

Public Document Pack

Mid Devon District Council

Cabinet

Thursday, 4 February 2021 at 6.00 pm
Remote Meeting

Next ordinary meeting
Thursday, 18 February 2021 at 6.00 pm

Important - this meeting will be conducted and recorded by Zoom only. Please do not attend Phoenix House. The attached Protocol for Remote Meetings explains how this will work.

Join Zoom Meeting

<https://zoom.us/j/97542082443?pwd=UE1TNjVEVVJXUk1Pek5WUEpRZkEwZz09>

Meeting ID: 975 4208 2443

Passcode: 967888

One tap mobile

08000315717,,97542082443#,,,,*967888# United Kingdom Toll-free

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Passcode: 967888

Find your local number: <https://zoom.us/u/asBq7a28M>

Membership

Cllr R M Deed

Cllr R J Chesterton

Cllr R Evans

Cllr D J Knowles

Cllr B A Moore

Cllr C R Slade

Cllr Ms E J Wainwright

Cllr Mrs N Woollatt

A G E N D A

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

1. **Apologies**
To receive any apologies for absence.
2. **Protocol for Remote Meetings (Pages 7 - 12)**
To note the protocol for remote meetings.
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 reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
5. **Minutes of the Previous Meeting (Pages 13 - 20)**
Members to consider whether to approve the minutes as a correct record of the meeting held on 7 January 2021.
6. **Motion 566 (Councillors: G Barnell and S J Clist - 17 December 2020)**
The following motion has been passed to the Cabinet from Council for consideration and report:

This Council agrees to commission, as a matter of urgency, a plan based on evidence of local housing need for the delivery of affordable rented and social rented housing across Mid Devon. This plan should make best use of the Government's Affordable Housing programme 2021/26 and be presented to Council by June 2021.
7. **New Mid Devon Local Plan (Pages 21 - 42)**
To consider a report of the Head of Planning, Regeneration and Economy considering options available to Council for the scope, approach and timetable for the preparation of a new Local Plan for Mid Devon.
8. **Local Development Scheme (Pages 43 - 50)**
To consider a report of the Head of Planning, Regeneration and Economy updating the Local Development Scheme and providing a timetable for the production of a new Local Plan for Mid Devon.
9. **Grant Payment to external organisations (Pages 51 - 56)**
Following consideration of a report of the Head of Planning, Economy and Regeneration, the Community Policy Development Group has made the following recommendation:

- 1) A one year grant award be made for 2021-2022, with a review in the autumn of 2021;
- 2) Grants to be made on a 1 year settlement basis, to be reviewed annually each autumn;
- 3) The £9650 previously offered to Age UK Mid Devon be identified as a saving;
- 4) The grant payments for 2021 – 2022 to the Council’s other strategic partners should remain at the same levels as 2020-2021;
- 5) The levels recommended were:

| Organisation | 2021-2022 Grant |
|---|------------------------|
| Churches Housing Action Tam (CHAT) | £12,500 |
| Citizens Advice | £15,500 |
| Involve – Voluntary Action in Mid Devon | £12,000 |
| Mid Devon Mobility | £22,000 |
| Grand Western Canal | £45,000 |
| Tiverton Museum of Mid Devon Life | £27,500 |
| Tourist Information Service | £4,000 |
| | |
| Total Grants | £138,500 |
| | |
| Savings | £9,650 |

- If the Cabinet were minded to reduce the grant payment awards in 2021-2022 the Community Policy Development Group would recommend that the organisations which directly supported vulnerable residents should have their grant payments protected, namely:
 - Churches Housing Action Team (CHAT)
 - Citizens Advice
 - Involve – Voluntary Action in Mid Devon
 - Mid Devon Mobility

10. **3 Rivers Development Limited - Business Plan** (Pages 57 - 84)
To consider a report of the Chief Executive providing Cabinet with a 5 year Business Plan.
11. **Tax Base Calculation** (Pages 85 - 90)
To consider a report of the Deputy Chief Executive (S151) detailing the statutory calculations necessary to determine the Tax Base for the Council Tax. The calculations made follow a formula laid down in Regulations.
12. **National Non-Domestic Rates** (Pages 91 - 94)
To consider a report of the Deputy Chief Executive (S151) 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 2021/22 from business rates).

13. **Financial Monitoring** (*Pages 95 - 122*)
To receive a report of the Deputy Chief Executive (S151) presenting a financial update in respect of the income and expenditure so far in the year.
14. **Budget** (*Pages 123 - 146*)
To consider a report of the Deputy Chief Executive (S151) providing the budget proposals for the General Fund and the Housing Revenue Account for the year 2021/22.
15. **Capital Programme** (*Pages 147 - 156*)
To consider a report of the Deputy Chief Executive (S151) seeking approval of the 2021/22 Capital Programme and note the draft 2022/23, 2023/24 and 2024/25 programmes and make recommendation to Council.
16. **Tax Strategy and Policy** (*Pages 157 - 164*)
To consider a report of the Deputy Chief Executive (S151) informing Members that the Council's tax risk exposure has changed and having tax policies and procedures in place helps to mitigate this risk.
17. **Policy Framework** (*Pages 165 - 180*)
To consider a report of the Chief Executive with regard to the Policy Framework and requesting the Cabinet to make recommendation to Council.
18. **Pay Policy** (*Pages 181 - 204*)
To consider a report of the Corporate Manager for People, Governance and Waste complying 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 the full Council.
19. **The Establishment** (*Pages 205 - 218*)
To consider a report of the Corporate Manager for People, Governance and Waste informing 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.
20. **Notification of Key Decisions** (*Pages 219 - 228*)
To note the contents of the Forward Plan.
21. **3 Rivers Development Limited - Update report** (*Pages 229 - 242*)
To consider a report of the Chief Executive providing an update on

current project performance and any key risks.

Stephen Walford
Chief Executive
Wednesday, 27 January 2021

Covid-19 and meetings

The Council will be holding some meetings in the next few weeks, but these will not be in person at Phoenix House until the Covid-19 crisis eases. Instead, the meetings will be held remotely via Zoom and you will be able to join these meetings via the internet. Please see the instructions on each agenda and read the Protocol on Remote Meetings before you join.

If you want to ask a question or speak, email your full name to Committee@middevon.gov.uk by **no later than 4pm on the day before the meeting**. This will ensure that your name is on the list to speak and will help us ensure that you are not missed – as you can imagine, it is easier to see and manage public speaking when everyone is physically present in the same room. Notification in this way will ensure the meeting runs as smoothly as possible.

If you require any further information please contact Sally Gabriel
E-Mail: sgabriel@middevon.gov.uk

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Mid Devon District Council - Remote Meetings Protocol

1. Introduction

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations permit remote attendance in Local Authority meetings.

Remote attendance is permitted as long as certain conditions are satisfied. These include that the Member is able to hear and be heard by the other Members in attendance. Also, being able to hear and be heard by any members of the public entitled to attend the meeting (in line with the public participation scheme). A visual solution is preferred, but audio is sufficient.

This also relates to members of the public attending the meeting also being heard. The regulations are clear that a meeting is not limited to those present in the same place, but includes electronic, digital or virtual locations (internet locations, web addresses or conference call telephone numbers).

2. Zoom

Zoom is the system the Council will be using for the time-being to host remote / virtual meetings. It has functionality for audio, video, and screen sharing and you do not need to be a member of the Council or have a Zoom account to join a Zoom meeting.

3. Access to documents

Member Services will publish the agenda and reports for committee meetings on the Council's website in line with usual practice. Paper copies of agendas will only be made available to those who have previously requested this and also the Chair of a virtual meeting.

If any other Member wishes to have a paper copy, they must notify the Member Services before the agenda is published, so they can arrange to post directly – it may take longer to organise printing, so as much notice as possible is appreciated. Printed copies will not be available for inspection at the Council's offices and this requirement was removed by the Regulations.

4. Setting up the Meeting

This will be done by Member Services. They will send a meeting request via Outlook which will appear in Members' Outlook calendar. Members will receive a URL link to click on to join the meeting.

5. Public Access

Members of the public will be able to use a weblink and standard internet browser. This will be displayed on the front of the agenda.

6. Joining the Meeting

Councillors must join the meeting early (i.e. at least five minutes before the scheduled start time) in order to avoid disrupting or delaying the meeting. Councillors should remember that they may be visible and heard by others, including the public, during this time.

7. Starting the Meeting

At the start of the meeting, the Member Services Officer will check all required attendees are present (viewing the participant list) and that there is a quorum. If there is no quorum, the meeting will be adjourned. This applies if, during the meeting, it becomes inquorate for whatever reason.

The Chair will remind all Members, Officers and the Public that **all microphones will be automatically muted**, unless and until they are speaking. This prevents background noise, coughing etc. which is intrusive and disruptive during the meeting. The Hosting Officer will enforce this and will be able to turn off participant mics when they are not in use. Members would then need to turn their microphones back on when they wish to speak.

8. Public Participation

Participation by members of the public will continue in line with the Council's current arrangements as far as is practicable. However, to ensure that the meeting runs smoothly and that no member of the public is missed, all those who wish to speak must register **by 4pm on the day before the meeting**. They should email their full name to Committee@middevon.gov.uk. If they wish to circulate their question in advance, that would be helpful.

At public question time, the Chair will invite the public by name to speak at the appropriate time. At that point, all public microphones will be enabled. This means that, to avoid private conversations being overheard, no member of the public should speak until it is their turn and they should then refrain from speaking until the end of public question time, when all microphones will be muted again. In the normal way, the public should state their full name, the agenda item they wish to speak to **before** they proceed with their question.

Unless they have registered, a member of the public will not be called to speak.

If a member of the public wishes to ask a question but cannot attend the meeting for whatever reason, there is nothing to prevent them from emailing members of the Committee with their question, views or concern in advance. However, if they do so, it would be helpful if a copy could be sent to Committee@middevon.gov.uk as well.

9. Declaration of Interests

Councillors should declare their interests in the usual way. A councillor with a disclosable pecuniary interest is required to leave the room. For remote meetings, this means that they will be moved to a break-out room for the duration

of this item and will only be invited back into the meeting when discussion on the relevant item has finished.

10. The Meeting and Debate

The Council will not be using the Chat function.

The Chair will call each member of the Committee to speak - the Chair can choose to do this either by calling (i) each member in turn and continuing in this way until no member has anything more to add, or (ii) only those members who indicate a wish to speak using the 'raise hand' function within Zoom. This choice will be left entirely to the Chair's discretion depending on how they wish to manage the meeting and how comfortable they are using the one or the other approach.

Members are discouraged from physically raising their hand in the video to indicate a wish to speak – it can be distracting and easily missed/misinterpreted. No decision or outcome will be invalidated by a failure of the Chair to call a member to speak – the remote management of meetings is intensive and it is reasonable to expect that some requests will be inadvertently missed from time to time.

When referring to reports or making specific comments, Councillors should refer to the report and page number, so that all Members of the Committee have a clear understanding of what is being discussed at all times.

11. Voting

On a recommendation or motion being put to the vote, the Chair will go round the virtual room and ask each member entitled to vote to say whether they are for or against or whether they abstain. The Member Services Officer will announce the numerical result of the vote.

12. Meeting Etiquette Reminder

- Mute your microphone – you will still be able to hear what is being said.
- Only speak when invited to do so by the Chair.
- Speak clearly and please state your name each time you speak
- If you're referring to a specific page, mention the page number.

13. Part 2 Reports and Debate

There are times when council meetings are not open to the public, when confidential, or "exempt" issues – as defined in Schedule 12A of the Local Government Act 1972 – are under consideration. It is important to ensure that there are no members of the public at remote locations able to hear or see the proceedings during such meetings.

Any Councillor in remote attendance must ensure that there is no other person present – a failure to do so could be in breach of the Council's Code of Conduct.

If there are members of the public and press listening to the open part of the meeting, then the Member Services Officer will, at the appropriate time, remove them to a break-out room for the duration of that item. They can then be invited back in when the business returns to Part 1.

Please turn off smart speakers such as Amazon Echo (Alexa), Google Home or smart music devices. These could inadvertently record phone or video conversations, which would not be appropriate during the consideration of confidential items.

14. Interpretation of standing orders

Where the Chair is required to interpret the Council's Constitution and procedural rules in light of the requirements of remote participation, they may take advice from the Member Services Officer or Monitoring Officer prior to making a ruling. However, the Chair's decision shall be final.

15. Disorderly Conduct by Members

If a Member behaves in the manner as outlined in the Constitution (persistently ignoring or disobeying the ruling of the Chair or behaving irregularly, improperly or offensively or deliberately obstructs the business of the meeting), any other Member may move 'That the member named be not further heard' which, if seconded, must be put to the vote without discussion.

If the same behaviour persists and a Motion is approved 'that the member named do leave the meeting', then they will be removed as a participant by the Member Services Officer.

16. Disturbance from Members of the Public

If any member of the public interrupts a meeting the Chair will warn them accordingly. If that person continues to interrupt or disrupt proceedings the Chair will ask the Member Services Officer to remove them as a participant from the meeting.

17. After the meeting

Please ensure you leave the meeting promptly by clicking on the red phone button to hang up.

18. Technical issues – meeting management

If the Chair, the Hosting Officer or the Member Services Officer identifies a problem with the systems from the Council's side, the Chair should either declare a recess while the fault is addressed or, if the fault is minor (e.g. unable to bring up a presentation), it may be appropriate to move onto the next item of business in order to progress through the agenda. If it is not possible to address the fault and the meeting becomes inquorate through this fault, the meeting will be adjourned until such time as it can be reconvened.

If the meeting was due to determine an urgent matter or one which is time-limited and it has not been possible to continue because of technical difficulties, the Chief Executive, Leader and relevant Cabinet Member, in consultation with the Monitoring Officer, shall explore such other means of taking the decision as may be permitted by the Council's constitution.

For members of the public and press who experience problems during the course of a meeting e.g. through internet connectivity or otherwise, the meeting will not be suspended or adjourned.

19. Technical issues – Individual Responsibility (Members and Officers)

Many members and officers live in places where broadband speeds are poor, but technical issues can arise at any time for a number of reasons. The following guidelines, if followed, should help reduce disruption. Separate guidance will be issued on how to manage connectivity – this paragraph focusses on the procedural steps. Joining early will help identify problems – see paragraph 6.

- Join public Zoom meetings by telephone if there is a problem with the internet. Before all meetings, note down or take a photograph of the front page of the agenda which has the necessary telephone numbers. Annex 1 to this protocol contains a brief step-by-step guide to what to expect
- Consider an alternative location from which to join the meeting, but staying safe and keeping confidential information secure. For officers, this may mean considering whether to come into the office, subject to this being safe and practicable (childcare etc.)
- If hosting a meeting via Zoom (briefings etc.), consider creating an additional host when setting up the meeting. The additional host can step in if the main host has problems – remember that without a host, the meeting cannot close and any information on the screens will remain on view
- Have to hand the telephone number of another member or officer expected in the meeting – and contact them if necessary to explain the problem in connecting
- Officers should have an 'understudy' or deputy briefed and on standby to attend and present as needed (and their telephone numbers to hand)
- For informal meetings and as a last resort, members and officers may be able to call another member or officer in the meeting who can put the 'phone on loudspeaker for all to hear – not ideal, but it ensures some degree of participation and continuity
- Member Services will hold a list of contact details for all senior officers

Phone only access to zoom meetings

(Before you start **make sure you know the Meeting ID and the Meeting Password**) – Both of these are available on the agenda for the meeting

Call the toll free number either on the meeting agenda or on the Outlook appointment (this will start with 0800 --- ----)

(Ensure your phone is on 'speaker' if you can)

A message will sound saying *“Welcome to Zoom, enter your meeting ID followed by the hash button”*

- **Enter Meeting ID followed by #**

Wait for next message which will say *“If you are a participant, please press hash to continue”*

- **Press #**

Wait for next message which will say *“Enter Meeting Password followed by hash”*

- **Enter 6 digit Meeting Password followed by #**

Wait for the following two messages:

“You are currently being held in a waiting room, the Host will release you from 'hold' in a minute”

Wait.....

“You have now entered the meeting”

Important notes for participating in meetings

Press ***6** to toggle between **'mute' and 'unmute'** (you should always ensure you are muted until you are called upon to speak)

If you wish to speak you can **'raise your hand'** by pressing ***9**. Wait for the Chairman to call you to speak. The Host will lower your hand after you have spoken. Make sure you mute yourself afterwards.

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **CABINET** held on 7 January 2021 at 6.00 pm

Present

Councillors

R M Deed (Leader)
R J Chesterton, R Evans, D J Knowles,
B A Moore, C R Slade, Ms E J Wainwright
and Mrs N Woollatt

Also Present

Councillor(s)

G Barnell, S J Clist, Mrs C P Daw, R J Dolley, F W Letch
and B G J Warren

Also Present

Officer(s):

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Kathryn Tebbey (Head of Legal (Monitoring Officer)), Jenny Clifford (Head of Planning, Economy and Regeneration), Andrew Busby (Corporate Manager for Property, Leisure and Climate Change), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Adrian Welsh (Strategic Manager for Growth, Economy and Delivery), Lisa Lewis (Corporate Manager for Business Transformation and Customer Engagement), Darren Beer (Operations Manager for Street Scene), Stephen Bennett (Building Surveyor), Carole Oliphant (Member Services Officer) and Sally Gabriel (Member Services Manager)

279. APOLOGIES (00-03-36)

There were no apologies for absence.

280. PROTOCOL FOR REMOTE MEETINGS (00-03-43)

The protocol for remote meetings was **NOTED**.

281. PUBLIC QUESTION TIME (00-04-00)

There were no questions from members of the public present.

282. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (00-04-16)

Members were reminded of the need to make declarations of interest when appropriate.

283. MINUTES OF THE PREVIOUS MEETING (00-04-31)

The minutes of the previous meeting were approved as a correct record.

284. USE OF CCTV POLICY AND GUIDANCE (00-05-00)

Following consideration of a report of the Corporate Manager for Property, Leisure and Climate Change, the Community Policy Development Group had made the following recommendations to Cabinet for a recommendation to Council:

- a) The CCTV Code of Practice be adopted; and
- b) The CCTV Policy be adopted; and
- c) The CCTV Action Plan be adopted.

The Cabinet Member for Community Well-Being outlined the contents of the report stating that the Council owned public space CCTV and a wide range of other smaller surveillance systems operated across council business areas. The code set out the governance arrangements that all surveillance schemes operated by the authority must comply with. He outlined the main specific and explicit purposes of MDDC surveillance camera systems across all operational areas and highlighted that the Council's Senior Responsible Officer and the Single Point of Contact may after consultation with the Data Protection Officer draw up other explicit purposes for specific deployments based on local concerns. He explained the details of the live funding bid.

Consideration was given to:

- The need for any funding bid to be finalised prior to the PCC elections in May
- The possible use of CCTV to combat fly-tipping and dog fouling
- Bodycams were not included in the policy
- The need for the policy to be flexible
- How CCTV would be used in the main towns and whether the bid for funding covered all the main towns in the district

RECOMMENDED TO COUNCIL that

- a) The CCTV Code of Practice be adopted; and
- b) The CCTV Policy be adopted; and
- c) The CCTV Action Plan be adopted.

(Proposed by Cllr D J Knowles and seconded by Cllr C R Slade)

Reason for the decision: There is a need to have an updated CCTV code of practice and policy in line with legislation.

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

285. MEETING MANAGEMENT

The Chairman indicated that he would take item 8 as the next item of business as the Cabinet Member responsible for item 7 had lost connection at the present time.

286. RECOMMENDATION FROM THE SCRUTINY COMMITTEE FOLLOWING A CALL IN- LAND AT POST HILL - TO CONSIDER DEVELOPMENT OPTIONS (00-21-56)

Following the call-in of the decision with regard to land at Post Hill made by Cabinet on 3 December 2020.

The Scrutiny Committee at its meeting on 14 December had made the following recommendation:

‘That Cabinet reconsiders its decision on the delivery of Post Hill homes by a possible Teckal Company and that it instead substitutes it for a recommendation to Full Council’.

The Cabinet Member for Housing and Property Services stated that he was confused by the recommendation from the Scrutiny Committee as any decision with regard to the formation of a Teckal Company had not yet been considered. With regard to development at Post Hill, there was no project plan and that any design work had yet to be completed. He emphasised that he would be happy that any decision to be made on the formation of a Teckal Company would be a Council decision.

Consideration was given to:

- The views of the Scrutiny Committee with regard to the previous decision and whether that was predetermination of a decision with regard to the formation of a Teckal Company
- The delivery of affordable housing on the Post Hill site.

RESOLVED that following Cabinet consideration of the formation or not of a Teckal Company that the decision and relevant papers are taken to Full Council for consideration and deliberation.

(Proposed by Cllr R B Evans and seconded by Cllr R J Chesterton)

Note: Papers previously circulated copy attached to minutes

287. CORPORATE HEALTH AND SAFETY POLICY (00-34-48)

Following consideration of a *report of the Group Manager for Performance, Governance and Data Security, the Community Policy Development Group had made the following recommendation: that the revised Health and Safety at Work Policy be adopted.

The Cabinet Member for the Working Environment and Support Services outlined the contents of the report stating that the revised Health and Safety Policy had been considered by the Health and Safety Committee and the Policy Development Group. She corrected an error in the report stating that the policy would be reviewed on a three yearly basis and not annually.

Consideration was given to who would investigate any accidents or reports of ill health, it was confirmed that this would be the Health and Safety Officer who would report to the Health and Safety Committee and Leadership Team.

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

(Proposed by Cllr Mrs N Woollatt and seconded by Cllr B A Moore)

Reason for decision: the Council is obliged to have an up-to-date Health and Safety Policy

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

288. **UTILISING COMMUNITY PAYBACK SERVICE USERS IN THE DISTRICT (00-39-19)**

The Cabinet had before it a *report of the Operations Manager for Street Scene setting out the key aspects in utilising service users provided by DDCCRC (Dorset, Devon and Cornwall Community Rehabilitation Company).

The Cabinet Member for the Environment outlined the contents of the report stating that the scheme was of benefit to councillors, the people of Mid Devon and also those who were serving punishment as the scheme delivered punishment by depriving service users of free time, allowing the individual to gain work related skills in a positive law abiding environment. There was little cost to the Council as the scheme would be run by the National Probation Service.

Consideration was given to:

- Local Projects
- The potential for the scheme to dovetail with climate work with regard to tree planting
- The scheme did not replace paid employment by others
- How Parish Councils could apply to the scheme for local projects
- Ward Members would be requested (on behalf of their communities) to put forward local projects
- Whether the scheme could be linked into local projects already being undertaken by the Duke of Edinburgh Scheme

RESOLVED that the proposal to utilise community payback service users in the District be approved.

(Proposed by Cllr C R Slade and seconded by Cllr Miss E Wainwright)

Reason for decision: to utilise the scheme would be of community benefit and provide opportunities for those involved to develop new skills.

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

289. **FINANCIAL MONITORING (00-53-04)**

The Cabinet received a verbal update from the Deputy Chief Executive (S151) who stated that having considered all the service budgets across the authority, it had been agreed that at the current time the authority was very close to balancing the budget with a deficit of £20k, however this did depend on the timeliness of

Government support with regard to the income protection scheme and the future claim of approximately £1.6 m which would be made in April which should offset the financial loss with regard to car parking, planning, leisure services and trade waste which had all been impacted by the pandemic. The impact of the current lockdown had yet to be assessed and consideration was being given to redeployment /furlough of leisure staff and the provision of assistance with the vaccination programme.

290. **BUDGET 2021-22 UPDATE (00-58-36)**

The Cabinet had before it a * report of the Deputy Chief Executive (S151) requesting that the Cabinet review the revised draft budget changes identified and discuss any further changes required in order for the Council to move towards a balanced budget for 2021/22.

The Cabinet Member for Finance outlined the contents of the report stating that the figures before members were a current snapshot of where the council was at the current time, the deficit was down to £490k but that there was more work to do. He had tasked the S151 officer to look at unpalatable options to reduce the balance to zero.

The Deputy Chief Executive (S151) stated that work was ongoing and outlined the key movements and assumptions shown within the report highlighting the Government income protection, the Autumn Statement, the funding settlement, the New Homes Bonus and the Lower Tier Service Grant

Consideration was given to:

- Vacancy management
- Whether there would be reoccurrences of funding
- Slippage within the Housing Revenue Account Medium Term Financial Plan
- The various earmarked reserves for the Cullompton HAZ
- The estimate of savings with regard to the waste trial
- The need for serious decisions to be made

RESOLVED that having considered the updated proposals for 2021/22 and the Capital Programme, the report now be circulated to the Policy Development Groups for further input prior to the formal recommendation back to the Cabinet and Council.

(Proposed by Cllr B A Moore and seconded by Cllr C R Slade)

Reason for decision: to allow the Policy Development Groups to consider the budget proposals prior to the February meetings of Cabinet and Council.

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

291. **CULLOMPTON RAILWAY STATION (1-25-39)**

The Cabinet had before it a * report of the Head of Planning, Regeneration and Economy updating members with regard to the Cullompton and Wellington new stations project and related service enhancements and to identify the next steps for taking the project forward..

The Cabinet Member for Planning and Economic Regeneration outlined the contents of the report stating that in May 2020, the partnership was successful in securing funding of up to £50k from the Department for Transport's "Restoring your Railway" Ideas Fund. This funding had supported the development of the Strategic Outline Business Case (SOBC). The report referred to an intention to submit the SOBC to DfT by the end of 2021. The SOBC had been delayed by a couple of weeks as there were a few changes that partners were keen to make to further enhance the business case. Officers understanding was that this project was still the most advanced of all the 'ideas fund' projects nationally. It was also understood that the formal DfT consideration of submissions was due to commence in February/March. Officers continued to meet regularly with the Department for Transport, those meetings had proven to be very positive.

Subject to approval of the SOBC by the Department for Transport (DfT), this would provide a basis for entering into discussions regarding progressing into the next stage of development. If the project were to progress to the next stage this could be very timely should there be a fourth round of the New Stations Fund announced later in the year.

Discussion took place with regard to the positive information and the need to include Okehampton on the map within the report.

RESOLVED that the report be noted and that officers continue to explore funding opportunities for the next stages of the project.

(Proposed by Cllr R J Chesterton and seconded by Cllr Mrs N Woollatt)

Reason for Decision: to continue to move the project forward.

Note: *Report previously circulated, copy attached to minutes

292. **DISPOSAL OF PARK ROAD NURSERY DEPOT (1-32-30)**

The Cabinet had before it a * report of the Deputy Chief Executive (S151) requesting approval of the asset disposal of Park Nursery Depot, Park Road, Tiverton, EX16 6AU.

The Cabinet Member for Housing and Property Services outlined the contents of the report highlighting the history of the site, the decision of the previous Cabinet that planning permission be sought for the development of the site for housing and the detail of the revised valuations within the agenda pack.

Consideration was given to:

- A query with regard to the legal restriction around planning permissions granted for local authorities for their own land
- The principle of development on the land
- Who could take part in the sealed bid process

RESOLVED that delegated authority be given to the Cabinet Member for Housing and Property Services and the Deputy Chief Executive (S151) to complete the asset disposal of Park Nursery Depot, Park Road, Tiverton, EX16 6AU :In accordance with

Table 1 – Option 2, proceed with the marketing process and sale of the existing buildings and land to the best value offer via a sealed bid process.

(Proposed by Cllr R B Evans and seconded by Cllr Mrs N Woollatt)

Reason for Decision: to achieve best value for money via an open market process.

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

293. **ANNUAL REPORT OF COMPLIMENTS, COMMENTS AND COMPLAINTS (1-44-47)**

The Cabinet had before it and **NOTED** a *report of the Corporate Manager for Business Transformation and Customer Engagement providing information on compliments, comments and complaints received as part of the 2 million plus contacts with customers in 2019/2020.

The Cabinet Member for the Working Environment and Support Services outlined the contents of the report highlighting the complaints, compliments and comments that had been received, the content of the Ombudsman report and the increase in digital activity from members of the public.

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

294. **ASBESTOS SURVEYING AND LICENSED REMOVAL 2021 - 2024 (1-47-33)**

The Cabinet had before it a * report of the Building Services Operations Manager advising Members on the results for the tendering of the Asbestos Surveying and Licensed Removal 2021-2024 and requesting them to confirm the award of the contract.

The Cabinet Member for Housing and Property Services outlined the contents of the report highlighting the difference between the tender for licensed and unlicensed removal of asbestos.

Consideration was given to the procurement process and the balance of value versus quality and how that weighting was applied.

RESOLVED that the new three year Asbestos Surveying and Licensed Removal Contract be awarded to Contractor 3.

(Proposed by Cllr R B Evans and seconded by Cllr B A Moore.)

Reason for Decision: there was a need to confirm the award of the tender so that the specified work could be progressed.

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

295. **ASBESTOS SURVEYING AND UNLICENSED REMOVAL 2021-2024 (1-56-52)**

The Cabinet had before it a * report of the Building Services Operations Manager advising Members on the results for the tendering of the Asbestos Surveying and

Unlicensed Removal 2021-2024 and requesting them to confirm the award of the contract.

Consideration had been given to the differences between licensed and unlicensed removal of asbestos in the previous item along with the procurement process.

RESOLVED that the new three year Asbestos Surveying and Unlicensed Removal Contract be awarded to Contractor 2.

(Proposed by Cllr R B Evans and seconded by Cllr C R Slade)

Reason for Decision: there was a need to confirm the award of the tender so that the specified work could be progressed.

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

296. **NOTIFICATION OF KEY DECISIONS (1-57-51)**

The Cabinet had before it and **NOTED** its *rolling plan for February 2021 containing future key decisions.

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

297. **3 RIVERS DEVELOPMENT LIMITED UPDATE (1-59-15)**

The Cabinet had before it and **NOTED** a *report from the Chief Executive providing an update on current project performance and any key risks.

The Cabinet Member for Housing and Property Services stated that the information within the report provided an up to date reflection on the progress made. The impact of the ongoing pandemic and the current lockdown would need to be considered as this could impact on all development companies and that supply chains could be disrupted. The new directors were in post and he looked forward to their input into the company.

Consideration was given to the actions taken since the last report which included quotes for additional internal and external audit work.

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

(The meeting ended at 9.05 pm)

CHAIRMAN

CABINET

4TH FEBRUARY 2021

REPORT OF HEAD OF PLANNING, ECONOMY AND REGENERATION

NEW MID DEVON LOCAL PLAN

Cabinet Member(s): Councillor Richard Chesterton, Cabinet Member for Planning and Economic Regeneration

Responsible Officer: Mrs Jenny Clifford, Head of Planning, Economy and Regeneration

Reason for Report: To consider options available to Council for the scope, approach and timetable for the preparation of a new Local Plan for Mid Devon.

RECOMMENDATION:

That Cabinet approves:

The preparation of a new Local Plan for Mid Devon following the approach set out in Option 6b: Full Local Plan (enhanced consultation) together with Option 3: Non-statutory interim policy statement on planning for the climate emergency set out in Table 1.

Financial Implications: Local Plan preparation includes the commissioning of evidence to inform it as well as the formal examination in public by a Planning Inspector. These will come at a cost to the Council and are budgeted for through earmarked reserves that are set aside annually specifically for plan making. In this way the cost of statutory plan making is spread across financial years rather than disproportionately impacting on some financial years more than others.

Legal Implications: Regulation 4 (amendment of Regulation 10A) of the Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017, exercises the powers of the Planning and Compulsory Purchase Act 2004 and the Neighbourhood Planning Act 2017, and places a requirement for a review of the Local Plan to be completed every five years starting from the date of the adoption of the Local Plan. The current Mid Devon Local Plan was adopted on 29th July 2020.

Risk Assessment: A Local Plan review can take up to five years to complete. A decision to not commence a review of the Local Plan, or a delay to do so, will increase the prospect of the existing Local Plan becoming out of date but without a new Local Plan to replace it to maintain a 5 year supply of housing sites and up to date planning policies for the district. A consequence would be the district being more vulnerable to speculative planning applications promoting development in locations the Council has not identified for sustainable growth.

Budget and Policy Framework: The preparation of a new Local Plan will have significant associated production costs, potentially about £500,000, to include the gathering of evidence, technical studies, key stages of public engagement and independent examination. Budget provision has been provided for this statutory function with the use of earmarked reserves, which will be reviewed as the preparation of the Local Plan is progressed.

Equality Impact Assessment: The recommendations will have no direct impact on equalities. The preparation of a new Local Plan will be subject to a separate Equalities Impact Assessment.

Relationship to Corporate Plan: The preparation of a new Local Plan is a key corporate priority and will help the Council achieve its four Corporate Plan priorities - Homes, Environment, Community and Economy. The Local Plan Review will form the legal basis for determining planning proposals, once it has been adopted, and as a vehicle to realise a range of corporate priorities.

Impact on Climate Change: The Local Plan will be prepared within a legal framework and national planning policy that has at its heart the principle of sustainable development and policies to help address climate change through the development and use of land. The recommended non-statutory interim policy statement on planning for the climate emergency would provide material consideration to planning applications and could provide an opportunity to reinforce existing Local Plan policies taking into account recent climate emergency declarations and associated net-zero Devon evidence.

1.0 Introduction/Background

Context

- 1.1 The Mid Devon Local Plan Review 2013 – 2033 was adopted by the Council on 29th July 2020 and carries full weight for the determination of planning applications as part of the statutory development plan for the district (excluding the part situated within the Dartmoor National Park).
- 1.2 The Council is required to keep its Local Plan up to date with a cycle of plan review and updates a minimum of every five years. There is a need to begin a review of the adopted Local Plan as soon as practicable and to prepare a new Local Plan for Mid Devon. This new Local Plan must be legally compliant, meet statutory tests, be consistent with national planning policy, and provide the basis for meeting the development needs of the district for a minimum period of 15 years from its adoption.
- 1.3 The Development Plan for Mid Devon (outside the Dartmoor National Park) will include the adopted Mid Devon Local Plan, the adopted Devon Minerals and Waste Plans and Neighbourhood Development Plans (once these have been 'made' and adopted by the Council following their referendum).

- 1.4 Members will recall that as part of the Council’s consideration of proposed main modifications to the Mid Devon Local Plan at its meeting on 4th December 2019 (minute 99), the substantive motion that was carried included the proviso:

“In the event that (a) the Inspector recommends the adoption of the Local Plan Review including policy SP2 (with or without main modifications) and it is so adopted and (b) planning permission is refused by an Inspector for reasons which go to the principle of development of the site on the scale envisaged by policy SP2, that an early review of policy SP2 takes place in line with the Council’s own Local Development Scheme”

The site allocation subject to Policy SP2 (Higher Town, Sampford Peverell) remains subject to a live planning appeal and a decision is awaited on this from the Planning Inspectorate.

Strategic planning and duty to cooperate

- 1.5 On 3rd December 2020 (Minute 268) the Cabinet approved a recommendation to Council to support in principle the production of a joint non-statutory plan, to include a joint strategy and infrastructure matters, for the Greater Exeter area in partnership with Exeter, East Devon, Teignbridge and Devon County Councils. This follows previous decisions by East Devon District Council to withdraw from working on the Greater Exeter Strategic Plan and this Council’s resolution to prepare a revised joint strategic plan. The Council considered and approved the Cabinet’s recommendation at its meeting on 6th January 2021.
- 1.6 A joint non-statutory plan can provide an opportunity to agree a positive framework for cross-boundary matters and a co-ordinated response to Greater Exeter area’s strategic economic, climate, housing, environmental and infrastructure issues to help secure central government investment. However, it will not be a statutory development plan or be binding on each Council. Each Council will still be required to prepare its own Local Plan, which will need to make provision for the assessed housing and other development needs of their administrative area through making site allocations and setting out local planning policies.
- 1.7 The preparation of a joint non-statutory plan and a new Local Plan will help the Council discharge the requirements of the current duty to cooperate with other councils and prescribed bodies, on strategic matters that cross administrative boundaries. At time of writing this duty to cooperate is still in place. Whilst the Government has indicated in the recent White Paper an intent to remove this requirement, the outcome of the recent consultation process is not known at this time and if removed, it is expected that measures will still be needed to plan for cross-boundary issues.

Culm Garden Village

- 1.8 The decision not to progress the preparation of the Greater Exeter Strategic Plan means that an alternative approach is needed to incorporate emerging

proposals for the Culm Garden Village in a development plan which will provide the statutory planning basis for the scheme. This could include a potential Local Development Order, a free-standing development plan document, or as part of a single new Local Plan document for Mid Devon. The merits of each approach are weighed up through an appraisal of options available to the Council to prepare a new Local Plan (see section 2.0 to this report) taking into account our current thinking around the Culm Garden Village, understanding of planning legislation and national planning policy, and the proposed planning reforms.

Reforms to the planning system

- 1.9 The Government published its White Paper “Planning for the Future” in August 2020 for consultation. This sets out plans to undertake a wide-ranging and fundamental reform of the planning system, including the plan-making process, promoting greater use of digital data, strengthening focus on design quality and environmental outcomes and introducing a new infrastructure levy. The reforms would see the role of land use plans to be simplified through:
- The identification of three types of land: ‘growth areas’, ‘renewal areas’ and ‘areas that are protected’;
 - The introduction of a single statutory ‘sustainable development’ test replacing the tests of soundness and the duty to co-operate;
 - Development management policies established at a national scale;
 - A requirement to complete plans within 30 months;
 - A revised standard method for establishing housing requirements;
 - Being visual, map-based, standardised, based on the latest digital technology and supported by a new template.
- 1.10 The White Paper was the subject of a report considered by the Cabinet on 1st October 2020 (Minute 238) and the Council’s response to the consultation was submitted to the Government on 26th October 2020.
- 1.11 It is expected the Government will publish a response in the Spring 2021 setting out its decisions on the proposed way forward including preparing for legislation, should the Government so decide in the Autumn of 2021. Initial work will focus on developing the next level of policy detail, having considered the consultation responses received. It is understood the reforms will take a few years to implement. While the White Paper has introduced some uncertainty about how plans will be prepared in the future the Government (including the Chief Planner’s newsletters October and December 2020) has strongly encouraged local authorities to continue the preparation and adoption of local plans and not to delay this in the expectation of future planning reforms. The Minister of State for Housing has since written to Local Authorities in January 2021 and has issued a press release to remind of the continued importance of maintaining progress on producing up-to-date Local Plans.
- 1.12 Officers believe that the introduction of reforms is likely to include a transition period for plans in preparation (potentially where already submitted for

examination) to continue to be progressed under the current legal framework and following national planning policy and practice guidance.

2.0 Options available to prepare a new Local Plan

Legal framework, and National Planning Policy

- 2.1 The current legal framework for preparing a Local Plan is principally through the Planning and Compulsory Purchase Act 2004 (as amended), The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) and the Neighbourhood Planning Act 2017. Broadly, these cover the form, scope and statutory process for preparing Local Plans.
- 2.2 Local Plans are at the heart of the planning system and are the main consideration in deciding local planning applications. The Local Plan guides decisions on future development proposals and addresses the needs and opportunities of the area. Topics that Local Plans usually cover include housing, employment, heritage and the environment and they also identify where development should take place and areas where development should be restricted. They typically include strategic policies which set out the overall strategy of the area, development management policies which set out the detail of managing sustainable development in line with the strategic policies and site allocations which identify areas of land suitable for housing, employment and other uses. Alongside this a policies map is also produced which illustrates geographically the policies of the Local Plan
- 2.3 To produce a Local Plan there are two formal stages of consultation. Regulation 18 which requires an authority to contact interested bodies and individuals seeking their views on what a plan ought to contain. Responses received at this stage are taken into account in developing the plan. Following this, the next formal legally defined stage is Regulation 19 where the plan which the Council believes should be the final definitive plan, is published and comments are invited. This plan, comments received on it and supporting evidence is then submitted to the Secretary of State (in practice sent to the Planning Inspectorate) for examination. There is no legal requirement to produce and consult on a draft plan, but it is good practice to do so. It provides an opportunity for stakeholders and members of the public to see a draft of the plan alongside options available and in undertaking this stage matters of concern that may be raised can be responded to before a final plan is produced. A draft plan and its consultation would fall between Regulation 18 and Regulation 19 stages and it would be the Council's choice to do this work.
- 2.4 The National Planning Policy Framework 2019 (NPPF) makes clear the planning system should be genuinely plan-led. Succinct and up-to-date plans should provide a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities; and a platform for local people to shape their surroundings. The development plan must include strategic policies to address the Council's

priorities for the development and use of land in its area, and policies to address non-strategic matters.

- 2.5 While the Act and Regulations set out the legal requirements for plan making, there is flexibility for what plans may look like, which could for example involve local plans being prepared jointly by authorities working together. At this stage following the discontinuation of work on the Greater Exeter Strategic Plan, the Council has not been approached by another Council to prepare a joint statutory local plan.

Appraisal of 6 Options

- 2.6 Officers have undertaken an appraisal of 6 options (some including sub-options) that are available to the Council for progressing the preparation of a new Local Plan for Mid Devon, which are presented in this report for consideration by Members. The 6 options and sub-options are set out below in **Table 1** and broadly follow a sliding scale from an assessment of the current adopted Local Plan and no review being necessary, to a partial plan review, and a full plan review. The options also include different approaches to preparing plan documents for Mid Devon, which may be thematic (climate strategy and action plan) or area / place specific (e.g. main towns, rural area and Local Development Order) and where complete plan coverage for the district may be achieved through there being more than one development plan document. Some of the options could be undertaken alongside other options. Our conclusions on these options are based on our current understanding of relevant circumstances including statutory requirements and the status of key projects such as the Culm Garden Village.
- 2.7 The appraisal is supplemented by a more detailed assessment of the timetables for three alternative approaches for a full plan review achieved through a single Local Plan document. The appraisal of these three alternative approaches is set out in **Table 2** below. This shows that the time needed to complete a full plan review will be affected by the level of public engagement that is built into the plan making process. While Regulation 18 (issues stage) and Regulation 19 (publication stage) are mandatory and require public consultation (as set out in the Town and Country Planning (Local Planning) (England) Regulations 2012) the inclusion of a draft policies and site options stage is optional and would protract the plan making timetable.

Non-statutory interim policy statement on planning for the climate emergency

- 2.8 The adopted Local Plan has been prepared in the context of the 2012 National Planning Policy Framework and was examined under transitional arrangements. Its content pre-dates more recent national planning policy, the Council's adoption of the Devon Climate Change Declaration (26th June 2019, item 18), and also technical evidence and policy formulation intended for the Greater Exeter Strategic Plan.

