

Public Document Pack

Mid Devon District Council

Cabinet

Thursday, 4 March 2021 at 6.00 pm
Remote Meeting

Next ordinary meeting
Thursday, 8 April 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/96280103263?pwd=SE13eXpaYU92SE1QaXg4bEw3dHdSdz09>

Meeting ID: 962 8010 3263

Passcode: 783976

One tap mobile

08003582817,,96280103263#,,,,*783976# United Kingdom Toll-free

08000315717,,96280103263#,,,,*783976# United Kingdom Toll-free

Dial by your location

0 800 358 2817 United Kingdom Toll-free

0 800 031 5717 United Kingdom Toll-free

0 800 260 5801 United Kingdom Toll-free Meeting ID: 962 8010 3263

Passcode: 783976

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

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

AGENDA

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 5 - 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 special meeting held on 18 February 2021.
6. **Corporate Recovery Policy** (Pages 21 - 40)
Deferred from the previous meeting - Following consideration of a report of the Deputy Chief Executive (S151), the Corporate Manager of Revenues, Benefits & Recovery and the Principal Revenues and Benefits Officer, the Audit Committee has recommended that the updated Corporate Recovery Policy be approved.
7. **Asset Management and Capital Strategy Plan 2021-2025** (Pages 41 - 82)
To consider a report of the Corporate Manager for Property, Leisure and Climate Change seeking approval of the revised Asset Management and Capital Strategy Plan for 2021-2025.
8. **Beech Road, Tiverton - Design and Build Tender** (Pages 83 - 96)
To consider a report of the Corporate Manager for Property, Leisure and Climate Change reviewing the results of the tender for Beech Road, Tiverton and seeking to award the JCT Design & Build 2016 Contract as amended
9. **Options for the Procurement of Energy** (Pages 97 - 128)
To consider a report of the Corporate Manager for Property, Leisure and Climate Change providing an overview of the options available for the supply of gas and electricity to the Council.
10. **Financial Monitoring** (Pages 129 - 132)
To receive a paper of the Deputy Chief Executive (S151) presenting a

financial update in respect of the income and expenditure so far in the year.

11. **Possible Change to start time of future meetings of the Cabinet**
To consider changing the start time for Cabinet meetings from May 2021
12. **Notification of Key Decisions** *(Pages 133 - 140)*
To note the contents of the Forward Plan.
13. **3 Rivers Developments Limited - Business Case and Appraisal for the 9 dwellings at Bampton** *(Pages 141 - 246)*
To consider a report of the Deputy Chief Executive (S151) providing Cabinet with a business case for a development scheme at Bampton included in the company's recent Business Plan.
14. **3 Rivers Developments Limited Update Report** *(Pages 247 - 260)*
To receive a report of the Deputy Chief Executive providing Cabinet an update on current project performance and any key risks.

Stephen Walford
Chief Executive

Wednesday, 24 February 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

1.

This page is intentionally left blank

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.

This page is intentionally left blank

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **CABINET** held on 18 February 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)

S J Clist, L J Cruwys, Mrs C P Daw, F W Letch and
B G J Warren

Also Present

Officer(s):

Andrew Jarrett (Deputy Chief Executive (S151)), Jill May (Director of Business Improvement and Operations), Maria De Leiburne (Legal Services Team Leader), Andrew Busby (Corporate Manager for Property, Leisure and Climate Change), Dean Emery (Corporate Manager for Revenues, Benefits and Recovery), Lisa Lewis (Corporate Manager for Business Transformation and Customer Engagement), Simon Newcombe (Corporate Manager for Public Health, Regulation and Housing), Mike Lowman (Building Services Operations Manager), Matthew Page (Corporate Manager for People, Governance and Waste), Stephen Bennett (Building Surveyor), Claire Fry (Housing Services Operations Manager), Catherine Yandle (Operations Manager for Performance, Governance and Health & Safety), Fiona Wilkinson (Principal Revenues & Benefits Officer) and Sally Gabriel (Member Services Manager)

319. **APOLOGIES (00-03-16)**

There were no apologies.

320. **PROTOCOL FOR REMOTE MEETINGS (00-03-24)**

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

321. **PUBLIC QUESTION TIME**

The Chairman read a statement on behalf of Mr Quinn:

Concerning Agenda Item 5 - Minutes of the Last Meeting

The minutes of the last meeting of Cabinet, on 4 February 2021, correctly record that I asked two questions regarding the £5,000 retention payment made to the Deputy Chief Executive.

The minutes also show that answers would not be provided until that item was discussed in the meeting.

I was made to wait, for four hours, before the Leader read out a pre-prepared statement about the payment.

However, this statement did not give the answers to the questions asked. So, please, will you give me a specific answer to each of the questions I asked at the last meeting:

- a) How many retention payments were made to other staff over this period?
- b) Can the Business Case, used to substantiate the award of this payment, be made available to the public?

The Chairman indicated that answers would be provided under Item 5 on the agenda.

322. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (00-05-11)

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

323. MINUTES OF THE PREVIOUS MEETING (00-05-25)

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

The Chairman provided answers to the question posed in public question time:

With regard to the number of retention payments made to staff – just the one that was highlighted at the previous meeting.

With regard to the business case being made available to the public – this was sensitive information relating to an individual and therefore the business case would not be made available to the public.

324. RESOURCE AND WASTE MANAGEMENT STRATEGY FOR DEVON AND TORBAY (00-06-58)

Following consideration of a *report of the Operations Manager for Street Scene, the Environment Policy Development Group had made the following recommendation that: the draft Resource and Waste Management Strategy for Devon and Torbay be approved and proceed to public consultation.

The Cabinet Member for the Environment outlined the contents of the report stating that the draft strategy provided a basis for the management of local authority collected waste across Devon and Torbay to 2030. Its objectives were aimed at reducing waste, reducing the carbon impact of managing waste and conserving natural resources and that by working together, the local authorities, their partners and the public would help to ensure a sustainable future for waste management across the county.

Consideration was given to the significance of the figures in the tables on page 112 of the agenda pack.

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

(Proposed by Cllr C R Slade and Cllr R J Chesterton)

Reason for the decision: to ensure that the Council has a Resource and Waste Management Strategy which proceeds to public consultation

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

325. **CONDITION AND FUTURE USE OF COUNCIL OWNED GARAGES (00-12-21)**

Following consideration of a *report of the Corporate Manager for Public Health, Regulation and Housing, the Homes Policy Development Group had made the following recommendation that: the adoption of a 6 yearly planned garage maintenance programme by bringing forward budgeted funds from future years be approved.

The Cabinet Member for Housing and Property Services outlined the contents of the report stating that this was an update 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. He outlined the number of units currently occupied and the number of voids, the opportunities available and the condition of the garage stock.

Consideration was given to:

- Discussions that had taken place at the meeting of the Policy Development Group with regard to the potential for various sites
- Whether the Ford Road, Tiverton site could be used for parking spaces rather than change of use
- The flexibility of the package before Members and that the request (above) be noted.
- Occupancy rates and the need to modernise some of the stock to fit the modern day car
- Whether Ward Members would continue to be consulted on the opportunities available
- The inspection programme for the stock.

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

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

Reason for the decision: the need to agree the adoption of a 6 yearly planned garage maintenance and modernisation programme by bringing forward budgeted funds from future years.

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

326. GRASS VERGES ON HRA LAND WORKING GROUP REPORT WITH RECOMMENDATIONS TO THE CABINET (00-26-38)

Following consideration of a report of the Corporate Manager for Public Health, Regulation and Housing, the Homes Policy Development Group had made the following recommendations:

- a) The procedure shown at Appendix A which is designed to ensure that the conflicting needs of stakeholders are taken into account when residents make requests regarding different maintenance arrangements/agreements relating to the upkeep of grass verges and other grassed areas on the housing estate.
- b) An increase in the Environmental Improvement Budget to £10,000 and a review of the procedures relating to it to ensure that it can be better used to support initiatives designed to encourage greater biodiversity.

The Cabinet Member for Housing and Property Services outlined the contents of the report highlighting the work of the Task and Finish Group that had made recommendations to the Homes Policy Development Group. He informed the meeting that there were many strands associated with the service delivery in relation to grounds maintenance in general and grass cutting on housing estates and that the process map attached to the report considered the variety of requests for grass-cutting and how this would be progressed.

Consideration was given to:

- Health and safety and biodiversity issues
- The need to explore this work as part of the Climate Action Plan
- The work of the Neighbourhood Officers
- A review would take place in 12 months.

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

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

Reason for the decision: In order for a policy/procedure to be in place which provides a decision making framework for officers within the Estates team to use when considering requests made by different stakeholders.

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

327. SINGLE EQUALITIES POLICY AND EQUALITY OBJECTIVES (00-35-39)

Following consideration of a report of the Operations Manager for Performance, Governance and Health & Safety, the Community Policy Development Group had recommended that the Single Equalities Scheme and Equality Objectives be approved.

The Cabinet Member for Community Well-Being outlined the contents of the report stating that under the Equality Act 2010 local authorities had a duty to have due regard to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

He also reiterated the equality objectives as outlined in the report.

Consideration was given to:

- Motion 564 to Council with regard to equalities
- Ensuring equality in procurement and commissioning
- Mental health issues and the recommendation from the Menopause Working Group with regard to well-being ambassadors being put in place.
- The processes that would take place to achieve the vision within the scheme

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

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

Reason for the Decision – To ensure that the Council fulfils its statutory duties under the Equality Act 2020

Note: *Report previously circulated, copy attached to minutes

328. **CORPORATE RECOVERY POLICY (00-42-31)**

Following consideration of a report of the Deputy Chief Executive (S151), the Corporate Manager of Revenues, Benefits & Recovery and the Principal Revenues and Benefits Officer, the Audit Committee had recommended that the updated Corporate Recovery Policy be approved.

Following discussion it was **AGREED** that this item be **deferred** to the next meeting of the Cabinet so that the latest guidance available could be included.

329. **DRAFT INTERIM DEVON CARBON PLAN (00-43-16)**

The Cabinet had before it a * report of the Corporate Manager for Property, Leisure and Climate Change providing Members with a copy of the Interim Devon Carbon Plan that was out for public consultation.

The Cabinet Member for Climate Change outlined the contents of the report by way of presentation providing the following information:

- The background to the plan which identified the evidence gathering that had taken place, the consultation period, the proposed citizens assembly and the production of the final plan
- How the plan was designed for everybody, which created a roadmap for Devon and outlined barriers and opportunities
- The themes within the plan
- The 8 main objectives of the plan
- Details of how might MDDC be well placed to contribute to the plan and the opportunities that would work within Mid Devon
- The feedback that would be provided to the Carbon Plan team

Consideration was given to:

- Farming initiatives
- The pros and cons of anaerobic digesters which included transport issues and the impact of those on the climate
- The costs of achieving the plan
- How the Cabinet Member for Climate Change could liaise with other groups to further her work
- How supermarkets in Cornwall were working with local producers to sell local products
- The continued use of plastics on supermarket products

RESOLVED that the feedback from the Environment Policy Development Group on the Interim Devon Carbon Plan be **AGREED** and that feedback be submitted to the Devon Climate Emergency Partnership.

(Proposed by Cllr B A Moore and seconded by Cllr Miss E Wainwright)

Reason for decision – to provide feedback as part of the consultation process

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

330. **TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY (1-04-00)**

The Cabinet had before it a *report of the Deputy Chief Executive (S151) requesting approval of the proposed Treasury Management Strategy and Annual Investment Strategy for 2021/22.

The Cabinet Member for Finance outlined the contents of the report stating that the Council was required to operate a balanced budget which meant that cash raised during the year would meet cash expenditure; part of the treasury management operation was to ensure that cash flow was adequately planned with cash being available when it was needed and surplus monies invested. The counterparty limits set out in the report were to enable the continued administration of Covid-19 grants to businesses and to allow for the administration of future emergency grants as required.

The Deputy Chief Executive (S151) stated that the strategy was heavily prescribed by CIPFA with regard to whom monies could be lent to and that there was always a focus on the security of any investment.

Consideration was given to the acronyms within the report and an explanation of those and different types of credit ratings.

RECOMMENDED to Council that:

1. The proposed Treasury Management Strategy and Annual Investment Strategy for 2021/22, including the prudential indicators for the next 3 years and the Minimum Revenue Provision Statement (Appendix 1), be approved.
2. The new limit on the Council's bank account be approved as per the table of counterparty limits in paragraph 5.2.6, and narrative in section 5.3, to enable the continued administration of Covid-19 grants to businesses and to allow for the administration of future emergency grant funds should they arise.

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

Reason for decision – there is a need for the Council to approve the Treasury Management Strategy and Annual Investment Strategy for 2021/22.

Note: *Report previously circulated, copy attached to minutes

331. **CAPITAL STRATEGY (1-13-55)**

The Cabinet had before it a * report of the Deputy Chief Executive (S151) requesting Cabinet to recommend to Council the proposed Capital Strategy 2021/22.

The Cabinet Member for Finance outlined the contents of the report stating that the strategy underpinned the budget and focussed on the management of capital expenditure and treasury management decisions.

The Deputy Chief Executive (S151) stated that the majority of the strategy was prescriptive aimed to direct stakeholders to the relevant documents relating to treasury decisions, asset management and the capital programme for the coming years.

RECOMMENDED to Council that:

The proposed Capital Strategy for 2021/22 is approved.

Reason for decision – there is a need for the Council to approve the Capital Strategy.

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

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

332. **EXTERNAL PAINTING AND REPAIRS BEFORE PAINTING OF COUNCIL HOMES 2021-26 (1-18-51)**

The Cabinet had before it a * report of the Building Services Operations Manager advising Members on the results for the tendering of the External Painting and Repairs of the Council's homes for the next five years (2021-2026) and confirm award of the contract.

The Cabinet Member for Housing and Property Services outlined the contents of the report highlighting the standard process for the results of the tender process.

Consideration was given to whether the ability to deal with local businesses was part of the tender process.

RESOLVED that the contract for works required to decorate the Council's homes for 2021-2026 be awarded to Contractor 5.

(Proposed by Cllr R B Evans and seconded by Cllr D J Knowles)

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.

333. **PERFORMANCE AND RISK**

The Cabinet had before it and **NOTED** a * report of the Operations Manager for Performance, Governance and Health & Safety providing Members with an update on the performance against the Corporate Plan and local service targets.

Consideration was given to the 'Build Council Houses' target and that a target would be set in the next financial year.

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

(The meeting ended at 7.25 pm)

CHAIRMAN

CABINET
04 MARCH 2021
CORPORATE RECOVERY POLICY

Cabinet Member(s): Cllr Andrew Moore, Cabinet Member for Finance
Responsible Officer: Andrew Jarrett - Deputy CEO & s151 & Dean Emery – Corporate Manager for, Revenues, Benefits & Recovery, Fiona Wilkinson – Principal Revenues & Benefits Officer

Reason for Report: To bring in an updated policy that identifies where responsibility for collection of different debts lies and sets out the principles and standards in relation to contact, recovery process, repayments and benefit / money advice.

The current policy was last reviewed in 2018.

Recommendation: That Cabinet approve the revised policy

Financial Implications: The policy will help to enforce and recover c£82m in local taxation and sundry debts. Failure to use a consistent approach could have a detrimental effect on budgets and delivery of services.

Budget and Policy Framework: The policy sets the framework for a consistent and sensitive approach to collecting debt whilst at the same time ensuring that the Council continues to maximise income collection and arrears recovery performance.

Legal Implications: This policy should ensure that each debtor is treated fairly and minimises the risk of legal challenge

Risk Assessment: There is a potential reputational risk should the policy not be adhered to.

Equality Impact Assessment: See Appendix 2

Relationship to Corporate Plan: Maximising income for the Council is essential particularly during current financially challenging years. It is important to have a policy that is clear and transparent to ensure any recovery action is timely and proportionate.

Impact on Climate Change: There is no known impact

1.0 Introduction/Background

1.1 The existing policy was approved in 2018

1.2 A full review of the policy has been carried out by officers to reflect any legal changes and to better reflect the economic times and resources

1.3 The Council's Financial Regulations provide the framework for managing the authority's financial affairs and contribute to good corporate governance, internal control and the management of risks.

2.0 Review

- 2.1 Over the last few months officers have been looking at widening the policy to take into account best practice and to better reflect current economic pressures.
- 2.2 New legislation is due to come into force called **The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020** in May 2021 as such policy and procedures need to be aligned.

3.0 Findings

- 3.1 Each service had different formats for gathering details of income and expenditure when considering the terms to settle debts, rather than a 'common financial statement' which would provide a consistent and fair approach.
- 3.2 The procedures for each service are subject to different legislation and do not necessarily change at the same time.
- 3.3 The policy should be clearer when recovering 'multiple debt'
- 3.4 Greater focus is required on assessing 'financial vulnerability' & vulnerability in general
- 3.5 The need for an agreed priority debt repayments based on the risk to customers, also helps officers collect.

4.0 Outcomes

- 4.1 The Corporate Recovery policy has been created to take the above findings into account and to introduce a more common approach for the recovery of debt across the Council.
- 4.2 The procedures for each service will be reviewed with regards to the proposal for a more formal corporate approach and it will be maintained by a central team. Procedures will be maintained via a 'knowledge centre'
- 4.3 Policy aligns with a more robust approach to 'financial vulnerability'

Contact for more Information: Dean Emery demery@middevon.gov.uk, Tel: 01884 234945 and Fiona Wilkinson, fwilkinson@middevon.gov.uk Tel: 01884 234329

Circulation of the Report: Cllr Andrew Moore, Leadership Team, Corporate Management Team

List of Background Papers: Corporate Recovery Appendix 1 Policy & EQIA Appendix 2



Mid Devon District Council

Corporate Recovery Policy

Contents	Description
1	Purpose – Why is a policy required
2	Aims and Principles
3	Scope
4	Priority of Debt
5	Vulnerability
6	Methods of Payment
7	Payment Arrangements
8	Offsets
9	Write Offs
10	Performance Monitoring
11	GDPR
12	Operational Procedure
13	Complaints
14	Version Control

1. Purpose – Why is a policy required

The Corporate Debt Policy identifies where responsibility for collection of different debts across Council services lies and sets out the principles and standards in relation to contact, recovery process, repayments and benefit / money advice.

Included in the policy is the provision of support mechanisms and practices to all customers. It details the approach to collecting debt at MDDC.

The policy sets the framework for a consistent and sensitive approach to collecting debt whilst at the same time ensuring that the Council continues to maximise income collection and arrears recovery performance.

2. Aims and Principles

This policy aims to achieve a balance between the financial needs of MDDC and the needs of our customers by;

- Applying common repayment and debt management principles to all the debts that it has to collect; giving regard to the relevant legislation that governs the recovery of each type of debt.
- Applying common considerations and principles across all Council departments when assessing the customers' circumstances and ability to pay.
- Recovering debts by agreed arrangements that are realistic and sustainable or, where possible, by attachment to earnings or benefits in preference to the use of external agents.
- Recognising that households dependent on means tested income replacement benefits and / or with multiple debt problems may face particular problems and need extended repayment periods.
- Endeavouring, where multiple debts are owed to the Council, to agree payment arrangements on the principles of preventing further debt whilst allowing all debts to be repaid. In practice this may mean that current liabilities are paid whilst a smaller amount is agreed to clear older debts.
- Working in partnership with local advice agencies and signpost customers to advice and support agencies available to them and encourage self-help.
- Ensuring that both internal recovery officers and external agents contracted to the Council, work to the agreed Code of Practice found in the Enforcement Agent Framework Agreement
- Raising awareness of debt with customers and clearly identify how much / how it has occurred and raise awareness of the implications of non-payment.
- Using the full range of collection remedies as appropriate if debts are not paid. The policy does not prejudice any legal action that the Council may need to take.
- Promoting ways to pay and support that is available to customers.
- Applying this policy to all departments and providing the same level of service at the initial enquiry stage. However, all debts will be recovered in accordance with agreed processes with each service.
- Maximising income for the Council, including rent income due to the Housing Revenue

Account for Council houses and garages to ensure that all Council Tax and rent payers' interests are protected.

- Achieving an equitable allocation of income available to pay across all Council debts.
- Achieving efficiency savings by identifying solutions for customers on debt issues at the first point of contact.
- Being 'firm but fair'
- Being "preventative" by, for example, offering a wide range of convenient payment options and advice, such as budgeting, managing money and dealing with debt.
- Referring customers to the MDDC 'Customer Welfare Officer' to assist with 'financial vulnerability'
- Helping, where possible, to maximise customer's income and increasing their ability to pay.
- Sign posting customers to support agencies, for example Citizens Advice Bureau, Churches Housing Action Team, etc.
- Ensuring consistency of approach and high standards of service when dealing with customers.
- Sharing knowledge, information and expertise across the Council and other agencies whilst striving to comply with legislation such as the Data Protection Act etc.
- Applying best practice in relation to debt collection.

3. Scope

This Policy applies to the collection of all income streams, including **(not restricted to)**

- Council Tax
- Business Rates
- Housing Benefit Overpayments
- Sundry Income (invoices raised for a variety of Council Services) also, Commercial Rent Arrears, Penalty Charge Notice's
- Council House Rents
- Commercial Rents
- All COVID19 support grant repayments

4. Priority of Debt

There are many types of debt, but those considered as "priority" debts are those that are owed to creditors who can take the strongest legal action against an individual who does not pay. To be clear it isn't the size of the debt that makes it a priority but what creditors can do to recover their money; individuals are not always aware of the consequences of failure to pay.

The Council will look to raise awareness in this area with its customers. Officers must factor in other non-Council "priority" debts when giving consideration to a customer's ability to repay monies owed to the Council.

The procedures supporting this Policy will ensure that officers can effectively deal with repayments of debts. As such work with other departments when required to agree the priority of payments, this may include the sharing of relevant information.

