor condition of some Council owned garages. In the past two years there had been a planned maintenance budget of £75k to repair those garages requiring it. This budget would continue for the next three years. It was confirmed that all asbestos roofs were being removed and garages were being 'future proofed' wherever possible. Where garages were in such a poor state of repair it was not cost effective to repair them, consideration would be given to knocking them down and either creating larger garages or utilising the space to better effect for local residents, for example, hardstanding replacements.
- There was a requirement for the Council to install particular types of smoke and fire detectors in order to comply with relevant regulations.
- It was confirmed that the Council used external contractors to undertake gas servicing.

RECOMMENDED to the Cabinet that the rent increase proposed and the other HRA budget proposals for 2020/21 be approved.

(Proposed by Cllr D R Coren and seconded by Cllr F Letch)

Note: * Report previously circulated; copy attached to the signed minutes

69 HRA MEDIUM TERM FINANCIAL PLAN (00:57:07)

The Group had before it a report * from the Deputy Chief Executive (S151) providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2020/21 – 2023/24.

The contents of the report were outlined with particular reference to the following:

- Salary pressures, pay awards and pension changes.
- The largest number in the HRA was the dwelling rent figure. Central Government dictated how this would change, stating that Mid Devon's Formula Rent would decrease by 1% each year until 2019/2020. The Council had been informed that it would need to revert to the previous policy after this time which would allow it to increase rents by CPI + 1% from 2020/2021.

RECOMMENDED to the Cabinet that the Housing Revenue Account Medium Term Financial Plan be approved.

(Proposed by the Chairman)

Note: * Report previously circulated; copy attached to the signed minutes.

70 TENANT COMPENSATION POLICY (01:03:10)

The Group had before it a report * from the Group Manager for Building Services advising Members of the revised improvements to the Tenant Compensation Policy.

RECOMMENDED to the Cabinet that the revised Tenant Compensation Policy be approved.

(Proposed by the Chairman)

Note: * Report previously circulated; copy attached to the signed minutes.

71 IMPROVEMENTS TO COUNCIL PROPERTIES POLICY (01:06:00)

The Group had before it a report * from the Group Manager for Building Services advising Members of the revised Improvements to Council Properties Policy.

RECOMMENDED to the Cabinet that the revised Improvements to Council Properties Policy be approved.

(Proposed by the Chairman)

Note: * Report previously circulated; copy attached to the signed minutes.

72 INCOME MANAGEMENT POLICY (01:10:25)

The Group had before it a report * from the Group Manager for Public Health and Regulatory Services presenting the revised Income Management Policy.

The contents of the report were outlined with particular reference to the following:

- The amount of both internal and external consultation that had taken place as part of the policy review.
- Any revisions to the policy reflected the Housing Services' commitment to ensuring that all cases were treated consistently although the policy did offer some discretion to enable reasonable adjustments to be made where necessary.
- Other revisions to the policy included consideration of how Universal Credit was paid as well as issues in relation to the workings of eviction panels and the fact that rent would now be required to be paid over 52 weeks rather than 48 weeks.

Brief discussion took place regarding rental payment arrangements given that Universal Credit was paid in arrears.

RECOMMENDED to the Cabinet that the revised Income Management Policy be approved.

(Proposed by the Chairman)

Note: * Report previously circulated; copy attached to the signed minutes)

73 HOUSING SECTOR UPDATE (01:19:03)

The Group had before it, and **NOTED**, a briefing paper * from the Group Manager for Housing Services providing information on the latest developments relating to social housing.

Note: * Briefing paper previously circulated; copy attached to the signed minutes.

74 IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:20:18)

No further issues were identified for the next meeting other than those already listed in the work programme.

(The meeting ended at 3.40 pm)

CHAIRMAN

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 23 January 2020 at 5.30 pm

Present

Councillors

J M Downes (Chairman)
N V Davey, R J Dolley, Mrs S Griggs, T G Hughes, D F Pugsley, R F Radford, J Wright and A Wyer

Also Present

Councillor

R Evans and G Barnell

Present

Officers

Jenny Clifford (Head of Planning, Economy and Regeneration), Adrian Welsh (Group Manager for Growth, Economy and Delivery), John Bodley-Scott (Economic Development Team Leader), Joanne Nacey (Group Manager for Financial Services), Catherine Yandle (Group Manager for Performance, Governance and Data Security) and Sarah Lees (Member Services Officer)

52 Apologies and Substitute Members

There were no apologies for absence.

53 Declaration of Interests under the Code of Conduct

There were no interests declared under this item.

54 Public Question Time

There were no members of the public present.

55 Minutes

The minutes of the meeting held on 28 November 2019 were confirmed as a correct record and **SIGNED** by the Chairman.

56 Chairman's Announcements

The Chairman had the following announcements to make:

- Following the recent sad passing of Cllr John Daw, he wished to pass on the Group's condolences to the family. Cllr Daw would be sorely missed.
- There would be an informal meeting of the Group at 5.30pm on Thursday 20th February 2020 to discuss year two actions. All members of the Group were encouraged to attend if they were able to.

57 John Sheaves - 'Taste of the West' (00:06:25)

Mr John Sheave was welcomed to the meeting and provided the Group with a presentation regarding the work of 'Taste of the West'. This included reference to how the brand was established, how far it had extended, the membership, the prestigious awards available to retailers and the distribution connections with 'Ocado' delivering high quality food and drink products to various outlets across the South West.

Following the presentation discussion took place regarding:

- How the brand was funded which was through membership fees, a creative business model and sponsorship.
- Trading members were able to claim a discount at trade shows.
- The process necessary for businesses to attain a 'Taste of the West' award, from a standard award through to a gold or even 'Champion' award, however, it was explained that the criteria used was very robust.
- Sustainable high quality produce, singly sourced, was a key to success.
- The national, local and industry led reaction to the climate change crisis would have a huge impact on the sector going forwards.

The question was asked as to how 'Taste of the West' and the Council could benefit each other moving forwards? It was explained that much could be achieved through the Business Forum if the will and enthusiasm was there. If the Council wanted to set something up where the focus was on the consumer then 'Taste of the West' could help to support that especially given that developing the food and drink sector was a common aim of both parties. They could also help with local roadshows and support markets (although they would not run them). It was also suggested that perhaps 'Taste of the West' could be approached to be a consultee within the master planning process.

58 Performance & Risk Report (00:53:18)

The Group had before it, and **NOTED**, a report * from the Head of Planning and Economic Regeneration providing Members with an update on performance against the Corporate Plan and local service targets for 2019/20 we well as providing an update on the key business risks.

The contents of the report were outlined with reference to the fact that the report provided results up to the end of November 2019. The report also now included a chart showing the trend of empty shops across the three towns, as had been requested at the previous meeting

Discussion took place regarding:

- What actions were being taken to achieve the aims stated in the report? It was explained that more detail in relation to particular projects could be found in the Economic Development Update report which would be discussed later in the meeting. In addition to this, the new Corporate Plan, which would be approved by Council in February, would create new key performance indicators linked to its objectives. However, Members were encouraged to suggest alternative measures of performance wherever possible.

- How footfall figures were attained within the town centres.
- The use of the word 'satisfactory' within the risk report and whether the software could be adjusted to provide alternative wording.

Further discussion took place regarding Business Rates and their effect upon businesses. It was felt that they often had a negative effect forcing businesses to close down. However, it was explained that the Council did provide support where it could through the use of the Business Rate Reduction Scheme and discretionary relief. The Group Manager for Financial Services explained that businesses with a rateable value of less than £12k received a 100% reduction in Business Rates. Of the 1,200 businesses we have in the district, 414 received reliefs. Despite this, it was felt that there were many factors working against the high street retail sector although it was not all 'doom and gloom' as some shops were opening and potential business enquiries were being made.

It was **AGREED** that a report be brought to the next meeting providing background information on Business Rates to facilitate a better understanding of this source of funding. The report could provide information on the Government's position and the effect of this upon local authorities. Particular service areas within the Council could also feed into this report. The report would be an important first step towards a deeper understanding of the issues involved and inform what actions Members may wish to take in terms of lobbying going forwards.

Note: * Report previously circulated; copy attached to the signed minutes.

59 Financial Monitoring (01:18:20)

The Group Manager for Financial Services provided the following verbal update with regard to the income and expenditure so far in the current financial year explaining that a full suite of reports would be provided to the next meeting.

In October a variance of £95k deficit had been reported, this had increased to a deficit of £243k for November.

The main areas of movement since October monitoring included the following:

- **Environmental Services** – net S106 expenditure was slightly less than previously forecast (£9k) this was offset by Earmarked Reserves.
- **Waste** – (£15k) garden waste and permit sales were down against budget, however, it was noted that numbers might pick up before year end.
- **Cemeteries** – income was below that which was previously forecast (£10k)
- **Planning** – S106 expenditure had increased by £82k, however, this was offset by Earmarked Reserves transfer. Planning income was a further £20k less than forecast at the October monitoring.
- **IT** – a salary pressure had been reduced by £11k.
- **Revenues and Benefits** – Housing Benefit Overpayments Recovery forecasts had dropped another £60k. The forecast had been revised following identification of some duplication.
- **NNDR** – Retained Business Rates were forecasted to be £48k lower than forecasted in October following appeals.
- **HRA** – a favourable variance of £486k remained.

Consideration was given to:

- The effect of Universal Credit on Revenues and Benefits which had not impacted significantly yet.
- Concern at the increase in the deficit figure since the previous meeting

Note: * Report previously circulated; copy attached to the signed minutes.

60 Revised draft GF budget 2020/2021 (01:24:19)

The Group had before it, and **NOTED**, a report * from the Deputy Chief Executive (S151) presenting the revised draft budget changes identified and discussing any further changes required in order for the Council to move towards a balanced budget for 2020/21. This report had been considered by the Cabinet at its meeting on 16 January 2020, however, the Group were asked whether they wished to feed back any further comment to the Cabinet for them to consider at their meeting on 13 February before the budget was finally approved by Council on 26 February.

The following was highlighted within the report:

- The budget gap had been £177k but had risen to £235k following the decision of the Cabinet on 16th January in relation to car parking. Time was running out in order to find the necessary savings to close this gap.
- The budget for 2020/21 was predicated on the proposed savings listed in Appendix 2 of the report.
- There had been a general increase in the required pension contributions from employers.
- The Business Rate forecast would need to be finalised by the end of January.
- The final settlement was awaited but was not predicted to be significantly different from the provisional one received in December.
- New Homes Bonus was at serious risk.
- The Medium Term Financial Plan was already showing a gap in 2023/24 of c£1.5m.
- There were significant concerns about the budget for 2021/22.

Discussion took place with regard to:

- The Homes PDG had made a recommendation to the Cabinet to retain the weed team budget meaning, if approved, that the budget gap would worsen by a further £53k.
- The property maintenance budget.
- An increase in the number of newly built properties would mean additional Council Tax income but there would be a corresponding extra strain on services. The Council would not see a benefit from New Homes Bonus as no new payments were being made, only ones based on previous years.
- The effect of the delay with the Local Plan and the subsequent effect upon income to the Council.
- Using reserves to balance the budget was the least preferred option and could not be sustained.

Note: * Report previously circulated; copy attached to the signed minutes.

61 Leaving the European Union update (01:50:47)

The Group had before it, and **NOTED**, a report * from the Head of Planning, and Economic Regeneration updating Members on changes to the local economic situation relating to Brexit.

Note: * Report previously circulated; copy attached to the signed minutes.

62 Economic Development Service Update (01:52:13)

The Group had before it, and **NOTED**, a report * from the Head of Planning and Economic Regeneration updating Members on progress with Economic Development Service activities. This included the following key projects:

Discussion took place regarding:

- Some targets were not being met and therefore the wording against those particular projects needed to be adjusted to more realistically reflect this.
- The Destination website would be officially launched on 26 February 2020. Petroc were providing a free venue. A Members briefing would be held in March to demonstrate the website. It was felt to be regrettable that this project had suffered delay for various reasons.
- A question had been asked at the previous meeting about whether anything could be done about shop rears, some were in a very poor visual state. It was explained that officers had checked the guidance of the shop front scheme and the grant did not cover the rear of shops therefore another source of funding would need to be found to address this. A further question was asked about whether the shop front scheme could extend to the market stall holders outside of the Pannier Market to enhance the appearance of their business. The officer would check the guidance again but felt that the criteria for funding was primarily based on traditional 'shops'.
- It was explained that town centres were required to be 'health checked' on a regular basis and that the results of the latest one for Tiverton would be circulated.
- The Group were informed that the Tiverton Town Centre Partnership would be meeting next week to discuss promotions such as a food and drink event involving the whole town as well as discussing other issues.

Note: * Report previously circulated; copy attached to the signed minutes.

63 Identification of items for the next meeting (02:04:13)

The following was identified for the agenda for the next meeting (as well as the items already identified in the work programme):

- Business Rate background report

(The meeting ended at 7.40 pm)

CHAIRMAN

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **COMMUNITY POLICY DEVELOPMENT GROUP**
held on 28 January 2020 at 2.15 pm

Present Councillors

W Burke, Mrs C P Daw, J M Downes,
B Holdman, E G Luxton, C R Slade and
L J Cruwys

Apologies Councillor(s)

Mrs M E Squires

Also Present Officer(s):

Lee Chester (Leisure Manager), Rob Fish (Principal Accountant), Clare Robathan (Scrutiny Officer) and Carole Oliphant (Member Services Officer)

55 APOLOGIES AND SUBSTITUTE MEMBERS (00.49)

Apologies were received from Cllr Mrs M E Squires.

56 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (01.01)

There were no declarations of interest made.

57 PUBLIC QUESTION TIME (01.17)

There were no members of the public present.

58 MINUTES OF THE PREVIOUS MEETING (01.23)

The Minutes of the Meeting held on 10th December 2019 were approved as a correct record and **SIGNED** by the Chairman.

59 CHAIRMANS ANNOUNCEMENTS (01.57)

The Chairman had no announcement to make.

60 DRAFT BUDGET (02.02)

The Group had before it the *draft budget report from the Deputy Chief Executive (S151).

The Principal Accountant explained that the budget gap was currently calculated at £234k and that it had risen due to the changes to the car parking charges proposals made by the Cabinet which would see a £57k reduction in projected income.

He gave further detail on the following:

- Budget proposals for 2020/2021 and the Capital Programme
- Advance payment of the next 3 years pension deficit
- The revised Medium Term Plan
- The proposed revision of the minimum General Reserves (General Fund) limit to £2m

The Group gave consideration to the following:

- Clarification required of the flower beds to be removed
- The reduction of income due to the changes to the car parking charges in Tiverton and how the income was to be replaced
- Clarification of the how the reduction in the public convenience budget was to be achieved
- Clarification of the proposals for bin emptying on the Canal

The Group discussed the removal of the weed team and it was explained that the Homes PDG had made a recommendation to the Cabinet that the weed team be retained. The Group **AGREED** to endorse the recommendation of the Homes PDG.

(Proposed by Cllr Mrs C P Daw and seconded by Cllr L Cruwys)

Note: *draft budget report previously circulated and attached to the minutes.

61 **FINANCIAL MONITORING (28.00)**

The Group had before it and **NOTED** the *Financial Monitoring report presented by the Principal Accountant giving an overview of the income and expenditure to November 2019 and explained.

He explained that the variance had moved £148k and was now £243k in November.

He gave the Group an overview of the main areas of movement between the October and November monitoring reports and consideration was given to:

- Revenues and Benefits – Housing Benefit overpayments recovery
- Planning – Income was less than forecast in this demand lead services
- NNDR – Business Rates were lower than forecast following successful appeals.

Note: *Financial Monitoring report previously circulated and attached to the minutes

62 **SHOWER FACILITIES AT LORDS MEADOW LEISURE CENTRE (33.02)**

Following a request at the previous meeting for information, the Leisure Manager explained to the Group that the poolside communal changing block at Lords Meadow Leisure Centre had been updated and additional signage had been installed which informed users who was permitted to use the facilities.

He informed the Group that sliding shower screens could be installed at the cost of circa £500 and that the budget would be found through the Property Services Budget.

63 IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (38.46)

Members requested that the Leisure Manager provide details of the business case for the spread of classes across different demographics in his 6 monthly update in June 2020.

(The meeting ended at 2.56 pm)

CHAIRMAN

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **PLANNING COMMITTEE** held on 15 January 2020 at 2.15 pm

Present

Councillors

Mrs F J Colthorpe (Chairman)
Mrs C Collis, R F Radford, E J Berry,
L J Cruwys, S J Clist, F W Letch,
E G Luxton, D J Knowles, B G J Warren
and C J Eginton

Apologies

Councillor(s)

Mrs C P Daw

Also Present

Councillor(s)

J M Downes

Present

Officers:

Kathryn Tebbey (Head of Legal (Monitoring Officer)), Maria Bailey (Interim Group Manager for Development), Alison Fish (Area Team Leader), Adrian Devereaux (Area Team Leader), Helen Govier (Principal Planning Officer), Daniel Rance (Principal Planning Officer) and Sally Gabriel (Member Services Manager)

96 APOLOGIES AND SUBSTITUTE MEMBERS

Apologies were received from Cllr Mrs C P Daw who was substituted by Cllr C J Eginton.

97 PUBLIC QUESTION TIME

Councillor Gordon Guest speaking on behalf of Cullompton Town Council and referring to item 10 on the agenda stated that Cullompton Town Council have on 3 occasions voted to oppose that application based on the fact of access. DCC required access to go through the existing Siskin Chase and Cullompton Town Council do not consider that is adequate for a development of this size and have argued that there should be additional access coming off Colebrooke Lane. The other aspect that Cullompton Town Council are aware of but is not part of this planning application is that there will in the future be houses on the rugby club site when that relocates and therefore DCC have insisted that with Siskin Chase site there is an area of land set aside for a road link between Siskin Chase and the rugby club and so in the future the Town Council feel that there will be additional traffic coming down from the rugby club site through the Siskin Chase development and therefore a proper road link out through Colebrooke Lane would be much more appropriate than what is in the plans.

He added that he would not go through all the Cullompton Town Council objections to plan, just to say that basically the Town Council have rejected the application on each occasion based on that access coming through the existing road and there not being another access from Colebrooke Lane. That's the basis of the Town Councils rejection of the Siskin Chase application.

The second point that I wish to raise with the planning committee is that Colebrooke Lane and the Colebrooke stream which is in two parts and has a culvert which goes underneath Colebrooke Lane floods regularly and the flooding is increasing in regularity and severity and on 19th December 2019 Colebrooke Lane was completely flooded and the depth of water was such that it was impassable to vehicles except very large tractors. The flooding actually went uphill and flowed into Swallow Way which as you know is a major road, then down Swallow Way to the roundabout on Exeter Road. Some three years ago I walked with residents and a lady called Jessica Bishop from the Environment Agency along the stream and at that point she identified a number of obstructions and things that were overgrown to the south of the Colebrook culvert and to the north of the Colebrook culvert but in the time since then nothing further has been done to either of those areas, the south side of the culvert has not been cleaned out and the north side has not been cleaned out and widened. There are questions which would need further investigations as to whether the culvert itself is damaged by tree roots and so on. Years ago DCC cleaned out further down the culvert under the roundabout at Exeter Road and they widened the stream and raised the banks and did a lot of works there to prevent further flooding but they did nothing up at Colebrooke Lane. So the concern at Colebrooke Lane if you are going to put in 105 houses, all the construction traffic is going to disrupt the field and an existing flooding problem is going to be made worse and there aren't any plans to put that in place.

Within the plans for Siskin Chase there are attenuation ponds for the current development but there is nothing in the plan by the developer to sort out the existing problem. In discussion with the developers who said 'if it's a problem that's already there it's not for us to sort it out'. So that's an argument that MDDC can have with various agencies. We are very concerned that the flooding at Colebrooke Lane continues, the frequency continues, it threatens properties in the area and we feel that planning permission shouldn't be granted for the time being to the Siskin Chase development until such plans are in place to sort out the Colebrooke stream either side of that culvert and potentially even the need for an extra attenuation pond in the field to the north, close to the culvert to take excess storm water when that happens. So that's the basis of the rejection for development of Siskin Chase for 105 houses. The road access should be off Colebrooke Lane and the flooding in Colebrooke Lane and the culvert should all be sorted prior to any development taking place on that site.

Mr Norman Harper speaking as a resident of the Padbrook Estate in Cullompton and referring to item 10 on the agenda stated that many of his words had been echoed by Cllr Gordon Guest and that he had witnessed many times now the flooding of Colebrook Lane. This renders the lane unusable by the emergency services. So desperate work, should the development go ahead, will be required to reduce this flooding risk. The flooding itself flows from Colebrooke Lane out onto Swallow Way, continues down Swallow Way to the Exeter Road roundabout then crosses the road affecting properties in Exeter Road, flows past them and into the Knightswood Estate. Knightswood Estate has had some alleviation of flooding hence the previous

work on the B3181 at the Toad Hall Knightswood junction where larger culverts were put in place to stop the stream over topping and that seems to be successful to this day.