- 2.9 The preparation of a new Local Plan can include more up to date policies consistent with the current 2019 National Planning Policy Framework to help mitigate the impacts of climate change and move towards zero carbon, through a spatial strategy for the distribution of growth and managing the development and use of land and buildings. However, the preparation of a new local plan through a full plan review can take up to five years to complete.
- 2.10 Somerset West and Taunton Council has recently published a draft “Climate Positive Planning: Interim Policy Statement on Planning for the Climate Emergency”. This interim policy statement does not form part of the statutory plan, alter existing or set new planning policy, but is intended to clarify existing planning policy requirements for the assessment of development proposals. Officers consider there may be scope for a similar interim policy statement for Mid Devon, which can be capable of being a material consideration to supplement policies in the adopted Local Plan (i.e. Policy S1 Sustainable Development Priorities) and also help inform the preparation of a new Local Plan. An interim policy statement might include guidance in relation to promoting sustainable transport (e.g. walking and cycling), supporting high quality communications infrastructure, and also increasing the use and supply of renewable and low carbon energy. Further work will be needed to investigate the scope of content and detail of an interim policy statement, where these can relate to policy hooks in the adopted Local Plan. An interim policy statement could be progressed alongside the preparation of a new Local Plan. However, the Forward Planning team would need support from the Council’s new post of Climate and Sustainability Specialist, so that it can remain focused on the preparation of a new Local Plan and that this work is not delayed.

Public engagement

- 2.11 The Council’s Statement of Community Involvement (most recently updated in July 2020 and approved by the Council on the 26th August 2020, Minute 213) sets out in more detail the approach for public engagement in plan making in Mid Devon which is to be both accessible and inclusive. It is envisaged that any option taken forward for plan making can involve greater use of digital engagement tools to complement face-to-face meetings, workshops, exhibitions and drop-in events as part of a blended approach to facilitating public engagement subject to the staffing and technological resources available.

Recommended approach for plan making

- 2.12 The appraisal has helped officers identify an approach for preparing a new plan for Mid Devon (**Option 6b: Full Local Plan (enhanced consultation) together with Option 3: Non-statutory interim policy statement on planning for the climate emergency** which is recommended for approval by the Cabinet. Option 6b is recommended at this time since it will provide a comprehensive district-wide coverage of strategic and local policies, with the greatest opportunity for public engagement within the context of the resources currently available. Option 3 is also recommended since it would bring forward

most up to date thinking around addressing climate change to assist decision making alongside the policies of the recently adopted Mid Devon Local Plan, and in doing so help accelerate Members' aspirations to introduce measures through the planning process to help address the climate emergency. Although Option 3 would carry limited weight, it is capable of being a material consideration for the purpose of planning decisions. It can also be used to help evidence policies in a new Local Plan for the district. It therefore provides a means to enhance the position of the Council in negotiating and determining planning applications whilst the formal policy position is updated through the preparation of the new Local Plan. Option 3 may be achieved without delaying the preparation of the new Local Plan through resourcing in the form of support from Council's new post of Climate and Sustainability Specialist.

Table 1. Six options for preparing a new Local Plan for Mid Devon

| Option 1: Legal requirement to complete 5 year review – assessment of LP and conclude no full review necessary | |
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| Scope | Review under regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). |
| Timetable | 2021 (6 months) |
| Resources | No additional resources necessary. |
| Pros | <p>No additional budgetary provision necessary.</p> <p>The Forward Planning Team can focus on the preparation of a joint non-statutory strategy and infrastructure plan with Exeter City, East Devon and Teignbridge District Councils, and Devon County Council, together with a comprehensive review of existing Supplementary Planning Documents and provide support for masterplanning work for adopted Local Plan site allocations and the Culm Garden Village.</p> |
| Cons | <p>Unlikely that an assessment under Regulation 10A will conclude that the policies remain relevant and effectively address the needs of the local community and therefore a full review will not be needed. Age of evidence in relation to existing local plan and consistency with 2019 NPPF cannot be expected to respond efficiently to current policy requirements.</p> <p>No scope to take forward more ambitious climate emergency/transport and environment policies.</p> <p>No scope to take forward a wider allocation at Culm Garden Village through a statutory development plan.</p> |
| Comments | The current adopted Local Plan has by its nature a limited shelf life. A delay to preparing a new Local Plan could risk the strategic policies for Mid Devon becoming out of date and an inability to demonstrate a 5 year supply of housing land, and the 'tilted balance' being applied to planning decisions for housing proposals on sites not identified in the Local Plan i.e. where the |

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| | <p>balance is tilted in favour of sustainable development and granting planning permission except where the benefits are significantly and demonstrably outweighed by the adverse impacts or where specific policies in the NPPF indicate otherwise.</p> <p>THIS OPTION IS NOT RECOMMENDED.</p> |
| Option 2: Partial Plan Review | |
| Option 2a: Strategy only Development Plan Document | |
| Scope | Spatial strategy for Mid Devon. No site allocations or development management policies. |
| Timetable | Potential adoption target June 2024. |
| Resources | No additional resources above existing Forward Planning team. Budgetary provision has been made through earmarked reserves to fund technical evidence studies, consultation and the independent examination. |
| Pros | A strategy-only Development Plan Document would be quicker to prepare than a full local plan and would provide an opportunity to update existing policies in relation to climate change, transport environment and housing need. |
| Cons | <p>A strategy-only plan would not facilitate a wider allocation at Culm Garden Village.</p> <p>Does not provide a comprehensive plan review. A strategy-only plan would need to be followed by an immediate review of the Council's site allocations and development management policies resulting in a more protracted plan making process.</p> |
| Comments | <p>Option could be progressed alongside Option 5 district-wide coverage through area specific Development Plan Documents.</p> <p>THIS OPTION IS NOT RECOMMENDED.</p> |
| Option 2b: Strategy and Site Allocations Plan | |
| Scope | Spatial strategy and site allocations Plan. No development management policies. |
| Timetable | Potential adoption target January 2025. |
| Resources | No additional resources above existing Forward Planning team. Budgetary provision has been made through earmarked reserves to fund technical evidence studies, consultation and the independent examination. |
| Pros | Strategy and site allocations plan would provide an opportunity to update existing policies in relation to climate change, transport, environment and housing as well as facilitating a wider allocation at Culm Garden Village. |

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| | Potential avoidance of abortive work on development management policies should planning reforms establish development management policies at a national scale. |
| Cons | Option does not allow for an update to the Council's Development Management policies, reliant instead on the assumption of a national approach. Option is unlikely to be any quicker than Option 5 district-wide coverage through area specific DPDs, and Options 6a and 6c (Full Local Plan) given that the same statutory plan making process needs to be followed. |
| Comments | A separate Development Management policies DPD will be needed in the even that planning reforms do not establish development management policies at a national scale. This would incur additional cost, including a separate examination. THIS OPTION IS NOT RECOMMENDED AT THIS TIME GIVEN THE CURRENT UNDERSTANDING OF POTENTIAL FUTURE PLANNING REFORMS. |
| Option 2c: Partial Plan Review of key policy priorities | |
| Scope | Review focused on a limited number of issues e.g. Culm Garden Village, Climate emergency. |
| Timetable | Potential adoption target Mid 2024. |
| Resources | No additional resources above existing Forward Planning team. Budgetary provision has been made through earmarked reserves to fund technical evidence studies, consultation and the independent examination. |
| Pros | Opportunity to prioritise specific policy objectives e.g. Culm Garden Village and climate emergency. |
| Cons | Very difficult to isolate Culm Garden Village and climate emergency policy priorities from other planning issues that would need to be reviewed given that the local plan was adopted in accordance with the 2012 National Planning Policy Framework (NPPF) under transitional arrangements. This difficulty could translate into risk to achieving a positive outcome from examination. There may also be a need to reflect on emerging Planning for the Future White Paper proposals. |
| Comments | The current adopted Local Plan has by its nature a limited shelf life. A delay to preparing a new Local Plan could risk the strategic policies for Mid Devon becoming out of date and an inability to demonstrate a 5 year supply of housing land, and the 'tilted balance' being applied to planning decisions for housing proposals on sites not identified in the Local Plan i.e. where the balance is tilted in favour of sustainable development and granting planning permission except where the benefits are significantly and demonstrably |

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| | <p>outweighed by the adverse impacts or where specific policies in the NPPF indicate otherwise.</p> <p>THIS OPTION IS NOT RECOMMENDED AT THIS TIME GIVEN THIS WILL NOT PROVIDE FOR A COMPREHENSIVE REVIEW ON MATTERS SUCH AS DISTRICT DEVELOPMENT STRATEGY AND HOUSING SUPPLY.</p> |
| Option 3: Non-statutory interim policy statement on planning for the climate emergency | |
| Scope | Interim policy statement reflecting on relevant 'policy hooks' within the adopted local plan. |
| Timetable | 2021 (up to 12 months) |
| Resources | Support will be needed from the Council's new post of Climate and Sustainability Specialist so that the Forward Planning team can remain focused on the preparation of a new Local Plan and that this work is not delayed. |
| Pros | <p>A material consideration that could provide an opportunity to reinforce existing local plan policies taking into account recent climate emergency declarations and associated net-zero Devon evidence.</p> <p>Whilst non-statutory, it would also help evidence future planning policies, as there is an opportunity to draw from a wide range of technical evidence documents and highlight areas where further policy intervention is required.</p> |
| Cons | <p>Limited weight in the decision making process.</p> <p>Does not provide a comprehensive plan review.</p> |
| Comments | <p>Option could complement Options 5 district-wide coverage through area specific DPDs and Options 6a, 6b and 6c (Full Plan coverage).</p> <p>RECOMMENDED IN CONJUNCTION WITH OPTION 6B.</p> |
| Option 4: Local Development Order (LDO) – Culm Garden Village | |
| Scope | Automatic grant of planning permission for the type of development specified in it (subject to conditions), thereby removing the need for a planning application to be made for that development. |
| Timetable | 2 years? |
| Resources | <p>Additional staff resources required to progress LDO alongside local plan. Budgetary provision needed to fund technical evidence studies and community engagement. This would be significantly over and above the level of evidence needed for masterplanning purposes as it is equivalent in detail and evidence to a planning application.</p> <p>Policy/Development Management/Design input would be required.</p> |

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| <p>Pros</p> | <p>LDO could potentially circumvent some of the risks associated with local plan preparation (i.e. examination process etc.)</p> <p>The Council would have more control over the process and outcomes.</p> <p>May be the quickest option for facilitating Phase 2 of Culm Garden Village.</p> <p>Innovative use of LDOs to facilitate garden communities, which may attract funding and support from Government.</p> <p>Opportunity to share costs of preparing an LDO, including its supporting evidence, with developers / landowners.</p> |
| <p>Cons</p> | <p>A number of risks associated with an LDO option (given limited examples elsewhere) and likely significant cost which is not budgeted for and which could amount to in the order of £500,000.</p> <p>Potential democratic deficit – more limited options for engagement, consultation and independent examination.</p> <p>Focus on Culm Garden Village may result in delaying wider local planning work.</p> <p>LDOs cannot be used to permit development that would affect a listed building – there are listed buildings within the site area for phase 2 of the Garden Village. Further investigation and legal advice would be necessary.</p> <p>Does not provide a comprehensive plan review.</p> <p>Loss of potential significant planning application fees where the LDO would grant planning permission.</p> <p>The Council has no previous experience of preparing a LDO.</p> |
| <p>Comments</p> | <p>Potential for the Council to include provision for an informal / non-statutory examination process to assist public engagement in the scrutiny of a draft LDO before it is adopted. This could take the form of a series of thematic public hearings, facilitated by an independent examiner.</p> <p>Option could be progressed alongside Option 5 district-wide coverage through area specific DPDs, where the statutory plan framework for the Culm Garden Village is achieved through a LDO and not a Development Plan Document (DPD).</p> <p>THIS OPTION IS NOT RECOMMENDED BASED ON OUR CURRENT UNDERSTANDING OF HOW LDOs OPERATE, BUDGET POSITION AND RISK</p> |

| Option 5: District-wide coverage though area specific Development Plan Documents (DPDs) (e.g. Culm Garden Village) | |
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| Scope | A series of Development Plan Documents (DPDs) to cover each of the main towns, Culm Garden Village and Rural areas. |
| Timetable | Various timescales. Each DPD may take 3 years or longer to prepare and adopt, depending on the level of complexity and issues to be addressed. |
| Resources | Finite capacity of the Forward Planning team to progress multiple Development Plan Documents at the same time. Budgetary provision has been made through earmarked reserves to fund technical evidence studies, consultation and the independent examination. |
| Pros | <p>Bespoke Development Plan Documents, which can focus solely on the issues, planning and delivery of site allocations for each area e.g. Culm Garden Village.</p> <p>Area specific Development Plan Documents may be produced quicker than a full local plan (but will take longer to produce the full suite of DPDs).</p> <p>Ability to prioritise DPDs e.g. Culm Garden Village.</p> <p>Full local plan review achieved through this approach.</p> |
| Cons | <p>Likely need for 'trade-off' – tension between priorities of each DPD.</p> <p>Prioritisation of a Culm Garden Village Development Plan Document may result in delay in taking forward other district-wide policy priorities e.g. climate emergency/transport/ environment.</p> <p>Potential difficulties in justifying one site allocation e.g Culm Garden Village on its own through the Sustainability Appraisal (SA) / Strategic Environmental Assessment (SEA) process and assessing reasonable alternatives.</p> <p>Would need a further Development Plan Document(s) prepared to address vision, strategy and distribution and development management policies. These may need to be drawn up in parallel to location specific DPDs in order to provide strategic context.</p> <p>Likelihood that a site / area based Development Plan Document would not be much quicker to prepare than a full local plan, given that it still needs to follow the same statutory plan-making stages. (Note that the Cranbrook Plan, East Devon District Council has been in preparation since 2015 and is still at Examination).</p> <p>Potential significant additional costs incurred through separate examinations.</p> |
| Comments | Disaggregation of the plan for Mid Devon through separate area specific DPDs may make it easier to update parts of the current adopted local plan without the need for a comprehensive replacement plan now. |

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| | <p>Potential to prepare one or more DPDs before plan making is impacted by planning reforms.</p> <p>THIS OPTION IS NOT CURRENTLY RECOMMENDED AS A COMPREHENSIVE REVIEW WOULD ONLY BE ACHIEVED ONCE DISTRICT WIDE COVERAGE IS COMPLETE.</p> |
| Option 6: Full Local Plan Review (Options a-c) | |
| Option 6a: Full Local Plan (statutory level of consultation + adoption in 2024) | |
| Scope | <p>A single statutory plan containing strategic and local policies, infrastructure requirements, site allocations and development management policies</p> <p>Statutory level consultation following the legal requirements only. No draft policies and site options consultation.</p> |
| Timetable | Potential adoption target June 2024. |
| Resources | No additional staff resources above existing Forward Planning team. Budgetary provision has been made through earmarked reserves to fund technical evidence studies, consultation and the independent examination. |
| Pros | <p>Comprehensive local plan providing a full update of the evidence base and associated policies. Provides a robust mechanism to respond to all of the Council's policy priorities.</p> <p>This option is the quickest option for delivering a full local plan update and would mean the evidence used to inform the plan is more up to date at the time of the examination.</p> <p>Submission in May / June 2023 would have potential less risk of being impacted by planning reforms than Options 6b and 6c.</p> |
| Cons | <p>Fewer opportunities for community engagement compared to Options 6b and 6c.</p> <p>Since there is no draft policies and sites options stage there is no opportunity for community engagement to help shape the plan before it reaches its publication stage. There is reduced scope to make fundamental changes to the publication stage plan before it is submitted for examination.</p> <p>Higher risk of challenge at examination due to limited consultation and there being no ability to consider and resolve issues through a draft policies and site options stage.</p> <p>There is a more limited opportunity to update evidence as the timetable for preparing the plan is shorter than other options.</p> |
| Comments | Potential risk of impact from planning reforms. |

| | |
|---|---|
| | <p>Investigate ways to future proof the preparation of a new local plan, having regard where practicable to the Government’s proposals in the White Paper “Planning for the Future” e.g. growth, renewal and areas of protection, and / or preparing the Local Plan as Part A (Vision, objectives, strategic policies and site allocations) and Part B (Development Management policies).</p> <p>WHILST THIS IS A VIABLE OPTION IT WOULD NOT ACHIEVE THE ENHANCED CONSULTATION LEVEL SET OUT IN OPTION 6B BELOW.</p> |
| Option 6b: Full Local Plan (enhanced consultation) | |
| Scope | <p>A single statutory plan containing strategic and local policies, infrastructure requirements, site allocations and development management policies.</p> <p>Enhanced consultation achieved through having a draft policies and site options consultation stage.</p> |
| Timetable | Potential adoption target June 2025. |
| Resources | No additional staff resources above existing Forward Planning team. Budgetary provision has been made through earmarked reserves to fund technical evidence studies, consultation and the independent examination. |
| Pros | <p>Comprehensive local plan providing a full update of the evidence base and associated policies. Provides a robust mechanism to respond to all of the Council’s policy priorities.</p> <p>Community engagement on draft policies and site options can provide the ability to resolve issues and modify the plan before the publication stage is reached, which can reduce the risk of challenge at the examination.</p> <p>Greater opportunity to refresh evidence throughout the course of a longer timeframe for plan preparation, so this is kept up to date for the examination.</p> |
| Cons | <p>Slowest option for delivering a full local plan update.</p> <p>Submission in May / June 2024 would have the potential greatest risk of being impacted by planning reforms compare to Options 6a and 6c.</p> <p>Risk of evidence becoming dated due to the more lengthy time to prepare the plan and it becoming in need of a refresh.</p> |
| Comments | <p>Greatest risk of impact from planning reforms.</p> <p>Investigate ways to future proof the preparation of a new local plan, having regard where practicable to the Government’s proposals in the White Paper “Planning for the Future” e.g. growth, renewal and areas of protection, and / or preparing the Local Plan as Part A (Vision, objectives, strategic policies and site allocations) and Part B (Development Management policies).</p> |

| | |
|--|---|
| | <p>Most comprehensive approach.</p> <p>RECOMMENDED IN CONJUNCTION WITH OPTION 3.</p> |
| <p>Option 6c: Full Local Plan (enhanced consultation + quicker plan production)</p> | |
| Scope | <p>A single statutory plan containing strategic and local policies, infrastructure requirements, site allocations and development management policies.</p> <p>Enhanced consultation achieved through having a draft policies and site options consultation stage.</p> |
| Timetable | <p>Potential adoption target January 2025.</p> |
| Resources | <p>Quicker plan production achieved through additional staff resource (2 additional Forward Planning Officers), particularly at draft plan and site options stage. Budgetary provision has been made through earmarked reserves to fund technical evidence studies, consultation and the independent examination.</p> |
| Pros | <p>Comprehensive local plan providing a full update of the evidence base and associated policies. Provides a robust mechanism to respond to all of the Council's policy priorities.</p> <p>Option allows for enhanced consultation and quicker plan production – potentially 6 months quicker than Option 6b.</p> |
| Cons | <p>Additional staffing resource would need to be made available which may place significant additional cost (two 2-year temporary Forward Planning Officer posts at a total additional cost of £160,000).</p> <p>Submission in December 2023 / January 2024 could have a greater potential risk of being impacted by planning reforms than Option 6a.</p> |
| Comments | <p>Potential risk of impact from planning reforms.</p> <p>Investigate ways to future proof the preparation of a new local plan, having regard where practicable to the Government's proposals in the White Paper "Planning for the Future" e.g. growth, renewal and areas of protection, and / or preparing the Local Plan as Part A (Vision, objectives, strategic policies and site allocations) and Part B (Development Management policies).</p> <p>Only speeds plan production by 6 months, but at additional and unbudgeted cost.</p> <p>GIVEN THE CURRENT BUDGET POSITION THIS OPTION IS NOT RECOMMENDED.</p> |

Table 2. Assessment of timetables for alternative approaches for a full plan review achieved through a single Local Plan document

| Option 6a: Full Local Plan (Statutory level consultation + adoption in 2024) | |
|---|-------------------------------|
| Comment: | |
| Excludes draft policies and site options stage and consultation. | |
| Stage | Date |
| Reg 18 Issues Consultation | August – October 2021 |
| Reg 19 Publication (Proposed Submission) consultation | December 2022 – February 2023 |
| Submission | May – June 2023 |
| Examination and Main Modifications | September 2023 – March 2024 |
| Adoption | June 2024 |

| Option 6b: Full Local Plan (enhanced consultation) | |
|--|-----------------------------|
| Comment: | |
| Includes draft policies and site options stage and consultation. | |
| Stage | Date |
| Reg 18 Issues Consultation | August – October 2021 |
| Draft Policies and Site Options Consultation | October – November 2022 |
| Reg 19 Publication (Proposed Submission) consultation | January – February 2024 |
| Submission | May – June 2024 |
| Examination and Main Modifications | September 2024 – March 2025 |
| Adoption | June 2025 |

| Option 6c: Full Local Plan (enhanced consultation + quicker plan production) | |
|--|------------------------------|
| Comment: | |
| Hybrid - Time frame including draft policies and site options stage and consultation, sped up by additional staff resourcing | |
| Stage | Date |
| Reg 18 Issues Consultation | August – October 2021 |
| Draft Policies and Site Options Consultation | August – September 2022 |
| Reg 19 Publication (Proposed Submission) consultation | August – October 2023 |
| Submission | December 2023 - January 2024 |
| Examination and Main Modifications | April – October 2024 |
| Adoption | January 2025 |

3.0 Resources needed

Staffing

- 3.1 The Forward Planning Team currently consists 4 permanent Planning Officer posts (3.7 Fte), a 2 year fixed term Housing Enabling and Policy Officer Post (1 Fte but with potential to include 0.3 Fte for policy work) and a 2 year fixed term Forward Planning Research Officer Post (1Fte). A 4 Fte planning officer capacity is considered sufficient to prepare a new Local Plan for the district following either Options 6a Full Local Plan (statutory level consultation + adoption in 2024) or 6b Full Local Plan (enhanced consultation). This would be the main focus of the Forward Planning Team going forward over the next 5 years.
- 3.2 The preparation of a new Local Plan (either as a full local plan or partial plan review) would also involve the use of external consultants with expertise to undertake various technical studies.
- 3.3 Should the Cabinet choose to progress the preparation of the local plan through Option 6c Full Local Plan (enhanced consultation + quicker plan production) this can only be achieved through additional staffing capacity to support the Forward Planning team. This could be achieved through the secondment of one or more officers from other councils, consultancy support, or new posts in the Forward Planning team (which could be fixed term). This additional capacity would be necessary throughout the plan's preparation, including gathering of evidence, site assessments, consultation and processing representations received, drafting policies and support through the examination. The support of an external consultant and a secondment was needed for the examination stage of the current adopted Local Plan.
- 3.4 Option 3: Non-statutory interim policy statement on planning for the climate emergency will require support from the Council's new post of Climate and Sustainability Specialist so that the Forward Planning team can remain focused on the preparation of a new Local Plan and that this work is not delayed.

Costs

- 3.5 Initial estimates show that in addition to staffing costs, the preparation of a new Local Plan could cost about £500,000, principally for the use of consultants for technical work (e.g. viability appraisal, strategic flood-risk assessment, habitats surveys), including £100,000 for an independent examination. This will be funded through earmarked reserves, which will be reviewed as the preparation of the Local Plan is progressed. There exists a volume of technical work that has been completed for the preparation of the Greater Exeter Strategic Plan draft policies and site options. This is currently being evaluated for the purpose of the new Local Plan.
- 3.6 Additional staffing capacity required for Option 6c Full Local Plan (enhanced consultation + quicker plan production) may increase staffing costs by

£160,000, which might include two 2-year temporary Forward Planning Officer posts.

4.0 Local Development Scheme

- 4.1 The Council is required under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended) to prepare and maintain a Local Development Scheme, which is a public statement that must specify (among other matters) the development plan documents (i.e. local plans) which, when prepared, will comprise part of the development plan for the area. The Local Development Scheme must be made available publicly and kept up-to-date.
- 4.2 The timetable for preparing the new Local Plan for Mid Devon that is recommended through Option 6b Full Local Plan (enhanced consultation) in this report will mean that it will be necessary to update the Council's Local Development Scheme. Approval for the updated Local Development Scheme is the subject of a separate report to be considered by the Cabinet.
- 4.3 The updated Local Development Scheme no longer includes a timetable for preparing the Greater Exeter Strategic Plan. This is in light of the previous decisions by East Devon District Council to withdraw from working on the Greater Exeter Strategic Plan and this Council's resolution to prepare a revised joint strategic plan. The updated Local Development Scheme does not include a timetable for preparing a joint non-statutory strategy and infrastructure plan. This is since this alternative strategic plan is non-statutory and will not be subject to a formal process for plan-making (through the Act or Regulations).

5.0 Call for sites

- 5.1 The preparation of a new Local Plan with site allocations will require that there is an up to date understanding of where there is land with development potential across the district. This can be achieved through a public "call for sites" consultation and assessment of the suitability, availability and capability of land being developed for housing and other uses through a "Housing and Economic Land Availability Assessment" ('HELAA').
- 5.2 The most recent public call for sites in Mid Devon was undertaken in early 2017 as part of a wider call for sites undertaken to help inform the preparation of the Greater Exeter Strategic Plan. This work is considered to be out of date given the likelihood of changes in land ownership and developer interests, and as such a fresh call for sites is needed.
- 5.3 Approval for officers to conduct a further call for sites process was given as part of the decisions taken by the Council on 26th August 2020 (minute 52) alongside a resolution to commit to prepare a revised joint strategic plan with other councils in the Greater Exeter area. Officers propose to act on this previous resolution to progress a new call for sites in the near future.

6.0 Groups consulted

6.1 The Planning Policy Advisory Group was consulted at its meeting on 15th January 2021. The following matters were raised: whether a full review of the Local Plan was needed now; whether the review should be more targeted and focused; and, the need for a nimbler plan making process but with full public engagement. The Planning Policy Advisory Group considered the merits of all the options presented and agreed to support the recommendation set out in this report.

7.0 Next Steps

7.1 Subject to Cabinet approval, the new Local Development Scheme will be published on the Council's website and officers will commence a public "Call for Sites" as soon as practicable. Members will be kept informed of the "Call for Sites" consultation by means of a summary of responses received.

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Circulation of the Report: Cabinet Members

List of Background Papers and relevant links:

National Planning Policy Framework February 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

Government guidance on plan-making

<https://www.gov.uk/guidance/plan-making>

Minister of State for Housing's statement to Local Authorities January 2021

<https://www.gov.uk/government/news/councils-urged-to-ensure-local-plans-are-up-to-date>

Chief Planners Newsletter October 2020

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/924423/Chief_Planners_Newsletter_-_October_2020.pdf

Chief Planners Newsletter December 2020

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/946245/Chief_Planners_Newsletter_-_December_2020.pdf

Planning and Compulsory Purchase Act 2004

<https://www.legislation.gov.uk/ukpga/2004/5/contents>

The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)

<https://www.legislation.gov.uk/uksi/2012/767>

Regulation 4 (amendment of Regulation 10A) of the Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017

<https://www.legislation.gov.uk/uksi/2017/1244/regulation/4/made>

Mid Devon Statement of Community Involvement

<https://www.middevon.gov.uk/residents/planning-policy/statement-of-community-involvement/#:~:text=The%20Statement%20of%20Community%20Involvement%20%28SCI%29%20was%20adopted,to%20Covid-19%20and%20restrictions%20on%20movement%20and%20gatherings.>

Council Meeting 6th January 2021

<https://democracy.middevon.gov.uk/ieListDocuments.aspx?CId=156&MId=1304&Ver=4>

Council Meeting 26th August 2020

<https://democracy.middevon.gov.uk/ieListDocuments.aspx?CId=156&MId=1302&Ver=4>

Council Meeting 4th December 2019

<https://democracy.middevon.gov.uk/ieListDocuments.aspx?CId=156&MId=1217&Ver=4>

Extraordinary meeting of the Council 26th June 2019: Devon Climate Declaration

<https://democracy.middevon.gov.uk/mgAi.aspx?ID=9431>

Somerset West and Taunton “Climate Positive Planning”

<https://www.somersetwestandtaunton.gov.uk/media/2487/draft-interim-policy-statement-climate-positive-planning.pdf>

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CABINET

4 FEBRUARY 2021

REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION

LOCAL DEVELOPMENT SCHEME UPDATE 2021

Cabinet Member(s): Cllr Richard Chesterton, Cabinet Member for Planning and Economic Regeneration

Responsible Officer: Mrs Jenny Clifford, Head of Planning, Economy and Regeneration

Reason for Report: To update the Local Development Scheme and provide a timetable for the production of a new Local Plan for Mid Devon.

RECOMMENDATION:

1. That Cabinet approves the revised Local Development Scheme attached as Appendix 1 to come into effect on 11th February 2021.

Financial Implications: The Local Development Scheme has no direct financial implications, however the preparation of planning policy documents have associated production costs. Budgetary provision has been provided for this statutory function with the use of earmarked reserves, which will be reviewed as the preparation of the Local Plan is progressed.

Legal Implications: A Local Development Scheme is required under section 15 of the Planning and Compulsory Purchase Act 2004 as amended by Section 111 of the Localism Act 2011. It must specify (among other matters) the documents which, when prepared will comprise the Local Plan for the area. It must be made available publicly and kept up to date.

Risk Assessment: Preparing and updating local plans is a statutory requirement. A Local Plan may be subject to challenge if it can be demonstrated that it was not drawn up in compliance with the Local Development Scheme. The proposed Local Development Scheme provides an accurate, updated timetable for the production of development plans.

Budget and Policy Framework: No direct budget implications. Although the preparation of a new Local Plan will have significant associated production costs.

Equality Impact Assessment: The Local Development Scheme sets out the Council's project plan and timescales for the development of local development documents. It would not in itself lead to any impacts on the equality strands protected under the Equality Act 2010 (the "protected characteristics"). The new Local Plan will be subject to a full Equality Impact Assessment.

Relationship to Corporate Plan: The new Local Development Scheme, appended to this report, sets out a timetable for a new Local Plan, which will set the strategy for guiding new development in the district, allocate sites for housing and economic

development, the provision of infrastructure, as well as policies for the protection of the environment and managing development. The plan will help meet the Corporate Plan priorities: 'Economy', 'Homes', 'Community' and 'Environment'

Impact on Climate Change: The preparation of local plans is a key method for climate change mitigation and environmental protection, through appropriate policies and development strategy.

1.0 Introduction/Background

- 1.1 Local Planning Authorities are required to prepare and keep up to date a development plan for their area. It is important that the development plan is kept up to date to ensure that it reflects recent changes in the planning system, the Council's current corporate objectives and provides a sound basis for decision making. Therefore, a project plan needs to be put in place to ensure the review is completed efficiently.
- 1.2 The Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011 requires local authorities to prepare and maintain a Local Development Scheme (LDS) for the district. The LDS provides interested people and organisations with the Council's project plan for the preparation of local development documents. The Council's adherence to the LDS is part of the legal compliance check applied to Local Plans at their examinations. The Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017 has introduced a legal requirement to review local development documents within certain time periods. In respect of a local plan, a review must be completed every five years starting from the date of adoption of the local plan. Consequently, this LDS review incorporates a timescale for the production of a new local plan.

2.0 Changes to the current Local Development Scheme

- 2.1 There are a number of changes that need to be made to the LDS in order to ensure it is up-to-date and complies with the requirements of Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). These are summarised below:

Adoption of the Mid Devon Local Plan 2013 – 2033

- 2.2 The proposed LDS been updated to reflect the adoption of the Local Plan 2013 – 2033 on 29 July 2020 and its status as part of the current development plan for Mid Devon. All references to the now superseded Core Strategy DPD, Allocations and Infrastructure DPD and Development Management DPD have been removed.

Greater Exeter Strategic Plan / Joint strategic planning

- 2.3 The updated LDS no longer includes a timetable for preparing the Greater Exeter Strategic Plan. This is in light of the previous decision of East Devon District Council to withdraw from working on the Greater

Exeter Strategic plan and this Council's resolutions to prepare a revised joint strategic plan (meeting on 26th August 2020, minute 52) in the form of a joint non-statutory strategy and infrastructure plan (meeting on 6th January 2021). The updated LDS does not include a timetable for preparing a joint non-statutory strategy and infrastructure plan. This is since this alternative strategic plan is non-statutory and will not be subject to a formal process for plan making (through the Act or Regulations).

Commencement of a new Local Plan for Mid Devon

- 2.4 In accordance with the legal requirement to review local development documents within certain time periods, it is necessary to establish a project plan for a review of the Mid Devon Local Plan 2013 - 2033. The scope and timetabling options for a new local plan are detailed within a separate report for consideration by Cabinet. The proposed LDS attached at Appendix 1 sets out the timetable for Option 6b: Full Local Plan (enhanced consultation) of that report (the preferred option recommended for approval by Cabinet).

3.0 Groups Consulted

- 3.1 The Planning Policy Advisory Group (PPAG) was consulted at its meeting on 15th January 2021 and no comments were raised in relation to the content of the new LDS.

4.0 Approval of the LDS

- 4.1 The Cabinet Report of 9th June 2016 'Planning policy documents for consideration by the Planning Policy Advisory Group, Cabinet and Council' states that Cabinet is the only body that needs to give approval to the adoption of a new LDS. There is no longer a requirement for the LDS to be signed off by the Secretary of State. If approved, the new LDS will be published on the Council's website.
- 4.2 It is recommended that the LDS is approved and is published on the Council's website with effect from 11th February 2021.

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Circulation of the Report: Cabinet Member and Leadership Team

List of Background Papers and relevant links:

Council Meeting 6th January 2021

<https://democracy.middevon.gov.uk/ieListDocuments.aspx?CId=156&MId=1304&Ver=4>

Council Meeting 26th August 2020

<https://democracy.middevon.gov.uk/ieListDocuments.aspx?CId=156&MId=1302&Ver=4>

Appendix 1

Mid Devon District Council

Local Development Scheme – 11 February 2021

1. INTRODUCTION

1.1 Mid Devon District Council is required to prepare and maintain a Local Development Scheme (LDS) for the district. The LDS provides interested people and organisations with the Council's project plan for the preparation of local development documents. The Planning and Compulsory Purchase Act 2004 states that the LDS must specify:

- The local development documents which are to be 'development plan documents'
- The subject matter and geographical area to which each development plan document relates
- The timetable for preparation and revision of the development plan documents

1.2 Local authorities can update their LDS at such times as considered appropriate. The previous Mid Devon version has been in place since November 2019.

1.3 The Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017 has introduced the requirement to review local development documents within certain time periods. In respect of local plans, a review must be completed every five years, starting from the date of adoption of the local plan. Consequently, this LDS provides a timescale for the production of a new local plan.

2. THE LOCAL PLAN

2.1 The National Planning Policy Framework (NPPF) states that Local Plans are key to delivering sustainable development and that local authorities should produce a Local Plan for their area. The Local Plan can then be reviewed in whole or in part to respond flexibly to changing circumstances.

2.2 Mid Devon's Local Plan 2013 – 2033 was adopted on the 29 July 2020. It guides development in the district over the period to 2033 and aims to ensure that new homes, jobs and services needed by communities are located in the most sustainable places. It will also help deliver the infrastructure, facilities and other developments needed to make this possible.

2.3 Devon County Council has a strategic planning role and is responsible for minerals and waste planning in Devon including the production of mineral and

waste plans. The Devon Minerals and Waste Plan is currently made up of two parts which are development plan documents. The two documents are:

| Document | Adopted | Scope | Subject matter |
|-------------------------------|----------------|--------------|---|
| Devon Minerals Plan 2011-2033 | February 2017 | Devon | The Devon Minerals Plan contains the County Council's vision and objectives for minerals planning and provides the policy framework and site proposals to maintain the supply of minerals and limit the impacts of their working. |
| Devon Waste Plan | December 2014 | Devon | The role of the Devon Waste Plan is to establish the overarching principles and policy direction for waste planning in Devon, it also identifies strategic sites for energy recovery across the County and a series of planning policies for making decisions on planning applications. The Plan covers the period to 2031. |

2.4 Neighbourhood Plans were introduced through the Localism Act 2011.

Neighbourhood Plans are a community-led framework for guiding the future development and growth of an area which conform to the strategic policies of the Local Plan. Neighbourhood Plans, once 'made' will be adopted as part of the overall development plan. The following Neighbourhood Plans are currently under development within the Mid Devon area:

- Crediton Neighbourhood Plan
- Cullompton Neighbourhood Plan
- Silverton Neighbourhood Plan
- Tiverton Neighbourhood Plan

2.5 Supplementary Planning Documents (SPDs) are not part of the Local Plan, nor are they development plan documents. Therefore, information on their production is not set out within the LDS. Instead, such information can be found on the Mid Devon website at <https://new.middevon.gov.uk/planning-policy/supplementary-planning-documents/>.

5.0 NEW LOCAL PLAN FOR MID DEVON

5.1 A new Local Plan will be prepared following the adoption of the Local Plan Review 2013 – 2033. This new Local Plan will cover Mid Devon District (excluding part of the district within the Dartmoor National Park. Once adopted, it

will form part of the Development Plan for Mid Devon together with other development plans (once adopted) including the Devon Minerals and Waste Local Plans and Neighbourhood Plans. The new Local Plan will include strategic policies and non-strategic policies for the use and development of land and buildings in Mid Devon.

5.2 The new Local Plan, once adopted, will supersede the Local Plan Review 2013 - 2033.

5.3 The following table sets out the timetable for production and adoption of the document:

| Stage | Date |
|---|-----------------------------|
| Reg 18 Issues Consultation | August – October 2021 |
| Draft Policies and Site Options Consultation | October – November 2022 |
| Reg 19 Publication (Proposed Submission) consultation | January – February 2024 |
| Submission | May – June 2024 |
| Examination and Main Modifications | September 2024 – March 2025 |
| Adoption | June 2025 |

6.0 PROGRESS REPORTING

6.1 The Council produces an Annual Monitoring Report (AMR) in December each year, covering the ‘monitoring year’ (of the preceding April-March period). The AMR sets out the list of documents that are included within the LDS, their timetable for preparation, the stage they are currently at and, if they are behind schedule, the reasons for this.

6.2 The AMR is made available on the Mid Devon website and can be seen at: <https://new.middevon.gov.uk/planning-policy/monitoring/>

7.0 IMPLEMENTATION

7.1 This LDS will have effect from 11 February 2021.

8.0 REVIEW

8.1 The Planning and Compulsory Purchase Act 2004 states that local authorities can revise their LDS at such times as they consider appropriate. The Mid Devon District Council website will be updated to set out if the LDS has been subject to further revision. Proposed changes are subject to ratification by Cabinet

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**COMMUNITY PDG
26TH JANUARY 2021**

REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION

STRATEGIC GRANTS PROGRAMME EVALUATION AND REVIEW

Cabinet Member: Cllr Dennis Knowles – Community Well-Being

Responsible Officer: Mrs Jenny Clifford, Head of Planning, Economy and Regeneration

Reason for report: To report back on the recommendations from the Grants Working Group.

RECOMMENDATION:

- 1. That the Community PDG considers the recommendations made by the Strategic Grants Working Group at paragraph 2.4 before making its own recommendations to Cabinet.**

Financial Implications: The budget allocated for the combined grants during the 2020/21 financial year was £148,150. The funding available for 2021-22 and subsequent years will be dependent on the Council's annual budget setting process. The available funding for the 21/22 budget is yet to be established through the budget setting process. Accordingly the PDG has the opportunity to make recommendations on that aspect to Cabinet should it wish.

Budget and Policy Framework: The 20/21 budget for strategic grants was set at £148,150 but is still to be confirmed for 21/22. Grant payments to external organisations (the strategic grants review process) forms part of the Council's policy framework.

Legal Implications: If proposals come forward which would result in organisations receiving substantially less or no funding an equality impact assessment should be considered before the final decision is made.

Risk Assessment: An agreed procedure for determining grant levels will minimise risks with regard to any potential change to the grants.

Equality Impact Assessment: The grants provided by the Council are intended to fund organisations that offer strategic benefit to the district either through their support to vulnerable residents, or their contribution to the local economy. If substantial reductions in grants are considered, the impact of these reductions on equality groups would need to be assessed.

Relationship to Corporate Plan: The allocation of grants provides support to external agencies delivering services that advance the Council's Homes, Community and Economy priorities.

Impact on Climate Change: It is not considered that the grants in question have any significant impact upon climate change.

1.0 Background

- 1.1 Under the Strategic Grants Programme 2017-2020 the Council offered three-year funding to five external agencies whose services were seen to be of importance in supporting Mid Devon’s vulnerable residents and complementing the Council’s own services.
- 1.2 In addition, the Council has provided funding under its Economic Development budget to support the running of the Grand Western Canal, and Tiverton Museum of Mid Devon Life, including the Tourist Information Service as community assets / initiatives which contribute to the local economy.
- 1.3 For the years 2017-2020 grants amounting to £148,150 annually were distributed to these seven organisations in the following manner.

| | 2017-18 | 2018-19 | 2019-20 |
|---|---------------------|---------------------|---------------------|
| Age UK Mid Devon | 9,650 | 9,650 | 9,650 |
| Churches Housing Action Team (CHAT) | 12,500 | 12,500 | 12,500 |
| Citizens Advice | 15,500 | 15,500 | 25,500 |
| Involve – Voluntary Action in Mid Devon | 12,000 | 12,000 | 12,000 |
| Mid Devon Mobility ¹ | 22,000 ² | 22,000 ² | 22,000 ² |
| | | | |
| Strategic Grants Programme | 71,650 | 71,650 | 71,650 |
| | | | |
| Grand Western Canal | 45,000 | 45,000 | 45,000 |
| Tiverton Museum of Mid Devon Life | 27,500 | 27,500 | 27,500 |
| Tourist Information Service | 4,000 | 4,000 | 4,000 |
| | | | |
| Economic Development Grants | 76,500 | 76,500 | 76,500 |
| | | | |
| TOTAL GRANTS | 148,150 | 148,150 | 148,150 |
| | | | |

¹ formerly Tiverton and District Community Transport Association, TDCTA

² Of which £5,600 is deducted at source to pay for rental of Shopmobility Office in MSCP

- 1.4 At a Cabinet meeting on the 19th December 2019 it was agreed to extend the strategic grants programme for a further year to March 2021 in order to undertake a thorough review of the grants programme, and to include in the review the two organisations funded through economic development budget. All of the Council’s community grants were therefore brought within the same budget area. The detailed resolutions at this meeting were as follows:

- That recipients of all grant agreements in place as part of the council’s strategic grants programme are offered a single year extension (to end 31st March 2021) to ensure continuity of service provision.

- That recipients of the two grants not currently included within the council's strategic grants programme (Grand Western Canal and Tiverton Museum and Tourist Information Service) are also offered a single-year extension (to end 31st March 2021) to ensure continuity of service provision.
- That in future years all grants are considered as part of one budget and decision-making process, and that these sit within the Community Well-Being portfolio.
- That officers are instructed to commence work early in the financial year 2020/21 to initiate a full evaluation and review of the grants programme; to carry out the same process as was undertaken previously to establish the 3-year programme; and to bring forward recommendations on a new 3-year programme with reference to the Community PDG as appropriate.

2.0 Strategic Grants Working Group

2.1 The planned for review of grants was unavoidably delayed by the outbreak of Covid19 in March 2020 and the consequent national lockdown. Following the easing of the first lockdown, the Community PDG on the 18th July 2020 sought to progress the future approach to the strategic grants programme via convening a working group to look at funding priorities for 2021/22. The Strategic Grants Working Group has subsequently met three times.