Priority debts are listed below:

Equal priority debts

The Policy identifies these as:

- Rent arrears – as they can result in eviction
- Mortgage arrears – as they can result in repossession
- Council Tax and Business Rates – as they can result in enforcement action, deductions from earnings/benefits (Council Tax only), bankruptcy or imprisonment
- Other secured loans – as they can result in the loss of a home

Other priority debts:

- Utility debts – as they can result in disconnection
- Income Tax & VAT – as they can result in bankruptcy or imprisonment
- County Court Judgements – as they can result in enforcement agent action, Attachment of Earnings, Charging Order or bankruptcy
- Fines or Compensation – as these can result in imprisonment
- Hire Purchase – will be considered if, for example, it is for the purchase of a car needed to get the owner to work
- Benefit Overpayments – as they can result in deductions from benefits or earnings
- Maintenance or child support arrears– as they can result in enforcement agent action
- TV Licence – as this could result in a custodial sentence

Non priority debts

Credit/Store cards, unsecured personal loans, bank overdrafts, credit/interest free/hire purchase agreements (other than above), catalogue debts and money borrowed from family and friends.

All income and arrears will be actively pursued in accordance with this policy, however, in instances where multiple debts exist due regard to the hierarchy of debt detailed above should be taken.

5. Vulnerability

The Council has created a **(protocol – this is being written)** this will be used to engage with our external stakeholders to deliver on our promise to help the vulnerable. Although not an exhaustive list for reference these stakeholders include Citizens Advice, Step Change, Christians against Poverty, Churches Housing Action Team (CHAT), Shelter and Navigate, National Debt Line and Advice UK. The Council recognises that personal indebtedness and debt recovery action can potentially cause distress, particularly where the person has other debts or is on a low income. The Council will make every effort to support customers in managing their Council debts and will engage with relevant welfare and debt agencies where appropriate.

It sets out a strategy to increase the likelihood of successful collection without causing unreasonable distress.

MDDC also recognises Government programs such as **The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020**

Draft Regulations: <https://www.legislation.gov.uk/ukdsi/2020/9780348209976/contents>

“Government’s new breathing space period will freeze interest, fees and enforcement for people in problem debt, with further protections for those in mental health crisis treatment”

MDDC will flex the policy in accordance with regulations, commercial considerations and local need, one size doesn’t fit all where vulnerability is concerned.

Definition

A vulnerable person is a person who, by characteristics and/or circumstances, is unable to act or respond appropriately to the normal collection procedures, or for the same reason is unreasonably affected by them. The Council recognises that vulnerability can come in many forms and it can also be multi layered. Vulnerability can also be temporary, permanent or come in a series of episodes and anyone at any time could potentially be deemed vulnerable. The characteristics or circumstances that **may** lead to identifying a person as vulnerable are as follows:

This list of factors is not definitive and all of our customers’ circumstances must be taken into account.

• Carers
• Care Leavers
• Cognitive Impairment
• Debt Management where overall debts need to be managed
• Disability
• Financial poverty
• Learning difficulty (including literacy difficulties)
• Language difficulty
• Pregnancy
• Lone parents – with young children
• Medication
• Mental Health
• Physical health
• Possession proceedings
• Probation service involvement
• Recent bereavement
• Substance abuse
• Social Care services involvement
• Terminal illness
• Victim of abuse
• Victim of war

- | |
|--|
| <ul style="list-style-type: none"> • Homelessness |
|--|

This list of factors is not definitive and all of our customers' circumstances will be taken into account.

6. Methods of Payment

The Council recognises that the easier it is to pay, the more likely it is that payment will be made and the less likely that debts will accrue. The Council's preference is for low cost payment methods and those that provide a high degree of accuracy and certainty, such as Direct Debit, Standing Orders, internet banking, use of the Council's website and automated telephone payments.

To provide our customers with the greatest flexibility payment via '**Payzone**' facility is also offered.

The Council remains proactive in trying to "channel shift" customers, where possible, to encourage them to make payments that cost the least in transaction fees.

7. Payment Arrangements

Although various scenarios may be encountered, in general terms, any arrears should be paid within a maximum of twelve months from when they were incurred. However, in many instances, officers will make informed decisions to spread the arrears over a longer period to aid repayments. It is Council policy that only in exceptional circumstances can an arrangement be made up to a maximum of six years. However, regulatory schemes such as '**Breathing Space**' payment plans may see up to a 10 year payback.

8. Offsets (credits)

In the interests of efficiency, the Council will offset any customer credit balances against other amounts they may owe, before providing a refund - any such arrangements will be undertaken in a fair and legal manner and with the customer's agreement wherever possible.

9. Write Offs

The Council recognises that a small proportion of its overall income may not be collectable due to matters beyond its control. Where a debt is assessed to be irrecoverable it will be subject to a write off process that is consistent with recognised accounting practices. The Council will seek to minimise the cost of write offs by taking all appropriate action to recover all amounts due.

Income deemed irrecoverable must satisfy one of the pre-determined criteria including but not restricted to:

- the customer has died and there are no or insufficient funds in the estate
- the customer cannot be traced
- it is uneconomical to pursue the debt
- the income is uncollectable due to bankruptcy/insolvency

- all recovery methods have been exhausted
- it is not in the public interest to pursue e.g. at risk and vulnerable service users
- the debt is prescribed under the Limitation Act 1980

All write offs will be carried out in accordance with the relevant provisions contained within the Council's Financial Regulations.

It should be noted that just because a debt is written off it does not rule out the possibility of writing the debt back and pursuing it to the full extent of the law. Examples of this may occur is if a debtor absconds with no forwarding address but is subsequently traced or when an individual/company goes bankrupt or is made insolvent, when partial/full dividend(s) can be received many years later and the payments written back onto the account.

Where a cash credit is showing on an account and the Authority is unable to refund or transfer, the Authority will write the value back on returning the account to zero. These accounts would have to be in credit for a period greater than 13 months before this housekeeping takes place.

10. Performance Monitoring

The Council recognises that prompt recovery action is essential for effective debt management. The Council will:

- seek to maximise income generation and maximise income received by the due date;
- regularly monitor the level and age of its debt;
- set clear targets for the recovery of debt;
- have clearly documented recovery procedures;
- assess recovery methods to ensure maximum returns and
- regularly review irrecoverable debts for write off.

To ensure the Council achieves its objectives a range of high level indicators have been developed to monitor performance. Key indicators include:

- In year collection targets - Council Tax and Business Rates
- All years collection - Housing Benefit Overpayments
- Top 20 outstanding Sundry Debts progress report
- Old Sundry Debt (frozen at 31 March) targeted reduction in following financial year
- Housing Income Collection Rates, responsive maintenance, housing voids and tenant satisfaction

The Council recognises that failure to achieve income and collection targets will have financial and service consequences. Performance will be reviewed on a quarterly basis by the Business Intelligence and Performance Manager, liaising as appropriate with other relevant staff, and this information will be reported as part of the Council's wider performance updates to the Leadership Team, Corporate Managers, Group Managers & Members as required.

Where an external enforcement agency assists in the Council's collection it will also be required to produce detailed performance and management information on a regular basis. Mid Devon Council is part of a "framework" agreement consisting of three companies to aid collection of all debts.

11. Confidentiality

We will use the personal information and financial details you give us, and any supporting evidence you send us, to process your claims for example for, Housing Benefit, Council Tax Reduction, Discretionary Housing Payments and any other local award or reduction that you might be eligible for that the local authority is responsible for administering.

We will also use the information to provide you with any money advice and support needs that you may have.

We may pass the information to other agencies or organisations such as the Department for Work and Pensions and the Inland Revenue, HMRC as allowed by law. The authority is under a duty to protect the public funds it administers, and to this end we may use the information you have provided for the prevention and detection of fraud. We may also share information with other bodies responsible for auditing or administering public funds for these purposes. We may check information you have provided, or information about you someone else has provided, with other information held by us.

We may also collect data or information about you from certain third parties, or give them information to:

- make sure the information is accurate
- protect public funds
- prevent or detect fraud and any other crime
- support National Fraud Initiatives
- provide money advice and support

These third parties include government departments, local authorities and private-sector companies, including creditors, credit reference agencies and other organisations such as banks and financial institutions that may lend you money. We will not give information about you to anyone else, or use information about you for other purposes, unless the law allows us to in accordance with our data protection obligations and in observance of the requirements of the Data Protection Act/GDPR 2018.

The Council will ensure that all information about a customer's personal and/or financial circumstances is secure and dealt with in the strictest confidence

12. Operational Procedures / Enforcement Remedies

The Council will ensure that processes around income and arrears management are robust and the most effective collection remedy is used.

Financial decisions will be made by identified officers and agreed by the s151 Officer as required. These arrangements will be clearly detailed in Financial Procedures/Rules, and operational procedures and guidance.

Enforcement Remedies such as those listed below may be applied in the collection of arrears;

- Magistrates Court, Liability Orders
- County Court, County Court Judgment
- County and High Court, Insolvency e.g. Bankruptcy, Winding Up (Businesses)
- County and High Court, Enforcement
- CRAR – Commercial Rent Collection
- Forfeiture for residential and commercially let properties
- PCN – Warrants of Execution

Other

- Attachment of Earnings
- Attachment of Benefits
- Enforcement Agents
- Charging Orders/ Forced Sale
- Committal to Prison
- Special Arrangements

The following table sets out the various collection pathways for the major debt streams within the Council's debt portfolio, however it should be noted that the Council operates many of its recovery pathways in co-operation with private and public sector partners to rationalise services and achieve efficiency.

As such the Council retains the option to utilise collection and enforcement agents from both the private sector and the courts to carry out associated or appropriate enforcement actions on behalf of the Council to prevent or mitigate the need to escalate debts along the collection pathway shown below.

ENFORCEMENT REMEDIES BY DEBT TYPE (not restricted to type or method of enforcement)				
Type of Debt	Charging Method	Default Collection Pathway	Appeals	Final Collection Persistent/deliberate Defaulters
Council Tax	Bill	Magistrates Court	Banding VOA Liability Magistrates Court Internal MDDC Review Valuation Tribunal	Special Arrangements Attachment of Benefits Attachment of Earnings Enforcement Agents (Bailiff) Insolvency Charging Order Committal
Business Rates	Bill	Magistrates Court Court of Suitable Jurisdiction	Rateable Value VOA Liability Magistrates Court Internal MDDC Review Valuation Tribunal	Special Arrangement Enforcement Agents (Bailiff) Insolvency Charging Order Committal CCJ
Sundry Debt	Invoice	County Court	Internal MDDC Review District Judge	CCJ Garnishee Order High Court Enforcement Winding Up Order Charging Order Attachment of Earnings
Parking Penalties	Penalty Notice	County Court	Internal MDDC Review District Judge	CCJ Garnishee Order High Court Enforcement Winding Up Order Charging Order Attachment of Earnings
Housing Rents	Annual Notification of weekly charge	County Court	Internal MDDC Review District Judge	Possession and Eviction
Housing Benefit Overpayments	Invoice	County Court	Internal MDDC Review District Judge	CCJ Garnishee Order High Court Enforcement Winding Up Order Charging Order Attachment of Earnings
Commercial Rents	Periodical Invoice	County or High Court	By application to Court/Judge	Possession and Eviction CRAR Statutory Procedures
Environmental Crime fixed penalties	Penalty Notice	Magistrates Court	Direct to Magistrates	Fine and/or Committal
Housing Rechargeable Rent Repairs	Invoice	County Court	Internal MDDC Review District Judge	CCJ Garnishee Order High Court Enforcement Winding Up Order Charging Order Attachment of Earnings

13. Disputes and Complaints

The Council will endeavour to resolve problems in relation to income and arrears collection at an early stage, in an informal manner.

Where a dispute arises in connection with a debt the service responsible for the debt will liaise with the customer in accordance with their own procedures, for example, they may chose a certain method of alternative dispute resolution, which may include mediation, negotiation, arbitration etc (this is not exhaustive and other methods of ADR may be more appropriate), before considering what action should be taken.

If it is not possible to resolve a complaint informally then customers who are still dissatisfied will be advised of the formal Corporate Complaint Procedure

14. Review and Version Control

The Policy will be reviewed at least every **2 years** by either the Corporate Manager or Principal Officer, or as directed by the s151. The review will take account of changes in legislation, service improvements, regulations and wider policy initiatives. Any proposed changes will be discussed with appropriate stakeholders and updated in line with related policies.

Delegated authority has been given to the S151 Officer, in consultation with the relevant Portfolio Holder, to make minor revisions including changes as a result of organisational management arrangements such as changes to named posts within the Policy.

The approved policy will be held centrally on the Council's Website and Share point site and be subject to version control to record its approval, monitor revisions under delegation and schedule a full review date.

Supporting Procedural Documentation

These will supplement this policy – **revised processes will be developed overtime** to make sure they are effective and follow best practice.

Descriptions may change

- Vulnerability Policy/Protocol
- Equality Impact Assessment
- Council Tax & Business Rates Recovery Strategy
- Housing Benefit Overpayments
- Sundry Income
- Housing (HRA) Recovery
- Enforcement Agent Framework Agreement
- Commercial Rent Arrears
- COVID19 Support Grants

DRAFT

Equality Impact Assessment Form and Action Table 2015

(Expand the boxes as appropriate, please see guidance)

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

Baroness Thornton, March 2010

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

Corporate Recovery Policy from 01/04/2021

Version

V1

Date

28/10/2020

Section 1 – Description of what is being impact assessed

Enforcement and recovery of monies owed to Mid Devon District Council

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

The purpose of the policy is to collect debts in a 'firm but fair' way. It is not the intention of the policy to single out or target groups of customers protected or otherwise.

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

Council officers collecting payments for Council Services and statutory obligations

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

Review of of the current policy and a change of procedures to better collect arrears. Procedures will be reviewed in-line with policy. A vulnerability protocol will be created to support customers and officers in the collection of arrears.

Section 4 – Conclusions drawn about the equalities impact (positive or negative) of the proposed change or new service/policy (Please use **prompt sheet** in the guidance for help with what to consider):

Whilst the policy does not target any one group or those in a protected characteristic by the very nature of the collection process customers will be approached to discuss and repay debts. However, customers will be treated in accordance with their circumstances in a fair and consistent way.

If you have identified any negative impacts you will need to consider how these can be mitigated to either reduce or remove them. In the table below let us know what mitigation you will take. (Please add rows where needed)

Identified issue drawn from your conclusions	Actions needed – can you mitigate the impacts? If you can how will you mitigate the impacts?	Who is responsible for the actions? When will the action be completed?	How will it be monitored? What is the expected outcome from the action?
Age			
Different approaches and mechanisms are required for engaging with and representing, people of different ages, in particular children and young people.	Ways to pay and contact remain flexible to customers. Calls to Customer Services, emails, SMS, on line portal and a Customer Welfare Officer.	As and when an action is required it will be picked up and looked into.	Officers and Managers will monitor customer interactions
Disability			
Different approaches and mechanisms may be required for engaging with and representing, people with a range of disabilities depending on their individual needs.	Online payments may adversely affect customers who are sight impaired or those with fine motor skill impairment meaning that an online solution is more problematic for them. However, support can be given by Customer Services and Officers plus the Customer Welfare Officer. Online and paper DD's can be set up with or without assistance	As and when an action is required it will be picked up and looked into.	Officers and Managers will monitor customer interactions
Gender Reassignment			
It is very important that the specification does not discriminate against those who are or have undergone gender reassignment who currently use the service or may wish to use it in the future.	No specific impact identified	N/A	N/A

Marriage and Civil Partnership			
No issues identified	No specific impact identified	N/A	N/A
Pregnancy and Maternity			
It is very important that the specification does not discriminate against those who are pregnant, who use the service or who wish to use it in the future.	No Specific impact identified	N/A	N/A
Race (including ethnicity or national origin, colour, nationality and Gypsies and Travellers)			
It is very important that the specification reflects the particular needs of people from all backgrounds who currently use the service or may wish to use it in the future.	Language issues may cause some problems with using the telephone payment services. translation services are available to assist customers whose first language is not English Internet Access?	As and when an action is required it will be picked up and looked into.	Officers and Managers will monitor customer interactions
Religion and Belief			
It is very important that the specification reflects the particular needs of people irrelevant of their religions and beliefs who currently use the service or may wish to use it in the future.	No specific impact identified There are some implications for debt in Sharia Law	N/A	N/A
Sex			
It is very important that the specification reflects the particular needs of people irrelevant of their sex who currently use the service or may wish to use it in the future.	No specific impact identified	N/A	N/A

Sexual Orientation			
It is very important that the specification reflects the particular needs of people irrelevant of their sexual orientation who currently use the service or may wish to use it in the future.	No specific impact identified	N/A	N/A
Other (including caring responsibilities, rurality, low income, Military Status etc)			
Rurality It is important that the service is able to engage with and represent individuals who live in rural areas and / or have limited access to public transport.	Access to the internet may be a problem for some customers. However, customers can telephone customer services, use the online payment and come into the building to pay plus use 'payzone'	As and when an action is required it will be picked up and looked into.	Officers and Managers will monitor customer interactions

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

Council's Website

Completed by:	Dean Emery
Date	28/10/2020
Signed off by:	Fiona Wilkinson
Date	23/11/2020
Compliance sign off Date	
To be reviewed by: (officer name)	
Review date:	

This page is intentionally left blank

CABINET
4 MARCH 2021

ASSET MANAGEMENT AND CAPITAL STRATEGY PLAN 2021-2025

Cabinet Member: Cllr Bob Evans – Deputy Leader, Cabinet Member for Housing & Property Services

Responsible Officer: Andrew Busby - Corporate Manager for Property, Leisure & Climate Change

Reason for Report: To bring to members' attention the revised Asset Management and Capital Strategy Plan for 2021 – 2025.

Recommendation: That the Cabinet approve and endorse the revised Asset Management and Capital Strategy Plan for 2021-2025.

Financial Implications: The delivery of this strategy will ensure best use of Council assets to continue to support the Council in delivering its service to the public.

Budget and Policy Framework: Cabinet makes decisions on asset disposals. The Capital Strategy Asset Management Group (CSAG) is not a Policy Development Group.

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

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

Equality Impact Assessment: Any significant change to an asset that is presented to Cabinet would include an equality impact assessment.

Relationship to Corporate Plan: Property assets are linked to the delivery, vision and priorities of the Council. The way that the Council manages its land and property assets has a direct impact on the quality of services delivered as well as maximising the contribution derived from its property holdings in balancing the Council's budgets. It is, therefore, important that efficient and effective use is made of our asset portfolio to support corporate and service objectives. A strategic approach to asset management supports priorities such as business retention, growth and development. Maximising our return from all associated treasury activities enables the Council to support current levels of spending in accordance with its Corporate Plan.

Impact on Climate Change: Our Climate Change Strategy and Action Plan will be a critical part of how we operate our assets moving forwards. The Asset Management

and Capital Strategy Plan will link to the climate change strategy wherever possible. The Council has committed to a net zero carbon emissions policy by 2030 and elements of the capital programme contribute to the achievement of this objective.

1.0 Introduction

1.1 The Asset Management and Capital Strategy Plan 2021-2025 gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability.

1.2 The plan provides a link between these activities and reiterates the need for these to be co-ordinated to support the objectives of the Corporate Plan 2020-2024.

1.3 This Asset Management and Capital Strategy Plan has been revised with the intent to:

- Ensure that retained assets are suitable for their proposed/existing use, are fit for purpose, represent value for money and support improved service delivery
- Provide an appropriate, attractive, secure and safe working environment that motivates employees
- Continually review asset security and risk assess using the latest version of the HMG Security Policy Framework as guidance, including a Code of Practice for Council CCTV
- Minimise, in all respects, the impact of the Council's buildings on the environment throughout their life such as regular reviews on Energy Performance and Display Performance Certificates, Decarbonisation projects, LED lighting and improved energy performance of our heating systems including new boilers and controls
- Ensure the Council's property assets comply with statutory/regulatory Codes and are managed efficiently
- Ensure that the disposal of surplus assets links with the Medium Term Capital and Revenue Financial Plans
- Identify land for affordable housing developments
- Identify commercial opportunities that provide a financial benefit
- Ensure our assets become as energy efficient as possible to work towards our target of net zero carbon emissions by 2030 with programmed work as identified within the latest version of the Climate Action Plan

- 1.4 The plan details how the Council manages its estate and describes how it treats all properties as Council assets and the manner in which they will be managed strategically by our Property Services Team to ensure that corporate landlord responsibilities are met.
- 1.5 The plan places our property assets at the centre of Council decision-making, acknowledging their importance and financial value in the support of services and the need for property matters to be linked and considered in business plans across all services.
- 1.6 The plan enables us to consider the best use of our assets by identifying those that require investment in planned maintenance; those that we should consider disposal of; and those that could generate additional income from leasing out, etc. These considerations will then inform our capital programme and funding decisions.
- 1.7 The plan identifies principles to improve and regularly review our services and establish future methodologies for the creation of a fit-for-purpose property portfolio for the Council, which is required to be effective and efficient.
- 1.8 Objectives within the Corporate Plan can directly affect the property from which we operate and the investment decisions we make. The governance and review process defined within the plan ensures these priorities are considered during the decision making process.

2.0 Assessment of the need for a revised Asset Management and Capital Strategy Plan

- 2.1 Strengths/Opportunities - maintaining the existing standard brings the following:
 - Asset management planning in terms of data collection, analysis and programme formulation will improve the management of our estate by being able to benchmark with other authorities.
 - Service areas can be assured that their business is working from a fit-for-purpose asset to suit their own needs
 - Demonstrates value for money.
 - This framework enables a decision making process on the future of assets following the impact of COVID-19 during the recovery process.
- 2.2 Weakness/Threats - the importance of asset management is critical and failure to implement could result in the following:
 - Unable to make a judgement on our approach to property that can lead to risks of duplication, increased cost and poor utility management.

- Entering into occupancy agreements with third parties in circumstances that may disadvantage the Council or result in exposure to risk.
- The true cost of property is not understood, nor its importance.
- Missed opportunities for asset sharing with other parties including local authorities, blue light services and parish councils.
- Fail to achieve maximum value from our assets base.
- Poor utility management, resulting in increased carbon emissions.
Property Services work with all business units to control this by tracking monthly meter readings and investigate spikes in high readings.