Roger Harris, a resident at Siskin referring to item 10 on the agenda stated that at the planning meeting held on Wednesday 5th June 2019 regarding this application I asked two questions:

1. How Siskin Chase could be used as a through road when at one point it is only 3.55 metres wide and not wide enough for two vehicles to pass
2. I pointed out the restricted visibility at the junction of Siskin Chase and Swallow Way due to the houses at the end of Siskin Chase

Neither of these questions were answered. In her presentation Mrs Fish never mentioned the 3.55 metre stretch of road nor did she produce any photographs of it. Neither did she produce photographs of the junction at Siskin Chase and Swallow Way. Mr Sorenson made remarks that the road has to be 5.55 metres wide but again made no reference to the fact that at one point it is 3.55 metres wide. Why did Mrs Fish fail to make any reference to these facts in her presentation to yourselves? Surely it is within her remit to present all the facts to this planning committee, in fairness to all interested parties and not just those supporting her own recommendations. Madam Chairman stated that at the time all our questions would be answered, it is now some eight months since that last meeting and those two questions have never been answered and never been replied to. So I ask the same two questions again. As a former Police Road Safety Officer I would like to know how it is intended to make this stretch of road that is 3.55 metres wide safe for the residents who already live there. Speed humps would lead to a high increase in air pollution, you cannot use priority signs or even traffic lights because of the road junctions immediately at both ends of this piece of road with traffic emerging from the side junctions could not comply with any signs. All the houses in Siskin, Linnet Dean and Starlings Roost are open plan frontage with nothing to stop children or animals running out into the road. The two hundred extra vehicles if Siskin is opened up will be through this road and will add serious problems with road safety. As this has never been mentioned by the Planners can somebody from the Planning Department please explain how such a serious problem will be efficiently, effectively and safely dealt with so that we are protected and our children and our grandchildren are protected. My third question has been mainly covered by the previous speaker again with regard to the flooding. But I would simply say this, we all know that the land adjoining the proposed development which at the moment is owned by the rugby club is going to be sold for development. Now this is an opportunity to build or plan for a through road from Colebrooke Lane to Knowle Lane. The junction for Colebrooke Lane and Swallow Way is clear and unobstructed and could be widened without affecting other properties, there would be no road safety issues and air pollution would be reduced instead of going through Siskin. Is it not time that DCC stopped using Cullompton as a dumping ground for housing without putting something back into the actual community directly affected and build a new road and flood prevention scheme for the benefit of local people. Putting the road through Siskin will save money but it will put lives in danger. What is more important money or people's lives? Money can be replaced lives cannot. Perhaps somebody can explain why money is more important than people's lives. My last question relates to the Local Plan Review 2013 – 2033 where under policy of CU21 'Land at Colebrooke' item C provision of two points of access from Siskin Chase which gives you the impression that's its

already been agreed that Siskin Chase will be opened up and that the traffic from both of these proposed developments will come through Siskin Chase. This means that we will have not only the two hundred vehicles but probably another three hundred vehicles coming through Siskin Chase. Once again putting the lives of our children and grandchildren at risk. It does seem strange that this is already printed and is on policy and yet here we are discussing it at a planning committee meeting.

Mr Jones again referring to item 10 on the agenda stated that he would like to take a rewind and a step back to the last notice of this development to local residents. It didn't describe this last application but a new application by the developer. Subsequently any residents that wished to submit any observations would have to resubmit new observations. This is an anomaly that should have been addressed and I'm not apportioning any blame to the staff of the planning department who have probably got too much work. This anomaly still exists so subsequently a lot of residents were unaware that they had to resubmit their observations and subsequently this gives an unfair advantage to the developer because it can be seen that not so many people have not submitted new observations. Indeed it took a neighbour of mine printing off a slip of paper and dropping it through local peoples letterboxes to notify them of it. I think that councillors need to be aware of this and it is quite undemocratic and unfair.

98 DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT

Members were reminded of the need to declare any interests when appropriate.

99 MINUTES OF THE PREVIOUS MEETING (00-19-16)

The minutes of the meeting held on 17 December were approved as a correct record and signed by the Chairman.

100 CHAIRMAN'S ANNOUNCEMENTS (00-20-00)

The Chairman had no announcements to make.

101 DEFERRALS FROM THE PLANS LIST (00-20-05)

There were no deferrals from the Plans List.

102 THE PLANS LIST (00-20-18)

The Committee considered the applications in the plans list *.

Note: *List previously circulated; copy attached to the signed Minutes.

(a) Applications dealt with without debate.

In accordance with its agreed procedure the Committee identified those applications contained in the Plans List which could be dealt with without debate.

RESOLVED that the following application be determined or otherwise dealt with in accordance with the various recommendations contained in the list namely:

- (i) No 1 on the Plans *List (19/01961/HOUSE Conversion Of garage to additional ancillary accommodation to include extension and alterations to boundary wall – 1 Oak Crescent, Willand)* be approved subject to conditions as recommended by the Head of Planning, Economy and Regeneration.

(Proposed by the Chairman)

Notes:

- i) Cllr B G J Warren made a declaration in accordance with the Protocol of Good Practice for Councillors dealing with planning matters as a member of Willand Parish Council;
- ii) A question was raised with regard to the conversion of the garage and any loss of parking;
- iii) The following late information was available on the update sheet:

All consultation responses have now been received and are summarised below:

Willand Parish Council: 15/12/19 - Willand Parish Council had the following concerns relating to the proposal, firstly as to whether or not the garage extension could become a separate dwelling. Secondly, there does not appear to be sufficient parking for two vehicles and if this is achieved by using part of the front lawn then there is concern as to visibility for vehicles when entering from Meadow Park. The Councillors would wish the Officer to be satisfied that this was not over development of the site.

Highway Authority: 10.12.19 - Standing advice applies please see Devon County Council document
<https://www.devon.gov.uk/planning/apply-for-planning-permission/get-help-with-an-application/guidance-for-applicants>.

Environmental Health: Householder development and alterations within Flood Zone 1 - No EA consultation required.

No other letters of representation have been received.

- b) No 2 on the Plans *List (19/01309/FULL Erection of a dwelling including demolition of a garage (Revised Scheme), Fair Havens, Mill Street, Crediton)*.

The Principal Planning Officer outlined the contents of the report by way of presentation highlighting: the application site, the access off Mill Street, the Conservation Area boundary, plans of the previous dwelling on the site, the proposed landscaping and block plan of the current application along with the layout of the site, the parking areas, proposed elevations and floor plans for the proposal in question. She informed the meeting that the 2003 planning consent had related to a bungalow on the site and provided the approved plans, she also provided comparative drawings of the 2003 application and the current application and stated that approval

had been granted for 3 dwellings on the site in 2014. Members also viewed photographs from various aspects of the site.

Consideration was given to:

- The visual impact of the dwelling
- The views of the objector with regard to the proposal and that she had obtained planning permission for a dwelling in Downshead Lane but had followed the correct procedures, this was not the case for the application in question. The large and ugly building that had been built, the fact that it did not conform with any planning permission in place on the site. The orange tiled roof was out of keeping within the Conservation Area and the visual impact of the development could be seen across Crediton
- The views of the agent with regard to the 2003 approval and that work had commenced on the site in 2004, although the works had not been completed it was felt that the permission was still live and had been highlighted within the presentation by the comparative drawings, this was not entirely a new development and that the application should be considered on its merits.
- The views of the representative from the Town Council with regard to the impact on the Conservation Area the contribution to the local character and the setting of the listed building. The dwelling did not integrate with other local buildings due to the size and colour of the roof and the location of the site made it difficult to screen the property
- The views of one of the Ward Member's with regard the development at Wellparks and how that had been designed to fit in with the local area, the need for procedures to be followed and that the development did not include any modern features to mitigate climate change.

It was therefore:

RESOLVED that: the application be deferred to allow a site visit to take place by the Planning Working Group to consider relevant parts of Policy DM2 as follows:

Policy DM2 requires designs of new development to be of high quality based upon and demonstrating the following principles:

- a) Clear understanding of the characteristics of the site, its wider context and the surrounding area
- c) Positive contribution to local character including any heritage or biodiversity assets and the setting of heritage assets
- e) Visually attractive places that are well integrated with surrounding buildings, streets and landscapes, and do not have an unacceptable adverse effect on the privacy and amenity of the proposed or neighbouring properties and uses, taking account of:
 - ii) Siting, layout, scale and massing
 - iv) Materials, landscaping and green infrastructure

(Proposed by Cllr F W Letch and seconded by Cllr B G J Warren)

Notes:

- i) Cllr J M Downes declared a personal interest as he could see the site from his house;
- ii) Cllr F W Letch made a declaration in accordance with the Protocol of Good Practice for Councillors dealing with planning matters as a Chairman of Crediton Town Council;
- iii) Ms Partridge spoke in objection to the application;
- iv) Mr Wright (agent) spoke;
- v) Cllr Mrs Brookes Hocking spoke on behalf of Crediton Town Council;
- vi) Cllr J M Downes spoke as Ward Member;
- vii) The following late information was reported:

1. Consultations: Since completion of the officer report the town council have submitted a further representation-

CREDITON TOWN COUNCIL- 9th January- It was resolved to strongly reaffirm the Council's original objections made to the application and to also add that the development is over-scaled, the materials used are unsympathetic and the planting scheme is inadequate compared to what existed prior to development. The Council is also disappointed to note that the developer has proceeded with the development prior to obtaining the necessary planning consents.

2. Representations: since completion of the officer report, three further letters of representation have been received. The additional concerns are summarised below:

- The overgrown grass on the bank adjacent to the driveway has a negative visual impact, proper landscaping should be carried out here.
- Concerns regarding the accuracy of the site location plan in terms of the extent of the applicant's ownership (NB: please note update on this as below)

3. Revised plans: Further to the concerns relating to the extent of the applicant's land ownership, revised plans were received 13/01/2020 which demonstrate a minor reduction in scope of the red line area around the north east corner of the site. On the basis that this is a very minor reduction in the red line area it was not considered to materially impact upon the scheme, and therefore it was not considered necessary to re-advertise the proposal.

c) No 3 on the Plans *List (19/01340/FULL Erection of a dwelling - land at NGR 266108 (Paddons Farm), Wembworthy)*

The Area Team Leader outlined the contents of the report explaining that Wembworthy was a village without a settlement limit, therefore there was no planning policy to support an open market dwelling in the countryside. There had been an application for 2 dwellings on the site in 1991 which had lapsed and he explained that planning policy had moved on since then. He explained the self-build policy and the S106 agreement (the affordable or low cost housing to remain affordable for and available to local people in perpetuity, limited to no more than 80% of its market value upon resale).

The meeting was shown a presentation which outlined the proposals for a 4 bedroom dwelling, which included the elevations, a landscape plan and photographs from various aspects of the site.

Consideration was given to:

- The detail of the S106, the criteria for a self build and whether the property could be claimed to be affordable
- The views of the applicant with regard to the detail of the S106 which he felt was a restriction but that he fully intended to stay within the village;
- The views of the local County Councillor supporting the application.

It was therefore:

RESOLVED that: planning permission be granted subject to conditions as recommended by the Head of Planning, Economy and Regeneration and the signing of a S106 agreement to secure the affordable or low-cost housing to remain affordable for and available to local people in perpetuity, limited to no more than 80% of its market value upon resale.

(Proposed by Cllr B G J Warren and seconded by Cllr Mrs C A Collis)

Notes:

- i) Mr Fowler (applicant) spoke;
- ii) The Chairman read a statement on behalf of Cllr Mrs M E Squires (County Councillor);
- iii) The following late information was reported

Revised comments received from Wembworthy Parish Council via agent for applicant. 13/1/2020 Comments from a councillor were a personal opinion and not written as a representation of the Parish Council. The Parish Council previously voted in favour of the development of the site and instructed the clerk to write to Mid Devon expressing this decision.

Further comments from Parish Clerk 14/1/2020 - The comments sent in originally were the only ones received from the PC during the original timescales and provided by a named councillor. Otherwise the council had no

objections to the application. I have no knowledge of a letter dated 13 January 2020.

d) No 4 on the Plans *List (19/01507/OUT Outline for the erection of a dwelling and formation of access – 48 Twicken, Holcombe Rogus).*

The Principal Planning Officer outlined the contents of the report by way of presentation highlighting the location of the application, the existing dwelling on site and the use of the existing access. The site was currently outside of the settlement limit, however the Local Plan Review would amend the settlement limit. He provided an indicative layout of the proposed dwelling and the location of the drainage gully and the open drain adjacent to the site. He explained that the drain collected water from the fields behind the site with the pipe depositing the water into the road, this was a highways issue and would not impact on the site itself. Members also viewed photographs from various aspects of the site which included the flooded road.

Consideration was given to:

- The views of the objector with regard to the build up of water in her garden and that the erection of a dwelling could cause damage to the culvert or if the drain was blocked this would cause her property to flood. The busy road to the village was narrow and prone to flooding and the closeness of the play area to the application site.
- The views of the applicant with regard to the results of the flood risk assessment which had stated that the proposal would not contribute to any more flood water. The proposed dwelling would sit 3 feet above the road level and was just an outline application.
- The views of the Chairman of the Parish Council with regard to the flooding in the area, surface water issues, how much hard surface would be incorporated into the site which could create drainage issues and the lack of facilities in the village with the closure of the village shop.
- The views of one of the Ward Member's with regard to the views of the Parish Council and local flooding issues
- The results of the SUDS report which had indicated the capability of storing water on the site and allowing it to percolate slowly into the drain.
- Whether the additional dwelling would have any major impact on the flood issues already present.

It was therefore:

RESOLVED that: planning permission be granted subject to conditions as recommended by the Head of Planning, Economy and Regeneration.

(Proposed by Cllr E J Berry and seconded by Cllr S J Clist)

Notes:

- i) Cllr R F Radford declared a personal interest as he knew the applicant and chose to leave the meeting during the discussion thereon;

- ii) Cllr D J Knowles declared a personal interest as the applicant was known to him;
 - iii) Mrs Barker (objector) spoke;
 - iv) Mr Archer (agent) spoke;
 - v) Cllr Butler spoke on behalf of Holcombe Rogus Parish Council;
 - vi) A proposal for a site visit was not supported.
 - vii) Cllr Mrs C A Collis requested that her vote against the decision be recorded.
- e) No 5 on the Plans *List (19/01900/FULL The erection of a dwelling and formation of access – Southertons Farmhouse, Westleigh).*

The Principal Planning Officer outlined the contents of the report by way of presentation highlighting the proposal of a single storey dwelling which was a revised scheme to that approved in 2018, the site location plan, the location of the garden wall which would provide access, the proposed design and elevations and photographs from various aspects of the site. He also provided a comparison drawing of the previous approved permission and the current proposal.

Consideration was given to:

- The views of the objector and the impact that the proposal would have on her property, she felt that any excavations would undermine her property, the proposal would have an adverse impact on her property and therefore would be against policy DM2. She also felt that the proposal would impact on her visual amenity and that there would be a loss of light and that the proposal was too close to her dwelling. She also highlighted a covenant which referred to the height restriction of any dwelling in that area.
- The views of the agent, who referred to the revised scheme being a more appropriate dwelling at only 3 metres high. The neighbouring property had obscured glass on the ground floor overlooking the site, there would be no loss of light and only a small amount of soil would need to be removed.
- The views of a representative from the Parish Council with regard to the loss of light in the kitchen of the neighbouring property, the lack of consultation with the neighbours and concerns with regard to the wall.
- Whether the proposal would result in any material loss of daylight and sunlight to rooms in an adjoining property
- The revised scheme being better than the previous application which already had permission.
- The fact that the covenant was not a planning matter.

It was therefore:

RESOLVED that: planning permission be granted subject to conditions as recommended by the Head of Planning, Economy and Regeneration.

(Proposed by Cllr F W Letch and seconded by Cllr E J Berry.)

Notes:

- i) Cllr Mrs F J Colthorpe made a declaration in accordance with the Protocol of Good Practice for Councillors dealing with planning matters as she had received a letter from the objector;
- ii) Mrs Wynne-Jones spoke in objection to the application
- iii) Mr Archer spoke as agent;
- iv) Cllr Worrow spoke on behalf of Burlescombe Parish Council;
- v) Cllr Mrs C A Collis requested that her vote against the decision be recorded.

103 MAJOR APPLICATIONS WITH NO DECISION (2-06-17)

The Committee had before it, and **NOTED**, a list * of major applications with no decision.

It was **AGREED** that:

Application 19/02058/MOUT (Land north of Trumps Orchard, Cullompton) be brought before committee for determination , no site visit was required.

Note: *List previously circulated; copy attached to the Minutes

104 APPEAL DECISIONS (2-08-19)

The Committee had before it and **NOTED** a list of appeal decisions * providing information on the outcome of recent planning appeals.

Note: *List previously circulated; copy attached to Minutes.

105 APPLICATION 19/00118/MOUT OUTLINE FOR THE ERECTION OF UP TO 105 DWELLINGS, ASSOCIATED LANDSCAPING, PUBLIC OPEN SPACE AND ALLOTMENTS TOGETHER WITH VEHICLE AND PEDESTRIAN ACCESS FROM SISKIN CHASE AND PEDESTRIAN ACCESS FROM COLEBROOKE LANE - LAND AT NGR 301216 106714 (WEST OF SISKIN CHASE), COLEBROOKE LANE, CULLOMPTON (2-08-40)

The Committee had before it a *report of the Head of Planning, Economy and Regeneration following the submission of an appeal to the Planning Inspectorate against non-determination, the report requested members to advise how they would have determined the application.

The Area Team Leader outlined the application and the allocation within the Local Plan Review and the fact that the contingency status of the site had been removed within the emerging plan. She provided by way of presentation the site location plan,

the illustrative masterplan for development and photographs from various aspects of the site.

The officer then provided answers to questions posed in public question time:

Cllr Gordon Guest had referred to the wish of Cullompton Town Council to see an additional access off Colebrooke Lane. The application had been deferred at committee on 5th June for officers to investigate this option. The comments from various consultees and the applicant were clearly set out in members agenda papers today.

Cllr Gordon Guest had also referred to the fact that Colebrooke Lane floods regularly and increasingly. He referred to having walked the Cole Brook with a representative of the EA about 3 years ago who identified obstructions and overgrown vegetation at that time. He commented that since that time no widening or clearing had taken place. The Town Council were concerned that developing the application site could result in the existing problem being made worse.

She was aware of correspondence between Cllr Guest and the Environment Agency just before Christmas. The EA make it clear that it is the responsibility of the landowner of the watercourse to ensure that water can flow unhindered and that DCC or MDDC may have powers to serve notice on the owner of the watercourse or carry out clearance works themselves. Members are advised that this is not a power under the Planning Acts but officers can write to DCC and MDDC on behalf of the Planning Committee if that is members' wish. She made it clear that the Environment Agency and the Local Lead Flood Authority were satisfied that surface water from the development could be dealt with and that what has been referred to was an existing problem which should not be exacerbated by the development, but solutions could be explored to try to resolve the existing problem, as set out previously.

Cllr Gordon Guest also referred to the proposed attenuation ponds which were proposed to deal with surface water from the development only and were not there to deal with the existing problem. This is correct. We cannot require a developer to deal with an existing flooding problem, only to mitigate against the development they are proposing.

Mr Harper felt that his issues and concerns had largely been dealt with by Cllr Guest before him and she was not aware that he raised a separate point which I need to address.

Mr Harris was concerned that the questions he asked at the committee in June last year have not been answered to date. His concerns related to the inadequacies of Siskin chase, being only 3.55m wide at one point and the restricted visibility at the junction with Swallow Way. Whilst Mr Harris considers that his points haven't been specifically addressed, Members will recall that Mr Sorenson from DCC Highways was at that meeting and spoke to answer members questions. The minutes of the meeting clearly show that members' consideration of the application included 'the views of an objector who felt that the development was not sustainable and that the access point through Siskin Chase was not wide enough to support additional traffic flow.

Mr Sorenson has previously advised on these points as follows:

“The narrowing in Siskin Close is a standard speed reducing feature utilised on residential estates and is a standard detail in the Devon design guide and the retention of this feature is seen as a safety benefit rather than a safety concern. The access has been tested through the transport assessment and is suitable to cater for the volumes of traffic generated by the development and the existing estate road traffic, it has been looked at through a stage 1 safety audit by the developer and not found wanting”.

Mr Harris went on to ask what measures were intended to make the road safe. The plans do not include any measures on Siskin Chase and the Highway Authority do not refer to the need for any in their consultation response.

Mr Harris referred to an access from Colebrooke Lane rather than Siskin Chase which she had already referred to. Finally, he referred to the allocation in Local Plan Review and referred to this appearing to have already been agreed as its set out in the policy CU21. This was the emerging policy and again the policy position was set out in members agendas.

Mr Jones spoke and referred to a notification neighbours have received relating to the second application. Whilst she understood the confusion, the letter clearly referred to a different application number than the one members were considering today.

The officer then referred to the update sheet and the amended resolution with regard to the required S106 agreement following the receipt of viability information.

Discussion took place regarding:

- The road narrowing arrangements in Siskin Chase and the Manual for Streets
- Additional traffic from the site would have to go through the town prior to the construction of the relief road and the air quality issues that may bring
- The contribution required from the development for the relief road
- The percentage of affordable housing proposed for the development
- The views of one of the objectors with regard to local concern about the access to the site via Siskin Chase, the narrowness of the road and road safety issues, the parking that already takes place in the road in the evenings and weekends. The air quality issues that the development would have on the road network of the town.
- The views of one of the Ward members with regard to the need for a second highways outlet from the site, the pinch point in Siskin Chase, the flooding issues in Colebrooke Lane and a response he had received from Devon County Council Highways with regard to landownership.
- The emerging planning policy within the Local Plan review

It was **RESOLVED** that had the committee had the opportunity to determine the application then it would have refused the application for the following reason:-

The tilted balance in paragraph 11 of the NPPF applies to the determination of this application. The application should be approved unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed

against the policies in the NPPF, taken as a whole. In considering this application, the LPA are of the view that the proposed point of access from Siskin Chase is not considered suitable for the additional increase in traffic anticipated from the proposed development of 105 dwellings. Siskin Chase is a cul-de-sac which was designed to accommodate those vehicles attracted to the housing it currently serves and incorporates features to narrow the road such as a chicane. The increase in car ownership since the development was built has led to an increasing number of vehicles being parked on the public highway. The use of Siskin Chase as the sole access to the proposed development of 105 new dwellings is not considered acceptable and would lead to conflict between existing and proposed residents and would interrupt the free flow of vehicles, particularly emergency vehicles. In the opinion of the LPA this identified harm significantly and demonstrably outweighs the benefits of the proposal when assessed against the policies in the NPPF, taken as a whole and is considered to be contrary to policies COR1 and COR9 of the Local Plan Part 1 (Core Strategy) and policy DM2 of the Local Plan Part 3 (Development Management).