2.2 The working group considered the following issues:

- The pandemic has created a challenging situation for the Council and all the Council's partners, both financially and in service provision, with decreased income, increased costs and reduced volunteer support. Despite this, the majority of the Council's strategic partners have found new ways to deliver services, and meet the increased needs of vulnerable residents.
- CHAT, INVOLVE, Citizens Advice, Mid Devon Transport and Age UK Mid Devon have been key partners in the community response to the pandemic and instrumental in helping the Council deliver the Shielding Hub for the clinically extremely vulnerable and providing support for those in financial hardship.
- At the same time, the pandemic has created a particularly difficult financial environment for all organisations over the last nine months. Indeed, Age UK Mid Devon has recently closed, with the financial difficulties caused by Covid being one of the main contributing factors.
- Tiverton Museum was seriously effected by the loss of the 2020 holiday season to the pandemic, and is likely to continue to be impacted by any restrictions still in place over the holiday period 2021.
- Looking ahead, the effects of the pandemic are likely to continue at least for the next six months. Financial hardship amongst residents is likely to increase as the economic consequences of the pandemic are realised. CHAT and Citizen's Advice in particular are likely to continue to be important partners in the local response to hardship.

- 2.3 The working group also recognised that the Council is itself facing a difficult financial situation, and will need to identify savings to reduce the substantial budget deficit in its own finances. They therefore also considered the potential for savings on the grants budget and the resultant potential impact on partners.

Issues considered included:

- With the closure of Age UK Mid Devon, there is a potential saving of £9,650 on the grants budget.
- The effect on strategic partners of any reductions in core funding at this time.
- Any proposals to reduce funding substantially would need to be made with an understanding of the impact upon strategic grant partners and equality impact assessment.
- There may be a need to introduce any funding reductions over a period (three years?) to allow organisations time to restructure and find alternative sources of funding.

- 2.4 The Strategic Grants Working Group, at its meeting on the 16th December 2020, made the following recommendations:

- A one year grant award be made for 2021-2022, with a review in the autumn 2021.
- That going forward, the grants should be made on a 1 year settlement basis, to be reviewed annually each autumn.
- That the £9,650 previously offered to Age UK Mid Devon should be identified as a saving.
- The grant payments for 2021-2022 to the Council's other strategic partners should remain at the same levels as 2020-2021,
- The levels recommended are:

| Organisation | 2021-2022 Grant |
|---|------------------------|
| Churches Housing Action Tam (CHAT) | £12,500 |
| Citizens Advice | £15,500 |
| Involve – Voluntary Action in Mid Devon | £12,000 |
| Mid Devon Mobility | £22,000 |
| Grand Western Canal | £45,000 |
| Tiverton Museum of Mid Devon Life | £27,500 |
| Tourist Information Service | £4,000 |
| Total Grants | £138,500 |
| Savings | £9,650 |

- If the Cabinet were minded to reduce the grant payment awards in 2021-2022 the Working Group would recommend that the organisations which directly supported vulnerable residents should have their grant payments protected, namely:
 - Churches Housing Action Team (CHAT)
 - Citizens Advice

- Involve – Voluntary Action in Mid Devon
- Mid Devon Mobility

Contact for more information: John Bodley Scott, Economic Development Team Leader jbodleyscott@middevon.gov.uk

Circulation of the report: Cllr Dennis Knowles

List of background papers:

- Minutes of Strategic Grants Working Group 10th August 2020
- Minutes of Strategic Grants Working Group 16th September 2020
- Minutes of Strategic Grants Working group 16th December 2020

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CABINET 4 FEBRUARY 2021

3 Rivers Developments Limited – Business Plan 2021 - 2026

Cabinet Members: Councillor Bob Evans – Deputy Leader and Housing & Property
Councillor Andrew Moore – Finance

Responsible Officers: Chief Executive – Stephen Walford

Reason for Report: To provide Cabinet with a 5 year Business Plan.

RECOMMENDATION: That Cabinet recommends 3Rivers Development Ltd Business Plan and approves the inclusion of the associated borrowing requirement of £14.74m shown for 2021/22 in the Council's General Fund, Capital Programme and Treasury Strategy budgets. It also notes the total gross funding envelope included for 2022/23 to 2025/26 of £64.69m.

Relationship to Corporate Plan: 3 Rivers Developments Limited's (3Rivers) primary objective is to generate future returns in order to grow the business and to recycle monies made back to the Council to mitigate some of the cuts in Government funding.

Financial Implications: The Council has a duty to obtain value for money. All financial interactions between the Council and 3Rivers are carried out at commercially evidenced rates and subject to individual loan agreements. Once approved, the Council will need to embed all agreed borrowing proposals in to the General Fund, Capital Programme and Treasury Strategy budgets for 2021/22.

Legal Implications: None to this report, however this report is prepared in accordance with the Shareholder Agreement, Company's Memorandum and Articles of Association.

Risk Assessment: Detailed within the report.

Equality impact assessment: No direct equality issues identified for this report. However, the company will continually evaluate increased renewal investments set against other financial viability and other building metrics.

Impact on climate change: 3Rivers is a commercial organisation and where deliverable sustainable options are available they are utilised; however, as a commercial organisation it is acknowledged that where there is a significant cost differential and what the market will sustain that this plays heavily in the choices made.

1.0 Introduction

1.1 Attached to this report is 3 Rivers 2021 – 2026 Business Plan. Clearly 2020/21 has been a challenging year for the company. Normal company activities were temporarily placed on hold whilst external governance and financial appraisal reviews were commissioned and considered. 3 national Covid19 lockdowns

have also clearly had a negative impact on project progress/timetables, coupled with the associated supply chain problems.

- 1.2 However, collective Council recommendations approved at Cabinet on the 13 July 2020, the arrival of 2 new Cabinet ambassadors, the very recent appointment of 2 new directors and a genuine agreement of unified member support for the company, now gives rise for the opportunity for 3 Rivers to move forward and deliver an ambitious programme of development to return profit (dividends and interest) back to help alleviate the Council's constrained financial position.

2.0 The 2021 – 2026 Business Plan

- 2.1 Attached to this report is the company's 5 year Business Plan. Any company Business Plan that projects in to the future, especially at the current juncture, is subject to change/revision, especially the further you move in to later years. What the Business Plan provides is a general overview of company ambitions, areas of focus, metrics it will use to judge itself by and report on, risk appetite and mitigation measures and finally an overarching budget envelope for the period.
- 2.2 This financial envelope will provide a reasonably accurate budget forecast for 2021/22 and the projects that are already committed to. Thereafter, the budget makes sound commercial estimates over the potential sums that will be required to keep the company viable and deliver the level of returns back to the Shareholder.
- 2.3 The total loan request included in the 2021 – 2026 Business Plan for 2021/22 which is spread across 6 projects is £14.74m. This will provide further funding for the ongoing projects at St Georges Court, Tiverton and The Orchard, Halberton, plus 4 new projects of varying development size and a relatively small provision for any new potential schemes, not currently being considered.
- 2.4 The future period shown in the Business Plan, 2022 – 2026 requires total funding by the Shareholder of £64.69m. This figure is the total gross borrowing requirement during the period and needs to be reviewed in conjunction with the total loan repayments made back to the Council estimated at £71.59m during the 5 year life of this plan. These overall funding requirements are shown in more detail in Appendix B.
- 2.5 Embedded within the company's Business Plan reference is made to the annual interest payments that will be made back to the Council and Members should also be aware of the recharged costs that the Council makes to the company. These relate to officer time, office accommodation, IT support, etc. To put this in to context the table below summarises these transactions since the

company's inception. For completeness, it also includes all financing costs and any loan impairments.

Financial transactions between 3Rivers and Mid Devon DC

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total |
|-------------------------|-------------|--------------|--------------|--------------|----------------|
| Revenue Items £k | | | | | |
| Interest Rec'd | | 71.4 | 251.0 | 490.0 | 812.4 |
| Cost of Borrowing | 0 | 0 | 0 | 0 | 0 |
| Dividends Paid | 0 | 0 | 0 | 0 | 0 |
| MDDC recharges | 74.4 | 126.9 | 116.7 | 120.0 | 438.0 |
| Total | 74.4 | 198.3 | 367.7 | 610.0 | 1,250.4 |

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total |
|--------------------------|--------------|----------------|----------------|--------------|-----------------|
| Loans £k | | | | | |
| Advanced | 750.0 | 1,862.9 | 6,998.2 | 838.2 | 10,449.3 |
| Repaid | | | -550.0 | -640.0 | -1,190.0 |
| Loans outstanding | 750.0 | 1,862.9 | 6,448.2 | 198.2 | 9,259.3 |
| Impairments | | | -790.0 | | -790.0 |

Notes:

- 1 2020/21 figures for interest and recharges have included an estimate for the final quarter's allocations.
- 2 The loans repaid figures relate to a VAT refund in 2019/20 and sale proceeds from the Threwstones, Tiverton development.
- 3 The impairment relates to £617k St Georges Court (estimated loss) and £173k working capital charge.

2.5.1 The above table details the direct financial benefits that accrue from the Council's investment in 3 Rivers. However, Members should also be aware that other indirect benefits are obtained. For example:

- ✓ Increased Council Tax and Business Rate receipts
- ✓ Extra New Homes Bonus revenue
- ✓ Some control over timetable and quality of development
- ✓ Some influence over affordable/social housing delivery numbers
- ✓ Regeneration potential
- ✓ Greater use of local supply chains and contractors

2.6 The Business Plan also specifically focuses on key areas of company activity; governance, the prevailing market, risk, success metrics, future strategy and includes a progress overview of 2020/21 and its goals for 2021/22.

3.0 Conclusion

3.1 This Business Plan is based on a 5 year overview and forecast, which includes a number of commercially based estimates/assumptions and clearly relies heavily on the ongoing financial and corporate support of the Council. If approved, the total borrowing request for 2021/22 of £14.74m will be included in the Council's General Fund, Capital Programme and Treasury Strategy for the forthcoming financial year.

Contact for more information: Stephen Walford, Chief Executive

Circulation of the report: Leadership Team and Cabinet

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CABINET **4th February 2021**

Tax Base Calculation 2021/22

Cabinet Member: Cllr Andrew Moore – Cabinet Member for Finance
Responsible Officer: Andrew Jarrett - Deputy Chief Executive(S151)

Reason for Report: This paper details the statutory calculations necessary to determine the Tax Base for the Council Tax. The calculations made follow a formula laid down in Regulations.

RECOMMENDATIONS:

1. That the calculation of the Council's Tax Base for 2021/22 be approved in accordance with The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 at **29,040.56** an increase of circa 206 Band D equivalent properties from the previous financial year.
2. That the current collection rate of 98% be reduced to 96% detailed in paragraph 2.

Relationship to Corporate Plan:

1. This report sets out how the Tax Base is calculated for 2021/22. This calculation is then used as a basis to set the Council's budget for the forthcoming year.
2. This report is in line with the Council's Corporate Plan objectives.

Financial Implications: Mid Devon District Council is a Statutory Billing Authority and must set its Council tax each year. If it were not to set a Council Tax then the Authority and all precepting authorities would be unable to raise money to pay for all the services they provide.

Legal Implications: This is a statutory function and is a legal requirement. The Council must now set its budget annually using Council Tax information as at 30th November each year in accordance with The Local Authorities(Calculation of Council Tax Base)(England) Regulations 2012 calculating the relevant amount by applying the formula set out in the above regulations.

Risk Assessment: If the Council fails to carry this duty out then the Council Tax cannot legally be set. In accordance with the LGF Act 2012 above and SI 2914 of 2012 The Local Authorities(Calculation of Council Tax Base)(England) Regulations 2012, The Council Tax Base calculation includes a deduction for the Council Tax Reduction scheme within its Tax Base calculation.

1.0 Introduction

- 1.1 Every year each billing authority is required to calculate and approve its Band 'D' Equivalent Council Tax base. For 2020/21 this technical calculation is as follows:

2.0 **The Collection Rate calculation (A)**

- 2.1 It is necessary to estimate a 'collection rate', which is the proportion of Council Tax due that will actually be paid. It is recommended that a collection rate of 96.0% be estimated for the year 2021/22, which is a reduction on previous year's collection rates. The COVID pandemic has had an adverse effect on the overall collection rate for the current financial year and there is no reason to suppose that there will be a significant improvement in circumstances going into the new financial year. It is therefore prudent to reduce the forecasted expected income
- 2.2 Any variation from the collection rate of 96% is pooled in a collection fund, which is distributed in the next financial year to all precepting authorities.

3.0 **Calculation of the relevant amount (B)**

Number of Properties per Valuation Band

- 3.1 The starting point will be the total number of properties within Mid Devon set out in the Valuation List.

Less Exemptions

- 3.2 Properties are exempt from Council Tax under certain circumstances. The calculated tax base uses the information currently held in deciding the level of exempt properties that are likely to apply for 2021/22.

Add Appeals, new properties and deletions from the Valuation List

- 3.3 The Valuation Officer has dealt with the vast majority of Council Tax appeals to date and so no further allowance is believed to be necessary at this time. At the **7th October 2020** we have estimated a net increase in properties within Mid Devon of **50** properties to go live on or before 1st April 2021 and a further **155** properties during the financial year, totalling **(206)**. This estimate is based on the current number of reports outstanding with the Valuation Officer.

Disabled Allowance (move down a Band)

- 3.4 Where a disabled resident has made structural alterations to their property to help with their disability or they use a wheelchair internally at the premises, the property is entitled to a reduction and is afforded by moving the property to the next lowest band. Existing Band A properties are also entitled to a reduction by reducing the 6/9ths charge down to 5/9ths Charge.

Less 25% Discounts

Single Persons Discounts

- 3.5 If only one (adult) person lives in the dwelling as their "sole & main residence" then a discount of 25% is allowed.

Less 50% discount

- 3.6 A discount of 50% is allowed where two or more persons who can be disregarded for Council Tax purposes occupy the property, e.g. care workers.

Second homes now pay full Council tax.

Long Term Empties

- 3.7 After a three month free period no further discount is allowed.

With effect from the 1st April 2019 100% premium after 2 years

With effect from the 1st April 2020 200% premium after 5 years

With effect from the 1st April 2021 300% premium after 10 years

- 3.7.1 Currently if a property remains empty of furniture and residents for two years or more, the Council will apply an additional 100% premium to the Council tax charge, so the Charge payer will have to pay 200% of the Council Tax charge in that area. With effect from the 1st April 2020 a premium of 200% can be levied so the Charge payer will have to pay 300% of the Council Tax in that area after a period of five years and with effect from the 1st April 2021 a premium of 300% can be levied so the Charge payer will have to pay 400% of the Council Tax in that area. The Regulations detailing the additional premium are **Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018**.

- 3.7.2 For clarity you will see in table **Calculation of the Relevant Amount** this will affect 213 properties.

4.0 **Estimated cost of the Council Tax Reduction Scheme (CTR)**

- 4.1 Before we convert the properties to Net Band D equivalents we must reduce the total properties by the estimated cost of the Council Tax Reduction Scheme

- 4.2 The criteria for the CTR scheme is that everyone should pay something (with the exception of those protected by legislation namely pensioners in receipt of guaranteed pension credit).

- 4.3 All working age claimants are required to pay a contribution towards their Council Tax.

- 4.4 Support is restricted to 85% i.e. the claimant will be required to pay 15% of their Council Tax.

- 4.5 Support is limited to Band D charges so claimants in a higher banded property will receive CTR up to 85% of a band D and be required to pay the balance of additional banding in full.

- 4.6 Savings limited to £6,000.

- 4.7 Changes were made to the CTRS in April 2017 to align it with Universal Credit.

- 4.8 For your information Mid Devon's CTR scheme for 2021/22, is estimated to cost in the region of **£4.73m**, based on the new schemes criteria.
- 4.9 CTR has been included within the tax base calculation and applied to each band and parish individually then a band D equivalent calculation has been used to arrive at a final figure.
- 4.10 The cost of the CTR scheme must be reflected in the Tax Base calculation so the following calculation is carried out for each valuation band to arrive at the net chargeable Dwellings:

Calculation of the Relevant Amount

| | 2020/21 | 2021/22 |
|---|-----------|-----------|
| Number of properties per valuation list | 36,621.00 | 36,947.00 |
| Exemptions | --521.00 | -528.00 |
| Single occupiers and 25% disregards | --2816.00 | -2878.00 |
| 50% discount | -30.00 | -25.00 |
| 100% exempt 3 months only | -58.00 | -57.00 |
| Additional LTE at 200% | +115.00 | +99.00 |
| Additional LTE at 300% | | +114.00 |
| Additional net new properties | +205.00 | +206.00 |
| Class D 50% loss | -27.00 | -29.00 |
| Annexes (new) | -25.00 | -29.00 |
| Chargeable dwellings before conversion to Band D equivalent | 33,464.00 | 33,820.00 |

Conversion to Band D equivalents

- 4.11 The net chargeable dwellings are then converted to Band D equivalents. This is carried out by multiplying the Net chargeable dwellings by the appropriate factor (A=6, B=7, C=8, D=9, E=11, F=13, G=15, H=18) for the band and dividing by that for Band D (9). The Table below details the Net Chargeable Dwellings converted to Band D equivalents.
- 4.12 The calculation shows the estimated annual cost of the CTR scheme, shown as the number of Band D equivalents. For the 2021/22 year this is estimated as 2,343.55 Band D equivalent properties.
- 4.13 The Tax Base is finally calculated by applying the collection rate to the total Band D equivalents when summarised below for the 2021/22 financial year.

| Band D equivalent properties | CTR properties | Revised properties |
|------------------------------|----------------|--------------------|
| @ 7.53 | -3.64 | 3.89 |
| A 3,572.65 | -907.63 | 2,665.02 |
| B 6,407.14 | -748.10 | 5,659.04 |
| C 5,795.76 | -374.02 | 5,421.74 |
| D 5,997.00 | -182.08 | 5,814.92 |

| | | | |
|---|------------------|------------------|------------------|
| E | 5,429.39 | -84.35 | 5,345.04 |
| F | 3,342.80 | -32.27 | 3,310.53 |
| G | 1,474.14 | -10.54 | 1,463.60 |
| H | 103.00 | -0.93 | 102.07 |
| | 32,129.41 | -2,343.55 | 29,785.86 |

- 4.14 To clarify the table detailing the **Calculation of the Relevant Amount** is based on actual properties and the final calculation above is based on a Band D equivalent of actual properties.
- 4.15 Therefore, based on the above detailed calculations in accordance with SI 2914 of 2012 the Tax Base is to be calculated as: Total relevant amounts (A) **29,785.86** multiplied by the estimated collection rate (B) (96%)
- 4.16 Mid Devon District Council's Council Tax Base for 2021/22 will be **£28,594.38**.

Contact for more information: Fiona Wilkinson 01884 234329 / fwilkinson@middevon.gov.uk

Background Papers: CTB1 and supporting documentation

File Reference: FW/G/CTB1

Circulation of Report: Cabinet Member for Finance, Leadership Team

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CABINET
4 Feb 2021

NNDR 1 for 2021/22

Cabinet Member: Cllr Andrew Moore – Cabinet Member for Finance

Responsible Officer: Andrew Jarrett - Deputy Chief Executive (S151)

Reason for Report: To provide 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 2021/22 from business rates).

RECOMMENDATIONS:

- 1. That the calculation of the NNDR1 net yield of £15,501,737m from 3350 Business Rated properties is noted and approved for 2021/22;**
- 2. That the proportions distributed to the respective authorities and Central Government be allocated as per the statutory regulations; and**
- 3. 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.**

Relationship to Corporate Plan:

1. This report sets out the estimated net business rates for 2021/22; the estimate will then be used in the calculation of future Council business rates budgets.
2. This report is in line with the Council's Corporate Plan objectives and is essential to delivering the necessary funding to balance the 2021/22 General Fund Revenue budget.

Financial Implications: Mid Devon District Council is a Statutory Billing Authority and has a duty to carry out this task each year as part of the budgetary process.

Legal Implications: This is a statutory function and is a legal requirement. The Council must set its budget annually based on the tax base and the NNDR1 projected values.

Risk Assessment: If the Council fails to carry out this duty, then it will not be able to forecast its future budget positions. The calculation of the NNDR1 involves a number of estimates made by professional officers, but due to the volatility and uncertainty of Business Rates appeals and Central Government retention policies, the Council holds a Business Rates Smoothing Reserve which can be used to mitigate fluctuations in Business Rates receipts.

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

1.0 Introduction

1.1 Prior to 1 April 2013, all billing authorities collected the business rates in their area and passed this money onto a Central Government pool. The pool was then redistributed to local authorities throughout the country based on their needs, resources and the services they provide to their community. For example, one billing authority may collect £15m and only require £10m to run its services, whereas another billing authority may collect £10m and require £15m to run its services. The shortfall and excess was then redistributed by Central Government through a fixed sum as part of the Formula Grant Settlement.

2.0 Business rates retention scheme

2.1 From 1 April 2013, Central Government changed the way this financing is distributed. Each billing authority now has to forecast the amount of revenue it will generate from business rates and then redistribute that income between Central Government, the county council, the fire authority and itself, based on a centrally prescribed formula (see below). The Business Rates Retention Scheme as it is now known, also allows the billing authority to keep a share of the increase in revenue it generates, therefore encouraging billing authorities to encourage business growth in its area. However, the converse of this applies and if a billing authority's business rates decline, the District Council (i.e. MDDC) will see a proportionate drop in revenue.

2.2 This is the key difference between the old and new schemes. As under the old business rates scheme, the level of funding was determined at the beginning of the year and was fixed thereafter.

2.3 In order to assist local authorities in retaining revenue within the counties, Central Government allowed county councils and district councils to join together to pool their growth and offset the growth of one area against a decline in another area. Effectively, this creates a larger critical mass across the county to alleviate exposure to individual authority losses, thus enabling counties and districts to retain more of the rates collected instead of contributing this money to the central pool. Mid Devon District Council joined the Devon County-wide pool in 2014 and will remain in the pool for 2021/22.

2.4 This report details the calculations necessary to determine the estimated debit the Council is expected to collect in business rates for the 2021/22 year. The net collectable debit is then split proportionally in accordance with the provisions of the Local Government Finance Settlement issued in December 2020 which enables the whole of Devon to have a 50% rates retention, subject to tariffs or levies. The Council continues its Pool membership with the other Devon councils to maximise the amount of Business Rates it can retain. As detailed in 3.5, the Pool was given "Pilot" status in 2018/19 and we were able to retain 100% of Business Rates growth income but unfortunately this was a one year only arrangement and we were unsuccessful in our bid for a 75% Pilot in 2020/21. Therefore, we revert to the 2017/18 distribution arrangements. The tier split for Devon is as follows:

- 9% is distributed to Devon County Council
- 40% is kept by Mid Devon District Council
- 1% is distributed to the Devon & Somerset Fire & Rescue Authority

2.5 The New 2017 Valuation list took effect from 1st April 2017

3.0 S31 Grant Reliefs (funded reliefs)

- The Government will continue the £1,500 business rates discount for office space of **local newspapers** in 2021/22

3.1 The following reliefs will also continue:

- **Rural Rate Relief** which was previously doubled will continue.
- The **Small Business Rate Relief** scheme has seen the eligible RV threshold doubled to £12,000 and is now permanent. These ratepayers will receive 100% relief. All ratepayers whose RV is between £12,000 and £15,000 will receive tapered relief and all those ratepayers between RV £15,000 and RV £51,000 will pay their rates based on the lower multiplier.

3.2 The Council is notionally able to keep 40% of the total business rates it collects and this would generate an estimated £6,200,695m (less tariff and Levy). MDDC gets £115,396 as a cost of collecting the years' business rates and will continue to retain the income from renewable energy schemes of £134,167k in 2021/22.

4.0 Possible amendments to grant and reduced business rates income

4.1 The Chancellor will be delivering the budget on the 3rd March 2021 and it's likely that revised or new reliefs will be announced, this will require modelling and revising financial figures shown in this report.

5.0 Conclusion

5.1 Due to the associated volatility and significant sums of revenue involved, we will continue to maintain a Business Rates Smoothing Reserve and provide Members with regular updates on the level of business rates being collected during 2021/22.

Contact for more information: Dean Emery 01884 234328
demery@middevon.gov.uk

Background Papers: NNDR1 and supporting documentation

Circulation of Report: Cllr Andrew Moore, Andrew Jarrett and Leadership Team

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CABINET

04 February 2021

FINANCIAL UPDATE FOR THE THREE MONTHS TO 31 December 2020

Cabinet Member Cllr Andrew Moore, Cabinet Member for Finance

Responsible Officer Andrew Jarrett – Deputy Chief Executive (S151)

Reason for Report: To present a financial update in respect of the income and expenditure so far in the year.

RECOMMENDATION(S):

1. **The Cabinet note the financial monitoring information for the income and expenditure for the nine months to 31 December 2020 and the projected outturn position.**

Relationship to the Corporate Plan: The financial resources of the Council impact directly on its ability to deliver the Corporate Plan; prioritising the use of available resources brought forward and any future spending will be closely linked to key Council pledges from the updated Corporate Plan.

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

Legal Implications: None.

Risk Assessment: Regular financial monitoring information mitigates the risk of unforeseen over or underspends at year end and allows the Council to direct its resources to key corporate priorities.

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 purpose of this report is to highlight to Cabinet our current financial status and the likely reserve balances at 31 March 2021. It embraces both revenue, in respect of the General Fund, the Housing Revenue Account (HRA), and Capital and aims to focus attention on those areas which are unlikely to achieve budget. It is particularly important for next year's budget setting and, looking further ahead, for the medium term financial plan.

1.2 Favourable variances generating either increased income or cost savings are expressed as credits (negative numbers), whilst unfavourable overspends or incomes below budget are debits (positive numbers).

2.0 Executive Summary of 2020/21

2.1 The table below shows the opening position of key operational balances of the Council, the forecast in year movements and final predicted position at 31 March 2021:

| Usable Reserves | 31/03/2020 | Forecast in year movement | 31/03/2021 |
|---|-------------------|----------------------------------|-------------------|
| | £k | £k | £k |
| Revenue | | | |
| General Fund (see paragraph 3.2) | (2,251) | 89 | (2,162) |
| Housing Revenue Account (see paragraph 4.2) | (2,000) | 0 | (2,000) |
| Capital | | | |
| Capital Receipts Reserve | (5,157) | 1,338 | (3,819) |
| Revenue Contribution to Capital Earmarked Reserve | (301) | 138 | (163) |

2.2 Covid 19 continues to dominate the financial performance of the Council in this quarter. In November government enforced lockdown 2.0 lasting from 5 November to 2 December. This has since been followed by a third lockdown which began on 5 January. With the soaring infection rates attributed to the new strain of the disease, there is an expectation that this will last until at least the end of February. By then, the most vulnerable should have been vaccinated; although it is entirely possible that the lockdown or significant preventative measures will continue even after this time.

2.3 With that in mind, this forecast also reflects the deemed significant risk that the leisure centres will have to remain closed until the end March. This ongoing disruption to service delivery and so service income reflects in the return to deficit in this reporting period.

3.0 The General Fund Reserve

3.1 This is the major revenue reserve of the Council. It is increased or decreased by the surplus or deficit generated on the General Fund in the year. This reserve held a balance of £2.251m as at 31/03/20.

3.2 The forecast General fund **deficit** for the current year is £89k after transfers to and from Earmarked Reserves as shown at Appendix A.

3.3 The most significant variances (>£20k) comprise:

| | Description of Major Movements | Pressure £ | Saving £ | PDG |
|--|---|---------------|-------------|-------------|
| Corporate Management | Salary savings including element from Director post not replaced | | (45,000) | Cabinet |
| Corporate Management | Estimate of recruitment costs for 3 Rivers director posts | 40,000 | | Cabinet |
| Legal & Democratic Services | External Consultancy Fees - Review of 3RDL | 32,500 | | Cabinet |
| Car Parks | P&D income shortfall due to reduction of users in our car parks across the District due to lockdowns, free parking for 2 months in 3 of our short stay car parks, free Sat/Sun parking in 4 car parks in Dec & free parking in 4 car parks on Sun during January. | 526,420 | | Economy |
| Car Parks | Reduction in income from Off-Street fines as enforcement was stopped during lockdown and free parking within 3 short stay car parks for 2 months. | 25,000 | | Economy |
| Public Health combined | Licensing income - forecasting a 25% reduction due to the pandemic. | 30,000 | | Community |
| Public Health combined | Reduction in Private water sampling income due to the pandemic | 24,000 | | Community |
| Public Health combined | Salary saving in Public Health due to vacant hours of Specialist Officer and Vacant post of Specialist Lead for 3 months | | (25,000) | Community |
| Public Health combined | Cemetery Income showing down against budget, will review month by month. | 30,000 | | Environment |
| Grounds Maintenance | Salary savings - delay in recruiting for vacant posts | | (61,000) | Environment |
| Property Services | Reduction in rental income on Fore Street flats due to postponed Tiverton Regeneration Project | 29,940 | | Economy |
| Property Services | Market Walk rates & service charges for void units | 30,000 | | Economy |
| Property Services | Property Services salary underspend due to vacant post - 1 post is off-set against Agency overspend | | (50,000) | Homes |
| Property Services | Agency overspend to cover vacant post within Property Services | 20,000 | | Homes |
| Waste Services | Trade Waste - reduced income due to businesses closing during the pandemic | 66,500 | | Environment |
| Waste Services | Trade Waste - disposal charges are down due to less collections | | (60,000) | Environment |
| Waste Services | Garden waste - increase in permit sales | | (48,000) | Environment |
| Waste Services | Recycling materials - reduced price and tonnage for paper/plastic | 70,600 | | Environment |
| Waste Services | Fleet Management - 12 month delay in recruiting shared Transport Manager with Exeter City Council | 20,000 | | Environment |
| Waste Services | Agency costs - additional rounds and back filling staff due to COVID-19 | 56,000 | | Environment |

| | | | |
|--------------------------------|---|-----------|-------------|
| Waste Services | Agency costs - back filling staff vacancies | 151,000 | Environment |
| Waste Services | Salaries - savings mainly due to a delay in recruiting posts | (165,000) | Environment |
| Waste Services | Fuel savings - due to new and more efficient vehicles and lower price for fuel | (47,500) | Environment |
| Waste Services | Job Retention Scheme funding received for furloughed staff | (21,200) | Environment |
| Community Development | Market income - reduced income due to a suspension of Market tolls during Covid19 lockdowns and a reduction in traders due to shielding | 49,000 | Economy |
| Recreation And Sport | Reduced salary costs during closures due to Covid-19 & vacancies, partially offset by additional staffing whilst centres were open | (95,000) | Community |
| Recreation And Sport | Job Retention Scheme funding for furloughed staff | (558,550) | Community |
| Recreation And Sport | Saving against vending stock and equipment for resale | (45,300) | Community |
| Recreation And Sport | Reduction in income due to Covid-19 - leisure centres closed for 4 months, then running at reduced capacity from August with second closure in November | 2,552,000 | Community |
| Recreation And Sport | Utilities underspend across Leisure due to the impact of Covid-19 | (125,000) | Community |
| Finance And Performance | Finance & Procurement salary variance due to vacant Group Managers post, long term sick leave and reduction in hours | (59,510) | Cabinet |
| Finance And Performance | Agency costs to cover vacant Group Managers post and overtime payments within Finance has resulted in an overspend - this is partly offset by £17k being the release of ear marked reserves | 125,560 | Cabinet |
| Revenues And Benefits | Housing Benefit Subsidy & Overpayment recovery | 30,000 | Cabinet |
| Revenues And Benefits | Various New Burdens grants from DWP in respect of Housing Benefits initiatives delivered within existing resource | (49,000) | Cabinet |
| Revenues And Benefits | NNDR New Burdens Grants for Grant administration | (258,200) | Cabinet |
| Revenues And Benefits | Agency staff to help deliver Grants until 30/06/21 | 46,000 | Cabinet |
| Revenues And Benefits | HB New Burdens Grant for Grant administration - Test & Trace & Hardship fund | (33,935) | Cabinet |
| Revenues And Benefits | Overtime across Revenues & Benefits to cope with the demands of COVID19 & effects on ongoing workload | 40,000 | Cabinet |
| Revenues And Benefits | Forecast under recovery of Court Costs for C/Tax & NNDR | 40,000 | Cabinet |
| General Fund Housing | Salary savings - Apprentice vacancy and delay in recruitment for an Housing Options Officer and underspend on mileage costs due to Covid19 | (27,000) | Homes |

| | | | |
|----------------------------------|---|----------|-----------|
| General Fund Housing | Homelessness-exercise undertaken to write off debts unlikely to be recovered | 60,000 | Homes |
| General Fund Housing | Homelessness-accommodation costs | 20,000 | Homes |
| General Fund Housing | Consultancy savings | (35,000) | Homes |
| Planning And Regeneration | Development Management - net savings from delay in recruiting for vacant roles and post moved from Enforcement | (22,000) | Community |
| Planning And Regeneration | Development Management - supplies & services overspend on defending appeals, consultancy, advertising of planning applications and other minor variances | 128,000 | Community |
| Planning And Regeneration | Development Management - reduced income due to COVID19, a reduction in the developer applications with the larger fees | 132,000 | Community |
| Planning And Regeneration | Economic Development - savings from delay in recruiting for vacant roles and market manager post costs moved 100% to markets, previously 50% paid from here | (29,000) | Economy |
| Planning And Regeneration | Forward Planning - savings from delay in recruiting for vacant roles | (67,000) | Community |
| Planning And Regeneration | Statutory Plan - 1 year saving on GESP membership as a fallow year | (37,500) | Cabinet |
| Planning And Regeneration | Building Control - reduced income due to COVID19, a reduction in the developer applications with the larger fees although market share of smaller domestic applications has increased | 30,000 | Cabinet |
| Customer Services | Salary savings - delay in recruiting for vacant posts off set by other salary overspends and redundancy costs for Caretaking Services | (34,500) | Community |
| Human Resources | Salary savings due to vacant posts to be reviewed during the year | (53,130) | Cabinet |
| I.T. Services | Retained technical support to cover vacancies | 45,000 | Cabinet |

3.4 All the major variances are highlighted in Appendix B. The current incomes from our major funding streams are shown in Appendix C, whilst current employee costs are shown at Appendix D.

4.0 Housing Revenue Account (HRA)

4.1 This is a ring-fenced account in respect of the Council's social housing function. Major variances and proposed corrective action are highlighted at Appendix F.

4.2 It is anticipated that the forecast variance of £230k deficit will decrease the budgeted transfer to the Housing Maintenance Fund and so the HRA reserve balance will remain at £2m.

4.3 The overall HRA forecast of a £230k overspend in 2020/21 is made up of several deficits and surpluses. The most significant of these (>£20k) comprise the following:

| Description of Major Movements | Pressure £ | Saving £ |
|--|---------------|-------------|
| Garage tenancies are lower than budgeted since new lets haven't been occurring during Covid | 40,470 | |
| The workforce have carried out non-HRA work (such as in Leisure Centres) and recovered costs in excess of the budgeted amount. | | (109,000) |
| <u>Repairs Underspends arising from less work taking place due to Covid (main variances)</u> - staffing vacancies & delay in redevelopment team commencing (£411k) - Standby contracts coming to an end (£45k) - Saving on redevelopment overhead budget (£74k) - non-staffing savings in Planned Maintenance (£150k) - non-staffing savings in Responsive & Voids (£215k) - savings on vehicle fuel usage (£22k) - reduced DLO recharge for revenue and capital works £250k - forecast under-recovery on Disabled Facilities works £90k - forecast under-recovery on Private Sector DFGs £180k | | (411,000) |
| Contract dispute | 624,000 | |
| Various staffing savings and some minor cost variances within Tenancy Services | | (84,000) |
| Projected £200k increase to bad debt provision | 147,000 | |

5.0 Covid 19

5.1 As we would expect, the financial story of 2020/21 revolves around Covid 19. Three lockdown periods effectively covering April to June, November and now January to February have defunctionalised our services. This in turn has decimated service income whilst redirecting some areas to deliver crisis critical services has incurred significant unbudgeted costs.

5.2 And so it continues. Whilst the vaccine programme intends to have inoculated the most vulnerable by the end of February, it may be optimistic to expect an easing of the containment measures at this time. Not least, there are frequent disclosures of new strains which may prolong matters further.

5.3 The progressive and unprecedented nature of the crisis has hindered forecasting. Expectations of recovery have been repeatedly delayed and there remains the potential for this to happen again. This forecast predicts

an end to lockdown 3 around the end of February with the closure of our leisure centres persisting into March due to the infection risks associated with the provision of that service. If the current lockdown restrictions continue much beyond February, then we can expect further deficiencies in income across all the other services also, with inevitable impacts on our outturn position.

- 5.4 Subsequent to this we start a new financial year on 1 April, with the distinct possibility that not only are the recovery trends assumed in next year's budget at risk but that service provision, even then, could be limited. The achievability of the budget is immediately at risk as we effectively start the year in deficit.
- 5.5 Appendix C shows how this has fed into our fees and charges income, with a deficit in the first nine months of £2.4m and an expected deficit for the year of £3.3m. This annual deficit represents 50% of budgeted fees and charges income.
- 5.6 These losses are partly mitigated by support from central government. A fourth tranche of £202k of Covid 19 support was received on 16 November bringing the total to £1,196k (£1,157k as per appendix A plus £39k which was received in March 2020 ie the prior financial year).
- 5.7 The Council has also been participating in the Coronavirus Job Protection Scheme (furlough scheme) claiming £397k to the end of December. The extension of the Scheme (now to the end of April 2021) together with the third lockdown will see further MDDC participation. It is notable that the benefit of this scheme to the Council is limited as, where applicable, furlough receipts must be deducted when calculating losses under the Income Compensation Scheme ie the compensation received is reduced accordingly.
- 5.8 The Income Compensation Scheme, which provides for the reimbursement to Local Authorities of 75% of marginal losses on allowable income streams, is now under way. The first claim of £530k has been paid and the second claim (£775k) has been submitted. A final reconciliation and balancing payment for the first year of the Scheme will be made in May (note - the scheme has been extended to include losses arising in quarter 1 of 2021/22). As further losses arise, particularly with respect to the third lockdown, so the forecast claim increases, currently to £1.7m. Although our returns have been subject to internal audit scrutiny, this is a prudent estimate of the amount which will be received. There remains some ambiguity in the scheme guidelines and hence some associated interpretation risk.
- 5.9 Finally, we must consider the impact on the collection fund. The government has announced a scheme granting 100% relief from NDR for all retail, hospitality and leisure businesses in 2020/21. The Council will instead receive these monies by means of a s31 claim from government in year (£7.3m).
- 5.10 The Council remains is exposed on the residual NDR ie after allowing for the RHL scheme, and council tax debt. Given the mechanisms of collection

fund accounting, the losses arising from any underperformance will flow into 2021/22 funding, and impact that year's budget. In order to recognise this pending shortfall, provision will be made in the current year via ear marked reserves. Currently these are shown in Appendix A as "Council Tax Deficit (20-21)" (£240k) and "Business Rates Deficit (20-21)" (£388k). Note, the impact shown here represents the Council share of the losses that are ultimately deemed non recoverable.

- 5.11 Shortfalls in collection fund receipts also have a disproportionate effect on cash flow. As a collecting authority we collect on behalf of Devon County Council, Devon and Cornwall Police and Devon and Somerset Fire and Rescue Service. As such, we are committed to making precept payments to these bodies regardless of the amount we receive. That is, from a cash flow perspective, we must manage the full amount of the deficit in receipts for NDR and council tax. In the short term, the slowdown in the capital programme caused by the pandemic will mitigate the reduced funding.
- 5.12 In the funding settlement on December 17, government shared further details of the compensation arrangements relating to collection fund losses. Applying these guidelines, this is calculated at £285k for MDDC relating to council tax. The calculation methodology for NNDR does not afford enough clarity (to us, our advisors and probably also to the MHCLG) to include a meaningful amount at this stage. We will share the expected value of this benefit in due course.
- 5.13 This is an evolving situation which we will continue to monitor against government briefings and our own experience. The concern is that, whilst government support to local businesses is welcomed, it may have only delayed economic impacts from the pandemic (not forgetting that the full effects of Brexit also now are in play). At some time, the furlough scheme and other reliefs will wind down. Any resulting economic downturn may prove to be the most profound financial impact of all, as it will inevitably flow into collection rates for both NDR and council tax.

6.0 Capital Programme

- 6.1 Capital projects, by their very nature, often overlap financial years. The status of this year's capital programme is shown at Appendix G.
- 6.2 The approved Capital Programme amounts to £36.961m (this includes the approved 2020/21 Budget of £27.220m and slippage rolled forward from 2019/20 of £9.741m).
- 6.3 As stated in 6.1, some of these projects will overlap financial years. Managers have therefore given their best estimate of what is 'deliverable' for 20/21. This amounts to £14.469m. Therefore, committed and actual expenditure will be monitored against this revised 'deliverable' budget for the remainder of the year.
- 6.4 The deliverable budget has been established following meetings with managers to determine a realistic forecast of spend based on known information at this point in the year. This will continue to be revisited for material changes.

- 6.5 Committed and Actual expenditure is currently £7.179m against a 'deliverable' Capital Programme of £14.469m leaving a variance of £7.290m uncommitted at this point in time.
- 6.6 Additional work has been undertaken to establish forecast slippage and potential underspends against the approved Capital Programme and are also detailed on Appendix G.
- 6.7 Covid 19, together with other factors have affected the amount of Capital projects that are deliverable in year and at this stage, the forecast slippage amounts to £28.405m. This mainly relates to: £2.175m related to the GP Practice NHS Hub which is now due at the end of the project, £1.0m in respect of land acquisition, £12.780m related to projects to be delivered by 3 Rivers Ltd. A further £2.646m related to the Post Hill scheme, £3.650m in relation to the HIF schemes in Cullompton and Tiverton, £3.700m in relation to council house building schemes and £0.893m in relation to major repairs to our housing stock. For further detail, please refer to Appendix G.
- 6.8 The forecast net underspend amounts to £0.777m. This comprises £0.59m for various General Fund projects and £0.187m in relation to various HRA projects. Again, for further detail please refer to Appendix G.

7.0 Revenue Contribution to Capital EMR

- 7.1 The Capital Earmarked Reserve has been set aside from Revenue to fund Capital Projects; the movement on this reserve is projected below:

| | <u>£k</u> |
|---|---------------------|
| Capital Earmarked Reserve at 1 April 2020 | (301) |
| Funding required to support 2020/21 Capital Programme | 138 |
| Forecast uncommitted Balance | <u>(163)</u> |

8.0 Capital Receipts Reserve (Used to fund future capital programmes)

- 8.1 Unapplied useable capital receipts are used to part fund the capital programme, the movement on this account for the year to date is given below:

| | <u>£k</u> |
|--|----------------|
| Unapplied Useable Capital Receipts at 1 April 2020 | (5,157) |
| Net Receipts to Q3 (includes 8 "Right to Buy" Council House sales) | <u>(640)</u> |
| Current Balance | (5,797) |

(This includes £2.217m of ring fenced 1:4:1 receipts and £3.580m of general Capital Receipts)

| | |
|---|-------|
| Forecast further capital receipts in year | (200) |
| Forecast capital receipts required to support 2020/21 Capital Programme | 2,178 |

| | |
|--|----------------|
| Forecast Unapplied Capital Receipts | (3,819) |
|--|----------------|

8.2 The ring fenced “1:4:1 receipts” need to be spent within 3 years of receipt; otherwise they need to be returned to MHCLG with interest. These can be used to fund up to 30% of new social housing developments or repurchased right to buy properties.