3.0 Capital Strategy

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

<https://www.middevon.gov.uk/media/351593/annual-accounts-2019-20.pdf>

In 2021/22, the Council is planning capital expenditure of £35.054m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2019/20 Actual £m	2020/21 Forecast £m	2021/22 Adjusted capital programme* £m	2022/23 Adjusted capital programme* £m	2023/24 Adjusted capital programme* £m
Non-HRA	2.046	2.299	7.527	14.047	13.727
HRA	4.006	2.552	11.648	15.498	7.485
Commercial activities/ non-financial investments **	6.146	2.942	15.879	15.969	12.926
Total	12.198	7.793	35.054	45.514	34.138

**The “Adjusted capital programme” includes the capital programme plus estimated slippage from previous years.*

- 3.3 The Council has committed to a policy of achieving net zero carbon emissions by 2030. Employment of a Climate and Sustainability Specialist is facilitated in the revenue budget to progress projects and opportunities to achieve this objective. Further, the capital programme includes £1.050m of expenditure on schemes directly linked to combating climate change. £250k has been allocated within the HRA to improve housing stock energy efficiency.

There is also the hydro mills electricity generation project at Tiverton Weir costing circa £800k. As well as providing green electricity for use at the Council’s Phoenix House offices, this project will also generate budget savings along with feed- in tariff revenue. The Council are also exploring the possibility of installing additional Electric Vehicle charging points into appropriate Council –owned sites. The Council will continue to work with Community groups on Climate Change initiatives such as tree planting on Council land.

- 3.4 The Council welcomes recent confirmation of circa £311k grant funding from BEIS to support decarbonisation projects. The Housing Revenue Account (HRA) is a ring-fenced account, which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately. In addition to this, the Council have secured additional £38k grant funding from BEIS towards the development of our Carbon Action Plan.
- 3.5 Service managers bid annually to include projects in the Council’s capital programme. Bids are collated by Finance who calculate the financing cost (which can be nil if the project is fully externally financed). The relevant PDGs appraise all bids based on a comparison of service priorities against financing costs and makes recommendations to Cabinet. The final capital programme is then presented to Cabinet in February and to Council the same month each year. The capital programme embraces a broad range of expenditure including operational assets that will be used for more than one year; assets owned by other bodies, and loans and grants to other bodies enabling them to buy/build assets.
- 3.6 All capital expenditure must be financed, whether from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2019/20 Actual £m	2020/21 Forecast £m	2021/22 Adjusted capital programme* £m	2022/23 Adjusted capital programme* £m	2023/24 Adjusted capital programme* £m
PWLB Borrowing/Internal Borrowing	6.251	2.992	24.455	26.716	21.461
New Homes Bonus	0.194	1.033	1.441	0.863	0.179
Housing Maint Fund	0.746	0.158	1.109	2.536	1.128
Capital Receipts Reserve	0.463	0.395	2.408	1.755	1.638
Other Housing EMRs	2.097	1.793	3.663	2.590	2.585
Capital Grants Unapplied	0.981	0.447	0.799	0.581	0.666
Housing Infrastructure Fund (HIF)	0.132	0.538	0.825	10.315	6.390
Homes and Communities Agency Grant (HCA)	0.734				
Other GF EMRs	0.600	0.437	0.354	0.158	0.091
TOTAL	12.198	7.793	35.054	45.514	34.138

**The "Adjusted capital programme" includes the capital programme plus estimated slippage from previous years.*

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

3.7 Asset disposals

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council expects to receive £0.900m of capital receipts (net of pooling) in the coming financial year as follows:

Table 8: Capital receipts in £ millions

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Asset sales	2.038	0.750	0.900	0.900	0.900
Loans repaid	0	0	0	0	0
TOTAL	2.038	0.750	0.900	0.900	0.900

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

4.0 Investments for Economic Development Purposes

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

- 4.1 In 2019/20 the Council approved a loan to fund a GP Surgery/NHS Hub in Crediton that is expected to be facilitated in 2021/22. Not only will this provide the Council with a return on its loan, it will also provide an important, modern NHS Hub in Crediton, replacing two existing GP surgeries and offering further NHS services to the public.
- 4.2 Decisions on investments are made by the relevant service manager in consultation with the Deputy Chief Executive (S151) and must meet the criteria and limits laid down in the Treasury Management Strategy Statement (TMSS). Most loans and shares are capital expenditure and purchases will therefore be approved as part of the capital programme.

5.0 Commercial Activities

- 5.1 With Central Government financial support for local public services declining, the Council invests in commercial property for financial gain and for economic development purposes.
- 5.2 With economic development being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include the timing of debt repayments; development market values; development costs and profitability of the subsidiary. These risks are managed by due diligence of business cases. Although there is no cap on the level of lending between the Authority and the subsidiary, advance

approval of the level of lending is required from Cabinet before the start of each financial year, with reference to the Annual Business Plan.

- 5.3 The Council also has commercial activities in retail properties, which expose it to normal commercial risks. The over-arching ethos behind these activities is economic regeneration and retention of premises within the town centre rather than the income stream.

6.0 Annex A – Asset Management Action Plan

- 6.1 To move forward with the recommendations identified in the review of the plan, the continuation of a property review process and on-going property maintenance information are needed to ensure sound decision-making going forward. Each action within the plan will be regularly reviewed at CSAG meetings. The plan seeks to ensure that assets are used in the most effective and efficient way to support the delivery of the Corporate Plan.

7.0 Asset Management Plan Implications

- 7.1 We should expect continued property improvement, greater cross service sharing, capital receipts and income resulting from ongoing property review and capital investment.
- 7.2 Financial - Sound management of our assets will always require a sufficient maintenance budget in order that the life and usage of our assets are maximised. Where sales and disposals occur, then the net available income is made available to meet corporate priorities outlined in our Corporate Plan and the Climate Action Plan. Due to the long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Deputy Chief Executive (S151) is satisfied that the proposed capital programme is prudent, affordable and sustainable because the Council has adequate means of financing and repaying any required borrowing.
- 7.3 The expectation is that the level of stakeholder engagement relating to property matters will continue because of this revised plan. It requires continued input from building users, visitors, managers and planners to create a suitable property portfolio that is good value, fit for purpose and sustainable. The adoption of the plan is a corporate issue that will influence Council business. Where the action affects a particular division then each relevant Member will be consulted in accordance with current practice as well as our Leadership and Corporate Management teams.

8.0 Progress monitoring

- 8.1 Progress will be monitored by providing quarterly updates on the action plan to the CSAG. In addition, individual areas of interest or concern will be subject to monthly updates with the Deputy Leader and Cabinet Member for Housing & Property Services and the Deputy Chief Executive (151).

- 8.2 The CSAG meetings also include the monitoring of the Council's medium term capital programme.
- 8.3 The plan also contains performance measures that will be subject to annual reporting to the CSAG.

9.0 Review

- 9.1 This strategy will be reviewed should there be a fundamental change with our property portfolio, a strategic change to the Corporate Plan 2020-2024 or Climate Change Strategy 2020-23.

Contact for more information: Andrew Busby – Corporate Manager for Property, Leisure and Climate Change
(01884 234948) / abusby@middevon.gov.uk

Background Papers: Capital Asset Management Plan 2016-2020
Capital Strategy Report

Circulation of the Report: Leadership / CMT Team
Members of the CSAG
Cabinet Member – Deputy Leader,
Cabinet Member of Housing & Property Services

Annex A - Asset Management Action Plan

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
1. Review and amendment of Asset Management Plan 2016-2020 performance management	Link to Corporate Plan 2020 – 2024	Continue to implement management practices	Property Services Team	Corporate Manager for Property, Leisure & Climate Change Land Management Officer	
2. To integrate climate action plan with the asset management plan	Work towards the net zero carbon emissions target of 2030	Climate action plan, new climate and sustainability specialist who is part of the Property Services team	All Council resources will need to contribute working towards net zero carbon emissions	Corporate Manager for Property, Leisure & Climate Change Climate & Sustainability Officer	

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
3. Continue to review benchmarking and sharing of information with neighbouring authorities	<i>Improve quality of asset management plan</i> Identify where efficiencies will be achieved	Continue to implement management practices	Facilities Manager and Property Services Team. Facilities Manager to set up a working group with other property managers from other authorities	Corporate Manager for Property, Leisure & Climate Change	
4. Continue to integrate capital strategy into the asset management plan	Continue to link the corporate plan through integration of asset management plan/capital strategy/medium term financial plan	Working with the Finance service	Corporate Manager for Finance	Corporate Manager for Property, Leisure & Climate Change	
5. Ongoing improvement and professional skills/training/Continuous Professional Development.	Improved quality of asset management	Appraisals; On-the-job training provision and external courses.	Property Services Team	Corporate Manager for Property, Leisure & Climate Change	

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
6. To provide signposting on how communities can request Community Asset Transfer	Improved capacity and cost-effectiveness through partnership working	Explore shared service opportunities	Property Services team and Community Development Manager	Corporate Manager for Property, Leisure & Climate Change	
7. Continue to update CAPS Ownership for land Module and Quality Assurance Land Terrier.	Avoids duplication of records/certainty over asset base Reduce database maintenance requirements	Dedicated resource identified in Property Services	Property Services team Business Support Officer	Facilities Manager and Land Management Officer	
8. To continue to review life cycle asset replacement budget to ensure essential maintenance repairs To include: Risks Asset security Future expenditure requirements in relation to plant and asset replacement	Awareness of risks and costs of reductions to planned preventative maintenance	Provide regular updates of the quarterly monitoring	Corporate Manager for Finance Property Services BSO	Office Manager and Business Support Officer in Property Services	

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
9. Continued analysis of value for money for Cemeteries Parks, Open Space and Grounds Maintenance	Contributes to effective use of resources Potential efficiency increases/cost reductions identified.	Working with Operations Manager for Street Scene Services and Parks & Open Spaces Officer	Property Services team, Street Scene Services and Parks & Open Spaces Officer	Corporate Manager for Property, Leisure & Climate Change	
10. To work with the Planning service on revised procedures for S106/CIL on Council assets	Improved consideration of the impact of development on existing assets and added robustness to adoption procedures for new assets	To work with colleagues within the Planning service	Regular review meetings with lead officers who need to have an input in S106	Land Management Officer	
11. Continue to deliver capital projects that supports the Corporate Plan 2020 – 2024	Improved use of asset management expertise at project design stage.	Involvement in CSAG	Property Services Team	Corporate Manager for Property, Leisure & Climate Change	On-going

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
12. Revise and review Management Plan annually	Improved management of assets Increased internal rate of return Reduced reactive maintenance costs Improved risk management	Annual review Continued research for opportunities and regular meetings with Cabinet Member for Housing & Property Services	Property Services Team CSAG	Corporate Manager for Property, Leisure & Climate Change	March 2022
13. Review the use of grass verges on the General Fund Estate with reference to the recent HRA land working group	Encourage greater biodiversity	CSAG working group	Property Services Team CSAG	Corporate Manager for Property, Leisure & Climate Change	
14. To develop a Community Transfer Policy with reference to Appendix 2	Community cohesion, active citizenship and promoting economic regeneration	Development and policy adoption	Property Services Team CSAG Legal Services	Corporate Manager for Property, Leisure & Climate Change	

ASSET MANAGEMENT AND CAPITAL STRATEGY PLAN 2021 - 2025

Mid Devon District Council

Contents

Foreword

1.	Introduction	4
2.	The Benefits of Property Asset Management Planning	4
3	Climate Change	6
4.	Corporate Asset Objectives	7
5.	Investment for Economic Development Purposes	6
6.	Portfolio – What does the Council own	8
7.	Organisational Framework for Asset Management	9
8.	How do we measure performance?	9
9.	What have we achieved so far?	11
10.	Income Generation	11
11.	Supporting the Corporate Plan	12
12.	Mid Devon Infrastructure & Planning test	15
13.	Outcomes	15

Appendices

Appendix 1	Why do we need asset management? Further explore	16
Appendix 2	Development of a Community Asset Transfer Policy	18
Appendix 3	Condition of the existing estate	19
Appendix 4	Tenanted Non Residential Property (TNRP) Review	21
Appendix 5	Corporate Asset Management software	23
Appendix 6	Asset Management Action Plan	24

BACKGROUND:

Property Services provides accommodation for services within the Council and its businesses. The service also leads on construction elements of the property capital programme and ensures statutory compliance of the estate and undertakes a broad range of estate and management activities. Elements of the Property Services business units also support elements of the HRA estate.

Through the delivery of repairs and maintenance, Property Services ensures the Council meets its statutory building compliance responsibilities and its duty of care under relevant health and safety legislation. In addition, services include maintaining pathways and roads, hard landscaping, sewage works and retaining walls. The business unit supports the HRA to develop existing assets and land to create socially rented and socially affordable homes to replace assets lost under the Right to buy scheme.

'Building on Strong Foundations: A Framework for Local Authority Asset Management' is a document published by the Department for Communities and Local Government that lists the following potential benefits of good asset management:

- Deliver exceptional services for citizens, aligned with locally agreed priorities, whilst focusing investment clearly on need.
- Empower communities and stimulate debate.
- Improve the economic well-being of an area.
- Ensure that, once built, assets are correctly maintained.
- Introduce new working practices and trigger cultural organisational changes.
- Reduce carbon emissions and improve environmental sustainability.
- Increase co-location, partnership working and sharing of knowledge.
- Improve the accessibility of services and ensure compliance with the latest version of the Equality Act 2010.
- Generate efficiency gains, capital receipts or an income stream.
- Improve the quality of information available to the public.
- Asset security is continued to be reviewed and risk assessed using the latest version of the HMG Security Policy Framework as guidance including a Code of Practice for Council CCTV.

The value of the assets we manage have a total net value of circa £43 million. Property Services are responsible for an operational budget of circa £1.2 million, as well as providing services that come under other operational budgets such as car parks.

The service manages a wide range of assets that include land, car parks and assets relating to bereavement services. We provide services to approximately 96 locations including leisure and sports centres, corporate offices, a multi-storey car park, industrial units, shops, public conveniences, CCTV, car parks, buildings within a conservation area and paddling pool. The team undertake construction of play areas, skateboard parks and other recreational leisure facilities across the district. Our service also manages new lettings and lease renewals for the Market Walk shopping precinct.

Foreword

The latest version of our Capital Strategy Asset Management Plan sets the continued direction for managing our assets. In this document, assets are seen as the means by which public benefits are delivered, either through their employment to deliver services, or as investments. The plan has started to deliver services in a more “joined up” fashion, and the more effective use of assets such as combining our Grounds Maintenance facility with our Waste and Recycling operation is an example of cooperative working across the Council.

It sets out the organisational framework for the strategic and for the day-to-day management of property, this is through the placing of asset management in the Council structure and the establishment of specific asset management arrangements.

The Asset Management Plan outlines policies for the effective management of property, and sets policies to shape the direction of asset management. Important issues such as carbon reduction are covered in the Plan. The plan outlines a set of performance management arrangements, including a set of Performance Indicators, to ensure that value for money is delivered through the use of assets.

The Plan includes a set of appendices that give details of how assets will be managed and provide an action plan to build on the Council’s strengths and to achieve those improvements in management and performance that the Council wishes to achieve.

Councillor Bob Deed

Leader, Mid Devon District Council

Councillor Bob Evans

Deputy Leader and Cabinet Member for Housing & Property Services

Mid Devon District Council

Andrew Jarrett

Deputy Chief Executive (S151)

Mid Devon District Council

1 Introduction

The Asset Management and Capital Strategy Plan 2021-2025 ('the Plan') sets out the Council's approach to the Strategic Management of its land and building assets. It is developed in consultation with the Senior Officers and Members of the Council that form the Capital Strategy Asset Management Group (CSAG). The plan seeks to ensure that our assets are being used in the most effective and efficient way to support the delivery of the corporate plan. This continues to be of high importance particularly during the COVID-19 pandemic and our full Council motion to aim for net zero carbon emissions by 2030.

The Asset Management and Capital Strategy Plan 2021-2025, gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Property Services Mission Statement:

"To maximise the value derived from our property holdings for the community by delivering a sustainable and efficient corporate property service that meets our stakeholders' needs and be recognised as a forward-thinking, proactive service."

The main strategic document for the Council is the corporate plan and this document sets out the Council's vision, values and priorities. This particular document is the 'umbrella' for a number of documents which, together, support the corporate strategy and the Climate Action Plan. For further information, refer to the corporate plan on our website. The plan provides a link between these activities and reiterates the need for these to be co-ordinated to support the objectives of the corporate plan 2020-2024.

The CSAG function involves key Council services and the role of the CSAG is key to ensure that there is an effective dialogue on asset management issues across the Council. The CSAG ensures there is insight into individual Council services, together with a clear understanding of corporate goals and objectives. The group consists of officers and members who follow an agreed process that ensures the estate is managed effectively and that any disposals reflect value for money. The final decision in respect of significant disposals would be made by the cabinet.

2 The Benefits of Property Asset Management Planning

Property assets should be linked to the delivery, vision and priorities of the organisation. The way that the Council manages its land and property assets has a direct impact on the quality of services delivered to the public. The Plan places our property assets at the centre of Council decision-making, acknowledging the importance and financial value of those assets and their value in the support of services as well as the need for property matters to be linked and considered in the business plans of all services.

While the Council's policy relating to the disposal and acquisition of public open space is under review, public open space is considered by the CSAG group and due process is followed thereafter. A local authority has a statutory duty to dispose of the land or property for the best price that can reasonably be obtained. If part of the land is public open space for the purposes of the Open Spaces Act 1906 then pursuant to section 123(2A) of the Local Government Act 1972, the Council has to advertise its intention to dispose of the land and invite the public to submit any objections.

The Plan enables us to consider the best use of our assets by identify those that require investment in planned maintenance; those that we should consider disposing of; those that could

generate additional income from leasing out etc. These considerations will then inform our capital programme and funding decisions.

Asset disposals

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be used to buy new assets or to repay debt. The Council is also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council expects to receive £0.900m of capital receipts (net of pooling) in the coming financial year as follows:

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

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Asset sales	2.038	0.750	0.900	0.900	0.900
Loans repaid	0	0	0	0	0
TOTAL	2.038	0.750	0.900	0.900	0.900

Condition of the existing Estate:

- **Running Costs** - Alignment of operating costs with a dedicated property code to enable analysis. Data will then be extracted to inform and shape the property reviews.
- **Condition Surveys** - Carried out on non-housing stock on a rolling basis. (Appendix 3) There is a planned maintenance programme now in place.
- **Statutory Compliance** - There is a programme of statutory inspections and surveys in place and this is monitored by the Office Manager for Property Services.

Data Management:

We are in the process of updating our ownership layers on CAPS. We are also reviewing data packages that can enhance and make the management of our estate more efficient.

Tenanted non-residential property (TNRP) Review (Appendix 4):

The CSAG reviews asset ownership through an assessment of efficiency, effectiveness and affordability. This will ensure that each part of the estate is fit for purpose. Assets that do not fulfil the Council's strategic priorities and/or do not provide a positive rate of return, could be sold or transferred to a third party.

Service managers bid annually to include projects in the Council's capital programme. Bids are collated by finance who calculate the financing cost (which can be nil if the project is fully externally financed). The relevant PDGs appraise all bids based on a comparison of service priorities against financing costs and makes recommendations to Cabinet. The final capital programme is then presented to Cabinet in February and to Council in the same month each year. The capital programme embraces a broad range of expenditure including operational assets that will be used for more than one year; assets owned by other bodies, and loans and grants to other bodies enabling them to buy/build assets.

Financial Management

Sound management of our assets will always require a sufficient maintenance budget in order that the life and usage of our assets are maximised. Where sales and disposals occur then the

net available income is made available to meet corporate priorities outlined in our Corporate Plan and the Climate Action Plan. Due to the long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Deputy Chief Executive (S151) is satisfied that the proposed capital programme is prudent, affordable and sustainable because the Council has adequate means of financing and repaying any required borrowing.

- Continued development of the Capital Programme links to the Plan and capital monitoring.
- Implement Whole Life Appraisal – a systematic assessment of all relevant expenses, income and performance associated with the acquisition, procurement, ownership, refurbishment and potential disposal of an asset over its life thus allowing the Council to plan our medium and long term financial commitments.
- Capital expenditure - where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy/build assets. The Council has some limited discretion as to what counts as capital expenditure ; for example assets costing below £20k are not capitalised and are charged to revenue in the relevant year.
- The detail of our approach to capitalisation is shown in our Accounting Policies in the Statement of Accounts that we produce each year. For 2019/20 please refer to the below.
<https://www.middevon.gov.uk/media/351593/annual-accounts-2019-20.pdf>

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2019/20 Actual £m	2020/21 Forecast £m	2021/22 Adjusted capital programme* £m	2022/23 Adjusted capital programme* £m	2023/24 Adjusted capital programme* £m
Non-HRA	2.046	2.299	7.527	14.047	13.727
HRA	4.006	2.552	11.648	15.498	7.485
Commercial activities/ non-financial investments **	6.146	2.942	15.879	15.969	12.926
Total	12.198	7.793	35.054	45.514	34.138

Performance Management:

Development of performance measures in relation to assets that evaluate asset use in relation to corporate objectives. This will be undertaken in tandem with assessing property management software tools.

3 Climate Change

The Council has committed to a policy of achieving net zero carbon emissions by 2030. Employment of a Climate and Sustainability Specialist is facilitated in the revenue budget to progress projects and opportunities to achieve this objective. Further, the capital programme includes £1.050m of expenditure on schemes directly linked to combating climate change. £250k has been allocated within the HRA to improve housing stock energy efficiency. There is also the hydro mills electricity generation project at Tiverton Weir costing circa £800k which is intended to generate green electricity for use at the Council's Phoenix House offices; this project will also generate budget savings along with feed in tariff revenue and will be subject to a business case.

The Council are also exploring the possibility of installing additional Electric Vehicle charging points into appropriate Council –owned sites. The Council will continue to work with Community groups on Climate Change initiatives such as tree planting on Council land

The Council welcomes confirmation of circa £311k grant funding from BEIS to support decarbonisation projects and in addition to this, the Council have been awarded a further £38k for specialist support on developing our Carbon Action Plan. The two latest grants are specifically to assist the development of a Heat Decarbonisation Plan to 2030 (£18,000 funding) and for skilled project support on the delivery of our Carbon Action Plan (£20k). All three funding schemes will help the Council realise its ambition to become carbon neutral by 2030.