(Proposed by Cllr L J Cruwys and seconded by Cllr Mrs C A Collis)

As part of the procedure required for the appeal there was a need to agree a S106 agreement prior to the Inspector's determination of the appeal,

It was therefore

FURTHER RESOLVED

- i) That delegated authority be given to the Head of Planning, Economy and Regeneration in consultation with the Chairman and Vice Chairman of the Planning Committee and the local Ward Members to secure the necessary s106 requirements with the provision of a financial contribution towards the Cullompton Town Centre Relief Road being prioritised at £7,500 per dwelling (£787,500) and the provision of affordable housing being between up to 20% (figure to be confirmed by verification of applicants viability submission) with a split of 75% affordable rent and 25% shared ownership;
- ii) Financial contribution of £7,500 per dwelling towards the provision of the Cullompton Town Centre Relief Road
- iii) Implementation and monitoring of a Travel plan
- iv) Provision of public open space, allotments and play areas on site.
- v) The transfer of an area of land to the north of the site to DCC or MDDC to ensure that unencumbered access may be provided in future to the land to the north, if required.

(Proposed by the Chairman)

Notes:

- i) Cllr B G J Warren declared a personal interest as one of the objectors was a former colleague;

- ii) Mr D Harris spoke in objection to the application
- iii) Cllr E J Barry spoke as Ward Member for Cullompton South;
- iv) Cllr Mrs F J Colthorpe requested that her vote against the first decision be recorded
- v) The following late information was provided:
 - 1) A letter from the agent has been received as follows:

Section 5.0 on pg75 states as follows:

“Consultation responses from Devon County Council Highway Authority and MDDC Public Health do not raise an objection to the application, however this is based on it making financial contribution towards the delivery of the relief road. The traffic assessment provided with the application indicates the additional traffic generation that is expected to arise as a direct result of this development including additional traffic movements between the site and the M5 motorway junction 28 and the town centre. The development will therefore increase traffic through the town centre, the impact of which on air quality will be mitigated via financial contribution towards the relief road in accordance with the policies set out above.”

The text highlight above is factually incorrect and is misleading.

Neither County Highways nor MDCC Public Health have requested a contribution towards the relief road.

The Public Health response (copy attached) confirms that air quality impact from the scheme is not significant. Moreover, it has been agreed with County Highways that no off-site infrastructure improvements are required to make the development acceptable in Highway terms and it is also agreed that the proposed development could come forward in terms of capacity and safety, in accordance with the Planning inspectors decision relating to Increased traffic set out in relation to application 16/01811/OUT and Appeal decision APP/Y1138/W/17/3172380 without the Town Centre Relief Road (para 5.3 of the attached SoCG refers).

The factual position seems to be correctly recorded at para 2.1 of the report which states as follows:

“Since the application was last considered by Planning Committee, the Council has produced its proposed main modifications which were approved for public consultation by Council on 4th December 2019. Within that document (MM35 and MM36), it proposes that the contingency status of the site has been removed in response to the Inspectors Post Hearing Advice Note, with the site instead becoming an allocation. In addition, Devon County Council has advised the timing of the development of the site is not dependent on the Cullompton Town Centre Relief Road coming forward as long as financial contributions are made towards the delivery of the relief road. As a result of this document being approved for public consultation by Council,

some weight can be attributed to the document as a material consideration in the determination of this application.”

Section 5.0 of the report should be corrected to reflect the factual position.

- 1) Photos have been received from a resident (forwarded to members of the planning committee by email) showing Colebrooke Lane after a period of rain

S106 UPDATE:

Officers have had the viability information submitted by the applicant, independently assessed and this has included the services of a Quantity Surveyor. They are satisfied that the case put forward by the applicants is robust. On this basis, the scheme cannot viably support 35% affordable housing and the £1.8 million s106 package set out on page 69 of the agenda.

The applicants have put forward 3 proposed s106 packages as follows:

- a) No affordable housing and the full £1.8m financial package
- b) 28% affordable housing (which is emerging policy compliant) and £318,015 OR;
- c) 20% affordable housing and £660,030

Members will be aware that MDDC have received Housing and Infrastructure Funding (HIF) for the provision of the Cullompton Town Centre Relief Road (TCRR). The terms of the funding include that MDDC ‘use all reasonable endeavours’ to recover the cost of the road from development. Therefore Officers have requested that the applicant puts forward a s106 package which includes £787,500 (£7500 per dwelling) towards the TCRR with a lower percentage of affordable housing provision. On this basis, there would be no provision for the development to contribute towards items iii) – vii) as set out on the agenda (which includes education provision, bus service improvement and NHS funding)

The Planning Inspectorate have set a deadline of 13th February for the submission of a signed s106.

REVISED RECOMMENDATION:

- 2) That delegated authority is given to the Head of Planning, Economy and Regeneration to secure the necessary s106 requirements with the provision of a financial contribution towards the Cullompton Town Centre Relief Road being prioritised at £7,500 per dwelling (£787,500) and the provision of affordable housing being between up to 20% (figure to be confirmed by verification of applicants viability submission) with a split of 75% affordable rent and 25% shared ownership**

NOTE: Members are advised that as a result of the revised recommendation set out above, the items from page 69 of the agenda would no longer form part of the s106 agreement are highlighted red below, those items which will

form part of the s106 are highlighted green and those items amended but included in the s106 are highlighted blue, as follows:

- i) 35% affordable housing in accordance with a scheme to be agreed by the Local Planning Authority
- ii) Financial contribution of £7,500 per dwelling towards the provision of the Cullompton Town Centre Relief Road
- iii) A financial contribution towards delivery of the new primary school of £4004.75 per dwelling, (equating to £420,498.00 for 105 dwellings).
- iv) A financial contribution towards secondary education facilities of £345,255.00 (based on 105 dwellings and the DfE extension rate of £21,921 per pupil).
- v) A financial contribution towards Early Years provision for 2, 3 and 4 year olds of £26,250 (based on 105 dwellings at £250 per dwelling).
- vi) A financial contribution of £135,000.00 towards the maintenance/provision/improvement of the bus service
- vii) A financial contribution of £1457.32 per dwelling to the Royal Devon and Exeter NHS Foundation Trust towards maintaining service delivery during the first year of occupation of each unit of the accommodation in the development.
- viii) Implementation and monitoring of a Travel plan
- ix) Provision of public open space, allotments and play areas on site.
- x) The transfer of an area of land to the north of the site to DCC or MDDC to ensure that unencumbered access may be provided in future to the land to the north, if required.

vi) *Report previously circulated, copy attached to minutes.

(The meeting ended at 5.38 pm)

CHAIRMAN

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **PLANNING COMMITTEE** held on 12 February 2020 at 2.15 pm

Present

Councillors

Mrs F J Colthorpe (Chairman)
E J Berry, Mrs C P Daw, Mrs C Collis,
L J Cruwys, S J Clist, F W Letch,
E G Luxton, D J Knowles, R F Radford and
B G J Warren

Also Present

Councillor(s)

R Evans, Mrs M E Squires and
Ms E J Wainwright

Present

Officers:

Maria Bailey (Interim Group Manager for Development), Adrian Devereaux (Area Team Leader), Philip Langdon (Solicitor), John Millar (Principal Planning Officer) and Sally Gabriel (Member Services Manager)

106 APOLOGIES AND SUBSTITUTE MEMBERS

There were no apologies.

107 PUBLIC QUESTION TIME (00-02-22)

Sarah Coffin referring to item 4 on the plans list asked the committee to refuse the application and raised the following queries:

1. If councillors approve this application which will facilitate increased capacity for conversion of biogas to energy via the adjoining Willand AD site, will the three directly connected applications presently awaiting decisions be prejudiced?

They are:

NDDC- digestate storage bag

MDDC – industrial silage clamp

DCC – variation to double the tonnage of feedstock presently permitted for Willand AD site

2. How under present NPPF and conditions guidance would it be possible to defend any refusal of these outstanding applications, which facilitate increased feedstock volumes and production capacity for Willand AD? Should you approve this application today granting mechanism for greater biogas conversion then refusal of the outstanding applications will be indefensible

against appeal. Any mitigating conditions would have to be 'reasonable, necessary and enforceable.'

3. There have been considerable complaints raised since the ADs in Mid Devon became operational, about increased traffic, odour and noise issues, related to all aspects of servicing the AD's to provide feedstock and remove digestate; and MDDC Scrutiny committee was asked in December 2019 to look into overall impact of AD operations as soon as possible.

Surely therefore a full cumulative EIA is required in this instance?

Lindsay Kuzara provided a question with regard to item 10 (Creedy Bridge) on the agenda list which was read out by the Chairman:

What will happen to the part of the site currently earmarked for a school if DCC decide not to build and the part currently earmarked for the Rugby Club if they find a better or more affordable site in the next 15 years. Can the council insist on a stipulation that if they are not used as was initially planned they will become green amenity areas with trees planted and the developer will not be permitted to apply to build more houses on them?

Adam Kuzara provided a question regarding item 10 (Creedy Bridge) on the agenda which was read out by the Chairman:

When this site was taken out of contingency it was for up to 200 houses, however the Planning Officer finally supported 257 due to viability. I had thought this must be due to the cost to the developer of providing a cheap or free site for the Rugby Club, but it now seems the Rugby Club will have to pay full price.

The Wellparks site was viable with fewer than 200 houses. Should the Council now ask the developer to resubmit plans for a maximum of 200 houses?

Mark Gulley on behalf of the Crediton Rugby Club referring to item 10 (Creedy Bridge) on the agenda stated that as the Chairman of the Rugby Club he saw first-hand the substantial benefit that it provides for the town. The volunteers that run the club are amazing and offer their time for nothing creating a real spirit of togetherness. The most important element is the junior offering to hundreds of local children who learn core values for life. If the rugby club cannot relocate where will our 400 junior members find a community that offers the same values? Why when the clubs relocation is written into the local plan and the club are working hard to make that happen have we been kept at arm's length by officers from a discussion and agreement of the section 106 agreement and conditions that will be applied to the Pedlerspool site. We'd love to work more closely with your officers on this subject and we're in your hands with that.

Cllr Elizabeth Wainwright, referring to item 2 (Hitchcocks) on the plans list stated that whilst I realise that job creation is important in our area it cannot be at the expense of our aim to become net zero by 2030. This application is concerning for a number of reasons not least because it's on greenfield site and I'm curious how this application can be looked at or revised in light of our own aim to become net zero by 2030 and what concrete mitigations have been or will be put in place.

Mr Grantham also referring to item 2 on the plans list stated he objected to the application because of the increase of vehicle movements on the B3181 and the lack of safety measures e.g. a halt sign at the exit from the site to the B3181 and light pollution.

This site has increased in size over a number of years. Planning applications have been brought before the planning committee in a piecemeal way and only considered on the application before them. They do not look at the bigger picture. This is how the Hitchcocks site has got larger and larger over the years. Some would say, this is a very clever way by the agents to get their own way.

Let's take the present application, it is a very reduced site from the original one. So what do we find from all the main consultees – Devon Highways, Public Health, Police, Environment Agency, Natural England, Historic England, Highways England, Flood Risk team, Conservation Officer, Historic Environment Team and DCC Highway Authority. We now do not object.

No one looks at the bigger picture when considering these planning applications – more traffic, more pollution, especially from diesel vehicles. Is this contributing towards our green environment? We must remember that planning permission is already in place for a large part of this site towards Uffculme road. This could be changed, because of other circumstances or conditions later on so the site could get bigger.

The traffic impact has not been rigorously tested near the M5 J27, traffic assessment was March 2014. Traffic counts are out of date after 3 years. Distribution assumptions at J27 taken from 2001 census, only impact assessments considered were on the M5 slip, nothing on the B3181.

I have done traffic counts myself at the junction of B3181 and the C107 (road to Uffculme school). The increase in vehicle movements was astonishing. 2016 total movements 590 between 3 and 4 pm. 2020 vehicle movements on Friday 7th February between 3 and 4 pm were 1020.

Queues are now forming from J27 past the B3181 and C107 towards Hitchcocks Farm. These queues are now occurring on a regular basis most days. This will only increase when the extension to Mid Devon Business Park, providing unit sizes B1, B2 and B8. This plus 125 houses at Meadow Park in Willand, 90 houses in Uffculme and Cullompton Garden Village, using Willand as a rat run to J27. Also taken into account, is the proposed J27 development and an increase in traffic from the block works at Uffculme.

The B3181 road is only classified as a B road with maintenance that goes with it i.e. hardly any. MDDC should have an official vehicle count done on the B3181 at the junction of the B3181 and C107. This together with recommendation from MDDC public health service air quality impact assessment according to the supplementary planning document on air quality. The receptor location is to be agreed at the junction of the B3181 and the C107 to Uffculme School. A report of the above should be made to MDDC before any decision on the proposed planning application is granted. Why has MDDC, being the lead planning authority on the Hitchcock site, never asked DCC Highways or the Environment Agency for a full traffic assessment on the B3181 or a light pollution assessment on the Hitchcock site?

Chris Hill referring to item 2 (Hitchcocks) on the plans list stated he was very alarmed to see on page 36 that the representations relate to only responses on the revised application. My question is for the officers: when considering this application and granting permission whether they took into account the 673 people who signed the objection to the Hitchcocks application and also the 117 letters of objection. Only those letters of objection that relate to this application have been included yet this is only a mini bit of the original application and as the previous gentleman said we are very very concerned that this will be a piece meal application because this is only the same as the big application so 14% bigger in 3 months' time will you get another 15% and another 15% and eventually the whole of the fields will be filled with warehouses. So the same objections we all made to the original application still stand and I believe they have not been properly presented to the council by the officers for this application.

Linnea Mills again referring to item 2 (Hitchcocks) on the plans list stated her question was about the integrity and evidence provided in the report. The planning guidance to local governments say that recommendations that depart from the local development plan clearly must be justified and I was wondering when I was reading this report how good of a justification is been given in this report. The justification that is given is that there is insufficient availability of employment land at other sites. Where is the evidence for this? I ask you to be wary of the fact that the council only mentions historical under supply of employment land and provides no information on actual supply and demand or vacancy rates. There is no data. I ask you to be equally weary and critically note that there is no mention about employment floor space being created as part of the Local Plan, there is no mention of increased floor space at Mid Devon Business Park just down the road from Hitchcocks. There is no mention of the huge increase in employment floor space that is being created as part of the J27 development. It's a deliberate choice by the officers not to include these pieces of information that is needed for you to make an informed decision about this matter. They have chosen not to see the bigger picture, we as a community need to rely on you as our representatives to see the bigger picture. So the planning office asked you to bypass the local plan and in so doing set the precedents for future opportunistic applications from developers. They asked you to bypass the development plan and as such take us away from the holistic planning that the local plan contributes to. It asks you to step away from the local plan and go against the wishes of a lot of people who live in the affected communities. Remember that Uffculme Parish Council, Willand Parish Council objected to this and these are the Parishes where Hitchcocks is physically located. We don't want it. The planning office is asking you to do all this on very flimsy ground, providing no justification and no evidence. So my question to you is will you at least consider deferring until the council can provide with good enough information for you to be able to make an informed decision in this case.

The Chairman indicated that answers to questions would be provided when the items were debated.

108 DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT

Members were reminded of the need to declare any interests when appropriate.

109 **MINUTES OF THE PREVIOUS MEETING (00-20-03)**

The minutes of the meeting held on 15 January 2020 were approved as a correct record and signed by the Chairman.

110 **CHAIRMAN'S ANNOUNCEMENTS (00-20-47)**

The Chairman informed the meeting that this was the last meeting for the Interim Group Manager for Development, she thanked her for her work and wished her well for the future.

111 **DEFERRALS FROM THE PLANS LIST (00-21-46)**

There were no deferrals from the Plans List.

112 **THE PLANS LIST (00-21-59)**

The Committee considered the applications in the plans list *.

Note: *List previously circulated; copy attached to the signed Minutes.

(a) Applications dealt with without debate.

In accordance with its agreed procedure the Committee identified those applications contained in the Plans List which could be dealt with without debate.

RESOLVED that the following application be determined or otherwise dealt with in accordance with the various recommendations contained in the list namely:

(i) No 1 on the Plans *List (19/02034/LBC Listed Building Consent for internal alterations to create an en-suite shower room - The Old Carriage House, St Andrew Street North, Tiverton)* be approved subject to conditions as recommended by the Head of Planning, Economy and Regeneration.

(Proposed by Cllr L J Cruwys and seconded by Cllr D J Knowles)

b) No 2 on the Plans *List (19/0928/MFUL Erection of buildings incorporating employment (B1/B2/B8) with associated infrastructure – land at NGR 305390 112177 (Hitchcocks Business Park) Uffculme)*.

The Interim Group Manager for Development outlined the contents of the report by way of presentation highlighting the location of the proposed development within the site, the proposed floor space of the 3 proposals and members were reminded of the fact that this was now a revised smaller scheme than originally proposed. Members viewed the layout of the 3 areas, the site sections, floor plans and elevations and viewed photographs from various aspects of the site.

The officer added that the proposal was in line with Policy DM20 of the Local Plan and highlighted the updates within the update sheet which included the following: a representation from the MDDC, Growth, Economy and Delivery Section and Halberton Parish Council, a response from the Environment Agency and a further objection.

The officer then supplied answers to questions posed in public question time:

- With regard to climate change and the Council's aim to become net zero by 2030, there was a need to look at the current planning policies within the existing Local Plan.
- With regard to light pollution, the application had been thoroughly scrutinised and external consultees had found that the mitigation that had been put in place was acceptable.
- With regard to responses to the original application, those responses were still on the file for everyone to view.
- With regard to Policy DM20, the policy did allow for this type of development, officers had been working with the Growth, Economy and Delivery Team to make sure that the needs of the policy had been met.

Consideration was given to:

- The details of the travel plan
- The lateness of the Growth, Economy and Delivery Team's response
- The views of the objector with regard to the views of the local community with regard to the proposal, the cumulative impact of continued development on the village of Uffculme and the roads leading to the village. The number of applications that had been submitted for the site and the fact that the local habitat was being changed forever.
- The views of the applicant with regard to the 100% occupancy of all units on the site and the mixture of small and large businesses in residence. The application would contribute to the traffic on local roads but lots of cars travelled along that road heading for the motorway junctions. It was intended that investment would be made in solar energy where possible. The site continued to provide employment in the local area.
- The views of the local Ward Member with regard to the scaled back proposal, Halberton Parish Council were in support of the proposal and it would create jobs in the area, the smaller units on plot 1 should be encouraged, the Growth, Economy and Delivery Team supported the proposal and there had been no objection from the Highway Authority.
- The site was not outlined within the current or emerging Local Plan, although officers considered it to be in line with Policy DM20; there was a need for the countryside to be protected and maybe there was a need for an additional condition with regard to extra planting/screening around the site.

It was therefore:

RESOLVED that: planning permission be granted subject to the prior signing of a S106 agreement to secure:

- a) A financial contribution towards the installation of a visibility control at the junction roundabout at J27 of M5 or the installation of the scheme to address the issue of minor shunts and:
- b) A travel plan to seek to reduce overall reliance on private car travel to the site.

And conditions as recommended by the Head of Planning, Economy and Regeneration with an additional condition to be added after Condition 2 to state:

- The floorspace hereby approved under drawing reference 180209 Unit F3 01 01 C shall not be amalgamated and/or let to provide an individual unit of more than 288 sq m.
- The buildings hereby approved under drawing reference 180209 Unit F1 01 01 F shall not be amalgamated or let to provide an individual unit of more than 216 sqm.
- The buildings hereby approved under drawing reference 180209 Unit F 01 01 H shall not be amalgamated or let to provide an individual unit of more than 216 sq m. and there shall be no more than three units beyond 144 sq m in total.

Reason: To ensure that the size of the units remains appropriate for starter and grow on space

With a further condition in respect of screening/additional planting around the site.

(Proposed by the Chairman)

Notes:

- i) Cllr B G J Warren made a declaration in accordance with the Protocol of Good Practice for Councillors dealing with planning matters as a member of Willand Parish Council which had been involved in discussions regarding the site;
- ii) Mr Hills spoke on behalf of the objectors;
- iii) Mr Persey (applicant) spoke;
- iv) Cllr R F Radford spoke as Ward Member;
- v) The following late information was reported:

MDDC - Growth, Economy and Delivery (GED) – 3 February 2020.
The Growth, Economy and Delivery (GED) team strongly supports this planning application.

The award winning business park has delivered a significant proportion of the District's economic growth (delivery of employment space, job creation and business investment) over the past 5 years, and is looking to build upon this success. The proposed units will enable local businesses to grow, and will help to meet the demand for business space which is currently outstripping the supply of commercial and industrial units across Mid Devon and the surrounding areas (most of our business sites and commercial land owners have waiting lists of interested businesses).

The site's occupants provide employment for over 600 people, with jobs at a variety of salary levels, including higher level technical and specialist roles. It is unfortunate that the owner has chosen to withdraw the larger scheme they originally put forward and is instead going for a smaller project. The larger, masterplanned scheme would have delivered far greater benefits to the local

area (greater pedestrianisation between Willand and Uffculme, park and community facilities etc), and there is a real risk of these benefits being lost through a potential return to a piecemeal approach to developing Hitchcocks. However, we recognise the reasons behind the decision, and will continue to support the business park and its further development.

HALBERTON PARISH COUNCIL 15th January 2020 - No objections. The Council supports the scaled down application and the provision of much needed local employment.

Response from Environment Agency 07.02.2020

Thank you for re-consulting us on this application.