8.3 The forecast reserve balance for the Revenue Contribution to Capital Reserve and the Capital Receipts Reserve includes the associated funding of the 20/21 Capital Programme, as these monies are committed. In reality, much of this will slip to 21/22. It is also important to note that these balances need to be almost fully utilised in order to balance the Capital Medium Term Financial Strategy.

9.0 Treasury Management

9.1 The interest position so far this financial year can be summarised as follows:

Interest Receivable:

| | Budget £k | Forecast outturn £k | Forecast variance £k |
|----------------------------------|--------------|---------------------------|----------------------------|
| Investment Income Received | (568) | (745) | (177) |
| Interest from HRA funding | (49) | (46) | 3 |
| Total Interest Receivable | (617) | (791) | (174) |

9.2 There is an interest payable saving (£340k). This largely arises from a reduced expected requirement to take out external borrowing (PWLB), as the 3 Rivers development programme has slipped, due to Covid 19 amongst other causes.

10.0 Conclusion

10.1 Members are asked to note the revenue and capital forecasts for the financial year.

10.2 We continue to monitor the effects of this rapidly evolving crisis and amend our expectations accordingly. Managers are working hard to understand the deficits and develop proposals for their recovery. Also, the budget process for 2021/22 is now well advanced and we are working to understand how this crisis will affect us in future years.

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Circulation of the Report:

Cllr Andrew Moore, Cabinet, Leadership Team

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GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 31 DECEMBER 2020

| General Fund Summary | Note | 2020/2021 | Full Year | Actuals | Full Year | Variance (0 = On budget) | Variance % |
|---|-------|---------------------|---------------------|---------------------|--------------------|-----------------------------|---------------|
| | | Annual Budget | Forecast | £ | Variance | | |
| | | £ | | £ | £ | | |
| Cllr Bob Deed | | | | | | | |
| Corporate Management | A | 1,648,161 | 1,656,161 | 1,214,947 | 8,000 | 0.5% | |
| Cllr Colin slade | | | | | | | |
| Grounds Maintenance | E | 567,810 | 490,310 | 335,179 | (77,500) | -13.6% | |
| Cemeteries & Bereavement Services | D | (85,300) | (55,300) | (31,188) | 30,000 | -35.2% | |
| Waste Services | H | 1,714,920 | 1,778,120 | 1,091,320 | 63,200 | 3.7% | |
| Cllr Dennis Knowles | | | | | | | |
| Community Development | I | 77,650 | 71,650 | 71,650 | (6,000) | -7.7% | |
| Environmental Services incl. Licensing | D | 815,740 | 756,227 | 456,237 | (59,513) | -7.3% | |
| IT Services | Q | 983,650 | 1,025,350 | 785,522 | 41,700 | 4.2% | |
| Land charges | N | (19,200) | (19,200) | (33,155) | 0 | 0.0% | |
| Public Health | D | (8,850) | 24,120 | (13,150) | 32,970 | -372.5% | |
| Open Spaces | F | 126,120 | 107,640 | 102,405 | (18,480) | -14.7% | |
| Recreation And Sport | J | 434,750 | 1,919,400 | 1,629,776 | 1,884,650 | 341.5% | |
| Cllr Andrew Moore | | | | | | | |
| Finance And Performance | K | 744,000 | 855,090 | 564,488 | 111,090 | 14.9% | |
| Revenues And Benefits | L | 499,200 | 298,622 | (5,645,917) | (200,578) | -40.2% | |
| Car Parks | C | (632,962) | (97,542) | (107,774) | 535,420 | 84.6% | |
| Cllr Bob Evans | | | | | | | |
| Private Sector Housing | D | (11,640) | (3,360) | (7,135) | 8,280 | -71.1% | |
| General Fund Housing | M | 315,520 | 353,620 | (68,196) | 38,100 | 12.1% | |
| Property Services | G | 1,008,800 | 1,113,210 | 891,941 | 104,410 | 10.3% | |
| Cllr Richard Chesterton | | | | | | | |
| Community Development: Markets | I | 60,640 | 99,640 | 62,403 | 39,000 | 64.3% | |
| Planning And Regeneration | N | 1,259,750 | 1,506,231 | 924,904 | 246,481 | 19.6% | |
| Cllr Mrs Nikki Woollatt | | | | | | | |
| Customer Services | O | 751,285 | 665,077 | 473,506 | (86,208) | -11.5% | |
| Human Resources | P | 513,490 | 435,360 | 302,312 | (78,130) | -15.2% | |
| Legal & Democratic Services | B | 1,052,350 | 1,035,250 | 753,225 | (17,100) | -1.6% | |
| All General Fund Services | | 11,815,884 | 14,015,676 | 3,753,301 | 2,199,792 | 18.6% | |
| Net recharge to HRA | | (1,481,630) | (1,481,630) | 23,160 | 0 | | |
| Statutory Adjustments (Capital charges) | | 1,052,154 | 884,787 | 0 | (167,367) | | |
| Net Cost of Services | | 11,386,408 | 13,418,833 | 3,776,461 | 2,032,425 | 17.8% | |
| Finance Lease Interest Payable | | 48,340 | 48,340 | 0 | 0 | | |
| Interest from Funding provided for HRA | | (49,000) | (46,363) | (46,363) | 2,637 | | |
| Interest Payable on Other Activities | | 439,878 | 99,878 | 48,392 | (340,000) | | |
| Interest Receivable on Investments | | (568,322) | (745,322) | (462,086) | (177,000) | | |
| Transfers into Earmarked Reserves | APP B | 2,597,050 | 4,081,011 | 2,739,033 | 1,883,961 | | |
| Transfers from Earmarked Reserves | APP B | (1,369,370) | (1,683,956) | (1,572,184) | (314,586) | | |
| Contribution from New Homes Bonus Reserve | APP B | (960,540) | (973,040) | (973,040) | (12,500) | | |
| Total Budgeted Expenditure | | 11,524,444 | 14,199,380 | 3,510,212 | 2,574,936 | 23.2% | |
| Revenue Support Grant | | 0 | 0 | 0 | 0 | | |
| Rural Services Delivery Grant | | (466,700) | (466,700) | (233,348) | 0 | | |
| Covid19 Non Ringfenced Grant | | 0 | (1,157,619) | (1,157,619) | (1,157,619) | | |
| Covid19 Income Compensation Scheme | | 0 | (1,700,000) | (530,079) | (1,700,000) | | |
| Covid 19 Collection Fund Compensation Scheme | | 0 | (284,978) | 0 | (284,978) | | |
| New Homes Bonus Grant | | (1,418,190) | (1,418,190) | (1,063,642) | 0 | | |
| Retained Business Rates | | (3,312,727) | (3,312,727) | (3,772,796) | 0 | | |
| Business Rates Deficit (20-21) | | 0 | 388,384 | 0 | 388,384 | | |
| Business Rates Benefit from Devon Pool | | (150,000) | (221,814) | 0 | (71,814) | | |
| CTS Funding Parishes | | 0 | 0 | 0 | 0 | | |
| Collection Fund Surplus (19-20) | | (112,000) | (112,000) | (112,238) | 0 | | |
| Council Tax | | (6,064,827) | (6,064,827) | (6,064,827) | 0 | | |
| Council Tax Deficit (20-21) | | | 239,911 | 0 | 239,911 | | |
| Total Budgeted Funding | | (11,524,444) | (14,110,560) | (12,934,549) | (2,586,116) | 22% | |
| Forecast in year (Surplus) / Deficit | | 0 | 88,820 | (9,424,336) | 88,820 | | |
| General Fund Reserve 31/03/21 | | | | | (2,250,987) | | |
| Forecast General Fund Balance 31/03/2021 | | | | | (2,162,167) | | |

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GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 31 DECEMBER 2020

| Note | Description of Major Movements | Variance relating to P1 to P9 Actuals | Forecast variance relating to P10 onwards | Full year variance (net of transfer to EMR) | QRO lines | PDG |
|--|---|---------------------------------------|---|---|-----------|-------------|
| A Corporate Management | | | | | | |
| | Salary savings including element from Director post not replaced | (37,500) | (7,500) | (45,000) | 2 | Cabinet |
| | Bank charges | 4,500 | 1,500 | 6,000 | 2 | Cabinet |
| | Estimate of recruitment costs for 3 Rivers director posts | 40,000 | 0 | 40,000 | 2 | Cabinet |
| | External legal costs pertaining to 3 Rivers | 0 | 10,000 | 10,000 | 2 | Cabinet |
| | Small savings on corporate overheads | 0 | (3,000) | (3,000) | 2 | Cabinet |
| | | 7,000 | 1,000 | 8,000 | | |
| B Legal & Democratic Services | | | | | | |
| | External Consultancy Fees - Review of 3RDL | 22,270 | 10,230 | 32,500 | 2 | Cabinet |
| | Legal Services - Changes to Staff | 1,900 | 2,100 | 4,000 | 2 | Cabinet |
| | Legal Services - Bad Debts W/O | 3,600 | 0 | 3,600 | 2 | Cabinet |
| | Member Services - Reduction in Member mileage claims | (11,900) | (4,100) | (16,000) | 2 | Cabinet |
| | Member Services - Savings against internet access payments, training shared service contribution to DCC & equipment purchases | (4,900) | (300) | (5,200) | 2 | Cabinet |
| | Member Services - Savings against Member allowances whilst awaiting by-election for 3 seats partially offset by small overspend of £2k on salaries | (5,400) | (2,600) | (8,000) | 2 | Cabinet |
| | Electoral Services - Reduction in IER funding | 17,000 | 0 | 17,000 | 2 | Cabinet |
| | Electoral Services - Budget for boundary review not required in 2020/21 - put into EMR to cover costs expected in 2021/22 | (33,750) | (11,250) | (45,000) | 2 | Cabinet |
| | | (11,180) | (5,920) | (17,100) | | |
| C Car Parks | | | | | | |
| | P&D income shortfall due to reduction of users in our car parks across the District due to lockdowns, free parking for 2 months in 3 of our short stay car parks, free Sat/Sun parking in 4 car parks in Dec & free parking in 4 car parks on Sun during January. | 363,691 | 162,729 | 526,420 | 6 | Economy |
| | Reduction in income from Off-Street fines as enforcement was stopped during lockdown and free parking within 3 short stay car parks for 2 months. | 16,605 | 8,395 | 25,000 | 6 | Economy |
| | Increase in costs for Electricity in MSCP due to 24 hour opening | 9,955 | 4,045 | 14,000 | 6 | Economy |
| | Underspend on specific maint project for Becks Square resurfacing now to take place during 21-22 - see EMR | (22,500) | (7,500) | (30,000) | 6 | Economy |
| | | 367,751 | 167,669 | 535,420 | | |
| D Public Health combined | | | | | | |
| | Salary saving in Environmental Enforcement from keeping vacant District Officer post during lockdown, now being recruited | (12,000) | 0 | (12,000) | 9 | Community |
| | Licensing income - forecasting a 25% reduction due to the pandemic. | 13,500 | 16,500 | 30,000 | 8 | Community |
| | S106 - AQ net expenditure/income to be transferred to S106 earmarked reserves | (42,513) | 0 | (42,513) | 9 | Community |
| | Reduction in Private water sampling income due to the pandemic | 13,530 | 10,470 | 24,000 | 8 | Community |
| | Scores on the doors income not achievable due to unlikely uptake | 1,950 | 50 | 2,000 | 8 | Community |
| | Income reduction across Private Sector Housing. Fixed penalties, Notice charging & HMO licence due to the impact | 6,080 | 2,200 | 8,280 | 11 | Homes |
| | Salary saving in Public Health due to vacant hours of Specialist Officer and Vacant post of Specialist Lead for 3 months | (21,300) | (3,700) | (25,000) | | Community |
| | Member of staff within Public Health has been seconded to DCC for 3 months | 0 | (10,000) | (10,000) | | Community |
| | Equipment overspend due to CCTV compliance works - Fully funded from EMR | 6,970 | 0 | 6,970 | | Economy |
| | Cemetery Income showing down against budget, will review month by month. | 24,600 | 5,400 | 30,000 | 1 | Environment |
| | | (9,183) | 20,920 | 11,737 | | |
| E Grounds Maintenance | | | | | | |
| | Salary savings - delay in recruiting for vacant posts | (43,000) | (18,000) | (61,000) | 15 | Environment |
| | Agency - cover for Operations Manager | 8,500 | 3,000 | 11,500 | 15 | Environment |
| | Agency - delayed seasonal worker due to Covid | (3,000) | 0 | (3,000) | 15 | Environment |
| | Town Councils now paying for plants and shrubs | (10,250) | (2,750) | (13,000) | 15 | Environment |
| | Fuel - underspend due to Covid reduced vehicle usage | (5,700) | (2,300) | (8,000) | 15 | Environment |
| | Plant Planned maintenance - mowers now included in fleet contract | (4,000) | 0 | (4,000) | 15 | Environment |
| | | (57,450) | (20,050) | (77,500) | | |
| F Open Spaces | | | | | | |
| | S106 - POS net expenditure/income to be funded by transfer to/ from S106 earmarked reserves | 11,520 | 0 | 11,520 | | Community |
| | Specific project maintenance underspend in Play Area due to not being able to carry out Paddling pool resin replacement due to the pandemic - see below EMR | (22,500) | (7,500) | (30,000) | | Environment |
| | | (10,980) | (7,500) | (18,480) | | |

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 31 DECEMBER 2020

| Note | Description of Major Movements | Variance relating to P1 to P9 Actuals | Forecast variance relating to P10 onwards | Full year variance (net of transfer to EMR) | QRO lines | PDG |
|--------------------------------|---|---------------------------------------|---|---|-----------|-------------|
| G Property Services | | | | | | |
| | Reduction in rental income on Fore Street flats due to postponed Tiverton Regeneration Project | 24,440 | 5,500 | 29,940 | 8 | Economy |
| | Market Walk rates & service charges for void units | 25,000 | 5,000 | 30,000 | 8 | Economy |
| | Phoenix House air conditioning works to be funded by EMR | 13,600 | 0 | 13,600 | 20 | Homes |
| | Vacant post in Caretaking Services (Furlough Grant received £4.8k) - Due to redundancy costs this underspend has become a deficit, which is fully funded by Salary savings within Customer Services | 3,600 | 0 | 3,600 | 20 | Homes |
| | Phoenix House re-decoration works funded by EMR | 26,740 | 0 | 26,740 | 20 | Homes |
| | Property Services salary underspend due to vacant post - 1 post is off-set against Agency overspend | (33,380) | (16,620) | (50,000) | 20 | Homes |
| | Agency overspend to cover vacant post within Property Services | 18,000 | 2,000 | 20,000 | 20 | Homes |
| | Cleaning contract overspend due better standards & Covid | 13,500 | 4,530 | 18,030 | 20 | Homes |
| | | 91,500 | 410 | 91,910 | | |
| H Waste Services | | | | | | |
| | Trade Waste - reduced income due to businesses closing during the pandemic | 38,500 | 28,000 | 66,500 | 9 | Environment |
| | Trade Waste - disposal charges are down due to less collections | (46,000) | (14,000) | (60,000) | 9 | Environment |
| | Garden waste - increase in permit sales | (57,000) | 9,000 | (48,000) | 9 | Environment |
| | Recycling materials - reduced price and tonnage for paper/plastic | 66,800 | 3,800 | 70,600 | 9 | Environment |
| | Fleet Management - 12 month delay in recruiting shared Transport Manager with Exeter City Council | 15,000 | 5,000 | 20,000 | 9 | Environment |
| | Agency costs - additional rounds and back filling staff due to COVID-19 | 56,000 | 0 | 56,000 | 9 | Environment |
| | Agency costs - back filling staff vacancies | 103,500 | 47,500 | 151,000 | 9 | Environment |
| | Salaries - savings mainly due to a delay in recruiting posts | (119,000) | (46,000) | (165,000) | 9 | Environment |
| | Fuel savings - due to new and more efficient vehicles and lower price for fuel | (35,500) | (12,000) | (47,500) | 9 | Environment |
| | Job Retention Scheme funding received for furloughed staff | (21,200) | 0 | (21,200) | 9 | Environment |
| | Recycling - Maintenance costs. Baler repairs and spare motor - utilise 10k EMR | 10,000 | 0 | 10,000 | 9 | Environment |
| | Recycling Equipment - purchase of recycling boxes - may need to utilise EMR | 15,000 | 0 | 15,000 | 9 | Environment |
| | Reduction in printing | (5,000) | 0 | (5,000) | 9 | Environment |
| | Recycling - Advertising, WEEE livery on recycling trucks - utilise EMR | 4,300 | 0 | 4,300 | 9 | Environment |
| | water containment, covered by a release from NHB (EMR) | 12,500 | 0 | 12,500 | 9 | Environment |
| | Additional vehicle hire costs, training fees and PPE due to COVID-19 | 16,500 | 0 | 16,500 | 9 | Environment |
| | | 0 | 21,300 | 75,700 | | |
| | | 54,400 | 21,300 | 75,700 | | |
| I Community Development | | | | | | |
| | Community Development Grants - saving from claim no longer being made | (6,000) | 0 | (6,000) | 12 | Community |
| | Salaries - delay in appointment of market manager | (5,500) | 0 | (5,500) | 8 | Economy |
| | Supplies & services - minor savings from reduced advertising and special events | (4,500) | 0 | (4,500) | 8 | Economy |
| | Market income - reduced income due to a suspension of Market tolls during Covid19 lockdowns and a reduction in | 34,000 | 15,000 | 49,000 | 8 | Economy |
| | | 18,000 | 15,000 | 33,000 | | |
| J Recreation And Sport | | | | | | |
| | Reduced salary costs during closures due to Covid-19 & vacancies, partially offset by additional staffing whilst centres were open | (65,000) | (30,000) | (95,000) | 15 | Community |
| | Job Retention Scheme funding for furloughed staff | (333,550) | (225,000) | (558,550) | 15 | Community |
| | Savings against indirect employee costs (training, CRB checks & PPE) | (6,000) | (2,000) | (8,000) | 15 | Community |
| | Reduced operating costs during closures due to Covid-19, partially offset by increased costs whilst centres were open | (16,500) | (2,500) | (19,000) | 15 | Community |
| | Cash collections not required whilst leisure centres were closed, and centres have gone cashless upon reopening | (2,900) | (600) | (3,500) | 15 | Community |
| | Saving against vending stock and equipment for resale | (29,800) | (15,500) | (45,300) | 15 | Community |
| | Reduction in income due to Covid-19 - leisure centres closed for 4 months, then running at reduced capacity from August | 1,733,000 | 819,000 | 2,552,000 | 15 | Community |
| | Savings against advertising budget - no promotions to be carried out whilst leisure centres are not accepting new | (13,000) | 0 | (13,000) | 15 | Community |
| | Utilities underspend across Leisure due to the impact of Covid-19 | (112,000) | (13,000) | (125,000) | 15 | Community |
| | Specific maintenance projects have not been carried out during 20-21 due to the pandemic, EMR for spend during 21-22 | (142,000) | (58,000) | (200,000) | 15 | Community |
| | | 1,012,250 | 472,400 | 1,484,650 | | |

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 31 DECEMBER 2020

| Note | Description of Major Movements | Variance relating to P1 to P9 Actuals | Forecast variance relating to P10 onwards | Full year variance (net of transfer to EMR) | QRO lines | PDG |
|----------|---|---------------------------------------|---|---|-----------|-----------|
| K | Finance And Performance | | | | | |
| | Finance & Procurement salary variance due to vacant Group Managers post, long term sick leave and reduction in hours | (49,710) | (9,800) | (59,510) | 20 | Cabinet |
| | Addition salary costs within Finance to help cover sickness & increased workload | 4,570 | 15,000 | 19,570 | 20 | Cabinet |
| | Agency costs to cover vacant Group Managers post and overtime payments within Finance has resulted in an overspend - this is partly offset by £17k being the release of ear marked reserves | 114,910 | 10,650 | 125,560 | 20 | Cabinet |
| | Procurement Subscription overspend | 6,300 | 0 | 6,300 | 20 | Cabinet |
| | Additional costs associated with the recruitment Accountant & Temp Accountant & Corporate Manager for Finance | 8,330 | 10,840 | 19,170 | 20 | Cabinet |
| | | 84,400 | 26,690 | 111,090 | | |
| L | Revenues And Benefits | | | | | |
| | Housing Benefit Subsidy & Overpayment recovery | 22,500 | 7,500 | 30,000 | 18 | Cabinet |
| | Various New Burdens grants from DWP in respect of Housing Benefits initiatives delivered within existing resource | (49,000) | 0 | (49,000) | 18 | Cabinet |
| | NNDR New Burdens Grants for Grant administration | (258,200) | 0 | (258,200) | 2 | Cabinet |
| | Agency staff to help deliver Grants until 30/06/21 | 0 | 46,000 | 46,000 | | Cabinet |
| | HB New Burdens Grant for Grant administration - Test & Trace & Hardship fund | (33,935) | 0 | (33,935) | 18 | Cabinet |
| | Council Tax Freeze Grant additional than that budgeted | 0 | (7,313) | (7,313) | | Cabinet |
| | Additional CTB admin Grant than Budgeted | (9,430) | 0 | (9,430) | 2 | Cabinet |
| | Additional HB admin Grant than Budgeted | (10,275) | (3,425) | (13,700) | 18 | Cabinet |
| | Overtime across Revenues & Benefits to cope with the demands of COVID19 & effects on ongoing workload | 22,381 | 17,619 | 40,000 | 18 | Cabinet |
| | Forecast under recovery of Single Occupancy Discount Penalties | 11,250 | 3,750 | 15,000 | 2 | Cabinet |
| | Forecast under recovery of Court Costs for C/Tax & NNDR | 30,000 | 10,000 | 40,000 | 2 | Cabinet |
| | | (274,709) | 74,131 | (200,578) | | |
| M | General Fund Housing | | | | | |
| | Piper life line income - unable to install any new piper life lines since lockdown | 11,460 | 4,640 | 16,100 | 11 | Homes |
| | Piper life line equipment- purchase of smart hubs to cope with the demands of COVID19 | 4,000 | 0 | 4,000 | 11 | Homes |
| | Salary savings - Apprentice vacancy and delay in recruitment for an Housing Options Officer and underspend on mileage costs due to Covid19 | (20,250) | (6,750) | (27,000) | 11 | Homes |
| | Homelessness-exercise undertaken to write off debts unlikely to be recovered | 55,000 | 5,000 | 60,000 | 11 | Homes |
| | Homelessness-accommodation costs | 15,000 | 5,000 | 20,000 | 11 | Homes |
| | Consultancy savings | (35,000) | 0 | (35,000) | 11 | Homes |
| | | 30,210 | 7,890 | 38,100 | | |
| N | Planning And Regeneration | | | | | |
| | Enforcement - savings on salaries role moved to Development Management | (12,300) | (4,400) | (16,700) | 12 | Community |
| | Development Management - net savings from delay in recruiting for vacant roles and post moved from Enforcement | (22,000) | 0 | (22,000) | 12 | Community |
| | Development Management - supplies & services overspend on defending appeals, consultancy, advertising of planning applications and other minor variances | 64,500 | 63,500 | 128,000 | 12 | Community |
| | Development Management - savings on transport | (4,500) | (500) | (5,000) | 12 | Community |
| | Development Management - reduced income due to COVID19, a reduction in the developer applications with the larger fees | 72,500 | 59,500 | 132,000 | 12 | Community |
| | Economic Development - savings from delay in recruiting for vacant roles and market manager post costs moved 100% to markets, previously 50% paid from here | (21,500) | (7,500) | (29,000) | 8 | Economy |
| | Economic Development - COVID19 Town Centre Grants being funded by earmarked reserve, Love Your Town Centre | 24,275 | 0 | 24,275 | 8 | Economy |
| | Economic Development - reduced income due to COVID19, a reduction in the developer applications requiring planning performance agreements and pre-app advice | 4,500 | 1,500 | 6,000 | 8 | Economy |
| | Economic Development - High Street Innovator Grants - funded by earmarked reserve release | 1,349 | 0 | 1,349 | 8 | Economy |

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 31 DECEMBER 2020

| Note | Description of Major Movements | Variance relating to P1 to P9 Actuals | Forecast variance relating to P10 onwards | Full year variance (net of transfer to EMR) | QRO lines | PDG |
|----------|---|---------------------------------------|---|---|-----------|-----------|
| | Forward Planning - savings from delay in recruiting for vacant roles | (55,500) | (11,500) | (67,000) | 12 | Community |
| | Forward Planning -Consultancy,delivering Gypsy and Traveller pitches on urban extensions, funded from earmarked reserves | 7,000 | 0 | 7,000 | 12 | Community |
| | Forward Planning - Independent review of the draft Cullompton Neighbourhood Plan, funded from earmarked reserves | 3,050 | 0 | 3,050 | 12 | Community |
| | Forward Planning - Wessex Community Assets support - 4th year of support for community led housing project, funded receipt, transferred to earmarked reserves for 2021 referendum | 3,125 | 0 | 3,125 | 12 | Community |
| | Statutory Plan - 1 year saving on GESP membership as a fallow year | (20,000) | 0 | (20,000) | 12 | Community |
| | Statutory Plan - Delay of Crediton Masterplanning. Return funds to EMR to fund spend in 2021/22 | (37,500) | 0 | (37,500) | 12 | Cabinet |
| | Statutory Plan - spend on Local Plan - fully funded by EMR release | (60,000) | 0 | (60,000) | 12 | Cabinet |
| | Building Control - reduced income due to COVID19, a reduction in the developer applications with the larger fees although market share of smaller domestic applications has | 44,765 | 11,735 | 56,500 | 12 | Cabinet |
| | Building Control - savings from furloughing staff due to reduced work levels as a result of COVID19 | 19,500 | 10,500 | 30,000 | 12 | Cabinet |
| | S106 - POS net expenditure/income to be funded by by transfer to/ from S106 earmarked reserves | (5,000) | 0 | (5,000) | 12 | Cabinet |
| | Garden Village - expenditure funded by capacity funding held on earmarked reserves | 8,982 | 0 | 8,982 | 12 | Community |
| | Tiverton EUE - expenditure funded by capacity funding held on earmarked reserves | 55,672 | 46,328 | 102,000 | 12 | Community |
| | | 6,400 | 0 | 6,400 | 12 | Community |
| | | 77,318 | 169,163 | 246,481 | | |
| O | Customer Services | | | | | |
| | Salary savings - delay in recruiting for vacant posts off set by other salary overpends and redundancy costs for Caretaking Services | (25,000) | (9,500) | (34,500) | 2 | Community |
| | Job Retention Scheme funding for furloughed staff | (6,708) | 0 | (6,708) | 2 | Community |
| | Supplies and services minor underspends across various lines | (13,000) | (2,000) | (15,000) | 2 | Community |
| | DCC grant - backfill Customer Welfare Officer. 12 mth fixed contract (costs falling to 21/22 - will be an earmarked reserve | (30,000) | 0 | (30,000) | 2 | Community |
| | | (74,708) | (11,500) | (86,208) | | |
| P | Human Resources | | | | | |
| | Salary savings due to vacant posts to be reviewed during the | (44,040) | (9,090) | (53,130) | 2 | Cabinet |
| | Underspend on software budget due to the delay in updating HFX time recording software - EMR for spend in 21-22 | 0 | (25,000) | (25,000) | 2 | Cabinet |
| | | (44,040) | (34,090) | (78,130) | | |
| Q | I.T. Services | | | | | |
| | Salaries - post holder on lower grade than budgeted. | (8,500) | (2,500) | (11,000) | 2 | Cabinet |
| | The project to introduce voice Skype has been delayed, meaning we are incurring maintenance costs for the phone switch. Depending on the progress of this project the forecast | 5,300 | 5,230 | 10,530 | 2 | Cabinet |
| | Additional laptops and docking stations. | 10,500 | 0 | 10,500 | 2 | Cabinet |
| | Internet - additional bandwidth to cope with remote working. | 2,000 | 1,000 | 3,000 | 2 | Cabinet |
| | Additional hardware required for virtual committee meetings - project delayed transfer to EMR | 0 | (10,000) | (10,000) | 2 | Cabinet |
| | Reduction in printing due to COVID | (3,800) | 800 | (3,000) | 2 | Cabinet |
| | Additional software costs and CMT enhancement, offset by salary underspend due to vacant posts not filled | 0 | (11,630) | (11,630) | 2 | Cabinet |
| | Salary savings due to vacant posts - saving to be reduced due to restructure | 10,900 | (6,600) | 4,300 | 2 | Cabinet |
| | Data lines - additional charges not in contract | 3,800 | 200 | 4,000 | 2 | Cabinet |
| | Retained technical support to cover vacancies | 18,000 | 27,000 | 45,000 | 2 | Cabinet |
| | | 38,200 | 3,500 | 41,700 | | |
| | FORECAST (SURPLUS)/DEFICIT AS AT 31/03/2021 | 1,298,779 | 901,013 | 2,199,792 | | |

| | | | |
|-------------|------------------|----------------|------------------|
| Cabinet | (238,564) | 87,546 | (151,018) |
| Community | 1,003,158 | 627,148 | 1,630,306 |
| Homes | 78,350 | 0 | 78,350 |
| Environment | (950) | (850) | (1,800) |
| Economy | 456,785 | 187,169 | 643,954 |
| | 1,298,779 | 901,013 | 2,199,792 |

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 31 DECEMBER 2020

| Fees and Charges | 2020/21 | 2020/21 | 2020/21 | 2020/21 | Full Year | Variance |
|------------------------------|--------------------|--------------------|--------------------|------------------|------------------|---------------|
| | Annual Budget | Profiled Budget | Actual | Variance | Forecast | |
| | £ | £ | £ | £ | Variation | |
| Building Control Fees | (240,000) | (180,000) | (160,482) | 19,518 | 30,000 | -13% |
| Planning Fees | (796,500) | (597,375) | (524,730) | 72,645 | 132,000 | -17% |
| Land Search Fees | (120,000) | (90,000) | (54,048) | 35,952 | 0 | 0% |
| Car Parking Fees - See Below | (865,922) | (643,647) | (279,957) | 363,691 | 526,420 | -61% |
| Leisure Fees & Charges | (3,112,540) | (2,284,957) | (407,178) | 1,877,779 | 2,552,000 | -82% |
| Trade Waste Income | (802,000) | (799,594) | (755,217) | 44,377 | 46,500 | -6% |
| Garden Waste | (492,100) | (428,810) | (471,289) | (42,479) | (38,000) | 8% |
| Licensing | (137,930) | (111,050) | (97,972) | 13,078 | 30,000 | -22% |
| Market Income | (83,350) | (57,457) | (30,614) | 26,843 | 49,000 | -59% |
| | (6,650,342) | (5,192,891) | (2,781,487) | 2,411,404 | 3,327,920 | -50.0% |

| Car Parking Fees | 2020/21 | 2020/21 | 2020/21 | 2020/21 | Bud Income | |
|---|------------------|------------------|------------------|----------------|---------------|----------------|
| | Annual Budget | Profiled Budget | Actual | Variance | Spaces | pa per space |
| Beck Square, Tiverton | (79,500) | (61,215) | (29,435) | 31,780 | 40 | (1,988) |
| William Street, Tiverton | (26,280) | (19,973) | (11,106) | 8,867 | 45 | (584) |
| Westexe South, Tiverton | (49,000) | (38,220) | (20,200) | 18,020 | 51 | (961) |
| Wellbrook Street, Tiverton | (14,000) | (10,080) | (5,736) | 4,344 | 27 | (519) |
| Market Street, Crediton | (37,500) | (29,250) | (8,500) | 20,750 | 39 | (962) |
| High Street, Crediton | (75,000) | (56,250) | (31,124) | 25,126 | 190 | (395) |
| Station Road, Cullompton | (33,500) | (23,785) | (10,997) | 12,788 | 112 | (299) |
| Multistorey, Tiverton | (146,980) | (102,886) | (57,035) | 45,851 | 631 | (233) |
| Market Car Park, Tiverton | (210,000) | (159,600) | (51,604) | 107,996 | 122 | (1,721) |
| Phoenix House, Tiverton | (5,500) | (3,630) | (963) | 2,667 | 15 | (367) |
| Additional Inc from Increased Tariff's | (112,632) | (84,474) | 0 | 84,474 | - | 0 |
| P&D Shorts & Overs | 0 | 0 | (1) | (1) | - | 0 |
| Total Pay and Display | (789,892) | (589,363) | (226,702) | 362,661 | 1,272 | (8,027) |
| Day Permits | (16,000) | (12,887) | (14,286) | (1,399) | | |
| Allocated Space Permits | (41,500) | (28,134) | (22,874) | 5,260 | | |
| Overnight Permits | (200) | (148) | (255) | (107) | | |
| Day & Night Permits | (10,700) | (5,993) | (8,347) | (2,354) | | |
| Other Income | (7,630) | (7,123) | (7,493) | (370) | | |
| Total Permits | (76,030) | (54,285) | (53,255) | 1,029 | | |
| Total Car Parking | (865,922) | (643,647) | (279,957) | 363,691 | | |
| Standard Charge Notices (Off Street) | (48,000) | (34,560) | (17,955) | 16,605 | 25,000 | -52% |

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GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 31 DECEMBER 2020

| Employee Costs | 2020/21 Annual Budget £ | 2020/21 Profiled Budget £ | 2020/21 Actual £ | 2020/21 Variance £ |
|--------------------------------------|--|--|---------------------------------|-----------------------------------|
| General Fund | | | | |
| Community Development | 59,010 | 44,258 | 39,062 | (5,196) |
| Corporate Management | 1,248,111 | 936,083 | 1,073,968 | 137,885 |
| Customer Services | 667,510 | 500,633 | 441,042 | (59,591) |
| Environmental Services | 900,060 | 675,045 | 661,150 | (13,895) |
| Finance And Performance | 564,970 | 423,728 | 381,783 | (41,945) |
| General Fund Housing | 324,720 | 243,540 | 207,912 | (35,628) |
| Grounds Maintenance | 470,200 | 352,650 | 308,316 | (44,334) |
| Human Resources | 399,400 | 299,550 | 250,554 | (48,996) |
| I.T. Services | 589,540 | 442,155 | 407,799 | (34,356) |
| Legal & Democratic Services | 554,190 | 415,643 | 415,895 | 252 |
| Planning And Regeneration | 1,874,950 | 1,406,213 | 1,265,105 | (141,108) |
| Property Services | 668,860 | 501,645 | 522,733 | 21,088 |
| Recreation And Sport | 1,975,540 | 1,481,655 | 1,416,067 | (65,588) |
| Revenues And Benefits | 692,210 | 519,158 | 552,887 | 33,729 |
| Waste Services | 2,563,530 | 1,922,648 | 1,770,825 | (151,823) |
| Total General Fund | 13,552,801 | 10,164,604 | 9,715,099 | (449,505) |
| Housing Revenue Account | | | | |
| BHO09 Repairs And Maintenance | 1,140,770 | 855,578 | 649,914 | (205,664) |
| BHO10 Supervision & Management | 1,508,730 | 1,131,548 | 1,083,031 | (48,517) |
| BHO11 Special Services | 0 | 0 | 0 | 0 |
| Total Housing Revenue Account | 2,649,500 | 1,987,126 | 1,732,945 | (254,181) |
| Total Employee Costs | 16,202,301 | 12,151,730 | 11,448,044 | (703,686) |

| Agency Staff (within Employee costs) | 2020/21 Annual Budget £ | 2020/21 Profiled Budget £ | 2020/21 Actual £ | 2020/21 Variance £ |
|---|--|--|---------------------------------|-----------------------------------|
| General Fund | | | | |
| Car Parks | 0 | 0 | 0 | 0 |
| Community Development | 0 | 0 | 0 | 0 |
| Corporate Management | 0 | 0 | 0 | 0 |
| Customer Services | 0 | 0 | 23,472 | 23,472 |
| Environmental Services | 0 | 0 | 0 | 0 |
| Finance And Performance | 0 | 0 | 109,262 | 109,262 |
| General Fund Housing | 0 | 0 | 0 | 0 |
| Grounds Maintenance | 26,240 | 19,680 | 23,589 | 3,909 |
| Human Resources | 0 | 0 | 0 | 0 |
| I.T. Services | 0 | 0 | 0 | 0 |
| Legal & Democratic Services | 0 | 0 | 0 | 0 |
| Planning And Regeneration | 0 | 0 | (1,568) | (1,568) |
| Property Services | 0 | 0 | 18,034 | 18,034 |
| Recreation And Sport | 0 | 0 | 0 | 0 |
| Revenues And Benefits | 0 | 0 | 0 | 0 |
| Waste Services | 98,120 | 73,590 | 256,684 | 183,094 |
| Total General Fund | 124,360 | 93,270 | 429,472 | 336,202 |
| Housing Revenue Account | | | | |
| BHO09 Repairs And Maintenance | 0 | 0 | 98 | 98 |
| BHO10 Supervision & Management | 0 | 0 | 0 | 0 |
| BHO11 Special Services | 0 | 0 | 0 | 0 |
| Total Housing Revenue Account | 0 | 0 | 98 | 98 |
| Total Agency Costs | 124,360 | 93,270 | 429,570 | 336,300 |

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HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO
31 DECEMBER 2020

| Planned Works extract | | | | |
|------------------------------|--|-----------|-----------|--------|
| | | | | |
| Planned Works - Capital | | 2,285,000 | (893,000) | -39.1% |
| Planned Works - Revenue | | 1,325,500 | (150,000) | -11.3% |

| | | 2020/2021 Annual Budget | Forecast | Variance |
|---|-------|----------------------------|----------------|-------------|
| Housing Revenue Account (HRA) | Notes | £ | £ | % |
| Income | | | | |
| SHO01 Dwelling Rents Income | A | (12,366,750) | 17,430 | -0.1% |
| SHO04 Non Dwelling Rents Income | B | (595,720) | 40,470 | -6.8% |
| SHO06 Tenant Charges For Services | C | 0 | 0 | 0.0% |
| SHO07 Leaseholders' Service Charges | D | (21,640) | 0 | 0.0% |
| SHO08 Contributions Towards Expenditure | E | (29,220) | (109,000) | 373.0% |
| SHO09 Alarm Income - Non Tenants | F | 0 | 0 | 0.0% |
| SHO10 H.R.A. Investment Income | G | (53,000) | (8,950) | 16.9% |
| SHO11 Miscellaneous Income | H | (7,350) | 0 | 0.0% |
| Services | | | | |
| SHO13A Repairs & Maintenance | I | 3,593,980 | (411,000) | -11.4% |
| SHO17A Housing & Tenancy Services | J | 1,485,620 | 540,000 | 36.3% |
| Accounting entries 'below the line' | | | | |
| SHO29 Bad Debt Provision Movement | L | 53,000 | 147,000 | 277.4% |
| SHO30 Share Of Corporate And Democratic | M | 162,640 | 1,000 | 0.6% |
| SHO32 H.R.A. Interest Payable | N | 1,115,180 | 0 | 0.0% |
| SHO34 H.R.A. Transfers between earmarked reserves | O | 2,072,410 | 0 | 0.0% |
| SHO36 H.R.A. Revenue Contribution to Capital | P | 0 | 0 | 0.0% |
| SHO37 Capital Receipts Reserve Adjustment | Q | (26,000) | 13,000 | -50.0% |
| SHO38 Major Repairs Allowance | R | 2,260,000 | 0 | 0.0% |
| SHO45 Renewable Energy Transactions | S | (89,000) | 0 | 0.0% |
| | | (2,445,850) | 229,950 | 9.4% |

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HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 31 DECEMBER 2020

| Note | Description of Major Movements | Corrective Action | Forecast |
|----------|--|-------------------|----------------|
| | | | Variance £ |
| | | | |
| A | The rents raised in-year are lower than budgeted due to void levels increasing during Covid | TBC | 17,430 |
| B | Garage tenancies are lower than budgeted since new lets haven't been occurring during Covid | TBC | 40,470 |
| E | The workforce have carried out non-HRA work (such as in Leisure Centres) and recovered costs in excess of the budgeted amount. | N/A | (109,000) |
| G | It is assumed the investment income will yield slightly above budget | N/A | (8,950) |
| | | | |
| | <u>Repairs Underspends arising from less work taking place due to Covid (main variances)</u> | | |
| | - staffing vacancies & delay in redevelopment team commencing (£411k) | | |
| | - Standby contracts coming to an end (£45k) | | |
| | - Saving on redevelopment overhead budget (£74k) | | |
| | - non-staffing savings in Planned Maintenance (£150k) | | |
| | - non-staffing savings in Responsive & Voids (£215k) | | |
| | - savings on vehicle fuel usage (£22k) | | |
| | - reduced DLO recharge for revenue and capital works £250k | | |
| | - forecast under- recovery on Disabled Facilities works £90k | | |
| | - forecast under-recovery on Private Sector DFGs £180k | | |
| I | | N/A | (411,000) |
| J | Contract dispute | N/A | 624,000 |
| J | Various staffing savings and some minor cost variances within Tenancy Service | N/A | (84,000) |
| | | | |
| L | Projected £200k increase to bad debt provision | N/A | 147,000 |
| | | | |
| | Minor variances | | 14,000 |
| | | | |
| | | | |
| | | TOTAL | 229,950 |