4 Corporate Asset Objectives

The overall objective of the Council in the management of its property portfolio is to utilise and manage its land and property assets in accordance with the principles of Best Value; so as to enable high quality services to be provided to our stakeholders. Property can drive corporate objectives and organisational change; this is achieved by recognising and adopting the following objectives to:

- Ensure that retained assets are suitable for their proposed/existing use, are fit for purpose, represent value for money and support improved service delivery
- Provide an appropriate, attractive, secure and safe working environment that motivates employees
- Asset security is continued to be reviewed and risk assessed using the latest version of the HMG Security Policy Framework as guidance including a Code of Practice for Council CCTV
- Minimise, in all respects, the impact of the Council's buildings on the environment throughout their life such as regular reviews on Energy Performance and Display Performance Certificates, Decarbonisation projects, LED lighting and improved energy performance of our heating systems including new boilers and controls
- Ensure the Council's property assets comply with statutory/regulatory codes and are managed efficiently
- Ensure that the disposal of surplus assets links with the Medium Term Capital and Revenue Financial Plans
- Identify land for Affordable Housing developments
- Identify commercial opportunities that provide a financial benefit

- Ensure our assets become as energy efficient as possible to work towards our target of net zero emissions by 2030 with programmed work as identified within the latest version of the Climate Action Plan

Key projects that the Property Services team are reviewing include the provision for our depots and office space rationalisation across the estate.

5 Investments for Economic Development Purposes

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

In 2019/20 the Council approved a loan to fund a GP Surgery/NHS Hub in Crediton that is expected to be facilitated in 2021/22. . Not only will this provide the Council with a return on its loan, it will also provide an important, modern NHS Hub in Crediton, replacing two existing GP surgeries and offering further NHS services to the public.

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

Commercial Activities

With central government financial support for local public services declining, the Council invests in commercial property for financial gain and for economic development purposes.

With economic development being an important objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include the timing of debt repayments; development market values; development costs and profitability of the subsidiary. These risks are managed by due diligence of business cases.

The Council also has commercial activities in retail properties, which expose it to normal commercial risks. The over-arching ethos behind these activities is economic regeneration and retention of premises within the town centre rather than the income stream.

6 Portfolio overview - what does the Council own?

The Council holds a wide and varied portfolio of property and building assets comprising non-residential properties and areas of open space with a net book value in the region of circa £43m. A full list of our 96 properties can be made available on request.

The Council's portfolio can be split into three main areas as shown below:

1. For the purpose of direct service delivery, such as parks, open spaces and leisure centres.
2. To support service delivery, for example administrative offices and depots.

3. Tenanted non-residential property: This part of the portfolio is varied and assets have been made available for a range of uses; such as the potential to contribute to future regeneration schemes, provide employment, or to retain control over property use. In addition, some properties in the portfolio provide valuable revenue income such as our Market Walk properties, industrial units in Cullompton and Fore Street Tiverton properties.

The housing stock is managed by the housing service and is subject to its own Housing Strategy and Housing Revenue Account Business Plan. The management of these assets is outside the scope of this plan.

7 Organisational Framework for Asset Management

The overall monitoring of the Plan and corporate asset management initiatives is the responsibility of the Cabinet. The Cabinet considers the Council's plan and in doing so, it looks to ensure that value for money and good practice criteria are addressed. The expectation is that the level of stakeholder engagement relating to property matters will continue because of this revised plan. It requires continued input from building users, visitors, managers and planners to create a suitable property portfolio that is good value, fit for purpose and sustainable. The adoption of the Plan is a corporate issue that will influence Council business. Where the action affects a particular division then each relevant Member will be consulted in accordance with current practice as well as our Leadership and Corporate Management teams.

These are set out below:

- Links between corporate objectives and property priorities.
- Full involvement of all service areas either through service/asset reviews or at an appropriately senior level at CSAG.
- Clear distinction between strategic and operational decision-making – the Plan does not look to address detailed issues concerning individual assets. It serves to provide a framework within which those types of issues can be considered.

Corporate Management - Responsibility for the corporate management of the Authority's property assets rests with the Deputy Chief Executive (S151) and Corporate Manager for Property, Leisure & Climate Change and reports to the Cabinet Member for Housing & Property Services.

The Deputy Chief Executive (S151) has the authority to undertake all required developments in asset management once this has been delegated by Cabinet. His role and responsibilities are defined, and have been communicated to all concerned in the management and use of property throughout the authority.

The Capital Strategy Asset Management Group - The Council has set up a cross-service forum to promote the effective management of the Council's land and buildings. CSAG is chaired by the Corporate Manager for Property, Leisure & Climate Change with the forum made up of Cabinet Members and senior representatives. The Corporate Manager for Property, Leisure & Climate Change Assets acts as an internal project manager in respect of the preparation and monitoring of the Plan.

To ensure continued inter-department consultation and a corporate approach to proposals effecting the Council's land and buildings we should expect continued property improvement, greater cross service sharing, capital receipts and income resulting from ongoing property review and Capital investment.

The Group meets on a regular basis throughout the year. These meetings have of late been arranged remotely due to Covid-19.

Service areas affected by Asset Management reviews are consulted and any resultant actions are reported back to the CSAG.

The CSAG supports the development and monitoring of the capital programme and the Council's medium-term financial plan.

The CSAG group provides linkage to the Council's capital strategy by monitoring and reviewing future financial years through the Corporate Manager for Finance.

- Identification of property holding purpose and individual property asset strategy
- Monitoring of Capital Programme
- Reports to Cabinet for corporate property decisions

CSAG Key Outputs:

Property Review:

- By Service
- By Type

Co-ordination and review of:

- Accommodation use
- Planned maintenance
- Asset disposal
- Capital investment
- Performance measurement and monitoring on energy performance and reactive maintenance levels
- Property asset contribution to the Council's objectives.

Consultation and Communication:

- With users via staff, customer surveys and neighbourhood officers (on HRA land)
- With the public via public notices advertised in the local paper on public open space(s)
- Other public service providers
- Cabinet/Members via e-mail and the weekly information sheet

8 How do we measure performance?

Central to this plan is the objective to ensure that we deliver an effective and efficient asset base from which to deliver services. As a consequence, property services uses SPAR for recording property performance indicators such as the number of voids.

Future PPIs will continue to be considered and are listed below:

- To ensure the Council and its tenants have buildings that are fit for purpose and comply with statutory requirements.
- Help to ensure the Council makes best use of its estate.
- Effectively support the Council in minimising the impact of the estate on the environment and greenhouse emissions,
- Manage maintenance and capital programmes effectively?
- Ensure internal customers are satisfied with the service provided and the functional suitability of the estate.

These PPIs will be internally reviewed regularly and SPAR will be updated to be able to report quantifiable data.

Proposed Performance Indicators (PPIs) total property costs (occupancy, operational and management) per FTE (Full Time Equivalent Staff).

Total building operation costs (revenue) per square metre GIA.

Workstations per full-time equivalent staff (FTE).

Total annual energy consumption (kWh) per property (GIA).

Tracking rate of return for commercial properties

9 What have we achieved so far?

The Council adopted the principal of strategic asset management in 2003 with the publication of its first Corporate Property Asset Management Plan. This was updated and adopted by cabinet in 2016 and this version has now been revised.

- 1 **Property Register – Caps** database bringing together property information from different software systems across the Council - continues to be under review. Dedicated resource has been identified and training is underway.
- 2 **Energy Management / Carbon Reduction** - energy saving performance contract. 12-year contract with Anesco is ongoing. Work underway following the award of circa 311k on lighting and heating projects.
- 3 **Management of Land Drainage** - Flood Management Act 2010.
- 4 **Continued Development of Employer's Requirements** - building design for Council housing developments.
- 5 **The Capital Disposal Programme** - managed by the CSAG - receipts towards capital programme (in addition to usual capital receipts) - continuation of CSAG.
- 6 **Leisure Facilities** - ongoing investment and improvement to facilities, i.e. Fitness extension to Exe Valley Leisure Centre and gym refurbishment programmes at Lords Meadow Leisure and Culm Valley Sports Centre.
- 7 **Market Walk / Fore Street Tiverton** – The purchase of commercial units with ongoing investment in commercial property.
- 8 **Public Conveniences** - working closely with Town and Parish Councils to secure funding to continue the service or find alternative uses.
- 9 **Phoenix House** - rental of office space for the Department of Work and Pensions.

10 Income Generation

The Property Service continues to generate income for the Council that is budgeted. A breakdown of our net annual income/savings is provided below:

Phoenix House (income from sub-letting)	£66.7k
Solar Photovoltaic Panels via the Feed In Tariff per annum (depending on the weather throughout the year)	£6.7k
Tiverton Bus Station income	£24.5k

Cullompton Industrial Units	£126.7k
Park Lodge income (for People's Park & Recreation Ground Trust Committee)	£10.2k
Shop Units (General Fund and HRA)	£104k
Cemetery Lodge income (income for Parks and Open Spaces)	£8.4k
Property on Phoenix Lane, Tiverton	£12.7k
Contributions / transfer for Public Conveniences	£10k
Cemetery Income Tiverton and Cridton	£130.3k
Market Walk income based on current cash income stream per annum	£241.5k
Fore Street Tiverton Rentals	£118.5k
Lowman Green Tiverton – Commercial Unit	£10k
Property at Coggan's Well Tiverton	£21k
Tiverton CCTV Contributions	£6k
Amory Park, Tiverton Pitches Hire	£2.5k
District Wide Play Area Contributions	£22k

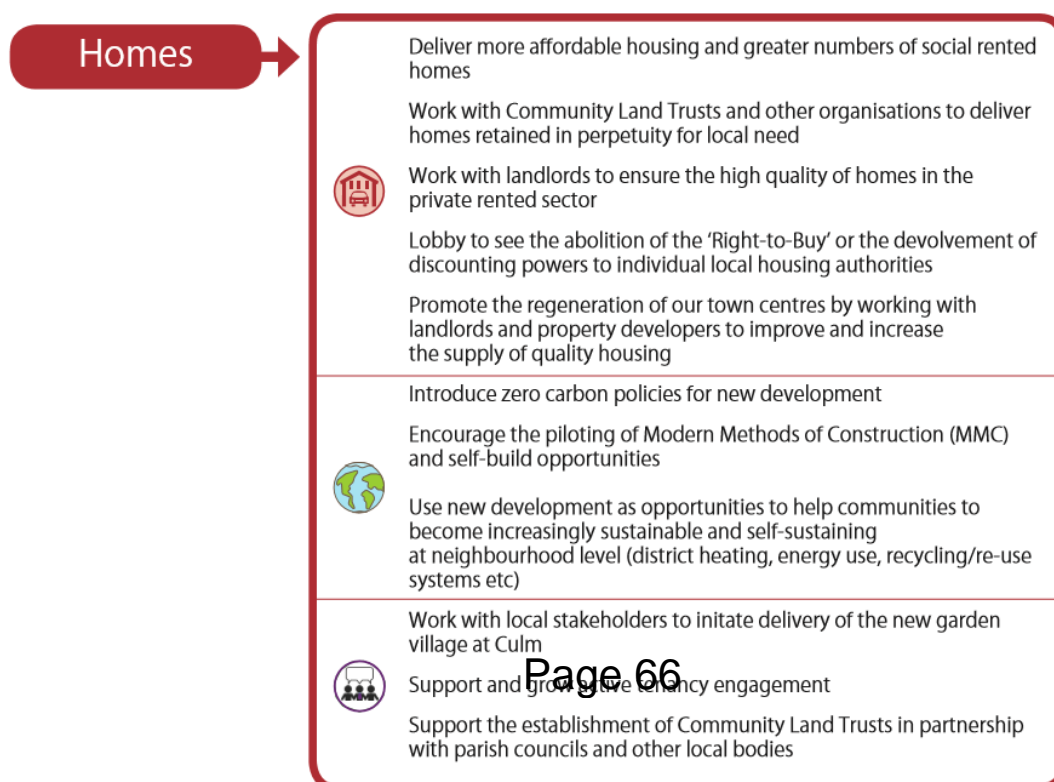
Renewals of Community Leases are also controlled via Property Services. These can deliver income and support the provision of services to the community and reports land sales that can deliver Capital Receipts. This can be on HRA land and will, therefore, be assigned to the HRA development work being undertaken.

11 - Supporting the Corporate Plan

To see our corporate plan in full please use the following link:


<https://www.middevon.gov.uk/media/348008/20200312corporateplan2020-2024v6.pdf>

Set out below is an illustration of how property assets support the Council's priorities and the







actions required to improve the performance of the portfolio in relation to the delivery of Corporate and Service objectives.

Environment

- Encourage retro-fitting of measures to reduce energy use in buildings
- Encourage "green" sources of energy, supply new policies and develop plans to decarbonise energy consumption in Mid Devon
-  Identify opportunities to work with landowners to secure additional hedgerow planting, biodiversity and reforestation
- Consider promoting the designation of the Exe Valley as an Area of Outstanding Natural Beauty (AONB)
- Encourage new housing and commercial developments to be "exemplars" in terms of increasing biodiversity and reducing carbon use

Community

- Work with developers and Devon County Council to deliver strategic cycle routes between settlements and key destinations
- Secure decent digital connectivity for all of Mid Devon
- Work with education providers to secure appropriate post-16 provision within the district to minimise the need to commute out for A/T level studies
-  Lobby Devon County Council and others to introduce 20mph speed limits where children play, and take opportunities to pilot car-free days/routes
- Promote new, more integrated approaches to promoting good health and healthier living especially in the context of planned new developments
- Seek opportunities to address public health issues and disparities to improve the health and wellbeing of everyone in Mid Devon
- Encourage communities to deliver their own projects to reduce carbon emissions
-  Facilitate networking across volunteer and community groups to spread knowledge, expertise and awareness on climate issues
- Work with the NHS and other health bodies to promote use of our leisure centres
- Promote community involvement in Council activity
-  Promote new approaches to rural transport in partnership with town and parish councils through the deployment of emerging technologies
- Work with county, town and parish councils to identify safer walking journeys to school
- working in partnership with farmers to develop and grow markets on the principle of reducing carbon emissions and sustainability
-  Support the creation of South West Mutual Bank and seek opportunities to encourage new branches being opened in areas that aren't well-served by existing banking services providers
- Develop and deliver regeneration plans for all three main towns in partnership with town and parish councils, private and third sector and communities

U
seful
Link
s:

C
lima
te
Acti
on
Plan
:

h
<https://www.middevon.gov.uk/your-council/>

Mid Devon Local Plan:

https://www.middevon.gov.uk/media/350631/local-plan-review-final-adopted-version_accessible.pdf

Transparency Code:

This link takes the reader to what and assets we own that will be updated alongside CAPS ownership module.

<https://www.arcgis.com/home/webmap/viewer.html?webmap=e753b141464b4714bbdcd0df6182fa9&extent=-3.4938,50.8999,-3.4817,50.9049>

Land Enquiry Form:

<https://www.middevon.gov.uk/do-it-online/other/council-land-and-property-sale-opportunities/>

Buying or Renting Council Land:

<https://www.middevon.gov.uk/business/business-property-land/buying-or-renting-council-land/>

Commercial Property:

We own and manage a number of commercial/industrial properties in Tiverton and Cullompton. The list of properties on the below link are let in association with locals agencies

<https://www.middevon.gov.uk/business/business-property-land/commercial-properties/>

Council Land and Property Sale Opportunities:

<https://www.middevon.gov.uk/do-it-online/other/council-land-and-property-sale-opportunities/#>

10 Mid Devon Infrastructure & Planning test

Policies and useful documents are shown below:

- Retail Study 2012 <https://new.middevon.gov.uk/media/103524/retail-study-2012.pdf>
(Appendices are also on the evidence page of our website here
<https://new.middevon.gov.uk/planning-policy/local-plan-review-evidence-base/>)
- Employment Land Review 2013
<https://new.middevon.gov.uk/media/103536/economy-land-review-2013.pdf>
- Strategic Commercial Land Availability Assessment
2014 [https://new.middevon.gov.uk/media/85198/sclaa_site_appraisals_2014 -
final.pdf](https://new.middevon.gov.uk/media/85198/sclaa_site_appraisals_2014_final.pdf) (pages 1-30 for sites assessed in Tiverton)
- Core Strategy 2007
https://new.middevon.gov.uk/media/103617/core_strategy_adopted.pdf (policies
COR12 and COR13)
- Allocations and Infrastructure DPD 2011
[https://new.middevon.gov.uk/media/103618/final version of the aidpd january 201
1_.pdf](https://new.middevon.gov.uk/media/103618/final_version_of_the_aidpd_january_2011_.pdf) (Tiverton allocations)
- Local Plan part 3: Development Management Policies 2013
[https://new.middevon.gov.uk/media/103619/local_plan_part_3 adopted october 201
3.pdf](https://new.middevon.gov.uk/media/103619/local_plan_part_3_adopted_october_2013.pdf) (especially DM16)
- Local Plan Review 2013 – 2033 Proposed Submission
https://new.middevon.gov.uk/media/114000/local_plan_proposed_submission.pdf
and maps [https://new.middevon.gov.uk/planning-policy/local-plan-review/local-plan-
review-maps/](https://new.middevon.gov.uk/planning-policy/local-plan-review/local-plan-review-maps/)

11 Outcomes

The Council's Asset Management and Capital Strategy Plan was last updated in 2016. This revised plan creates a useful picture in terms of how the Council's assets support the Council's corporate priorities and the challenges ahead in ensuring a strategic approach is taken to support corporate and service strategies. The actions set out with dates in the Plan highlight where work remains to be carried out to fully incorporate asset management into the Council's ethos and have been set to achieve the Corporate Asset Objectives. As is demonstrated within the Plan, effective asset management is an on-going discipline that requires the active support of senior decision makers and cross service input.

For further information, please speak to the author of this document: Andrew Busby – Corporate Manager for Property, Leisure & Climate Change tel. 01884 255255 email: abusby@middevon.gov.uk

Appendix 1

Why do we need Asset Management?

1.0 Practical Reasons

It takes longer to change property than any of the other strategic resources. Lack of attention to asset management will result in the asset base underperforming in both non-financial and financial terms. Examples of this are:

- Expensive maintenance backlogs.
- Poor fit between customer and service requirements and the property from which they are delivered.
- Under-utilisation of buildings.
- Inefficient sourcing and procurement of property, construction and support services.
- Inefficient use of capital.
- Insufficient control of running costs.
- Failure to provide services close to the community they serve.
- Poor security
- Uncontrolled carbon emissions

1.1 Business Benefit Reasons

The business benefits that have been realised by many public bodies from effective asset management are:

- The release of capital for re-investment or debt redemption.
- Reduced running costs.
- Better customer service and public service provision through improved accommodation and the co-location of services.
- Property in good condition.
- Improved property utilisation and bringing together similar uses into the same property, rather than providing them separately.
- Improved productivity, changes in corporate culture and facilitation of corporate change.
- Improved place making in shaping the built environment of local communities.

1.2 Policy Reasons

In every part of the public sector, improved asset management is not just to be encouraged, it is a general expectation.

2. Asset Management Today

2.1 Key Drivers for Change

The Council are drafting the 2021-2025 plan and taking into consideration previous action points from independent audit.

The changes in data systems and platforms for asset management could not have foreseen the changes in the work place that 2020 has brought about. We are therefore considering how our assets will be able to serve the Council with constraints imposed by Covid-19, Brexit and the green agenda; all of which have differing impacts but unusually all at the same time.

Where our assets have been closed for a prolonged period of time Eg. our leisure centres the property team have made best use of this unscheduled closure for maintenance identified in the capital programme as well as bringing forward routine maintenance.

2.2 Sharing/Collaborating

One of the key projects for the Property Services team will be rationalisation of our office space whilst ensuring we continue to provide a comfortable and fit-for-purpose working environment for all employees.

Collaboration with other public sector organisations, shared occupation leading to shared benefits to all parties which could be internal as well as external (such as DWP office space at Phoenix House) needs to continue to be appraised.

2.3 Ownership

A key area for asset management today, is the ownership of the challenges and outcomes, building on strong foundations and creating a collaborative environment for the identification of property holdings that fit our purpose and individual property asset strategy. We must be certain that we are improving the type, level, and accessibility of information for the community, which in turn will improve the economic well-being of an area and empower communities.

Appendix 2

Community Asset Transfer

1 Background

1.1 The Strong and Prosperous Communities Local Government White Paper was published in October 2006 and sets out the basis for a new relationship between local government and its communities. This paper advocated, “the aim is to give local people and local communities more influence and power to improve their lives”. In addition, “we are determined to ensure that existing powers and policies that support community management and ownership are effective; and that practical ways are found to overcome any remaining unnecessary barriers”.

1.2 The ‘Making Assets Work, Quirk Review’ looked at the clear benefits to local groups which own or manage community assets – such as community centres, building preservation trusts and community enterprises. The review makes clear that what is required is not legislation, but guidance to enable a partnership approach to the delivery of community services. The review focused on how the use of publicly owned assets could be optimised by exploring options for the increased transfer of asset ownership and management to community groups.

1.3 The Localism Act 2011 introduced an obligation on the Council to maintain a register of assets of community value that helps to protect the rights of the community for to bid for those assets.

1.4 Local authorities have been given discretionary powers under the Local Government Act 1972 to dispose of land below market value in some circumstances. Decisions on disposal need to be made by comparing the benefits that would accrue from a transfer to community use, with those from a straightforward commercial sale.

1.5 Where community groups are well established and have access to either the support of a governing body or regular income streams, the transfers have worked well. However, other schemes, which rely mainly on voluntary community support, have been less successful in delivering sustainability in the medium to long term.

1.6 By having a clear Community Asset Transfer Policy and selection process for third sector partners, the Council will have a greater chance of ensuring that the sustainability of the property is maintained in the long term and, by means of a robust business proposal, that community groups are able to demonstrate their capability.

1.7 There has to be a balance between the sale of assets for reinvestment in the Council’s priorities through the Capital Programme and transfers for the delivery of services by community groups.

1.8 The CSAG is currently embarking on a Property Review that will, amongst other things, identify assets that could be subject to future disposal.

1.9 Community Asset Transfer needs to be considered by the CSAG. Town or Parish councils wishing to apply to take on assets currently held by the Council require a defined process to do so.

Appendix 3

Condition of the existing estate

Statutory commitments

Where we provide and maintain property for our business, Property Services are responsible for compliance with a high number of statutory requirements to protect the Council from prosecution and therefore prevention is key.