Environment Agency position

Following review of the Foul Drainage Statement (AWP, dated 23rd December 2019), we confirm that we have no objection to the proposed development. The reason for this position and advice is provided below.

Reason – We have reviewed the further information provided within the Foul Drainage Statement and consider this to adequately demonstrate that the proposed foul drainage arrangement is acceptable. The proposal complies with our requirements and with the General Binding Rules.

Additional condition to be added after Condition 2

- The floorspace hereby approved under drawing reference 180209 Unit F3 01 01 C shall not be amalgamated and/or let to provide an individual unit of more than 288 sq m.
- The buildings hereby approved under drawing reference 180209 Unit F1 01 01 F shall not be amalgamated or let to provide an individual unit of more than 216 sqm.
- The buildings hereby approved under drawing reference 180209 Unit F 01 01 H shall not be amalgamated or let to provide an individual unit of more than 216 sq m. and there shall be no more than three units beyond 144 sq m in total.

Reason: To ensure that the size of the units remains appropriate for starter and grow on space

From an objector :

Re: Scientific report on behalf of the applicant on air quality and proposed additional HGV and car movements (60 lorries and 700 cars):

- Cars, of the employees (approx. 700), in all probability will all turn up to and exit the site at roughly the same time; and anyone familiar with the locality cannot possibly consider that the impact of such a significant increase in vehicular movement and accompanying pollution (air quality) could be anything other than significant; especially as additional to the existing and currently expanding new developments of residential properties in close proximity on two sides of the site's perimeter and only metres away.

- The residential developments themselves are a source of additional vehicular movement and pollution to the existing residential developments (both the established developments and those still under construction). No consideration at all has been given to the fact that the full effects of the latter properties are yet to have been established as not yet built/completed! Already, residential vehicles and 'white' goods vehicles are congested up and down Bridwell Lane; a lane which cannot accommodate the passing of two cars even, in places, let alone commercial vehicles with local car drivers having to repeatedly reverse a significant distance back along a narrow and bendy road with road users displaying varying degrees of 'courtesy' and 'care' (often both absent) i.e. not very safe.
- Much of the commercial traffic (although not all) will probably arrive via the M5 and travel along the upper road to Uffculme B....', which is already becoming increasingly congested; especially at the Old Well / Waterloo Cross roundabout and the access road from it to the M5 roundabout resulting often in 20 minutes of vehicular queueing; especially when loading is taking place at the 'Waterloo Cross' (the linking road suffering much pot-holed disrepair which will be exacerbated throughout the area if the expansion goes ahead).
- The residents of Uffculme have limited road access to the M5, the main two running alongside Bridwell Manor and Uffculme School; both already suffering from the lack of two car passage at certain points; both with difficult access to join the top road (B) to access the M5 at Jctn 27; both already becoming increasingly hazardous due to the already increased weight of traffic, especially heavy goods vehicles; posing a hazard to people, children and domestic vehicles.
- Both these access roads are hazardous, having generally poor visibility, including at their respective junctions with the upper road B... (which also has poor lighting), currently having no assistance provided to aid safe access across oncoming traffic to join the traffic flow in direction of the M5.
- The alternative is to travel the 'long' route, Uffculme Road (the 'Uffculme straight'), to Willand roundabout and then retrace the journey back along the B... (upper road) where the site's access for 700 to 800 vehicles is to be situated, including at least 60 heavy/commercial vehicles! This weight of traffic is compounded by the relative narrowness of the road for heavy lorry usage with large vehicles passing very close as they travel in the opposite direction, also creating sudden and significant backdraft as they hurtle pass small vehicles travelling in the opposite direction (and pedestrians).
- Similarly, potential pedestrian use of the upper road (B...) has not been considered. The pavement, in combination with a lack of lighting is already inadequate and dangerous for the safe passage of pedestrians; especially due to the closeness of the road to the path and the strong back draft created by passing heavy goods vehicles.
- There seems to be no consideration of the yet to be built Junction 27 major industrial and commercial development (or the current expansion of the Mid Devon Industrial Park with its industrial units or the large scale residential developments, not only in Uffculme but also Willand and

Tiverton Parkway localities). Travelling along the 'Uffculme straight' in the direction of Willand to access Cullompton and/or the M5 at J 28 is becoming increasingly congested; with traffic already trailing at peak times the whole length of Millennium Way at Cullompton for those travelling to Cullompton Tesco etc or the M5 at J 28; where queuing is regularly 30 minutes plus (on outward and incoming journeys).

Noise Pollution – This has been given little if any consideration; either whilst proposed building works take place or/and when the site is completed and the site is up and running:

- 700 cars and 60 lorries are going to generate significant noise and gas emissions/pollution.
- The noise and vibration effects from building works in the early stages of Luccombe Park, were protracted and invasive. I am sure no residents in the locality would relish a prolonged repeat of this; with the constant 'thumping' sound and accompanying vibration felt all day every day, for weeks; even though we ourselves are not the nearest of properties to the building works; it drove us 'mad'; initially thinking a neighbour had a washing machine and tumble dryer running constantly in their garage (not attached to our house) but subsequently found this not to be the case as it was the building works.
- Is Mid Devon going to allow residents to suffer a repeat of the Luccombe Park building nightmare and inconvenience; including protracted use of temporary traffic lights, which impacted upon residents' movements ('imprisoning' Culm Valley Way residents for significant periods) and the additional misery which would be created going forward?

All the above makes a mockery of the applicant's expert conclusion that they do not see any negative traffic or pollution impacts prior to 2024! The area is *already* suffering impact from these!

Sewage - What exactly is the provision for this? This seems a vital consideration which has yet to be fully considered or addressed! How can a 'large scale' development such as this be given any consideration at all without detail of provision for this and drainage in place? We often suffer drainage issues and have noticed an increase in vehicular 'drainage' activity in the locality; as well as historical flooding across the Uffculme straight in the region of the Luccombe Park development and beyond.

Flood risk (none?)

- I find this a strange conclusion as I have repeatedly, following heavy rainfall had to travel along Bridwell Lane up to the 'top 'road' (B...); to avoid the flooding which takes place along the stretch of road passing between the Hitchcock's site and Langlands Industrial Estate/ Luccombe Park (Uffculme Road); and have witnessed other more intrepid drivers stranded, broken down in the flood water as their vehicle has not been designed to negotiate deep water or 'flooding'!
- Surely the further reduction in natural soakaway land down to Uffculme Road and across it, by the increase in concrete coverage will exacerbate the likelihood and extent of flooding in this locality (and

potentially of homes); especially as the land on the 'Uffculme straight' side of the site (and the site itself) slopes downwards to the 'Uffculme straight' and beyond? The fields becoming flooded now from Uffculme to Cullompton (and no doubt beyond)

Finally, the existing site is an eyesore and very visible from Bridwell Lane and Uffculme Road. The village of Uffculme remains a small one, which would be visually and practically dominated by such an extension of the Hitchcock's site, as proposed. To allow this proposal to go ahead would render Uffculme a giant industrial estate which has a tiny residential component at its centre. Its residents would find themselves living in the middle of a giant industrial estate (combined areas) with detrimental associated issues. This cannot be right or humane on any level; noise, pollution, flooding, inconvenience, hazard, 'green', environmental and ecological issues and last but not least, the health and safety of local residents with their right to live in a decent and appropriate environment; one in which they can thrive and which is conducive to their general well-being.

If the residents of Uffculme had been happy to live in the midst of an industrial estate, they would have moved into an area where such existed and one in which the house prices and council charges would have been significantly lower than residents of Uffculme have paid for the privilege of enjoying some semblance of the benefits just listed. There must be more appropriate 'brown' sites where this plant could be situated; it certainly does not need to be situated in a location which results in residents finding themselves but a speck in the middle of an industrial estate/s!

I hope these comments may contribute to any discussion and subsequent decision.

c) No 3 on the Plans List (19/01608/HOUSE – erection of a single storey extension and separate garage/annex/workshop accommodation – Tanglewood, Dukes Orchard, Bradninch).

The Principal Planning Officer outlined the contents of the report and reminded those present that the application had been deferred from a previous meeting to allow for a site visit to take place by the Planning Working Group. He highlighted by way of presentation the location of the application site, the proposals which included the proposed elevations and floor plans and photographs from various aspects of the site.

Consideration was given to:

- How the proposed condition 10 would be enforced
- The views of the objector with regard to the impact of the proposal on her property, the garage with accommodation would have an overbearing impact and there would be overlooking issues on her bungalow and her garden.
- The major concern was that of the position of the proposed garage not the erection of a single storey extension
- Whether the proposal was visually unattractive and had an adverse effect on the amenity of the neighbouring property and therefore against policy DM2 of the Local Plan

It was therefore:

RESOLVED that: Members were minded to refuse the application and therefore wished to defer the application for an implications report to consider the proposed reasons for refusal, that of: the proposal was not in accordance with Policies DM13 (a) and (c) of the Local Plan Part 3 (Development Plan Policies)

a) Respect the character, scale, setting and design of existing dwelling;

c) Will not have a significantly adverse impact on the living conditions of occupants of neighbouring properties.

and DM2 (a) and (e) of the Local Plan Part 3 (Development Plan Policies)

a) Clear understanding of the characteristics of the site, its wider context and the surrounding area;

e) Visually attractive places that are well integrated with surrounding buildings, streets and landscapes, and do not have an unacceptably adverse effect on the privacy and amenity of the proposed or neighbouring properties and uses, taking account of:

i) Architecture

ii) Siting, layout, scale and massing

iii) Orientation on and fenestration

iv) Materials, landscaping and green infrastructure

(Proposed by Cllr B G J Warren and seconded by Cllr E J Berry)

Notes:

i) Cllr E J Berry declared a personal interest as he knew the objector;

ii) Mrs Brown (objector) spoke;

iii) A proposal to approve the application was not supported.

d) No 4 on the Plans *List (19/01156/FULL Installation of a 24MW Reserve Power Plant with associated infrastructure – land at NGR 302839 111143, Lloyd Maunder Road, Willand).*

The Interim Group Manager for Development outlined the contents of the report by way of presentation highlighting the location of the proposal, which was outside of the settlement limit but close to existing development; blocks plans, a plan identifying the treeline and gas pipe, proposed elevations, photographs of the proposed power plant and also photographs from various aspects of the site. She highlighted page 154 of the NPPF and the need for renewable and low carbon energy, she explained how the proposed power plant would be fuelled using bio-methane, derived from both the national grid and the neighbouring AD facility and how that power would be distributed and when and that the energy would be classed as renewable.

Referring to the question posed in public question time, there was a need to consider the application before the committee today. The application had been screened for an Environmental Impact Assessment but was not an Environmental Impact Assessment development.

Consideration was given to:

- The views of the representative of the CPRE who felt that the proposal was for a mini power station on greenfield land, the proposal was not a renewable energy generator or a low carbon facility that therefore contrary to policies COR5, COR18 and DM5. The proposal would have a massive carbon footprint which would only be used for a maximum of 4 hours per day.
- The views of the agent with regard to the need to support the Devon Climate Declaration, the proposal was in line with becoming carbon neutral but that there was an intermittent source of sun/wind and therefore a fluctuation of energy generation, it was therefore necessary for storage facilities to be made available. She reminded those present that the NPPF was very clear with regard to the need for low carbon technology to reduce emissions and the certification process that was required.
- The views of the representative from Willand Parish Council with regard to the proposal not complying with the NPPF or policy COR 18, that natural gas was a fossil fuel, there had been no discussion with regard to the safety of the plant and no agreement with the National Grid/Western Power that they would accept the energy.
- The views of the Ward Members with regard to the impact on the local residential area, the proposal was outside of the settlement limit, would the energy being used be renewable? How would it be known that the energy being drawn from the national Grid was renewable. Was there any evidence for the need. An application to increase the tonnage used in the AD plant.
- Whether the application was premature as there was a need for the additional tonnage for the AD plant to be determined.

It was therefore:

RESOLVED that: Members were minded to refuse the application and therefore wished to defer the application for an implications report to consider the proposed reasons for refusal:

The application was:

- In the open countryside
- Not producing renewable energy
- Not an energy efficient measure
- Not in accordance with Policies COR5, DM5 or COR 18(f) of the Local Plan

And that there was cumulative impact with other Devon renewable energy plants in the area.

(Proposed by Cllr B G J Warren and seconded by Cllr R F Radford)

Notes:

- i) Cllr B G J Warren made a declaration in accordance with the Protocol of Good Practice for Councillors dealing with planning matters as a member of Willand Parish Council which had been involved in discussions regarding the site and had called the application in;
- ii) Cllr R Evans made a declaration in accordance with the Protocol of Good Practice for Councillors dealing with planning matters as he had had discussions with regard to the application as a local Ward member;
- iii) Miss Coffin spoke on behalf of the CPRE;
- iv) Ms Cairns spoke as applicant;
- v) Cllr Grantham spoke on behalf of Willand Parish Council;
- vi) Cllrs R B Evans and B G J Warren spoke as Ward Members;
- vii) The following late information was reported: There is an error on page 63 of your agenda (Plans List No 4)
Under conclusion it states that 'The proposal is considered to be unacceptable, having regard to the Development Plan.....'

This should read 'The proposal is considered to be ACCEPTABLE, having regard to the Development Plan....'

113 MAJOR APPLICATIONS WITH NO DECISION (2-03-36)

The Committee had before it, and **NOTED**, a list * of major applications with no decision.

It was **AGREED** that:

Application 20/00047/MFUL – Erection of extension at Gregory Distribution Limited remain delegated.

Note: *List previously circulated; copy attached to the Minutes

114 APPEAL DECISIONS (2-04-08)

The Committee had before it and **NOTED** a list of appeal decisions * providing information on the outcome of recent planning appeals.

Note: *List previously circulated; copy attached to Minutes.

115 APPLICATION 17/00348/MOUT - RESIDENTIAL DEVELOPMENT OF UP TO 257 DWELLINGS AND UP TO 5 GYPSY AND TRAVELLER PITCHES; 8.6 HECTARES OF LAND MADE AVAILABLE TO FACILITATE THE RELOCATION OF CREDITON RUGBY CLUB; UP TO 1.1 HECTARES OF LAND SAFEGUARDED FOR THE DELIVERY OF A PRIMARY SCHOOL; ACCESS ARRANGEMENTS FROM A3072 (EXHIBITION WAY); PEDESTRIAN AND CYCLE ACCESS ON TO POUNDS HILL/STONEWALL CROSS JUNCTION, OLD TIVERTON ROAD AND PEDLERSPOOL LANE; LANDSCAPING AND AREA OF PUBLIC OPEN SPACE; AND OTHER ASSOCIATED INFRASTRUCTURE AND ENGINEERING OPERATIONS - LAND AT NGR 284185 101165 (CREEDY BRIDGE) CREDITON DEVON (2-05-03)

The Committee had before it a * report of the Head of Planning, Economy and Regeneration considering revisions to the wording of three of the Heads of Terms of the S106 agreement and the associated S106 implications from those proposed revisions. The resolution made by Members of the Planning Committee on the 19th September 2018 was for planning permission to be granted subject the prior signing of a S106 agreement, with the revisions sought relating to planning obligation numbers 1, 2 and 4 as outlined within the resolution. Delegated authority was also requested to allow minor changes to the wording of planning conditions in order to allow for a phased approach to development across the site.

The Area Team Leader informed the meeting of the contents of the update sheet which referred to an enquiry from Sandford Parish Council with regard whether S106 contributions towards improvements to the existing public rights of way could be used to deliver a footpath/cyclepath between the site and the village of Sandford.

He answered the questions posed in public question time

- With regard to what would happen to the land if the school was not progressed, then the land would go back to the applicant and further planning permission would be required.
- With regard to the policy allocation for 200 dwellings whereas the proposed development was for 257 which was considered due to viability in order to provide land for the rugby club. The 257 dwellings were granted planning permission in 2018, where it was noted that the viability appraisals did not include for this provision in the Heads of Terms.
- With regard to the rugby club and that they were being kept at arms length with regard to any discussions. He stated that officers had been in discussions with the rugby club with regard to the transfer of the land, the rugby club had wanted a nil or nominal rate; this had been clarified by Counsel's advice; the land would be safeguarded for the rugby club but would not be transferred at a nil/notional value.

The officer further explained and listed the Heads of Terms that required amendment (as identified in the report) and the delegated authority that was sought for the Head of Planning, Economy and Regeneration.

Consideration was given to:

- Clarification with regard to the safeguarding/transfer of land and the amendment that pre-commencement conditions be removed
- That maybe following delegation to the Head of Planning Economy and Regeneration consultation take place with the Chairman, Vice Chairman and Ward Members to make any changes to the wording of the planning conditions
- The views of the representative of Crediton Rugby Club with regard to how the club had supported the application on the basis that they would receive land; any transfer on terms discussed today would not enable the club to move. He asked that the application be reviewed in it's entirety so that all matters could be reconsidered.
- The views of the agent for the applicant with regard to the fact that amendments to the 3 Heads of terms would enable the development to be unlocked, the safeguarding of the land for a period of 15 years for the rugby club, the policy changes within the emerging Local Plan which had an impact on the Gypsy and Traveller site and that the flexibility within the S106 agreement would allow for the funding of the proposed cycle path.
- The views of the Chairman of Sandford Parish Council with regard to the vision of a footpath/cyclepath between the development and Sandford village
- The view of the representative from Upton Hellions Parish Meeting with regard to the financial package and the need for further consultation to benefit both the parishes impacted upon by the development.
- The views of the Ward Members with regard to the flexibility within the S106 to contribute towards a footpath between the development and Sandford Village. The need for consultation with the local communities, the need for community engagement, cycling/walking routes should be encouraged and flexibility within the S106 for sustainable travel.
- Clarification from officers that the cycleway could be formed from the flexibility within the S106 agreement
- The provision of the school on the site

RESOLVED:

- a) That the revisions to the s106 agreement as set out in paragraph 3.1 be agreed and a S106 agreement be entered into in line with the proposed revisions.
- b) That delegated authority be given to the Head of Planning, Economy and Regeneration in consultation with Chairman and Vice Chairman of the Planning Committee and local Ward Members to allow minor changes to wording of planning conditions as reported within the committee report to allow for a phased approach to development across the site.

(Proposed by the Chairman)

Notes:

- i) Cllr Mrs F J Colthorpe declared a personal interest as the applicant was known to her;
- ii) Cllr F W Letch declared a personal interest as he had attended a presentation at the rugby club;
- iii) Cllrs: E J Berry Mrs F J Colthorpe, Mrs C P Daw, Mrs C Collis, L J Cruwys, S J Clist, F W Letch, E G Luxton, D J Knowles, R F Radford, Mrs M E Squires , Miss E Wainwright and B G J Warren made declarations in accordance with the Protocol of Good Practice for Councillors dealing with planning matters as they had received correspondence from the applicant/agent;
- iv) Mr Graves spoke on behalf of Crediton Rugby Club;
- v) Mr Smith spoke as agent;
- vi) The Chairmen of Sandford parish Council and Upton Hellions Parish Meeting spoke;
- vii) Cllrs Mrs M E Squires and Miss E Wainwright spoke as Ward Members;
- viii) The following late information was reported:

Sandford Parish Council has enquired whether S106 contributions identified towards improvements to the existing Public Rights of Way network could be used to deliver a footpath/cycleway between the Pedlerspool site (Creedy Bridge) to the village of Sandford. Through a meeting with the Local Highway Authority it was explained that the S106 monies contained within the Heads of Terms have been allocated to identify projects and therefore changes at this late stage are not possible.

The scheme for the Sandford Path has not been worked up to a point to show exact costings involved with confirmation obtained by land owners but an alternative route of achieving this project following further work such as through the Boniface Trail (which has Cabinet support from Devon County Council) has been outlined to Sandford Parish Council.

Extract from officers report to highlight changes being proposed

3.1 The proposed changes to the planning obligations heads of terms 1, 2 and 4 are as follows:

1. The safeguarding of a 1.1ha site for a Primary School and obligations securing the transfer of said site to Devon County

Council if required by the County Council within an agreed time period running from Commencement of Development and expiring 5 years after any Commencement on the western development parcel.

2. The setting out of a 0.3ha site for provision of up to 5 pitches for the Gypsy and Traveller Community or (if approved by the Council pursuant to the approved scheme) provision of a site with equivalent capacity off-site (or the expansion of an existing Gypsy and Traveller Site) and the following provisions regards delivery and operation:

Prior to Occupation of more than 75% of Dwellings:

- (i) Provision of 5 serviced pitches on-site prior to Occupation of more than 75% of Dwellings; OR
- (ii) If approved by the Council in writing (having regard to criteria under DM7) provision of 5 serviced pitches off-site (new site or extension to existing) OR provision of land off-site and contribution of £500K for Council to deliver.

Prior to Occupation of more than 43% of Dwellings:

- (i) Submission and approval of scheme confirming which of the above options is proposed

Cascade:

If offer the pitches/site (whether on or off site) to RP's for more than 12 months (and then Council) for nominal consideration and Owner is unable to find party willing to contract to take the G&T site then Owner may opt instead to discharge obligation through the provision of 5 extra Affordable Housing Units (either on the G&T site pursuant to new full application for said land or elsewhere within the Development). Mix of said units to be 60/40 rented/intermediate as per existing Affordable Housing units.

4. The safeguarding of 8.6ha of land shown edged [] on Plan x appended hereto for the relocation of the Crediton Rugby Club and provisions requiring:

- said site to be transferred to the Council or its nominee (i.e. the Rugby Club) if called for within a period expiring at the date 15 years from the grant of the planning permission; and
- the provision of a suitable temporary and permanent access road to the boundary of said site.

116 PLANNING PERFORMANCE 2019/20 - QUARTER 3 (2-56-38)

The Committee had before it and **NOTED** a *report of the Head of Planning, Economy and Regeneration providing the Committee with information on the performance of aspects of the planning function of the Council for Quarter 3 of 19/20.