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| Code | Scheme | Budgeted Capital Programme 2020/21 | Total Deliverable Programme 2020/21 | Actual Expenditure 2020/21 | Committed Expenditure 2020/21 | Total Actual & Committed Expenditure 2020/21 | Variance to Deliverable Capital Programme | Forecast (Underspend)/ Overspend | Forecast Slippage to 21/22 | Notes |
|--|---|------------------------------------|-------------------------------------|----------------------------|-------------------------------|--|---|----------------------------------|----------------------------|--|
| | | £ | £ | £ | £ | £ | £ | £ | £ | |
| General Fund Projects | | | | | | | | | | |
| Leisure | | | | | | | | | | |
| CA642 | Reception infrastructure review - All sites | 120,000 | 0 | 0 | 0 | 0 | 0 | | 120,000 | This project will slip to 22/23 |
| CA643 | All Leisure Etarmis - Security Swipe - (linked to securit | 30,000 | 0 | 0 | 0 | 0 | 0 | | 30,000 | This project will slip to 22/23 |
| Phoenix House | | | | | | | | | | |
| CA487 | Etarmis - Security Swipe - (linked to security project) | 50,000 | 0 | 0 | 0 | 0 | 0 | | 50,000 | This project will slip to 22/23 |
| CA488 | Boiler replacement & controls | 90,000 | 80,000 | 83,836 | 0 | 83,836 | 3,836 | (3,836) | | Project complete |
| General Car parks | | | | | | | | | | |
| CA489 | MSCP Capital Project - Phase 2 | 589,000 | 560,000 | 639,120 | 39,084 | 678,205 | 118,205 | 148,000 | |) |
| CA709 | MSCP improvements (refer to Matrix condition rep | 133,000 | 133,000 | 133,000 | 0 | 133,000 | 0 | | |) As per Cabinet report Aug 2019 overspend to be met by Revenue EMR's. It is envisaged this project will be complete by Q4 20/21. This project will be reviewed in terms of where expenditure should correctly sit in Capital or Revenue |
| CA718 | MSCP-Top Deck surfacing | 120,000 | 120,000 | 122,000 | 0 | 122,000 | 2,000 | 2,000 | |) |
| MDDC Depot Sites | | | | | | | | | | |
| CA830 | Carlu Close - Interceptor upgrade | 10,000 | 10,000 | 0 | 0 | 0 | (10,000) | (10,000) | | This project is under £20k Dimimimis & has therefore been charged to Revenue |
| CA833 | Carlu Close - Water containment for Water Transf | 80,000 | 13,000 | 0 | 0 | 0 | (13,000) | (80,000) | | This project is under £20k Dimimimis & has therefore been charged to Revenue |
| CA831 | Carlu Close - Solar PV options | 18,000 | 18,000 | 32,081 | 0 | 32,081 | 14,081 | 14,081 | | Project complete |
| Play Areas | | | | | | | | | | |
| CA472 | Open Space Infrastructure (incl Play Areas) | 50,000 | 40,000 | 1,200 | 0 | 1,200 | (38,800) | (10,000) | 40,000 | It is envisaged this project will be complete by Q2 21/22 - will be revenue |
| CA632 | Play area refurbishment District wide - Amory Park Tiv | 49,000 | 49,000 | 0 | 0 | 0 | (49,000) | | 100,000 | It is envisaged this project will be complete by Q1 21/22. Additional costs to be funded from S106 & NHB redirected from CA628 |
| CA628 | Play area refurbishment - West Exe Recreation Groun | 50,000 | 50,000 | 74,782 | 0 | 74,782 | 24,782 | 24,782 | | Project Complete - This project will be funded by S106. NHB to be redirected to CA632. |
| MDDC Shops & Industrial Units | | | | | | | | | | |
| CA583 | Market Walk - Flat roof replacement | 30,000 | 30,000 | 0 | 0 | 0 | (30,000) | | 30,000 | It is envisaged this project will be complete by Q1 21/22 |
| Other Projects | | | | | | | | | | |
| CA491 | Fire Dampeners - Corporate sites | 80,000 | 80,000 | 0 | 0 | 0 | (80,000) | | 40,000 | It is envisaged this project will be complete by Q1 21/22 |
| CA485 | GP Practice NHS Hub Building | 2,175,000 | 0 | 0 | 0 | 0 | 0 | | 2,175,000 | MDDC loan contribution now due towards end of scheme |
| CA490 | West Exe South - Remodelling - additional parking | 90,000 | 90,000 | 0 | 0 | 0 | (90,000) | | 90,000 | This project will slip to 21/22 |
| CA473 | Land drainage flood defence schemes - St Marys f | 50,000 | 50,000 | 0 | 0 | 0 | (50,000) | | 50,000 | It is envisaged this project will slip into 21/22. |
| CA420 | Land drainage flood defence schemes - Ashleigh F | 87,000 | 87,000 | 0 | 0 | 0 | (87,000) | | 87,000 | It is envisaged this project will slip into 21/22. This project delivery also has dependency on the Environment Agency |
| CA574 | Fore Street Flats refurbishment | 47,000 | 0 | 0 | 0 | 0 | 0 | | 47,000 | This project will slip to 22/23 |
| CA476 | Tiverton Cemetery - Infrastructure extension | 47,000 | 47,000 | 49,349 | 0 | 49,349 | 2,349 | 2,349 | | This project is complete |
| CA576 | Tiverton Town Centre improvements | 140,000 | 50,000 | 104 | 0 | 104 | (49,896) | | 90,000 | Phase 1 expected to be complete by 31/03/21 - phases 2 - 4 will slip into 2021/22 |
| CA832 | Land acquisition for operational needs | 1,000,000 | 0 | 0 | 0 | 0 | 0 | | 1,000,000 | This project will slip to 21/22 |
| HIF Schemes | | | | | | | | | | |
| CA719 | Cullompton Town Centre Relief Road (HIF) bid | 3,884,000 | 3,884,000 | 220,053 | 0 | 220,053 | (3,663,947) | | 3,500,000 | Revised schedule of spend expected from DCC in Mid January. Estimated slippage figure |
| CA720 | Tiverton EUE A361 Junction Phase 2 (HIF) (bid) | 284,000 | 284,000 | 62,450 | 0 | 62,450 | (221,550) | | 150,000 | Revised schedule of spend expected from DCC in Mid January. Estimated slippage figure |

| Code | Scheme | Budgeted Capital Programme 2020/21 | Total Deliverable Programme 2020/21 | Actual Expenditure 2020/21 | Committed Expenditure 2020/21 | Total Actual & Committed Expenditure 2020/21 | Variance to Deliverable Capital Programme | Forecast (Underspend)/ Overspend | Forecast Slippage to 21/22 | Notes |
|--|---|------------------------------------|-------------------------------------|----------------------------|-------------------------------|--|---|----------------------------------|----------------------------|--|
| | | £ | £ | £ | £ | £ | £ | £ | £ | |
| Economic Development Schemes | | | | | | | | | | |
| CA582 | * Hydro Mills Electricity Project * All Economic Development schemes are subject to acceptable Business Case | 680,000 | 0 | 924 | 0 | 924 | 924 | (679,000) | | This Project is included in the forthcoming MTFP, total forecast cost is £800k proposed to be funded by borrowing, unless any other external grant funded sources can be secured. |
| ICT Projects | | | | | | | | | | |
| CA492 | Final phase of Desktop estate replacement/refresh | 50,000 | 50,000 | 2,220 | 0 | 2,220 | (47,780) | | 47,000 | It is envisaged this project will be complete by Q1 21/22 |
| CA456 | CRM replacement | 175,000 | 88,000 | 0 | 0 | 0 | (88,000) | | 175,000 | This project will slip into 2021/22. This will be cloud based and highly likely to be revenue in nature. It is envisaged that Yr1 costs will be circa £193k. |
| CA433 | Unified Communications/telephony | 74,000 | 74,000 | 8,427 | 0 | 8,427 | (65,573) | | 66,000 | It is envisaged this project will be complete by Q1 21/22 |
| CA425 | Server farm expansion/upgrades | 84,000 | 84,000 | 2,564 | 2,758 | 5,322 | (78,678) | | 79,000 | It is envisaged this project will be complete by Q2 21/22. This will be cloud based and highly likely to be revenue in nature. |
| CA437 | Digital Transformation | 33,000 | 33,000 | 0 | 0 | 0 | (33,000) | | 33,000 | It is envisaged this project will be complete by Q2 21/22. High likely to be Revenue in nature. |
| CA480 | Lalpac Licensing System replacement | 80,000 | 0 | 0 | 0 | 0 | 0 | | 80,000 | To be considered in conjunction with the CRM Project (CA456). This project will therefore slip into 21/22 |
| Other General Fund Development Projects | | | | | | | | | | |
| CA493 | Other projected 3 Rivers Borrowing | 2,399,000 | 0 | 0 | 97,000 | 97,000 | 97,000 | | 2,302,000 | Loan agreement required for this project prior to commencement |
| CA462 | 3 Rivers Scheme - Riverside Development (rear of | 3,923,000 | 2,915,000 | 601,860 | 750,000 | 1,351,860 | (1,563,140) | | 2,571,000 | A proportion of this project will slip into 2021/22 |
| CA486 | 3 Rivers scheme - Knowle Lane, Cullompton | 8,002,000 | 0 | 0 | 198,000 | 198,000 | 198,000 | | 7,804,000 | Loan agreement required for this project prior to commencement of build |
| CA581 | Post Hill, Tiverton | 3,605,000 | 1,099,000 | 958,469 | 98 | 958,567 | (140,433) | | 2,646,000 | A proportion of this project will slip into 2021/22 - This project will be commissioned by the HRA & therefore the remaining spend is shown within the HRA section of the Capital MTFP |
| CA483 | 3 Rivers Scheme - Threwstones, Tiverton | 23,000 | 0 | 0 | 0 | 0 | 0 | (23,000) | | Project complete |
| CA484 | 3 Rivers Scheme - Orchard House, Halberton Park Road, Tiverton | 446,000 | 495,000 | 0 | 343,000 | 343,000 | (152,000) | | 103,000 | A proportion of this project will slip into 2021/22 - estimated completion Q2 21/22 It is envisaged there will be some costs associated with this project in 20/21 & future budget identified in Capital MTFP |
| | | 28,877,000 | 10,513,000 | 2,992,439 | 1,494,940 | 4,487,379 | (6,025,621) | (614,624) | 23,505,000 | |
| Private Sector Housing Grants | | | | | | | | | | |
| CG201 | Disabled Facilities Grants-P/Sector | 572,000 | 572,000 | 201,505 | 158,691 | 360,197 | (211,803) | | 202,000 | It is envisaged that a total of £370k will be spent in 20/21 |
| CG208 | Wessex Reinvestment Trust Grants Scheme | 75,000 | 0 | 0 | 0 | 0 | 0 | 25,000 | | Additional costs will be funded from DFG monies pass ported from DCC |
| | | 647,000 | 572,000 | 201,505 | 158,691 | 360,197 | (211,803) | 25,000 | 202,000 | |
| Total General Fund Projects | | | | | | | | | | |
| | | 29,524,000 | 11,085,000 | 3,193,944 | 1,653,631 | 4,847,575 | (6,237,425) | (589,624) | 23,707,000 | |
| HRA Projects - Existing Housing Stock | | | | | | | | | | |
| CA100 | Major Repairs to Housing Stock | 2,561,000 | 2,285,000 | 1,156,441 | 660,447 | 1,816,888 | (468,112) | | 893,000 | Issues associated with COVID 19 have impacted on contract delivery, it is anticipated that this will slip into 21/22 |
| CA111 | Renewable Energy Fund | 250,000 | 100,000 | 114,034 | 29,360 | 143,394 | 43,394 | (125,000) | | Forecast £125k spend on this project in 20/21 |
| CA150 | 27A Broad Lane, Tiverton | 0 | 0 | 27,896 | 0 | 27,896 | 27,896 | 27,896 | | Additional unit converted by DLO. |
| CG200 | Home Adaptations - Disabled Facilities | 314,000 | 314,000 | 180,495 | 0 | 180,495 | (133,505) | | 80,000 | Issues associated with COVID 19 have impacted on DFG delivery, it is anticipated there will be some slippage into 21/22 |
| Housing Development Schemes | | | | | | | | | | |
| CA146 | HRA Regeneration Scheme 1 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | | 2,000,000 | This project will slip to 21/22 |
| CA145 | RTB Buyback 103 Queensway | | | 159,995 | | 159,995 | 159,995 | | | RTB buyback - budget on line below (CA147) |
| CA147 | Affordable Housing/Purchase of ex RTB | 500,000 | 410,000 | 0 | 0 | 0 | (410,000) | (90,000) | | Deliverable budget here set at £410k, although hard to predict the ability to repurchase ex RTB properties in the correct locations |
| CA124 | Queensway (Beech Road) Tiverton (3 units) | 287,000 | 200,000 | 2,915 | 0 | 2,915 | (197,085) | | 250,000 | A proportion of this project will slip into 21/22 |
| CA141 | Round Hill Tiverton- Site | 1,500,000 | 50,000 | 0 | 0 | 0 | (50,000) | | 1,450,000 | A large proportion of this project will slip into 21/22 |
| HRA Other Projects | | | | | | | | | | |
| CA126 | Sewerage Treatment Works - Washfield | 25,000 | 25,000 | 0 | 0 | 0 | (25,000) | | 25,000 | It is envisaged this project will be complete by Q2 21/22 |
| Total HRA Projects | | | | | | | | | | |
| | | 7,437,000 | 3,384,000 | 1,641,776 | 689,807 | 2,331,583 | (1,052,417) | (187,104) | 4,698,000 | |
| CAPITAL PROGRAMME GRAND TOTAL | | | | | | | | | | |
| | | 36,961,000 | 14,469,000 | 4,835,720 | 2,343,438 | 7,179,159 | (7,289,841) | (776,728) | 28,405,000 | |

Cabinet 04 February 2021

Budget for 2021/22

Cabinet Member: Cllr Andrew Moore, Cabinet Member for Finance
Responsible Officer: Andrew Jarrett, Deputy Chief Executive (S151)

Reason for Report: This report provides the budget proposals for the General Fund and the Housing Revenue Account for the year 2021/22.

RECOMMENDATIONS:

That the Cabinet recommend to Full Council that:

1. Council Tax is increased by £5 (2.39%) on a Band D property to £213.84.
2. General Fund budget for 2021/22 is approved.
3. The 2021/22 budget requires no transfer from the General Fund Balance.
4. The General Fund Budget requires a temporary transfer of £386k from the New Homes Bonus EMR.
5. HRA budget for 2021/22 be approved – Appendix 5.
6. HRA fees/charges are approved based on the attached Appendix 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 21/22 budget has included specific provision for a climate change coordinator; a new investment for the Council. This role will help shape and move forward a significant programme of work required in order for the Council to deliver on its carbon neutrality pledge. Some of this work can be achieved through changes to existing work streams and processes, others will require future consideration of investment options to maintain progress on the Council's carbon reduction activities.

1 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. Further, the financial impacts of Covid 19, which wreaked havoc in

2020/21, will continue to disrupt in 2021/22 whilst government support recedes (insofar as it has been announced to date).

- 1.2 It should be remembered that the Council has already secured and delivered significant savings during the past 10 years in order to “balance the books” and maintain service delivery. Therefore, to secure further substantial 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 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 £3,012k, based upon a number of key assumptions (e.g. Government funding, inflation rates, pay award, Council Tax level, use of balances/reserves, Covid 19 etc.), and embraced a number of savings, income swings and offsetting cost pressures and funding reductions.

2 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 £490k. This accounted for a number of additional changes to service costs/incomes.
- 2.2 It was also able to incorporate measures announced in the Provisional Settlement from Central Government on 17 December. This included details of Covid 19 non ring-fenced grant funding, an extension to the Income Compensation Scheme until the end of June and an enhancement to the New Homes Bonus (NHB).

3 The Corporate Plan

- 3.1 The new Corporate Plan was presented to Cabinet on 16 January 2020. It sets the overarching direction of travel for the Council and will guide all future decision making for the next four year cycle.

4 Key Assumptions for the 2021/22 Budget

- 4.1 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).

- 4.2 The reference to income appraisal above is especially relevant to the ongoing Covid 19 pandemic. The suspension of service delivery and the resultant income losses has had a significant impact on this Authority's finances. In such rapidly and frequently changing circumstances (not to mention unprecedented) assumptions soon become superceded by events. To arrive at a final budget we must draw a line somewhere. Given the vaccine programme rolling out across the country, it does not seem unreasonable to assume that "things" will slowly start returning to some version of normal in the latter half of 2021. This budget therefore assumes that early in the budget year we will enter a recovery phase, services will resume with activity and income growing accordingly. The rates of recovery applied reference the experiences of the past year whilst the calculation basis applied to Income Compensation Scheme receipts assumes no change.
- 4.3 However, given the prevalence of uncertainty, it should be noted this budget includes several numbers which may well vary to a material extent. The Deputy Chief Executive has included them on the basis of the information that is available at this time and his judgement of the most likely outcomes. Any adverse movement in these numbers will require support from general fund reserves in order to balance this budget.
- 4.4 In January 2019 Cabinet amended the minimum level of general reserves required to be maintained to £2m. This was felt to be prudent due to the resilience offered by the level of earmarked reserves which the council holds for specific projects. Using these reserves to fund recurrent general fund expenditure must be considered an option of last resort. It is inherently unsustainable (they can only be spent once) and with the financial challenges this Council will face in the coming years, post Covid, it is imperative that they are maintained at the highest level possible.
- 4.5 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 2021/22 budget. More volatile budgets are subject to sensitivity analysis and a reasonably prudent assessment is made.
- 4.6 We have also now completed our Business Rates NNDR1 return which will accompany this report. This has shown a reduction in our Business Rates, partly arising as the NNDR multiplier was not increased in the funding settlement. The ever-present risk of appeals, which the Valuation Office consider on a daily basis, necessitates that we prudently set aside significant funds in a provision in our Business Rates Smoothing Reserve to mitigate this risk.

5 Local Government Finance Settlement

- 5.1 The 2021/22 Provisional Settlement was received on the 17 December 2020.
- 5.2 The Settlement confirmed our previous assumptions and included further measures which were included in the second version of this draft budget which was presented to Cabinet 7 January:
- Covid 19 non ring fenced grant - £408k
 - Lower Tier Services Grant - £179k

- Changes to the New Homes Bonus grant scheme - raised £182k to £959k.
- Extension of the Income Compensation Scheme relating to Covid 19 service income losses to the end of June. The value of this extension has been estimated at £220k for the purposes of setting this budget.

6 Requirements for Council Tax Setting

- 6.1 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 2021/22 budget year.
- 6.2 The ‘acceptable level’ is defined by the Chancellor as part of the national budget-setting process and all government calculations on ‘spending power’ of local authorities are on the basis that authorities increase council tax to the maximum amount permitted.
- 6.3 The Council Tax income included in the proposed budget includes a £5.00 (2.39%) increase. This equates to a band D charge of £213.84. (A 1% variation to our Council Tax changes the income generated by approximately £60k).

7 General Fund Budget 2021/22

- 7.1 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 £490k. The following table shows the amendments to the position presented to PDGs and to Cabinet.

Table 1 – Reconciliation of further movements

| Movements | Amount £k |
|---|------------------|
| 2021/22 Budget Shortfall (Cabinet Report 07/01/20) | 490 |
| Business Rates Retention forecast post NNDR1 | -93 |
| Community grants reductions | -16 |
| Software savings | -9 |
| Capital element of 3 weekly waste collection savings | 14 |
| Draft budget gap for 2021/22 (see 7.4) | 386 |

- 7.2 Despite additional analysis work and discussions with Members and Budget Holders, it was not possible to reduce this gap further, in the very short term. Proposals requiring additional work over the coming months include a range of revenue-raising options where expansion and commercialisation of services may reduce the net revenue requirement, and these will be considered over the coming months to explore where incomes can be generated to reduce the need to cut public-facing services. Given the significant financial variances that could impact the council’s budget during 21/22, there will be a need for much earlier intervention on reducing spend if financial monitoring indicates a shortfall position at the year end.

7.3 It is clear that members' preference is to explore all revenue-raising options before cutting services. However, this year's budget also includes a structural staff saving of £150k which means that there will likely be periods of staff vacancy as turnover permits, in order to achieve this target. A close eye will need to be kept on operational impacts to determine how sustainable this is, the extent to which this impacts on statutory or local performance targets and of course the potential ability to implement these savings on a permanent basis should they prove manageable.

7.4 The gap to close to ensure we set a balanced budget is such that we will have a requirement to take an additional £386k from the New Homes Bonus Earmarked Reserve.

8 Future Funding Concerns/Cost Pressures

8.1 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 funding changes: Fair Funding Review; NNDR baseline reset; changes to NHB.
- Ongoing impacts of Covid 19 especially with regard to service income losses and recovery periods which in some cases may be measured in years rather than months.
- The need to create investable propositions for our carbon reduction ambitions

8.2 The Council has stated its intent to try and achieve a net zero carbon operation by 2030. While early work has been around the formulation of a carbon action plan alongside continued investment in additional carbon reduction measures, there nevertheless remains a substantial challenge ahead if this target is to be achieved. From a carbon accounting perspective, the fact that we retain direct control (and ownership) over the majority of services means that while our influence is unfiltered by long-term commissioning or contractual arrangements, we retain ownership of the significant challenges around decarbonisation. Not least in the area of social housing provision, where we have to balance the long-term viability of our social housing stock for the needs of future generations, with the need to invest substantially to reduce emissions (housing stock makes up the bulk of MDDC emissions). Changes to vehicles, operations and processes can all deliver incremental gains, and we have an important scheme planned to deliver hydroelectric power from the river Exe, as well as various tree-planting projects to help offset emissions. However, with no long-term investment from government currently on offer, in the short term we will be trying to achieve the maximum possible locally, while taking every opportunity

to bid into future funding pots as they arise. The investment in a dedicated climate officer will help us identify and maximise these opportunities.

- 8.3 The NHB grant monies have been considered at risk for some time. It had been expected that 2022/23 may be the final year for the scheme. However, as announced in the Funding Settlement, the MDCC allocation for 2021/22 has increased (£182k) and an intension was expressed to review the funding from this scheme in 2022/23 and 2023/24. It is unclear what will happen after this. What is clear is that local authorities are in desperate need of a multi-year funding agreement rather than the current year to year arrangements which do not allow a considered medium term view of the resources that will be available, and, how these may be managed to optimise service provision within the scope of the corporate plan.
- 8.4 The government has stated, again, its intention to consult on changes to the New Homes Bonus scheme to make it more effective. While we do not yet know what these changes might include, it can be assumed that meeting and exceeding our growth targets will be critical to ensuring that we access whatever revised distribution methodology the government comes up with.
- 8.5 It's important to highlight how much New Homes Bonus is being used to help fund our General Fund and Capital Budgets in 2021/22. Appendix 4 shows a total transfer of £850k to contribute towards various General Fund projects. This includes £190k towards the ICT equipment sinking fund and £80k towards Business Development; in addition to the £386k transfer referred to in recommendation 4 of this report to close the budget gap. The NHB used to fund the Capital Programme amounts to £1.035m, (please see individual report also on this agenda) which gives a total of £1.885k to be utilised in 2021/22. Our allocation for 2021/22 reduced to £959k. With the future of the scheme at risk within the current MTFP period, Council will need to be mindful of the future funding available and agree service level changes accordingly.

9 Overall General Fund (GF) position at 31 March 2021

- 9.1 The monthly monitoring report to the end of December tabled to this Cabinet meeting shows an estimated GF overspend of £89k by the end of 2020/21. This will result in the Council ending this financial year with the General Fund balance showing £2.162m. 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.

10 Transfers to and from earmarked reserves

- 10.1 Appendix 3 shows in detail which amounts are being contributed to various earmarked reserves in 2021/22 and Appendix 4 shows which amounts are expected to be taken from earmarked reserves in 2021/22. These include £338k to fund the Culm Garden Village Project and £524k which funds our new vehicle contract.

11 General Fund Budget Summary

- 11.1 The final budget summary for the 2021/22 General Fund is as follows:

- To provide a balanced budget after the temporary utilisation of a transfer from the New Homes Bonus Reserve
- To ensure that the General Fund Balance is maintained at or above the currently agreed level of £2m
- To increase Council Tax by £5 i.e. 2.39%
- To continue to provide the current level of service provision broadly.

12 Housing Revenue Account Budget 2021/22

- 12.1 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.
- 12.2 The recent budget proposals that went before the Homes PDG have resulted in a balanced draft budget for the Housing Revenue Account for 2021/22 as shown at Appendix 5.
- 12.3 The main proposals for the 2021/22 budget can be summarised as follows:
- Following new legislation an increase of CPI plus 1% (1.5%) is proposed to on existing rents
 - Garage rents will remain unchanged at £10.71 per week
 - Garage plot ground rents to remain at £275 per annum.
- 12.4 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 £80.70 on a 52 week basis.
- 12.5 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.
- 12.6 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.
- 12.7 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.

13 Key National Issues affecting the Housing Revenue Account

- 13.1 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
 - New government legislation announced relating to stock condition and tenancy involvement.

- 13.2 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.
- 13.3 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.
- 13.4 Current legislation on Right to Buy means that we're likely to sell several 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.

14 Key Local Issues affecting Mid Devon's HRA

14.1 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
- Carbon reduction work programme

14.2 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.

15 HRA - Capital Works and Planned Maintenance

15.1 The major repairs allowance is determined by the level of depreciation charged on our properties. The Authority's profiled works programme identifies a need to spend on average £5.27m over the next 30 years, meaning any operating surpluses or savings generated by the Self Financing system should be directed here

16 Housing Benchmarking

16.1 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.

17 Overall Financial Position of the Housing Revenue Account

17.1 It has been deemed as prudent to maintain the HRA reserve balance at £2.0m and it is expected to remain so throughout 2020/21. At the start of 2020/21 other HRA reserves totalled £18.31m

17.2 This included £14.20m in the Housing Maintenance Fund (HMF); £0.67m in the Renewable Energy Fund (REF) and £0.55m in Major Repairs Reserve. It is

intended that any expenditure funded from the REF monies be used on renewable energy schemes.

18 Housing Revenue Account Budget Summary

- 18.1 The final budget summary for the 2021/22 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.

19 GF and HRA - Capital Programme 2021/22

- 19.1 This is discussed in a separate agenda item which shows that the 2021/22 programme totals £17.705m. The most significant funding source required to support this programme is the £11.878m of borrowing from the Public Works Loan Board (PWLB). There are a number of projects proposed in the Capital Programme including the Cullompton Town Centre Relief Road (£450k) funded from HIF monies; 75 Affordable homes at Post Hill (£3.217m); £2.411m to fund other 3 Rivers Projects across the district subject to business plan approval; £2.275m to repair existing Housing Stock (HRA) and £408k to refurbish HRA garage stock.

20 Conclusion

HRA

- 20.1 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 recent change back to CPI + 1% for 4 years is welcomed after statutory cuts to housing rents by 1% over the previous 4 year period which had reduced the available income to fund both revenue and capital expenditure. Also the removal of the borrowing cap appears to be good news on face value, but as ever the constraint on increasing stock is still an issue of affordability, not the access to borrowing. 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, combined with the ongoing Covid implications.

General Fund

- 20.2 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 potential changes to both business rates and New Homes Bonus. These changes, already delayed, have been suspended further due to Covid 19. In something of a perfect storm, the pandemic adds further ambiguity as income losses grow each time the government extends its containment measures, whilst central support, as far as it has been announced to date, is reducing.
- 20.3 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 continue to involve all staff, Members and our local residents/businesses.

Capital Programme

- 20.4 With few disposable assets and a greater reliance on Government grants our future capital programmes will come under greater pressure. Using a proportion of New Homes Bonus to help balance the General Fund reduces the amount available to help fund our annual capital programmes in the district. With 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.

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Circulation of the Report: Leadership Team, Cabinet

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

GENERAL FUND REVENUE ACCOUNT DRAFT BUDGET SUMMARY 2021/22

| | | Budget 2020/2021 | Movement | Draft Budget 2021/2022 Round 1 | Movement | Draft Budget 2021/2022 Round 2 | Movement | Draft Budget 2021/2022 Round 3 |
|--|-------|---------------------|------------------|--------------------------------------|--------------------|--------------------------------------|------------------|--------------------------------------|
| | Notes | £ | £ | £ | £ | £ | £ | £ |
| Cabinet | 2 | 5,433,721 | 292,620 | 5,726,341 | 1,028,662 | 6,755,003 | - | 6,755,003 |
| Community | | 2,890,445 | 1,546,959 | 4,437,404 | (1,403,213) | 3,034,191 | 62,850 | 3,097,041 |
| Economy | | (549,012) | 261,002 | (288,010) | (29,340) | (317,350) | - | (317,350) |
| Environment | | 3,736,850 | 318,215 | 4,055,065 | (242,356) | 3,812,709 | (73,000) | 3,739,709 |
| Homes | | 303,880 | 69,180 | 373,060 | 19,950 | 393,010 | - | 393,010 |
| TOTAL NET DIRECT COST OF SERVICES | 1/4 | 11,815,884 | 2,487,976 | 14,303,860 | (626,297) | 13,677,563 | (10,150) | 13,667,413 |
| Net recharge to HRA | 13 | (1,481,630) | (44,449) | (1,526,079) | 58,069 | (1,468,010) | (33,400) | (1,501,410) |
| Provision for the financing of capital spending | | 1,052,154 | (184,144) | 868,010 | (136,290) | 731,720 | - | 731,720 |
| NET COST OF SERVICES | | 11,386,408 | 2,259,383 | 13,645,791 | (704,518) | 12,941,273 | (43,550) | 12,897,723 |
| PWLB Bank Loan Interest Payable | | | | | | | | |
| Finance Lease Interest Payable | | 48,340 | 111,070 | 159,410 | - | 159,410 | - | 159,410 |
| Interest from Funding provided for HRA | | (49,000) | 2,600 | (46,400) | - | (46,400) | - | (46,400) |
| Interest Receivable / Payable on Other Activities | 3 | 439,878 | (122,998) | 316,880 | (176,360) | 140,520 | - | 140,520 |
| Interest Received on Investments | | (568,322) | (135,968) | (704,290) | 71,120 | (633,170) | - | (633,170) |
| Transfers into Earmarked Reserves | 5 | 2,597,050 | (639,978) | 1,957,072 | 404,300 | 2,361,372 | - | 2,361,372 |
| Transfers from Earmarked Reserves | 5 | (1,369,370) | (169,025) | (1,538,395) | (621,476) | (2,159,871) | - | (2,159,871) |
| Proposed Contribution from New Homes Bonus Reserve | 5 | (960,540) | 522,040 | (438,500) | (58,069) | (496,569) | (352,952) | (849,521) |
| TOTAL BUDGETED EXPENDITURE | | 11,524,444 | 1,827,124 | 13,351,568 | (1,085,003) | 12,266,565 | (396,502) | 11,870,063 |
| Funded by: - | | | | | | | | |
| Revenue Support Grant | | - | - | - | - | - | - | - |
| Lower Tier Services Support Grant | | - | - | - | (179,252) | (179,252) | - | (179,252) |
| Rural Services Delivery Grant | | (466,700) | - | (466,700) | (23,042) | (489,742) | - | (489,742) |
| Covid19 Non Ring-fenced Grant | | - | - | - | (407,699) | (407,699) | - | (407,699) |
| Covid19 Income Compensation Schemes | 12 | - | - | - | (570,000) | (570,000) | - | (570,000) |
| New Homes Bonus | 6 | (1,418,190) | 641,440 | (776,750) | (182,000) | (958,750) | - | (958,750) |
| Retained Business Rates | 7/8 | (3,312,727) | 255,320 | (3,057,407) | (3) | (3,057,410) | (92,590) | (3,150,000) |
| Business Rates Pooling Dividend | 9 | (150,000) | 150,000 | - | - | - | - | - |
| CTS Funding Parishes | | - | - | - | - | - | - | - |
| Collection Fund Surplus/Deficit | 11 | (112,000) | 112,000 | - | - | - | - | - |
| Council Tax (28,239.34 x £213.84) | 10 | (6,064,827) | 26,127 | (6,038,700) | (75,920) | (6,114,620) | - | (6,114,620) |
| TOTAL FUNDING | | (11,524,444) | 1,184,887 | (10,339,557) | (1,437,916) | (11,777,473) | (92,590) | (11,870,063) |
| REQUIREMENT TO BALANCE THE BUDGET | | - | 3,012,011 | 3,012,011 | (2,522,919) | 489,092 | (489,092) | (0) |

Current Assumptions: -

- The annual salary increment has been reduced to reflect the intent of the public sector arrangements detailed in the Funding Settlement. That is a minimal provision has been made to recognise that local authority pay is settled independently.
- Income flows have been reviewed and adjusted for changes in demand and unit price. Provision has been made to reflect the estimated impacts of the pandemic assuming recovery trends commence at the beginning of the year.
- Investment income has been based upon the existing lending criteria now in force.
- Support services have been calculated in accordance with the annual process.
- All earmarked reserves have been reviewed and adjustment made based upon existing need.
- New Homes Bonus receipts based on the latest announcements in the Funding Settlement.
- Retained Business Rates - s31 grant relating to 100% relief for Retail, hospitality and Leisure in 2020/21 will compensate for deficit brought forward and has been included in this line.
- Any business rates deficit brought forward from 2020/21 is expected to be funded from EMR and so is not included as a pressure here.
- It is assumed that in the shadow of Covid 19, there will be no dividend from the Devon Business Rates Pool in 2021/22.
- Council Tax has been increased by £5 (the higher of £5 or 2%) from £208.84 to £213.84. Confirmation of this treatment was received in the Funding Settlement.
- As with NNDR, any Council Tax deficit brought forward from 2020/21 is expected to be funded from EMR and so is not included as a pressure above.
- This line relates to receipts in respect of compensation schemes for revenue losses arising in year from the pandemic. It is subject to a financial health warning and represents the best estimates of the s151 officer based on the advice received from central government at the current time. Any adverse movement in these numbers will require support from general fund reserves in order to balance this budget.
- Further to the completion of the recharge process with the HRA, these budget lines have now been aligned.

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PDG SERVICE UNIT MOVEMENTS

APPENDIX 2

| GENERAL FUND SUMMARY | | Budget Net Direct Cost | Current Budgeted Net Direct Cost | Movement | +/- % |
|----------------------|-------------------------------|------------------------|----------------------------------|------------------|---------------|
| | | 2020/21 | 2021/22 | | |
| Cabinet | | | | | |
| SCM01 | Leadership Team | 442,690 | 406,590 | (36,100) | -8.2% |
| SCM02 | Corporate Functions | 86,790 | 95,740 | 8,950 | 10.3% |
| SCM03 | Corporate Fees | 365,110 | 1,391,770 | 1,026,660 | 281.2% |
| SCM06 | Pension Backfunding | 753,571 | 779,690 | 26,119 | 3.5% |
| SES01 | Emergency Planning | 7,500 | 8,150 | 650 | 8.7% |
| SFP01 | Accountancy Services | 436,790 | 533,720 | 96,930 | 22.2% |
| SFP02 | Internal Audit | 92,100 | 94,410 | 2,310 | 2.5% |
| SFP03 | Procurement | 121,580 | 113,470 | (8,110) | -6.7% |
| SFP04 | Purchase Ledger | 47,320 | 45,840 | (1,480) | -3.1% |
| SFP05 | Sales Ledger | 46,210 | 44,770 | (1,440) | -3.1% |
| SHR01 | Human Resources | 377,680 | 387,360 | 9,680 | 2.6% |
| SHR02 | Mddc Staff Training | 33,750 | 29,870 | (3,880) | -11.5% |
| SHR03 | Payroll | 48,870 | 36,370 | (12,500) | -25.6% |
| SHR04 | Learning And Development | 53,190 | 47,500 | (5,690) | -10.7% |
| SIT01 | It Gazetteer Management | 74,880 | 70,500 | (4,380) | -5.8% |
| SIT03 | It Information Technology | 919,770 | 968,430 | 48,660 | 5.3% |
| SLD01 | Electoral Registration | 203,830 | 230,820 | 26,990 | 13.2% |
| SLD02 | Democratic Rep And Management | 490,630 | 504,460 | 13,830 | 2.8% |
| SLD04 | Legal Services | 357,890 | 368,503 | 10,613 | 3.0% |
| SPR01 | Building Regulations | (6,430) | 15,430 | 21,860 | -340.0% |
| SPR04 | Local Land Charges | (19,200) | (18,470) | 730 | -3.8% |
| SRB01 | Collection Of Council Tax | 397,010 | 442,380 | 45,370 | 11.4% |
| SRB02 | Collection Of Business Rates | (103,370) | (105,380) | (2,010) | 1.9% |
| SRB03 | Housing Benefit Admin & Fraud | 132,520 | 126,270 | (6,250) | -4.7% |
| SRB04 | Housing Benefit Subsidy | 5,000 | 65,000 | 60,000 | 1200.0% |
| SRB06 | Debt Recovery | 68,040 | 71,810 | 3,770 | 5.5% |
| | | 5,433,721 | 6,755,003 | 1,321,282 | 24.3% |
| Community PDG | | | | | |
| SCD01 | Community Development | 77,650 | 138,500 | 60,850 | 78.4% |
| SCS20 | Customer Services Admin | 23,350 | 23,350 | 0 | 0.0% |
| SCS22 | Customer First | 716,935 | 751,010 | 34,075 | 4.8% |
| SES03 | Community Safety - C.C.T.V. | 6,010 | 45,200 | 39,190 | 652.1% |
| SES04 | Public Health | 3,990 | 3,990 | 0 | 0.0% |
| SES11 | Pool Cars | 1,280 | 280 | (1,000) | -78.1% |
| SES16 | Es Staff Units/Recharges | 788,210 | 750,610 | (37,600) | -4.8% |
| SES17 | Community Safety | 6,220 | 6,220 | 0 | 0.0% |
| SES18 | Food Safety | (25,070) | (24,200) | 870 | -3.5% |
| SES21 | Licensing | 14,400 | 18,140 | 3,740 | 26.0% |
| SES22 | Pest Control | 5,000 | 5,000 | 0 | 0.0% |
| SES23 | Pollution Reduction | (650) | (580) | 70 | -10.8% |
| SPR02 | Enforcement | 110,370 | 91,780 | (18,590) | -16.8% |
| SPR03 | Development Control | 357,990 | 566,120 | 208,130 | 58.1% |
| SPR09 | Forward Planning | 270,620 | 263,550 | (7,070) | -2.6% |
| SPR11 | Regional Planning | 99,390 | 248,103 | 148,713 | 149.6% |
| SRS01 | Recreation And Sport | 434,750 | 209,969 | (224,781) | -51.7% |
| | | 2,890,445 | 3,097,042 | 206,597 | 7.1% |
| Economy PDG | | | | | |
| SCD02 | Economic Development | 60,640 | 65,600 | 4,960 | 8.2% |
| SCP01 | Parking Services | (632,962) | (534,250) | 98,712 | -15.6% |
| SPR06 | Economic Development | 427,810 | 552,360 | 124,550 | 29.1% |
| SPS12 | Gf Properties Shops/Flats | (404,500) | (401,060) | 3,440 | -0.9% |
| | | (549,012) | (317,350) | 231,662 | -42.2% |

| GENERAL FUND SUMMARY | | Budget Net Direct Cost | Current Budgeted Net Direct Cost | Movement | +/- % |
|------------------------|-------------------------------|------------------------|----------------------------------|------------------|---------------|
| | | 2020/21 | 2021/22 | | |
| Environment PDG | | | | | |
| SES02 | Cemeteries | (85,300) | (62,630) | 22,670 | -26.6% |
| SES05 | Open Spaces | 126,120 | 200,854 | 74,734 | 59.3% |
| SGM01 | Grounds Maintenance | 567,810 | 555,436 | (12,374) | -2.2% |
| SPS01 | Asset Management | 40,000 | 40,000 | 0 | 0.0% |
| SPS03 | Flood Defence And Land Drain | 26,430 | 26,430 | 0 | 0.0% |
| SPS04 | Street Naming & Numbering | 7,830 | 7,810 | (20) | -0.3% |
| SPS05 | Administration Buildings | 241,380 | 262,420 | 21,040 | 8.7% |
| SPS06 | Mddc Depots | 38,190 | 74,990 | 36,800 | 96.4% |
| SPS07 | Public Transport | (15,690) | (15,280) | 410 | -2.6% |
| SPS08 | Office Building Cleaning | 62,250 | 0 | (62,250) | -100.0% |
| SPS09 | Property Services Staff Unit | 687,640 | 738,890 | 51,250 | 7.5% |
| SPS11 | Public Conveniences | 50,710 | 63,980 | 13,270 | 26.2% |
| SWS01 | Street Cleansing | 449,720 | 420,440 | (29,280) | -6.5% |
| SWS02 | Waste Collection | 290,450 | 210,459 | (79,991) | -27.5% |
| SWS03 | Recycling | 879,630 | 849,470 | (30,160) | -3.4% |
| SWS04 | Waste Management | 369,680 | 366,440 | (3,240) | -0.9% |
| | | 3,736,850 | 3,739,709 | 2,859 | 0.1% |
| Homes PDG | | | | | |
| SES15 | Private Sector Housing Grants | (11,640) | (3,630) | 8,010 | -68.8% |
| SHG03 | Homelessness Accommodation | 315,520 | 396,640 | 81,120 | 25.7% |
| | | 303,880 | 393,010 | 89,130 | 29.3% |
| GRAND TOTAL | | 11,815,884 | 13,667,414 | 1,851,530 | 15.67% |

21-22 BUDGETS

Transfers into Earmarked Reserves

| SERVICE | EMR | | Total | MAINTENANCE BUDGET | PLANT BUDGET | EQUIPMENT BUDGET | VEHICLES BUDGET | OTHER BUDGET | NEW HOMES BONUS | |
|-------------------------|-------|---|------------------|--------------------|------------------|------------------|-----------------|----------------|-----------------|------------------|
| IE435 | EQ653 | NEW HOMES BONUS GRANT | 958,752 | | | | | | 958,752 | |
| PS990 | EQ685 | FORE STREET MAINT S.FUND | 0 | | | | | | | |
| PS992 | EQ685 | MARKET WALK MAINT S.FUND | 0 | | | | | | | |
| CP540 | EQ686 | PAYING CAR PARKS (MACHINE REPLACEMENT SINKING FUND) | 3,000 | | | 3,000 | | | | |
| LD201 | EQ720 | ELECTION COSTS - DISTRICT | 25,000 | | | | | 25,000 | | |
| LD300 | EQ721 | DEMOCRATIC REP & MANAGEMENT | 5,000 | | | | | 5,000 | | |
| PR810 | EQ728 | STATUTORY DEVELOPMENT PLAN | 100,000 | | | | | 100,000 | | |
| EQ754 | EQ754 | PHOENIX PRINTERS EQUIP SFUND | 2,200 | | | 2,200 | | | | |
| EQ755 | EQ755 | ICT EQUIPMENT SINKING FUND | 189,500 | | | 189,500 | | | | |
| EQ756 | EQ756 | FLEET CONTRACT FUND | 559,600 | | | | 559,600 | | | |
| GM960 | EQ760 | GROUNDS MAINTENANCE | 15,820 | | 15,820 | | | | | |
| EQ761 | EQ761 | RECYCLING PLANT SFUND | 20,000 | | 20,000 | | | | | |
| EQ763 | EQ763 | RECYCLING MAINTENANCE SINKING FUND | 0 | | | | | | | |
| PS880 | EQ765 | BUS STATION | 0 | | | | | | | |
| ES100 | EQ766 | CEMETERIES | 0 | | | | | | | |
| ES450 | EQ767 | PARKS & OPEN SPACES | 0 | | | | | | | |
| RS140 | EQ837 | LEISURE SINKING FUND | 75,000 | | | 75,000 | | | | |
| PS980 | EQ837 | Property maintenance - new | 0 | | | | | | | |
| IT300 | EQ759 | MOBILE PHONE CONTRACT | 5,000 | | | 5,000 | | | | |
| IE440 | EQ659 | NNDR Smoothing EMR | 400,000 | | | | | 400,000 | | |
| WS710 | EQ839 | WASTE PRESSURE WASHER | 2,500 | | | 2,500 | | | | |
| TOTAL | | | 2,361,372 | 0 | 35,820 | 277,200 | 559,600 | 530,000 | 958,752 | |
| 2020/2021 Budget | | | | | 182,700 | 34,360 | 272,200 | 559,600 | 130,000 | 1,418,190 |
| Movement | | | | | (182,700) | 1,460 | 5,000 | - | 400,000 | (459,438) |