A performance monitoring spreadsheet is maintained by Property Services and can identify any short falls in compliance

The Council undertakes a wide range of activities under the legislative requirements to ensure that it meets its statutory obligations, which include:

- Asbestos Management
- Fixed electrical testing
- Structured surveys
- Legionella
- Condition Surveys
- CCTV Code of practice and asset security

The Council regularly inspects its roads and pathways, carries out other routine inspections, and keeps records that are required for insurance purposes. These are essential in order that we can defend potential claims.

Non-statutory commitments

The statutory commitments have to be observed so that the Council can continue to operate a facility for employees and the public. The Council may not have a statutory obligation to maintain some assets via its planned maintenance programme, however failure to maintain can result in unbudgeted expense and service disruption caused by asset failure i.e. failure of swimming pool plant, resulting in the closure of the swimming pool.

Building condition categories

Condition Survey Categories	
A	Good. Performing as intended and operating efficiently.
B	Satisfactory. Performing as intended but exhibiting minor deterioration.
C	Poor. Exhibiting major defects and/or not operating as intended or also has a poor energy rating.
D	Bad. Life expired and/or serious risk of imminent failure. Carbon emissions cannot be controlled.
Not Set	Condition survey not undertaken.

During the inspection of buildings, the urgency for maintenance works is assessed simultaneously with the condition. This assessment then informs the prioritisation of

both the order of works and budget allocation including a review of the climate action plan.

1 Condition Surveys

Condition surveys on the Council's non-housing premises should be carried out on a regular basis. The majority of property is generally in a sound or acceptable condition with relatively minor works required. The planned maintenance budget generally allows Property Services to carry out repairs to buildings and fixed equipment as and when required. There are occasions when major works need further budget approval before they can be carried out. This can be done internally or via external contractors where necessary.

Condition surveys will be undertaken on a regular basis and will provide more comprehensive information to help inform not only the Planned Maintenance Programme, but also the on-going general review of the Council's varying asset cluster.

The appraisal with regard to fitness for purpose of use, condition and compliance. The four facts that will be assessed and ranked are:

- Physical condition
- Fire, health and safety and disabled accessibility
- Suitability
- Energy Rating

In addition, annual tests on utilities and building facilities such as electrical wiring; boilers including gas safety; air conditioning and ventilation; equipment checks and other monitoring form part of the planned maintenance process and are carried out regularly in line with planned and programmed schedules

2 The Equality Act 2010

The Property Services team takes a role in working to fulfil the obligations under Part 3 of the Act. Audits have been carried out on all premises available for public use and we have implemented a number of improvements to ensure suitable access for the disabled.

Premises are routinely monitored with service managers to gauge where further improvements could be made. Provision is made within revenue budgets to enable this process.

3 Asbestos

The Control of Asbestos Regulations 2012 places a duty to manage asbestos, wherever it is found in our buildings. The Council has surveyed all of its properties and listed any asbestos containing materials (ACM's) on the Asbestos Register. Wherever possible, the ACM's have been removed or encapsulated. The asbestos that remains is being regularly monitored. The Council's Asbestos Policy gives full details of the management of ACM's.

4 Control of Legionella Approved Code of Practice and Guidance from the HSE (L8)

The Health and Safety Executive Code of Practice 'The control of legionella bacteria in water systems' was published in 2001, with an updated 4th edition issued 2013 with HSG274 part 2 in support of the ACOP issued 2014. It sets out duties on the

'building manager' to ensure that water systems are monitored to reduce the risk of legionella.

The Council has used an independent company to carry out its Legionella risk assessments that is being reviewed by our Facilities Manager and our Corporate Health and Safety Manager. Remedial works are prioritised and financed from the maintenance budget for the property. The legionella policy has recently been reviewed and adopted and gives full details of the management and control of the Legionella risk.

5 Fire Safety

The Regulatory Reform (Fire Safety) Order 2005 covers general fire safety in England and Wales. Employers (and/or building owners or occupiers) must carry out a fire safety risk assessment and keep it up to date.

The Council has instructed an independent company to carry out fire risk assessments to its key properties, will continue to work through any remedial problems, and will identify funding from the capital programme where applicable.

Appendix 4 Tenanted Non Residential Property (TNRP) Review

1 Background

The Council owns assets that are let to third parties, other than HRA housing, for example industrial workshops and residential properties. These assets are held for investment or socio-economic purposes or both.

The Royal Institution of Chartered Surveyors (RICS) recommends a focus on three Key perceived current priorities for improvement in the management of TNRP in the local government arena:

- There should be clear allocation of roles and responsibilities and accountability processes in the management of TNRP to drive continuous improvement in TNRP performance
- Local authorities should adopt business planning disciplines to ensure clear strategy, plans and programmes for the management of their TNRP
- To ensure best value is being obtained, local authorities should continuously measure and report on the performance of all TNRP as investments

2 Work that is on going:

A strategic review is carried out on a regular basis at CSAG and the discussion includes the following:

- A list of TNRP assets and their type
- Asset values and income (internal rate of return (IRR) valuation).
- A basic analysis of why they are held e.g. Socio-economic, investment or unidentified.
- A desktop indicative assessment of their suitability, condition and running costs.
- CSAG referral of recommendations to Cabinet following the CSAG groups agreement on the follow asset clusters:

1. Industrial Estates
2. Fore Street properties
3. Residential property
4. Market Walk shopping precinct.
5. Council Land
6. Corporate offices

A phased work programme is in place that is mainly based on the Capital medium term financial plan that should ensure.

- The Council is clear as to why it owns TNRP
- There is a clear business case for owning individual TNRPs.
- The Council is clear as to what outcomes are expected.
- The right people are involved.
- There are clear strategies, plans and programmes in place.
- The performance management process is robust.

3. On-going Development of the TNRP review:

The TNRP assets will continue to be reviewed against the decision framework. The outcomes will include an understanding of the property objective and will arrive at a decision to either retain or dispose of an asset.

The Council makes investments to assist local public services, including making loans to other public sector bodies and the Council's subsidiary to promote economic development and provide an income stream.

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts.

Where an asset is retained, it will fall into one of three classes:

- Continued maintenance – where the property is considered to be doing the right thing in the right place. All that will be required is a planned maintenance schedule;
- Improve usage – there may be an opportunity for better usage or co-location. This may require some capital expenditure, along with a planned maintenance schedule;
- Building enhancement – where an asset requires significant capital expenditure.

4. Disposal of Freehold Assets:

The CSAG reviews asset ownership through an assessment of efficiency, effectiveness and affordability. This will ensure that this part of the estate is fit for purpose. Assets that do not fulfil the Council's strategic priorities and/or do not provide a positive rate of return, could be sold or transferred to a third party.

Where an asset is deemed surplus to requirements it is subject to external valuation, for values in excess of £5k and following a consultation with Ward Members, a recommendation will be made to Cabinet by the Deputy Chief Executive (S151):

- (a) Documenting the reason for disposal,
- (b) Stipulating any conditions that will apply and/or endure after disposal

(c) Suggesting an appropriate method of disposal.

Ward Members will be consulted on those assets identified as surplus, for disposal, with a value of under £5k before the Deputy Chief Executive (S151) authorises the disposal of the asset, and determines the appropriate method of sale and the timing.

The receipts generated by the disposal of assets are treated as a corporate resource to fund the capital programme. To this end, the Deputy Chief Executive (S151) shall, in liaison with the Corporate Manager for Property, Leisure and Climate Change, set targets for capital generation by disposals, and monitor performance on a regular basis.

Appendix 5

Corporate Asset Management software

1 Background

The Council have historically operated different property management systems across its Finance, Property Services, Housing, Estates and Street Scene services. Whilst providing essential tools for each discrete area, this approach has resulted in difficulties and inefficiencies when dealing with cross-service issues. These asset management processes are coming under ever-increasing scrutiny.

The Asset Management and Capital Strategy plan was audited on October 2019. Where it is recommended Property Services continue to review the CAPS data and we have put measures into place to resource this and this work is on going. This will be reported by the PPIs on SPAR.

2 Review of all software used to manage our assets

To ensure the authority has a complete and up-to-date record of property assets to facilitate decision-making, Property Services will need to review the software packages that we use to manage our estate and influence an action plan for ensuring information is maintained and current. This review will incorporate our aspirations for digital transformation. Capital budget has been identified to bring this forward and during the 2021/21, financial year investigations will be carried out to find a suitable software solution.

Appendix 6

Asset Management Action Plan

Annex A - Asset Management Action Plan

ACTION	BENEFIT COUNCIL TO	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
1. Review and amendment of Asset Management Plan 2016-2020 Performance Management.	Link to Corporate Plan 2020 – 2024.	Continue to Implement management practices.	Property Services Team	Corporate Manager for Property, Leisure & Climate Change Land Management Officer	
2. To integrate climate action plan with the asset management plan	Work towards the net zero target of 2030	Climate action plan, new climate and sustainability specialist who is part of the Property Services team	All council resources will need to contribute working towards net zero	Corporate Manager for Property, Leisure & Climate Change Climate & Sustainability Officer	

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
3. Continue to review benchmarking and sharing of information with neighbouring authorities.	<i>Improve quality of asset management plan.</i> Identify where efficiencies will be achieved.	Continue to Implement management practices.	Facilities Manager & Property Services Team. Facilities Manager to set up a working group with other property managers from other authorities.	Corporate Manager for Property, Leisure & Climate Change	
4. Continue to integrate capital strategy into the asset management plan.	To continue to link the corporate plan through integration of asset management plan/capital strategy/ medium term financial plan.	Working with the Finance service.	Corporate Manager for Finance	Corporate Manager for Property, Leisure & Climate Change	
5. Ongoing Improvement professional skills/training. Continuous professional development.	Improved quality of asset management.	Appraisals; On-the-job training provision and external courses.	Property Services Team	Corporate Manager for Property, Leisure & Climate Change	

ACTION	BENEFIT TO	HOW TO	RESOURCES	LEAD OFFICER	DATES
---------------	-------------------	---------------	------------------	---------------------	--------------

	COUNCIL	ACHIEVE THIS	NEEDED		CSAG to be agreed
6. To provide signposting on how communities can request Community Asset Transfer	Improved capacity and cost-effectiveness through partnership working.	Explore shared service opportunities.	Property Services team and Community Development Manager	Corporate Manager for Property, Leisure & Climate Change	
7. Continue to update CAPS Ownership for land Module and Quality Assurance Land Terrier.	Avoids duplication of records. Certainty over asset base. Reduce database maintenance requirements.	Dedicated resource identified in Property Services	Property Services team Business Support Officer	Facilities Manager and Land Management Officer	
8. To continue to review life cycle asset replacement budget to ensure essential maintenance repairs To include: Risks Asset Security Future expenditure requirements in relation to plant and asset replacement.	Awareness of risks and costs of reductions to planned preventative maintenance.	Provide regular updates of the quarterly monitoring	Corporate Manager for Finance, Property Services Business Support Officer	Office Manager and Business Support Officer in Property Services	

ACTION	BENEFIT COUNCIL	TO	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
9. Continued Analysis of value for money for Cemeteries Parks, Open Space and Grounds Maintenance	Contributes to effective use of resources. Potential efficiency increases/cost reductions identified.		Working with Operations manager for Street Scene Services and Parks and Open Spaces Officer	Property Services team, Street Scene Services and Parks and Open Spaces Officer	Corporate Manager for Property, Leisure & Climate Change	
10. To work with the planning service on revised procedures for S106/CIL on Council Assets	Improved consideration of the impact of development on existing assets and added robustness to adoption procedures for new assets.		To work with colleagues within the Planning Service.	Regular review meetings with lead officers who need to have an input in S106	Land Management Officer	
11. Continue to deliver Capital projects that supports the Corporate Plan 2020 – 2024.	Improved use of asset management expertise at project design stage.		Involvement in CSAG.	Property Services Team	Corporate Manager for Property, Leisure & Climate Change	On-Going

ACTION	BENEFIT COUNCIL	TO	HOW TO ACHIEVE	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to
---------------	------------------------	-----------	-----------------------	-------------------------	---------------------	----------------------

		THIS			be agreed
12. Revise and review Management Plan annually	Improved management of assets. Increased internal rate of return. Reduced reactive maintenance costs. Improved risk management.	Annual review. Continued research for opportunities and regular meetings with Cabinet member for Housing and Property Services	Property Services Team CSAG	Corporate Manager for Property, Leisure & Climate Change	March 2022
13. Review the use of grass verges on the General Fund Estate with reference to the recent HRA land working group	Encourage greater biodiversity	CSAG working group	Property Services Team CSAG	Corporate Manager for Property, Leisure & Climate Change	
14. To develop a Community Transfer Policy with reference to Appendix 2	Community cohesion, active citizenship and promoting economic regeneration	Development and policy adoption	Property Services Team CSAG Legal Services	Corporate Manager for Property, Leisure & Climate Change	

CABINET

4 MARCH 2021

BEECH ROAD, TIVERTON - DESIGN AND BUILD TENDER

Cabinet Member(s): Cllr Bob Evans, Deputy Leader and Cabinet Member for Housing and Property Services
Responsible Officer: Andrew Busby, Corporate Manager Property, Leisure and Climate Change

Reason for Report: For Cabinet to review the results of the tender for Beech Road, Tiverton and to award the JCT Design & Build 2016 Contract as amended.

Recommendation: The Deputy Chief Executive (S151) and the Deputy Leader and Cabinet Member for Housing and Property Services are delegated authority to award the contract for works required to provide three social rented houses at Beech Road in Tiverton, once consultation has been concluded to:

- (i) Contractor 2 under a JCT Design and Build Contract 2016 (as amended).
- (ii) To fund the balance of the development at £222k as detailed in para 5.8.

Financial Implications: These are explained in the report and will be managed within HRA budget and 1:4:1 budget allocations received as part of the right to buy process.

Budget and Policy Framework: The construction of new homes has been identified in the Capital Medium Term Financial Plan. The cost for the on-going maintenance of the asset will be met from the Housing Maintenance Fund (HMF).

Legal Implications: Upon awarding the contract, the Council will be engaged and bound by the terms of the JCT Design and Build 2016 (as amended) contract with the chosen contractor.

Risk Assessment: An open and transparent tendering process has been undertaken to avoid the potential for challenge and to ensure value for money.

Equality Impact Assessment: The design of the properties considers the needs of all and planning permission has already been approved under reference 17/00323FULL. Our housing need has been considered as detailed on Table 1.

Relationship to Corporate Plan: Homes: Deliver more affordable housing and greater numbers of social rented homes.

Impact on Climate Change: The contractor will be required to be committed to managing and minimising the environmental impact. This project will be planned in a manner which takes account of the environmental impact, seeking to reduce such effect as much as possible. This will include consideration of the impact of travelling to the site and effective planning to reduce the number of deliveries. The introduction

and promotion of environmental monitoring will be a key element of management of the project. The impact of these works will result in an increase in the Council's reported carbon footprint under the relevant scope which will be reported in 2021/22 figures and the Council will look at measures to offset the additional carbon used on this project.

1.0 Introduction

- 1.1 The Council is committed to increasing its affordable housing stock through the development of existing Council owned land.
- 1.2 The land that the Council plan to develop at Beech Road is within the Council ownership (HRA fund) as shown on attached map Annex B.
- 1.3 Planning permission was previously applied for in 2015 reference 15/00062/FULL to address the adopted drains easement restrictions. A further application was applied for and approved to build three one-bedroom dwellings reference 17/00323FULL. Works completed following ground investigation work has secured this permission.
- 1.4 An agreement was previously made as part of the planning application for the Council to provide an off-street parking space for a neighbouring property prior to any commencement of building works on the parking area.
- 1.5 Prior to awarding the contract the Council will update its consultation with those households who use the parking spaces to ensure that they are fully aware of the development proposals. Any issues arising from that consultation will be dealt with prior to proceeding with the contract award.
- 1.6 The construction contract will be a JCT Design and Build contract and includes a project contingency sum of £25k.

2.0 Affordable Housing

- 2.1 The local housing need shown on Table 1 below sets out housing need as captured by the Mid Devon Housing team from the Devon Home Choice monitoring report as of April 2020.
- 2.2 Please note that Table 1 includes those registered and these figures alone demonstrate that there is sufficient need in the Tiverton area to ensure that the three dwellings would be occupied. Homes are advertised on Devon Home Choice with the rent shown so people will know when they bid how much they will be required to pay on a weekly basis if successful. Table 1 shows an absolute number of people who wish to live in a particular area. These dwellings will be retained by the HRA and rented.

Table 1

Band	Housing Type	Housing Needs Requirement Size					
		1BH	2BH	3BH	4BH	5BH	6BH
Total	General Needs	118	45	48	15	5	0
	Step Free	28	7	3	2	0	0
	Max 3 Steps	4	2	2	0	1	0
	Wheelchair	12	4	0	2	1	0
	Grand Total	162	58	53	19	7	0

A	General Needs	0	0	0	0	0	0
	Step Free	0	0	0	0	0	0
	Max 3 Steps	0	0	0	0	0	0
	Wheelchair	0	0	0	0	0	0
B	General Needs	17	10	6	1	2	0
	Step Free	8	2	0	0	0	0
	Max 3 Steps	2	1	2	0	1	0
	Wheelchair	5	1	0	1	0	0
C	General Needs	7	17	41	11	2	0
	Step Free	11	2	3	2	0	0
	Max 3 Steps	2	1	0	0	0	0
	Wheelchair	6	1	0	1	1	0
D	General Needs	94	18	1	3	1	0
	Step Free	9	3	0	0	0	0
	Max 3 Steps	0	0	0	0	0	0
	Wheelchair	1	2	0	0	0	0

Breakdowns of One Bedroom Need

Age	16-35	36-54	55+
1 Bedroom Need	72	42	48

3.0 Procurement

- 3.1 The works have been procured following a single stage process.
- 3.2 Expressions of interest (EOI) were invited through the Devon Procurement Portal on 31/11/2020 with a response date for the EOI of 15/01/2021.
- 3.3 Pre-construction information was provided with three sets of risk assessments at the point of tender.
- 3.4 The return date for completed bids was 22/01/2021.
- 3.5 A total of 16 contractors expressed an interest in this project and 2 submitted tenders.

4.0 Invitation to Tender (ITT)

- 4.1 Of the 16 contractors who expressed an interest, two submitted a bid on time and 14 did not respond.
- 4.2 The ITT asked questions under a number of headings that had either a pass/fail or a weighted score as set out in Table 2 below, these having been published within the ITT documents sent to the interested contractors. The weighting for the evaluation process is split 60% on cost and 40% on quality.
- 4.3 Levels of insurance were also required and contractors needed to confirm their ability to provide such levels of insurance.
- 4.4 The evaluation of returned submissions was undertaken by the Corporate Projects Officer and an independent Employers Agent. The scores from the evaluators were then averaged.
- 4.5 The results of the scoring and tender figures are shown below in Table 2:

Table 2

Assessment area	Contractor 1	Contractor 2
Quality 40%	0.14	0.19
Price 60%	0.60	0.60
TOTAL	0.74	0.79

- 4.6 Table 3 shows the tender return sums with the company names available in Part 2 Annex A.

Table 3

Tenderer	Tendered Price
Contractor 1	£472,589.09
Contractor 2	£475,736.71

5.0 Financial Analysis

- 5.1 The cost of this project is to be met from the 2020/21 Capital budget and 1:4:1 receipts with the balance being funded by the Housing Management Fund (HMF).
- 5.2 The budget for this project was originally set at £300k with £284k remaining that will be transferred to the 2021/22 financial year; the £284k from the 20/21

budget will be funded by £85k 1:4:1 receipts & £199k Housing Maintenance Fund.

- 5.3 A budget for legal fees would be required to update Title documents on the change of rights following the consultation exercise and would be funded by the Housing Maintenance Fund at circa £10k.
- 5.4 The impact of funding this development on the Housing Maintenance Fund has been reviewed to calculate the Net Present Value (NPV) profiled over 30 years for Social and Affordable current rent levels using the criteria below:

- No external borrowing costs (assume internally funded)
- Rental values based on 1-bed properties
- Maintenance profiles

At Affordable Rent Levels: Over 30 years, the loss on the development would be £57k, the NPV would be a loss of £192k.

At Social Rent Levels: Over 30 years, the loss on the project would be £139k, the NPV would be a loss of £232k.

- 5.5 Right to Buy receipts must be used to fund like-for-like tenure replacements; a sold social rented home should be replaced with a new social rented home. This project will be using the Right to Buy receipts where applicable.
- 5.6 Project contingency has been included as part of the tender returns at £25k.
- 5.7 To ensure quality assurance the project will be supported by an Employers Agent should the Council deliver this development directly at circa £20k.
- 5.8 Additional Budget requested to fund circa £506k development:
- Additional Right To Buy receipts at £65k
 - Remaining balance of £157k to fund the project would be met from the Housing Maintenance Fund.

Total: £222k

6.0 Observations

- 6.1 An arithmetical check of the tenders has been carried out. There were no errors with the tenders returned.
- 6.2 The tenders returned include differences in known costs as provided in the tender information pack and tender documents, to those costs as submitted as part of the overall tender. These items require clarification that will be achieved via a value-engineering meeting.
- 6.3 Upon selection of the successful tender submission, a detailed analysis of the items included within the tender can be undertaken with the aim to find

potential cheaper alternatives to replace those allowed for, without compromising the quality of the development through value engineering.

- 6.4 Project delivery and value for money meetings will be carried out in house by the Corporate Projects Manager with the adhoc support of an Employers Agent to ensure independent quality of assurance.