The Interim Group Manager for Development outlined the contents of the report stating that improvements had been made between Quarter 2 and Quarter 3, although the target for the 'number of applications over 13 weeks without a decision' still need some improvement

Note: *Report previously circulated; copy attached to Minutes.

117 **PROBITY IN PLANNING REVISED ADVICE FOR COUNCILLORS AND OFFICERS MAKING PLANNING DECISIONS. (2-59-57)**

The Committee had before it and **NOTED** a *report of the Head of Planning, Economy and Regeneration providing it with information with regard to changes to the guidance.

The Interim Group Manager for Development outlined the contents of the report highlighting the updated guidance.

Note: *Report previously circulated; copy attached to Minutes.

(The meeting ended at 5.30 pm)

CHAIRMAN

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **STANDARDS COMMITTEE** held on 5 February 2020 at 6.00 pm

Present

Councillors

C J Eginton (Chairman)
Mrs F J Colthorpe, L J Cruwys, R M Deed,
Mrs I Hill, C R Slade, Mrs M E Squires and
Mrs N Woollatt

Apologies

Councillor(s)

L D Taylor, A White, A Wilce and A Wyer

Also Present

Officer(s):

Kathryn Tebbey (Head of Legal (Monitoring Officer)) and
Sally Gabriel (Member Services Manager)

22 APOLOGIES AND SUBSTITUTE MEMBERS

Apologies were received from Cllrs: L D Taylor, A White, A Wilce and A Wyer

Cllr A White was substituted by Cllr L J Cruwys, Cllr A Wilce was substituted by Cllr R M Deed and Cllr Wyer was substituted by Cllr Mrs I Hill.

23 PUBLIC QUESTION TIME

There were no members of the public present.

24 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (00-01-44)

Members were reminded of the need to make declarations of interest when necessary.

25 MINUTES (00-01-50)

The minutes of the last meeting were approved as a true record and signed by the Chairman.

26 CHAIRMAN'S ANNOUNCEMENTS (00-03-01)

The Chairman reminded members that at the last meeting the committee had resolved that the Monitoring Officer issue a final warning to those councillors who had not returned their Register of Interest forms and that if they failed to comply then the police would be informed. He informed those present that the majority of those contacted had rectified the situation with the exception of 2 who were being investigated by the police.

27 GOVERNANCE ARRANGEMENTS (00-03-47)

The Committee had been requested to consider the following recommendation from the Cabinet:

The Standards Committee be asked to recommend to Council that the changes to the current arrangements set out in part 3 of the report be agreed and the Constitution amended accordingly and that the Monitoring Officer be asked to draft the changes to the Constitution required to implement those changes for consideration by the Standards Committee.

The Committee had before it the original report* of the Head of Legal (Monitoring Officer) to the Cabinet meeting (19 December 2019), a **paper outlining proposed changes to Cabinet Procedure Rules and Access to Information Rules.

The Head of Legal (Monitoring Officer) highlighted the options within the Cabinet report and the tracked changes documents which identified how those changes would translate into the constitution.

Consideration was given to:

- The Governance review taking place
- The option for the Cabinet to self-refer to the Council for a view on an issue before a decision was taken by the Cabinet
- Pre-decision scrutiny
- Whether reports to Cabinet should include a section setting out whether the decision was in the Budget and the Policy Framework which would clearly identify whether a decision was one to be made by the Cabinet or to be taken by Full Council

It was therefore

RECOMMENDED to Council that:

- i) The changes as set out in Part 3 of the report be agreed; and that
- ii) The following paragraphs be added to the Cabinet Procedure Rules within the Constitution:

3.0 Cabinet may consult Council

3.1 Where it appears to the Cabinet that a decision involves matters on which it would like to receive the views of members at a meeting of the Council, the Cabinet may resolve so to do.

3.2 The effect of a resolution under Rule 3.1, is that the decision will stand deferred to the next meeting of the Cabinet which follows the Council's consideration of the matter in question.

3.3 For the avoidance of doubt,

- (a) a resolution under Rule 3.1 is entirely a matter for the Cabinet at its absolute discretion;
 - (b) the views of the Council are not binding on the Cabinet; and
 - (c) nothing in this Rule 3 (or a decision or resolution under it) transfers responsibility for any function or matter to the Council where, under this Constitution and the Local Authorities (Functions and Responsibilities) Regulations 2000, such function or matter is the responsibility of the Cabinet.
- iii) Rule 16.4 within Access to Information Procedure Rules be amended to read: As soon as reasonably practicable after the decision maker has obtained agreement under Rule 16.3 (and in any event by no later than the next working day), a notice of the decision must be published setting out the reasons why the decision is urgent and has been taken under this Rule 16.
- iv) Rule 17.3 – Report to Council be amended to read: The Leader will report all Cabinet decisions taken under Rule 16 (special urgency) to the next meeting of the Council, such report to include a summary of the decision(s) taken. The report may be given verbally where the decision is taken after the publication of the agenda for the Council meeting.

(Proposed by Cllr R M Deed and seconded by Cllr Mrs N Woollatt)

It was further **RESOLVED** that: reports to Cabinet include a section setting out whether the decision is within the Policy Framework and the Budget.

(Proposed by Cllr R M Deed and seconded by Cllr Mrs N Woollatt)

Notes:

- i) Cllr Mrs F J Colthorpe requested that her abstention from voting be recorded;
- ii) * Previous report and ** papers previously circulated, copy attached to minutes.

28 **STANDARDS WORKING GROUP (00-14-51)**

The Committee had before it and **NOTED** the * notes of the recent Standards Working Group.

The Chairman informed the meeting that the working group had met on 21 January to consider whether there was a need for a policy on the use of social media by members at the current time. It had been agreed that no further action be taken at the current time due to actions being taken nationally with regard to a proposed new model code of conduct.

Note: *Notes previously circulated copy attached to minutes.

29 **COMPLAINTS (00-15-55)**

The Head of Legal (Monitoring Officer) provided an update regarding the number of complaints received since the previous meeting.

30 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (00-21-22)**

It was **AGREED** that the following be considered at a future meeting of the committee:

- Update from the Governance Working Group
- Complaints update
- The LGA were preparing a draft model Code of Conduct which would be considered when it was available
- Update on the outcome of the Register of Interests issue.

(The meeting ended at 6.24 pm)

CHAIRMAN

THE CURRENT AND FUTURE GOVERNANCE ARRANGEMENTS OF MID DEVON DISTRICT COUNCIL

Cabinet Member(s): Cllr Bob Deed, Leader of the Council
Responsible Officer: Kathryn Tebbey, Group Manager for Legal Services and Monitoring Officer

Reason for Report: to outline the current governance arrangements and discuss the potential for a Governance Working Group to review arrangements and make recommendations.

RECOMMENDATION: that

- 1 the Standards Committee be asked to recommend to Council that the changes to the current arrangements set out in part 3 of this report be agreed and the Constitution amended accordingly and the Monitoring Officer be asked to draft the changes to the Constitution required to implement those changes for consideration by the Standards Committee; and**
- 2 it be recommended to Council that a politically-balanced Governance Working Group be established, such working group to-**
 - (a) comprise 12 members;**
 - (b) carry out a comprehensive review of the Council's governance arrangements, such review to include –**
 - (i) exploring the views of members and other stakeholders;**
 - (ii) taking advice where appropriate from experts in the field; and**
 - (iii) identifying the cost and value for money implications;**
 - (c) Report its findings, options and make recommendations to the Council (via the Standards Committee where major changes are proposed to the Constitution); and**
 - (d) ensure that such recommendations are made by no later than December 2020 with a view to any changes taking effect for the municipal year 2021/22**

Financial Implications: None directly arising from this report, save that the costs of officer time in supporting the review are estimated to be circa £5k-£10k and there may be costs incurred by bringing in external advice/guidance where required.

Legal Implications: As set out in this report. Legal advice will be provided on any alternative arrangements considered by the Governance Working Group (if agreed by Council), including on the procedures to implement them. Depending on the outcome, there may be other consequential work which needs to be put in place

before any alternative arrangements can be brought in, including a revised Constitution and the setting of a new members' allowances scheme.

Risk Assessment: None directly arising from this report.

Equality Impact Assessment: None directly arising.

Relationship to Corporate Plan: There are overarching priorities in the Plan – efficiencies and value for money, digital transformation and staff/member development.

Impact on Climate Change: None directly arising from this report. However, an increase or decrease in council meetings (regardless of the form of governance arrangements), may result in more or less travel to and from meetings by Members, as the case may be.

1.0 Introduction/Background

- 1.1 The purpose of this report is to consider the current governance arrangements and make recommendations for change, where appropriate. The current governance arrangements operated in Mid Devon District Council are that of the strong leader and executive (cabinet) model.
- 1.2 Section 9B of the Local Government Act 2000 prescribes the forms of governance which may be adopted by local government bodies. These are executive arrangements, committee system or 'prescribed arrangements'. The Council can only choose between those options.
- 1.3 Executive arrangements include the Leader/Cabinet system deployed by the Council and set out in the Constitution. A cabinet must consist of the Leader and at least two more councillors appointed by the Leader – as required by section 9C of the Local Government Act 2000. So the Leader appoints and has the sole power to select the Cabinet. The only constraint is that the number of councillors in the Cabinet (in addition to the Leader) must not be less than the minimum (2) nor more than the maximum (10). The political balance rules are expressly dis-applied by law.
- 1.4 The Council's Constitution transfers the Leader/Cabinet system into its rules and procedures. It is important to recognise that the Council is not free to pick and choose the functions and responsibilities which are to be a matter for the Cabinet. Where a Cabinet system is operated, all functions are to be the responsibility of the Cabinet, unless the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 prescribe otherwise. The 2000 Regulations prescribe the functions which:
 - must not be the responsibility of the executive e.g. certain consents, licences, elections etc.

- may be the responsibility of the executive if that is what the Council wants (local choice)
- may or may not be the responsibility of the executive, depending on particular prescribed circumstances e.g. decisions outside the policy framework or budget

1.5 The committee system is what it says it is – there are a number of committees discharging the business of the Council either under delegated powers from the Full Council or by recommending up to Full Council. Some Members may have experienced this arrangement when it was previously in operation at the Council, although that does not mean that new committee arrangements could not be designed in a way which overcomes any historic concerns over how committees operate.

1.6 Prescribed arrangements are additional permitted governance arrangements may be prescribed by the Secretary of State in regulations. They need to be proposed to the Secretary of State with an explanation of how the following conditions would be met:

- (a) the operation of the proposed arrangements would be an improvement on the arrangements in place;
- (b) the proposed arrangements would be likely to ensure that the decisions are taken in an efficient, transparent and accountable way; and
- (c) if prescribed, the arrangements would be appropriate for all local authorities to consider adopting.

2.0 **Current arrangements for participation and scrutiny**

2.1 The Strong Leader and Cabinet model enables decisions to be made at pace in line with the policy and budgetary framework and the corporate plan. There are clear lines of accountability. Members naturally want to have the opportunity to influence decisions and to be involved. They want openness and transparency. Whilst the forward plan is no longer a statutory framework, it has been retained to show the major decisions coming up. Cabinet meetings are not only open to all members, but all members are entitled to attend and participate – a practice which is now in the Constitution.

2.2 Decisions of the Cabinet can be called in to Scrutiny Committee. Those who can call in are:

- the Chairman of Scrutiny
- any 3 members of Scrutiny

- any 4 members of the Council

On decisions called in, the Scrutiny Committee can already make recommendations to Full Council if it wishes - but the Full Council has no locus to make a decision in respect of a Cabinet function or responsibility unless it is contrary to the policy framework or budget. Full Council cannot override the Cabinet where such a decision is a matter for the executive.

3.0 Some options which might enhance the current arrangements

- Option 1 The Leader has suggested that the Cabinet may, at its discretion, “self-refer” to Full Council for a view before making a decision on controversial or locally significant matters - unless the decision is particularly urgent and cannot wait for the next scheduled meeting and an extraordinary meeting would be impractical. That would enable the Cabinet to sound out what all members think on a matter before taking the final decision. Of course, the Cabinet may decide not to go with the views of Full Council, but it will at least have a more detailed understanding of fellow members’ views – and such views can be expressed in the public domain at a formal meeting, rather than through informal consultation. The challenge is the potential for slower decision-making and delay.
- Option 2 Reports to Cabinet should include a section setting out whether the decision is within the Policy Framework and the Budget. This would assist members in understanding whether the decision is purely a Cabinet decision or one which could (or at times, must) be taken by Full Council.
- Option 3 Special urgency – decisions to be published “in any event on the next working day” although the Constitution accords with statute by requiring “as soon as reasonably practicable”.
- Option 4 Special urgency decisions referred to next Full Council, rather than quarterly. This would include decisions taken after the publication of the agenda but before the meeting. At times, it may require a verbal rather than a written report to meet this timescale.

4.0 A more thorough review of Governance Arrangements

- 4.1 Some Members have expressed the wish for a more thorough review of governance arrangements. If the Council changes its governance structure, it cannot change again within five years unless a public referendum is held. Any changes would come into effect at the annual meeting in May – so there is time to get things done with careful thought and diligence

- 4.2 If a review takes place, it is essential that the first consideration is what the review is trying to achieve i.e. what is it that the membership thinks is not working for them, the Council and Mid Devon as a whole in the current arrangements and what, in overarching terms, would they like to see in any new arrangements.
- 4.3 A working group may be the best way forward to arrive at some clear proposals. At the same time, there is some clear merit in letting all members feel that they have made a contribution. If a working group is established, as a starting point it would be useful to get some information about why members want to change; the problems they see with the existing governance system, and what they are hoping for in terms of benefits from a new one. What are their key objectives? For example, these could be:
- Making the most of the range of skills and experience of members
 - More involvement of more members in more decision making
 - Greater member participation in policy development at earlier stages
 - Cost and other resource savings
 - A 'better' political balance across all the council does
 - The balance between officers and members
 - Greater transparency and accountability
 - Speed of decision making- does it in reality happen more quickly under the Cabinet?
- 4.4 Until members, officers and any other appropriate stakeholders are asked, it would be difficult for any working group to move forward in a structured review. There is a risk that the working group might arrive at some firm(er) options and ideas for the Council as a whole to consider which would not hit the collective mark. It might therefore be appropriate to hold a workshop open to all members and senior officers discussing the points above and more. Such a workshop could be facilitated by the Local Government Association (if available) or a third party with particular national expertise in local authority governance arrangements. The outcome of the workshop could then be used by the working group to finalise the terms of reference, any further consultation plans (including surveys perhaps) and its work programme.
- 4.5 It is important that the working group is representative of the Council as a whole – it does not have to be politically-balanced, but members might feel that to be an important element to achieving consensus. A working group of 12 members would provide a good sample of views across the Council and, with the current membership, allow for an easy political balance calculation.

Contact for more Information: Kathryn Tebbey, Group Manager for Legal Services and Monitoring Officer (01884) 234210 ktebbey@middevon.gov.uk

Circulation of the Report: The Leader; the Cabinet; Leadership Team

List of Background Papers: None.

Changes to the Cabinet Procedure Rules:

Proposed new rule

3.0 Cabinet may consult Council

- 3.1 Where it appears to the Cabinet that a decision involves matters on which it would like to receive the views of members at a meeting of the Council, the Cabinet may resolve so to do.
- 3.2 The effect of a resolution under Rule 3.1, is that the decision will stand deferred to the next meeting of the Cabinet which follows the Council's consideration of the matter in question.
- 3.3 For the avoidance of doubt,
- (a) a resolution under Rule 3.1 is entirely a matter for the Cabinet at its absolute discretion;
 - (b) the views of the Council are not binding on the Cabinet; and
 - (c) nothing in this Rule 3 (or a decision or resolution under it) transfers responsibility for any function or matter to the Council where, under this Constitution and the Local Authorities (Functions and Responsibilities) Regulations 2000, such function or matter is the responsibility of the Cabinet.

Changes to the Access to Information Rules:

Rule 16 - Special Urgency

Existing

- 16.4 As soon as reasonably practicable after the decision maker has obtained agreement under Rule 16.3, he/she must make available at and publish on (if any a notice setting out the reasons that the decision is urgent and cannot reasonably be deferred.

Proposed

- 16.4 As soon as reasonably practicable after the decision maker has obtained agreement under Rule 16.3 (and in any event by no later than the next working day), a notice of the decision must be published setting out the reasons why the decision is urgent and has been taken under this Rule 16.

Rule 17 - Report to Council

Rule 17.3 – Quarterly reports on special urgency decisions

Existing

- 17.3 In any event the Leader of the Council will submit quarterly reports to the Council on the Cabinet decisions taken in the circumstances set out in Rule 16 (special urgency) in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken.

Proposed

- 17.3 The Leader will report all Cabinet decisions taken under Rule 16 (special urgency) to the next meeting of the Council, such report to include a summary of the decision(s) taken. The report may be given verbally where the decision is taken after the publication of the agenda for the Council meeting.

Cabinet Procedure Rules

1.0 HOW DOES THE CABINET OPERATE?

1.1 Who may make Cabinet decisions?

The arrangements for the discharge of executive functions are determined by the Leader. The Leader may provide for executive functions to be discharged by:

- (a) the Cabinet as a whole;
- (b) a committee of the Cabinet
- (c) an individual member of the Cabinet;
- (d) an officer;
- (e) joint arrangements; or
- (f) another local authority.

1.2 Delegation by the Leader

Following the annual meeting of the Council, the Monitoring Officer, at the direction of the Leader, will draw up a written record of Cabinet delegations made by the Leader for inclusion in the Council's scheme of delegation at Part 3 to this Constitution. This will contain the following information about executive functions in relation to the coming year:

- (a) the extent of any authority delegated to Cabinet members individually, including details of the limitation on their authority;
- (b) the terms of reference and constitution of such Cabinet committees as the Leader appoints and the names of Cabinet members appointed to them;
- (c) the nature and extent of any delegation of Cabinet functions to any other authority or any joint arrangements; and
- (d) the nature and extent of any delegation to officers with details of any limitation on that delegation, and the title of the officer to whom the delegation is made.

1.3 Sub-delegation of Cabinet functions

- a) Where the Cabinet, a committee of the Cabinet or an individual member of the Cabinet is responsible for an Cabinet function, they may delegate further to joint arrangements or an officer or another local authority.
- b) Unless the Leader directs otherwise, a committee of the Cabinet to whom functions have been delegated by the Leader may delegate further to an officer.
- c) Where executive functions have been delegated, that fact does not prevent the discharge of delegated functions by the person or body who delegated.

1.4 The Council's scheme of delegation and Cabinet functions

- a) The Leader may amend the scheme of delegation relating to Cabinet functions at any time. In doing so the Leader will give written notice to the Monitoring Officer and to the person, body or committee concerned. The notice must set out the extent of the amendment to the scheme of delegation, and whether it entails the withdrawal of delegation from any person, body or committee. The Monitoring Officer will present a report to the next ordinary meeting of the Council setting out the changes made by the Leader.
- b) Where the Leader seeks to withdraw delegation from a committee of the Cabinet, notice will be deemed to be served on that committee when he has served it on its Chairman.

1.5 Conflicts of Interest

- a) Where the Leader has a conflict of interest this should be dealt with as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.
- b) If any member of the Cabinet has a conflict of interest this should be dealt with as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.
- c) If the exercise of an cabinet function has been delegated to a committee of the Cabinet, an individual member or an officer, and should a conflict of interest arise, then the function will be exercised in the first instance by the person or body by whom the delegation was made and otherwise as set out in the Council's Code of Conduct for Members in Part 5 of this Constitution.

1.6 Cabinet meetings – when and where?

The frequency and timing of meetings of the Cabinet will be determined by the Leader. The Cabinet will meet at the Council's main offices or another location to be agreed by the Leader.

The Cabinet will meet at least 10 times per year at times to be agreed by the Leader of the Council. In addition:

- (a) the Leader of the Council may also arrange other meetings at his/her discretion;
- (b) The Head of Paid Service may also call for additional meetings at his/her discretion with the approval of the Leader of the Council, or in his/her absence the Deputy Leader of the Council;
- (c) The Monitoring Officer and/or the Section 151 Officer may call an additional meeting if either believes it is necessary to do so in order to fulfil their statutory duties; in other circumstances where any of the Head of Paid Service, Monitoring Officer and Section 151 Officer are of the opinion that a meeting of the Cabinet needs to be called to consider a matter that requires a decision he/she will have the right to call a meeting

1.7 Public or private meetings of the Cabinet?

The Cabinet will hold its meetings in public, except in the circumstances set out in paragraphs (a) to (c) of Regulation 4(2) of the Local Authorities (Executive Arrangements) (meetings and Access to Information) (England) Regulations 2012. Briefly, these circumstances cover:

- (a) confidential information;
- (b) exempt information; and
- (c) disorderly conduct.

1.8 Quorum

The number of members of the Cabinet is seven including the Leader of the Council and Deputy Leader of the Council.

The quorum for a meeting of the Cabinet shall be 4 including the Leader or Deputy Leader, or any 4 members in circumstances to be considered exceptional by any two of the Statutory Officers.

1.9 How are decisions to be taken by the Cabinet?

- a) Cabinet decisions made by the Cabinet as a whole will be taken at a meeting convened in accordance with the Access to Information Procedure Rules in Part 4 of the Constitution.
- b) Where Cabinet decisions are delegated to a committee of the Cabinet, the rules applying to executive decisions taken by them shall be the same as those applying to those taken by the Cabinet as a whole.

2.0 HOW ARE CABINET MEETINGS CONDUCTED?

2.1 Who presides?

The Leader will preside at any meeting of the Cabinet or its committees at which he/she is present. In his/her absence, the Deputy Leader will preside. In his/her absence, then a person appointed to do so by those present shall preside.