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Transfers from Earmarked Reserves

| SERVICE | EMR | Description | TOTAL | UTILISE NHB | OTHER |
|-------------------------|-------|---|--------------------|------------------|--------------------|
| EQ638 | EQ638 | DEV CONT LINEAR PARK | (4,170) | | (4,170) |
| EQ640 | EQ640 | W52 POPHAM CLOSE COMM FUND | (1,950) | | (1,950) |
| EQ641 | EQ641 | W67 MOORHAYES COM DEV FUND | (1,630) | | (1,630) |
| EQ642 | EQ642 | W69 FAYRECROFT WILLAND EX WEST | (4,620) | | (4,620) |
| EQ643 | EQ643 | W70 DEVELOPERS CONTRIBUTION | (6,650) | | (6,650) |
| EQ644 | EQ644 | DEV CONT WINSWOOD CREDITON | (3,080) | | (3,080) |
| ES733 | EQ652 | PUBLIC HEALTH | (53,130) | | (53,130) |
| CD200 | EQ653 | COMMUNITY DEVELOPMENT | (45,000) | (45,000) | |
| PR400 | EQ653 | BUSINESS DEVELOPMENT | (80,000) | (80,000) | |
| PR400 | EQ728 | BUSINESS DEVELOPMENT | (60,000) | | (60,000) |
| EQ755 | EQ653 | ICT EQUIPMENT SINKING FUND | (189,500) | (189,500) | |
| PR402 | EQ653 | CULLOMPTON HAZ | (124,000) | (124,000) | |
| PR402 | EQ722 | CULLOMPTON HAZ | (30,000) | | (30,000) |
| PR402 | EQ652 | CULLOMPTON HAZ | (15,000) | | (15,000) |
| PR810 | EQ728 | STATUTORY DEVELOPMENT PLAN | (86,270) | | (86,270) |
| PR810 | EQ726 | BROWNFIELD SHARED PLAN | (36,263) | | (36,263) |
| PR810 | EQ821 | NEIGHBOURHOOD PLANNING FUNDING | (13,200) | | (13,200) |
| PR810 | EQ729 | CUSTOM & SELF BUILD | (45,000) | | (45,000) |
| PR225 | EQ824 | GARDEN VILLAGE PROJECT | (338,000) | | (338,000) |
| EQ756 | EQ756 | FLEET CONTRACT FUND | (524,060) | | (524,060) |
| HG320 | EQ742 | HOMELESSNESS EMR | (178,740) | | (178,740) |
| FP100 | EQ755 | ICT EQUIPMENT SINKING FUND | (20,000) | | (20,000) |
| LD100 | NEW | ELECTIONS | (45,000) | | (45,000) |
| CS932 | EQ776 | CUSTOMER FIRST | (19,362) | | (19,362) |
| IE440 | EQ659 | NNDR Smoothing EMR | (450,000) | | (450,000) |
| IE420 | EQ777 | C/Tax Smoothing EMR | - | | |
| | EQ653 | RELEASING OF RESERVES TO SUPPORT THE GENERAL FUND IN THE FIRST YEAR OF REDUCTION OF HRA RECHARGES | (24,650) | (24,650) | |
| | EQ653 | RELEASING OF RESERVES FOR TEMPORARY SUPPORT THE GENERAL FUND | (386,371) | (386,371) | |
| | EQ660 | RELEASING OF RESERVES TO FUND THE 21/22 GF BUDGET | (223,746) | | (223,746) |
| | EQ700 | RELEASING OF RESERVES TO FUND THE 21/22 GF BUDGET | - | | |
| | | | | | |
| | | | | | |
| TOTAL | | | (3,009,392) | (849,521) | (2,159,871) |
| 2020/2021 Budget | | | (2,329,910) | (960,540) | (1,369,370) |
| Movement | | | (679,482) | 111,019 | (790,501) |

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Analysis by service

| Code | Best Value Unit | Budget 2020/2021 | Movement | Draft Budget 2021/2022 Round 1 | Movement | Draft Budget 2021/2022 Round 2 |
|--|--|---------------------|-----------------|--------------------------------------|---------------|--------------------------------------|
| | | £ | £ | £ | £ | £ |
| Income | | | | | | |
| SHO01 | Dwelling Rents Income | (12,366,750) | (22,070) | (12,388,820) | (61,860) | (12,450,680) |
| SHO04 | Non Dwelling Rents Income | (595,720) | 33,880 | (561,840) | 2,010 | (559,830) |
| SHO07 | Leaseholders' Charges For Services | (21,640) | (2,170) | (23,810) | 0 | (23,810) |
| SHO08 | Contributions Towards Expenditure | (29,220) | 0 | (29,220) | 0 | (29,220) |
| SHO10 | H.R.A. Investment Income | (53,000) | 21,200 | (31,800) | 21,800 | (10,000) |
| SHO11 | Misc. Income | (7,350) | 0 | (7,350) | 0 | (7,350) |
| Services | | | | | | |
| SHO13A | Repairs & Maintenance | 3,593,980 | 69,290 | 3,663,270 | (146,420) | 3,516,850 |
| SHO17A | Housing & Tenancy Services | 1,485,620 | 191,020 | 1,676,640 | 33,260 | 1,709,900 |
| Accounting entries 'below the line' | | | | | | |
| SHO29 | Bad Debt Provision | 53,000 | 97,000 | 150,000 | 0 | 150,000 |
| SHO30 | Share Of Corp And Dem | 162,640 | 5,400 | 168,040 | 0 | 168,040 |
| SHO32 | H.R.A. Interest Payable | 1,115,180 | 0 | 1,115,180 | (88,750) | 1,026,430 |
| SHO34 | H.R.A. Transfer To/From Earmarked Reserves | 2,072,410 | (444,500) | 1,627,910 | 271,190 | 1,899,100 |
| SHO36 | H.R.A. R.C.C.O. | 0 | 0 | 0 | 0 | 0 |
| SHO37 | Capital Receipts Res Adjustment | (26,000) | 6,500 | (19,500) | 0 | (19,500) |
| SHO38 | Major Repairs Allowance | 2,260,000 | 0 | 2,260,000 | 0 | 2,260,000 |
| SHO45 | Renewable Energy Transactions | (89,000) | 0 | (89,000) | (16,000) | (105,000) |
| TOTAL | | (2,445,850) | (44,450) | (2,490,300) | 15,230 | (2,475,070) |

Subjective analysis

| Code | Best Value Unit | Budget 2020/2021 | Movement | Draft Budget 2021/2022 Round 1 | Movement | Draft Budget 2021/2022 Round 2 |
|------|----------------------------|--------------------|-----------------|--------------------------------|---------------|--------------------------------|
| 1000 | Employees | 2,891,590 | 149,190 | 3,040,780 | (63,890) | 2,976,890 |
| 2000 | Premises | 197,320 | 0 | 197,320 | 38,180 | 235,500 |
| 3000 | Transport | 256,060 | 17,310 | 273,370 | (34,510) | 238,860 |
| 4000 | Cost Of Goods And Services | 7,532,960 | (345,290) | 7,187,670 | 104,500 | 7,292,170 |
| 7000 | Income | (13,323,780) | 134,340 | (13,189,440) | (29,050) | (13,218,490) |
| | TOTAL | (2,445,850) | (44,450) | (2,490,300) | 15,230 | (2,475,070) |

| Code | Best Value Unit | CY FY Budget | Movement | Proposed Budget | Proposed Budget | Proposed Budget |
|------|--------------------|------------------|---------------|------------------|-----------------|------------------|
| 5000 | Internal Recharges | 1,481,630 | 44,450 | 1,526,080 | (24,670) | 1,501,410 |
| 6000 | Capital Charges | 964,220 | 0 | 964,220 | 9,440 | 973,660 |
| | TOTAL | 2,445,850 | 44,450 | 2,490,300 | (15,230) | 2,475,070 |

| | | | | | | |
|--|--------------------|----------|----------|----------|----------|----------|
| | GRAND TOTAL | 0 | 0 | 0 | 0 | 0 |
|--|--------------------|----------|----------|----------|----------|----------|

| Summary of movements from Round 1 | | £k |
|--|--|----------|
| Dwelling rent calculation updated to reflect 1.5% increase across all dwelling types | | (62) |
| Revised Ground Rent income forecast | | 2 |
| Forecast investment income revised down to reflect market uncertainty | | 22 |
| Building Services establishment savings | | (73) |
| Reduced forecast of the transfer of costs out of the DLO | | 19 |
| Reduction on overheads relating to proposed Building Services restructure | | (74) |
| Vehicle overheads reduction | | (10) |
| Car allowance budget removed | | (23) |
| Minor increase to Tenancy establishment | | 9 |
| Forecast increase of valuation fees | | 2 |
| Budget introduced for cleaning contract | | 33 |
| Increased budget towards grass verge cutting | | 4 |
| Calculated reduction in interest payable | | (89) |
| Forecast increase in net revenue for renewables | | (16) |
| Increase on capital charges | | 9 |
| Minor reduction on R1 internal recharges to the HRA from GF | | (25) |
| EMR contributions increased based on forecast reduction in net service cost | | 271 |
| Minor variances | | 1 |
| TOTAL | | 0 |

Assumptions

Dwelling rent increase of 1.5%
 Void levels are based on current position
 Garage rents frozen at £10.71 per week
 Ground rents frozen at £275 per annum
 Planned Maintenance costs based on the 30 year plan
 Ten properties sold during 2020/21
 Fifteen properties sold during 2021/22
 Average of 36 social rent and 4 affordable rent properties void at any one time

HRA Rent Budget 2021/22

| Description | Average rent (52 week basis) £ | Average properties 2021/22 | Annual rent total £ | Void level | Annual rent total (less voids) | Budget (rounded) |
|----------------------------|-----------------------------------|-------------------------------|---------------------|------------|-----------------------------------|------------------|
| Social rent (in use) | 80.70 | 2,895 | 12,146,480 | 1.24% | 11,995,409 | 11,995,410 |
| Affordable rent properties | 116.16 | 85 | 513,427 | 4.71% | 489,266 | 489,270 |
| Rent written off | | | | | (35,000) | (35,000) |
| Write-offs recovered | | | | | 1,000 | 1,000 |
| HO700 budget | | | | | 12,450,675 | 12,450,680 |
| Affordable rent surplus | | | | | 144,788 | 144,790 |
| TOTAL | | 2,980 | | | | |

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HRA: Proposed Fees and Charges 2021/22

| | <u>2020/21</u> | <u>Increase</u> | <u>Increase %</u> | <u>2021/22</u> |
|--|----------------|-----------------|-------------------|----------------|
| Garage rents per week (52 week basis) <i>It should be noted that council tenants receive a discount of £1.85 per week on any garage rent</i> | £10.71 | £0.00 | 0.00% | £10.71 |
| Garage ground rents (Annual charge) | £275 | £0 | 0.00% | £275 |

N.B

| | | | | |
|---|--------|--|--|--------|
| MDDC Formula Rent on average (52 weeks) | £79.55 | | | £80.72 |
|---|--------|--|--|--------|

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CABINET 4 FEBRUARY 2021

CAPITAL PROGRAMME 2021/22 – 2024/25

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

Reason for Report: To seek approval of the 2021/22 Capital Programme and note the draft 2022/23, 2023/24 and 2024/25 programmes.

RECOMMENDATIONS: That the Cabinet recommend to Full Council:

- 1. The detailed Capital Programme for 2021/22 be approved and the estimated amounts for 2022/23, 2023/24 and 2024/25 be noted.**
- 2. To agree to earmark New Homes Bonus (NHB) monies of £0.790m to support the 2021/22 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 2021/22 is fully funded. It does, however, include £11.878m anticipated PWLB borrowing to fund various projects including: Hydromills electricity generation project £0.8m, the Park Road development scheme £0.875m (this project is yet to be determined until conclusion of a marketing exercise which may result in a Capital receipt for the authority), 3 Rivers Development Company committed projects of £6.986m and the housing development at Post Hill £3.217m. 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 due to the uncertainty around the future of New Homes Bonus and its availability as an income stream going forward.

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 2021/22 have been projected at a prudent level of £349k 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. The Hydromills Electricity generation project is included in the 21/22 Capital Programme (Appendix1).

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 2021/22 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 2021/22 Capital Programme

- 2.1 Through reprioritisation of capital projects, the Council has been able to set a balanced capital programme for 2021/22. Appendix 1 shows the proposed Capital Programme for 2021/22, which totals £17.705m.
- 2.2 The 2021/22 Capital Programme is fully funded by a combination of:

| General Fund Project Funding Sources | Amount of Funding £k |
|---|---------------------------------|
| Capital Reserve | 40 |
| DCLG (Disabled Facilities Grant) | 577 |
| New Homes Bonus (NHB) | 769 |
| HIF Funding | 510 |
| Contribution from existing Useable Capital Receipts | 88 |
| Borrowing | 8,661 |
| ICT Equipment Sinking fund | 110 |
| Total Funding General fund Projects | 10,755 |
| HRA Project Funding Sources | Amount of Funding £k |
| Contribution from existing Useable Capital Receipts | 452 |
| Use of forecast Useable Capital Receipts to be generated in 21/22 | 349 |
| Major Repairs Allowance | 2,275 |
| New Homes Bonus (NHB) | 21 |

| | |
|--|---------------|
| Use of forecast Replacement Homes Capital Receipts | 150 |
| Contrib from Renewable Energy fund EMR | 250 |
| Contrib from Housing Maintenance Fund | 88 |
| *Contrib from Affordable Rents Surplus EMR | 148 |
| Borrowing | 3,217 |
| Total Funding HRA Projects | 6,950 |
| | |
| Total Funding (GF & HRA) | 17,705 |

* 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 2021/22 Capital Programme requires £0.790m (£0.769m 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 £1.052m for 2022/23, 2023/24 and 2024/25.
- 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 £0.088m in order to deliver the HRA related projects identified in the 21/22 Capital Programme. Further contributions from this reserve will be required to deliver council house building aspirations identified in our MTFP amounting to £4.792m for 2022/23, 2023/24 and 2024/25. 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 £2.275m has been identified to maintain our existing council house stock, the balance of available monies will remain in the Major Repairs Reserve in order to deal with future additional spend that has been identified by the stock condition survey.
- 2.7 The Capital Programme for 21/22 includes £7.861m of 3 Rivers Projects that includes £13.704m from their Business Plan (this is the £14.004m detailed in their Business Plan less the working Capital sum of £0.300m) that will go to 18 February Cabinet, less projected slippage of £5.843m from 20/21 that will roll forward to 21/22 in relation to existing Capital Schemes. Please note the slippage forecast has been calculated with more up to date information than that was used to calculate slippage in the Q3 20/21 monitoring. There is also additional projected slippage from 20/21 of £7.009m that will roll into 22/23; this has also been aligned with 3 Rivers projected spending plans and relates to the project at Knowle Lane.

2.8 Appendix 1 shows, the 21/22 Capital Programme that has evolved from that originally presented with the budget report at the October 20 and subsequent January 21 Cabinet. Appendix 2 shows the updated MTFP, which was originally presented at the Dec 2020 Cabinet; these appendices have 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 2022/23, 2022/23 & 2024/25

| | 2022/23 £k | 2022/23 £k | 2024/25 £k |
|--|-----------------------|-----------------------|-----------------------|
| Total General Fund Capital Projects | 22,760 | 26,653 | 14,957 |
| | | | |
| Total HRA Capital Projects | 15,498 | 7,485 | 5,310 |
| | | | |
| Total GF & HRA Capital Projects | 38,258 | 34,138 | 20,267 |

For a detailed breakdown, please refer to Appendix 2

2.9 The further into the future we try to predict the more difficult it is to do with the same level of certainty, therefore although 2023/24 and 2024/25 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) (£1.842m over the four years which includes £0.790m in 21/22). 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 2021/22, only a small number of Council funded schemes have been incorporated in the Capital Programme. Council house sales have been predicted at 15 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 2021/22 is £1.039m. This is made up of £0.349m, net of pooling, estimated to be generated from sales in 2021/22, a contribution of £0.540m (£0.088m GF + £0.452m HRA) from existing Useable Capital Receipts) and a contribution

from the ring fenced replacement homes reserve of £0.15m. 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 2021/22 at £11.878m, this will be used to fund General Fund schemes amounting to £8.661m that includes the Hydromills scheme and a number of developments schemes. In addition there is a HRA scheme amounting to £3.217m at Post Hill. 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 2022/23, 2023/24 and 2024/25 amounting to £44.249m to deliver General Fund projects and £11.0m to deliver HRA projects. Schemes for both General Fund and HRA include similar projects mentioned in 4.1 including: development projects, infrastructure (Cullompton Relief Road and potential combined depot) and funding a number of smaller projects traditionally funded by New Homes Bonus, which we are now unable to do so due its uncertain future and therefore limited availability going forward. Borrowing will be supported or supplemented with short and medium term Treasury Management decisions based on prevailing and future interest rates and will 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 that enable the Council to deliver its Corporate Plan objectives, 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.

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Circulation of the Report: Cabinet

Background Papers: Capital Bid Submissions and workings for MTFP

File Reference None

Estates Management

Leisure - Site Specific

Exe Valley Leisure Centre

| | |
|--|-----|
| Evlc - Boilers and CHP | 30 |
| Evlc - Fitness Studio renewal of equipment | 153 |

Culm Valley sports centre

| | |
|------------------------------------|-----|
| Cvsc - Remodelling of Ground Floor | 204 |
|------------------------------------|-----|

| | |
|----------------------|------------|
| Total Leisure | 387 |
|----------------------|------------|

MDDC Shops/Industrial Units

| | |
|---|-----|
| Market Walk Unit 17 - remodelling options | 510 |
|---|-----|

Other Projects

| | |
|---|-----|
| Hydromills Electricity generation Project - Tiverton Weir | 800 |
|---|-----|

| | |
|--------------------|--------------|
| Total Other | 1,310 |
|--------------------|--------------|

HIF Schemes

| | |
|--|-----|
| Cullompton Town Centre Relief Road (HIF bid) | 450 |
| Tiverton EUE A361 Junction Phase 2 (HIF bid) | 60 |

| | |
|--------------------------|------------|
| Total HIF Schemes | 510 |
|--------------------------|------------|

ICT Projects

| | |
|---|----|
| Additional Unified Communications budget | 30 |
| Hardware replacement of Network Core Switch | 80 |

| | |
|------------------|------------|
| Total ICT | 110 |
|------------------|------------|

Private Sector Housing Grants

| | |
|-------------------------------------|-----|
| Disabled Facilities Grants-P/Sector | 577 |
|-------------------------------------|-----|

| | |
|-------------------------|------------|
| Total PSH Grants | 577 |
|-------------------------|------------|

| | |
|--------------------------|--------------|
| TOTAL GF PROJECTS | 2,894 |
|--------------------------|--------------|

Other General Fund Development Projects

| | |
|---|-------|
| * 3 Rivers Scheme | 232 |
| 3 Rivers Scheme - Riverside Development (rear of Town Hall) Tiverton | 430 |
| * 3 Rivers scheme - Knowle Lane, Cullompton (note slippage from 20/21 will fund planned spend in 21/22) | 0 |
| 3 Rivers Scheme - Orchard House Halberton | 49 |
| * 3 Rivers Schemes - Future Projects | 1,700 |

| | |
|---|-------|
| Post Hill Tiverton | 4,575 |
| Park Road (Delivery of this project is yet to be determined until conclusion of marketing exercise & therefore maybe a Capital Receipt) | 875 |

* These schemes require signed loan agreements before they can be progressed further

| | |
|--|--------------|
| TOTAL GF OTHER DEVELOPMENT PROJECTS | 7,861 |
|--|--------------|

** Note - the above schemes reconcile to the 3 Rivers business plan submitted to 04/02/21 Cabinet of £13.704m for 21/22 less slippage of £5.843m from 20/21 (note forecast slippage is £12.852m in total for 20/21 less £7.009m that has been slipped to 22/23 i.e. £13.704m less £5.843m = £7.861m).

| | |
|--------------------------------|---------------|
| GRAND TOTAL GF PROJECTS | 10,755 |
|--------------------------------|---------------|

Estimated
Capital
Programme
2021/22
£k

HRA Projects

Existing Housing Stock

| | |
|--|-------|
| Major repairs to Housing Stock | 2,275 |
| Renewable Energy Fund | 250 |
| Home Adaptations - Disabled Facilities | 300 |

*** Housing Development Schemes**

| | |
|--|-------|
| Garages Block - Redevelopment | 408 |
| Affordable Housing/ Purchase of ex RTB | 500 |
| Post Hill, Tiverton | 3,217 |

* Proposed Council House Building / Other schemes subject to full appraisal

GRAND TOTAL HRA PROJECTS 6,950

GRAND TOTAL GF + HRA Projects 17,705

FUNDING

MDDC Funding Summary

General Fund

| | 2021/22 £k |
|-----------------------------------|---------------|
| EXISTING FUNDS | |
| Capital Grants Unapplied Reserve | 577 |
| Capital Receipts Reserve | 88 |
| NHB Funding | 769 |
| Other Earmarked Reserves | 150 |
| HIF Funding | 510 |
| Subtotal | 2,094 |
| NEW FUNDS | |
| PWLB Borrowing | 8,661 |
| Subtotal | 8,661 |
| Total General Fund Funding | 10,755 |

Housing Revenue Account

| | 2021/22 £k |
|--|---------------|
| EXISTING FUNDS | |
| Capital Receipts Reserve | 951 |
| NHB Funding | 21 |
| HRA Housing Maintenance Fund | 88 |
| Other Housing Earmarked Reserves | 2,673 |
| Subtotal | 3,733 |
| NEW FUNDS | |
| PWLB Borrowing | 3,217 |
| Subtotal | 3,217 |
| Total Housing Revenue Account Funding | 6,950 |
| TOTAL FUNDING | 17,705 |

| | Estimated Capital Programme 2021/22 £k | Estimated Capital Programme 2022/23 £k | Estimated Capital Programme 2023/24 £k | Estimated Capital Programme 2024/25 £k | Total £k |
|---|--|--|--|--|---------------|
| Estates Management | | | | | |
| Leisure - Site Specific | | | | | |
| Lords Meadow Leisure Centre | | | | | |
| Lmlc - Dance Studio space challenge (Relocation of dance studio) | | | 902 | | 902 |
| Lmlc - New AHU - improved changing room ventilation | | | | 43 | 43 |
| Lmlc - Fitness Studio renewal of equipment | | | 159 | | 159 |
| Lmlc - Main boilers x2 | | 83 | | | 83 |
| Lmlc - ATP Carpet | | | 159 | | 159 |
| Exe Valley Leisure Centre | | | | | |
| Evlc - ATP replacement 50% share with DCC | | | | 162 | 162 |
| Evlc - Boilers and CHP | 30 | 92 | | | 122 |
| Evlc - Fitness Studio renewal of equipment | 153 | | | | 153 |
| Culm Valley sports centre | | | | | |
| Cvsc - remodelling dance studio | | 153 | | | 153 |
| Cvsc - Remodelling of Ground Floor | 204 | | | | 204 |
| Cvsc - ATP replacement, incl shock pad 50/50 spilt DCC | | | 159 | | 159 |
| Cvsc - Ceiling - asset review | | 260 | | | 260 |
| Cvsc - Fitness Studio refurbishment of equipment | | | | 162 | 162 |
| Total Leisure | 387 | 588 | 1,379 | 367 | 2,721 |
| Other MDDC Buildings | | | | | |
| Cogans Well - Windows | | | 64 | | 64 |
| Cemetery Lodge - Structural solution for damp | | 62 | | | 62 |
| Phoenix House | | | | | |
| Cooling options Air Handling Unit | | 156 | | | 156 |
| MDDC Depot sites | | | | | |
| Depot Design & Build - Waste & Recycling | | 250 | 3,500 | | 3,750 |
| MDDC Shops/industrial Units | | | | | |
| Market Walk Unit 17 - remodelling options | 510 | | | | 510 |
| 36 & 38 Fore Street including Flat above structure & cosmetic works | | 156 | | | 156 |
| Parks & Play Areas | | | | | |
| Amory Park - Hard Court Area | | | 64 | | 64 |
| Public Conveniences | | | | | |
| Phoenix Lane Toilets - new construction in fresh position | | 125 | | | 125 |
| Market Car Park Toilets, Tiverton- Re modelling | | 156 | | | 156 |
| Westex Rec Toilets - Replacement | | | 159 | | 159 |
| Other Projects | | | | | |
| Hydromills Electricity generation Project - Tiverton Weir | 800 | | | | 800 |
| Tiverton Market Paving - Permanent Solution | | 156 | | | 156 |
| Total Other | 1,310 | 1,061 | 3,787 | 0 | 6,158 |
| HIF Schemes | | | | | |
| Cullompton Town Centre Relief Road (HIF bid) | 450 | 6,675 | 4,725 | | 11,850 |
| Tiverton EUE A361 Junction Phase 2 (HIF bid) | 60 | 4,640 | 3,200 | | 7,900 |
| Total HIF Schemes | 510 | 11,315 | 7,925 | 0 | 19,750 |
| ICT Projects | | | | | |
| Additional Unified Communications budget | 30 | | | | 30 |
| Laptop/desktop refresh | | 50 | | | 50 |
| Hardware replacement of Network Core Switch | 80 | | | | 80 |
| Workstation refresh | | | 50 | | 50 |
| Secure WIFI Replacement | | 25 | | | 25 |
| Other ICT Service related projects | | | | | |
| Replacement Access Database - Property Services | | 100 | | | 100 |
| Replacement HR Data base | | 80 | | | 80 |
| Total ICT | 110 | 255 | 50 | 0 | 415 |
| Private Sector Housing Grants | | | | | |
| Disabled Facilities Grants-P/Sector | 577 | 581 | 586 | 590 | 2,334 |
| Total PSH Grants | 577 | 581 | 586 | 590 | 2,334 |
| TOTAL GF PROJECTS | 2,894 | 13,800 | 13,727 | 957 | 31,378 |
| Other General Fund Development Projects | | | | | |
| * 3 Rivers Scheme | 232 | 1,206 | 0 | | 1,438 |
| 3 Rivers Scheme - Riverside Development (rear of Town Hall) Tiverton | 430 | 356 | | | 786 |
| * 3 Rivers scheme - Knowle Lane, Cullompton (note slippage from 20/21 will fund planned spend in 21/22) | 0 | 1,298 | 1,426 | | 2,724 |
| 3 Rivers Scheme - Orchard House Halberton | 49 | | | | 49 |
| * 3 Rivers Schemes - Future Projects | 1,700 | 4,800 | 11,500 | 14,000 | 32,000 |
| Post Hill Tiverton | 4,575 | | | | 4,575 |
| Park Road (Delivery of this project is yet to be determined until conclusion of marketing exercise & therefore maybe a Capital Receipt) | 875 | 1,300 | | | 2,175 |
| * These schemes require signed loan agreements before they can be progressed further | | | | | |
| TOTAL GF OTHER DEVELOPMENT PROJECTS | 7,861 | 8,960 | 12,926 | 14,000 | 43,747 |
| ** Note - the above schemes reconcile to the 3 Rivers business plan submitted to 04/02/21 Cabinet of £13.704m for 21/22 less slippage of £5.843m from 20/21 (note forecast slippage is £12.852m in total for 20/21 less £7.009m that has been slipped to 22/23 i.e. £13.704m less £5.843m = £7.861m). | | | | | |
| GRAND TOTAL GF PROJECTS | 10,755 | 22,760 | 26,653 | 14,957 | 75,125 |

| Estimated Capital Programme | Estimated Capital Programme | Estimated Capital Programme | Estimated Capital Programme | Total |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------|
| 2021/22 | 2022/23 | 2023/24 | 2024/25 | |
| £k | £k | £k | £k | £k |

HRA Projects

Existing Housing Stock

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Major repairs to Housing Stock | 2,275 | 2,240 | 2,235 | 2,260 | 9,010 |
| Renewable Energy Fund | 250 | 250 | 250 | 250 | 1,000 |
| Home Adaptations - Disabled Facilities | 300 | 300 | 300 | 300 | 1,200 |

*** Housing Development Schemes**

| | | | | | |
|---|-------|-------|-------|-------|--------|
| HRA Building Schemes - to be identified (note slippage from 20/21 will fund schemes in 21/22) | | 2,000 | 2,000 | 2,000 | 6,000 |
| Westexe - Structural Communal area work (stairwells, steps) | | 208 | | | 208 |
| Garages Block - Redevelopment | 408 | | | | 408 |
| Affordable Housing/ Purchase of ex RTB | 500 | 500 | 500 | 500 | 2,000 |
| Post Hill, Tiverton | 3,217 | 8,800 | 2,200 | | 14,217 |
| * Proposed Council House Building / Other schemes subject to full appraisal | | | | | |
| Old Road Depot remodelling options - asset near end of life | | 1,200 | | | 1,200 |

| | | | | | |
|---------------------------------|--------------|---------------|--------------|--------------|---------------|
| GRAND TOTAL HRA PROJECTS | 6,950 | 15,498 | 7,485 | 5,310 | 35,243 |
|---------------------------------|--------------|---------------|--------------|--------------|---------------|

| | | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|----------------|
| GRAND TOTAL GF + HRA Projects | 17,705 | 38,258 | 34,138 | 20,267 | 110,368 |
|--------------------------------------|---------------|---------------|---------------|---------------|----------------|

FUNDING

MDDC Funding Summary

General Fund

| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Total |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| | £k | £k | £k | £k | £k |
| EXISTING FUNDS | | | | | |
| Capital Grants Unapplied Reserve | 577 | 581 | 666 | 671 | 2,495 |
| Capital Receipts Reserve | 88 | 87 | 87 | 87 | 349 |
| NHB Funding | 769 | 754 | 158 | 77 | 1,758 |
| Other Earmarked Reserves | 150 | 116 | 91 | 41 | 398 |
| HIF Funding | 510 | 10,315 | 6,390 | 0 | 17,215 |
| Subtotal | 2,094 | 11,853 | 7,392 | 876 | 22,215 |
| NEW FUNDS | | | | | |
| PWLB Borrowing | 8,661 | 10,907 | 19,261 | 14,081 | 52,910 |
| Subtotal | 8,661 | 10,907 | 19,261 | 14,081 | 52,910 |
| Total General Fund Funding | 10,755 | 22,760 | 26,653 | 14,957 | 75,125 |

Housing Revenue Account

| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Total |
|--|---------------|---------------|---------------|---------------|----------------|
| | £k | £k | £k | £k | £k |
| EXISTING FUNDS | | | | | |
| Capital Receipts Reserve | 951 | 1,551 | 1,551 | 1,551 | 5,604 |
| NHB Funding | 21 | 21 | 21 | 21 | 84 |
| HRA Housing Maintenance Fund | 88 | 2,536 | 1,128 | 1,128 | 4,880 |
| Other Housing Earmarked Reserves | 2,673 | 2,590 | 2,585 | 2,610 | 10,458 |
| Subtotal | 3,733 | 6,698 | 5,285 | 5,310 | 21,026 |
| NEW FUNDS | | | | | |
| PWLB Borrowing | 3,217 | 8,800 | 2,200 | 0 | 14,217 |
| Subtotal | 3,217 | 8,800 | 2,200 | 0 | 14,217 |
| Total Housing Revenue Account Funding | 6,950 | 15,498 | 7,485 | 5,310 | 35,243 |
| TOTAL FUNDING | 17,705 | 38,258 | 34,138 | 20,267 | 110,368 |

**CABINET
4 FEBRUARY 2021
TAX STRATEGY REPORT**

Cabinet Member(s): Cllr Andrew Moore, Cabinet Member for Finance
Responsible Officer: Andrew Jarrett, Deputy Chief Executive (S151).

Reason for Report: The Council's tax risk exposure has changed and having tax policies and procedures in place helps to mitigate this risk.

Recommendation: That Cabinet recommends this Tax Strategy for approval by full Council.

Financial Implications: If tax matters are not correctly handled by the Council the HMRC can assess interest on unpaid tax, and if applicable penalties, going back six years.

Budget and Policy Framework: This is a new policy to be added to the framework.

Legal Implications: The Criminal Finances Act 2017 introduced a corporate offence which applies to relevant bodies including local authorities. The relevant offence is a failure to prevent the facilitation of tax evasion by a person associated with the relevant body i.e. the Council.

Risk Assessment: The current economic situation with Brexit and the Covid pandemic is considered to have increased the risk that associated persons may be tempted to commit tax evasion offences which increases the risk to the Council of committing (by association) an offence under the legislation. There is also an increased risk of HMRC scrutiny and inspections.

Equality Impact Assessment: None resulting from this report

Relationship to Corporate Plan: Having good governance arrangements and an effective internal control environment is a fundamental element of being a well-managed council.

Impact on Climate Change: None resulting from this report

1.0 Introduction/Background

- 1.1 The Criminal Finances Act 2017 introduced a corporate offence, which applies to relevant bodies including local authorities. This offence can occur where an associated person of a local authority, which can include suppliers, has committed tax evasion offences and the local authority is held guilty of "Failure to Prevent".
- 1.2 The only defence is to have reasonable preventative procedures in place that are proportionate to the risk. These include tax policies, procedures and training of staff.
- 1.3 The current economic situation with Brexit and the Covid pandemic is considered to have increased the risk that associated persons may be

tempted to commit tax evasion offences which increases the risk to the Council of a Corporate Criminal Offence. There is no de minimis level to this.

2.0 Further actions required

2.1 Review the Council's procurement and Tender documentation to ensure the Council's zero tolerance to tax irregularities is made clear to suppliers.

2.2 Assess the Council's tax risks for inclusion in the Corporate Risk register. Ensure awareness and training is rolled out to staff who have responsibility for entering into arrangements which may increase the Council's exposure to risk.

3.0 Conclusion and Recommendation

3.1 The Council must have in place reasonable preventative procedures in place to protect against the risk of interest and penalty payments and Corporate Criminal Offence. Having suitable tax policies and procedures contribute to reasonable preventative procedures. The Council has adequate procedures in its Financial Regulations. This Tax Strategy focuses on tax matters and key risks.

3.2 That Cabinet recommends this Tax Strategy for approval by full Council.

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Contact for more Information: Catherine Yandle, cyandle@middevon.gov.uk

Circulation of the Report: Cabinet Member Cabinet, Leadership Team

List of Background Papers:

Mid Devon District Council

Tax Strategy

February 2021

Version Control Sheet

Title: **Tax Strategy**

Purpose: **To outline the Council's approach to handling its tax affairs and potential risk areas.**

Owner: **Group Manager for Performance, Governance and Data Security**
cyandle@middevon.gov.uk
Telephone number 01884 234975

Date: **February 2021**

Version Number: **1**

Status: **Draft**

Review Frequency: **Every 3 years or sooner if required and in accordance with legislation**

Next review date: **February 2024**

Consultation **This document was sent out for consultation to the following:**

Leadership Team

Cabinet Member

Document History

This document obtained the following approvals.

| Title | Date | Version Approved |
|------------------|-------------|-------------------------|
| | | |
| Leadership Team* | | 1.0 |
| Cabinet Member | | 1.0 |
| Cabinet* | | 1.0 |
| Council* | | 1.0 |
| | | |
| | | |

*- Delete if not applicable

1. Introduction

This Tax Strategy document sets out the Council's approach to managing its own tax affairs.

2. Scope

2.1. The taxes this Council is subject to or collects on behalf of the UK government are:

- a) Employment Taxes
- b) Value Added Tax (VAT)
- c) Property Taxes
- d) Indirect Taxes
- e) Environmental Taxes

2.2. How the Council Manages its Tax Risks

The Council maintains robust processes and controls which are designed to minimise the risk of errors arising which could impact the amount of tax that we pay. These processes and controls are regularly monitored, reviewed and tested and underpin the submission of returns prepared by us and, as employer, for our staff.

Where we contract with suppliers we ensure that we correctly deal with our tax obligations in respect of payments to them.

Our guiding principles and codes of conduct govern how we manage our own taxation affairs. These are supported by both underlying detailed governance and risk management frameworks.

Ultimate responsibility for the Council's tax strategy and governance rests with the Deputy Chief Executive (S151).

Managers and Directors are responsible for ensuring that the appropriate controls and procedures are operated within their service areas in relation to taxation issues.

2.3. The Council's Attitude to Tax Planning

The Council strives for full compliance with all statutory obligations, full disclosure to relevant tax authorities and payment of the right amount of tax.

Advice is sought from external advisers where uncertainty exists.

2.4. The level of Risk the Council is prepared to accept for Taxation

The Council's appetite towards risk is primarily governed by the aim of retaining a low-risk rating from HMRC. This reduces the risk of inspections and business risk reviews by HMRC.

If the Council fails to account for taxes properly we may be charged interest and/or penalties by HMRC.

2.5. How the Council works with HMRC

The Council will always co-operate with HMRC in any inspections or enquiries they make of us.

We will ensure we respond to all questions promptly and accurately as required.

3. Related Documents

- 3.1. Financial Regulations
- 3.2. Anti-Fraud and Corruption Policy
- 3.3. Whistleblowing Policy

4. Specific Tax Risks faced by the Council

4.1. VAT Partial exemption

The Council is partially exempt for VAT purposes as it makes both taxable and exempt supplies. The usual rule for partial exemption is that the input VAT charged to the Council on supplies would be only partially recoverable from HMRC. However the Council benefits from legislation specific to the Public Sector (S33 VAT Act 1994) which enables the Council to recover all its input VAT as long as the de minimis level of 5% exempt supplies is not exceeded.

Exceeding the de minimis % is therefore a key tax risk for the Council so it is essential that large expenditure such as capital projects and any new income streams are discussed with the Finance Service to ensure that the VAT consequences of projects are fully understood, and advice can be obtained from external tax advisors where necessary, before they take place.

4.2. Other VAT Risks

That expenditure is not supported by valid documentation or we fail to account for VAT on sales at the correct date (tax point). Late submission of VAT returns. Further information on these are available in the Financial Regulations.

Debtors can help with ensuring the VAT treatment of sales is correct.

Creditors can help with the documentation required for expenditure.

4.3. IR35 Off Payroll working

IR35 is tax legislation that is designed to combat tax avoidance by workers supplying their services to clients via an intermediary, such as a limited company, but who would be an employee if the intermediary was not used. Such workers are called 'disguised employees' by HMRC.

Even if an individual can demonstrate that they are registered with HMRC as self-employed this does not mean that they should necessarily be treated as such when they undertake an engagement for Mid Devon District Council. It depends upon the contractual arrangement with the individual.

It is vital to resolve the issue of employment status and inform the individual how they will be paid, before they undertake the work.

There is an online tool that can be used to help determine the status of individuals at:

www.hmrc.gov.uk/calcs/esi.htm

If you have any doubt as to the correct treatment, the matter should be referred to the Deputy Chief Executive (S151) or Corporate Manager for People, Governance and Waste without delay.

If the Council treats someone incorrectly then HMRC will charge interest and penalties; these will fall on the service that has commissioned the work.

4.4. Construction Industry Scheme (CIS)

CIS covers construction operations carried out in the UK. The rules of the scheme define the types of work that are classed construction operations.

The Council is responsible for deducting the correct amount of tax from sub-contractors and suppliers (if applicable) and paying the deductions over to HMRC monthly with payroll deductions. It is therefore essential that suppliers are set up properly before they are paid for the first time.

Procurement can help with setting up new suppliers.

4.5. Other Employment Tax Risks

The Council, in common with all other employers, operates PAYE/NIC deduction at source for all employees including Members. The procedures are largely on line and operate smoothly so the risks in this area are low.

4.6 Other Taxes

The Council pays other taxes in its own right as appropriate to the nature of transactions undertaken such as business rates. These are all viewed as low risk.

5. Corporate Offence

5.1 The Criminal Finances Act 2017 introduced a corporate offence which applies to relevant bodies including local authorities. This offence can occur where an associated person of a local authority, which can include suppliers, has

committed tax evasion offences and the local authority is held guilty of “Failure to Prevent”.

5.2 The only defence is to have reasonable preventative procedures in place that are proportionate to the risk. These include tax policies, procedures and training of staff.

5.3 The Council must ensure that its tender documents and procurement processes make clear that the Council expects all suppliers to ensure that their own internal procedures ensure that the correct amount of taxes are accounted for and paid over to HMRC. The Council will not tolerate tax evasion offences.

CABINET FEBRUARY 2021

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.

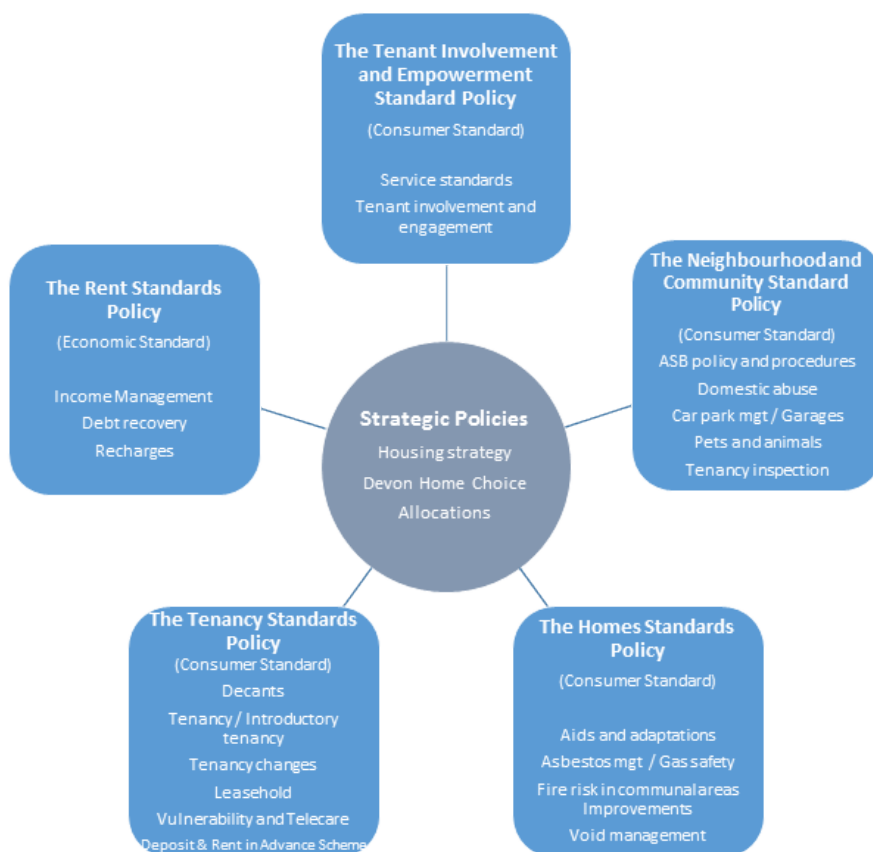
1.3 It is recommended that these Strategies and Policies be formally approved as the Council's Policy Framework in accordance with the Constitution so far as they still apply and are relevant.

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 Members will note that within the Homes tab within the Framework, additional notes have been supplied which set out changes to the delivery of many of the policies that relate to the Building and Housing Services. The Group Manager for Public Health and Regulatory Services informed the Homes Policy Development Group at its meeting in November that many of the policies required updating in order to bring them into line with the new legislation and/or regulatory requirements, with most of the policies being subsumed into either the central strategic policies or standard policies as depicted below.



- 2.4 The Policy Framework 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

Circulation of the Report: Councillor R M Deed, Cabinet Members and Leadership Team

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| 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 | Notes |
| Air Quality Action Plan | Corporate Manager for Public Health, Regulation and Housing | Nov-17 | Community PDG | Nov-21 | Cabinet | 4 yearly | |
| CCTV Policy | Corporate Manager for Property, Leisure and Climate Change | Jan-21 | Community PDG | Jan-24 | Cabinet | 3 yearly | |
| Community Engagement <u>Strategy</u> (including Action Plan) | Director of Business Improvements and Operations | Nov-18 | Community PDG | Nov-20 | Cabinet | 2 yearly | Working Group to be set up and coming back to CPDG in Jan 21 |
| Corporate Anti Social Behaviour Policy | Corporate Manager for Public Health, Regulation and Housing | Jan-18 | Community PDG | Jan-21 | Cabinet | 3 yearly | |
| Corporate Health & Safety Policy | Director of Business Improvements and Operations | Jan-21 | Community PDG | Jan-24 | Cabinet | 3 Yearly | |
| Customer Care Policy | Director of Business Improvements and Operations | Sep-18 | Community PDG | Oct-21 | Cabinet | 3 yearly | |
| Grant payments to external organisations (the strategic grants review process) | Strategic Manager for Growth, Economy and Delivery | Oct-16 | Community PDG | Feb-21 | Cabinet | 4 yearly | |
| Enforcement Policy | Director of Business Improvements and Operations | Oct-20 | Community PDG | Oct-21 | Cabinet | Annually | Joint PDG Community/Environment & Homes |
| Safeguarding Children & Adults at Risk Policy and Procedures | Director of Business Improvements and Operations | Feb-19 | Community PDG | Feb-22 | Cabinet | 3 yearly | |
| Single Equalities Policy and Equality Objective | Director of Business Improvements and Operations | Jan-21 | Community PDG | Jan-22 | Cabinet | Annually | |
| Town and Parish Charter | Director of Business Improvements and Operations | Jan-18 | Community PDG | Jan-21 | Cabinet | 3 yearly | Going in March 2021 |
| 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 | Sep-20 | Community PDG | Sep-25 | Cabinet | 5 yearly | |
| The Council Tax Reduction Scheme & Exceptional Hardship Policy | Corporate Manager for Revenues, Benefits and Recovery | Dec-19 | Community PDG | Jan-22 | Cabinet | When required | Consultation to be completed in 2021 & Policies reviewed due to PDG Jan 22 |

| | | | | | | | |
|------------------------------------|------------------------------------|--------|---------------|--------|---------|--------------|--|
| Regulation of Investigatory Powers | Head of Legal (Monitoring officer) | Aug-19 | Community PDG | Apr-21 | Cabinet | Now Annually | The Commissioner how suggests an annual review |
|------------------------------------|------------------------------------|--------|---------------|--------|---------|--------------|--|

| 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 | Jan-21 | Cabinet | Annually |
| Climate Strategy and Action Plan | Corporate Manager for Corporate Property, Leisure and Climate Change | Oct-20 | Environment PDG | Oct-24 | Cabinet | 4 yearly |
| High Hedges Policy | Operations Manager for Street Scene | Aug-16 | Environment PDG | Aug-23 | Cabinet | 7 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 | Operations Manager for Street Scene | 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-20 | Environment PDG | Mar-23 | 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 | Mar-18 | Economy PDG | Mar-21 | Economy PDG - Cabinet | when required |
| 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 | Mar-21 | 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 | Important notes regarding the new housing policy structure |
|---|--|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|--|
| Aids and Adaptations Policy | Director of Business Improvements and Operations | Sep-16 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023 |
| Allocations Policy and Procedures | Director of Business Improvements and Operations | March 2016 | Homes PDG | See note | Cabinet | 3 yearly | Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development) |
| ASB Policy and Procedures | Director of Business Improvements and Operations | Jul-15 | Homes PDG | See note | Cabinet | 3 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Car Parking Management Policy (housing amenity, residential and permit holder car parks). | Director of Business Improvements and Operations | Jan-16 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Community Housing Fund Grant Policy | Director of Business Improvements and Operations | May-18 | Homes PDG | May-22 | Cabinet | 4 yearly | Dealt with by the Forward Planning Team. |
| Compensation Policy | Director of Business Improvements and Operations | Jan-20 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023. |
| Decant Policy | Director of Business Improvements and Operations | Jan-17 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |
| Domestic Abuse Policy | Director of Business Improvements and Operations | Jul-15 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Fire Risk in Communal Areas Policy | Director of Business Improvements and Operations | Jul-17 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023 |
| Garage Management Policy | Director of Business Improvements and Operations | Jan-16 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Gas Safety Policy | Director of Business Improvements and Operations | Sep-18 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023 |
| Harrasment Policy | Director of Business Improvements and Operations | Oct-19 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Hoarding Policy | Director of Business Improvements and Operations | Oct-19 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Homelessness Strategy | Director of Business Improvements and Operations | Dec-19 | Homes PDG | See note | Cabinet | 5 yearly | Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development) |
| Housing Assistance Policy, Devon wide (previously known as the Private Sector Renewal Policy) | Director of Business Improvements and Operations | Mar-19 | Homes PDG | Mar-22 | Cabinet | 3 yearly | Now dealt with via delegated authority (needs a review in 2022). Awaiting confirmation from SN as at Dec 2020. |
| Housing Enabling - SPD (S106 - Houisng Need Allocation - Exception Sites) | Director of Business Improvements and Operations | May-17 | Homes PDG | See note | Cabinet | 3 yearly | Due to come to the Homes PDG in either late 2021 or early 2022. Dealt with by the Forward Planning Team |
| Housing Revenue Account Asset Management Strategy | Director of Business Improvements and Operations | May-14 | Homes PDG | See note | Cabinet | 5 Yearly | Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development) |
| Housing Strategy | Director of Business Improvements and Operations | Jan-16 | Homes PDG | See note | Cabinet | 5 yearly | Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development) |

| | | | | | | | |
|--|--|--------|-----------|----------|---------|-----------|---|
| Improvements to Council Property Policy | Director of Business Improvements and Operations | Jan-20 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023 |
| Income Management Policy | Director of Business Improvements and Operations | Jan-20 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Rent Standard policy' due to come to the Homes PDG in 2023/2024. |
| Introductory Tenancies Policy | Director of Business Improvements and Operations | Sep-16 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |
| Leasehold Management policy | Director of Business Improvements and Operations | Dec-15 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |
| Neighbourhood Management Policy | Director of Business Improvements and Operations | Sep-18 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Pets and Animals policy | Director of Business Improvements and Operations | Oct-19 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Private Sector Fees & Charges | Director of Business Improvements and Operations | Mar-19 | Homes PDG | Mar-20 | Cabinet | Annually | Now dealt with via delegated authority (needs a review in 2022). Awaiting confirmation from SN as at Dec 2020. |
| Recharge Policy | Director of Business Improvements and Operations | Sep-18 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Rent Standard policy' due to come to the Homes PDG in 2023/2024. |
| Service Standards Review | Director of Business Improvements and Operations | Sep-16 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenant Involvement and Empowerment Standard policy' due to come to the Homes PDG in June 2021. |
| Severe Weather Emergency Protocol and Extended Winter Provision Protocol | Director of Business Improvements and Operations | Jan-18 | Homes PDG | See note | Cabinet | 2 yearly | Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development). |
| Supply and Demand Policy | Director of Business Improvements and Operations | Jan-19 | Homes PDG | See note | Cabinet | 3 yearly | Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development). |
| Telecare Policy | Director of Business Improvements and Operations | Mar-17 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |
| Tenancy Policy | Director of Business Improvements and Operations | Aug-15 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |
| Tenancy Changes Policy (formerly known as the 'Succession and Assignment Policy') | Director of Business Improvements and Operations | Jun-16 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |
| Tenancy Agreement | Director of Business Improvements and Operations | Jul-16 | Homes PDG | See note | Cabinet | 5 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |
| Tenancy Inspection Policy | Director of Business Improvements and Operations | Jul-16 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022. |
| Tenant Involvement Policy | Director of Business Improvements and Operations | May-18 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenant Involvement and Empowerment Standard policy' due to come to the Homes PDG in June 2021. |
| Tenant Involvement Strategy | Director of Business Improvements and Operations | May-18 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenant Involvement and Empowerment Standard policy' due to come to the Homes PDG in June 2021. |
| Tenancy Strategy & Policy review (Formerly known as the Strategic Tenancy Policy) - Awaiting Government Regulations on Tenancy Policies | Director of Business Improvements and Operations | Nov-12 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |

| | | | | | | | |
|------------------------|--|--------|-----------|----------|---------|-----------|---|
| Void Management Policy | Director of Business Improvements and Operations | Jan-19 | Homes PDG | See note | Cabinet | 10 yearly | Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023 |
| Vulnerability Policy | Director of Business Improvements and Operations | Mar-17 | Homes PDG | See note | Cabinet | 4 yearly | Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023. |

| 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 | Corporate Manager for Public Health , Regulation and Housing | Nov-18 | Regulatory Committee | Nov-21 | Regulatory Committee | 3 Yearly |
| Licensing Policy | Corporate Manager for Public Health , Regulation and Housing | Nov-18 | Licensing Committee | Oct-23 | Council | 5 yearly |
| Statement of Principles for Gambling Act 2005 | Corporate Manager for Public Health , Regulation and Housing | 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 Business Improvements and Operations | Aug-20 | Audit Committee | Aug-21 | Audit Committee | Annually |
| Anti-fraud and Corruption and Anti-Money Laundering Policies | Director of Business Improvements and Operations | Nov-18 | Audit Committee | Jan-21 | Audit Committee | 2 yearly |
| Corporate Recovery Policy | Deputy Chief Executive (S151) | Mar-18 | Audit Committee | Mar-21 | Cabinet | 3 yearly |
| Data Quality Policy | Director of Business Improvements and Operations | 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 | Jun-20 | Audit Committee | Mar-21 | Audit Committee | Annually |
| Internal Audit Charter and Strategy | DAP | Jun-20 | Audit Committee | Mar-21 | Audit Committee | Annually |
| Risk and Opportunity Management Strategy | Director of Business Improvements and Operations | Jun-20 | Audit Committee | Mar-21 | Audit Committee | Annually |
| Whistleblowing Policy | Director of Business Improvements and Operations | 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 | Detailed notes |
| Statement of Community Involvement | Head of Planning, Economy and Regeneration | Aug-20 | PPAG | Aug-21 | 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 | Mar-21 | Cabinet | 4 years | |
| Channel Access Strategy 2014-2017 | Director of Business Improvement and Operations | Sep-18 | Cabinet | Oct-21 | Cabinet | 3 years | |
| Community Infrastructure Levy | Head of Planning, Economy and Regeneration | Jan-21 | 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 Business Improvement and Operations | Oct-18 | Cabinet | Sep-21 | Cabinet | 3 years | |
| Corporate Asbestos Policy | Deputy Chief Executive (S151) | Feb-20 | Cabinet | Feb-23 | Cabinet | 3 years | |
| Corporate Debt Recovery Policy | Deputy Chief Executive (S151) | Feb-18 | Audit Committee - Cabinet | Feb-21 | Cabinet | 3 years | |
| Corporate Plan (2020-2024) | Director of Business Improvement and Operations | Feb-20 | Cabinet | Feb-24 | Council | 4 yearly | |
| Council Tax Reduction Scheme | Deputy Chief Executive (S151) | Dec-16 | Cabinet | Feb-20 | Cabinet | When required | This includes the Exceptional Hardship Policy . It also includes the MDDC Fraud penalty Policy (as per JC Apr 16) |
| Data Protection Policy | Director of Business Improvement and Operations | Jun-19 | Cabinet | Jun-22 | Cabinet | 3 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 | Detailed notes |
| Discretionary Rate Relief Scheme | Deputy Chief Executive (S151) | Feb-19 | Cabinet | Feb-22 | Cabinet | Annually | The changes that have come in are mandatory – PM/Chancellor to advise anymore and then request s151, portfolio holder sign off |
| Email Policy | Director of Business Improvements and Operations | Jan-21 | Cabinet Member for Community-Well-Being | Jan-23 | Cabinet Member for Community Well-Being | 2 Yearly | |
| The Establishment | Director of Business Improvements and Operations | Feb-20 | Cabinet | Feb-21 | Cabinet | Annually | Now includes details of the Workforce Plan and the HR Strategy |
| Freedom of Information Policy | Director of Business Improvements and Operations | Jun-19 | Cabinet or Cabinet Member | Jun-22 | Cabinet | 3 yearly | |
| ICT Strategy | Director of Business Improvements and Operations | Feb-19 | Cabinet | Feb-24 | Cabinet | 5 yearly | |
| Internet Policy | Director of Business Improvements and Operations | Jan-21 | Cabinet Member for the Working Environment and Head of ICT | Jan-24 | Cabinet Member for Community Well-Being | 5 Yearly | |
| Leisure Pricing Policy | Deputy Chief Executive (S151) | Dec-19 | Individual Decision by the Cabinet Member for Community Well Being | Dec-20 | Cabinet | Annually | Delayed |
| Local Development Scheme | Head of Planning, Economy and Regeneration | May-18 | PPAG | As and when required as part of the Local Plan | Cabinet | As and when required as part of the Local Plan | |
| Local Enforcement Plan (replaces Development Control Enforcement Policy) | Head of Planning, Economy and Regeneration | Jan-18 | PPAG | Jan-21 | Cabinet - Council | 3 yearly | |
| Local Plan | Head of Planning, Economy and Regeneration | Jul-20 | Cabinet | Jul-25 | Cabinet - Council | 5 Yearly | |
| Medium Term Financial Strategy | Deputy Chief Executive (S151) | Dec-20 | Cabinet | Dec-21 | Cabinet | Annually | |

| Cabinet | | | | | | | |
|---|---|---------------|-----------------------------------|---------------------------------|------------------------|--------------------------|----------------|
| Policy | Head of Service | Last Approved | Group/Committee to review/develop | Expected date for next approval | Approval required from | Frequency to be reviewed | Detailed notes |
| Pay Policy | Director of Corporate Affairs and Business Transformation | Feb-20 | Cabinet | Feb-21 | Cabinet - Council | Annually | |
| Records Management Policy | Director of Business Improvement and Operations | Jun-18 | Cabinet | Jun-22 | Cabinet | 4 yearly | |
| Treasury Management Strategy and Annual Investment Strategy | Deputy Chief Executive (S151) | Feb-20 | Cabinet | Feb-21 | Council | Annually | |
| Information Security and Information Security Incident Policies | Director of Business Improvements and Operations | Oct-18 | Cabinet | Oct-21 | Cabinet | 3 yearly | |

CABINET FEBRUARY 4 2021

PAY POLICY

Cabinet Member(s): Cllr Bob Deed
Responsible Officer: Matthew Page, Corporate Manager for People, Governance and Waste

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 the full Council.

Recommendation: **The Cabinet is asked to recommend to Council the Pay Policy 2021.**

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.

Budget and Policy Framework: This policy sits within the current budget and policy framework.

Legal Implications: None directly arising from this report. The Head of Paid Services (Chief Executive) is required by Article 14 of the Constitution to keep under review the number, grade and organisation of officers, as well as the manner in which the Council's functions is coordinated and discharged. Further, the overall developmental and management structure, as well as the deployment of officers, is to be published.

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 highlighted in 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 highlighted in 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.
- 1.5 In discussion with the Cabinet Member for the Working Environment and Support Services, a commitment has been given to regularly review the content of the Pay Supplement Policy which was used last year to make a retention payment to the Deputy Chief Executive.
- 1.6 Actions included the attaching of the Pay Supplement Policy (see Appendix 1 Pay Supplement Policy) to this submission each year when it is made to Cabinet for comment and review by members. It was also agreed that any payments to senior officers made under the terms of this policy need to be agreed between the Chief Executive, the Cabinet Member for the Working Environment and Support Services and the Leader of the Council in consultation with the Corporate Manager People, Governance and Waste.
- 1.7 The Corporate Manager People, Governance and Waste will also ensure that any proposed payments are evaluated by an independent body (e.g. South West Councils) before they are made.
- 1.8 The Pay Supplement Policy included is to be noted as a draft pending formal review with both our management team, union and staff consultative group.
- 1.9 The Pay Supplement Policy will be approved at our Joint Negotiation and Consultative Committee which is attended by the Cabinet Member for the Working Environment and Support Services.

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, Corporate Manager for People, Governance and Waste, Cllr Bob Deed

Circulation of the Report: Cabinet Member– Cllr Bob Deed, Cabinet, Leadership Team

Human Resources Policy

Version Control Sheet

Title: Pay Policy 2021

Reference No: HR/

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: Corporate Manager for People, Governance and Waste
mpage@middevon.gov.uk

Date: Feb 2021

Version Number: 4

Status: Final

Review Frequency: Every year

Next review date: February 2022 to be published by March 2022

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 February, 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 Corporate 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 Corporate 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 (post now obsolete)**
- **Head of Planning, Economy and Regeneration**
- **Head of Legal (Monitoring Officer)**
- **Group Managers (posts now obsolete)**
- **Corporate Management Team**

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 the 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 the 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 as of 1st April each year. Any increase given to them will take into account the national pay award and will be agreed 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, i.e. 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 having 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 February. 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 Corporate Manager for People, Governance and Waste 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 | 2020/21 |
| Chief Executive | £111,825 | £114,900 |
| Deputy Chief Executive (S151) | £81,600 | £83,844 |
| Director of Corporate Affairs and Business Transformation | £77,775 | £82,200 |
| Director of Operations (now deleted from establishment) | £77,775 | – |
| Head of Service: Planning and Regeneration | Grade P £63,857 to £67,765 | Grade P £65,614 to £69,629 |
| Head of Service: Legal Services & Monitoring Officer (new post from 01/01/2020) | Grade P £63,857 to £67,765 | Grade P £65,614 to £69,629 |
| Group Manager: Legal Services and Monitoring Officer (now deleted from establishment) | Grade N £54,500 to £57,837 | – |
| Group Manager: Street Scene and Open Spaces (now deleted from establishment) | Grade M £50,351 to £53,432 | Grade M £51,736 to £54,901 |
| Group Manager: Building Services (now deleted from establishment) | Grade M £50,351 to £53,432 | Grade M £51,736 to £54,901 |
| Group Manager: Corporate Property and Commercial Assets (now deleted from establishment) | Grade M £50,351 to £53,432 | Grade M £51,736 to £54,901 |
| Group Manager: Financial Services (now deleted from establishment) | Grade M £50,351 to £53,432 | Grade M £51,736 to £54,901 |
| Group Manager: Public Health and Regulatory Services (now deleted from establishment) | Grade M £50,351 to £53,432 | Grade M £51,736 to £54,901 |
| Corporate Manager Public Health, Regulation & Housing (New Post from 01/01/2021) | – | Grade N £55,999 to £59,427 |
| Corporate Manager People, Governance & Waste (New Post from 01/01/2021) | – | Grade N £55,999 to £59,427 |

| | | |
|--|---|-------------------------------|
| Corporate Manager Digital Transformation & Customer Engagement (New Post from 01/01/2021) | – | Grade N £55,999 to £59,427 |
| Corporate Manager Property, Leisure & Climate Change (New Post from 01/01/2021) | – | Grade N £55,999 to £59,427 |
| Corporate Manager Income, Benefits & Recovery (New Post from 01/01/2021) | – | Grade N £55,999 to £59,427 |
| Corporate Manager Financial Services (New Post from 01/01/2021 Vacant at present) | – | Grade N £55,999 to £59,427 |

There were uplift payments of £5,000 for the 2020 calendar year, pending restructure, to the Group Managers that were asked to act up onto Corporate Management Team (CMT). This restructure has now been completed and so the Group Manager posts are obsolete and have been replaced by the Corporate Manager posts who make up CMT. The Group Manager for Legal Services and Monitoring Officer was promoted to become the Head of Legal Services and Monitoring Officer from the 1 January 2020 (and so the former post is also now obsolete). There was also a retention payment made to the Deputy Chief Executive of £5,000. The Director of Corporate Affairs & Business Transformation role was re-evaluated in light of the transfer of significant additional responsibilities following the departure (and non-replacement of) the third Director post.

2. The full time remuneration of the lowest paid employee.

| Post Title | Remuneration | | Other Allowances | |
|----------------------|--------------|---------|------------------|---------|
| | 2019/20 | 2020/21 | 2019/20 | 2018/19 |
| Office Cleaner | £17,711 | - | None | None |
| Recreation Assistant | £18,426 | £18,562 | None | None |
| Apprentice | £7,524 | £8007 | None | None |

3. The multiplier of the remuneration of the Chief Executive based upon taxable earnings.

| Category | Total Remuneration | |
|--|-------------------------------------|---|
| | 2019/20 | 2020/21 |
| Pay multiple of Chief Executive to Mean | 5.32 | 4.35 |
| Pay multiple of Chief executive to lowest paid FT employee | 6.31 (based on office cleaner) | 6.19 (based on Recreation Assistant) |
| | 15.50 (based on apprentice rate) | 14.35 (based on apprentice rate) |
| Annual Mean Pay of all employees (Total Salaries/Number of contracts) | £21,019 | £26,417 |

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 2020](#)

| Remuneration Band | 2018/19 | | 2019/20 | |
|---------------------|---------------------|------------------|---------------------|------------------|
| | Number of Employees | Left During Year | Number of Employees | Left During Year |
| £50,000 - £54,999 | 5 | 0 | 3 | 0 |
| £55,000 - £59,999 | 1 | 0 | 3 | 0 |
| £60,000 - £64,999 | 0 | 0 | 1 | 0 |
| £65,000 - £69,999 | 1 | 0 | 1 | 0 |
| £70,000 - £74,999 | 0 | 0 | 1 | 1 |
| £75,000 - £79,999 | 2 | 0 | 1 | 0 |
| £80,000 - £84,999 | 0 | 0 | 0 | 0 |
| £85,000 - £89,999 | 0 | 0 | 1 | 0 |
| £95,000 - £99,999 | 0 | 0 | 0 | 0 |
| £100,000 - £104,999 | 0 | 0 | 0 | 0 |
| £105,000 - £109,999 | 1 | 0 | 0 | 0 |
| £110,000 - £114,999 | 0 | 0 | 1 | 0 |

The above table includes two employees who received a termination payment in 2019/20. These employees are included in the Termination Benefit note. Six employees in the above table are not Senior Officers so have not been included in the Senior Officers table, all other employees are included. In completing the 2019/20 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 2019/20.

5 Termination Benefits

| 2019/20 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 | 0 | 13 | 13 | 23 |
| £20,000-£39,000 | - | 2 | 2 | 73 |
| £40,000-£59,999 | - | - | - | - |
| £60,000-£79,999 | - | - | - | - |
| Total | - | 15 | 15 | 96 |

During 2019/20 a number of settlement agreements 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 | 61% | 39% | Includes all employees whose standard hourly rate places them at or below the lower quartile |
| 2 | 34% | 66% | Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median |
| 3 | 47% | 53% | 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 | £13.31 | £12.35 |
| Female | £13.55 | £12.35 |
| | | |
| HMRC % gap | -1.80% | 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 -1.80% Mid Devon District Council's mean gender pay gap is, therefore, significantly lower than that for the whole economy.

Human Resources Policy

Version Control Sheet

Title: **PAY SUPPLEMENT POLICY**

Reference No: **HR/P /2021**

Purpose: To secure the consistent delivery of key services to the public by giving managers the ability to retain key postholders and recruit the best possible staff for each post.

Owner: for Corporate Manager People, Governance and Waste
mpage@middevon.gov.uk

01884 234381

Date: **DRAFT (Pending Review)**

Version Number: **1.9**

Status: **DRAFT**

Review Frequency: **Every year**

Next review date: **August 2021**

Consultation **This document was sent out for consultation to the following:**

Corporate Manager for People, Governance and Waste

Corporate Management Team

Unison

Cabinet and/or Scrutiny

Document History

This document obtained the following approvals and is valid on the date printed.

| Title | Date | Version Approved |
|--|------|------------------|
| Corporate Management Team | | |
| Joint Negotiation and Consultation Committee | | |

PAY SUPPLEMENT POLICY

1. INTRODUCTION

This Policy contains the agreed approach to be taken in the application, monitoring and review of pay supplements within Mid Devon District Council.

Pay supplements incorporate mechanisms for tackling recruitment and retention problems by temporarily increasing the total pay awarded to a post (without altering the job evaluation determined grade for that post) when it can be shown that the salary range attached to the grade is significantly lower than those offered by a competitor and therefore it impacts adversely on the ability to recruit or retain staff. They also cover methods of recognition and reward.

During times of specific upheaval and change, it may be necessary to secure the delivery of key services and moreover, to retain a particular skill set within the authority using retention payments, market supplements, acting up payments, honorarium and increases in spinal column points.

The objectives of this Policy are:-

- To recruit the best possible staff for each post and enable the Council to mitigate against any adverse impact on its ability to compete in the local labour market by looking at pay supplement payments
- To facilitate flexibility to resource the Council whilst ensuring compliance with equal pay legislation, achieving transparency and adopting best practice.
- To secure the consistent delivery of key services to the public that may be at risk by giving the ability to retain key postholders

2. REFERENCES

The following legislation is relevant and has been taken into account in the drawing up of this Policy:

- Disability Discrimination Act 1995
- Disability Discrimination Act 1995 (amendment Regulations 2005)
- Sex Discrimination Act 1975
- Sex Discrimination Act 1975 (amendment Regulations 2005)
- The Race Relations Act 1976
- The Race relations Act 1976 (amendment Regulations 2000)
- Employment Equality (Religion or Belief) Regulations 2003
- Employment Equality (Sexual Orientation) Regulations 2003

- The Data Protection act 1998
- Employment Equality (Age) Regulations 2006
- Equal Pay Act 1970

3. SCOPE

This Policy applies to all Mid Devon District Council employees. Supplements are only considered where all reasonable methods to improve recruitment or retention have been exhausted, and / or there is considerable risk to service delivery.

4. MARKET SUPPLEMENTS

A market supplement payment is paid in addition to basic salary for a specific individual post or cluster of identical posts. It will be paid where a post has been identified as 'hard to fill' and the Council is prevented from being able to recruit and/or retain existing staff on the salary determined by the Council's job evaluation scheme.

Payment will be:

- used in exceptional circumstances only
- mindful of any equal pay/value considerations, in order to avoid/minimise the potential for challenge on this point
- made as a clearly identified supplement with properly documented supporting reasons, for the amount of payment
- time limited in its application ie the guaranteed period will be up to a maximum of 12 months
- subject to regular monitoring and review
- pensionable
- applicable to all individuals appointed to the post

Any case for the payment of a market supplement must be properly justified, with supporting evidence from the following range of criteria:

- Tangible evidence of a difficulty to recruit or pay related retention difficulties, together with market pay data
- Turnover rates
- Market based salary comparisons with competing local/regional/national employers (both public and private sector)
- Evidence that other retention initiatives have been explored/exhausted (e.g. learning and development opportunities, promoting non-pay benefits)
- Assessment of the impact of a failure to maintain adequate staffing levels in order to ensure service delivery requirements are met

- Exploration of the use of other measures e.g. changes to organisational/working arrangements
- Consideration of the impact on other existing staff within the defined job group
- Robust budget impact assessment

In addition to the criteria above, account should be taken of the wider employment context applicable to the occupational group and whether the payment of the market supplement will address the particular issues underlying the retention difficulties, or whether alternative/additional actions are required.

For example:

- Are the difficulties an indicator of other issues of concern within the service/occupational group, which can be more appropriately resolved by other management action and/or non-pay measures?
- Is there a regional/national shortage for which new/alternative training schemes would be a more appropriate solution?
- Are there more appropriate ways of resourcing/delivering the service rather than through an in house workforce?

It cannot be assumed that simply because other employers offer higher salary levels that Mid Devon District Council will necessarily be able to or should follow suit.

The amount of the market supplement will not be greater than 15% of the top of the salary range for the post.

Market supplements, and the conditions applicable to them, shall be clearly set out and separately identified in any job advertisement and offer/appointment letter.

Market supplement reviews will be undertaken in the following circumstances:

- At least three months prior to the end of the guaranteed period, Human Resources will instruct the Line Manager to commence the review of the market place related to that post and present the findings to the Pay and Grading Group no later than six weeks prior to the end of the guaranteed period.
- If a review indicates that the market supplement is no longer justified, it will be withdrawn. Employees will receive a minimum of one months notice if the market supplement is being withdrawn and the reasons for this decision.
- Failure to present the findings of the review to the pay and grading group within six weeks of the end of the Guarantee Period will result in the withdrawal of the pay supplement with 1 months notice.

5. RETENTION PAYMENTS

Deferred retention payments are paid after an agreed period of employment has been completed, and will only be authorised on the basis of the provision of robust evidence amounting to a material factor (suitable for defending any potential equal pay claims). The following evidence will be required as a minimum:

- defined skills or knowledge of an individual not available elsewhere within the authority which are deemed essential to service delivery, or other equitable material differential
- a written offer of employment with another employer, including details of the terms and conditions being offered
- reasons for leaving are clearly related to remuneration / job security, and not other factors such as dissatisfaction with role, manager, team or organisation
- evidence that other measures have been explored, together with the impact on the team.

Payments may be made at the end of a given period, or staggered throughout the specified period of retention.

Requests can only be brought by management, and will have to satisfy the Pay and Grading Group that there is not an Equal Pay issue. A clear business case detailing the significant impact on service delivery will be required for submission to the Pay and Grading Group following authorisation by Director or the Chief Executive.

Managers will also need to include information in their business case as to why a retention payment is more applicable than a market supplement before any payment can be approved.

Retention payments will be subject to the appropriate contractual conditions being met, e.g. remaining within the Council's employment for a specified period and/or the completion of specific tasks. Individuals will be required to sign an agreement to this effect.

The amount of a deferred retention payment will not be greater than 10% of substantive salary.

These payments will be made in addition to the individual's normal salary but will be subject to the normal income deductions in respect of tax and National Insurance. They are not pensionable.

If a deferred payment is made in stages and not at the end of the period and an individual leaves the Council within the agreed period of operation of the payment, the individual will be required to pay back all monies received under the scheme, except in the circumstances set out in below.

If an individual leaves the Council because of illness, injury, disability or redundancy, the member of staff will not be required to refund payment

During the specified period when a retention payment is being made a Manager will be required to manage the risk of the employee leaving by undertaking the necessary measures such as ensuring the employee shares their knowledge with other colleagues and/or undertaking recruitment to the role.

6. INCREMENTAL PROGRESSION

The Council's financial rules provide Group Managers and above with delegated powers to place an individual on the spinal column point of their choosing, provided it is within the evaluated grade for the post.

In support of this delegated authority, and in order to ensure that equal pay is maintained the determination of an individual spinal column point either at the commencement of employment in the job role or at any other time will be based on objective material factor criteria as follows:-

- Possession of skills, knowledge, experience or qualifications beyond those which are essential to the job which will enhance performance in the role
- Demonstrable accelerated growth in the role beyond that expected (attainment of skills/knowledge/experience).
- An alternative to a retention payment or market supplement where the criteria for such payments is met.

Otherwise, appointment will be to the lowest spinal column point within the evaluated grade for appointments effective between 1 April and 30 September inclusive, the next increment will be applied on 1 April the following year.

For appointments effective between 1 October and 31 March inclusive, the next increment will be six months after the effective date and then 1 April thereafter.

Subsequent increments are payable on 1 April until maximum of scale is reached.

7. HONORARIUM PAYMENTS

An honorarium payment may be made to an employee who is undertaking duties of a higher level than those for which they are graded. This can be related to:

- covering a vacancy
- covering an ongoing absence for more than 4 weeks (such as long term sickness, but not annual leave)
- undertaking work on an ongoing basis which is over and above that expected for the grade of the post
- *a special project/activity – work outside normal scope of duties*

Any honorarium paid should not only be for a justifiable reason, but also clearly calculated. The payment, which is pensionable, should be calculated as follows:-

Full duties and responsibilities of a higher graded post for a continuous period of at least four weeks

An employee who, for any reason other than the annual leave of another employee, is called upon at the request of their Line Manager to undertake the full duties and responsibilities of a higher graded post for a continuous period of at least four weeks, is entitled to receive a salary in accordance with the post temporarily occupied. The salary to be paid in such circumstances is the salary that would apply were the employee to be promoted to the higher graded post; and is therefore expected to be the start of the range for the post.

Partial duties and responsibilities of a higher graded post for a continuous period of at least four weeks

An employee, who, for any reason other than the annual leave of another employee, is called upon at the request of their Line Manager to undertake the partial duties and responsibilities of a higher graded post for a continuous period of at least four weeks, is entitled to receive an honorarium payment.

This honorarium payment is to be calculated by the Line Manager estimating the percentage of duties and responsibilities being undertaken. This percentage is then applied to the financial difference between the salary of the employee covering the duties and the salary they would apply were they to be promoted to the higher graded post.

Example:-

Line Manager estimates that 50% of duties and responsibilities are being covered. The employee covering the duties is paid spinal column point 18 (£16,941 per annum)

The salary that would apply were they promoted to the higher graded post is spinal column point 26 (£21,937 per annum).

£21,937 minus £16,941 = £4,996. This would then be divided by the 12 months = £416.33 per calendar month x 50% = £208.17 gross additional payment per calendar month.

These arrangements will be made for a period of **no longer than six months**. If these arrangements do continue beyond six months or it is anticipated that they will be for a period longer than six months then the duties to be undertaken must be assessed in line with the job evaluation scheme.

Full or partial duties and responsibilities of a higher graded post for a continuous period of less than four weeks

No additional payment is due where an employee who, for any reason other than the annual leave of another employee, is called upon at the request of their Line Manager to undertake the full or partial duties and responsibilities of a higher graded post for a continuous period of less than four weeks.

Full or partial duties and responsibilities of an equivalent graded post for any period of time

No payment is due when an employee who, for any reason other than the annual leave of another employee, is called upon at the request of their Line Manager to undertake the full or partial duties and responsibilities of an equivalent graded post for any period of time.

In accordance with the Council's financial rules, the Line Manager must obtain approval prior to the confirmation of any honorarium by making a request using the Honorarium Payment Approval Form, which must be completed and signed off by themselves and the Group Manager/Director. This should then be forwarded to Human Resources.

8. PROCESS FOR APPROVAL

In order to maintain the integrity of our Job Evaluation scheme, requests for market supplements, retention payments, and honoraria are all subject to additional approval by the Pay and Grading Group. Any such requests will be submitted for consideration at the next available meeting of the Pay and Grading Group following receipt of the authorised request.

All requests must be made on the appropriate application form and all supporting documentation must be attached. The business case for the market supplement, retention payments and honoraria must be robust in order to provide a defence against an equal pay claim.

9. RESPONSIBILITIES

Managers are responsible for making the business case, including carrying out any research, completing the necessary application form and obtaining the necessary level of authorisation prior to submitting the request to Human Resources.

Managers are responsible for ensuring that any proposals in respect of incremental progression and honoraria can be met from their own budget. There will be a central budget for market supplement/retention payments, which will be controlled by Human Resources.

The Pay and Grading Group are responsible for approving market supplements, retention payments and honoraria.

Human Resources will ensure that all the necessary paperwork and information has been submitted, provide the check and balance arrangements in respect of that supporting evidence, ensure that any payments are supported with an objective justification, and will specifically be responsible for identifying reasons for leaving upon receipt of requests for retention payments. Human Resources will review this policy annually to ensure continued relevance.

Human Resources will be responsible for providing an annual summary of:

- the number of applications under each strand of this Policy
- the number of applications approved under this Policy
- the breakdown of applications approved by gender

to the Pay and Grading Group. Data monitoring the application of incremental progression will be reported to each Pay and Grading Group meeting, and annually to the Corporate Negotiation and Joint Consultative Committee.

10. RECORDS

Documents and records generated as a result of the application of this policy will be retained permanently on the individuals personnel file.

Records of will be held permanently on the Council's HR and Payroll information systems.

All records will be maintained and processed in compliance with the Data Protection Act.

11. DOCUMENT HISTORY

| Date | Version | Update |
|---------------|---------|--|
| 1 August 2021 | 1.9 | Corporate Manager for People, Governance and Waste |

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CABINET FEBRUARY 4 2021

ESTABLISHMENT

Cabinet Member(s): Cllr Bob Deed, Cllr Nikki Woollatt
Responsible Officer: Matthew Page, Corporate Manager for People, Governance and Waste

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 the Establishment to the Council (please see Appendix 1)

Financial Implications: Financial risk will only occur where the structure of a service changes without adherence to allocated budgets.

Budget and Policy Framework: This report sits within the current budget and policy framework.

Legal Implications: In accordance with article 14 of the constitution.

Risk Assessment: If the establishment is not appropriately managed and reviewed then service delivery may 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 The purpose of this report is to give an update on the performance of our workforce and how this has been affected by the COVID-19 pandemic.

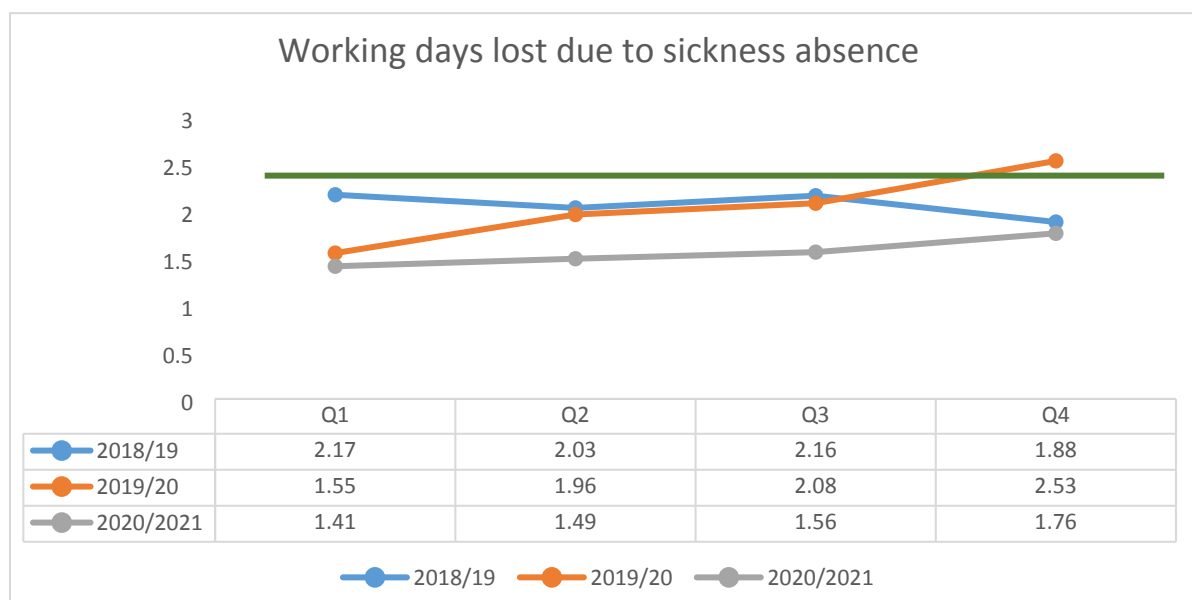
1.2 These items included updates on the key establishment indicators of sickness and agency expenditure, turnover and the impact of COVID-19 on our workforce.

2.0 Sickness Absence, Agency Expenditure and Establishment

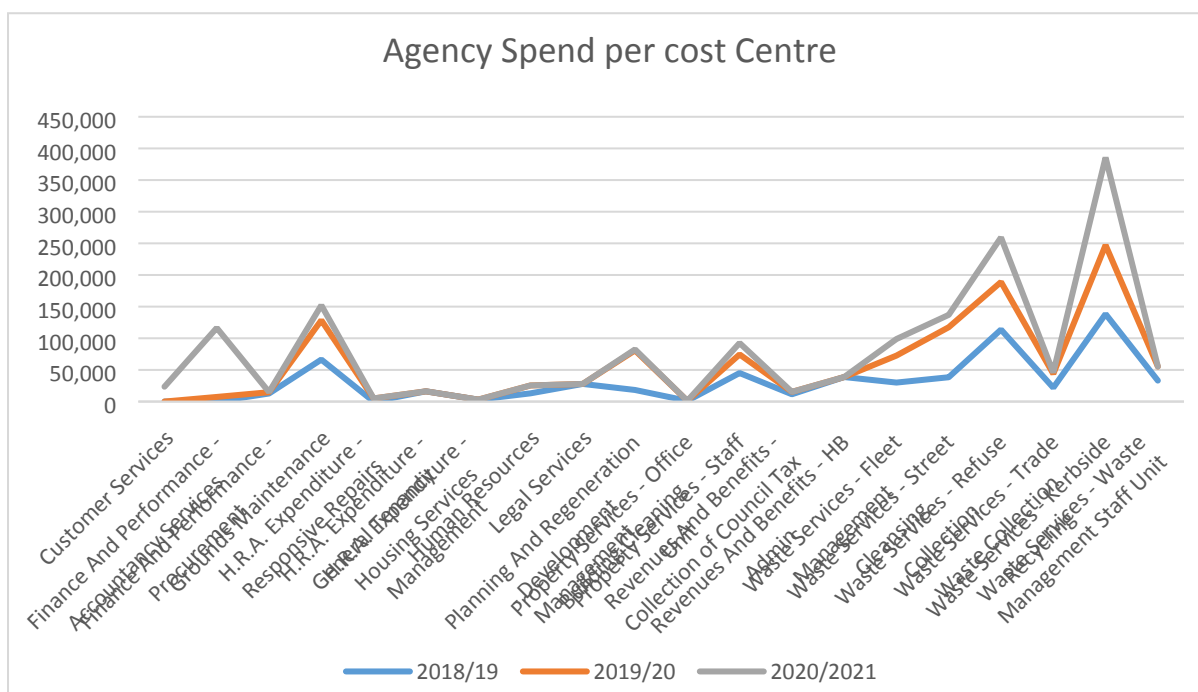
2.1 During 19/20 MDDC had an average of 8.12 sickness days per FTE person, 3.27% of overall workforce time. This compares to 8.24 sickness days that were lost per FTE employee in 18/19. For the 20/21 financial year there is both a target and subsequent action plan to reduce the number of days lost to less than 7 days per FTE employee (which would put the Council in line with the industry standards across other councils, between 6.5 and 8 days lost per FTE

employee). The average number of days lost per FTE employee in the private sector is 6.4 days per employee and the average number of days lost per FTE employee in the public sector is 7.5 days (2019).

- 2.2 A new sickness absence policy has been introduced to clarify the reporting and certifying arrangements for sickness, a new management guideline (an employee should not have more than six days of absence in the year) and clearer interventions around long term and short term sickness absence. This appears to have helped improve the management of short term sickness which has fallen from contributing 66% of absence in Feb 2020 to 33% in December 2020.
- 2.3 In the first three quarters of this year (April to December 2020) the Council has lost 4.18 days to sickness absence per employee, meaning we are currently in line to outperform the target set for the current financial year (6 days lost per FTE compared to 7 days per FTE). Our sickness absence is usually less in the first two quarters of the financial year than in the last two due to the autumn and winter seasons (not including COVID-19). We have also had 20% of the workforce furloughed during periods of the first three quarters of this year due to COVID-19 so this needs to be factored in to the evaluation.

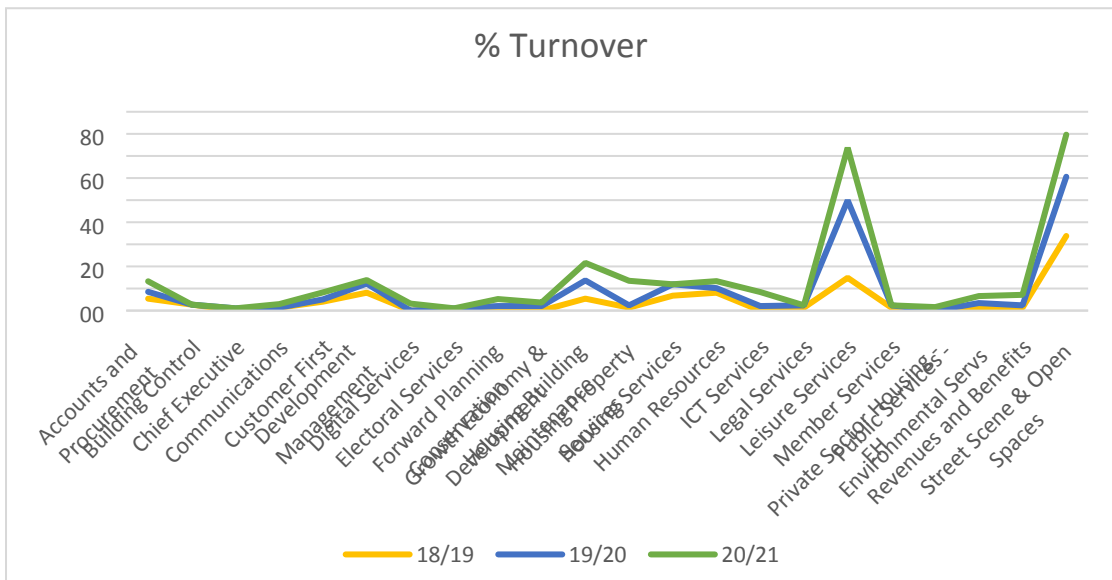


- 2.7 One of the consequences of high sickness absence and other poor establishment performance (unresolved, high conflict) is rising agency costs.
- 2.8 During the first three quarters of 20/21 the organisation spent £431,261.31 on agency workers (at least £150K of this spend owing to providing cover to critical services during COVID-19). The projected spend for 20/21 is £575,000 but without COVID-19 it would have been projected to come in much lower. In the last two financial years the Council has paid out £628,636.03 on agency spend in 18/19 and £534,378.49 in 19/20. Agency workers provide cover to vacant posts as well as employees who are sick or absent from the workplace in critical services including waste and leisure. So there is further incentive to improve our position regarding sickness absence.



3.0 Turnover

- 3.1 Turnover for the first three quarters (1 April to 31 December 2020) stands at 12.7%. During this period 66 employees left the Council; there were 42 resignations, 5 dismissals with notice, 1 dismissal without notice, 8 end of fixed term contracts, 5 retirements, 1 redundancy and 4 TUPE transferred.
- 3.2 Turnover for 20/21 is projected to come in at around 17%. This compares with turnover standing at 18% for the 19/20 financial year and 14% for the 18/19 year.
- 3.3 Turnover in the first six months of this financial year was unusually high and there were three key reasons for this. First of all there was some fairly aggressive headhunting of certain members of the current workforce from other local authorities (and one in particular). Second there has been some restructuring carried out in different service areas including ICT, HR and Building Services. Finally the organisation has had some challenging areas of conduct to manage in the organisation which has led to a new Conduct policy being published and staff being made more aware of the Nolan principles which underpin the high standards that are demanded of all local government officers.
- 3.3 Members had requested a full breakdown of all leavers and data collected during exit interviews. This information is shown in Appendix 1 with the graph below comparing turnover from 18/19 to 20/21.



4.0 COVID-19

- 4.1 Since March 23 2020 when the government announced a formal lockdown of businesses, services and offices, the Council has been closely managing both the health and wellbeing of its workforce as well as how it is redeployed to ensure critical services are delivered to the public.
- 4.2 Key activity has focused on reporting the status and performance of our workforce on first a daily then a weekly basis. During COVID 19 our workforce has been very stable in its status with 30% of our employees on site or in the office delivering critical work or services, 40% working from home and 20% furloughed.
- 4.3 The majority of our furloughed staff came from our Leisure facilities which were closed on the 23 March and then reopened in late July (to then be shut again for four weeks in November to accompany the period of national restrictions). A few staff from other services have been furloughed due to much or most of the posts' business need being severely reduced during the pandemic. Payroll have been applying to the government on a month by month basis to recoup the money from the government that is available under their scheme for these staff.
- 4.4 We have furloughed a maximum of 158 employees per month for the financial year to date. This is mainly for employees from our leisure services and includes all the casual employees from Leisure. It also included employees in other service areas who were shielding and some with home schooling responsibilities.

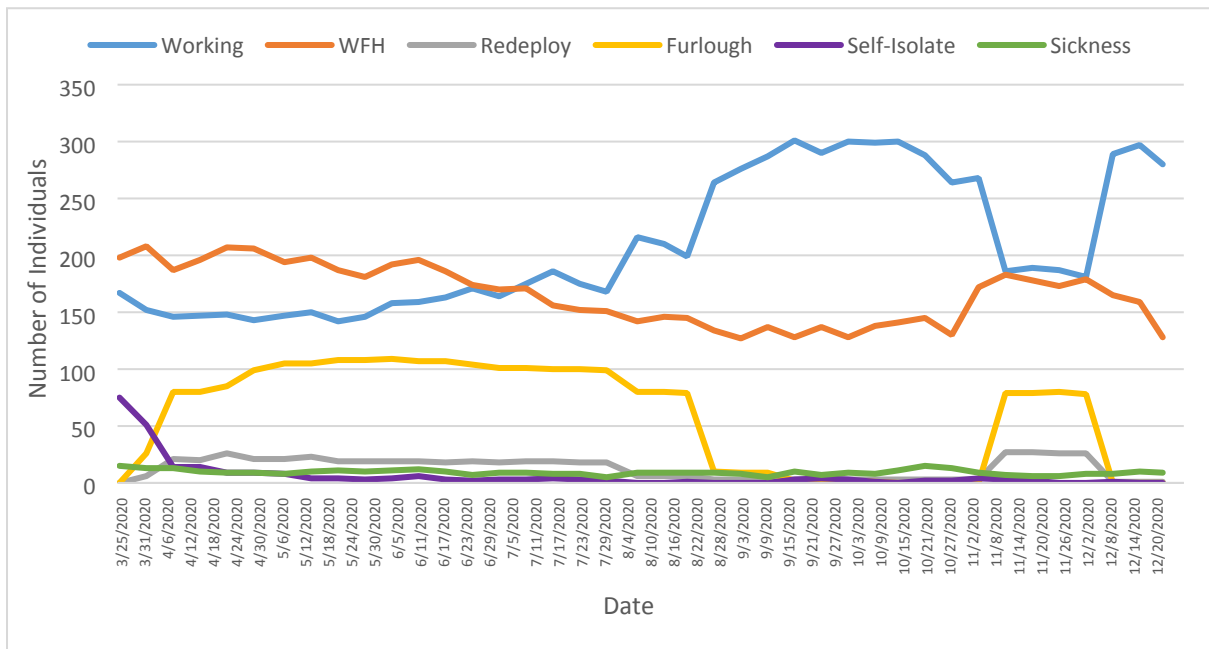
The money reclaimed to date from the furlough scheme is:

| | |
|------------|--|
| April 2020 | £72,614.23 – 80% of Salary plus Ers NI and Ers Pension |
| May 2020 | £95,224.54– 80% of Salary plus Ers NI and Ers Pension |
| June 2020 | £91,287.48– 80% of Salary plus Ers NI and Ers Pension |

| | | |
|-----------|-------------|---|
| July 2020 | £64,158.26– | 80% of Salary plus Ers NI and Ers Pension |
| Aug 2020 | £9,858.76 - | 80% of Salary Only |
| Sept 2020 | £776.40 _ | 70% of Salary Only |
| Oct 2020 | £873.19 | 60% of Salary Only |
| Nov 2020 | £53,224.17 | 80% of Salary Only |

From 1 July 2020, the furlough scheme changed to a flexible furlough scheme, which allowed employees to work part of their hours and be furloughed for the remainder. The Leisure Service utilised this scheme to assist with the services reopening from the 3 August 2020.

- 4.5 We also set up a direct test booking service for staff so any staff suffering from COVID-19 symptoms and in self-isolation can be quickly tested and the results receive expediently. To date we have only had a handful of positive tests back from the staff who have been tested.
- 4.6 Following the publication of the government’s advice for work sites and offices, the Corporate Management Team oversaw the carrying out of a number of health and safety assessments and conducted an online survey for staff to ask about their experience during COVID-19 and to look ahead to the future. The results of the survey and the assessments were very positive and many staff and teams have fed back encouraging experiences of working from home and of the support they have received from the Council during this period.
- 4.7 What the survey also illustrated was that a number of staff were feeling apprehensive and anxious about returning to the workplace more regularly in the future. To help give staff confidence about returning to the workplace, we published a full briefing on how Phoenix House would look and work in the future and committed to regular reviews of this (and other site plans) during the year.
- 4.8 The below graph shows how the workforce has been redeployed over the last nine months and has responded to the changing national guidance e.g. formal lockdown, gentle encouragement to return to the workplace, more formal encouragement to return to the workplace, reintroduction of tighter restrictions, national restrictions and the tier system. It’s been quite a journey but one which the organisation can be proud of in terms of its response. It also gives natural impetus to the organisation to consider its longer term position towards issues like working from home and flexible working - important components of our work around staff retention which is covered in more detail in the next section.



5.0 Development, Retention and Engagement

- 5.1 A short development paper has been circulated to consider the main areas of focus for improving the employment offer we can make to both prospective and current staff with regards to retention. Part of this is to consider how we better recognise excellent performance and contribution in the workplace, consider how we better promote our current package of benefits and consider our long term position around flexible working and WFH post COVID-19.
- 5.2 We have made considerable progress with the roll out of the Evolve project this year, with improvements including the roll out of online Appraisal, the publishing of a new competency framework and the compiling of an online skills analysis which can help inform future workforce planning and talent management programmes. There has also been a considerable improvement in the uptake of online learning and development courses which are detailed below.

| | 2019-2020 | 2020 - Jan 2021 |
|---|-----------------------|---|
| Learning Hub - online mandatory learning (individual pieces of learning) | 1,484 | 4,275 |
| Learning Hub - online courses (individual pieces of learning) | 187 | 227 |
| Corporate Course Catalogue | 0 | 17 online sessions (158 attendees) |
| Apprenticeships | 0 virtually delivered | 11 virtually delivered |
| Other recorded online training | 0 | 11 plus 15 EVOLVE training sessions (79 attendees) |

- 5.3 We also need to build on the improvements we have made to both the quality and exchange of communication with the Union, as well as the introduction of the new all staff consultative group 'Impact', to further strengthen engagement and workforce input with our people strategy. A new staff survey to assess communication, development, wellbeing and supervision will be a key priority for the coming year.
- 5.4 Members and officers have set up a working group to looking at raising awareness around the menopause and how we support and manage relevant issues in the workplace. Proposals have been taken to Scrutiny for approval which include the signposting of support on relevant issues and educating line managers on the need to treat the menopause as an issue that may require a fuller understanding of the symptoms in order to offer support.
- 5.5 The COVID-19 pandemic has obviously posed some challenges for the Council around supporting staff with their mental health and wellbeing. A rise in the use of our Employee Assistance Programme to access support around mental health problems was recorded both in April and the autumn of this year. The Health and Safety Officer has been very proactive in promoting resources and toolkits through the weekly internal staff publication called 'The Link'.

6.0 New HR Structure

- 6.1 A new HR structure has been brought in from January 2021 to improve our focus on providing robust, commercial advice to the business and partnering people management effectively to our services to support their objectives.
- 6.2 The new structure is led by two HR Business Partners, who work alongside specific areas of the business, supported by an Employee Relations Specialist and a Learning and Development Specialist who co-ordinate programmes of work in these important areas.
- 6.3 These posts are complemented by an HR Service Desk which provides front line telephone and online advisory and administration support to line managers and employees. The HR Service Desk is made up of three HR Co-ordinators and one HR Service Desk and Payroll Manager.

7.0 Conclusion and Recommendations

- 7.1 Clearly there are a number of priorities to focus on in terms of our Establishment performance, but attention should be drawn to three key priorities:
- 7.2 It is vital that we continue to respond to the evolving situation around COVID-19 and help the workforce deliver their services with new arising situations including a potential exit plan from the pandemic.
- 7.3 It is important that we continue to build on the foundations put in place through Evolve and the staff engagement strategy to improve retention and the quality of our employment offer to the workforce.
- 7.4 The third is to use the new HR structure to strengthen the links between people management, Finance and the rest of the organisation so we can more

effectively understand our performance, including the relationship between our establishment and our budget, our sickness and our agency spend, our skills analysis and workforce planning aspirations.

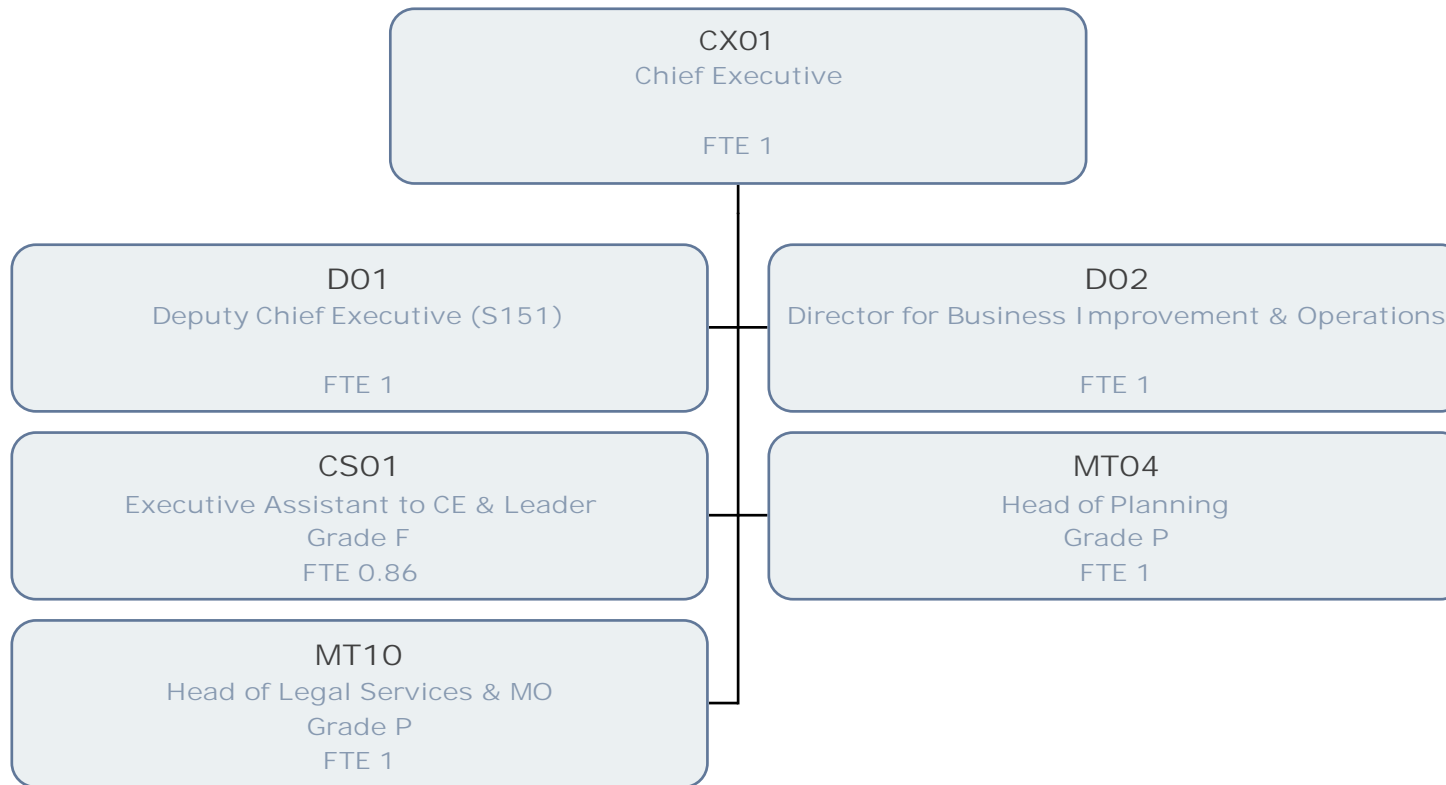
Contact for more Information: Matthew Page, Corporate Manager for People, Governance & Waste (Mpage@middevon.gov.uk)

Circulation of the Report:– Cllr Nikki Woollatt, Leadership Team

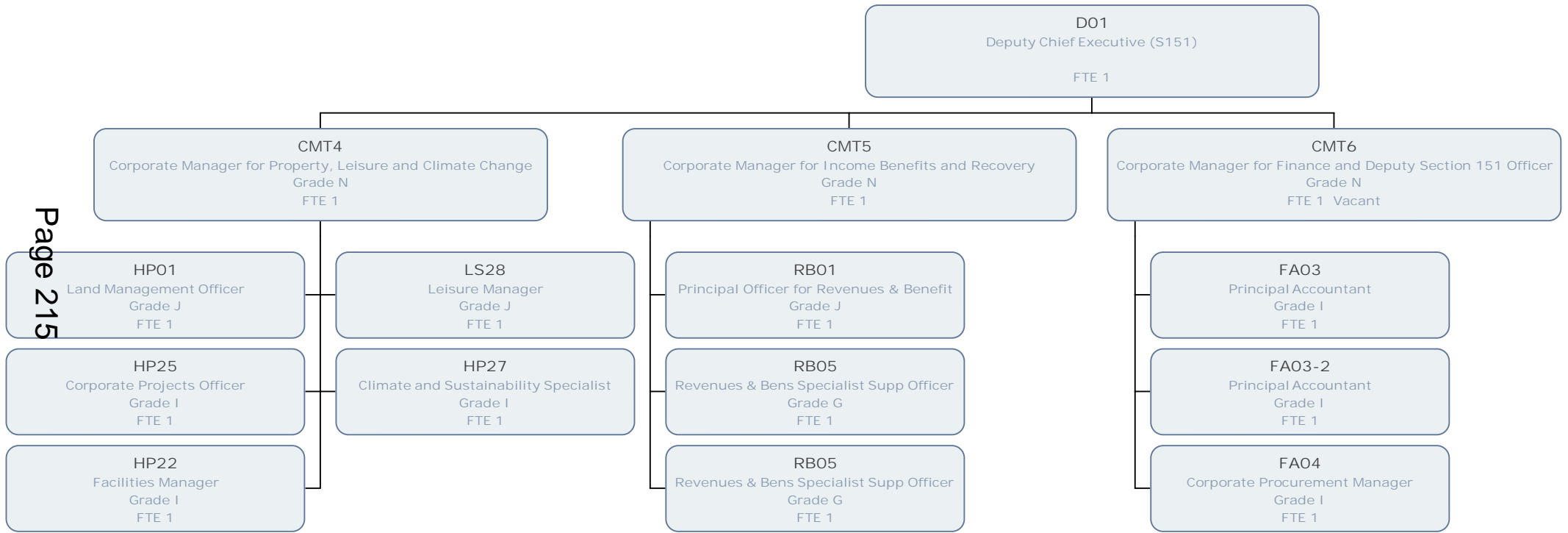
List of Background Papers: Establishment Paper submitted to Cabinet February 2020.

Establishment Charts MDDC Management Structure 2021

Establishment Charts
Management of Mid Devon District Council

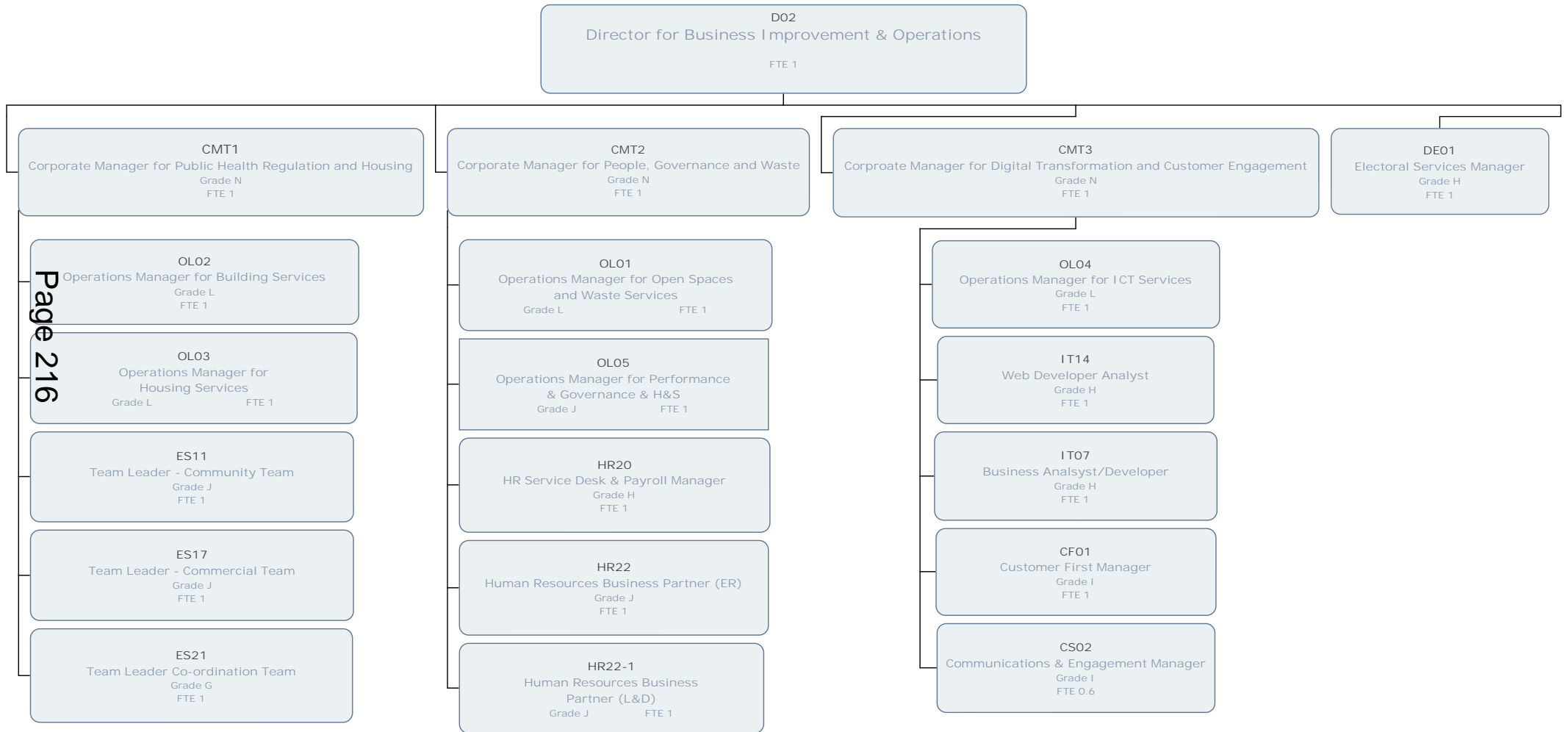


Establishment Chart
Finance, Resources and
Assets



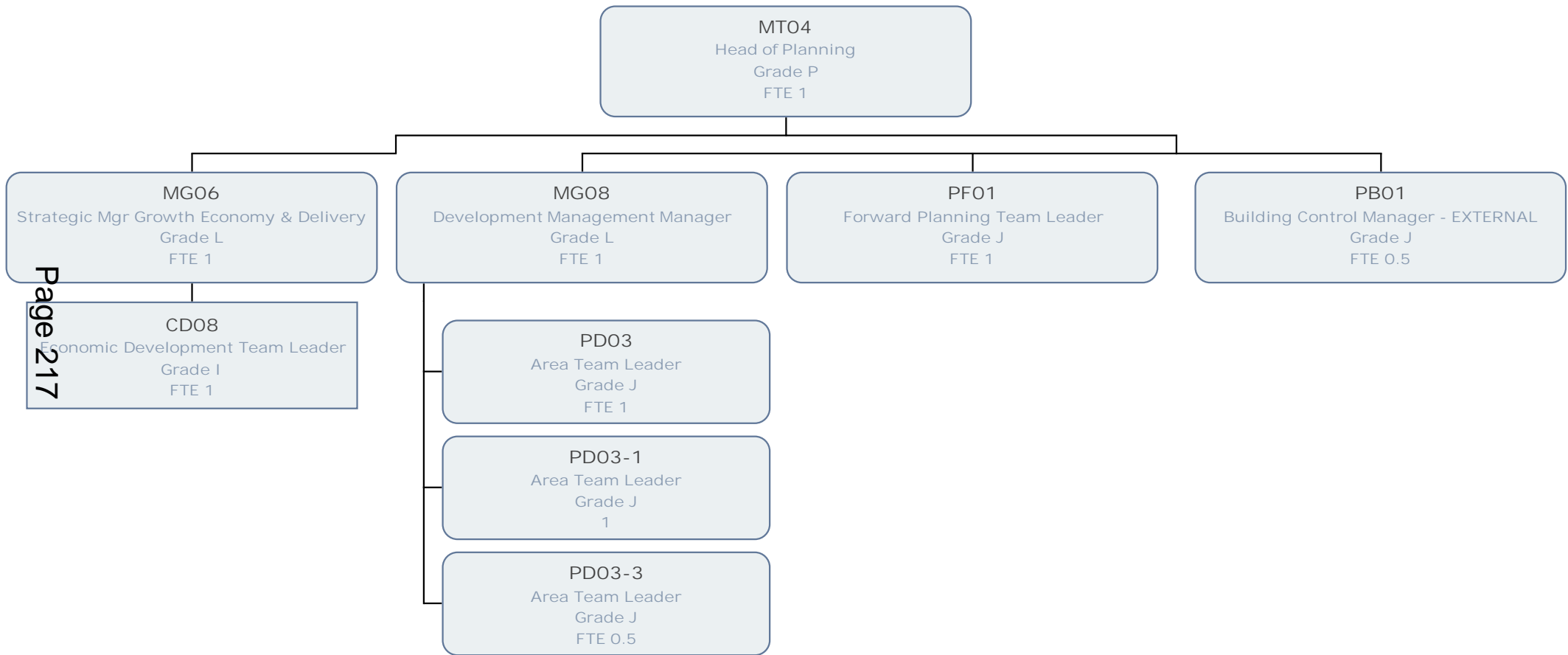
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Establishment Chart
Business Improvement and Operations

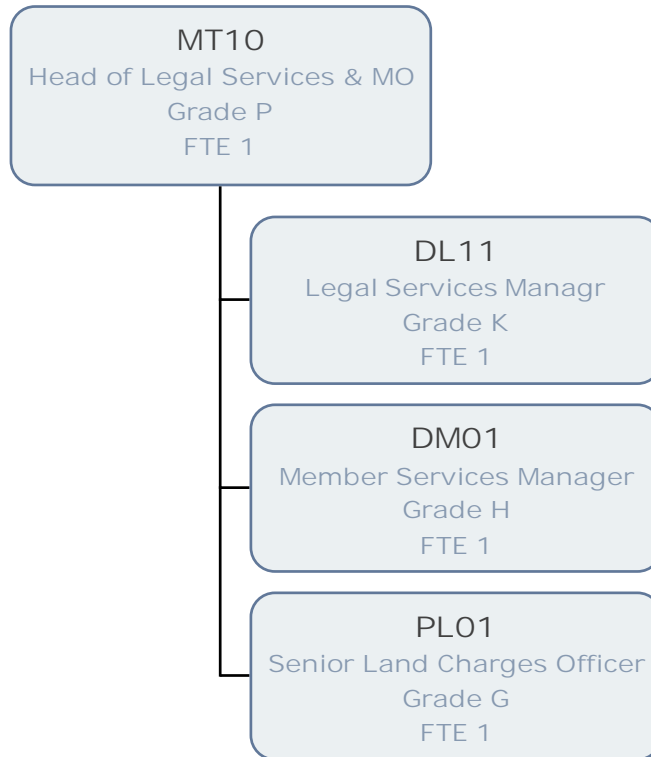


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Establishment Chart
Planning Economy and Regeneration



Establishment Chart
Democratic Services



MID DEVON DISTRICT COUNCIL – NOTIFICATION OF KEY DECISIONS

March 2021

The Forward Plan containing Key Decisions is published 28 days prior to each Cabinet meeting

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|---|--|---|---|--|---|
| <p>Draft Interim Devon Carbon Plan Group to discuss and review the draft plan with a view to recommend to Cabinet any minor amendments on behalf of the Council.</p> | <p>Environment Policy Development Group Cabinet</p> | <p>12 Jan 2021 18 Feb 2021</p> | <p>Andrew Busby, Corporate Manager for Property, Leisure and Climate Change Tel: 01884 234948</p> | <p>Cabinet Member for Climate Change (Councillor Elizabeth Wainwright)</p> | <p>Open</p> |
| <p>Resource and Waste Management Strategy for Devon and Torbay To receive a report which outlines the new draft Resource and Waste Management Strategy for Devon and Torbay. Following its approval at the DASWC meeting on 15th October 2020, the draft Strategy requires the approval of the individual local authorities for proceeding to public consultation.</p> | <p>Environment Policy Development Group Cabinet</p> | <p>12 Jan 2021 18 Feb 2021</p> | <p>Darren Beer, Operations Manager for Street Scene</p> | <p>Cabinet Member for the Environment (Councillor Colin Slade)</p> | <p>Open</p> |

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|---|---|--------------------------------|---|--|---|
| Grass Verges on HRA Land Working Group report | Homes Policy Development Group Cabinet | 19 Jan 2021 18 Feb 2021 | Claire Fry, Housing Services Operations Manager Tel: 01884 234920 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Open |
| Condition and future use of Council owned garages To receive a report providing an update to Members on the current garage stock situation, with plans for modernisations and opportunities for change of use/redevelopment, and the adoption of a 6-year rather than the existing 12-year planned maintenance programme. | Homes Policy Development Group Cabinet | 19 Jan 2021 18 Feb 2021 | Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing Tel: 01884 244615 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Open |
| Single Equalities Policy and Equality Objectives To receive the Annual review of the Single Equalities Policy and Equality Objective | Community Policy Development Group Cabinet | 26 Jan 2021 4 Mar 2021 | Catherine Yandle, Group Manager for Performance, Governance and Data Security Tel: 01884 234975 | Cabinet for the Working Environment and Support Services (Councillor Nikki Woollatt) | Open |
| Corporate Recovery Policy (recommendation from the Audit Committee to the | Audit Committee | 26 Jan 2021 | Andrew Jarrett, Deputy Chief Executive (S151) | Cabinet Member for Finance (Councillor | Open |

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|--|--------------------|----------------------------|---|---|---|
| Cabinet) | Cabinet | 18 Feb 2021 | Tel: 01884 234242 | Andrew Moore) | |
| Treasury Management Strategy and Annual Investment Strategy To seek agreement of the proposed Treasury Management Strategy and Annual Investment Strategy for 2021/22. | Cabinet Council | 18 Feb 2021 24 Feb 2021 | Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242 | Cabinet Member for Finance (Councillor Andrew Moore) | Open |
| Capital Strategy To request agreement of the proposed Capital Strategy for 2021/22. | Cabinet Council | 18 Feb 2021 24 Feb 2021 | Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242 | Cabinet Member for Finance (Councillor Andrew Moore) | Open |
| 3 Rivers Development Limited - Business Plan and Appraisal for the 9 dwellings at Bampton To consider a business plan and appraisal for the Bampton site. | Cabinet | 18 Feb 2021 | Stephen Walford, Chief Executive Tel: 01884 234201 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Part exempt |
| External Painting and Repairs before Painting of Council Homes 2021-26 To consider the tender | Cabinet | 18 Feb 2021 | Mike Lowman, Building Services Operations Manager | Cabinet Member for Housing and Property Services (Councillor Bob | Part exempt |

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|--|---|--|--|--|---|
| process. | | | | Evans) | |
| Regulation of Investigatory Powers To receive the annual update of Regulation of Investigatory Powers | Scrutiny Committee Community Policy Development Group Cabinet | 15 Feb 2021 23 Mar 2021 8 Apr 2021 | Kathryn Tebbey, Head of Legal (Monitoring Officer) | Cabinet Member for Community Well Being (Councillor Dennis Knowles) | Open |
| Sullompton Town Centre Masterplan To consider a report with regard to the stage 2 public consultation. | Cabinet | 4 Mar 2021 | Jenny Clifford, Head of Planning, Economy and Regeneration Tel: 01884 234346 | Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton) | Open |
| Shopfront Design Guide To consider a draft shopfront design guide for public consultation | Cabinet | 4 Mar 2021 | Jenny Clifford, Head of Planning, Economy and Regeneration Tel: 01884 234346 | Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton) | Open |

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|---|----------------|------------------|--|---|---|
| Cullompton Conservation Management Plan To consider a draft Cullompton Conservation Management Plan for public consultation | Cabinet | 4 Mar 2021 | Jenny Clifford, Head of Planning, Economy and Regeneration Tel: 01884 234346 | Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton) | Open |
| Asset Management and Capital Strategy Plan 2021-2025 To consider the revised strategy | Cabinet | 4 Mar 2021 | Andrew Busby, Corporate Manager for Property, Leisure and Climate Change Tel: 01884 234948 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Open |
| Diverton Town Centre Masterplan To consider a draft masterplan for public consultation | Cabinet | 4 Mar 2021 | Jenny Clifford, Head of Planning, Economy and Regeneration Tel: 01884 234346 | Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton) | Open |
| Options for the Procurement of Energy To consider the options for the procurement of energy | Cabinet | 4 Mar 2021 | Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242 | Cabinet Member for Finance (Councillor Andrew Moore) | Part exempt |
| Crediton NHS Hub Phase 2 To consider a funding request. | Cabinet | 4 Mar 2021 | Andrew Jarrett, Deputy Chief Executive (S151) | Cabinet Member for Finance (Councillor | Part exempt |

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|---|---|-------------------------------|--|---|---|
| | | | Tel: 01884 234242 | Andrew Moore) | |
| Beech Road, Tiverton - Design and Build Tender To consider the award of the tender | Cabinet | 4 Mar 2021 | Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Part exempt |
| Bereavement Services Fees & Charges To receive the annual review of Bereavement Services Fees & Charges from the Group Manager for Corporate Property and Commercial Assets | Environment Policy Development Group Cabinet | 9 Mar 2021 8 Apr 2021 | Andrew Busby, Corporate Manager for Property, Leisure and Climate Change Tel: 01884 234948 | Cabinet Member for the Environment (Councillor Colin Slade) | Open |
| EHOD Economic Development Strategy To consider a review strategy | Economy Policy Development Group Cabinet | 11 Mar 2021 8 Apr 2021 | Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398 | Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton) | Open |
| Options for Accelerating Affordable Housing Delivery in the District To consider additional governance arrangements | Scrutiny Committee Cabinet | 15 Mar 2021 8 Apr 2021 | Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Open |

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|--|---|-------------------------------|---|---|---|
| for housing delivery | | | | | |
| Housing Revenue Account Asset Management Strategy To receive a report providing a review of the Housing Revenue Account Asset Management Strategy. | Homes Policy Development Group Cabinet | 16 Mar 2021 8 Apr 2021 | Jill May, Director of Business Improvement and Operations Tel: 01884 234381 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Open |
| Devon Home Choice Policy Review To consider a review of the policy. | Homes Policy Development Group Cabinet | 16 Mar 2021 8 Apr 2021 | Claire Fry, Housing Services Operations Manager Tel: 01884 234920 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Open |
| Air Quality Action Plan To receive the 4 yearly review of the Air Quality Action Plan from the Group Manager for Public Health and Regulatory Services | Community Policy Development Group Cabinet | 23 Mar 2021 8 Apr 2021 | Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing Tel: 01884 244615 | Cabinet Member for Community Well Being (Councillor Dennis Knowles) | Open |
| Town and Parish Charter To receive the 3 yearly review of the Town and Parish Charter | Community Policy Development Group Cabinet | 23 Mar 2021 8 Apr 2021 | Jill May, Director of Business Improvement and Operations Tel: 01884 234381 | Cabinet Member for Community Well Being (Councillor Dennis Knowles) | Open |

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|--|---|-------------------------------|--|---|---|
| Community Engagement Strategy (Including Action Plan) To receive the 2 yearly review of the Community Engagement Strategy and Action Plan | Community Policy Development Group Cabinet | 23 Mar 2021 8 Apr 2021 | Lisa Lewis, Corporate Manager for Business Transformation and Customer Engagement Tel: 01884 234981 | Cabinet Member for Community Well Being (Councillor Dennis Knowles) | Open |
| Corporate Anti-Social Behaviour Policy To receive the 3 yearly review of the Corporate Anti Social Behaviour Policy | Community Policy Development Group Cabinet | 23 Mar 2021 8 Apr 2021 | Jill May, Director of Business Improvement and Operations Tel: 01884 234381 | Cabinet Member for Community Well Being (Councillor Dennis Knowles) | Open |
| Information with regard to the possible creation of a Teckal compliant company To consider advice surrounding the possibility of creating a new Teckal-compliant company entity. | Cabinet | 8 Apr 2021 | Stephen Walford, Chief Executive Tel: 01884 234201 | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Open |
| Vinyl Flooring Contract 2021-2024 To consider the outcome of the tender process | Cabinet | 8 Apr 2021 | Mike Lowman, Building Services Operations Manager | Cabinet Member for Housing and Property Services (Councillor Bob Evans) | Part exempt |

| Title of report and summary of decision | Decision Taker | Date of Decision | Officer contact | Cabinet Member | Intention to consider report in private session and the reason(s) |
|---|---|--|---|--|---|
| Tree Policy 5 yearly review | Environment Policy Development Group Cabinet | Not before 25th May 2021 Not before 30th Jun 2021 | Andrew Busby, Corporate Manager for Property, Leisure and Climate Change Tel: 01884 234948 | Cabinet Member for the Environment (Councillor Colin Slade) Cabinet Member for the Environment (Councillor Colin Slade) | Open |
| Outturn report 2020/21 To receive the outturn for the financial year 2020/21 | Cabinet | Not before 10th Jun 2021 | Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242 | Cabinet Member for Finance (Councillor Andrew Moore) | Open |
| Annual Treasury Management Report To consider the annual report | Cabinet | Not before 16th Jun 2021 | Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242 | Cabinet Member for Finance (Councillor Andrew Moore) | Open |
| Customer Care Policy To receive the 3 yearly review of the Customer Care Policy | Community Policy Development Group Cabinet | September 2021 October 2021 | Lisa Lewis, Corporate Manager for Business Transformation and Customer Engagement Tel: 01884 234981 | Cabinet Member for Community Well Being (Councillor Dennis Knowles) | Open |

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CABINET 4 FEBRUARY 2021

3 Rivers Developments Limited - Performance Update

Cabinet Members: Councillor Bob Evans – Deputy Leader and Housing & Property
Councillor Andrew Moore – Finance

Responsible Officers: Chief Executive – Stephen Walford

Reason for Report: To provide Cabinet an update on current project performance and any key risks.

RECOMMENDATION: That Cabinet note the update report on current performance and key risks.

Relationship to Corporate Plan: 3 Rivers Developments Limited's (3Rivers) primary objective is to generate future returns in order to grow the business and to recycle monies made back to the Council to mitigate some of the cuts in Government funding.

Financial Implications: The Council has a duty to obtain value for money. All financial interactions between the Council and 3Rivers are carried out at commercially evidenced rates and subject to individual loan agreements.

Legal Implications: None to this report, however this report is prepared in accordance with the Shareholder Agreement, Company's Memorandum and Articles of Association and currently Approved Business Plan.

Risk Assessment: Detailed within the report.

Equality impact assessment: No equality issues identified for this report.

Impact on climate change: 3Rivers is a commercial organisation and where deliverable sustainable options are available they are utilised; however, as a commercial organisation it is acknowledged that where there is a significant cost differential and what the market will sustain that this plays heavily in the choices made.

1.0 Introduction

1.1 This is now the 5th in a series of monthly updates on the progress of 3 Rivers since the recommendations made by the Cabinet at its meeting on the 13 July 2020. This report continues to provide the Council with a regular update on company performance, including associated risks and also gives a progress update on the recommendations made at the aforementioned Cabinet meeting.

2.0 Company Update

- 2.1 Attached to this report is the company update provided by the Directors of 3Rivers Developments Limited for Cabinet's consideration. In order to provide members and the public more insight into the company's operations this report continues with the process of including an overarching part 1 summary of activities and a detailed part 2 report from the company.
- 2.2 Below shows a brief overview of project progress and any associated issues as at the end of December, which is the last full financial month of company accounting information.

Current Projects

The Orchard, Halberton – 4 semi-detached market houses and a barn conversion - the 4 semis are complete and 1 offer has been accepted with another offer subject to their sale. Work has just started on the new barn and is estimated to be completed by May 2021.

St Georges Court, Tiverton – 39 market flats/houses – work is ongoing, with the main podium deck now estimated to be completed by the 22/1/21. Estimated completion of the whole project is planned for March 2022.

Rental properties

Banksia Close/Cemetery Lodge, Tiverton – all rental payments up to date

Future Schemes

The company is currently considering a medium sized development which is likely to be a mixed unit site.

Financial Overview

No sales have been made since the last update. However, the company has now accepted an offer on one unit and has received another subject to their sale on the Halberton project. A number of viewings are being held on the other 2 remaining units.

Project and Company Risk Analysis

This information is provided within the company report and reflects on changing markets, land availability, changes to the prevailing economic position, etc.

3.0 Progress on Cabinet Recommendations

3.1 Since the last Cabinet report the following actions have been progressed:

- The new Finance Director and Non-Executive Director have both taken up their positions.
- A joint Scrutiny and Audit Committee briefing was held, to further discuss progress on governance and risk and to determine how both Committees could further enhance their roles in reviewing company progress.
- The 2 Cabinet ambassadors continue to hold detailed monthly progress meetings on all aspects of company activities.
- Work on the revised Shareholder agreement is still progressing. We have received feedback/comments from 3Rivers for consideration.

3.2 Most if not all of the other recommendations are either a work in progress or are conditional upon a prior action being completed. Further progress will be provided at future Cabinet meetings.

4.0 Conclusion

4.1 Members will be asked to consider the Company's updated Business Plan as a separate item on this meeting's agenda.

Contact for more information: Stephen Walford, Chief Executive

Circulation of the report: Leadership Team and Cabinet

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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