7.0 The Site

- 7.1 Present use of the site comprises an area of off-road parking currently in the ownership of the Council adjacent to No. 37 Beech Road, Tiverton, together with a parcel of land to the rear of an existing bus stop adjacent to the junction of Beech Road and Queens Way, Tiverton as shown on Annex C.
- 7.2 It is proposed to relocate the four parking spaces currently within this area to land to the rear of the existing bus stop to allow the redevelopment of this parcel of land to create three, new 1-bedroom, 2-person flats with off road parking to the frontage and communal amenity space to the side under croft and rear garden space.
- 7.3 The site is bounded on the north by Beech Road this being an adopted highway with adopted pavements running across the frontage of the site. There are currently no boundary treatments in place. The eastern boundary is that of No. 37 Beech Road which is an end-of-terrace dwelling. To the south of the site is a 1.8m high close-boarded fence opening into the rear garden of a private dwelling. To the west are the rear boundaries of Nos. 27 & 29 Queens Way together with the open land adjacent to the rear of the existing bus stop off of Beech Road, Tiverton.
- 7.4 The site is virtually level from front to rear with no cross fall and is positioned within the built-up area within the boundary of Tiverton. The site has dwellings on all four sides, these being within Queens Way and Beech Road and the street scenes will simply be a continuation of properties to the frontage of Beech Road.
- 7.5 The proposed new dwellings are to be constructed along the building line of the existing properties on Beech Road and therefore maintaining the overall pattern of development within this area.

8.0 Design

- 8.1 The final form of design was formulated following analysis of the surrounding area, discussions with the Planning department and South West Water. The scheme therefore incorporates design details put forward to ensure that they fit within the vernacular of the surrounding area. The imposed restricted building line set from the face of the existing properties along Beech Road and those imposed by the adopted drains easement has enabled the positioning and setting out of the flats to ensure that all have access, bin storage, off-road parking and amenity to the side under croft and rear garden. The design details and features of the dwellings have been taken from the surrounding area.

- 8.2 The design generally adheres to the heights of the existing houses on all three sides of the development site.
- 8.3 The main form of the building is that of a rectangular shape this being of three no. one-bedroom flats in line with the architectural drawings enclosed. One flat is to be located on the ground floor with the remaining two on the floor above and an undercroft area has been created to accommodate the adopted drains easement, providing a 3m high clearance above this area. As previously stated the existing parking that was located in this area is to be relocated to the adjacent land. This will provide parking for adjacent properties and will be completed prior to any construction works commencing on site to ensure that no loss of amenity through parking is created through the development.
- 8.4 The proposed new dwelling as previously stated will reflect traditional materials and the forms of the existing dwellings in having matching brick facing walls and slate tiled roof with all windows and doors being in white upvc.
- 8.5 Access into the site will be by way of existing drive and therefore highway safety and visibility accessing or egressing the driveway will remain unchanged. Parking will be provided in front of the dwellings for four vehicles.

9.0 Sustainable Construction

- 9.1 The building has been designed in order to reduce the environmental impact. The flats will have a reduced energy consumption having in excess of 30% low energy light fittings.
- 9.2 Transport - the site is located a short walk from the main centre of Tiverton as well as being adjacent to a bus route on Beech Road. The rear courtyard will allow for provision of lockable cycle storage with safe pedestrian access via footpaths.
- 9.3 All of the timber used throughout the build will be of softwood from sustainable replenished forests.
- 9.4 Where possible, the development will provide for high levels of insulation and to be of low maintenance.
- 9.5 Provision will be made within the bin storage areas for recyclable materials in suitable containers for collection and reuse by the Council.
- 9.6 Ecology - the existing site held no ecological value, as this is short cut grass and tarmac surface, the creation of soft landscaping to the rear gardens will enhance the ecological value of the site.

10.0 Conclusion

- 10.1 The Council has a housing need for one bed social rented homes within the boundary of Tiverton.

- 10.2 The development has been identified in the Capital programme with the balance of development being funded by the Housing Maintenance Fund.
- 10.3 The scheme has been granted planning permission and upon approval of the recommendation, consultation with the neighbouring households who use the existing parking spaces will commence. Subject to the satisfactory conclusion of the consultation exercise, works could commence during the summer months of 2021.

Contact for more Information: Andrew Busby Corporate Manager for Property, Leisure & Climate Change – abusby@middevon.gov.uk (01884 234948)

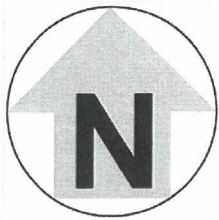
Circulation of the Report: Deputy Leader and Cabinet Member for Housing and Property Services and Leadership Team

List of Background Papers: None

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

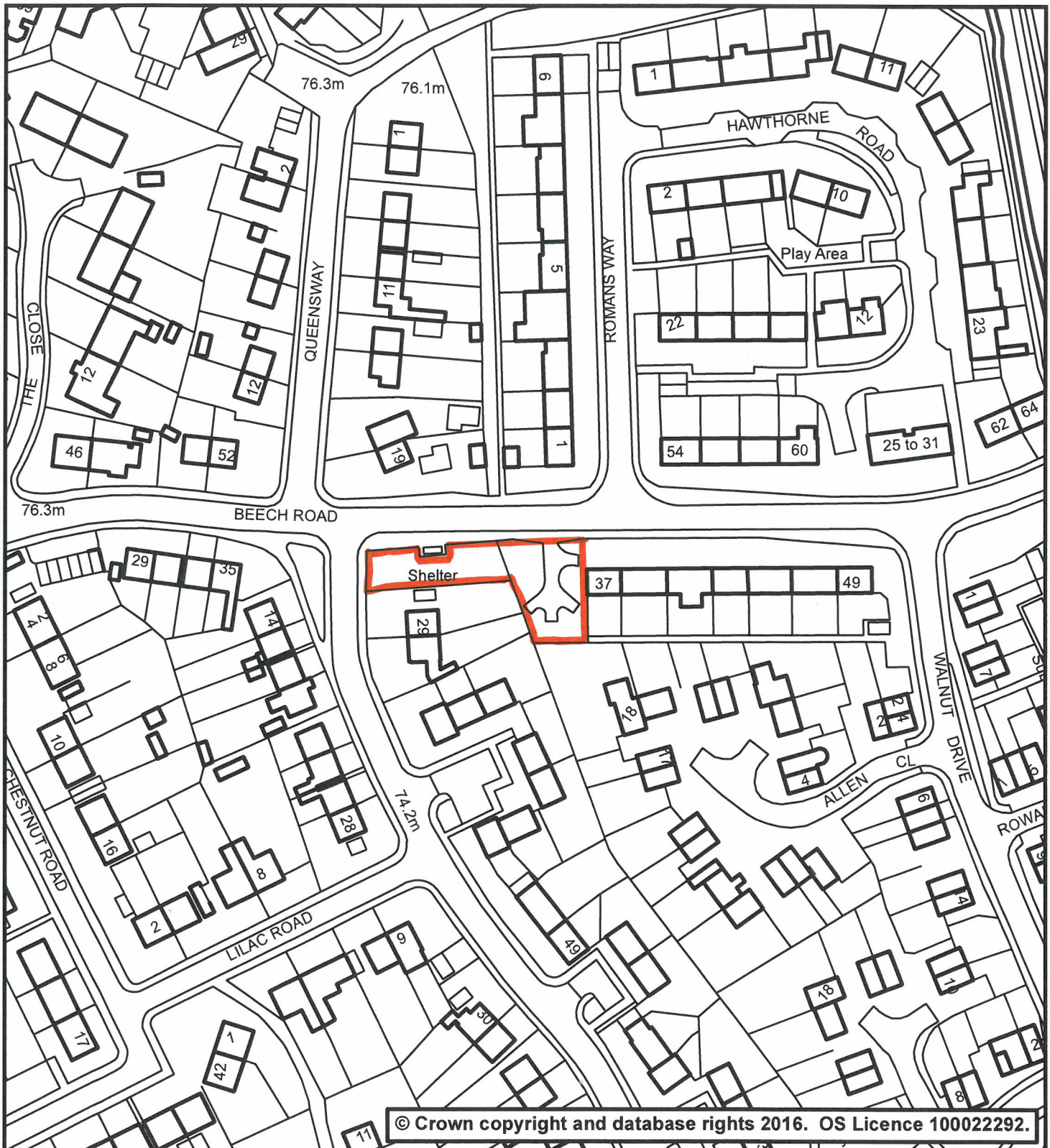
Document is Restricted

This page is intentionally left blank



Phoenix House
Phoenix Lane, Tiverton EX16 6PP

Tel: 01884 255255 Website: www.middevon.gov.uk



Proposed Development - adj. to 37 Beech Road Tiverton - Site Location Plan

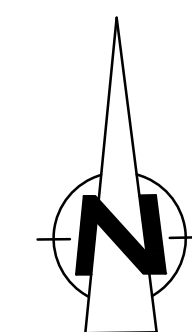
Scale: 1:1,250

Date: 24/02/2021

Drg. No: Not Set

User Name: sdenham

This page is intentionally left blank



1:100 SCALE BAR - IN METERS

project
PROPOSED RELOCATION
OF PARKING & CREATION
OF THREE NEW DWELLINGS
ON LAND OFF OF BEECH
ROAD, TIVERTON,
DEVON.

drawing no.	7064-100	rev
-------------	----------	-----

39 Rolle Street, Exmouth, Devon, EX8 2SN
tel: (01395) 271619 fax: (01395) 270386
e-mail: info@ara-architecture.co.uk

This page is intentionally left blank

CABINET 4 MARCH 2021

OPTIONS FOR PROCUREMENT OF ENERGY

Cabinet Member(s): Cllr Andrew Moore – Cabinet Member for Finance & Cllr Elizabeth Wainwright-Cabinet Member for Climate Change

Responsible Officer: Andrew Busby – Corporate Manager for Property, Leisure and Climate Change

Reason for Report: To provide an overview of the options available for the supply of Gas and Electricity to the Council.

Recommendation:

- 1) To provide the Cabinet Member for Finance, in consultation with the Corporate Manager for Property, Leisure and Climate Change, the authority to continue with the LASER energy framework covering the purchase of Gas and Electricity between 01/10/2021 and 30/09/2024; and**
- 2) To provide the Corporate Manager for Property, Leisure and Climate Change with the authority to submit a letter of intent to participate in the Devon Energy Collective; and**
- 3) To procure a further 50% of our electricity consumption via the ‘Green Basket’ under the LASER Framework for renewable energy for an additional £8k in the financial year 21/22.**

Financial Implications: By continuing with the LASER Framework, it is anticipated that the energy supply and staff resources will continue within existing budgets. A further pressure of circa £8k on the 2021/22 budget will be required with Recommendation 3 and will be met via savings detailed in para 9.4.

Budget and Policy Framework: The budget for gas and electricity is met from existing operational budgets which forms of part of the overall budget and approval process.

Legal Implications: By not exercising the break date on 01/10/2021 that requires 6 months’ notice, the Council will be contractually obliged to use the LASER Framework until 30/09/2024. The recommendation is to use an OJEU compliant framework and we are getting economies of scale by joining this collaborative procurement with other Devon authorities. Therefore there are no Procurement implications.

Risk Assessment: Renewing the LASER framework will protect the Council from energy price escalation and will ensure the Council receives value for money on gas and electricity expenditure and will prevent any increase in the Council’s administration resources. At this stage, there is no risk associated with submitting a letter of intent to participate in the Devon Energy Collective.

Equality Impact Assessment: This report does not impact on equality.

Relationship to Corporate Plan: A Sustainable Planet. Environment - ‘Encourage “green” sources of energy, supply new policies and develop plans to decarbonise energy consumption in Mid Devon’.

Impact on Climate Change: The recommendation to continue the LASER framework will not preclude or prevent the Council from implementing measures to reduce and offset carbon emissions from gas and electricity consumption. The LASER framework offers 30% from renewable energy with an additional recommendation of 50% of electricity being procured via renewable energy.

The recommendation to participate in the Devon Energy Collective is a significant opportunity to source the offset carbon emissions from electricity consumption as explored in para 8.1 and section 10, this initiative would support the Council’s objective of becoming carbon neutral by 2030

1.0 Introduction/Background

- 1.1 The energy supply contract for the General Fund and HRA for gas and electricity has a break date on the 01/10/2021. A six months termination notice would need to be exercised. Should the Council not exercise this break date, the Council will continue to procure gas and electricity from the LASER framework until 30/09/2024. As such, this report has been provided to advise the Cabinet on options available for sourcing gas and electricity.
- 1.2 Given the direct influence of energy consumption on the Council’s carbon footprint and the Council’s ambition to become carbon neutral by 2030, each of the assessed options have been evaluated in terms of climate change mitigation potential, as well as cost and commercial viability.
- 1.3 The recommended option will be to renew the existing energy supply framework and explore the possibility of Power Purchase Agreements (PPA) as a means to offset carbon emissions from electricity consumption and to procure additional renewable electricity to reduce our carbon footprint.
- 1.4 Alternative energy supplier options, including alternative frameworks and alternative energy suppliers, have been explored and discussions with a neighbouring authority using the framework has taken place.

2.0 Devon and Cornwall Procurement Partnership

- 2.1 The Devon and Cornwall Procurement Partnership (DCPP) was founded by Devon County Council’s Strategic Procurement Officer, in 2003 in response to the national procurement strategy and the national e-procurement strategy.
- 2.2 The Partnership’s mission is to embark on a “joined up” approach to public sector procurement within the two counties that facilitates collaborative procurement activity including:

- The sharing of procurement related expertise, knowledge and best practice and Benchmarking.
- Collaboratively working towards the standardisation of procurement processes and documentation, together with common procurement systems and tools (e-procurement) across the partnership members to provide a joined up procurement process for the member authorities and potential bidders.
- Supporting local market development and at the same time Championing sustainable procurement activity.

3.0 Innovative Energy Procurement

- 3.1 In 2014 Devon Procurement Services lead an OJEU tender for the re-tender for the supply of electricity and gas to include Torbay, Fire, Dartmoor National Park Authority and Districts (Teignbridge, Torridge and Mid Devon). The contract was awarded to LASER Energy (Kent County Council) with Electricity being supplied by Npower and Gas by Total Gas. LASER are a specialist trading arm within the Council dedicated to delivering energy and other utility services for the public sector. They are an established public buying organisation set up for this very purpose and recognised nationally. The contract took effect from April 2015 with energy being supplied from April 2016, as the authorities have adopted the purchase in advance model (PIA).
- 3.2 The Authorities' volumes are aggregated with other authorities' energy requirements and purchased throughout a year to give an average market price. Using this model LASER delivers below average wholesale electricity prices.
- 3.3 The collaborative working assists when initiatives need to be taken forward and giving greater strength and presence to the various matters that arise. It also helps to reduce the contract administration and support costs that LASER apply.
- 3.4 There is a governance board in LASER to ensure appropriate decisions are being made and use of public sector money. DCCP members are again working collaboratively to identify the preferred route to market for a new contract. Due to the success of the collaborative approach to the LASER contract, specifically in terms of contract management, other members are now looking to join the new procurement.

4.0 Existing Energy Supplier

- 4.1 Overview of LASER Services - the Council has procured gas and electricity through LASER Energy Ltd (LASER), a procurement and service provider, on an OJEU1 compliant framework shared with Devon Local Authorities since 2016. The framework with LASER is due to expire on 30/09/2024 with a break date requiring 6 months on the 01/10/2021. Post 30/09/2024, a new framework to secure the supply of gas and electricity will need to be found.
- 4.2 LASER uses a specialist trading arm within Kent County Council and is dedicated to delivering gas, electricity and other utility services for the public

sector. Recognised nationally, LASER is an established Public Buying Organisation (PBO) and have been set up for this very purpose.

- 4.3 Under the existing framework, the Council procures gas and electricity collectively with Devon local authorities; this enables larger amounts of energy to be purchased on the market to achieve larger economies of scale.
- 4.4 LASER uses a “Purchase in Advance” model to procure gas and electricity meaning that energy is purchased in large blocks up to years in advance; this increases certainty in energy pricing and reduces the risk and impact of volatile energy markets on consumers. As such, and as a result of procuring energy through the LASER framework, the Council pays lower unit costs for gas and electricity than compared with national average energy costs. The Purchase in Advance (PIA) strategy in that all the energy is bought ahead of the contract period, as such if the market rises the Council are protected, however if the market falls there would not be a mechanism to take advantage of this.

5.0 Value for Money

- 5.1 The Retail Energy Price paid by the Council for gas and electricity on a £/kWh basis is made up of two cost groups:
- **Commodity Costs** – This is the Wholesale Energy Cost and is determined by the price at which energy suppliers purchase energy on the energy market; the Wholesale Cost is subject to volatility due to several factors including oil and gas prices, energy demand and generation availability.
 - **Non-Commodity costs** - This includes all third-party costs associated with facilitating the transfer of energy from the point of generation/production to the point of consumption. These costs include transmission and distribution costs, environmental levies, supplier profit margins and government taxes etc. Broadly speaking, Non-Commodity Charges are determined by governments and regulators and often apply on a geographic or national basis; accordingly, all energy consumers pay the same Non-Commodity prices on a per kWh basis.
- 5.2 Given that energy suppliers have little or no influence over Non-Commodity Costs, the competitiveness of a supplier is best demonstrated by the wholesale energy cost, which demonstrates the price at which suppliers can purchase energy in the energy market.
- 5.3 Tables 1 and 2 show the wholesale cost of gas and electricity procured through LASER over the past five years. On average, electricity was circa 5.42% cheaper than the average wholesale price and gas was circa 3.51% cheaper than the average wholesale price. This demonstrates that the existing LASER framework has provided value for money and a cost-saving to the Council.

Table 1: Wholesale Electricity Prices Achieved by the Council with LASER

Period	Achieved Price (£/MWH)	Achieved Market (£/MWH)	Percentage Difference
Oct 16 to Sept 17	39.65	39.22	1.08%
Oct 17 to Sept 18	41.44	44.47	-6.81%
Oct 18 to Sept 19	46.11	51.95	-11.24%
Oct 19 to Sept 20	49.48	54.98	-10.00%
Oct 20 to Sept 21	44.03	44.10	-0.16%
Average %			-5.42%

Table 2: Wholesale Gas Prices Achieved by the Council with LASER

Period	Achieved Price (£/MWH)	Achieved Market (£/MWH)	Percentage Difference
Oct 16 to Sept 17	37.77	37.03	1.99%
Oct 17 to Sept 18	41.99	45.65	-8.02%
Oct 18 to Sept 19	49.78	54.71	-9.01%
Oct 19 to Sept 20	53.80	54.15	-0.64%
Oct 20 to Sept 21	36.32	37.01	-1.86%
Average %			-3.51%

6.0 Impact on the Councils Resources and Services

- 6.1 LASER provides a service of consolidating the Council's bills from our gas and electricity meters into monthly billing summaries. This service is estimated to save the Council £8k per year in staff time; the Council does not currently have the staff capacity to carry out this work. Over the past four years, LASER has provided the Council with support, however at times the service desk has been difficult to communicate especially with removing assets from our balance sheet.

7.0 Proposed Energy Supply Arrangements

- 7.1 LASER had set up a renewed OJEU compliant framework to cover the supply of gas and electricity between 01/10/2021 and 30/09/2024. Under this framework, LASER will remain to act in the same existing capacity and continue to procure energy and provide administrative services for Devon local authorities.
- 7.2 At the time of writing, the local authorities detailed on para 3.1 remain part of the Laser framework and have continued with their access agreements; the latest partnership list is shown below:

Devon County Council
Torbay Council
Devon Fire & Rescue Services
Torridge District Council
Dartmoor National Park

- 7.3 Npower continues to act as the Council's electricity supplier and Total Gas and Power would continue to act as the Council's gas supplier. Maintaining the Councils existing energy suppliers in the contract period.

8.0 Renewable Energy

- 8.1 Results from the ongoing carbon footprint assessment for the Council show a 57/47 split between electricity and natural gas consumption for the Corporate Estate for the 2019/20 year. Electricity consumption was responsible for circa 796 tonnes of CO2 equivalent including Well to Tank emissions that is prior to correction for the 30% of green energy procured by N Power (where no correction is made for this contract as the national grid factors already include a national mix of generated electricity). Natural gas consumption was responsible for circa 706 tonnes of CO2 equivalent including Well to Tank emissions for the financial year 2019/20 and are two key focus areas for reducing carbon emissions.

9.0 Access to Green Energy- Appendix C

- 9.1 The LASER framework has available to it the option of procuring either all or a percentage of the Council's electricity via a green tariff, the Council would be able to access to the green tariff throughout the remaining period of the framework up to 31/09/2024. The Council would not be penalised under the access agreement at the recommended percentage for the Green Basket (50%) for electricity reduction, post completion of the decarbonisation project or the Tiverton hydro project.
- 9.2 The latest fuel mix from Laser for the period 1 April 2019 to 31 March 2020 is shown below:

	Coal	Natural gas	Nuclear	Renewable	Other	Carbon dioxide emissions (g/kWh)	Radioactive waste (g/kWh)
Npower Limited	4.8%	54.4%	6.2%	30.7%	3.9%	285	0.0004

- 9.3 This would come at an additional cost, as an example, for an additional 50% of the Council's annual electricity consumption it would cost an additional circa £8k or 2.3% on top of our current costs. Provided the 100% Green Tariff is entirely additional, hypothetically the savings in 2019/20 would be 183 tco2e. The annual saving of this tariff will diminish over time as the emission intensity of the grid falls and this would need to be monitored via Laser on a quarterly basis.
- 9.4 The additional £8k cost pressure required to access the Green Tariff will be met by electricity cost reductions carried out as part of the Salix funded decarbonisation project in the 21/22 financial year.

10.0 Electricity

- 10.1 Under Npower's standard tariff, 30% of electricity supplied to the Council will come from renewable energy, with the remaining energy supply being derived from conventional sources; this share of renewable energy will increase over the duration of the contract as the grid decarbonises.
- 10.2 Following Government approved methodologies for greenhouse gas emissions reporting, companies purchasing electricity on Renewable Energy Guarantee of Origin (REGO) backed "Green Energy Tariffs", can report net-zero emissions for all renewable energy stated on the tariff. (See Appendix A for a description of the REGO mechanism). However, there are some drawbacks to REGO backed "Green Energy Tariffs" as follows:
- REGO backed "Green Energy Tariffs" primarily support existing generation and are ineffective for directly supporting the development of new and "Additional" renewable energy capacity. Therefore, REGO backed "Green Energy Tariffs" have limited ability to incentivise decarbonisation of the energy system.
 - REGO certificates are not always traded hand-in-hand with the green energy they represent and as a result, through purchasing REGO certificates, energy suppliers can "green" their energy mix without purchasing energy from renewable generators. See Appendix A for a diagram showing this effect.
 - Purchasing energy on REGO backed "Green Energy Tariffs" effectively intensifies the carbon emissions of energy available on standard tariffs and results in the same net global emissions contribution.
 - REGO backed "Green Energy Tariffs" can prevent energy consumers from taking meaningful and proactive steps to becoming more energy-efficient and decarbonising the wider energy system.
- 10.3 For the four reasons mentioned above, there is consensus between the Council and other Devon local authorities that REGO backed "Green Energy Tariffs" are not a long-term solution to offsetting emissions from electricity consumption.
- 10.4 In addition to using REGO backed "Green Energy Tariffs" the Council could investigate options for supporting both on-site and off-site renewable energy schemes to reduce electricity consumption from the grid and mitigate any remaining unavoidable emissions from electricity consumption. Examples of how this could be achieved include but are not limited to:
- Partnership agreement to install on-site renewable energy and low carbon generation such as solar PV (via the Devon Energy Collective)
 - Setting up Power Purchase Agreements to support the development of new large-scale, off-site renewable energy capacity.