2.2 Who may attend?

These details are set out in the Access to Information Procedure Rules in Part 4 of this Constitution.

2.3 What business?

At each meeting of the Cabinet the following business will be conducted:

- (a) consideration of the minutes of the last meeting;
- (b) declarations of interest, if any;
- (c) matters referred to the Cabinet (whether by Scrutiny Committees or by the Council) for reconsideration by the Cabinet in accordance with the provisions contained in the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in Part 4 of this Constitution;
- (d) consideration of reports from Scrutiny Committee; and
- (e) matters set out in the agenda for the meeting, and which shall indicate which are key decisions and which are not in accordance with the

Access to Information Procedure rules set out in Part 4 of this Constitution.

2.4 Consultation

All reports to the Cabinet from any member of the Cabinet or an officer on proposals relating to the Budget and Policy Framework must contain details of the nature and extent of consultation undertaken with stakeholders and the outcome of that consultation. Reports about other matters will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.

2.5 Who can put items on the Cabinet agenda?

- a) The Leader will decide upon the schedule for meetings of the Cabinet. He/she may put any matter on the agenda of any Cabinet meeting whether or not authority has been delegated to the Cabinet, a committee of it or any member or officer in respect of that matter.
- b) Any member of the Cabinet may require the Head of Paid Service to make sure that an item is placed on the agenda of the next available meeting of the Cabinet for consideration. If he/she receives such a request the Head of Paid Service will comply.
- c) The Head of Paid Service, the Monitoring Officer and/or the Chief Finance Officer may include an item for consideration on the agenda of a Cabinet meeting and may require that such a meeting be convened in pursuance of their statutory duties.
- d) In other circumstances, where any two of the Head of Paid Service, Chief Finance Officer and Monitoring Officer are of the opinion that a meeting of the Cabinet needs to be called to consider a matter that requires a decision they may jointly include an item on the agenda of a Cabinet meeting. If there is no meeting to deal with the issue in question, then the person(s) entitled to include an item on the agenda may also require that a meeting be considered at which the matter will be considered.
- e) Full Council may require any item to be placed on the agenda of the next reasonably available meeting of the Cabinet
- f) There will be a standing item on the agenda of each meeting of the Cabinet for matters referred by non-Cabinet bodies of the Council but the amount of business which can reasonably be dealt with at any one meeting of the Cabinet shall be within the discretion of the Leader of the Council.

2.6 Non-Cabinet member involvement in Cabinet meetings

At a meeting of the Cabinet, the Leader may allow non-Cabinet members to speak on any item of Cabinet business on the agenda.

3.0 The Cabinet may consult Council

- 3.1 Where it appears to the Cabinet that a decision involves matters on which it would like to receive the views of members at a meeting of the Council, the Cabinet may resolve so to do.
- 3.2 The effect of a resolution under Rule 3.1, is that the decision will stand deferred to the next meeting of the Cabinet which follows the Council's consideration of the matter in question.
- 3.3 For the avoidance of doubt,
- (a) a resolution under Rule 3.1 is entirely a matter for the Cabinet at its absolute discretion;
 - (b) the views of the Council are not binding on the Cabinet; and
 - (c) nothing in this Rule 3 (or a decision or resolution under it) transfers responsibility for any function or matter to the Council where, under this Constitution and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, such function or matter is the responsibility of the Cabinet.

This page is intentionally left blank

Access to Information Procedure Rules

1.0 Scope

- 1.1 Subject to paragraph 1.2 below, these rules apply to all meetings of the Council, the Cabinet, the Scrutiny Committee, area committees (if any) the Audit Committee, Policy Development Groups, Standards Committee and Regulatory Committees (together called meetings).
- 1.2 Where the Standards Sub-Committee is convened to consider or review, as the case may be, an allegation that a member has contravened the Council's Code of Conduct for Members, the provisions set out in the Standards Committee's Procedure for Local Assessment of Complaints shall apply and the meeting and papers will not be open to the public

2.0 Additional Rights to Information

- 2.1 These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law nor do these rules limit or diminish the Council's duties to protect certain information, including personal information. This includes the rights and duties from the provisions of the Freedom of Information Act 2000 and the Data Protection Act 1998.

3.0 Rights to attend meetings

- 3.1 Members of the public may attend all meetings subject only to the exceptions in these Rules.
- 3.2 If a member of the public or press interrupts the proceedings at any meeting the Chairman may warn him/her. If he/she continues the interruption and a warning has been given, the Chairman may order his/her removal from the meeting place.
- 3.3 In the event of a general disturbance in any part of the meeting place open to the public, the Chairman may order that part to be cleared.
- 3.4 If the Chairman considers the orderly dispatch of business impossible, he/she may without question adjourn the meeting.
- 3.5 The above powers of the Chairman are in addition to any other power vested in him/her.

4.0 Notices of meeting

- 4.1 The Council will give at least five clear days notice of any meeting by posting details of the meeting at Phoenix House, Phoenix Lane, Tiverton Devon known as the designated office or on its website at www.middevon.gov.uk.

5.0 Access to Agenda and Reports before the meeting

- 5.1 The Members of the Scrutiny Committee shall be provided with full copies of the agenda and reports presented to the Cabinet including those containing exempt and/or confidential information.
- 5.2 The Council will make copies of the agenda and reports open to the public available for inspection at the designated office and available on the website (if any) at least five clear working days before the meeting. If an item is added to the agenda later, the revised agenda will be open to inspection from the time the item was added to the agenda (where reports are prepared

after the summons has been sent out, the Member Services Manager shall make each such report available to the public as soon as the report is completed and sent to Councillors).

6.0 Supply of copies

- 6.1 The Council will make available to the public present at a meeting a reasonable number of copies of the agenda and of the reports for the meeting (save during any part of the meeting to which the public are excluded)
- 6.2 The Council will supply copies of:
- (a) any agenda and reports which are open to public inspection;
 - (b) any further statements or particulars necessary to indicate the nature of the items in the agenda; and
 - (c) if the Chief Executive thinks fit, copies of any other documents supplied to Councillors in connection with an item
- to any person on payment of a charge for postage and any other costs.

7.0 Access to Minutes etc. after the meeting

- 7.1 The Council will make available copies of the following for six years after a meeting:
- (a) the minutes of the meeting or records of decisions taken, together with reasons, for all meetings of the Cabinet, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
 - (b) records to decisions taken by individual Members or officers
 - (c) a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
 - (d) the agenda for the meeting; and
 - (e) reports relating to items when the meeting was open to the public.

8.0 Background Papers

- 8.1 The Chief Executive Officer will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in his/her opinion:
- (a) disclose any facts or matters on which the report or an important part of the report is based; and
 - (b) which have been relied on to a material extent in preparing the report
- but does not include published works or those which disclose exempt or confidential information.
- 8.2 Public inspection of background papers

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

9.0 Summary of Public's Rights

- 9.1 A written summary of the public's rights to attend meetings and to inspect and copy documents will be kept at and made available to the public at the Council's main offices at Phoenix House, Phoenix Lane, Tiverton, Devon and on the Councils website www.middevon.gov.uk.

10.0 Exclusion of Access of the Public to Meetings

Extent of Exclusion

- 10.1 The public may only be excluded under 10.2 or 10.3 for the part or parts of the meeting during which it is likely that confidential or exempt information would be divulged.

Confidential information – requirement to exclude public

- 10.2 The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Exempt information – discretion to exclude public

- 10.3 The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed. Such a decision to exclude the public is to be made by resolution of the relevant decision making body.

Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

Meaning of confidential information

- 10.4 Confidential information means information given to the Council by a Government Service or Agency on terms which forbid its public disclosure or information which cannot be publicly disclosed by any enactment or Court Order.

Meaning of exempt information

- 10.5 Exempt information means information falling within the following categories (subject to any qualification)

Categories of exempt information

1. Information relating to any individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relating matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority

5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
6. Information which reveals that the authority proposes –
 - a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - b) To make an order or direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

The above categories are subject to qualifications and to the public interest test. These are laid down in Schedule 12A to the Local Government Act and further details can be found in Appendix E

Extent of Exclusion

- 10.6 The public may only be excluded under 10.2 or 10.3 for the part or parts of the meeting during which it is likely that confidential or exempt information would be divulged.

[NOTE Information falling within any of paragraphs 1 – 7 is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.]

11 Exclusion of Access by the Public to Reports

- 11.1 If the Monitoring Officer thinks fit, the Council may exclude access by the public to reports which in his/her opinion relate to items during which, in accordance with Rule 10, the meeting is likely not to be open to the public. Such reports will be marked “Not for publication” together with the category of information likely to be disclosed. If the information is exempt information, the category of the exempt information must also be marked on the report.
- 11.2 The relevant body is requested in the agenda to confirm the action set out in 11.1 by resolution. Arrangements will be made to recall the press and public immediately should the motion not be passed.
- 11.3 If the matter is considered in public, any related report will also become available to the public.

12. Application of Rules to the Cabinet

Rules 13–27 apply to the Cabinet and its Committees (if any). If the Cabinet or its Committees meet to take a key decision then it must also comply with Rules 1 – 11 unless Rule 15 (general exception) or Rule 16 (special urgency) apply. A key decision is as defined in Article 15 of this Constitution.

13. Procedure before taking Key Decisions

Notice of Key Decision

- 13.1 Subject to Rule 15 (general exception) and Rule 16 (special urgency), a key decision may not be taken unless:
 - a) a notice (called here a "Notice of Key Decision") has been published in connection with the matter in question;

b) at least 28 clear days have elapsed since the publication of the "Notice of Key Decision"; and

c) where the decision is to be taken at a meeting of the Cabinet or its Committees, notice of the meeting has been given in accordance with Rule 4.1 (notice of meetings).

Contents of Notice of Key Decision

13.2 The Notice of Key Decision will state that a key decision is to be taken by the Cabinet, a committee of the Cabinet, individual members of the Cabinet, Officers, area committees or under joint arrangements in the course of the discharge of an executive function. It will describe the following particulars:

a) the matter in respect of which the decision is to be made;

b) where the decision maker is an individual, his/her name and title, if any and where the decision maker is a body, its name and a list of its membership;

c) the date on which, or the period within which, the decision is to be made;

d) a list of the documents submitted to the decision maker for consideration in relation to the matter;

e) the address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, any document listed is available;

f) that other documents relevant to those matters may be submitted to the decision maker; and

g) the procedure for requesting details of those documents (if any) as they become available.

Publication of the Notice of Key Decision

13.3 The Notice of Key Decision must be made available for inspection by the public at Phoenix House, Phoenix Lane, Tiverton Devon known as the designated office or on its website at www.middevon.gov.uk.

14. The Forward Plan

14.1 The Council is not required by law to publish a Forward Plan. However, the a Notice of Key Decision and a Notice of Private Meeting of Cabinet published by the Council set out not just details of specific key decisions, but also details of key decisions over a four month period (including decisions to be made by Cabinet, individual Cabinet members or delegated officers, which are not key decisions. In this constitution, such notices are together referred to as the "Forward Plan". The Forward Plan does not have to include exempt information and should not include confidential information.

15. General Exception

15.1 If a Notice of Key Decision has not been published in the Forward Plan, then subject to Rule 16 (special urgency), the decision may still be taken if:

- a) the decision must be taken by such a date that it is impracticable to defer the decision until it has been included in the next Forward Plan and until the start of the appropriate month to which the next Forward Plan relates;
- b) the Chief Executive has informed the Chairman of the Scrutiny Committee, or in his/her absence the Vice-Chairman, and the Monitoring Officer in writing, of the matter about which the decision is to be made;
- c) the Chief Executive has made copies of that notice available to the public at the offices of the Council and on the Council's website www.middevon.gov.uk ; and
- d) at least 5 clear days have elapsed since the Chief Executive complied with b)and c).

- 15.2 As soon as reasonably practicable after the Chief Executive has complied with Rule 15.1, he must make available at the Council offices at Phoenix House, Phoenix Lane, Tiverton, Devon and publish on the Council's website www.middevon.gov.uk (if any) the reasons why compliance with Rule 14 is impractical.

16. Special Urgency

- 16.1 If a decision, (whether a key decision or otherwise), is so urgent that Rule 15 (general exemption) cannot be followed the Leader of the Council or the relevant Cabinet Member may take the decision if he/she has obtained the agreement of the Chairman of the Scrutiny Committee and the Monitoring Officer that the taking of the decision cannot be reasonably deferred. If the Chairman of the Scrutiny Committee is unable to act, then the agreement of the Chairman of the Council, or in his/her absence the Vice-Chairman will suffice.
- 16.2 A decision taken under this rule will not normally be taken in public by reason of its urgent nature. A decision will be urgent if any delay would seriously prejudice the Council's or the public's interests. The record of the decision shall state why the decision is an urgent one.
- 16.3 If by virtue of the date by which a key decision must be taken Rule 15 (general exception) cannot be followed, then the key decision can only be taken if the decision maker obtains the agreement of the Chairman of the Scrutiny Committee that the taking of the decision cannot be reasonably deferred. If there is no Chairman of the Scrutiny Committee, or if the Chairman of the Scrutiny Committee is unable to act, then the agreement of the Chairman of the Council, or in his/her absence the Deputy Chairman of the Council will suffice.
- 16.4 As soon as reasonably practicable after the decision maker has obtained agreement under Rule 16.3 (and in any event by no later than the end of the next working day), a notice of the decision must be published he/she must make available at and publish on (if any) a notice setting out the reasons that the decision is urgent and has been taken under this Rule 16. cannot reasonably be deferred.

17. **Report to Council**

17.1 When the Scrutiny Committee can require a report if the Scrutiny Committee thinks that a key decision has been taken which was not:

- a) the subject of a Notice of Key Decision; or
- b) the subject of the general exception procedure (under Rule 15); or
- c) the subject of an agreement with the Chairman of the Scrutiny Committee, or the Chairman or Deputy Chairman of the Council under Rule 16 (special urgency);

it may require the Cabinet to submit a report to the Council within such reasonable time as the Scrutiny Committee specifies. The report must include details of the decision and the reasons for the decision, the decision maker, and the reasons, if any, for the Cabinet believing that the decision was a key decision. The power to require a report rests with the Scrutiny Committee, but is also delegated to the Monitoring Officer, who shall require such a report on behalf of the Committee when so requested by the Chairman of the Scrutiny Committee or any 5 members of the Committee. Alternatively the requirement may be raised by resolution passed at a meeting of the Scrutiny Committee.

Cabinet's report to Council

17.2 The Cabinet will prepare a report for submission to the next available meeting of the Council. However, if the next meeting of the Council is within 7 days of receipt of the written notice, or the resolution of the Committee, then the report may be submitted to the meeting after that. The report to Council will set out particulars of the decision, the individual member or body making the decision, and Leader of the Council is of the opinion that it was not a key decision the reasons for that opinion.

Quarterly reports on special urgency decisions

17.3 ~~In any event the~~ The Leader of the Council will report ~~submit quarterly reports to the Council on all the~~ Cabinet decisions taken ~~in the circumstances set out in~~ under Rule 16 (special urgency) to the next meeting of the Council, such report to include a summary of the decision(s) taken. The report may be given verbally where the decision is taken after the publication of the agenda for the Council meeting. in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken

18. Record of Decisions

18.1 After any meeting of the Cabinet or any of its Committees, whether held in public or in private, the Monitoring Officer or, where no Officer was present, the person presiding at the meeting, will produce a written record of every decision taken at that meeting as soon as practicable. The record will include:

- a) a record of the decision including the date it was made;
- b) a record of the reason for the decision;
- c) details of any alternative options considered and rejected by the decision-making body at the meeting at which the decision was made;

- (d) a record of any conflict of interest relating to the matter decided which is declared by any member of the decision-making body which made the decision; and
- (e) in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.

19. Meetings of the Cabinet to be held in public

- 19.1 Meetings of the Cabinet and its committees will be held in public, unless it is likely that exempt or confidential information would be disclosed or whenever a lawful power is used to exclude a member or members of the public in order to maintain orderly conduct or prevent misbehaviour at a meeting. The public may only be excluded for the part or parts of the meeting during which it is likely that exempt or confidential information would be disclosed.

20. Notice of Private Meetings of the Executive

- 20.1 Members of the Cabinet or its committees will be entitled to receive five clear working days notice of a meeting to which they are summoned, unless the meeting is convened at shorter notice as a matter of urgency.
- 20.2 At least 28 clear days before a private meeting, the decision-making body must:-
 - a) make available at the offices of the Council a notice of its intention to hold the meeting in private (a "Notice of Private Meeting"); and
 - b) publish that notice on the Council's website.
- 20.3 At least five clear days before a private meeting, the decision-making body must:-
 - a) make available at the offices of the Council a further notice of its intention to hold the meeting in private; and
 - b) publish that notice on the Council's website.
- 20.4 A notice under paragraph 20.3 must include:-
 - a) a statement of the reasons for the meeting to be held in private
 - b) details of any representations received by the decision-making body about why the meeting should be open to the public; and
 - c) a statement of its response to any such representations.
- 20.5 Where the date by which a meeting must be held makes compliance with this Rule impractical, the meeting may only be held in private where the decision-making body has obtained agreement from:-
 - a) the Chairman of the Overview and Scrutiny Committee; or
 - b) if there is no such person, or if the Chairman of the relevant overview and scrutiny committee is unable to act, the Chairman of the Council; or
 - c) where there is no Chairman of either the relevant overview and scrutiny committee or of the Council, the Deputy Chairman of the Council,
 that the meeting is urgent and cannot reasonably be deferred
- 20.6 As soon as reasonably practicable after the decision-making body has obtained agreement under paragraph 20.5 to hold a private meeting, it must

- a) make available at the office of the Council a notice setting out the reasons why the meeting is urgent and cannot reasonably be deferred; and
- b) publish that notice on the Council's website.

21. Attendance at Private Meetings of the Cabinet

21.1 Notice and Attendance

- a) All members of the Cabinet will be served notice of all private meetings of the committees of the Cabinet, whether or not they are members of that committee.
- b) All members of the Cabinet are entitled to attend private meetings of the Cabinet, and its committees.
- c) Members other than Cabinet members will not be entitled to attend private meetings of the Cabinet and its committees.

21.2 Officer Involvement

- a) The Head of Paid Service, the Chief Finance Officer and the Monitoring Officer, and their nominees are entitled to attend any meeting of the Cabinet and its committees. The Cabinet may not meet unless the Head of Paid Service has been given reasonable notice that a meeting is to take place.
- b) The Monitoring Officer shall arrange for an officer to attend private Cabinet meetings to record and publish the decisions. In the absence of such officer this will be the responsibility of the Chairman of the meeting.
- c) There is no requirement for the Cabinet to meet in the presence of the officers named in paragraphs a) and b)

22. Key Decisions By Individual Members of the Cabinet

Reports intended to be taken into account

- 22.1 Where an individual Member of the Cabinet receives a report which he/she intends to take into account in making any key decision, then he will not make the decision until at least 5 clear working days after receipt of that report.

Provision of copies of reports to Overview and Scrutiny Committee

- 22.2 On giving of such a report to an individual decision maker, the person who prepared the report will give a copy of it to the Chairman of the Overview and Scrutiny Committee as soon as reasonably practicable, and make it publicly available at the same time.

22.3 Record of individual decision

- a) As soon as reasonably practicable after a Cabinet decision has been taken by an individual member of the Cabinet or a key decision has been taken by an officer, he/she will prepare, or instruct the Monitoring Officer to prepare, a report containing:
 - (i) a record of the decision including the date it was made;
 - (ii) a record of the reasons for the decision;
 - (iii) details of any alternative options considered and rejected by the member when making the decision;

- (iv) a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision; and
- (v) in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.

(b) The provisions of Rules 7 and 8 (inspection of documents after meetings) will also apply to the making of decisions by individual Members of the Cabinet. This does not require the disclosure of exempt or confidential information or advice from a political or Chairman's assistant.

22.4 Inspection of documents following executive decisions

a) Subject to Rule 28 , after a meeting of a decision-making body at which an executive decision has been made, or after an individual member or an officer has made an executive decision the Monitoring Officer must ensure that a copy of-

(i) any records prepared in accordance with Rules 18 or 22; and

(ii) any report considered at the meeting or, as the case may be, considered by the individual member or officer and relevant to a decision recorded in accordance with Rules 18 or 22 or, where only part of the report is relevant to such a decision, that part, must be available for inspection by members of the public, as soon as is reasonably practicable, at the offices of the Council, and on the Council's website.

b) Where a request on behalf of a newspaper is made for a copy of any of the documents available for public inspection under Rule(a), those documents must be supplied for the benefit of the newspaper by the Council on payment by the newspaper to the Council of postage, copying or other necessary charge for transmission.

22.5 Inspection of background papers

a) Subject to Rule 28, when a copy of the whole or part of a report for a meeting is made available for inspection by members of the public in accordance with Rule 5 or 22.4, at the same time-

(i) a copy of a list compiled by the proper officer of the background paper to the report or part of the report, must be included in the report or, as the case may be, part of the report; and

(ii) at least one copy of each of the documents included in that list, must be available for inspection by the public at the offices of the Council and on www.middevon.gov.uk.

23. **Joint Committees**

23.1 These Rules apply to the Council's Joint Committees as follows:

(a) If all the members of a joint committee are members of the Cabinet in each of the participating authorities, then its access to information regime is the same as that applied to the Cabinet.

(b) If the joint committee contains members who are not on the Cabinet of any participating authorities then the access to information rules in Part VA of the Local Government Act 1972, as applicable to meetings of the full Council and its committees will apply.

24. Scrutiny Committee- Access to Documents

24.1 Rights to copies

Subject to Rule 24.2 below, the Scrutiny Committee will be entitled to copies of any document which is in the possession or control of the Cabinet or any of its Committees and which contains material relating to:

any business transacted at a meeting of the Cabinet or its Committees;

any decision taken by an individual member of the Cabinet; or

any decision taken by an Officer of the Council in accordance with executive arrangements.

24.2 Limit on rights

The Scrutiny Committee will not be entitled to:

any document that is in draft form;

any part of a document that contains exempt or confidential information, unless that information is relevant to an action or decision the Committee are reviewing or scrutinising or intend to scrutinise

25. Additional Rights of Access for Members

25.1 Material relating to business to be transacted at a Public Meeting

a) All Members of the Council will be entitled to inspect any document (except those available only in draft form) in the possession or under the control of the Cabinet or its Committees which contain material relating to any business to be transacted at a public meeting unless a) (i) or a) (ii) applies:

(i) it contains exempt information falling within paragraphs 1, 2, 4, 5 or 7 of the categories of exempt information; or

(ii) it contains exempt information falling within paragraph 3 of the categories of exempt information and that information relates to any terms proposed or to be proposed by or to the Council in the course of negotiations for a contract; or

b) Any document which is required by Rule a) to be available for inspection by any member of the Council must be available for such inspection for at least five (5) clear days before the meeting except that-

(i) where the meeting is convened at shorter notice, such a document must be available for inspection when the meeting is convened; and

(ii) where an item is added to the agenda at shorter notice, a document that would be required to be available under Rule 0 in relation to that time, must be available for inspection when the item is added to the agenda.

25.2 Material relating to previous business

All members will be entitled to inspect any document (except those available only in draft form) which is in the possession or under the control of the

Cabinet or its committees and contains material relating to any business previously transacted at a private meeting or to any decision made by a Member or Officer in accordance with executive arrangements unless a) (i) or a) (ii) applies.

Any document required to be made available for inspection under 25.2 must be made available when the relevant meeting concludes or, where an executive decision is made by an individual member or officer, immediately after the decision has been made, and in any event, within twenty four (24) hours of the conclusion of the meeting or the decision having been made as the case may be.

26. Nature of rights

26.1 These rights of a Member are additional to any other right he or she may have.

27. Members Other Rights to Information

27.1 A Member of the Council may, for the purposes of his or her duty as a Member and no other, inspect any document that has been considered by a committee or the Council including background papers. Applications should be made to the Monitoring Officer and, if available, copies will be supplied upon request.

27.2 A member shall not knowingly inspect or request a copy of any document relating to a matter in which he:

is professionally interested; or

has a disclosable pecuniary interest or personal interest within the meaning of the Code of Conduct for Members as set out in this Constitution.

27.3 This shall not preclude the Monitoring Officer from declining to allow inspection of any document which is or would be protected by privilege in the event of legal proceedings arising from the relationship of solicitor and client and should be exempt under either the Freedom of Information Act or the Data Protection Act.

27.4 All reports, background papers to reports and minutes kept by any committee shall be open for the inspection of any member of the Council, as soon as the committee has concluded action on the matter to which such reports or minutes relate.

27.5 Any Councillor may attend any meeting of a committee of the Council and may speak on any agenda item for that meeting. However, in relation to the Planning Committee, the right to speak on a planning application, enforcement item, or other report relating to a particular ward of the Council shall be limited to the rights of a Ward Member to speak as set out in paragraphs 9.2 and 9.3 of the Protocol of Good Practice for Councillors Dealing in Planning Matters (Appendix J to the Constitution)

28. Confidential information, exempt information and advice of a political adviser or assistant

28.1 Nothing in these Rules is to be taken to authorise or require the disclosure of confidential information in breach of the obligation of confidence.

28.2 Nothing in these Rules:

a) authorises or requires the Council to disclose to the public or make available for public inspection any document or part of document if, in the opinion of the Monitoring Officer, that document or part of a document contains or may contain confidential information; or

b) requires the Council to disclose to the public or make available for public inspection any document or part of document if, in the opinion of the proper officer, that document or part of a document contains or is likely to contain exempt information or the advice of a political advisers or assistant.

28.3 Where a member of the Cabinet or an officer makes an executive decision in accordance with executive arrangements, nothing in these Rules:

a) authorises or requires documents relating to that decision to be disclosed to the public, or made available for public inspection where, the documents contain confidential information; or

b) requires documents relating to that decision to be disclosed to the public, or made available for public inspection where the disclosure of the documents would, in the opinion of the member or officer making the decision, give rise to the disclosure of exempt information or the advice of a political adviser or assistant.

This page is intentionally left blank

FULL COUNCIL 26 FEBRUARY 2020

INDEPENDENT REMUNERATION PANEL REPORT – FEBRUARY 2020

Responsible Officer: Head of Legal (Monitoring Officer), Kathryn Tebbey

Reason for Report: Following a fundamental review of the Member Allowances Scheme, the report sets out the Independent Remuneration Panel's views for consideration by Council to set a Scheme of Allowances from 1 April 2020 until 31 March 2021.

RECOMMENDATION:

- a. The Basic Allowance to be paid to all Councillors remains at the current level of £5112.15 p.a., with any increases being linked to but not greater than the staff pay award.
- b. Special Responsibility Allowances ("SRA") be paid to the following Members at the levels indicated:

| Position | Weighting basic | x | SRA |
|----------------------------|--------------------|---|---------|
| Leader of the Council | 3.00 | | £15,336 |
| Deputy Leader | 1.50 | | £7668 |
| Cabinet Member | 1.25 | | £6390 |
| Scrutiny Committee Chair | 1.25 | | £6390 |
| PDG Chair | 0.75 | | £3834 |
| Audit Committee Chair | 0.75 | | £3834 |
| Planning Committee Chair | 1.25 | | £6390 |
| Licensing/Regulatory Chair | 0.25 | | £1278 |
| Standards Chair | 0.25 | | £1278 |
| Chairman of the Council | 0.50 | | £2556 |

- c. No Member should be entitled to claim more than **one** Special Responsibility Allowance.
- d. Carers' allowances be calculated on the current basis namely, the actual expenditure up to the national living wage of a person over 25.
- e. That travel allowances be linked to HMRC rates and calculated at the national levels indicated, currently:
 - 45p per mile for the first 10,000 miles
 - 25p per mile thereafter
 - 5p per mile per passenger carried (up to a maximum of 4 passengers, payable to the driver)
 - 20p per mile for push bikes
 - 24p per mile for motorcycles

NB: To be increased in line with HMRC rates from 1 April 2020 once known.

- f. That subsistence allowances only be paid when councillors are conducting approved duties outside of the Mid Devon District Council area (where refreshments are not provided by the host) and that they be linked to those of the staff, currently these are as follows in each case up to a maximum of:

| | |
|-------------|--------|
| • Breakfast | £7.70 |
| • Lunch | £10.63 |
| • Tea | £4.18 |
| • Dinner | £13.15 |

NB: To be increased in line with HMRC rates from 1 April 2020 once known.

- g. That all claims for travel and subsistence reimbursement be accompanied by an appropriate receipt.
- h. That an annual digital allowance of £150 continues to be paid to Members using digital devices only.
- i. The Council considers the removal of the digital allowance by the time of the next District Council election.
- j. That the Chief Executive or Monitoring Officer may consider the payment of any additional claims or support arrangements that fall outside the scope of the scheme to support Members with additional needs.
- k. That Members of the Authority are not entitled to pensions and neither the basic allowance nor SRA be treated as an allowance in respect of which pensions are payable.

Financial Implications: The recommendations do not propose any financial increase - there are no additional financial implications for the Council other than the creation of an additional Cabinet Member post and a consequential payment of an additional SRA.

Budget and Policy Framework: No implications.

Legal Implications: The Local Authorities (Members' Allowances) Regulations 2003 require that an Independent Remuneration Panel reviews Members' Allowances and makes recommendations to Council.

Risk Assessment: Failure to follow the Members' Allowances Regulations could leave the Council open to challenge.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: No impacts identified for this report.

1.0 Introduction/Background

- 1.1 The Independent Remuneration Panel are required to meet each year to recommend a Members Scheme of Allowances for the following financial year. Accordingly, the Panel have met on several occasions over the last twelve months to consider not only recommending a scheme for the following year, but also to conduct a fundamental review of the entire scheme.
- 1.2 The Panel considered comments made by Members themselves via a questionnaire and conducted a number of face to face interviews with Cabinet Members, Committee Chairmen, the Chairman of the Council, Policy Development Group Members and Planning Committee Members. In addition to this, the Panel conducted a benchmarking exercise with similar councils across the South West and analysed comments made by 'retiring' Members in an exit survey conducted following the election in May 2019. The results and conclusions drawn from these sources of evidence are detailed in the Panel's report.

2.0 The Panel's Recommendations

- 2.1 The Panel do not consider that there is evidence available to them to support a finding of a significant change in the workload of Members since the last time they met and, therefore, the Panel are not recommending any increase for the period 1 April 2020 to 31 March 2021. However, the Panel does recognise that, following the election in May 2019, the Council now has a new administration and that the Council continues to experience a period of change. Members are encouraged to reflect on what evidence might assist the Panel in its deliberations during the coming year to inform any recommendations they may make for the 2021 – 2022 Member Allowances Scheme.
- 2.2 The accompanying report from the IRP (Appendix 1) proposes 11 recommendations for consideration by the Council (as set out above). A draft Scheme of Members' Allowances for 2020 – 2021 is attached at Appendix 2.

Contact for more Information: Kathryn Tebbey, Head of Legal (Monitoring Officer) or Sarah Lees 01884 234310, Member Services Officer.

This page is intentionally left blank

INDEPENDENT REMUNERATION PANEL

REPORT ON MEMBERS' ALLOWANCES FROM
1 APRIL 2020 TO 31 MARCH 2021

FOR

MID DEVON DISTRICT COUNCIL

INDEPENDENT REMUNERATION PANEL

REPORT ON MEMBERS' ALLOWANCES FROM 1 APRIL 2020 TO 31 MARCH 2021

1. INTRODUCTION

The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to have regard to the recommendations of an independent panel in agreeing allowances paid to councillors.

The Independent Panel operates under the provisions of the Local Authorities (Members' Allowances) (Regulations) 2003. These regulations require that all councils set up independent panels and take account of their advice before agreeing their councillors' allowances scheme.

2. MEMBERSHIP

Due to the resignation of two panel members for personal reasons early in 2019, there was a need to undertake a recruitment exercise in March and August this year so that the Mid Devon IRP legally met the minimum number of panel members and could continue with its Fundamental Review. The Council was fortunate that two excellent candidates came forward with very relevant experience and expertise in this area. The first replacement member to be appointed was Marianne Hulland, now retired but with a background in journalism, public relations and local authority communications. The second appointment was made to Jeremy Filmer-Bennett, a successful retired businessman and also a member of two other Remuneration Panels in the South West. Therefore the Mid Devon District Council IRP now consists of:

- Jeremy Filmer-Bennett
- Marianne Hulland
- Karen Stone

3. CONDUCT OF THE REVIEW FOR 2019/20

Reason for Fundamental Review

A thorough Fundamental Review of Mid Devon's Members' Allowances Scheme had not taken place since 2015 following the previous election. Light touch reviews had taken place annually since then. The IRP therefore felt that it was time to conduct a full and in depth analysis of all elements of the Members' Allowances Scheme in the light of the 2019 District Council election with Members' own views playing a key role within the process.

Gathering the evidence

Step 1 – Questionnaire

The Panel felt it to be important to catch the thoughts and views of the members of the previous council since they had been in post for at least 4 years and many having served several terms of office. It was felt that they were therefore in an excellent position to comment on whether there had been a significant change to the workload and responsibility of district councillors since the last Fundamental Review.

In December 2018 all Members of the Council were invited to complete a questionnaire.

This included questions in relation to:

- Average time commitment per month
- Percentage seen as voluntary service commitment
- Are you adequately recompensed for your time as a District Councillor?
- Is the link between the Basic Allowance and the staff pay award still appropriate?
- Should a Special Responsibility Allowance be paid for a role/role that currently doesn't receive one?
- Are the current levels of SRA appropriate?
- Should Members be allowed to claim more than one SRA?
- What are your views on the £150 digital IT allowance?
- What are your views on the transition from paper to digital equipment?
- Have workloads and responsibilities changed in the last 4 years?
- What do you consider to be the barriers for standing for election?
- Any other comments you wish to make about the current Members' Allowances Scheme?
- Would you be prepared to meet the IRP in person to discuss your views more fully?

Responses

17 Members out of 42 completed the questionnaire either in full or in part (this equates to 40% of the total membership).

- 2 of these were from Cabinet Members
- 7 were from Committee Chairmen
- 8 were from 'back benchers'

Step 2 – Interviews

The Panel were appreciative of the comments received in the questionnaire but felt that they also needed to meet a range of Members in person, with differing roles and responsibilities, in order to better understand the reasoning behind some of the comments made.

The Panel consequently met with the following 10 Members:

- The Leader
- The Deputy Leader and Cabinet Member for Planning and Economic Regeneration
- The Cabinet Member for Housing and Planning Committee member
- The Chairman of the Scrutiny Committee
- Chairman of the Community Policy Development Group
- Planning Committee members
- Chairman of the Council
- PDG Members ('back benchers')

Step 3 – Exit interviews with retiring Members

The Panel felt that retiring Members might also provide a different perspective on allowances. They could think about their workloads and council commitments retrospectively and thus able to be more open than continuing Members. Therefore all 8 retiring Members were asked to complete an exit questionnaire. The questionnaire included questions on a range of subject areas but the questions in relation to remuneration included the following:

- Remuneration - do you think you were adequately recompensed financially during your time as a Councillor?
- Are there any other comments you would like to make about Members Allowances at Mid Devon District Council which could be referred back to the Independent Remuneration panel for their consideration?

8 responses were received back.

Step 4 – Analysing the evidence

The Panel met on 12 November 2019 having been sent the following documentation beforehand:

- A spreadsheet listing the 2018/19 allowances provided by 18 similar councils across the South West (kindly compiled by South West Councils)
- All 17 questionnaire responses
- Notes from the interviews with Members in February 2019

- Exit surveys responses from the 8 retiring Members in May 2019
- A national survey of similar local authorities with Planning Committees showing whether or not they paid an SRA
- Examples of the wording used by other Councils in the Members' Allowances Scheme in relation to the Carers Allowance and Travel and Subsistence

4. SCHEME OF ALLOWANCES

4a Basic Allowance

The IRP noted the following from the responses to the questionnaire:

- Whilst national guidance indicated that 40% should be seen as the voluntary service element of a Councillors' role, those Mid Devon councillors who responded felt it should be slightly less.
- The general consensus view was that the current Basic Allowance is reasonable.
- The question was asked as to whether the Greater Exeter Strategic Partnership (GESP) added a great deal of extra work to Members workload? It was explained there was a GESP Member Reference Forum which had 10 MDDC Members on it. None of these Members were Cabinet Members and the role was not particularly time consuming.
- The consensus view in the questionnaires was that linking increases in the Basic Allowance to the staff pay award was the correct way to proceed and should be maintained.
- It was felt that the wording in relation to this issue should be tightened up such that the percentage increase in the Basic Allowance be increased in line with but 'no greater than' any staff pay award. An option to fix the amount of the Basic Allowance for a four year period was discussed but not supported.
- It was accepted that there had been an increase in councillors' workload in the digital age and the pace of having to deal with issues over the years. Constituents now contacted Members by email and social media whereas years ago they would have written a letter. An immediate response was now expected by members of the public.
- The Panel had a great deal of sympathy for Members receiving abuse from the public as a result of some of the decisions made e.g. by the Planning Committee. They recognised that it was a difficult role.
- The Panel thought long and hard as to whether there was an argument for raising the Basic Allowance. When looking at the different levels of Basic Allowance across the South West the Panel concluded that in the case of Exeter City Council, for example, whilst they had a larger population it covered a smaller geographical area than Mid Devon did. ECC Members also did not have any responsibility for parishes. It was noted that East

Devon District Council pay considerably less at £4360 p.a. It was also noted that MDDC was much more comparable to North Devon District Council in terms of size and geographical spread however they currently paid £4754 p.a., again less than Mid Devon.

Conclusion:

- The Panel concluded that there was no overriding reason to increase the Basic Allowance. It still equated to the average amount of BA when compared to the other 16 councils on the survey.
- The Panel are very keen to stress that a great deal of consideration had been given to the questionnaire and all the responses had been read thoroughly. All comments had been reviewed, however, the Panel considers that the Basic Allowance, to use the wording of several Members, continues to be ***'about right'***.
- The IRP were mindful that when their report is considered by Council in February 2020 and the resulting scheme is published on 1 April 2020, the pay award might not be known, therefore, they wish the wording of the scheme to state the current Basic Allowance (which as at December 2019 is £5112.15 p.a.) with the caveat that this 'be subject to any in year staff increase'.

4b. Special Responsibility Allowances (SRA)

The Local Authorities (Members' Allowances) Regulations 1991 provide that SRA may be paid to those Members of the Council who have "***significant additional responsibilities***" over and above the generally accepted duties of a Councillor. In setting the SRAs, the Panel in the past concluded that the best approach was to use the Basic Allowance as the starting point and then give a weighting to the role attracting the SRA which could be applied to the Basic Allowance. The Panel remain of the view that the link between the Basic Allowance and SRA is an important one.

The Panel made the following observations based upon the feedback given by Members either by interview or via the questionnaire:

- The general view of the Members was that the current levels of SRA were appropriate.
- Members had a fairly consistent view in the questionnaire that the Planning Committee was a more onerous responsibility than any other committee in terms of workload.
- The overwhelming consensus was that Members should not be allowed to claim more than one SRA.
- The Panel considered comments made about GESP and other strategic projects.

- The IRP considered whether the SRA for the **Deputy Leader** ought to be increased given the representations that had been made. However, they concluded that ‘when the chips are down’ it is the Leader of the Council who would need to accept responsibility and answer questions. It was felt that the Leader’s role was much more high profile and his or her reputation was much more susceptible to damage.
- The Panel considered whether all **Cabinet Members** had the same levels of responsibility and considered each Cabinet Member role in turn. A view was expressed as to whether there was merit in splitting the roles between regulatory functions and non-regulatory. It was felt that this could potentially be fraught with problems e.g. for the Working Environment and Support Service portfolio some staffing issues could be considered as regulatory. It was felt that the theory behind the idea was valid but in reality splitting them up was too problematic.
- Again, the IRP wished Council to know that they had given a lot of thought to this issue but that ultimately splitting the Cabinet roles in terms of levels of responsibility and their remuneration was a political decision rather than a matter for the IRP.
- **Planning Committee SRA** – the IRP listened and discussed in depth the issues raised in connection with this by Members. They also looked at what other similar councils paid nationally to Planning Committee members and learned that only a very small number paid a nominal allowance. It was felt that receipt of an SRA was about responsibility not attendance or length and frequency of meetings. For these reasons the IRP did not feel an SRA was appropriate. However, they did consider whether ‘a training allowance’ should be paid to any Member having to undertake any training in order to sit on one of the regulatory committees e.g. Planning, Audit, Licensing, Regulatory and Standards. However, on balance whilst again this was a good theory, attendance on a training course did not represent additional responsibility albeit it did involve additional time commitment.
- **Scrutiny Committee Chairman** – the question was asked as to why the Scrutiny Chair received the same amount of SRA as a Cabinet Member. The Panel were informed that just prior to the introduction of Executive arrangements the then IRP had considered the levels of SRA for the Cabinet and Chairmen under the new committee structure and provided the following rationale for their recommendations within their report for 2007/8:

“The Panel wished to emphasise that its decisions had been taken in response to the Full Council agreeing to have new structure in place and that its understanding was that this would place a firmer emphasis on focussed and strong leadership by the Executive hence the increase in their allowances. The Panel believed that as a result of the new

arrangements key members would have increased responsibility and accountability to local people in order to deliver improvement across the local authority (at the time the Council was judged to be performing poorly and it was in 'special measures'). The Panel hoped that the allowances would enable those Members receiving SRA's would go on to provide the necessary leadership to the improvement agenda. The Panel look forward to seeing the expected step change in the performance of the Council."

- The Panel also acknowledged the following:
 - The emphasis within the legislation at the time of the importance of the Scrutiny function which is as relevant today as it was then.
 - The amounts recommended by the IRP were consistent with other similar authorities at the time.
 - Time logs provided by the then Cabinet Members and the Scrutiny Chairman which had been commensurate in terms of hours spent per month performing their council duties
 - The power/influence the Chairman of Scrutiny can have when reviewing a Cabinet decision. He or she can call something in on his/her own, he or she does not need the support of the committee.

Conclusion:

The Panel continue to be of the view that the current levels of SRA are appropriate and that the weightings applied to the agreed Basic Allowance do not need to be adjusted - and therefore recommend a continuation of the current levels until 31 March 2021. These are as follows:

| Position | Weighting x basic (£5112.15 as at December 2019) | SRA |
|----------------------------|---|------------|
| Leader of the Council | 3.00 | £15,336 |
| Deputy Leader | 1.50 | £7,668 |
| Cabinet Member | 1.25 | £6390 |
| Scrutiny Committee Chair | 1.25 | £6390 |
| PDG Chair | 0.75 | £3834 |
| Audit Committee Chair | 0.75 | £3834 |
| Planning Committee Chair | 1.25 | £6390 |
| Licensing/Regulatory Chair | 0.25 | £1278 |
| Standards Chair | 0.25 | £1278 |
| Chairman of the Council | 0.50 | £2556 |

The Panel continues to recommend that Members should not be entitled to claim more than **one** SRA.

4c. Chairman's Allowance

The Panel wished to make it clear that the Chairman's Civic budget is set by Council and is not therefore a matter for the IRP.

4d. Carer's Allowance

The Panel felt that this section needed further clarification and expansion to take account of all circumstances where a Councillor may need to organise cover for a dependent. Therefore:

A Councillor can claim a Carer's Allowance for Approved Duties, except where Schedule 2 states that such an allowance is not payable.

The following conditions and limitations apply to any claim for a Carer's Allowance:

- (a) The carer must be over the age of 18 and someone who does not normally live with the Councillor as part of their family or household;
- (b) The person being cared for is a dependent of the Councillor and is:
 - (i) a child under the age of 14;
 - (ii) an elderly person; or
 - (iii) someone with a recognised disability who cannot reasonably be left unsupervised for the period during which the Councillor is going to be absent on an Approved Duty;
- (c) Where the care is booked and paid for by the hour, Councillors may claim the hourly rates set out in sub-paragraph (e) for the time incurred in the Approved Duty, plus the reasonable travelling time taken by the Councillor in –
 - (i) carrying out the Approved Duty; and
 - (ii) dropping off or picking up the dependant at the place of care before and after the Approved Duty;
- (d) Where the care can only be booked and paid for as a fixed period or session, Councillors may claim for the duration of the fixed period or session plus the reasonable travelling time taken by the Councillor in dropping off or picking up the dependent at the place of care before and after the Approved Duty. If the location or timing of the Approved Duty means that two or more fixed periods or sessions need to be booked, Councillors may claim for those periods or sessions. The amount payable will be

the hourly rate set out in sub-paragraph (e), unless the dependent is a child (see sub-paragraph (b)(i)) attending an Ofsted registered nursery, pre-school or playgroup – in such cases, if the hourly rate would not cover the cost of the fixed period(s) or session(s), the actual cost may be claimed;

- (e) The hourly rate is the National Living Wage (25 and over);
- (f) Councillors may also claim for the carer's reasonable expenses incurred whilst the dependent is in their care provided the Councillor produces the relevant receipt from the carer in respect of those expenses.

4e. **Travel and Subsistence Allowances**

The Panel were very strong in their view that Travel and Subsistence needed to be treated as separate areas of remuneration. They requested that it be made very clear that the IRP's reasoning is such that every councillor is entitled to a travel allowance when conducting an **approved duty** (as listed in the appendix to the scheme).

The Panel considers that subsistence should only be paid in exceptional circumstances and only when councillors are conducting approved duties **outside** of the Mid Devon District Council area and where refreshments are not provided by the host.

Travelling Allowances

They continue to recommend that reimbursement of approved mileage remain at the rates published by HMRC which for 2019/20 are (these figures to be amended in line with the HMRC rates as from 1 April 2020 once they are known):

- 45p per mile for the first 10,000 miles
- 25p per mile thereafter
- 5p per mile per passenger carried (up to a maximum of 4 passengers, payable to the driver)
- 20p per mile for push bikes
- 24p per mile for motorcycles

(All claims to be submitted with receipts)

Subsistence Allowances

The Panel recommends that subsistence allowances should be the same as for employees which for 2019/20 are (these figures to be amended in line with the HMRC rates as from 1 April 2020 once they are known) in each case up to a maximum of:

| | |
|-----------|-------|
| Breakfast | £7.70 |
|-----------|-------|

| | |
|--------|--------|
| Lunch | £10.63 |
| Tea | £4.18 |
| Dinner | £13.15 |

(All claims to be submitted with receipts)

4f. IT Allowance

It was a common view from within the questionnaire responses that the iPad was not the right digital device for all Members. It was noted that some other authorities had dropped the digital allowance altogether whilst others had made a contribution towards the Member providing their own kit. The view of the IRP was that £150 may have been an incentive initially but they were not convinced it had that purpose anymore.

It was suggested that the Council lay down a marker to prospective councillors in 4 years' time to say that Members will be expected to be paperless. However, to suddenly impose that on the current membership (and removing the allowance) would be unfair - better rather, to work towards that over the next four years whilst maintaining the current digital allowance.

However, it was explained that for some committee chairmen, such as Planning and Cabinet, going paperless at all times would be very unhelpful.

It is therefore strongly recommended that the Council consider removing the digital allowance by the next election.

4g. Councillors with Additional Needs

Mindful of comments made with regard to disability during the interview process the Panel wish to make a recommendation that if any Councillors have particular needs arising due to a protected characteristic under the equalities act – for example, they have a disability that prevents them using some forms of transport, then the Chief Executive or Monitoring Officer may agree to the payment of any additional claims or support arrangements that fall outside the scope of the scheme, to support their needs.

ELECTIONS

The regulations provide that a Member may, by notice in writing, given to the proper officer (the Director of Finance, Assets and Resources) elect to forgo any part of his or her entitlement to an allowance under the scheme.

SUMMARY OF RECOMMENDATIONS

The Panel recommends that from 1 April 2020 until 31 March 2021:

- a. The Basic Allowance to be paid to all Councillors remains at the current level of £5112.15 p.a., with any increases being linked to but not greater than the staff pay award.
- b. Special Responsibility Allowances be paid to the following Members at the levels indicated:

| Position | Weighting x basic | SRA |
|----------------------------|-------------------|---------|
| Leader of the Council | 3.00 | £15,336 |
| Deputy Leader | 1.50 | £7668 |
| Cabinet Member | 1.25 | £6390 |
| Scrutiny Committee Chair | 1.25 | £6390 |
| PDG Chair | 0.75 | £3834 |
| Audit Committee Chair | 0.75 | £3834 |
| Planning Committee Chair | 1.25 | £6390 |
| Licensing/Regulatory Chair | 0.25 | £1278 |
| Standards Chair | 0.25 | £1278 |
| Chairman of the Council | 0.50 | £2556 |

- c. No Member should be entitled to claim more than **one** Special Responsibility Allowance.
- d. Carers' allowances be calculated on the current basis namely, the actual expenditure up to the national living wage of a person over 25.
- e. That travel allowances be linked to HMRC rates and calculated at the national levels indicated, currently:
 - 45p per mile for the first 10,000 miles
 - 25p per mile thereafter
 - 5p per mile per passenger carried (up to a maximum of 4 passengers, payable to the driver)
 - 20p per mile for push bikes
 - 24p per mile for motorcycles

NB: To be increased in line with HMRC rates from 1 April 2020 once known.

- f. That subsistence allowances only be paid when councillors are conducting approved duties outside of the Mid Devon District Council area (where refreshments are not provided by the host)

and that they be linked to those of the staff, currently these are as follows in each case up to a maximum of:

- Breakfast £7.70
- Lunch £10.63
- Tea £4.18
- Dinner £13.15

NB: To be increased in line with HMRC rates from 1 April 2020 once known.

- g. That all claims for travel and subsistence reimbursement be accompanied by an appropriate receipt.
- h. That an annual digital allowance of £150 continues to be paid to Members using digital devices only.
- i. The Council considers the removal of the digital allowance by the time of the next District Council election.
- j. That the Chief Executive or Monitoring Officer may consider the payment of any additional claims or support arrangements that fall outside the scope of the scheme to support Members with additional needs.
- k. That Members of the Authority are not entitled to pensions and therefore neither the basic allowance nor SRA be treated as an allowance in respect of which pensions are payable.

Jeremy Filmer-Bennett
Marianne Hulland
Karen Stone

February 2020

This page is intentionally left blank



Draft for Approval

MEMBERS' ALLOWANCES SCHEME 2020 - 2021

The Mid Devon District Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) Regulations 2003, hereby makes the following scheme:

1. This scheme may be cited as the Mid Devon District Council Members' Allowances Scheme, and shall have effect for the period 1st April 2020 until the 31st March 2021
2. In this scheme:

"Approved Duties" means those duties set out in Schedule 2

"Councillor" means an elected Member of Mid Devon District Council;

"Member" means a Councillor; and

"year" means the twelve months ending with 31st March.

Basic Allowance

3. Subject to paragraph 6, from 1st April 2020 a Basic Allowance of £5112.15 p.a. shall be paid to each Councillor (subject to any in year staff increase). During the year, it will be increased in line with, but no greater than, any staff pay award.

Special Responsibility Allowances

4. (a) For each year a Special Responsibility Allowance shall be paid to those Councillors who hold the Special Responsibilities in relation to the Authority that are specified in the Schedule to this scheme. These allowances shall be calculated based upon a weighting applied to the Basic Allowance. Any increase in the Basic Allowance as a result of a staff pay award will also result in an increase to the Special Responsibility Allowances.
- (b) Subject to paragraph 6, the amount of each such Allowance shall be the amount specified against that Special Responsibility in that Schedule.
- (c) No Councillor is entitled to claim more than one Special Responsibility Allowance.

Renunciation

5. A Councillor may, by notice in writing given to the Deputy Chief Executive (Section 151 Officer), elect to forego any part of their entitlement to one or more allowances under this scheme.

Part-Year Entitlements

6. Where a Councillor's entitlement to an allowance in this scheme begins or ends (for whatever reason) part of the way through the year, their entitlement to such allowance will be in the same proportion as the number of days during the term of office to the number of days in that year.

Carer's Allowance

7. Subject to paragraph 6, a Councillor can claim a Carer's Allowance for Approved Duties, except where Schedule 2 states that such an allowance is not payable.
8. The following conditions and limitations apply to any claim for a Carer's Allowance:
- (a) The carer must be over the age of 18 and someone who does not normally live with the Councillor as part of their family or household;
 - (b) The person being cared for is a dependent of the Councillor and is:
 - (i) a child under the age of 14;
 - (ii) an elderly person; or
 - (iii) someone with a recognised disability who cannot reasonably be left unsupervised for the period during which the Councillor is going to be absent on an Approved Duty;
 - (c) Where the care is booked and paid for by the hour, Councillors may claim the hourly rates set out in sub-paragraph (e) for the time incurred in the Approved Duty, plus the reasonable travelling time taken by the Councillor in –
 - (i) carrying out the Approved Duty; and
 - (ii) dropping off or picking up the dependant at the place of care before and after the Approved Duty;
 - (d) Where the care can only be booked and paid for as a fixed period or session, Councillors may claim for the duration of the fixed period or session plus the reasonable travelling time taken by the Councillor in dropping off or picking up the dependent at the place of care before and after the Approved Duty. If the location or timing of the Approved Duty means that two or more fixed periods or sessions need to be booked, Councillors may claim for those periods or sessions. The amount payable will be the hourly rate set out in sub-paragraph (e), unless the dependent is a child (see sub-paragraph (b)(i)) attending an Ofsted registered nursery, pre-school or playgroup – in such cases, if the hourly rate would not cover the cost of the fixed period(s) or session(s), the actual cost may be claimed;
 - (e) The hourly rate is the National Living Wage (25 and over);
 - (f) Councillors may also claim for the carer's reasonable expenses incurred whilst the dependent is in their care in accordance with this paragraph 8, provided the Councillor produces the relevant receipt from the carer in respect of those expenses.

Travelling Allowances and Subsistence Allowances

9. Travelling and subsistence allowances* will be paid in accordance with the scales of allowance set out in Schedule 1 to this scheme in connection with or relating to the Approved Duties set out in Schedule 2.

* the start point for a Councillor claiming travel to attend a meeting must usually be within the administrative boundary of Mid Devon.

Payments

10. (a) Payments of the Basic and Special Responsibility Allowances will be made (subject to sub-paragraph (b)), in twelve monthly instalments – one twelfth of the amount specified in this scheme will be paid on the 22nd day of each month.
- (b) Where a payment of one twelfth of the amount specified in this scheme in respect of a Basic Allowance or a Special Responsibility Allowance would result in the Councillor receiving more than the amount to which they are entitled, the payment will be adjusted to ensure that no more is paid than the amount to which the Councillor is entitled.

Claims

11. Claims for the payment of Carer's Allowance and Travelling and Subsistence Allowances must be made by the person to whom they are payable within two months of the date on which an entitlement to such allowance arises. Such claims must be evidenced by relevant receipts.

Pensions

12. None of the allowances contained within this scheme are eligible for inclusion within the Local Government Pension Scheme.

Tax and Benefits

13. Income Tax

- a) Basic, Special Responsibility and Carers Allowances are subject to Income Tax as they are payments made in respect of the duties of an office.
- b) The HMRC is notified of the names and addresses of all Councillors who claim taxable allowances. Tax is deducted at basic rate until the HMRC notifies the Council of the appropriate tax code for each Councillor.
- c) Some expenses incurred by Councillors in the course of their Council duties may be deductible against tax. Any Councillor who believes that some of their expenses as a Councillor may be tax deductible should seek appropriate tax advice.

14. National Insurance Contributions

- a) Basic, Special Responsibility and Carers Allowance payments will attract National Insurance (NI) Contributions at levels that vary depending on the total earnings of Councillors.

- b) Some Councillors may not be liable to any NI Contributions on Allowances if they are over the state retirement age; in accordance with prevailing legislation. See the Government website for more information. <https://www.gov.uk/tax-national-insurance-after-state-pension-age>
- c) Some Councillors - married women or widows who have elected to pay reduced rate NI Contributions - may also need to have the NI Contributions on Allowances calculated at a reduced rate.
- d) Councillors who are self-employed may also be subject to different levels of NI Contributions.
- e) Councillors who believe that they fall into any of the above categories should contact the Group Manager for Finance who will seek further information to assist with the query. Councillors should also obtain the appropriate certificates from the Department for Work and Pensions (DWP).

Chairman's Civic Budget

- 15. The Chairman of the Council is allocated a small budget for civic functions, not to exceed £2,000 per annum and to be agreed each year. Payments with regard to his or her Civic role should be paid retrospectively and only on production of a receipt/s

IT Allowances

- 16. Councillors may claim an IT allowance of £150 per annum, provided they use digital devices only in carrying out their official duties. This allowance is intended to act as an incentive to move to paperless working and will be reviewed annually. The intention is that the allowance will not be a permanent feature of the scheme.

Stephen Walford
Chief Executive
Mid Devon District Council

DATED 31st March 2020

SCHEDULE 1

With effect from 1st April 2020, the following are specified as Special Responsibilities in respect of which Special Responsibility Allowances are payable, and the amounts of those Allowances:

| | |
|--|---------|
| Leader of the Council | £15,336 |
| Deputy Leader of the Council | £7,668 |
| Cabinet Member | £6,390 |
| Chairman of Scrutiny Committee | £6,390 |
| Chairmen of Policy Development Groups | £3,834 |
| Chairman of Audit Committee | £3,834 |
| Chairman of the Planning Committee | £6,390 |
| Chairman of the Licensing/Regulatory Committee | £1,278 |
| Chairman of the Standards Committee | £1,278 |
| Chairman of the Council | £2,556 |

With effect from 1st April 2020*, the following amounts are specified as the amounts of allowance payable in respect of travelling and subsistence arising from those approved duties set out within this scheme:

(a) Travelling Allowances:

- 45p per mile for the first 10,000 miles
- 25p per mile thereafter
- 5p per mile per passenger carried (up to a maximum of 4 passengers, payable to the driver)
- 20p per mile for push bikes
- 24p per mile for motorcycles

(b) Subsistence Allowances

| | |
|-----------|--------|
| Breakfast | £7.70 |
| Lunch | £10.63 |
| Tea | £4.18 |
| Dinner | £13.15 |

All claims for subsistence must be accompanied by a receipt. The maximum allowance will only be paid where the cost of subsistence is equal to, or greater than, the maximum allowance.

Note: *HMRC rates come into effect on the 1 April each year and therefore these amounts to be increased (or decreased) accordingly at that time.

SCHEDULE 2

| Description of Approved Duty | Carers' Allowance | Travel & Subsistence |
|--|--------------------------|---------------------------|
| 1. Councillors attending meetings of Council, Cabinet, Policy Development Groups, Audit, Scrutiny, Standards and Regulatory Committees (includes Substitutes), whether members of that body or otherwise | YES | YES |
| 2. Duly appointed Councillors attending meetings of bodies to which the Council makes appointments | YES | YES |
| 3. (a) Any meeting authorised by the Council, Cabinet, Policy Development Groups, Audit, Scrutiny, Standards or Regulatory Committees to which Councillors of more than one Political Group have been duly (and specifically) appointed (b) Non duly-appointed Councillors | YES NO | YES YES |
| 4. A meeting of a Local Authority Association | YES | YES |
| 5. Any conference or meeting of a body where the Council, Cabinet or a Committee have agreed to send the Councillor as a representative | YES | YES |
| 6. (a) Any visits or inspections undertaken by Councillors, approved by the Council or any Cabinet, Policy Development Groups, Audit, Scrutiny, Standards or Regulatory Committees (includes Councillors who are members of the body, Committee, Group and substitutes) (b) Non-Committee Members attending such visits or inspections by invitation of the Cabinet, Policy Development Group, Audit, Scrutiny, Standards and Regulatory Committees. (c) Non-Committee Members attending uninvited | YES YES NO | YES YES YES |
| 7. Councillors attending as a member of a deputation approved by the Council, the Cabinet, Policy | YES | YES |

| | | |
|---|--|--|
| Development Group, Audit, Scrutiny, Standards or Regulatory Committees. | | |
|---|--|--|

Appendix 2

| | | | |
|-----|---|-----|-----|
| 8. | Attendance by Chairman or Vice-Chairman of the Council, Cabinet, Policy Development Group, Audit, Scrutiny, Standards and Regulatory Committees at meetings with a Chief Officer where Council or Committee business is discussed | YES | YES |
| 9. | Attendance by Chairman of the Council and Chairman of Committees acting in such capacity at meetings of Parish Councils | YES | YES |
| 10. | For any particular duty undertaken by a Councillor for which express authority from time to time is given by the Council or in case of emergency by the Chairman or Vice-Chairman of the Council | NO | YES |
| 11. | Civic Receptions and other social functions | NO | YES |
| 12. | Councillors attending meetings of Parish Councils within their Wards, or as Ward Member at meetings at the specific request of a Parish Council | NO | YES |

Notes:

- (1) In all cases, the duties for which claims are made must have been approved prior to the event.
- (2) Meetings (3 above) includes Working Groups, approved seminars, and Briefing meetings where more than one Political Group is invited
- (3) Other Briefing meetings fall within (8) above.

COUNCIL 26TH FEBRUARY 2020

GREEN GROUP NOMINATION TO SCRUTINY COMMITTEE

Cabinet Member(s): Cllr Bob Deed, Leader of the Council
Responsible Officer: Kathryn Tebbey, Head of Legal (Monitoring Officer)

Reason for Report: to explain the position where a political group is unable to nominate from within its group to one of its allocated seats and to note the position with regard to a nomination made by the Green group to Scrutiny Committee

RECOMMENDATION: to note the nomination of Cllr John Downes to Scrutiny Committee and the reasons for it.

Financial Implications: None.

Budget and Policy Framework: None.

Legal Implications: As set out in this report.

Risk Assessment: None.

Equality Impact Assessment: None.

Relationship to Corporate Plan: As part of a well-managed council operating executive arrangements, it is clearly desirable that the Scrutiny Committee is fully 'manned'.

Impact on Climate Change: None directly arising.

1.0 Introduction/Background

- 1.1 As Members will be aware, the Council has to ensure that seats are allocated in a way which achieves, as far as reasonably practicable, politically balance between political groups. The Council has four groups – Conservative, Liberal Democrat, Independent and Green. Following the politically balanced allocation of seats, the leaders of each group decide which of their members will sit on each committee/body to represent the group and notify the Chief Executive in due course.
- 1.2 The Green group comprises two members, Cllrs Wainwright and Norton. Cllr Wainwright has recently accepted an appointment to the Cabinet as portfolio holder for Climate Change. Consequently, she is unable to sit on the Environment PDG or the Scrutiny Committee.
- 1.3 Cllr Jo Norton will take the seat on the Environment PDG, but, due to work commitments, is unavailable at the times that Scrutiny Committee habitually meets. The Green group has therefore not been able to nominate from within its numbers - the legal position and arrangements made are set out in this report.

2.0 Duty to give effect to wishes of group

- 2.1 Section 15 of the Local Government and Housing Act 1989 contains the primary duty to allocate seats in a politically balanced way, but there is

another duty set out in section 16 of the same Act, namely the duty to give effect to the allocations and, in particular -

“...to give effect to such wishes about who is to be appointed to the seats on that body which are allocated to a particular political group as are expressed by that group.”

- 2.2 In most cases, it will be possible for a political group to nominate from within their number. However, for a group of two members where one sits on Cabinet, that is a particular challenge. The Monitoring Officer notes that the legislation does not include words which require the appointment wishes of a group to be limited to their group. Despite the duty on politically balanced allocations, the Council must also give effect to the wishes of the group with regard to their allocations - and does not expressly limit them to allocating from within their group. Accordingly, the Monitoring Officer considers that it is permissible for a group to nominate an individual from outside the group where they wish to do so, despite the apparent conflict with the duty on political balance. The important thing is to remember that this is a wish about “who” should take the allocated seat – and not about interfering with the overall balance.
- 2.3 The Green group has expressed the wish that Cllr John Downes be appointed to the Scrutiny Committee. To be clear – this is about the “who” and not the political party. The Green group is not giving up its allocation on Scrutiny Committee and may choose to change its wishes (nominations) at any time. Scrutiny Committee will remain politically balanced in terms of the allocations. If circumstances permit, the Green group may nominate a Green councillor in future to take up its allocated seat. However, for the time being it is unable to do so.
- 2.4 The Council may also wish to note the following – where a group fails to express its wishes within 3 weeks of being notified of the vacancy, the Council can itself appoint to the seat as it sees fit – the Local Government (Committees and Political Groups) Regulations 1990.

3.0 Conclusions

- 3.1 It is legally permissible for a political group to nominate an individual from another group and the Council has a duty to give effect to its wishes. This is not giving up a seat to another group – the allocation remains with the political group making the nomination and the nomination is for the named individual only. The group can change its nomination at any time.

Contact for more Information: Kathryn Tebbey, Head of Legal (Monitoring Officer) (01884) 234210 ktebbey@middevon.gov.uk

Circulation of the Report: Leader of the Council, Leadership Team, Chair of Scrutiny Committee, leaders of all political groups on the Council.

List of Background Papers: None.