- The Hydro scheme in Tiverton being commissioned will produce a significant electricity saving on Phoenix House, Tiverton.

11.0 Gas

- 11.1 Under the LASER framework, Total Gas and Power will supply the Council with gas on a standard natural gas tariff.
- 11.2 Renewable Gas Guarantee of Origins (RGGO) have recently become available and operate similarly to REGOs to track the generation and consumption of biogas. Due to the same issues as mentioned above for REGO backed “Green Energy Tariffs”, RGGO backed gas tariffs are not recommended for the Council as a means for offsetting carbon emissions.
- 11.3 Best practice approaches to reducing or offsetting emissions from natural gas heating will involve:
- Increasing the thermal efficiency of buildings
 - Replacing natural gas heating systems with low carbon alternatives such as air and ground source heat pumps.

12.0 Value for Money

- 12.1 LASER has proven to provide value for money through delivering energy at prices below the average wholesale market value. At the time of writing, wholesale electricity and gas prices stand at £44.03/MWh and £36.32/Therm respectively.

13.0 Devon Energy Collective

- 13.1 Power Purchase Agreements represent a significant opportunity for offsetting a large share of the Council's carbon emissions from electricity consumption.
- 13.2 One such opportunity will be to enter into a Power Purchase Agreement (PPA), as described in detail in Appendix B, with the Devon Energy Collective, a Devon based not-for-profit organisation. This would directly support the development of new large scale solar energy scheme(s) of up to circa 100 MW in capacity. From their website, they exist to *“...take action to address the climate emergency and to deliver the Devon Carbon Plan by creating a Devon that runs entirely on green energy...rather than buying power from outside the country, we can produce clean, locally owned energy here in Devon. This will significantly boost our local economy, retaining approximately £1.76 billion in our county and creating a local industry and jobs across the region. We are wholly owned by Devon's local community energy companies. Our purpose is to develop community owned renewables projects across Devon at scale, to address climate change .”*
- 13.3 In return for the Council's commitments under the PPA, the Council would receive REGO certificates for each unit of energy generation it chooses to back, which in turn can be used as a credible carbon emissions offset for electricity consumption.

- 13.4 The approach of financially supporting “Additional” and new renewable energy capacity will further decarbonise the energy system and is, therefore, a much more effective approach to offsetting carbon emissions when compared to REGO backed “Green Energy Tariffs” provided by traditional energy suppliers.
- 13.5 The Devon Energy Collective is in the early stages of project development and is currently determining the scale of interest from local authorities. To support the Council’s engagement in this process, a recommendation of this report is for the Council to provide the Corporate Manager for Property, Leisure and Climate Change with the authority to submit a letter of intent and Subject to Contract to participate in the Devon Energy Collective.

14.0 Implications, Risk Management and Climate Change Impact

Financial

- 14.1 The future cost of energy is hard to predict ahead of time. The existing LASER energy framework has demonstrated value for money by delivering energy below the average wholesale energy price and as a result, we do not anticipate any adverse effects on the current budgets.
- 14.2 Bill consolidation services provided by LASER result in a saving of circa £8k in staff resources. This equates to a saving of circa £32k over the past four years. LASER will continue to provide this benefit, should the Council continue with the energy supply framework. The council has set its operation budget and to continue with LASER will give the council confidence on financial risk on energy operational budgets given large variances.
- 14.3 The expenditure of Electricity and Gas for 19/20 (for reporting a full financial year) was:

Outturn 19/20 financial year

General Fund

Electricity- £330,237.74 and Gas- £103,177.82

HRA

Electricity- £26,549.22 and Gas- £6,129.84

Budget for the 21/22 financial year:

General Fund

Electricity- £293,320 and Gas- £98,690

HRA

Electricity- £12,080 and Gas- £9,520

15.0 Legal

- 15.1 The existing LASER framework covering 01/10/2021 to 30/09/2024 is an OJEU compliant framework and is compatible with our terms and conditions.

16.0 Risks

- 16.1 The Council's exposure to energy price hikes is mitigated through LASER's "Purchase in Advance" model, which seeks to minimise wholesale energy costs and secure energy prices years in advance. Energy cost increases are further mitigated by the Council's in-house monitoring of electricity and gas consumption and implementation of energy efficiency measures.
- 16.2 The existing LASER framework has demonstrated value for money to the Council by procuring energy below national average wholesale costs. Procuring energy through an alternative supplier or framework may not yield the same cost saving and will likely increase energy costs and management fees.
- 16.3 There are limited timescales for nominating an alternative to LASER through a new OJEU procurement. As such, there is a significant risk that such a contract will not be awarded on time and will not provide value for money.
- 16.4 If the Council were to sign up to an alternative OJEU approved framework, the Council would lose its aggregated buying power with the Devon Energy Group and will likely be exposed to higher energy costs and delays in resolving billing queries or disputes.
- 16.5 Should the Council not continue with the framework for the supply of gas and electricity, the Council will be liable to pay default rates should alternative contractual arrangements not be made.

17.0 Environmental/Climate Change Impact

- 17.1 Electricity and gas consumption are recognised to have a significant impact on the Council's carbon footprint. The recommendation to renew the LASER framework for the supply of gas and electricity was made with full consideration of the Council's ambition of becoming carbon neutral by 2030. The following provides a summary of key points regarding the impact of continuing with the LASER framework on climate change are:
- Continuing with the new LASER framework will not preclude the Council from being able to ideally reduce and, as a last resort, offset carbon emissions through on and off-site renewable and low carbon energy schemes.
 - Sourcing gas and electricity on standard tariffs under the LASER framework as opposed to alternative "Green Energy Tariffs" will not increase the Council's carbon emissions or result in a net change in carbon emissions globally.
 - The best practice options for reducing carbon emissions from electricity and gas consumption will remain to include and not be limited to:
 - Implementing energy efficiency measures, installing renewable energy on-site and entering into Power Purchase Agreements with off-site renewable energy schemes;

- Increasing the thermal efficiency of buildings and replacing natural gas boilers with low carbon heating systems such as air and ground source heat pumps.
- Continuing with the LASER framework will save the Council money through reduced energy costs and reduced staff resources. Saved time and money can be used to support energy efficiency and emissions mitigation projects.
- New addition of the 'Green Basket' for purchasing Green energy via the LASER Framework until the framework end date of 30.09.2024, which will enable the Council to reduce its Electricity carbon footprint.

18.0 Alternative Options

Nominating an Alternative Energy Supplier by Conducting an OJEU Procurement

18.1 This option would involve a full OJEU approved tender process and would be open to utility suppliers and brokers. The process could take up to 34 weeks, as such there is a significant risk of exceeding set budgets for the supply of electricity and gas.

18.2 Advantages:

- Allows all organisations both public and private to bid providing greater competition and opportunities in delivering savings and innovation.

18.3 Disadvantages:

- There is a high risk that a contract will not be awarded on time ahead of the existing framework expiry date.
- Firm energy pricing will not be available until the Council receives tenders from energy suppliers and brokers leaving the Council exposed to uncertainty.
- Delegated authority may need to be given to the private company (if successful) to purchase energy on the Council's behalf. The Council will need to be comfortable with providing this.
- There is limited governance on utility brokers compared to Public Buy-in Organisations (PBO's) & regulated energy companies.
- Brokers will apply a profit margin to energy bills and will need to transact with a regulated energy company who in turn will apply management fees.
- Appointing a broker can involve extended times in resolution of account management queries.

- Pricing transparency with multiple suppliers for gas and electricity is often difficult to obtain and monitor.
- The Council staff resources will be required to undertake the procurement process and switch energy meters from one supplier to another.

18.4 The Council reviewed the preliminary assessment of procuring energy from private sector energy suppliers with an existing partner of the framework. Due to the complex metering structure of the Council's gas and electricity supply, which is made up of half-hourly and non-half hourly gas and electricity meters, it was not possible to achieve firm energy prices ahead of a formal tender procurement process.

18.5 A neighbouring authority has researched other suppliers to compare:

- Company A was unable to provide an electricity tariff for any site with a metered demand above 100,000 kWh per year of electricity; The Council owns five sites with half-hourly metering exceeding this threshold.
- Company B was unable to provide a gas tariff for any site with Automatic Meter Reading (AMR) gas meters. As such, separate energy providers will be required to cover both gas and electricity utilities, which will increase billing complexity and the Councils staff resources.
- Company C provided costs for half hourly metering sites. Under this tariff, their Electricity costs would increase by 2% and Gas costs would increase by 39% relative to current LASER energy pricing, as shown in Table 3. This would have equated to a cumulative cost increase to their budget of £173,600 over the period of the framework; such an increase in operational costs is not deemed viable for the Council.

Table 3:

18.6 Indicative Costs under an Alternative Energy Supplier, Electricity Costs, Gas **Costs produced by a neighbouring authority.**

Provider	Electricity Costs			Gas Costs	
	Day Rate (£/kWh)	Night Rate (£/kWh)	Estimated total annual cost	Unit Rate (£/kWh)	Estimated total annual cost
Company C	0.159	0.129	£331,600	0.044	£111,700
Current LASER Costs	0.158	0.118	£323,600	0.027	£68,300
Increase in costs/annum	0.001	0.011	£8,000 (+2%)	0.017	£43,400 (+39%)

18.7 Property Services would not recommend this as a suitable method of procurement of energy as we would have to employ separate experts. We would have to complete a full OQ process, which could take over 30 weeks to

complete. Should we wish to do that we would have to plan the work in ahead of the existing framework end date of 31/09/2024.

19.0 Adopting an Alternative Existing Public Buying Organisation Framework

19.1 Several alternative OJEU approved frameworks exist, including Crown Commercial Services (CCS), Yorkshire Purchasing Organisation (YPO), Eastern Shires Purchasing Organisation (ESPO) and the Energy Consortium (TEC).

19.2 Switching to an alternative Public Buy-In Organisation (PBO) would involve switching suppliers for gas, electricity or both, which will require increased resources. The Council may also lose the customer service and bill consolidation services currently provided by LASER.

19.3 Firm energy prices from an alternative PBO to LASER will remain unknown until the Council shows a real commitment to entering into an agreement. As such, there is uncertainty in the cost-benefit of switching from LASER to another PBO. It is understood that alternative PBOs will charge higher management fees, and as such, may not provide the same value for money.

19.4 Advantages:

- Using a PBO framework would be OJEU compliant without the Council having to run a further procurement process; this will save the Council staff resources.
- The Council could have the ability to implement a bespoke set of terms and conditions.
- PBO would have been through an OJEU compliant competitive process to demonstrate value for money.
- Mutual public sector interest in supporting public bodies.
- Profits are reinvested within the Public Sector.
- Energy volumes aggregated to give better purchasing volumes.

19.5 Disadvantages:

- There is a risk that an alternative PBO to LASER will not provide the same high level of service and benefit to the Council.
- Firm energy pricing will not be available until the Council shows commitment to an alternative PBO framework, leaving the Council exposed to financial uncertainty.
- Other frameworks may not have the same aggregated buying power and result in increased energy costs.

- The Council's staff resources will be required to research potential PBO frameworks and switch energy meters from one supplier to another.
- Opting out of the LASER framework will reduce the benefits received by Devon local authorities.
- Not all frameworks will be suitable for local authorities with large numbers of non-half hourly metering and low consumption levels resulting in increased energy costs.

20.0 Conclusion

- 20.1 The LASER energy framework has proven to provide value for money over the past five years and has enabled the Council to procure gas and electricity at levels below the average wholesale market price.
- 20.2 LASER has provided the valuable service of consolidating energy bills and reducing the requirements on the Council's staff resources. They have also provided customer support regarding energy and billing queries.
- 20.3 Conducting a full OJEU compliant procurement process to appoint an alternative energy supplier or broker will reduce the Council's buying power and likely result in increased energy costs and supplier management fees; the time required to conduct this process will exceed the existing contract expiry date.
- 20.4 Using an alternative PBO framework has also been considered. However, uncertainty in the cost of energy procured through an alternative PBO and increases in management fees means this option is less attractive than renewing the LASER energy contract.
- 20.5 The Devon Energy Collective would be able to run in parallel with any energy supply contract and offers a significant opportunity for the Council to mitigate carbon emissions from electricity consumption.
- 20.6 The recommendations of this report are therefore to:
- Provide the Corporate Manager for Property, Leisure and Climate Change, in consultation with the Cabinet Member for Finance, the authority to continue with the LASER energy framework covering the purchase of gas and electricity between 01/10/2021 and 30/09/2024; and
 - Provide the Corporate Manager for Property, Leisure and Climate Change with the authority to submit a letter of intent Subject to Contract to participate in the Devon Energy Collective; and
 - To procure a further 50% of our electricity usage from the 'Green Basket' for renewable energy for a further circa £8k in the financial year 21/22 and would be met from the electricity saving provided by the decarbonisation project.

Contact for more Information: Andrew Busby – Corporate Manager Property, Leisure and Climate Change: Email abusby@middevon.gov.uk Tel: 01884 255255.

Circulation of the Report: Cabinet Member for Finance and Leadership Team.

List of Background Papers: None

This page is intentionally left blank

APPENDIX A – RENEWABLE ENERGY GUARANTEES OF ORIGIN

REGO certificates are used to track the quantity of renewable energy available on the energy market. Ofgem awards one REGO certificate to a renewable energy generator for each megawatt-hour of electricity generated.

Energy suppliers procure energy on the Energy Market and can separately procure REGO certificates to demonstrate the “renewable” share of their energy mix; energy procured by energy suppliers is then sold to final energy consumers in a range of energy tariffs.

The amount of renewable energy generated and the number of corresponding REGO certificates available within one given period is finite. On this basis, allocating REGOs to “Green Energy Tariffs” effectively increase the carbon emissions of standard energy tariffs. Accordingly, the overall global balance in carbon emissions remains the same; this effect is shown in Figure 1 below.

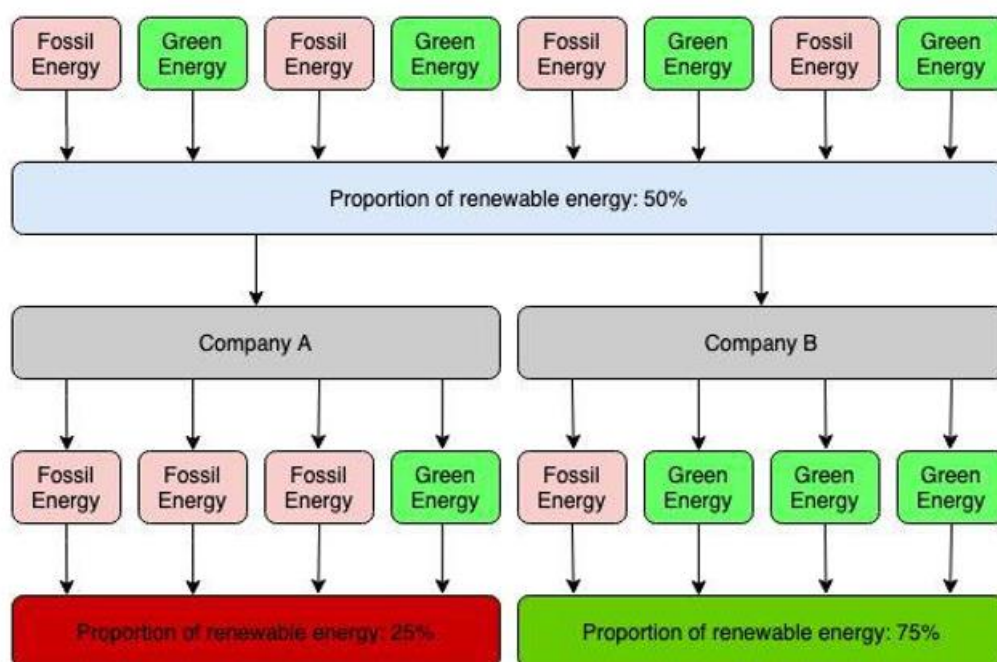


Figure 1: Energy Supply Mix

This page is intentionally left blank

APPENDIX B: SYNTHETIC POWER PURCHASE AGREEMENTS

A Synthetic Power Purchase Agreement (PPA) is a leading option for the Council to offset carbon emissions from electricity consumption. It is a financial mechanism which bears similarity to the Contracts for Difference mechanism used to support the development of new and “Additional” largescale renewable energy projects.

Through entering into a Synthetic PPA with a renewable energy developer, the Council could make a direct and measurable contribution towards supporting additional renewable energy capacity in Devon and in return, will have a credible means of offsetting electricity carbon emissions. The mechanism would run in parallel and separately to any energy supply framework and as such, will not impact on current or future energy supply framework decisions.

Renewable energy projects are capital intensive and rely on access to finance. Energy price volatility is a significant barrier to renewable energy developers gaining access to affordable finance since generators cannot be sure about how much revenue they can generate in the energy market. Synthetic PPAs overcome this barrier and as a result, are increasing in popularity as an instrument for eliminating the risk of energy price volatility to renewable energy generators and energy consumers.

Mechanism Overview The most common form of a Synthetic PPA is a two-way agreement between a renewable energy generator and an energy consumer (e.g. the Council). The following bullet points and flow diagram (shown in Figure 2 overleaf) provide an overview of how the mechanism works:

- The energy generator and energy consumer (The Council) agree on a strike price (in £/MWh) which represents the minimum amount a generator will receive for energy generation.
- When the market price for energy is less than the strike price, the energy consumer (The Council) will pay the generator the difference between the market price and the strike price.
- When the market price for energy exceeds the strike price, the generator pays the difference between the strike price and the market price to the energy consumer (The Council).
- The generator supplies REGO certificates directly to the energy consumer (The Council), which can be used to offset carbon emissions.

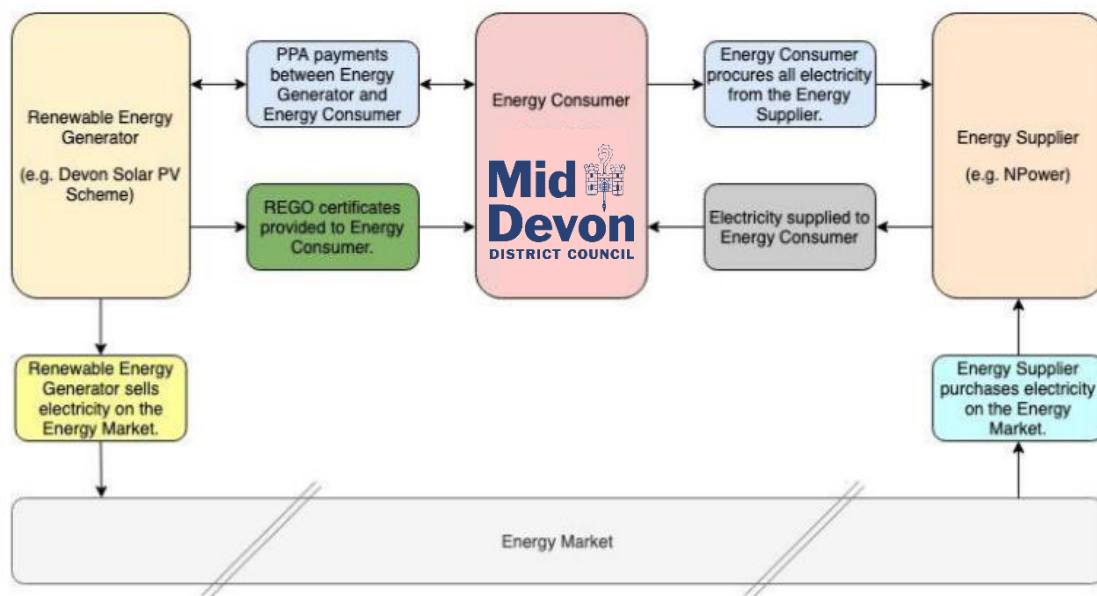


Figure 2: Synthetic PPA energy supply mechanism

To demonstrate the operation of a synthetic PPA over the course of one year, the following bullet points and Figure 3 below show three possible scenarios based on the market price of electricity:

- Scenario 1 is based on a low energy market price and results in the Council paying a top-up price to the generator.
- Scenario 2 is a cost-neutral scenario, where the energy market price matches the strike price and hence, no payments are made between the generator and the Council.
- Scenario 3 is based on a high energy market price and results in the generator paying the difference between the market price and the strike price to the Council.

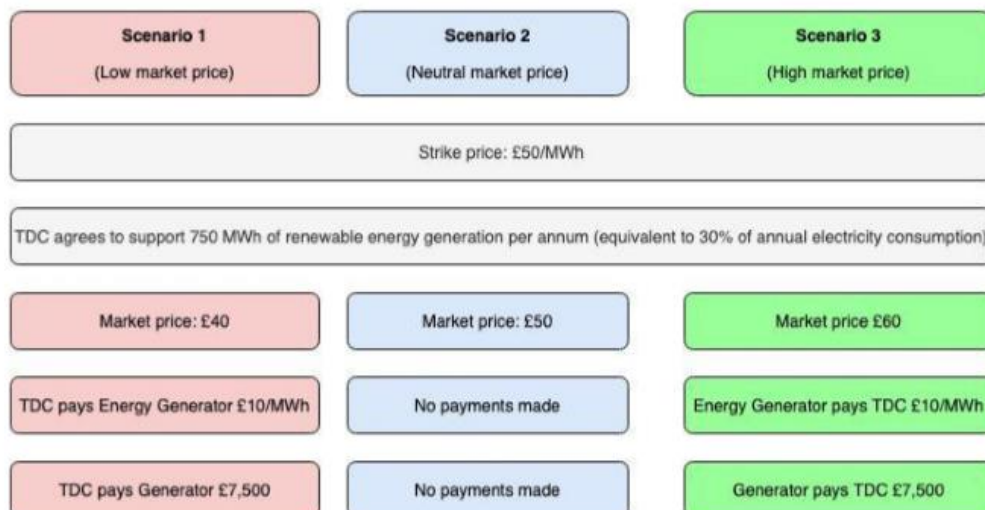


Figure 3: Payment scenarios under a Synthetic PPA

Due to escalating energy costs, a likely scenario would involve the Council making payments to the generator for the first few years (e.g. zero to five years) of operation until the market price exceeds the strike price, from which point the generator will make payments to the Council for the remainder of the contract duration (e.g. 15 years or more). There is, therefore, some risk that the Council will be exposed to making payments to the generator if the market price remains less than the strike price for extended periods. However, under the likely scenario, by entering into a Synthetic PPA, the Council will gain credible carbon emissions offsets, become insulated from increasing energy prices and develop an income from PPA payments. Further work will be required to determine the level of risk associated with entering into a PPA.

This page is intentionally left blank

The Green Basket Workshop

Kane Stockwell
Low Carbon Contracting Lead

Eamon Grimes
Head of Commercial

Agenda

1. A recap of the Green Basket
 - Concept
 - Timeline
 - Buying Process
2. Open Forum and Q+A
3. Next Steps

Page 120

Aim of today:

To openly discuss the Green Basket, field any questions you may have and clear up any areas you are unsure about to enable purchasing of Green Electricity to start.

LASER Green Electricity Options

WHICH OPTION MEETS YOUR NEEDS?

OPTION 1

GREEN TARIFF



- Supplier sourced REGO's
- Matched to your consumption
- Flexible, quick and easy

OPTION 2

GREEN BASKET



- Instruction to buy PPA's in lieu of w/sale market
- Commitment within and aligned to the retail supply agreement
- Aggregate, exclusive volume and REGO's
- Limited 'additionality'

OPTION 3

PEPPPA



- New-build PPA
- Aggregate volume
- Through LASER's DPS
- Fully customisable
- Foundations are in place
- Managed by LASER
- Promotes Additionality
- Longer-term contract

Green Basket: Key Advantages

Key Advantages

Flexibility

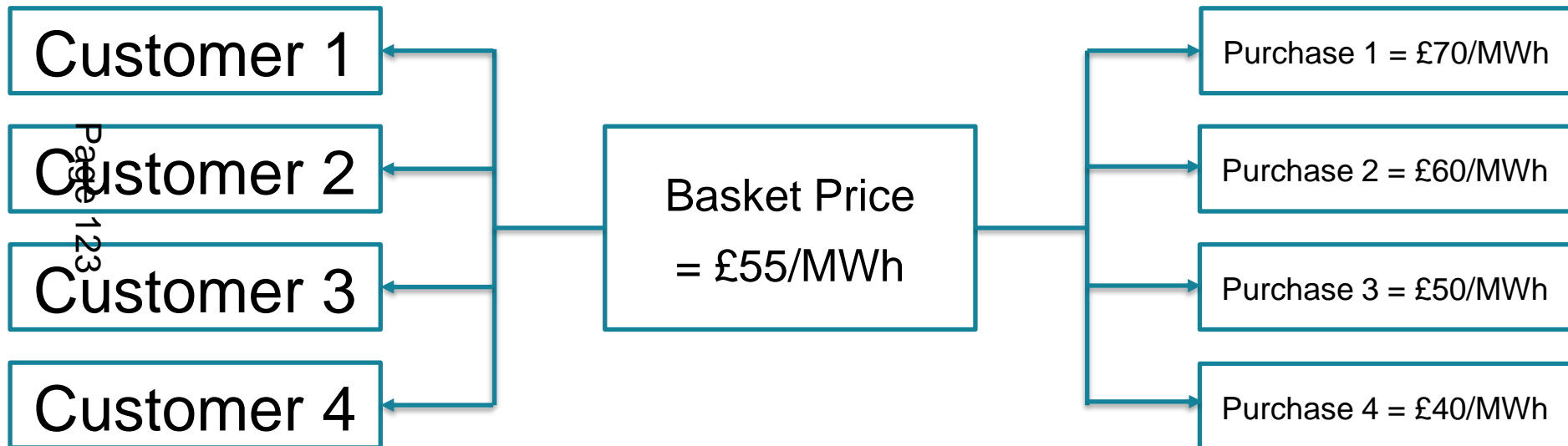
Traceability

Directly funding renewables

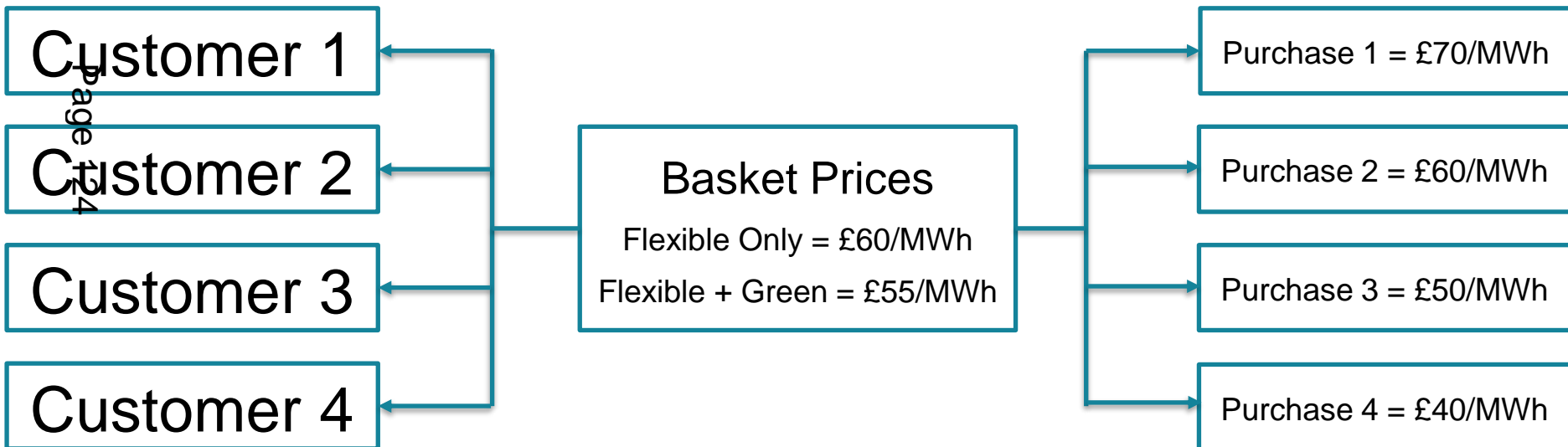
Speed

Ease of Procurement

How does the current flexible buying work?



How will the Green Basket work?



Timeline

End of February 2021

Instruction

- Optimises the time to source the electricity from generators.



March 2021- September 2021

Page 125

Source

- LASER will seek prices through Npower from their pool of Generators
- Can be accepted based on the wholesale market plus a PPA Market Premium.



October 2021 onwards

Delivery

- Sleeving of Power begins
- REGO's generated and transferred

Customer Instructions Process

Customer instructs LASER the proportion of electricity to place in the Green Basket (e.g. 50%).



LASER produces an addendum to the Access Agreement of the supply framework to record this change of instruction.



Customer reviews and signs the addendum via DocuSign.

Instruction Process - Key Questions

How long is the instruction for?

This will be for the duration of your Call-off Agreement (but at least 2 years).

Is this a new agreement with LASER and/or the Supplier?

No – this process of securing electricity via the supplier is a part of the flexible framework you have already committed to. This is purely a change of instruction about where we buy your electricity from.

What happens if my volumes change?

When committing to the Green Basket you need to be sure you are willing to commit that volume. If your entire portfolio volume decreases, then there is a chance more of your portfolio will be made up of the Green Basket.

Can I increase or decrease my volume in future years?

We can try and facilitate either option but cannot guarantee you will be able to and it will be at the discretion of LASER.

Buying Process – Key Questions

How long will it take from the deadline to source the volume?

2 to 3 months (indicative).

Why do we need the short deadline and why will we go to market immediately?

To increase our chances of securing competitively priced volume.

How is the price determined?

A firm figure will be provided by the Generators.

This will be acceptable if this is in line with the wholesale market plus a 'PPA Market Premium (this buffer is made available on the agreement document).

What happens if LASER is unable to source PPA's?

Dependent on the reason the outcome will either be:

- 1) Continue trying through the supplier.
- 2) Contact you for contingency options including changing the pricing parameters and alternative Green Electricity options.
- 3) A final fall back is for LASER to purchase the volumes in your usual flex basket.

Mid Devon District Council
Financial Monitoring Verbal Update
2020/21 Jan / Month 10

1. General Fund

This will be the final reporting period prior to presentation of the 2020/21 Outturn Report to Cabinet in June. It has been an extraordinary year due to the impact of Covid 19. Financially the Council has suffered significant service disruption with resultant income losses. The response from Government has evolved as the crisis necessitated, with little warning, including the provision of various levels of Covid grant funding. The unpredictability has frustrated our forecasting; and this will continue, not least with the interpretation/calculation risk we have previously discussed particularly with respect to the Income Compensation Scheme.

Month 9 – Dec 20 £k	Month 10 – Dec 21 £k	Movement £k
89	46	(43)

The Month 10 reporting indicates a forecast improvement of £43k and now indicates a deficit of £46k.

The third lockdown persists as expected so income losses were already largely forecast although there have been some small adjustments. The Council continues to participate in the Job Protection Scheme with a further £74k claimed for January (YTD = £471k). The January claim largely relates to officers working in the leisure centres which remain closed. Despite the speculation, it is not certain when this lockdown may start to be relaxed but it is clear that the leisure centres will not reopen this (financial) year.

To recap MDDC has received £1,197k in non-ring fenced Covid funding (including £39k late last year); is awaiting £775k being the second submission under the Income Compensation Scheme prior to the final reconciliation for the year in May (forecast - £1.650m); and will benefit under the Collection Fund Compensation Scheme with the NDR element yet to be finalised.

The table below shows how the monthly movement breaks down between budget lines. To be concise, the table only includes service areas where the forecast has moved between December and January. For these service lines, it extracts the variance value which is funded from ear marked reserves as this will not contribute to the overall (surplus)/deficit movement.

General Fund Summary £K	Full Year Variance				M10
	M9	EMR	Bridge Other	Total	
Cllr Bob Deed					
Corporate Management	8		38	38	46
Cllr Colin Slade					
Grounds Maintenance	(78)		(3)	(3)	(81)
Waste Services	63		7	7	70
Cllr Dennis Knowles					
Environmental Services incl. Licensing	(60)		(4)	(4)	(63)
IT Services	42	(5)	(22)	(27)	14
Recreation And Sport	1,485		(2)	(2)	1,483
Cllr Andrew Moore					
Revenues And Benefits	(201)		(34)	(34)	(234)
Car Parks	535		(17)	(17)	518
Cllr Bob Evans					
General Fund Housing	38	(155)	5	(150)	(112)
Cllr Richard Chesterton					
Planning And Regeneration	246		(34)	(34)	212
Cllr Mrs Nikki Woollatt					
Legal & Democratic Services	(17)		(2)	(2)	(19)
All General Fund Services		(160)	(68)	(227)	
Interest Payable on Other Activities	(340)		(4)	(4)	(344)
Interest Receivable on Investments	(177)		(16)	(16)	(193)
Transfers into/(from) Earmarked Reserves	1,169	160	(0)	160	1,329
Total Budgeted Expenditure		0	(88)	(88)	
Covid19 Income Compensation Scheme	(1,700)		50	50	(1,650)
Total Budgeted Funding		0	50	50	
Forecast in year (Surplus) /	89	0	(38)	(38)	51

Deficit		
General Fund Reserve 31/03/20	(2,251)	(2,251)
Forecast General Fund Balance 31/03/2021	(2,162)	(2,200)

Therefore those items not funded by EMRs and which contribute to the month on month deficit movement are as follows:

- Corporate Management - £38k:
 - Officer TUPE costs - £38k
 - 3RDL professional fees - £7k
 - Other small cost savings – (£7k)
- Grounds Maintenance – Staff costs - (£3k)
- Waste Services - £7k:
 - Garden waste permit sales reduced over performance - £6k
 - Recycling income reduced under performance – (£22k)
 - Street Cleansing income re Grand Western Canal part year – £5k
 - Staff costs including agency - £28k
 - Additional Covid 19 costs (vehicle hire & PPE) – (£14k)
 - Fuel savings – £4k
- Environmental Services – licencing income reduced under performance due to Covid – (£4k)
- IT – (£22k):
 - Reduced additional maintenance costs due to delays implementing voice over Skype – (£3k)
 - Software costs - £8k
 - Salary savings – (£7k)
 - Retained consultancy to cover vacancies re technical support for R&B – (£20k)
- Recreation & Sport – (£2k):
 - Further cost centre savings due to closures – (£5k)
 - Covid 19 income losses adjustment - (£7k)
 - Salary costs – £10k
- Revenues & Benefits – (£34k):
 - Reduced agency requirement to manage Covid 19 grant administration – (£39k)
 - Other staff costs - £5k
- Car Parks – (£17k)
 - Adjustment to P&D income losses arising from Covid 19 – (£13k)
 - Adjustment to off street parking fines arising from Covid 19 – (£4k)

- General Fund Housing – Homelessness debt review and write off - £5k
- Planning and Regeneration – (£34k)
 - Development management income reduced under performance due to Covid – (£36k)
 - Development management vacancy management savings - £2k
- Legal & Democratic – Sale of electoral register – (£3k)
- Interest payable – Reduced cost of borrowing as no new loans required in 2020/21 – (£4k)
- Interest Receivable on Investments – (£16k)
 - Interest on 3RDL loan drawdowns – (£5k)
 - CCLA dividend exceeding expectations – (£11k)
- Income Compensation Scheme – adjustment to reflect reduced income loss expectations - £50k

2. HRA

	Month 9 – Dec 20 £k	Month 10 – Jan 21 £k	Movement £k
Forecast (Surplus) / Deficit	230	37	(193)

Month 10 reporting shows a forecast reduction in the deficit by £193k to £37k.

The reasons for this movement is as follows:

- Rental income reduction due to void levels increasing during the pandemic amendment – £5k
- Staff costs reduced savings (DLO & Development Team) - £35k
- Increased non staff savings in planned maintenance – (£83k)
- Reduced non staff savings in responsive and voids - £12k
- Fuel usage savings reduction - £22k
- DLO recharge (revenue and capital) under recovery improvement – (£100k)
- DFG under recovery improvement – (£20k)
- Tenancy services additional staff savings including sewage maintenance, communal roads and warden services – (£64k)

MID DEVON DISTRICT COUNCIL – NOTIFICATION OF KEY DECISIONS

April 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)
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
Regulation of Investigatory Powers To receive the annual update of Regulation of Investigatory Powers	Scrutiny Committee Community Policy Development Group Cabinet	15 Mar 2021 23 Mar 2021 8 Apr 2021	Kathryn Tebbey, Head of Legal (Monitoring Officer)	Cabinet Member for Community Well Being (Councillor Dennis Knowles)	Open
Options for Accelerating Affordable Housing Delivery in the District To consider additional governance arrangements for housing delivery	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)
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
Community Safety Action Plan To consider a report outlining the Council's Community Safety Action Plan, and to seek Members recommendation to acknowledge and accept the priorities action plan	Community Policy Development Group Cabinet	23 Mar 2021 8 Apr 2021	Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing Tel: 01884 244615		Open
Community Engagement Strategy (Including Action Plan) To receive the 2 yearly review of the Community Engagement Strategy and	Community Policy Development Group Cabinet	23 Mar 2021 8 Apr 2021	Lisa Lewis, Corporate Manager for Business Transformation and Customer Engagement Tel:	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)
Action Plan			01884 234981		
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
Crediton NHS Hub Phase 2 To consider a funding request.	Cabinet	8 Apr 2021	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Cabinet Member for Finance (Councillor Andrew Moore)	Part exempt
Exeter Town Centre Masterplan To consider a draft masterplan for public consultation	Cabinet	8 Apr 2021	Jenny Clifford, Head of Planning, Economy and Regeneration Tel: 01884 234346	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Joint Strategy for strategic planning To consider a report of the Head of Planning, Economy and Regeneration on the proposed joint strategy for strategic planning matters with East Devon, Exeter City	Cabinet	8 Apr 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)
and Teignbridge Councils.					
Cullompton Town Centre Masterplan To consider a report with regard to the stage 2 public consultation.	Cabinet	8 Apr 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	8 Apr 2021	Jenny Clifford, Head of Planning, Economy and Regeneration Tel: 01884 234346	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Cullompton Conservation Management Plan To consider a draft Cullompton Conservation Management Plan for public consultation	Cabinet	8 Apr 2021	Jenny Clifford, Head of Planning, Economy and Regeneration Tel: 01884 234346	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Cullompton Heritage Action Zone To consider a report seeking to establish decision making	Cabinet	8 Apr 2021	Jenny Clifford, Head of Planning, Economy and Regeneration Tel:	Cabinet Member for Planning and Economic Regeneration	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)
authority for the award of grants under the project			01884 234346	(Councillor Richard Chesterton)	
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 March 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
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)
EHOD Economic Development Strategy To consider a review strategy	Economy Policy Development Group Cabinet	20 May 2021 10 Jun 2021	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Tree Policy 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)	Open
Devon and Torbay Waste Strategy Management Plan To receive a report which outlines the new draft Resource and Waste Management Strategy for Devon and Torbay following public consultation.	Environment Policy Development Group Cabinet	18 May 2021 10 Jun 2021	Darren Beer, Operations Manager for Street Scene	Cabinet Member for the Environment (Councillor Colin Slade)	Open
Draft MDDC Litter Strategy To receive the MDDC Litter Strategy	Environment Policy Development Group	18 May 2021	Darren Beer, Operations Manager for Street Scene	Cabinet Member for the Environment (Councillor Colin Slade)	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	10 Jun 2021		Slade)	
Town and Parish Charter To receive the 3 yearly review of the Town and Parish Charter	Community Policy Development Group Cabinet	1 Jun 2021 10 Jun 2021	Jill May, Director of Business Improvement and Operations Tel: 01884 234381	Cabinet Member for Community Well Being (Councillor Dennis Knowles)	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
Housing Strategy	Homes Policy Development Group Cabinet	20 Jul 2021 5 Aug 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

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)
Customer Care Policy To receive the 3 yearly review of the Customer Care Policy	Community Policy Development Group Cabinet	21 Sep 2021 30 Sep 2021	Lisa Lewis, Corporate Manager for Business Transformation and Customer Engagement Tel: 01884 234981	Cabinet Member for Community Well Being (Councillor Dennis Knowles)	Open

CABINET 4 MARCH 2021

3 Rivers Developments Limited – Project Appraisal (Bampton)

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

Responsible Officers: Deputy Chief Executive – Andrew Jarrett

Reason for Report: To provide Cabinet with a business case for a development scheme at Bampton included in the company's recent Business Plan.

RECOMMENDATION: That Cabinet approves the company's business case for the Bampton development.

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 At the previous meeting of the Cabinet, the annual company business plan was approved, which included budgetary provision for the attached project. It has also been agreed at Cabinet in July 2020 that any development with an estimated build cost in excess of £1m must be brought to Cabinet for consideration. This consideration would include a detailed business case report from the company.

2.0 Business Case - Bampton

- 2.1 Attached to this report is the confidential company business case for a residential development of 9 market houses in Bampton. This overall appraisal includes estimates regarding: scheme build costs, contingency sums, sales predictions, overall project returns, risk issues, etc. As members can see from the attached report, all project costs and revenues have been produced with the benefit of assistance from professional organisations operating with local market knowledge/experience.
- 2.2 The Council's Deputy Chief Executive (S151) has reviewed the company's business case and all the attached paperwork and is assured that all estimated project costs and potential receipts have been produced to the best of the company's ability and has utilised external advice where appropriate.

3.0 Conclusion

- 3.1 Members will be aware that this project is included in the company's business plan for 2021/22.

Contact for more information: Andrew Jarrett, Deputy Chief Executive (S151)

Circulation of the report: Leadership Team and Cabinet

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

CABINET 4 MARCH 2021

3 Rivers Developments Limited - Performance Update

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

Responsible Officers: Deputy Chief Executive – Andrew Jarrett

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 6th 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 commercial 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 January 2021, which is the last full financial month of company accounting information.

Current Projects

- 2.3 The Orchard, Halberton – 4 semi-detached market houses and a barn conversion - the 4 semis are complete and 3 offers have been accepted. Work is well under way on the new barn and is estimated to be completed by the end of May 2021.
- 2.4 St Georges Court, Tiverton – 39 market flats/houses – work is ongoing, with the main podium deck now completed. Estimated completion of the whole project is planned for March 2022.

Rental properties

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

Future Schemes

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

Financial Overview

- 2.7 No sales have been made since the last update. However, the company has now accepted 3 offers on the Halberton project. It is anticipated the final unit will be sold before the end of March.

Project and Company Risk Analysis

- 2.8 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:

- As the new Finance Director is now in post and registered with the company formally at Companies House the previous Director has now officially resigned from the Company.
- The two Cabinet ambassadors continue to hold detailed monthly progress meetings on all aspects of company activities.
- Work on the revised Shareholder agreement is still progressing and nearing a point at which it can be reviewed by Cabinet. We have received feedback/comments from 3Rivers for consideration, but further feedback has been invited. The articles of association will need to be refreshed in line with the revised shareholder agreement to bring forward as a complete package. Work is now underway on that document.

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 At the previous Cabinet meeting the company's Business Plan was approved which includes a wide range of mixed projects that should see increased delivery of housing units, which in turn will result in further financial benefit to the Council during 2021/22 and onwards.

Contact for more information: Andrew Jarrett, Deputy Chief Executive
(ajarrett@midddevon.gov.uk)

Circulation of the report: Leadership Team and Cabinet

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank