

Public Document Pack

Mid Devon District Council

Cabinet

Tuesday, 1 February 2022 at 10.00 am
Phoenix Chamber, Phoenix House, Tiverton

Next ordinary meeting
Tuesday, 8 March 2022 at 10.00 am

PLEASE NOTE: - this meeting will take place at Phoenix House and members of the Public and Press are encouraged to attend via Zoom wherever possible. The Protocol for Hybrid Meetings explains how this will work. Please do not attend Phoenix House without contacting the committee clerk in advance, in order that numbers of people can be appropriately managed in physical meeting rooms.

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Membership

Cllr R M Deed

Cllr R J Chesterton

Cllr Mrs C P Daw

Cllr R Evans

Cllr D J Knowles

Cllr B A Moore

Cllr C R Slade

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. **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
3. **Declarations of Interest under the Code of Conduct**
To record any interests on agenda matters.
4. **Minutes of the Previous Meeting** *(Pages 7 - 18)*
To consider whether to approve the minutes as a correct record of the meeting held on 4 January 2022.
5. **Budget Options for Climate Investment** *(Pages 19 - 28)*
Following a report of the Climate and Sustainability Specialist, the Environment Policy Development Group has made the following recommendation; that the potential additional budget requirements linked to the climate investment opportunities set out in Annex 1 and 2 of this report be considered.
6. **Bereavement Services Fees and Charges** *(Pages 29 - 42)*
Following a report of the Corporate Manager for Property, Leisure and Climate Change, the Environment Policy Development Group has made the following recommendation: that the proposed charges for 2022-2023 as set out in Table A be approved.
7. **Waste and Recycling Options** *(Pages 43 - 66)*
Following a report of the Operations Manager for Street Scene and Open Spaces, the Environment Policy Development Group has made the following recommendation: that Option 2 be approved subject to Cabinet considering alternative solutions for residual waste for properties where wheeled bins might not be an option.
8. **MDDC Litter Strategy** *(Pages 67 - 84)*
Following consideration of a report of the Operations Manager for Street Scene and Open Spaces, the Environment Policy Development Group has made the following recommendation: that the Mid Devon District Council Litter Strategy in Appendix 1 be adopted.
9. **The Tenant Involvement and Empowerment Standard Policy** *(Pages 85 - 124)*
Following a report of the Operations Manager for Housing Services, the Homes Policy Development Group has made the following recommendation: that the draft Tenant Involvement and Empowerment

Standard policy be approved.

10. **Cullompton Town Centre Relief Road Project** *(Pages 125 - 128)*
To consider a report of the Director of Place presenting a recommendation to utilise a further tranche of the Housing Infrastructure Fund (HIF) monies to facilitate the progression of technical work relating to the Cullompton Town Centre Relief Road (CTCRR) over the next 12 months. This will support ongoing work and discussions to identify and secure funding to enable the delivery of the relief road and minimise the overall impact on programme (slippage) to the project.

The General Exception Clause has been used for this item (the lack of 28 days notice in the Forward Plan) as outlined in the Constitution.
11. **National Non Domestic Rates** *(Pages 129 - 134)*
To consider a report of the Deputy Chief Executive (S151) providing Members with an update of the income generation and financial implications of the number of Business Rate properties in Mid Devon and to approve the NNDR1 (estimated income to be generated in 2022/23 from business rates). This will ensure that the Council meets its statutory deadline for notifying Precepting Authorities and the Government by 31 January 2022 of their appropriate shares in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013, following approval by Council.
12. **Financial Monitoring**
To receive a verbal report from the Deputy Chief Executive (S151) presenting a financial update in respect of the income and expenditure so far in the year.
13. **Capital Strategy** *(Pages 135 - 148)*
To consider a report of the Deputy Chief Executive (S151) proposing the Capital Strategy for 2002/23.
14. **Treasury Management Strategy 2022/23** *(Pages 149 - 180)*
To consider a report of the Deputy Chief Executive (S151) outlining the proposed Treasury Management Strategy and Annual Investment Strategy for 2022/23.
15. **Capital Programme** *(Pages 181 - 198)*
To consider a report of the Deputy Chief Executive (S151) seeking approval of the 2022/23 Capital Programme and noting the draft 2023/24, 2024/25, 2025/26 and 2026/27 programmes.
16. **Budget** *(Pages 199 - 228)*
To consider a report of the Deputy Chief Executive (S151) report providing the budget proposals for the General Fund and the Housing Revenue Account for the year 2022/23 and recommending the Band D Council Tax charge for 2022/23.

*The Policy Development Groups have considered the budget and the **Economy Policy Development Group** has made the following recommendation:*

- a) Consideration be given to development on car parks and other land assets such as market housing and modular housing in order to better utilise Council assets and maximise income.*
- b) The Council maximise the opportunities presented by motorway junctions development to allow for further business growth opportunities.*

*The **Homes Policy Development Group** has made two recommendations:*

Housing Revenue Account: *that the rent increase proposed and other budget proposals for 2022/23 be approved (Report attached).*

Budget – *that a formal marketing campaign on the Piper Alarm System within the Private Sector is undertaken, in particular in areas where there were large numbers of retired electors but also to notify all tenants of the facility as well.*

- 17. **Policy Framework** (Pages 229 - 242)
To consider a report of the Chief Executive with regard to the Policy Framework and requesting that it is recommended to Council.
- 18. **Pay Policy** (Pages 243 - 264)
To consider a report of the Corporate Manager for People, Governance and Waste complying with the legislative requirements of the Localism Act 2011 relating to senior pay in particular the role of the Chief Executive, Directors and other senior officers.
- 19. **Establishment** (Pages 265 - 274)
To consider a report of the Corporate Manager for People, Governance and Waste providing Members with an update on both the establishment of the council together with its performance.
- 20. **Performance and Risk** (Pages 275 - 324)
To consider 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.
- 21. **Update from the Cabinet Member for Continuous Improvement**
To receive a verbal update from the Cabinet Member on the progress in driving improvement in services across the Council.
- 22. **Notification of Key Decisions** (Pages 325 - 334)
To note the contents of the Forward Plan.

23. **3 Rivers Development Limited - Update** (Pages 335 - 372)
To receive an update from the Deputy Chief Executive (S151).

Stephen Walford
Chief Executive
Monday, 24 January 2022

Covid-19 and meetings

From 7 May 2021, the law requires all councils to hold formal meetings in person. However, the Council is also required to follow government guidance about safety during the pandemic. The Council will enable all people to continue to participate in meetings via Zoom.

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<https://democracy.middevon.gov.uk/documents/s23135/MeetingProtocolUpdateOct2021nextreviewFeb2022.pdf>

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.

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E-Mail: sgabriel@middevon.gov.uk

Public Wi-Fi is available in all meeting rooms.

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MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **CABINET** held on 4 January 2022 at 10.00 am

Present

Councillors

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

Also Present

Councillor(s)

G Barnell, L J Cruwys, R J Dolley, B Holdman and
B G J Warren

Also Present

Officer(s):

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Karen Trickey (District Solicitor and Monitoring Officer), Richard Marsh (Director of Place), Andrew Busby (Corporate Manager for Property, Leisure and Climate Change), Simon Newcombe (Corporate Manager for Public Health, Regulation and Housing), Paul Deal (Corporate Manager for Finance), John Bodley-Scott (Economic Development Team Leader), Fiona Wilkinson (Operations Manager for Revenues Benefits & Recovery), Tristan Peat (Forward Planning Team Leader), Arron Beecham (Principal Housing Enabling & Forward Planning Officer), Isabel Cordwell (Forward Planning Officer), Catherine Yandle (Operations Manager for Performance, Governance and Health & Safety), Poie Li (Forward Planning Officer), Mojca Sonjak (Forward Planning Assistant), Greg Venn (Conservation Officer), Jessica Watts (Member Services Apprentice) and Sally Gabriel (Member Services Manager)

112. APOLOGIES (00-03-18)

There were no apologies for absence.

113. PUBLIC QUESTION TIME (00-03-23)

Mr Elstone referring to Item 15 (Modular Build Schemes) on the agenda asked:

1. Have MDDC Officers conducted their own and a comprehensive due diligence check on ZED PODS LTD or have they been solely reliant on South West Procurement Alliance (SWPA) to do so.
2. Why are MDDC Officers not being open and transparent about the Zed Pods contract cost? This when other Councils issuing contracts to Zed Pods have been.

Namely Bristol City – Contract Value £1,409,212 for 11 modular units and Bromley Council Contract Value £3,583,000 for 25 modular units have.

The Chairman then read questions from Hannah Kearns referring to Item 8 (Local Plan) and Item 15 (Modular Build Schemes):

What is the purpose of developing these plans, if commercially aggressive housing developers are able to totally overturn them without, what would appear to be, much resistance from Planning Officers?

This MDDC Planning Officer was clearly unhappy about the housing developers plans to turn the intended garden village into nothing other than a tightly packed housing estate, a blot on the landscape, a carbuncle.

What, if anything, will the MDDC Director of Place, and the Cabinet Member for Planning, be prepared to do to investigate why this has been allowed to happen with a view to implementing urgent remedial actions prior to the relevant Planning Application returning to Committee on the 19th January 2022?

With regard to the Modular Homes Item - she referred to page 442 of the Cabinet papers which stated that *"Each site comprises redundant garaging. All of which is in the ownership of the Councils HRA Fund"* concerning the garages at both St Andrews Estate, Cullompton and Shapland Place, Tiverton asking in response to her view that whether the relevant Member could respond to her view that "Given the actual status of the garages as listed above, the statement appears to be seriously misleading at best, and at worst one which throws the integrity of the whole process into question. It certainly does seem to indicate the possibility that the MDDC Officers, and others, are effectively predetermining the relevant Planning Applications.

The Chairman indicated that answers to questions would be provided when the item was debated.

114. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (00-13-56)

Members made the following declarations:

Councillor	Item	Interest
Mrs N Woollatt	10 - Cullompton Conservation Area Management Plan	Personal interest as she lived in the Conservation Area and was a member of the Leat Conservancy Board
D J Knowles	7 – Strategic Grants	Personal interest as a member of the Museum and Involve.
C R Slade	7 - Strategic Grants	Personal interest as a Member of the Grand

		Western Canal Joint Advisory Committee and Involve.
B A Moore	7 – Strategic Grants	Personal interest as the Mid Devon representative on Involve

115. MINUTES OF THE PREVIOUS MEETING (00-15-34)

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

116. CUSTOMER CARE POLICY (00-16-07)

Following a report of the Corporate Manager for Digital Transformation and Customer Engagement, the Community Policy Development Group was recommending to Cabinet that the revised Customer Care Policy and Standards be approved.

The Cabinet Member for the Working Environment and Support Services outlined the contents of the report stating that this was a periodic review with no significant changes and that the Customer Care Standards had been presented as a separate document.

Consideration was given to the fact that customers approach Members and whether training for Members would be provided. The Cabinet Member highlighted a recent survey sent to Members which requested information with regard to member training.

RESOLVED that the revised Customer Care Policy and Standards Policy be approved.

(Proposed by Cllr Mrs N Woollatt and seconded by Cllr C R Slade)

Reason for the decision – There is a need to adopt a customer care standard.

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

117. COMPLAINTS POLICY (00-19-10)

The Cabinet had before it a *report of the Corporate Manager for Digital Transformation and Customer Engagement, requesting approval of the Complaints and Feedback Policy.

The Cabinet Member for the Working Environment and Support Services outlined the contents of the report stating that the policy has been updated to reflect structural changes and additional guidance.

RESOLVED that the content of the reviewed Complaints and Feedback Policy be approved

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

Reason for the decision – There is a need to have such a policy in place to deal with any issues that arise.

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

118. **STRATEGIC GRANTS AND SERVICE LEVEL AGREEMENT (00-20-25)**

Following a report of the Director of Place, the Community Policy Development Group was recommending to Cabinet that:

1. The total Strategic Grants budget to remain at £138,500 for a period of 2 years, and that individual awards to Strategic Partners to remain at the 2020-2021 levels for this period.
2. The level of grant awards to individual partners for 2022-23 and 2023-24 were therefore recommended as:

Organisation	Award 2021-2022 (£)	Award 2022-2023 (£)	Award 2023-2024 (£)
CHAT	12,500	12,500	12,500
Citizen's Advice	15,500	15,500	15,500
INVOLVE	12,000	12,000	12,000
Mid Devon Mobility	22,000	22,000	22,000
Grand Western Canal	45,000	45,000	45,000
Tiverton Museum	27,500	27,500	27,500
TIS	4,000	4,000	4,000
Total	£138,500	£138,500	£138,500

The Cabinet Member for Community Well-Being outlined the contents of the report stating that the budget allocation for strategic grants for the 2021/22 financial year was £138,500 and that the funding available for the 2022/23 and subsequent years was dependant on the Council's budget setting process. The allocation of grants provided support to external agencies (as set out above) delivering services that advanced the Council's Homes, Community and Economic priorities.

He detailed the work of the working group that had considered the grants and the findings that had been reported.

Consideration was given to:

- The good news that levels of grant funding remained the same; and
- Whether capital grants should be considered
- In response to the latter point, the meeting was informed that the organisations usually linked into other funding streams for capital funding and that the grants provided by the Local Authority were for revenue expenditure.

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

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

Reason for the decision – There was a need to agree the grant funding prior to the approval of the budget for 2022/23

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

119. **NEW LOCAL PLAN – ISSUES CONSULTATION PAPER (00-33-10)**

The Cabinet had before it a *report of the Director of Place requesting approval of the Issues Paper for consultation.

The Cabinet Member for Planning and Economic Regeneration outlined the contents of the report.

He outlined the work of the Planning Policy Advisory Group and the responses that would be invited to the questions included in the Issues paper. The Cabinet was required to approve the issues paper for public consultation together with supporting documents.

At this point he referred to questions posed in Public Question Time:

- Masterplans were developed for a variety of reasons – to guide development, to become formal planning policy, to guide strategic actions on behalf of an Authority or as a combination of these. As such, Masterplans were a valuable and useful tool for local authorities in supporting the progression of strategic development.
- In this case, a Masterplan was developed for the Tiverton EUE scheme and was subsequently adopted by the Local Authority. The document provided principles for development and was a guidance document – the detail of a scheme always developed over time as specific issues were debated and as the wider policy context develops. This has been the case with Tiverton EUE.
- Some elements of the Tiverton EUE scheme have already been constructed and others are now progressing through the planning system – including the Redrow scheme
- The Redrow scheme already benefits from an outline planning permission which establishes the principle of development and deals with key aspects relating to the scheme. The reserved matters application will come before the planning committee again on the 19 January and it will be for the committee to consider and determine the application in line with the relevant policy documents and considering the officer's recommendation, at that time, as is right and proper.
- The new Local Plan for Mid Devon will have regard to the current NPPF which introduces the use of design codes alongside design guides, and in relation to the National Design Guide and National Model Design Code. This will therefore allow us to have further consideration to design matters, moving forwards.

Consideration was given to:

- The period of consultation and whether this should be increased to a minimum of 8 weeks;
- Whether a bite sized document could be created for the parishes and the general public;
- Priority 5 – improving our health and well-being;
- Junction 27 and whether the statement within the document was accurate and discussions that were taking place with regard to this site;
- Whether the Local Plan policies were being followed by developers;
- General exception sites and how the NPPF was followed;
- The fact that the Local Authority was working in line with the current Local Plan; and
- The need for the consultation document to stimulate responses.

RESOLVED that:

1. The Plan Mid Devon Issues Paper (Appendix 1), its Sustainability Appraisal Scoping Report (Appendix 2) and Equalities Impact Assessment Screening Report (Appendix 3) be approved for public consultation for a minimum period of 8 weeks.
2. Delegated authority be given to the Director of Place (in consultation with the Cabinet Member for Planning and Economic Regeneration) to make such further minor changes to the Issue Paper as he considers appropriate prior to the consultation.

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

Reason for the decision – the Council is required to review its Local Plan at least every 5 years.

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

120. **LOCAL DEVELOPMENT SCHEME (1-20-24)**

The Cabinet had before it a *report of the Director of Place updating the Local Development Scheme and providing an updated timetable for the production of a new Local Plan for Mid Devon.

The Cabinet Member for Planning and Economic Regeneration outlined the contents of the report stating that there was a legal requirement for the Council to prepare and maintain a Local Development Scheme for the district.

He explained that the Local Development Scheme was a project plan for the preparation of local development documents, in this case the preparation of a new Local Plan for Mid Devon. The current scheme was approved by the Cabinet in February 2021 at the same time as approval was given for officers to commence the preparation of a new Local Plan. Since those decisions, good progress had been made by officers, including the gathering of technical evidence and surveys, and also the completion of a draft Issues Paper for the new Local Plan.

He added that a number of changes were now needed to the scheme to bring it up to date and comply with legal requirements. He identified the changes to the scheme outlined in the report

RESOLVED that the revised Local Development Scheme be approved for the period from 12 January 2022.

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

Reason for the decision – an updated Local Development Scheme is required under Section 15 of the Planning and Compulsory Purchase Act 2004

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

121. **THE CULLOMPTON CONSERVATION AREA MANAGEMENT PLAN (1-23-20)**

The Cabinet had before it a *report of the Director of Place with regard to the Amended Draft Cullompton Conservation Area Assessment and Management Plan (CAMP) and requesting a recommendation to Full Council for adoption.

The Cabinet Member for Planning and Economic Regeneration outlined the contents of the report stating that the consultation period for the CAMP took place between June and August 2021; responses to the consultation was available within the appendices of the report and that overall, responses had been positive. The proposed changes to the CAMP were also outlined within the appendices with a draft management plan for approval by Council.

Consideration was given to:

- The interesting document that had been provided and that officers should be commended;
- The general principles which would fit into an action plan; and
- The impact on the Conservation Area of road traffic

RECOMMENDED to Council that: The draft Cullompton Conservation Area Assessment and Management Plan including proposed alterations to the extent of the Cullompton Conservation Area be approved.

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

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

122. **FORMATION OF A TECKAL COMPANY (1-29-43)**

The Cabinet had before it a * report of the Deputy Chief Executive (S151) considering the need to create a Teckal company.

The Cabinet Member for Housing and Property Services outlined the contents of the report stating that there was a need to take account of the development issues at this time, the White Paper from Government was awaited, the Right to Buy was being reconsidered and that the Local Government Association was requesting further

reconsideration of the issue. He highlighted the issues as set out within paragraph 3.3 of the report.

Consideration was given to the future stability of 3 Rivers Developments Limited and the need for a portfolio of development sites, the need to consider Right to Buy and whether the Council had the resource to sustain its own housing strategy

It was therefore:

Noted that at this point in time, there was no need to pursue the creation of a Teckal company to deliver the Council's objectives as per the issues and current landscape referred to in paragraph 3.3 of the report.

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

123. **TAX BASE CALCULATION (1-35-47)**

The Cabinet had before it a *report of the Deputy Chief Executive (S151) detailing the statutory calculations necessary to determine the Tax Base for the Council Tax.

The Cabinet Member for Finance outlined the contents of the report stating that this was an annual calculation to determine the tax base forecast.

Consideration was given to long term empty properties and whether the tax increase mentioned was the maximum that could be considered – it was confirmed that this was the legislative maximum.

RECOMMENDED to Council:

1. That the calculation of the Council's Tax Base for 2022/23 be approved in accordance with The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 at **29,811.41** an increase of circa 1,217 Band D equivalent properties from the previous financial year; The increase is in the main due to a greater percentage collection than forecast in the previous year, and a reduction in forecasted CTR burden.
2. That the current collection rate of 96% be increased to 97.5% detailed in paragraph 2.

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

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

124. **2022/23 BUDGET UPDATE REPORT (1-38-14)**

The Cabinet had before it a *report of the Deputy Chief Executive (S151) reviewing the revised draft budget changes identified and discussing further changes required in order for the Council to move towards a balanced budget for 2022/23.

The Cabinet Member for Finance outlined the contents of the report stating that the draft budget deficit for 2022/23 had increased to £1.427m and he outlined the main reasons for this as stated within the report. He outlined the Government settlement

that had been notified just prior to Christmas and that there was a need to consider options to reach a balanced budget position. Member engagement was required and he hoped that the Policy Development Groups would be able to consider the options and provide feedback.

Consideration was given to:

- The reduced income from investments, particularly due to slippage in 3 Rivers and the projects that had been delayed
- The Post Hill project would be funded via the Housing Revenue Account to provide in stages 70 units of affordable and social housing mix
- The complexity of void properties

Therefore, the updated budget proposals for 2022/23 for the General Fund, Capital Programme and Housing Revenue Account were noted and it was considered that the proposals should be circulated to the Policy Development Groups for further input prior to a final recommendation regarding 2022/23 budget being made to Cabinet and subsequently by Cabinet to Council.

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

125. FINANCIAL MONITORING (1-50-59)

The Deputy Chief Executive (S151) informed the meeting that the revenue position had improved by £200k with the receipt of the revenue from the sale of the Harlequin Valet in Cullompton. Some revenue streams were not bouncing back, that of leisure and car parks and that the income protection received for Local Government was no longer available. He also stated that the Council was now in receipt of a draft Government settlement.

126. MODULAR BUILD SCHEMES, ST ANDREWS ESTATE, CULLOMPTON AND SHAPLAND PLACE, TIVERTON - PHASE 2 CONTRACTS (1-54-08)

The Cabinet had before it a * report of the Corporate Manager for Public Health, Regulation and Housing explaining that following the pending completion of Phase 1 design and planning contracts for the construction of 14 Council properties, using a direct award framework, consideration is required for the Phase 2 construction and installation contract for each scheme.

The Cabinet Member for Housing and Property Services provided a response to questions raised in Public Question Time: With regard to whether officers had conducted their own and comprehensive due diligence check on Zed Pods Limited: He replied that the Council confirmed that as usual, in the course of the procurement process, relevant checks were made of companies which were successfully appointed to the panel of suppliers and of the recommended contractors.

Supplier due diligence was just part of the consideration. Once this had been satisfied then there were technical, quality and value for money strands to the SWPA tender evaluation and award process. Further information on the external, independent accreditation of the build quality of these proposals was provided in

Section 3 of the report alongside additional information on the environmental and sustainability credentials of the proposed schemes as set out in Annex B.

With regard to why MDDC officers were not being open and transparent about the contract costs he replied that: the Council determines whether or not matters are publicly available in accordance with the law. This included provision to protect commercial sensitive information.

In response to the questions from Hannah Kearns: the cabinet Member replied that:

- The statement in page 442 of the papers referred to the redundancy of each site in the widest context. Whilst it was acknowledged that the occupancy of the garages at St Andrew's was higher than the exceptionally low usage at Shapland Place, in bringing those sites forward for redevelopment the Council had taken into account several other asset management and cost considerations; these include the cost of modernisation and repairs, the presence of asbestos containing materials at each site and requirements for new surfacing and drainage improvements balanced against a low overall garage rent income and demand.
- All the garage tenants signed-up to a rental agreement that set out a notice period and terms for both parties. I can confirm all appropriate notice was given by the Council as required. As part of this process we would also have provided additional information if desired on other garages still available for affordable rent within the town.
- In essence, what the Council is seeking to do at these locations is to replace limited life-span, low value assets with much higher value long-term properties that will provide an increased rental income and, most importantly, provide much needed additional social housing at for each town.

He then outlined the contents of the report stating that the project had been welcomed by the previous administration and that the authority was now in a position to move the project forward with the award winning Zed Pod company providing excellent designed and carbon neutral properties. The company had been accredited by other local authorities and the public had applauded the schemes.

Consideration was given to:

- Both sites would be for social rent and would be held for secure tenure allocations through the Devon Home Choice system including for those tenants with adapted property needs;
- Checks and balances had been undertaken ;
- The access to Shapland Close had been agreed;
- The versatile project would deliver social housing for residents of Mid Devon;
- Payment terms;
- Whether a local approach was required with a local competitive process;
- The other company that had been considered and the fact that they could not deliver at this stage.

RESOLVED that:

1. Subject to planning permission being granted for the proposed social rented housing development at St Andrews Estate Cullompton and Shapland Place Tiverton:
 - (a) Zed Pods Limited's bid for the Phase 2 works be accepted; and
 - (b) the St Andrews development include an in-house managed and community based competition for public artwork.
2. Delegated authority be granted to the S151 Officer (in consultation with the Deputy Leader and Cabinet Member for Housing and Property Services) to complete the associated Phase 2 contracts.

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

Reason for the decision – the homes will support the delivery of specific objectives in the Housing Strategy 2021-25.

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

127. INFORMATION SECURITY AND INFORMATION SECURITY INCIDENT POLICIES (2-15-48)

The Cabinet had before it a *report of the Operations Manager for Performance, Governance and Health & Safety updating the existing policies to reflect current job roles and best practice.

The Cabinet Member for Community Well-Being outlined the contents of the report stating that the policies were last reviewed after the data protection requirements were brought into force in 2018, the review of the policies was to update the existing and to reflect on current job roles and best practice.

RESOLVED that the revised Information Security and Information Security Incident Policies be approved.

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

Reason for the decision – there was a need to comply with the Data Protection Act 2018.

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

128. NOTIFICATION OF KEY DECISIONS (2-15-48)

The Cabinet had before it and noted it's *rolling plan for January/February 2022 containing future key decisions.

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

(The meeting ended at 12.20 pm)

CHAIRMAN

ENVIRONMENT POLICY DEVELOPMENT GROUP

11 JANUARY 2022

REPORT – BUDGET OPTIONS FOR CLIMATE AND SUSTAINABILITY INVESTMENT

Cabinet Member(s): Cllr C R Slade - Cabinet Member for the Environment and Climate Change.

Responsible Officer(s): Andrew Busby - Corporate Manager Property, Leisure & Climate Change.
Jason Ball, Climate and Sustainability Specialist.

Reason for Report: Cllr Josh Wright, as Chairperson of the Environment Policy Development Group, requested a briefing about selected budget item proposals that might be prioritised, to help move ahead with the Council's Climate Action Plan (CAP).

Recommendation: The Environment PDG recommends to Cabinet, the potential additional budget requirements linked to some or all of the climate investment opportunities within this report.

Financial Implications: The financial implications associated with this report are the overall costs of the Climate and Sustainability Programme. The items considered in this report may impact on budgets specifically linked to the Council's Corporate Plan, Climate Strategy and Climate Action Plan.

Budget and Policy Framework: Budgets specifically linked to the Council's Corporate Plan, Climate Strategy and Climate Action Plan.

Legal Implications: Full Council declared a Climate Emergency in June 2019 and as part of that commitment, the Council is to produce a carbon footprint in line with Environmental Reporting Guidelines published by HM Government. With regard to the Climate Emergency, the Environment Policy Development Group (PDG) is the initial owner of this policy activity and considers how best to determine the Council's own policy response(s) such as may then be subsequently recommended to Cabinet and Council. [Link to declaration decision](#).

Risk Assessment: Progress on Performance Indicators (PI) is provided separately on the regular Performance and Risk Reports. There are 2 main risks (to the Council): 1) that the Council does not take sufficient actions to enable it to meet its Climate Emergency declaration ambitions; and 2) that the financial implications of Climate Change are not adequately measured and reflected in the Council's decision making.

Equality Impact Assessment: There are no equality impact assessment implications associated with this report. Any actions taken will be subject to individual assessment.

Relationship to Corporate Plan: Please refer to **Annex A** of the main Climate Change update report, for Corporate Plan Aims (Table 1) and Climate Strategy priorities (Table 2). Link to [Appendix A](#).

Impact on Climate Change: The role of the Climate and Sustainability Specialist in support of the corporate officer team is central to the Council's Climate and Sustainability Programme by actions such as the development of strategic positions and delivery of projects through internal, community and partnership work.

1.0 Introduction / Background





- 1.1. Cllr Josh Wright, as Chairperson of the Environment Policy Development Group, and further to the last Net Zero Advisory Group (NZAG) meeting 07 December 2021, requested a briefing about selected budget item proposals that might be prioritised, to help move ahead with the Council's Climate Action Plan (CAP).
- 1.2. This paper presents outline proposals / potential actions to address climate change and sustainability. These are divided as follows: Table 1 - Actions. Table 2 - Preparation Work.
- 1.3. Numerous proposals arise as part of the ongoing Climate Action Plan development process, whereby officers devise and identify ways to reduce the Council's carbon footprint and support the wider Climate and Sustainability Programme. Officers estimate and research the potential costs and carbon savings for each activity or project in the CAP to enable subsequent prioritisation, fundraising and implementation.
- 1.4. Certain types of budget proposal were excluded:
 - 1.4.1. Proposals already subject to a Cabinet or Full Council decision.
 - 1.4.2. Actions expected to happen anyway, e.g. actions that managers / budget holders already plan to implement.
 - 1.4.3. Projects for the Housing Revenue Account (HRA) which already has an established funding mechanism.

2.0 Context and guidance notes

- 2.1. Notes herein are intended as guidance only, and do not constitute technical or legal advice.
- 2.2. Capital versus Revenue.
 - 2.2.1. If the costs (consultancy or officer time) are directly attributable to a Capital project they can be capitalised as long as the project goes ahead. If the project is ceased, those costs incurred will be charged back to Revenue. Those costs would need to be demonstrably attributable to specific projects.
- 2.3. Keynotes
 - All figures are estimates.
 - All items are listed on the Climate Action Plan.
 - Capital items on the Medium Term Financial Plan (MTFP) are noted.
- 2.4. Abbreviations
 - A tonne of carbon dioxide equivalent = tCO₂e.

- Climate Change impact (CC impact) is noted as tCO₂e saved annually.

2.5. Red / Amber / Green colour codes

- Red  = Problematic but worth considering for future. Less cost-effective.
- Amber  = Potentially cost-effective. Reliant on e.g. partnerships, additional support or external funds.
- Green  = Recommended, affordable and can be done soon.
- also: Grey  = Estimates unavailable.

2.6. Format

2.6.1. Each item has estimates of cost, the climate change impact (how much it reduces our Carbon Footprint annually, measured in tonnes of Carbon Dioxide equivalent, noted as tCO₂e annual), and the cost-effectiveness (the relative cost to achieve that impact, noted as £/tCO₂e annual).

2.6.2. *An example:* Half the electricity supply to Council facilities is now renewable power. During 2022, the Corporate Manager for Property, Leisure and Climate Change will procure 100% renewable power for the second half.

- The impact to our Carbon Footprint will be around 256 tCO₂e per year.
- The estimated additional cost is £10k per year.
- Relative estimated cost (£/tCO₂e annual) is very low, at £374 per tonne.

2.7. How are opportunities identified?

2.7.1. Opportunities identify the potential for corporate or community benefit.

2.7.2. Corporate opportunities:

- take us towards our Net Zero 2030 goal
- present ways to invest in cutting our Carbon Footprint
- present ways to invest in corporate capacity and skills
- align with our Climate Strategy
- align with Council priorities e.g. waste reduction, biodiversity gain

2.7.3. Community opportunities:

- present benefit or interest for communities
- present co-benefits in other areas e.g. Community, Homes, Economy
- align with our Climate Strategy
- align with Council priorities e.g. waste reduction, biodiversity gain

2.8. Capacity to achieve priority actions

- 2.8.1. The Council continuously identifies and applies for additional external funding to enable investments. Failure to attract sufficient funding could result in withdrawal of the proposal.
- 2.8.2. None of the measures herein relate to the Council's [Strategic Grants](#).
- 2.8.3. Currently we have major funding bids of approximately £2m for HRA, plus £3m for the Exe Valley and Lords Meadow leisure centres to decarbonise heating etc. This is in addition to the £310k already received from Salix as awarded under the Public Sector Decarbonisation Scheme.
- 2.8.4. Within the existing Climate Change PS950 cost centre, for 2022-2023 there is £74k allocated (indicative).
- 2.8.5. Proposed budgetary provision in order to meet the Council's Carbon Pledge by 2030 is outlined within the *Budget Options to address Carbon Zero Target* (a work in progress, covering 2022/2023 to 2026/2027) there is a £50k annual uplift in Revenue Budget Options and £89,045,000 in Capital Programme Options (around £15m to £20m per year) including HRA and IT investment.
- 2.8.6. Finance will take a paper to all PDG committees in January (based on the report to [04 January 2022 Cabinet](#)) to update on the budget position and prompt a discussion on identifying further budget savings options to be recommended to Cabinet.

2.9. Typical constraints or considerations

- 2.9.1. Whether an action can go ahead depends on a number of factors. When work is already budgeted for, in current and future budget cycles, it is usually straightforward to carry out. Less straightforward situations affect implementation:
- When there is no allocated budget, officers must seek additional internal or external funding.
 - Officers might need Committees to endorse project / activity decisions.
 - External funding sources available to support sustainability challenges are often highly constrained, centralised and competitive. Therefore not always predictably accessible.
 - We might not always have the ability or capacity to achieve certain proposals e.g. they might require transformational change, technological solutions, training, external partners / expertise, or new policy to enable a project or new procedure to go live.

2.10. Ways to decide priorities and recommendations

2.10.1. Should we focus on cost, or on carbon reduction?

- The size of the annual carbon reduction (tonnes of CO₂ equivalent) and relative costs (cost per tonne) are key to *prioritising opportunities* by their impact and cost-effectiveness.

2.10.2. How will this discussion help? What happens next?

- Net Zero Advisory Group views will be noted for the purpose of further discussions by The Environment Policy Development Group.

- The Environment Policy Development Group will make recommendations as a way to steer the Council's priorities.
- Once the Council or Cabinet has selected an opportunity as a priority action, the current budget limits will dictate whether expenditure can be implemented.
- External expertise may be valuable to enable detailed assessment or design.
- Cabinet or Council could delegate to officers and Portfolio Holders to make a specific, detailed decision on how to achieve a particular project.
- Procurement decisions are consistently led by best value.

3.0 Challenges

- 3.1. Challenges to achieving climate action plans highlight the need for a creative, broad and bold approach. The Climate Change Committee (CCC) advising the UK Government has noted that strategies such as the Net Zero Strategy are well aligned with national targets, but gaps and uncertainties remain e.g. the funding frameworks necessary to realise them.¹

4.0 Caveats

- 4.1. Savings and Costs are all based on estimates.
- 4.2. All opportunities discussed above are subject to acceptable Business Case / Financial Appraisal.
- 4.3. Being listed on the Climate Action Plan *does not mean* an action has approval.
- 4.4. Being listed on the Climate Action Plan *does not mean* an action has budget allocated. (Officers must note on the Climate Action Plan whether additional funding is required.)

Contact for more Information: Andrew Busby - Corporate Manager Property, Leisure and Climate Change: Email ABusby@MidDevon.gov.uk Tel: 01884 255255.
Jason Ball - Climate and Sustainability Specialist: Email: JBall@MidDevon.gov.uk Tel: 01884 255255.

Circulation of the Report: Cabinet Member for the Environment and Climate Change, Leadership Team.

List of Background Papers:

Please refer to Appendix A for the latest climate change and sustainability report.

¹ www.theccc.org.uk/2021/10/26/governments-net-zero-strategy-is-a-major-step-forward-ccc-says/

Table 1 - Actions

	Description (Actions are split by work stream.)	Costs & Subtotal (up to 2030)	On the Capital MTFP?
	Housing, Energy and Assets		
A1 amber	2022-2024. MDDC commercial rental property, 3 steps: insulate flat roof when replaced £60k; solar PV £80k; energy ratings review / action plan £100k. CC impact: 100 tCO ₂ e per year. Cost of impact (£/tCO ₂ e annual): £2,400.	Capital. Subtotal: £240k. Revenue/Resource: in-house projects officer.	No.
A2 green	2022-2025. Allocate a budget for planting and aftercare of new trees on the MDDC estate. CC impact. Negligible. (Challenge: explore the potential to bank our carbon capture via trees etc.)	£5k for 4 years. Subtotal: £20k. Revenue/Resource: in-house Open Spaces Officer.	No
A3 amber	2022-2030. MDDC estate. Nature recovery and biodiversity engagement project. (See A6, A7, A8.) CC impact. Negligible.	£3k x 8 years. Subtotal: £24k. Revenue/Resource: in-house specialist and support officer.	No
	Transport		
A4 amber	2022-2030. Allocate budget to invest in adopting Electric Vehicles (EV) or other green transport solutions onto the Council fleet. a. Revenue. £8k-£10k/year depending on deals. b. Capital. Purchase fast chargers. CC impact = 2.5 tCO ₂ e annual per small van (at 8k mileage) if charged on renewable electricity. Cost of impact (£/tCO ₂ e annual): £3,400 for the first wave of small van replacements. This provides an indicative value baseline for future comparison. Possible alternative: order diesel replacements and invest the budget in woodland carbon offsets?	Subtotal: £80k. Costs to be advised with each round of replacements, and considered by Operations Managers on a case-by-case basis. Revenue/Resource: in-house transport officers; hire and maintenance fees.	No
A5 green	2025. Upgrade vehicle live monitoring system. Benefits include fault alerts, data on driver efficiency, costings etc. Ideal for data we need to assess and plan transition to electric vehicles. CC impact: 5 tCO ₂ e annual. Cost of impact (£/tCO ₂ e annual): £23,195.	£14k-16k annually. Subtotal: £115k. (Payback expected via fleet savings.) Revenue/Resource: subscription; in-house transport officers.	No
	Community and Wider Context		
A6 amber	2022-2027. Climate and Sustainability Grants. Require applicants to match-fund / add value. CC impact. Depends on projects.	Up to £20k/year. 5 year trial. Subtotal: £100k.	No

	Description (Actions are split by work stream.)	Costs & Subtotal (up to 2030)	On the Capital MTFP?
		Revenue/Resource: in-house specialist and support officer.	
A7 amber	2022-2030. Parish Wildlife Wardens project support. Partnership approach with parishes who agree to raise match funds? MDDC seed fund? CC impact. Negligible. Biodiversity focus.	£5k annually. 8 years to 2030. Subtotal: £40k. Revenue/Resource: in-house admin.	No
A8 amber	2022-2024. Community engagement project to generate and record data on behavioural change. Either subscribe to app / online reward points scheme; or a supported engagement scheme via mailing list with surveys, PR and online events. CC impact: potentially 3,000-6,000 tCO ₂ e annual? Community climate impacts only. Measurable. Cost of impact (£/tCO ₂ e annual): Under £10? TBC based on data.	Subtotal: £22k - £30k for a 3-year engagement scheme. Revenue/Resource: in-house support by communications team and specialist.	No

Table 2 - Preparation Work

	Description (Actions are split by work stream.)	Costs & Subtotal (up to 2030)	On the Capital MTFP?
	Housing, Energy and Assets		
Pr1 amber	2022-2023. Cost assessment of best options for fabric improvements at Phoenix House & all leisure centres. CC impact: project preparation only. Potential CC impact in tCO ₂ e per year: Exe 44; Lords Meadow 12; Culm 15; Phoenix 5.	Subtotal: £33k Revenue/Resource: external.	£900k for works on Capital MTFP.
Pr2 amber	2022-2023. Feasibility assessment: Ground Source Heat Pump, Lords Meadow Leisure Centre. CC impact: project preparation only.	Subtotal: £20k Revenue/Resource: external.	Yes
Pr3 amber	2022-2023. Hydro Electric Power. Evidence & feasibility. (Feasibility detail required before Capital commitment.) CC impact: project preparation only.	Subtotal: £70k. Revenue/Resource: external consultants; in-house specialist and support officer.	£1.2m on Capital MTFP
Pr4 amber	2022-2023. Engage consultancy support to develop our decision-making framework. CC impact: project preparation only. Wider benefits / influence.	Subtotal: £6k. Seek funding. Revenue/Resource: external plus in-house officers.	No
Pr5 green	2024. An independent assessment of energy performance on MDDC new-builds (existing Zed-Pods vs proposed units). Understand how close we are to 2025 target, identify any issues. Costs? Extra costs linked to Net Zero designs can be balanced by construction savings, avoiding retrofit, health benefits, socio-economic benefits, local spend, etc. CC impact = project preparation only. Potential depends on new home designs. MDDC Housing Strategy for Mid Devon 2021-2025 states: "100% of all new build Council homes to be net zero by 2025 and meet a defined comfort and energy use standard".	Subtotal: £8k. Seek funding. Revenue/Resource: external consultancy; in-house operations manager and officers.	No
	Internal Structures and Processes		
Pr6 amber	2022-2025. Biodiversity and Carbon Capture. Landscape enhancements to offset MDDC carbon footprint (Climate Act 2008) and safeguard Biodiversity Net Gain (Environment Act 2021). Develop a commercial venture or partnership to create, manage and monitor sites.	Subtotal: £70k. Potential bid to e.g. Natural Environment Investment Readiness Fund.	No

	Description (Actions are split by work stream.)	Costs & Subtotal (up to 2030)	On the Capital MTFP?
	Study: Examine investment potential in land use changes for nature recovery and carbon capture. Devise business model. Compare with off-the-shelf offsetting e.g. wildlife charity or Woodland Carbon Code. CC impact: project preparation only.	Revenue/Resource: external consultancies; in-house specialist and support officer.	
	Community and Wider Context		
	Food, Farming and Natural Capital		
Pr7 amber	2022-2025. Explore options for Net Zero and Natural Capital partnerships. CC impact: project preparation only. <i>Example 1:</i> Partner with other districts and a local sustainable farming / land co-operative to achieve large scale habitat restoration. Funding model to benefit partners and achieve climate adaptation, carbon banking, biodiversity banking. <i>Example 2:</i> Devon County Council & MDDC cooperate at Tiverton future school complex. Outline feasibility assessments and infrastructure designs: district heating network; rain water capture, flood alleviation pools with wild swimming, reedbed waste water treatment; sustainable food; country park, access links for active travel and tourism, etc.	Subtotal: £35k. Apply for additional funding.	No
Pr8 green	Now. MDDC contribution to a Devon Local Nature Partnership priority project e.g. to develop habitat link modelling for Devon's Nature Recovery Network (NRN). CC impact: project preparation only. Biodiversity focus. 2022-2023. Train key staff to prepare for the statutory obligations such as a Nature Recovery Strategy for Mid Devon. (Environment Act 2021) CC impact: project preparation only. Biodiversity focus.	Subtotal: £6k. £5k. Up to £1k. Revenue/Resource: external plus in-house teamwork with specialist and key officers.	No

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ENVIRONMENT PDG

11 January 2022

Bereavement Services Fees and Charges

Cabinet Member Cllr Colin Slade Cabinet Member for the Environment and Climate Change

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

Reason for Report: To review and approve the Bereavement Services Fees & Charges for 2022-23.

RECOMMENDATION(S): To recommend approval to Cabinet the proposed charges for 2022-23 set out on Table A.

Relationship to Corporate Plan: Environment

Financial Implications: Bereavement Services total income for 2020/2021 was £104,434.25 in a full year; the proposed increases in fees could generate an additional £2,088.69.

Budget and Policy Framework: The Council remains committed to operating the two cemeteries it has responsibility for in Tiverton and Crediton and providing the best standard of service and support to bereaved residents within the financial constraints that exist.

Legal Implications: By virtue of section 214 of the Local Government Act 1972 and of the provisions of the Local Authorities' Cemeteries Order 1977, the Council is the burial authority. Paragraph 15 of the said 1977 Order provides burial authorities with the power to charge such fees as they think are proper – "(a) for or in connection with burials in a cemetery; 3 (b) for any grant of a right to place and maintain a tombstone or other memorial in a cemetery...(c) for any grant of a right to put an additional inscription on such a tombstone or other memorial".

A burial authority is obliged to keep a table showing the matters in respect of which fees or other charges are payable to them, and the amount of each such fee or charge, and the table shall be available for inspection by the public at all reasonable times.

Risk Assessment: Failure to increase charges will affect the financial constraints the Council

Equality Impact Assessment: An equality impact assessment has been undertaken and is attached as Annex A.

1.0 Introduction

- 1.1 In previous years price increases within the Bereavement Service were necessary for the Council to reduce the estimated cost of service provision. The focus remains on providing the best possible standards of service, which includes not only the maintenance of our two cemeteries but the ongoing aim of ensuring the long-term needs of burials are met. Our two cemeteries provide places for quiet reflection where people are treated with dignity and respect at all stages of their lives.
- 1.2 The Council remains committed and continues to ensure that re-investment is made for various maintenance works across the Council's two cemeteries in Crediton and Tiverton that also includes buildings.
- 1.3 It is proposed to increase bereavement charges from 1 April 2022 by 2%, as set out in Table A. The fee for use of the Chapels has clearly lost pace with that of neighbouring authorities and it is proposed to increase that fee by 100%. This increased fee will still not cover cleaning cost or contribute to wider maintenance costs of the Chapels or the Cemeteries generally, but does set a fee similar to neighbouring authorities. Chapel use is infrequent and Table C sets out the usage and income for the last 5 years (Covid having prevented use in 2020/ 21).
- 1.4 In the case of a death with no next of kin, or should some members of the public be unable to meet these new charges through financial hardships or other such circumstances, support is available to bereaved families. There are three main means of support: Social Services, the hospital where the death occurred and Funeral Payments, available via the Department of Work and Pensions.
- 1.5 In addition under Section 50 of the National Assistance Act 1948 a local authority will meet the costs of a basic funeral where the deceased or the next of kin are not in a position to meet the expenses. In 2020-2021 the cost of providing national assistance burials was £1,050.00, of this we managed to recover £455.00 leaving a cost of £595.00 to the Council.
- 1.6 Among the broader financial considerations, the Council continues to face on - going budget pressure.

2.0 Background

- 2.1 There is a risk that budget targets will not be met due to increased costs of providing the service and therefore this decision is important in ensuring the sustainability of burial provision.
- 2.2 The Council apply a range of fees and charges associated with burials. The existing fees and charges are presented on Table A.

3.0 Table A

3.1 Column 'A' lists the current charges that were set in 2021-22.

3.2 Column 'B' shows proposed charges for 2022-23 that includes an increase of 2% (excluding the charge increases for Chapel hire and Exhumation).

Table A

A			B		
'A' - Current charges 2021-22			'B' - Proposed charges 2022-23		
Interment fees of a coffin		Ashes	Interment fees of a coffin		Ashes
Adult (+18 yrs)	£1076.50	£176.50	Adult	£1098.00	£180.00
Under 18 Stillborn/NVF/	Nil	N/A	Stillborn/NVF/ Under 18	Nil	N/A
Inter ashes into tree cremation plot (this charge includes 30 year Exclusive Rights of Burial and Right to erect a Memorial					
£552.00			£563.00		
Exclusive Rights of Burial and Right to Erect a Memorial					
	30 years	75 years		30 years	75 years
Adult grave	£1163.50	£2850.00	Adult grave	£1187.00	£2907.00
Childs grave	FOC	£623.00	Childs grave	FOC	£635.50
Cremation plot	£334.50	£842.50	Cremation plot	£341.25	£859.50

Sundry charges	
Hire of Chapel followed by interment (Half an Hour) £82.50	£165.00
Exhumation- Standard administration fee. Total charge quoted upon request and on a case -by -case basis. £75.00	£125.00
To carry out a trial dig £155.00	£158.00
Saturday/Bank holiday supplement (Ashes only interments) £186.50	£190.25
Administration fees for Transfer of Rights/Assignments, etc. £35.00	£36.00

Table A Continued

A		B	
‘A’ - Current charges 2021-2022		‘B’ - Proposed charges 2022-23	
Additional costs are required when the grave was purchased before 1 April 2003			
Erect a Headstone	£181.00		£184.50
Headstone & Kerbing	£449.00		£458.00
Additional Inscription	£110.00		£112.25
Place Tablet (18x18) Vase	£110.00		£112.25
Tablet/Ledger (18x36)	£209.50		£213.50
Tablet/Ledger larger than (18x36)	£331.50		£338.00
Place open kerbing up to (7x3)	£289.50		£295.25
Place open kerbing larger than (7x3)	£529.00		£539.50
Place fully enclosed kerbing	£621.00		£633.50

4.0 Financial Implications

- 4.1 The proposed charges from 1st April 2021 would increase income by circa £2,088.69 and the schedules of charges are listed at Table A within this report.
- 4.2 A comparison of the cemeteries and crematorium fees currently charged by other surrounding Local Authority and Private providers’ shows fees across the area vary (Table B). It is acknowledged that all authorities will review their bereavement service charges in the coming months and each one will differ in terms of the current level of service provision they choose to make. Therefore, it is difficult to make a true like for like comparison with other neighbouring authorities.
- 4.3 If a Funeral Director requires any changes or an exhumation that requires a licence prior to disturbing an existing grave, it is proposed to increase the fee to £125.00 for every application that the Council has to make, with a quotation being provided on a case-by case basis. Whilst it is acknowledged that these applications are not made on a regular occurrence, they are time consuming in the administration and pursuance of the said licence.

5.0 Table B

5.1 Column 'A' compares current Mid Devon charges with three neighbouring authorities and a Town Council.

5.2 Column 'B' compares increased Mid Devon charges with three neighbouring authorities and a Town Council.

Table B A B

Costs from April 2021		MDDC	MDDC+2%	Exeter City 21/22	East Devon 21/22	Cullompton Town Council 21/22	Taunton West & Somerset 21/22
Burial Interment fees	Juvenile	FOC	FOC	FOC	FOC	FOC	FOC
Burial Interment fees	Adult	£1076.50	£1098.00	£1230.00	£491.00	£1240.00	£845.00
Ashes Interment fees	Casket	£176.50	£180.00	£615.00 incl 30y EROB	£143.00	£241.00	£80.00
Ashes Interment fees	Scatter	£176.50	£180.00	£150.00	£102.00	£241.00	£80.00
Saturday and BH supplement	Saturday	£186.50	£190.25	N/A	N/A	£315/£157	£237/£90
(Ashes only)	Bank Hol	£186.50	£190.25		N/A	£315/£157	£237/£93
EROB 30Yrs	Adult	£1163.50	£1187.00	£1230.00	(50)EROB £870.00	£1200.00	-
EROB 30Yrs	Child	FOC	FOC	FOC	FOC	£Nil	-
EROB 30Yrs	Ashes	£334.50	£341.25	£615 incl interment.	£205.00	£404.00	-
EROB 75 Years	Adult	£2,850.00	£2,907.00	-	-	£2794.00	£1076.00
EROB 75 Years	Child	£1048.00	£1069.00	-	-	£Nil	N/A
EROB 75 Years	Ashes	£842.50	£859.50	-	-	£965.00	£778.00
Chapel Hire		£82.50	£165.00	£165	£123		£200

6.0 Table C – Chapel usage 2015 – present

** please refer to para 1.3*

Year	Tiverton No./ Income £		Crediton No/ Income £		Total No./ Income £	
2015/ 16	1	67.00	3	244.55	4	311.55
2016/ 17	4	294.00	1	73.50	5	367.50
2017/ 18	4	294.00	1	73.50	5	367.50
2018/ 19	6	463.50	2	154.50	8	618.00
2019/ 20	3	243.00	Nil	Nil	3	243.00
2020/ present	Nil / due to Covid-19		Nil / due to Covid-19		Nil / due to Covid-19	

7.0 Conclusion

7.1 If the 2% increase on cemetery fees & charges are approved for 22-23, this would generate additional income at circa £2,088.69. A 100% increase in the Chapel use fee may generate £500 additional income and contribution toward their operational costs.

Contact for more Information: Andrew Busby, Group Manager Corporate Property & Commercial Assets - 01884 234948 (abusby@middevon.gov.uk).

Circulation of the Report: Leadership Team, Cabinet member

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Equality Impact Assessment Form and Action Table 2017

(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.**"

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

Review a 2% increase in charges for Bereavement Services and higher increases for exhumation and Chapel hire.

Version

1

Date

21/12/21

Section 1 – Description of what is being impact assessed

The increase of 2% on fees and higher increases for exhumation and Chapel hire, for Bereavement Services ahead of the financial year 2022-23.

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

Communication will be necessary with the funeral directors who use our two cemeteries, as their customers will be affected that include.

- Age
- Disability

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

Potential of direct/indirect customer dis-satisfaction of an increase in fees leading to challenging phone calls to the Corporate Property and Commercial Assets team who are based at Phoenix House.

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

Attached report includes benchmarking fees and charges with other authorities.

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):

The increases in fees are necessary to maintain standards at our two cemeteries and are comparable with other authorities.

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.	The specification requires the Provider to not only comply with the Equality Act 2010 and related duties, but to strive for best practice.	Communication with funeral directors regarding the increase in fees that will be carried out by the Corporate Property and Commercial Assets team upon Cabinet approval.	This would be directly monitored by the service, increased income is expected that is required to maintain current service levels.

Disability			
Different approaches and mechanisms may be required for engaging with and representing, people with a range of disabilities depending on their individual needs.	The specification requires the Provider to not only comply with the Equality Act 2010 and related duties, but to strive for best practice.	Financial assistance with burials is available in the event that families do not have the means to bury relatives.	This would be directly managed by the service detailed in section 2B.
Gender Reassignment			
N/A	N/A	N/A	N/A
Marriage and Civil Partnership			
No issues identified	N/A	N/A	N/A
Pregnancy and Maternity			
N/A	N/A	N/A	N/A
Race (including ethnicity or national origin, colour, nationality and Gypsies and Travellers)			
N/A	N/A	N/A	N/A

Religion and Belief			
N/A	N/A	N/A	N/A
Sex			
N/A	N/A	N/A	N/A
Sexual Orientation			
N/A	N/A	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.	The specification requires the Provider to meet the needs of all people in Mid Devon, to have a presence in local communities and ensure that communications plans reflect the rurality of Mid Devon. The Provider is required to ensure that the service represents the diverse population of Mid Devon and that reasonable adjustments are made to all services / activities to ensure individuals are able to access the service. Operational commissioning of the service will ensure that the service is being delivered according to the service specification and quality standards and will take account of customer feedback.	Communication with funeral directors and helpline number on Mid Devon District Council web site.	This would be directly managed by the service detailed in section 2B.

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?

The Corporate Property and Commercial Assets team will implement, in the event of Cabinet resolving to approve the attached report

Completed by:	Andrew Busby
Date	21/12/21
Signed off by:	
Date	
Compliance sign off Date	
To be reviewed by: (officer name)	
Review date:	

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ENVIRONMENT PDG 11 JANUARY 2022

WASTE AND RECYCLING OPTIONS

Cabinet Member(s): Cllr Colin Slade, Cabinet Member for the Environment and Climate Change
Responsible Officer: Darren Beer Operations Manager Street Scene & Open Spaces

Reason for Report: A decision was made at the Environment PDG November 2020 to conduct a trial to measure the effect of residual waste being collected at three weekly intervals. The report presents the findings from the trial which was carried out between July and October 2021.

RECOMMENDATIONS:

1. **Consider the options in the report**
2. **Recommend to cabinet the preferred option – Option 2**

Financial Implications: Continuing with the current regime will ultimately incur additional costs to the council; the existing fleet is nearing capacity limit to accommodate present property numbers. Additional housing developments will mean that ultimately funding an extra vehicle and crew will become necessary.

A transition to collecting non-recyclable waste at three weekly intervals (Option 2) would enable the current property numbers to be serviced with a reduction of one vehicle. Modelling carried out by WYG Consultancy estimated this cost saving to be £143K per annum. For this option recycling was predicted to increase by 17.4%, however this increase occurred during the lockdown period March 2020 to August 2020 (prior to baseline measurement recording). The additional material has been accommodated within the current fleet.

Option 2 and 3 will incur a one off cost of circa £650K to provide and deliver wheeled bins. WYG predict that Options 3 and 4 (weekly recycling collections) will incur an annual cost of circa £950K.

Budget and Policy Framework: There will be budget implications with regards to any potential change in service and these are included in this report. Waste and recycling remains a statutory service provided to the residents of the district.

Legal Implications: Under Section 46 of the Environmental Protection Act Waste Collection Authorities may by means of notice specify how householders present their waste for collection.

Risk Assessment: The waste and recycling performance indicators are provided separately in the regular Performance and Risk Reports. There are risks if the Council does not take sufficient actions to enable it to meet its Climate Emergency declaration ambitions. Secondly that it does not meet the targets set by Government over the coming years and thirdly not meeting the future housing developments.

Equality Impact Assessment: The service continued to provide assisted collections according to the current policy and supplied customers with alternative containment if they were unable to manage or accommodate a wheeled bin. Provision for large families and other specific needs were addressed.

Relationship to Corporate Plan: This report identifies with the 'Environment' priority area of the Corporate Plan 2020-2024 *'increase recycling rates and reduce the amount of residual waste generated'*. Supporting and enabling customers to recycle and reduce residual waste contributes to Mid Devon District Councils' commitment to the Devon Climate Emergency.

Impact on Climate Change: The impact of carbon emissions will be detailed in the report. All Customers taking part in the trial were supported, encouraged and equipped to reduce carbon footprint in relation to waste and recycling, enabling a contribution towards the MDDC commitment to be carbon neutral by 2030.

1.0 Executive Summary

- 1.1 Our Waste and Recycling Service is our most visible and front line, statutory service in the Council. It is responsible for providing best practice front line services including refuse collections, recycling and litter collection for customers and has a wider commitment to support our community and environment objectives.
- 1.2 The latter include reducing our rates of refuse collection and increasing our recycling so we can help reduce our carbon footprint. We are also committed to helping the public take ownership of disposing of litter in better and innovative ways through education, campaigns and soft enforcement.
- 1.3 There are several critical elements to our Waste and Recycling Strategy which include but are not limited to:
 - Delivery of best practice services to our customers; the trial of three weekly residual waste collections in both urban and rural areas of the district
 - A Litter Strategy to help raise awareness of the public to dispose of litter (and take ownership of its disposal) in better ways which support our targets
 - To use soft enforcement to educate and reinforce key practices and changes to the public with more effective hard enforcement used to deal with serious offences and serial offenders. The latter to be developed through a corporate approach
 - To develop and upskill an effective workforce which can sustain the delivery of vital services to the public at a time of national shortage in key workers
 - To develop and evolve our fleet and use of vehicles so unnecessary travel is minimised and we purchase electric vehicles in the future.

1.4 Context

- 1.4.1 As part of our commitment to help deliver these changes we have piloted the implementation of 3 weekly waste collections over a three month period in both a rural and urban area to assess the impact of such a change being introduced in the district.
- 1.4.2 Between early July and mid-October trials of three weekly residual waste collections were piloted in Holcombe Rogus and Westleigh as well as the area in and around Canal Hill in Tiverton. During this period the team regularly visited the areas being piloted to offer advice and education in person where required.
- 1.4.3 At the end of the trial all residents were surveyed to collect feedback and to assess attitudes towards the trial of three weekly waste collections. In this paper we have detailed both the results achieved in the urban and rural areas of going from two to three weekly waste collections and the feedback from the public who have been involved in these pilots. There has also been some good examples of education and soft enforcement to draw upon which will be shared.
- 1.4.4 We have then put forward five options for consideration (with a clear recommendation for approval) together with next steps regarding how we best take forwards the results of the trial for the benefit of the District.

2.0 Introduction/Background

- 2.1 The November 2020 Environment PDG gave authorisation for a Recycling and Waste trial covering approximately 1000 properties to be carried out in Mid Devon. A Project Board was established comprising of responsible representatives from contributing services (Customer Services, Operations, Communications, Finance, Climate & Sustainability and ICT). The board was set up to plan, provide resources and brief their respective teams.
- 2.2 The trial was divided into four sections accommodating both rural and urban settings.

Table 1: Trial Locations

Setting	Location	Number of Properties	Containment
Urban	Canal Hill Area	581	Customers receptacle/sacks
Urban	Wilcombe Area	530	180L Wheeled bin (provided) -Limited containment
Rural	Holcombe Rogus	151	Customers receptacle/sacks
Rural	Westleigh	151	180L Wheeled bin (provided) -Limited Containment

Sample areas were identified to provide appropriate representation of the district. The chosen areas close proximity to the Willand Depot enabled efficient monitoring and operational control. The utilisation of an existing round ensured less disruption to business as usual with Wednesday collections allowing time for follow up.

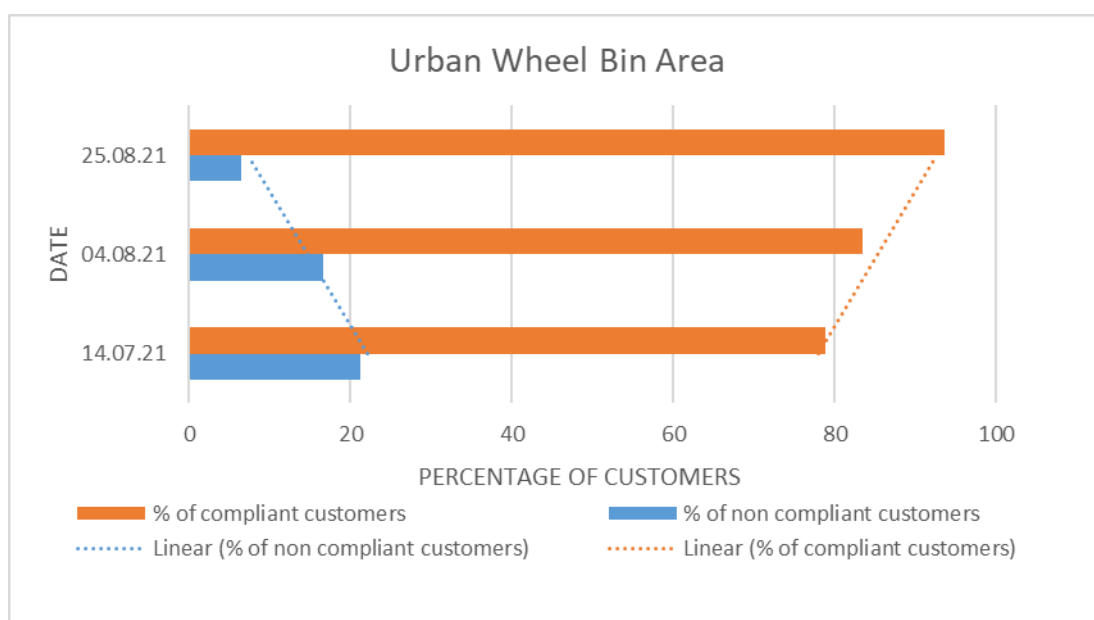
- 2.3 Baseline weight recording was conducted during May and June 2021 with customers unaware. Results presented a comparison against trial weights and demonstrated the metric effect of the trial whilst providing insights into people's recycling and waste habits.
 - 2.3.1 Baseline results suggested the greatest impact would occur in higher density housing groups. These groups are likely to need the most encouragement and education through visits.
 - 2.3.2 Results demonstrated that high density housing groups put out fewer food caddies, which suggested food is being deposited with residual waste and revealed higher tonnages.
- 2.4 Letters were hand delivered to all four areas of the trial detailing the following:
 - reasons for the trial
 - a schedule of collections
 - an explanation of how waste should be presented at the kerbside (capacity limit in wheeled bin area)
 - wheel bin delivery details (if applicable)
 - contact details for any questions or requests for support
 - the opportunity to feedback to MDDC via an online survey or by contacting Customer Services if no internet access was available
 - 2.4.1 A dedicated web page was created to provide guidance and information to customers including a 'FAQ' section as well as topical social media posts. The collection day lookup facility on the Mid Devon District Council web site was updated to include the change in schedule for those customers chosen to take part in the trial.
 - 2.4.2 Customers were assured assisted collections, collections for garden waste subscription holders and clinical waste customers would continue as normal.
 - 2.4.3 Customers in the wheeled bin sections of the trial received a delivery after the final collection of the pre-trial schedule had taken place. Those customers who were unable to accommodate or physically deal with a wheeled bin were provided with seagull proof sacks.

3.0 The Trial

- 3.1 Communications and engagement were a high priority throughout the trial but in the initial stages it was the central focus especially in the areas where bin capacity was limited to 180L. In the urban wheel bin area 21% of customers had presented additional waste for collection on the first day of the trial. The Project Board had committed to not collecting side waste (therefore this additional waste was left at the kerbside).

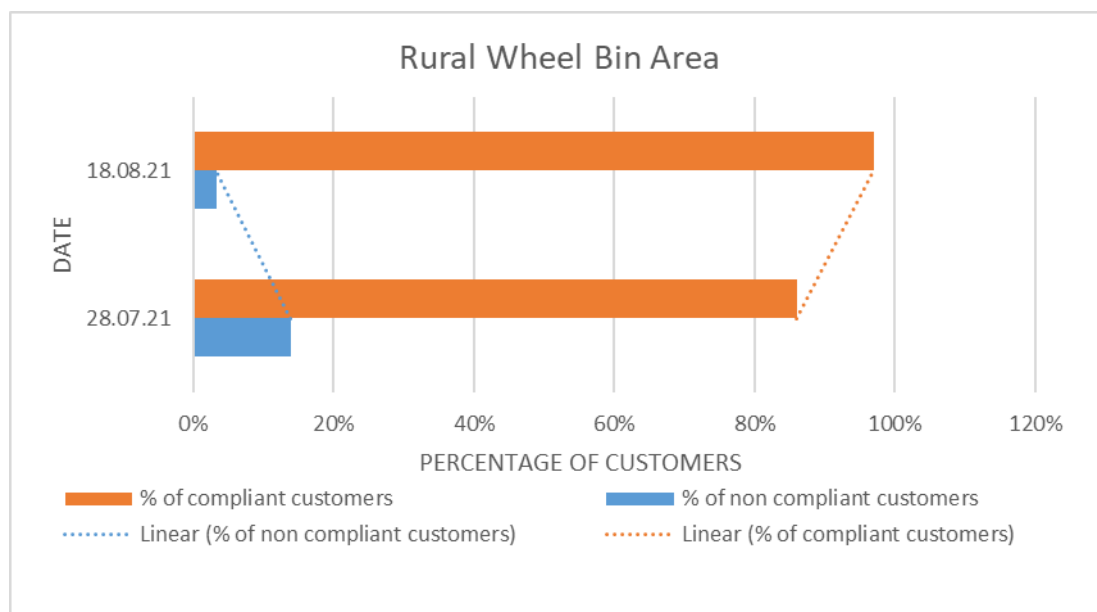
- 3.1.1 Officers were present in the trial areas prior to the arrival of the refuse vehicle on collection day and recorded all properties with a side waste issue. These customers received a letter thanking them for their participation and reminding them of the limited capacity element; they were invited to contact Customer Services to request a second wheel bin if they felt they did not have sufficient capacity due to special circumstances like a large family or children using nappies.
- 3.1.2 Upon request Customer Services arranged for Waste & Recycling Officers to perform on site 'Waste Audits'. This identified materials that were present in residual waste that should have been recycled. These visits proved popular with customers and provided an opportunity to feedback and discuss any difficulties they were having. If it was agreed that a second wheeled bin was necessary the 'side waste' was removed when the bin was delivered.
- 3.1.3 The process continued on each residual waste collection day in both urban and rural settings until a satisfactory rate of compliance was achieved and sustained.
- 3.1.4 Customers in the areas where there was no limited capacity also received advice and visits and were identified as putting out excessive amounts of residual waste or by not presenting recycling or food on collection day. In the main, these areas have proven to be high performing with committed recyclers.
- 3.1.5 The urban wheeled bin area chart illustrates how emphasis on communications and engagement reduced non-compliance to an acceptable level in the urban wheeled bin area. Initially non-compliance was 21% and fell to an acceptable level of 6% after the third collection.

Fig 1: Urban Wheel Bin Area



The rural wheel bin area chart illustrates reduction in non-compliance in the rural wheeled bin area. Initially non-compliance was 14% and fell to an acceptable level of 3% after the second collection.

Fig 2: Rural Wheel Bin Area



- 3.2 A total of 57 second bins were delivered to customers; 7% of all wheeled bin customers on the trial. Emphasis was communicated to the public on increasing recycling and removing materials from the residual waste stream. It was encouraging to receive requests for 50 recycling boxes which were ordered by 23 customers with 5 customers requesting additional food caddies. This indicated that customers were proactive in ensuring they had the containers available to fully engage in the trial.
- 3.3 The amount of litter and waste strewn at the kerbside on collection day has been a source of complaints. On occasions gulls have ripped open waste sacks, scattering litter. Waste sacks can impede pedestrian access especially for wheel chair users and parents with push chairs. A considerable improvement on these issues has been witnessed during the trial especially in communal areas where customers are using wheeled bins to contain waste.



Temple Crescent Tiverton



Ford Road Tiverton



A considerable improvement has been seen on collection day in the areas where customers are provided with containment

Holcombe Rogus- Where customers are using their own receptacle/sacks



Westleigh- wheeled bin containment



4.0 Communications

4.1 Communication strategy is key to successfully implementing a modification to waste collection. During the trial customers rapidly adapted with an acceptable level of compliance being achieved within three collection cycles in the urban area and two in the rural area.

4.1.1 Face to face communication proved to be the most effective method of engaging with customers. Dedicated officers who were approachable to the public provided advice and guidance. This gave customers the opportunity to discuss specific requirements.

4.1.2 Most encounters were 'by appointment' however some were ad hoc. Officers were approached on the job and were a visible presence in the community. Encounters with the public were reported to be positive experiences.

- 4.1.3 Internet support and dedicated social media accounts were available to customers. Details were communicated in the pre-trial and follow up letters.
- 4.2 Acting upon customer feedback is critical to achieving engagement from the community, particularly with any change to waste collections. Feedback invitations have been included in all correspondence. Feedback media included an on line survey, post or a doorstep 'door knocking' exercise carried out by the Recycling Officer. Findings from the survey are detailed below. The full survey results can be found in Appendix A – Full Survey Results.
- 4.3 From the survey the following key responses were received:-
- 4.3.1 71% of those surveyed thought that reducing the carbon footprint was most important to them when asked about the benefits of collecting non-recyclable waste every three weeks.
- 4.3.2 When asked how satisfied they were in having their non-recyclable waste collected every three weeks, households responded as follows; 56% were either satisfied or very satisfied, 21% were neither satisfied nor dissatisfied and 23% were dissatisfied or very dissatisfied.
- 4.3.3 When asked whether the householder thought they had reduced the amount of non-recyclable waste put out, 75% said they had not.
- 4.3.4 When asked whether the householder thought they had recycled more, 68% thought they had not. This does not correspond with the results of the trial suggesting the question was misinterpreted. Those surveyed may have thought that recycling did not include food waste.
- 4.3.5 When asked which statement best reflected their view of the trial; 40% were happy with three weekly collections, 30% were not affected while the remaining 30% struggled with it.
- 4.3.6 When asked whether there was an improvement in the way that non-recyclable waste was presented on collection day, those issued with bins saw a significant improvement in the tidiness of the area outside their homes where waste was presented. Nearly all respondents using their own receptacles or sacks saw no improvement.
- 4.3.7 216 surveys were completed, which equated to 16% of all households in the trial.

5.0 Trial Results

Table 2: Percentage Change

Setting	Option	Food Tonnage	Recycling Tonnage	Residual Tonnage
Urban Sack	1	+29%	- 1%	-24%
Urban Bin	2	+25%	+1%	-44%
Rural Sack	1	+7%	+5%	-6%
Rural Bin	2	+15%	+9%	-30%

These results are also shown in the graphs in Appendix C - Graphs

5.1 Residual Waste

- 5.1.1 Promoting recycling, limiting volume of residual waste to 180L per household and reducing the frequency of collections has enabled a reduction in tonnage in the urban setting. To a lesser extent allowing customers to use their own receptacle or sacks with no limit has also resulted in a decline.
- 5.1.2 Reduction seen in the area where customers used their own receptacle or sacks was 24% compared to a reduction of 44% in the area where capacity was limited. This significant reduction indicates that customers have used the waste collections services provided by MDDC; in addition have practiced waste prevention (top priority in the waste hierarchy) as well as local recycling centres.
- 5.1.3 Results from the rural setting are similar to urban but to a lesser extent. The reduction seen where customers used their own receptacle or sacks reduced residual waste output by 6% and those with limited capacity by 30%.

5.2 Recycling

- 5.2.1 The WYG report produced for Mid Devon District Council predicted an increase in recycling of 17.3%; the report was compiled pre pandemic. During the lockdown period when baseline measurements were taken recycling increased by 17% compared to the same period in the previous year (non-lockdown). This suggests that if baseline measurements were taken outside of lockdown a similar % increase would have occurred in line with the WYG report prediction.
- 5.2.2 During the trial there was a very slight decline in recycling materials put out in the urban area where customers are using their own receptacle or sacks (-1%). Baseline results indicated that these customers were high performers pre-trial. An increase of 1% occurred in the area where customers are using wheel bins.
- 5.2.3 A greater uptake in recycling occurred in the rural setting; customers using their own sack or receptacle produced 5% more recycling whilst those with wheeled bin containment produced an additional 9%.

5.3 Food Waste

5.3.1 The increase in food waste placed in food caddies in all settings was substantial. Baseline weight analysis indicates that food has been diverted from residual waste and is the main contributor to the impressive decline in residual waste presented during the trial. Customers in the urban setting using their own receptacle or sacks increased food waste placed in food caddies by 29% and those with wheeled bins by 25%.

5.3.2 Customers in the rural setting using their own receptacle or sacks increased food waste placed in caddies by 7% and those with wheeled bins by 15%.

5.4 Applying Trial Results District Wide

Table 3: District Wide Estimation

	Recycling Rate	Residual Household Waste per HH (tonnes)	Household Residual % Change	Waste Arisings % Change	Food Waste % Change	Household Recycling % Change
Current	54%					
Sacks	61%	301.94	-20%	-7%	+24%	+4%
Wheeled Bins	68%	222.82	-41%	-16%	+23%	+5%

6.0 Carbon Impact

6.1 Eunomia were commissioned to calculate the carbon impact from the three weekly waste trial and the full results can be found in Appendix B - Mid Devon District Council: Three-Weekly Residual Waste Collections Carbon Emissions Analysis.

6.2 Customers are given the opportunity to contribute to sustainability. A reduction of 0.85 tonnes of CO₂eq result was achieved each week in the wheeled bin section of the urban area, 0.11 tonnes of CO₂eq in the rural wheeled bin area. This is a substantial contribution to the Net Zero commitment if rolled out district wide. The provision of waste services to new housing developments under the current regime will increase carbon emissions considerably; this would need to be monitored and offset.

7.0 Options

Option	Residual	Garden	Food	Recycling	Residual Waste Containment
Option 1	3 Weekly	Chargeable -2 Weekly	Weekly	2 Weekly	Customers receptacle/sacks
Option 2	3 Weekly	Chargeable -2 Weekly	Weekly	2 Weekly	180L Wheeled Bin (provided)Limited Capacity
Option 3	3 Weekly	Chargeable -2 Weekly	Weekly	Weekly	180L Wheeled Bin (provided)Limited Capacity
Option 4	3 weekly	Chargeable -2 Weekly	Weekly	Weekly	Customers receptacle/sacks
Option 5	2 Weekly	Chargeable -2 Weekly	Weekly	2 Weekly	Customers receptacle/sacks

8.0 Conclusion and recommendations

- 8.1 The trial indicates that using limited capacity containment for residual waste coupled with an effective communication strategy yields the greatest benefit in reducing residual waste.
- 8.2 Food waste being placed in the caddy instead of residual waste has contributed to a decline in residual tonnage. Food waste increased dramatically during the trial. A Review of Waste Services undertaken by WYG on behalf of MDDC suggested that food waste would increase by 21% based on results from Authorities already undertaking a three weekly residual waste service. The trial at Mid Devon confirmed this with a food waste average increase of 19% over all settings.
- 8.3 A decline in residual waste was most significant in the urban wheeled bin containment area (-44%). Side waste not being collected most likely diverted some waste to recycling centres or encouraged waste prevention. This area contained an elevated percentage of high density housing (terraced); baseline results show increased residual tonnage in this category. Not all urban areas are typical of the setting.
- 8.4 Waste presented at the kerbside in wheeled bins reduces the amount of litter on collection day. Streets are more accessible to pedestrians. Cleanliness of the neighbourhood improves. Customer survey results confirm this.
- 8.5 Option 2 brings MDDC in line with the 'super aligned' option documented in the 'Devon and Torbay Waste Strategy'. This will create opportunities for joint working in the future and be a potential source of savings. The focus of the 'Devon and Torbay Waste Strategy' is prevention and reuse. Customers taking part in the trial with limited capacity for residual waste have discovered ways of reducing their waste, evidenced by the trial results.

8.6 In total the trial saved MDDC 1.3 tonnes of CO₂eq per week. This is the equivalent of driving a standard car to Spain and back 3 times a week.

Contact for more Information: Darren Beer, Operations Manager – Street Scene and Open Spaces (01884 244635; dbeer@middevon.gov.uk)

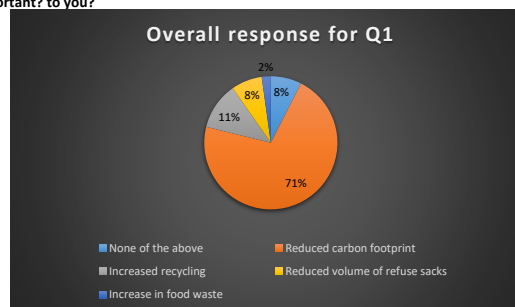
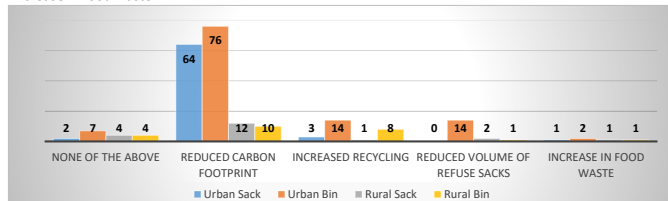
Circulation of the Report: Cllr Colin Slade, Cabinet, Leadership Team

List of Background Papers:

	Urban Sack	Urban Bin	Rural Sack	Rural Bin	Total
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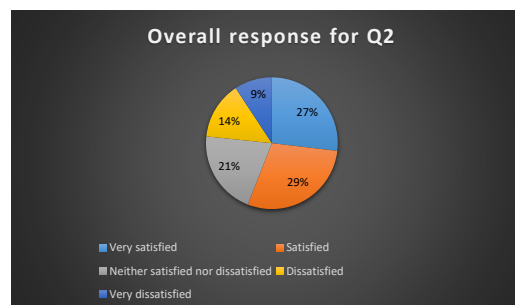
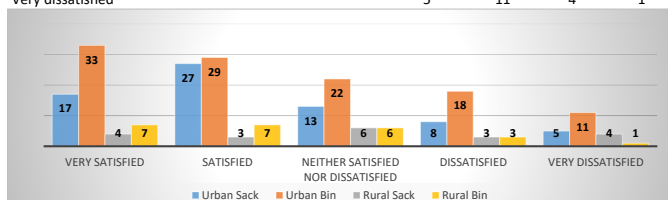
Q1. The benefits of collecting non-recyclable waste every three weeks are reduced carbon footprint, increased recycling, reduction in the amount of refuse sacks and increased volume of food waste collected, which of the above is most important? to you?

None of the above	2	7	4	4	17
Reduced carbon footprint	64	76	12	10	162
Increased recycling	3	14	1	8	26
Reduced volume of refuse sacks	0	14	2	1	17
Increase in food waste	1	2	1	1	5



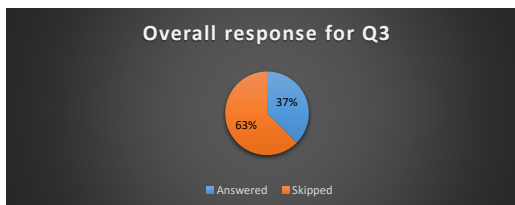
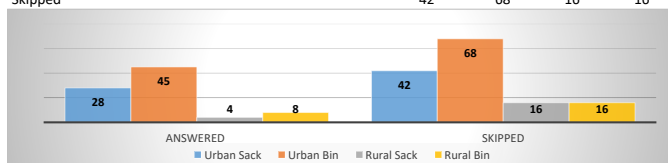
Q2. How satisfied were you with having your non-recyclable waste collected every three weeks?

Very satisfied	17	33	4	7	61
Satisfied	27	29	3	7	66
Neither satisfied nor dissatisfied	13	22	6	6	47
Dissatisfied	8	18	3	3	32
Very dissatisfied	5	11	4	1	21



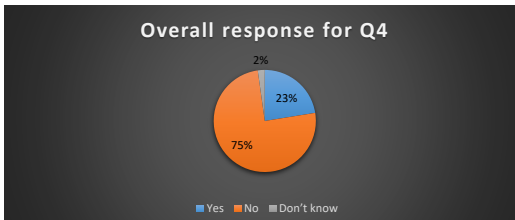
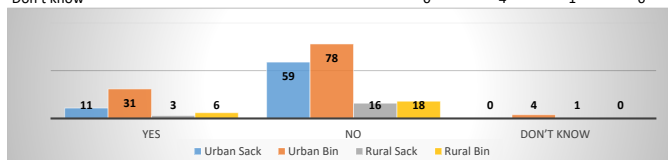
Q3. If you have any additional feedback please enter it here:

Answered	28	45	4	8	85
Skipped	42	68	16	16	142



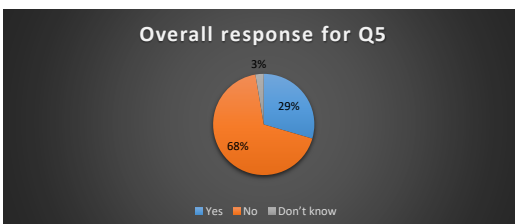
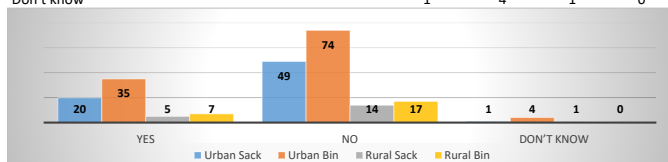
Q4. Do you think you have produced less non-recyclable waste since it has been collected every three weeks?

Yes	11	31	3	6	51
No	59	78	16	18	171
Don't know	0	4	1	0	5



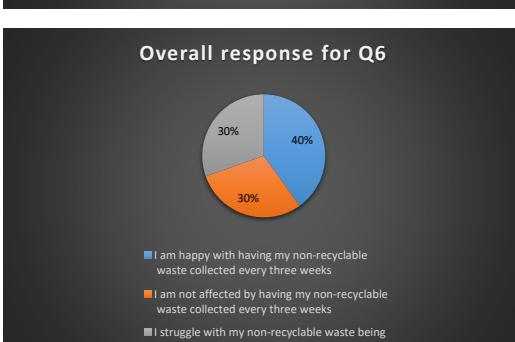
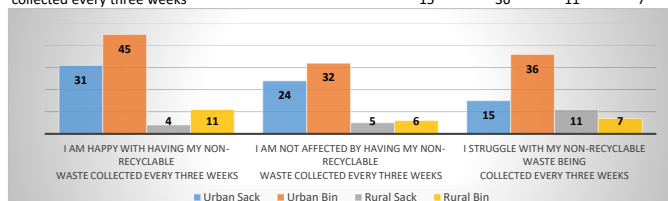
Q5. Do you feel you recycled more during the trial?

Yes	20	35	5	7	67
No	49	74	14	17	154
Don't know	1	4	1	0	6

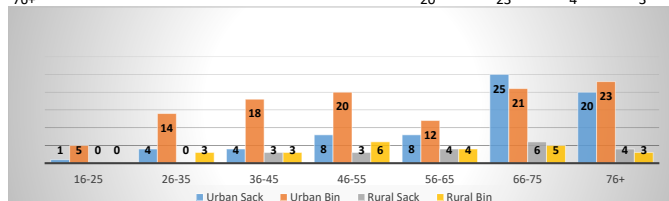


Q6. Which statement do you agree with most?

I am happy with having my non-recyclable waste collected every three weeks	31	45	4	11	91
I am not affected by having my non-recyclable waste collected every three weeks	24	32	5	6	67
I struggle with my non-recyclable waste being collected every three weeks	15	36	11	7	69

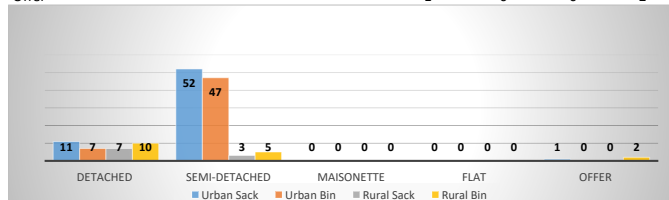


	Urban Sack	Urban Bin	Rural Sack	Rural Bin	Total
Q7. What age range are you?					
16-25	1	5	0	0	6
26-35	4	14	0	3	21
36-45	4	18	3	3	28
46-55	8	20	3	6	37
56-65	8	12	4	4	28
66-75	25	21	6	5	57
76+	20	23	4	3	50



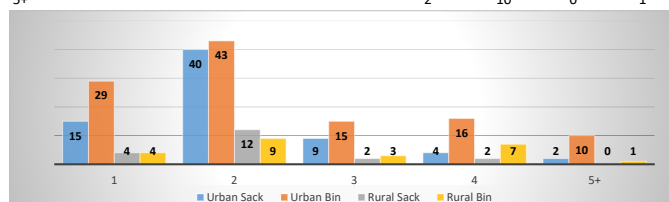
Q8. What sort of property do you live in?

Detached	11	7	7	10	35
Semi-detached	52	47	3	5	107
Terraced	6	59	10	7	82
Maisonette	0	0	0	0	0
Flat	0	0	0	0	0
Other	1	0	0	2	3



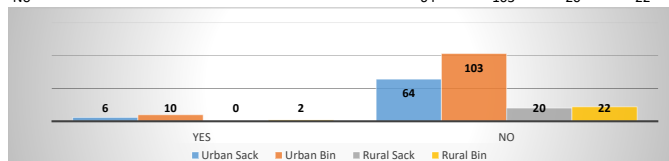
Q9. How many people live within your property?

1	15	29	4	4	52
2	40	43	12	9	104
3	9	15	2	3	29
4	4	16	2	7	29
5+	2	10	0	1	13



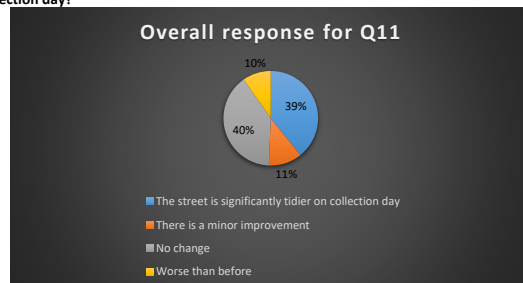
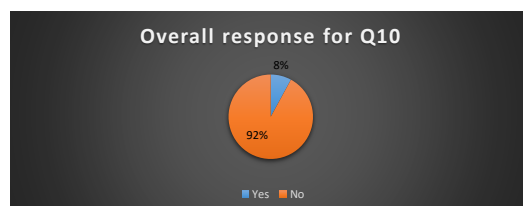
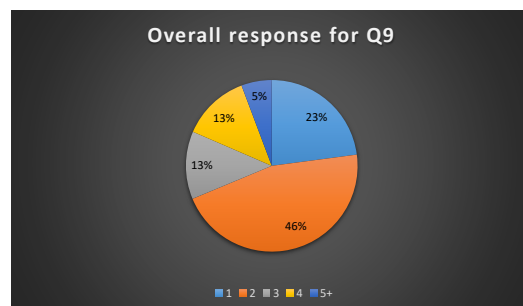
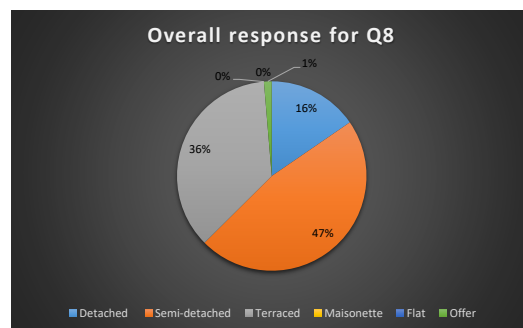
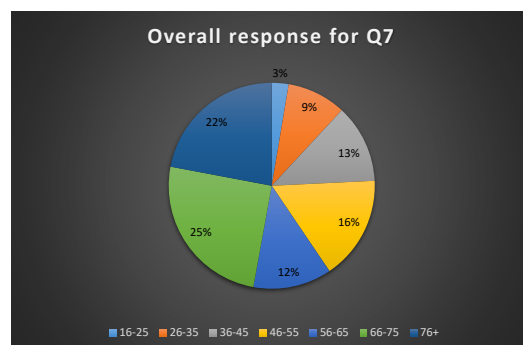
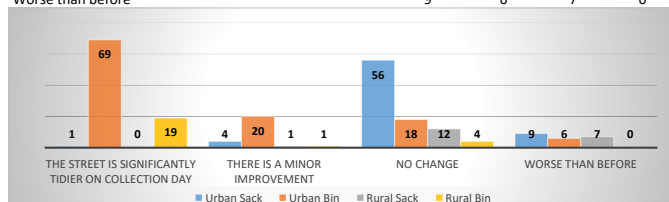
Q10. Do you currently receive an assisted collection?

Yes	6	10	0	2	18
No	64	103	20	22	209



Q11. Do you feel there has been an improvement in the way non-recyclable waste is presented at the kerbside on collection day?

The street is significantly tidier on collection day	1	69	0	19	89
There is a minor improvement	4	20	1	1	26
No change	56	18	12	4	90
Worse than before	9	6	7	0	22



Total amount of properties that took part in the trial 1412
Total amount of surveys completed 227
Percentage of residents that took part in the survey 16%

Mid Devon District Council: Three-Weekly Residual Waste Collections Carbon Emissions Analysis

Date: 9th November 2021

Author: Will Wilson

1.0 Introduction

Eunomia calculated the reduction in carbon emissions achieved through the implementation of a three-weekly residual waste collection trial undertaken by Mid Devon District Council (MDDC).

The trial aimed to measure the impact of a reduced residual waste collection frequency in two types of area:

- rural, where recycling rates were already relatively high; and
- urban, where recycling rates were generally lower.

Two different sets of rules were trialled:

- a “wheeled bin” trial where residents were not allowed to present any residual waste outside their wheeled bin (a ‘no side-waste’ policy), placing a firm limit on capacity; and
- a “normal” trial where capacity restrictions did not apply, and residents could present any extra waste alongside their bin.

The calculations were based on residual waste and recycling arisings data collected from the trial period, (July to August), and baseline data captured in mid-2021 (May to June). We have applied specific carbon factors to the changes in residual waste arisings based on the type of material collected and the method of disposal, as well as calculating carbon emissions reductions from recycling.

2.0 Assumptions

The following assumptions were taken from Eunomia’s recent carbon analysis for Devon County Council (DCC):

- the composition of residual waste;
- the disposal methods; and
- the compositional split of mixed plastics and cans.

It is important to note that the MDDC baseline data provided was collected during a Covid-19 lockdown, whilst the trial took place at a point when fewer restrictions were in place and residents likely produced less waste at home. MDDC therefore supplied additional data from 2019 so that a comparison of arisings could be made between periods of lockdown in 2021 (‘Covid conditions’) and normal circumstances (‘non-Covid conditions’). This 2019 data was assumed to be representative of the non-Covid conditions in the trial areas. We have

compared the carbon emissions resulting from collections during the trial period against both a non-Covid baseline and Covid baseline. This allows MDDC to see both the actual differences between the baseline and trial period, and the difference that implementing three-weekly collections might make under non-Covid conditions.

3.0 Results

The areas modelled are described in Table 1. The number of households and the 2021 waste arisings baselines for residual and recycling waste are also shown.

Table 1: Description of modelled areas

Area		Households	2021 baseline fortnightly tonnage	
			Residual waste (weekly average)	Recycling (weekly average)
Urban	Wheeled Bin	530	5.25	1.85
	Normal	581	3.23	2.00
Rural	Wheeled Bin	151	0.95	0.66
	Normal	151	0.66	0.68

Our analysis of the effects of the trial indicate that the trial brought about considerable carbon emissions reductions per week compared to the Covid baseline, especially in the urban trial area. The results of the modelling are presented in Tables 2 to 4. The total reductions per week for each trial period are presented in Figure 1, which compares the trial results to the non-Covid influenced baseline.

Table 2: Residual waste arisings and carbon emissions reductions per week, tonnes CO₂ per week

Residual Waste	Area	Covid Baseline - Average tonnes of waste per week	Trial - Average tonnes of waste per week	Difference – tonnes of waste	Carbon Emissions reductions per week - Tonnes CO ₂ eq
Urban	Wheeled Bin	5.25	2.94	-2.31 (-44%)	-0.85
	Normal	3.23	2.45	-0.78 (-24%)	-0.28
Rural	Wheeled Bin	0.95	0.67	-0.28 (-30%)	-0.11
	Normal	0.66	0.62	-0.04 (-6%)	-0.02
Total				-3.41 (-34%)	-1.25

Table 2 shows that the trial saw decreases in residual waste arisings in three of the four trial areas. The greatest decrease in residual waste collected was in the urban wheeled bin area

(-2.31 tonnes per week, or a 44% decrease) where side-waste was not allowed. This resulted in a carbon emissions reduction of roughly 0.85 tonnes of CO₂eq per week. The only area in which no real decrease was achieved was in the rural, normal area, where recycling performance was already good. This area saw a very slight decrease in residual arisings, although the figure (40 kgs per week) is so small that this is effectively “no change”. The total carbon emissions reduction as a result of reduced residual waste arisings across all areas was 1.25 tonnes of CO₂eq per week.

Table 3: Recycling material arisings and carbon emissions reductions per week, tonnes CO₂ per week

Residual weeks	Area	Covid Baseline - Average tonnes of recycling per week	Trial - Average tonnes of recycling per week	Difference – tonnes of recycling	Carbon Emissions reductions per week - Tonnes CO ₂ eq
Urban	Wheeled Bin	1.85	1.86	0.02 (1%)	-0.14
	Normal	2.00	1.99	-0.01 (-1%)	0.07
Rural	Wheeled Bin	0.66	0.72	0.06 (9%)	-0.01
	Normal	0.68	0.71	0.03 (5%)	0.02
Total				0.10 (2%)	-0.04

Table 3 shows that there were smaller increases in the amount of recyclable material collected per week in all areas apart from in the urban, normal area. Additional recycling results in carbon emissions reductions, as it reduces the need for carbon-intensive primary production of materials. The total carbon emissions reduction as a result of additional recycling across all areas was 0.1 tonnes of CO₂e per week.

Under lockdown, household residual waste in MDDC increased by 0.64%, leading to higher emissions. Additionally, the quantity of recycling increased substantially for all material types, apart from paper, which saw a 23% decrease. Notably, there was a substantial increase (+71%) in aluminium cans collected under lockdown conditions. Recycling aluminium brings the greatest carbon emissions reduction per tonne of any of the materials MDDC collects for recycling, because primary production is highly energy intensive while the secondary production of aluminium has a substantially (~95%) lower energy requirement.

Table 4: Total carbon emissions reductions under Covid conditions versus non-Covid conditions, tonnes CO₂ per week

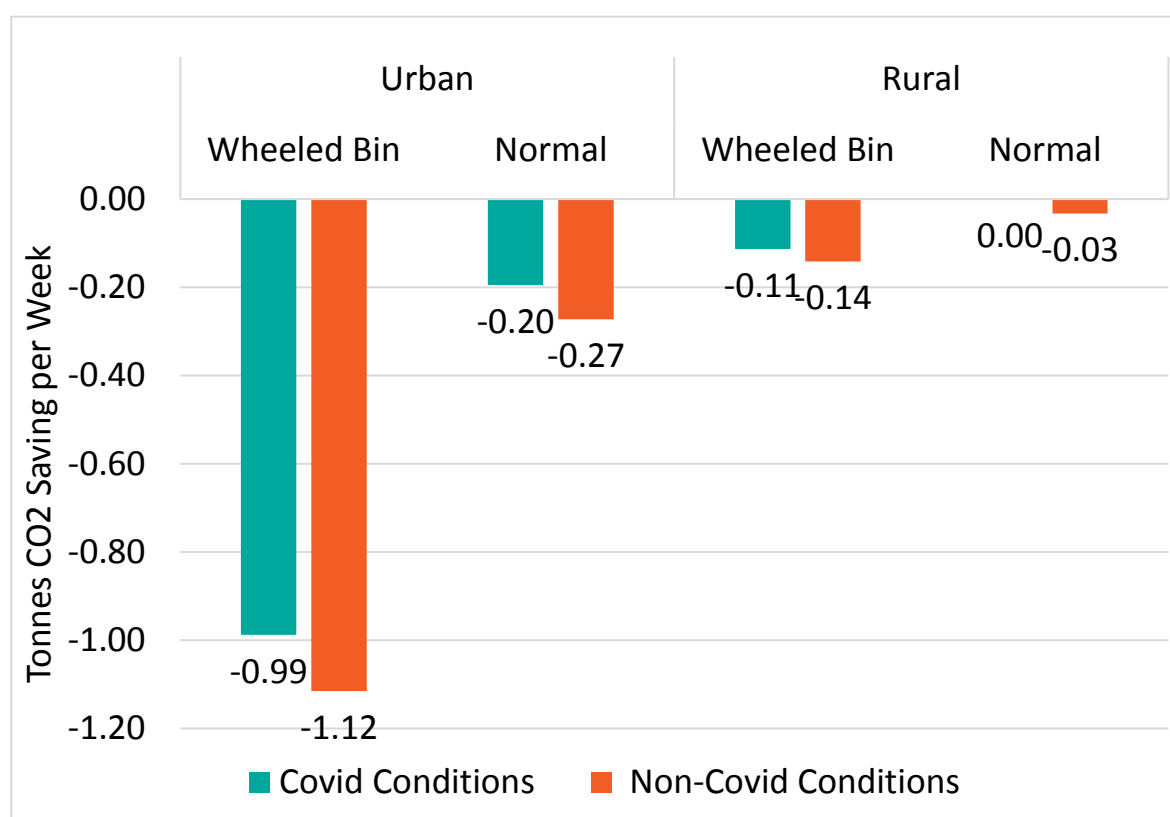
Recycling + Residual weeks		Total carbon emissions reductions, tonnes CO ₂ eq per week (Covid conditions)	Total carbon emissions reductions, tonnes CO ₂ eq per week (Non-Covid conditions)	Difference, tonnes CO ₂ eq per week
Urban	Wheeled Bin	-0.99	-1.12	0.13
	Normal	-0.20	-0.27	0.08

Rural	Wheeled Bin	-0.11	-0.14	0.03
	Normal	0.00*	-0.03	0.03
Total		-1.30	-1.56	0.26

Note: *0.0002 tonnes CO₂eq per week rounds down to 0.00

Table 4 and Figure 1 show that the difference between Covid and non-Covid conditions means that when the data is compared against the Covid baseline, the carbon savings are lower (by 0.26 tonnes of CO₂ per week) than when compared against the non-Covid baseline. However, three-weekly collections result in a substantial decrease in carbon emissions per week, whichever baseline is chosen for comparison.

Figure 1: Total carbon emissions reductions for trial areas under Covid versus non-Covid conditions, tonnes CO₂eq per week



4.0 Conclusions

The results of the trial show that three-weekly collections resulted in a reduction in residual waste of 3.41 tonnes of waste (-34%) and an increase in recycling of 0.10 tonnes (+2%). It is unclear whether the 3.32 tonnes difference represents waste prevented or waste diverted to other disposal routes such as HWRCs.

The reduction in residual waste was greatest (44%) in the urban, wheeled bin trial area. This is likely to be because where side-waste is not allowed, there is a greater incentive for residents to decrease the amounts of material they put in the residual waste. There was no

reduction in residual waste in the rural, normal area, where recycling performance was high and side-waste was permitted. It is likely that in this area, residents were already making good use of their recycling containers and few people were meaningfully constrained by how much residual waste they could present.

There was an increase in recycling in all trial areas. The increase was greatest in the rural areas, increasing by 9% in the rural, wheeled bin area and 5% in the rural, normal area. There was no significant reduction in residual waste in the rural areas; this is less likely to be due to the space constraint imposed by the three-weekly collection trial than to the communications surrounding it. The increase in recycling in the two urban trial areas was very similar.

In total, the trial has saved MDDC's waste service 1.3 tonnes of CO₂e per week. This is the equivalent of driving a standard car¹ to Spain (c.1000 miles) and back, 3 times each week.

Overall, the trial suggests that three-weekly collections, if rolled out across the district, would decrease residual waste and increase recycling, resulting in savings in CO₂e emissions and that the effect would be greatest if side-waste is not allowed.

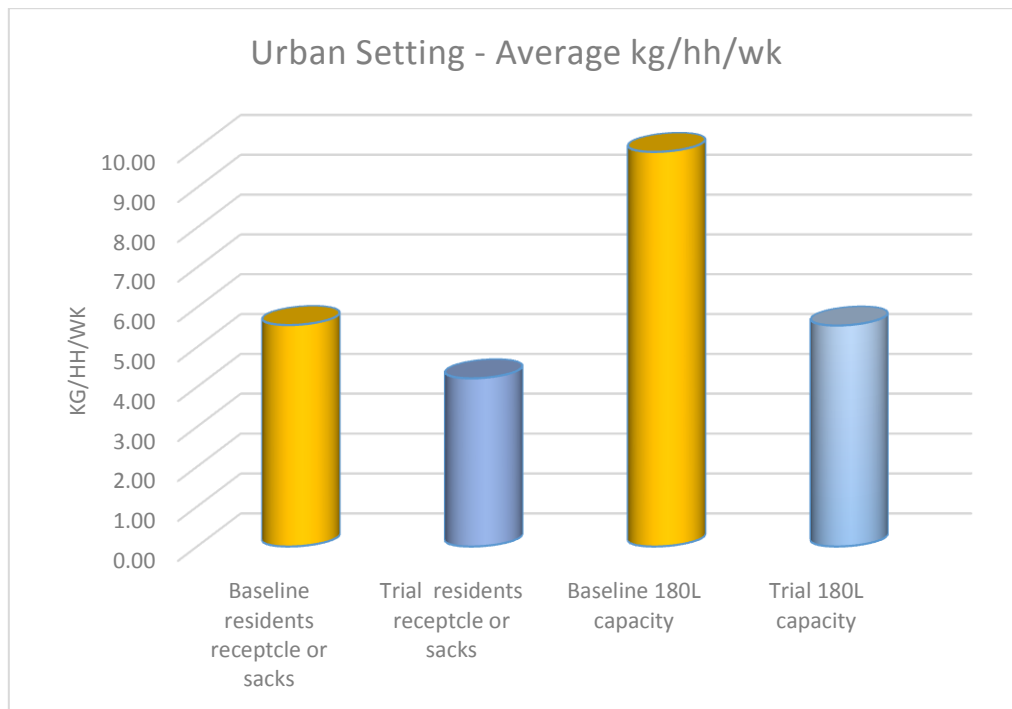
¹ A standard car emits roughly 0.228 kg CO₂ / mile <https://www.nimblefins.co.uk/average-co2-emissions-car-uk>

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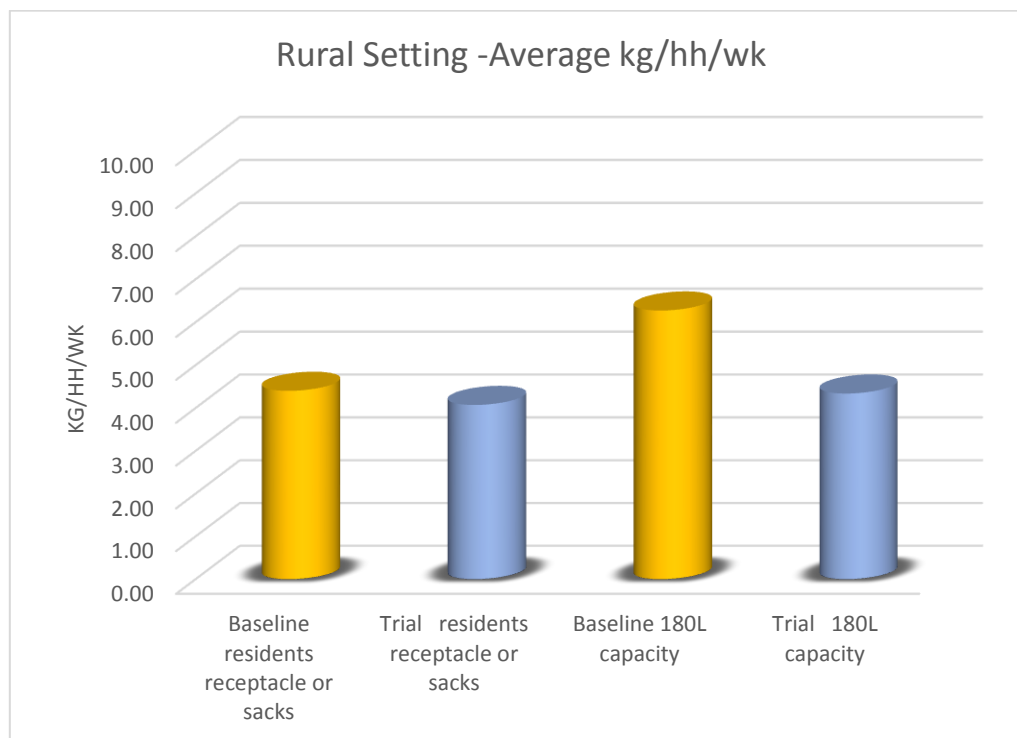
Appendix C

Residual Waste

Urban Setting

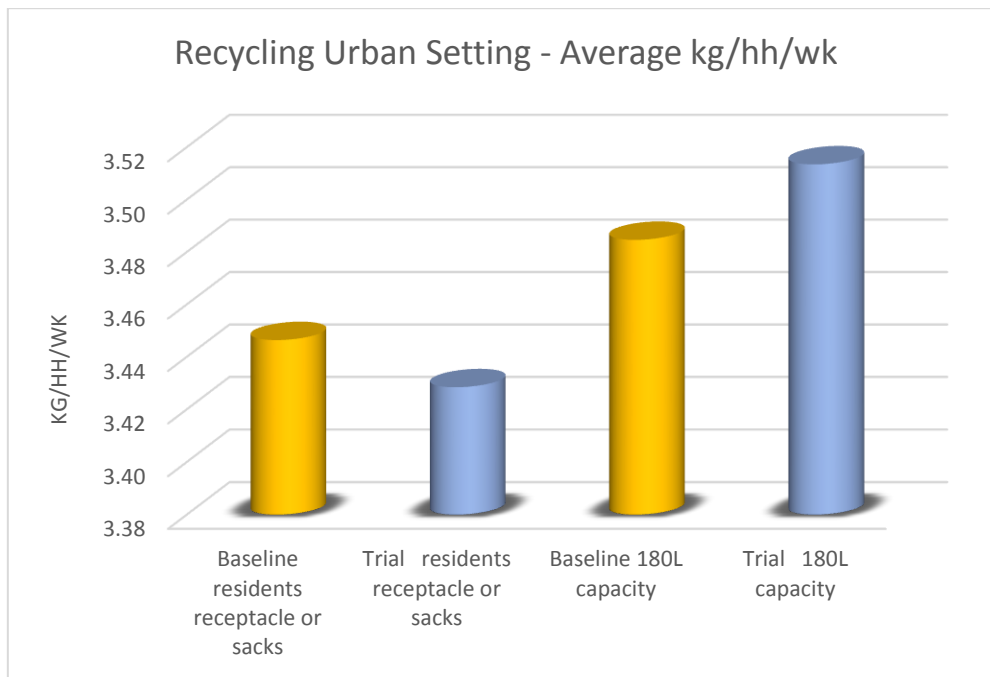


Rural Setting

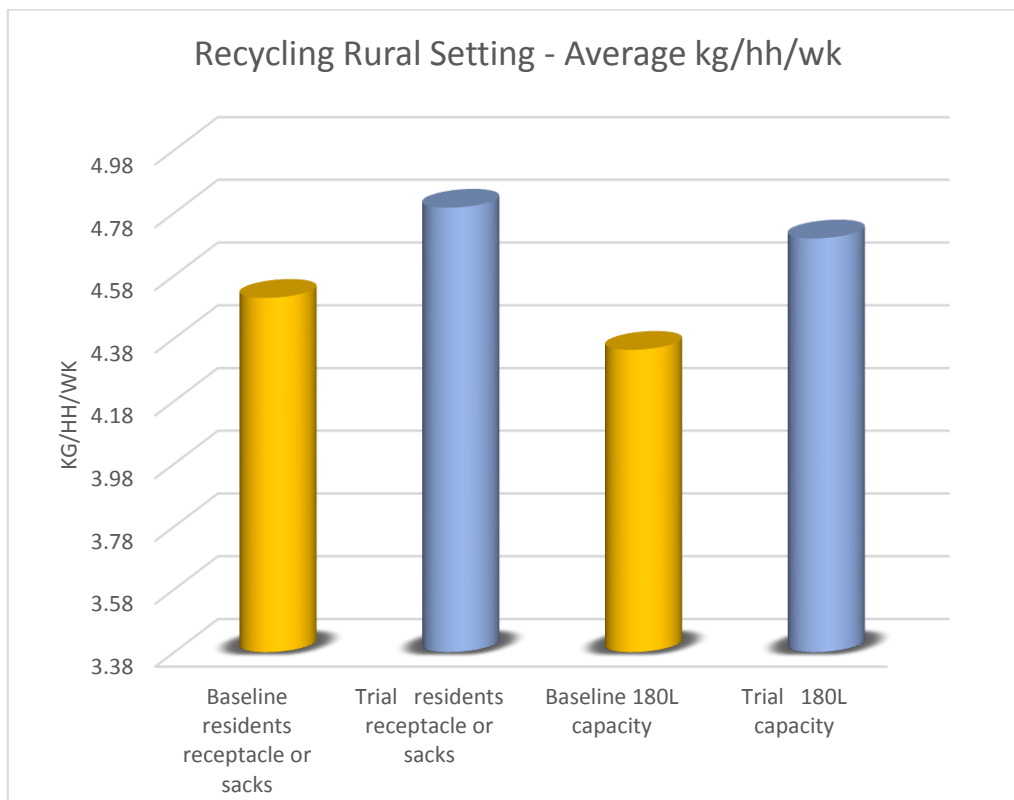


Recycling

Urban Setting

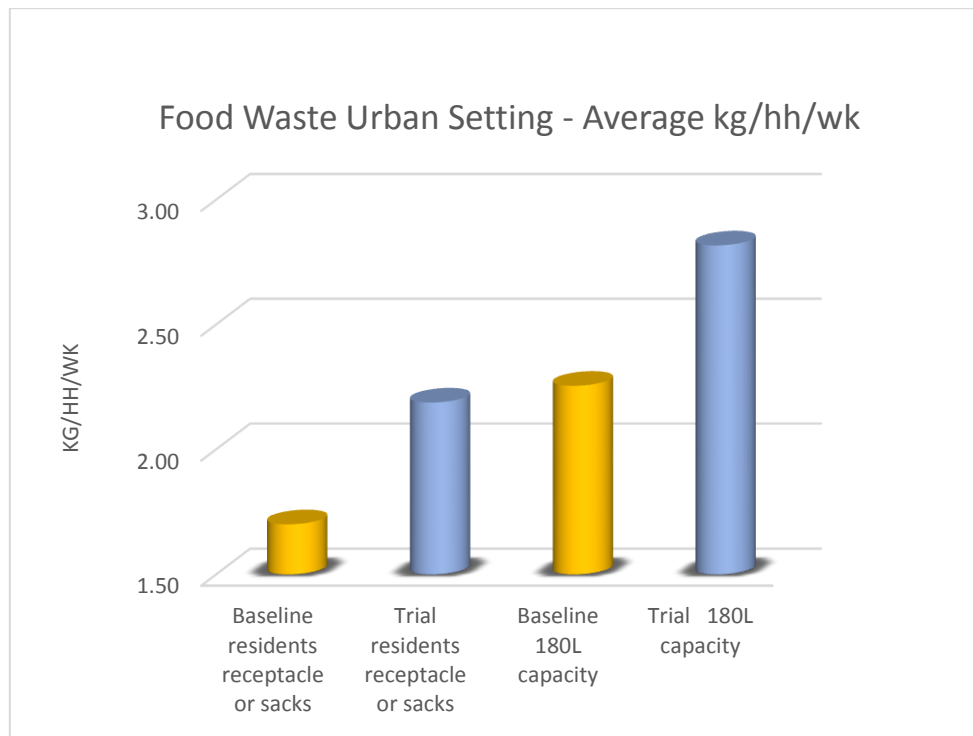


Rural Setting



Food Waste

Urban Setting



Rural Setting



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ENVIRONMENT PDG 11 JAN 2022

MDDC DRAFT LITTER STRATEGY

Cabinet Member(s): Cllr Colin Slade, Cabinet Member for the Environment and Climate Change
Responsible Officer: Darren Beer, Operations Manager for Street Scene and Open Spaces

Reason for Report: To provide Members of the Environment PDG with an opportunity to review the proposed draft of the Mid Devon Litter Strategy.

Recommendation: The PDG considers the contents of this report and the attached draft Mid Devon Litter Strategy – Appendix 1 and recommends it to Cabinet for adoption.

Financial Implications: There are no financial implications as a result of this report. Funding will be dealt with via separate business cases and within council budget setting processes.

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

Legal Implications: The Environmental Protection Act 1990 (“the Act”) extends the powers and duties of local authorities in respect of litter. Mid Devon District Council is a principal litter authority for the purposes of the Act. Section 89(1) of the Environmental Protection Act 1990 places a duty on principal litter authorities to ensure that their land (or land for which they are responsible) is, so far as is practicable, kept clear of litter. There are several key parts of the legislation that underpin the application of enforcement regarding potential littering offences by the public. Section 87, decrees it to be an offence for litter to be thrown or dropped from a car or vehicle and Section 88 of the Act sets out how an Authority can challenge a member of the public who we have reasonable belief has caused a littering offence. The technical aspect of initiating an enforcement action in relation to littering would be implemented through a Fixed Penalty Notice (FPN).

Risk Assessment: Failure to comply with the said legal duties will damage the Council’s reputation as well as expose it to potential legal action in the courts.

Equality Impact Assessment: It is considered that there are no equality issues raised.

Relationship to Corporate Plan: Priorities within the Corporate Plan are economy, homes, community and environment. The Mid Devon Litter Strategy through current operations and future plans will assist in upholding these priorities.

Impact on Climate Change: There are no climate change implications associated with this strategy, although an increase in recycling from the utilisation of recycling

bins may reduce the carbon impact. There is also the potential to use bin sensors that could reduce bin emptying and thus reduce the mileage of our fleet.

1.0 Introduction/Background

- 1.1 Waste and recycling is responsible for delivering critical statutory front line services to the public but also for helping deliver critical environment targets. These targets include reducing refuse collection rates and increasing recycling rates, both of which are crucial to the reduction of our carbon footprint. The development of an effective workforce and appropriate transport plan are also vital components of our waste and recycling strategy.
- 1.2 Another key component of our waste and recycling strategy is to combine education and enforcement to ensure litter is better deposited in Mid Devon. This is critical to achieving our objective around reducing our carbon footprint.
- 1.3 This paper details the key components and steps of our Mid Devon litter strategy. Below we have detailed the current context to our litter strategy as well as the challenges that we face to achieve the better depositing of litter in the district of Mid Devon. We have then put forward practical steps for consideration on next steps and how we best take these forwards for the benefit of the district of Mid Devon.
- 1.4 It is now commonplace for grants in respect of street cleansing and environmental initiatives to require a Litter Strategy to be supplied as part of the grant application process. In a recent grant application the council has been successful in obtaining funds to update our bins including the installation of 'recycling on the go' recycling bins. The publication of a Mid Devon strategy in relation to litter and bin infrastructure will assist and support any future funding bids.
- 1.5 Mid Devon District Council clearly has a significant role to play to help reduce litter and currently dedicates a large amount of resource (approximately £420,000) in supplying Street Cleansing services to both provide and empty bins and help pick up litter. There is more to be done however and this work will form the basis for this report and strategy.

2.0 Context and challenges for Mid Devon

- 2.1 Litter is a big drain on Council resources. It looks unsightly, can impact on investment and tourism as well and be a potential hazard for wildlife. Finance, will always be an issue but we need to be creative within existing budgets.
- 2.2 The challenges that Mid Devon District Council experiences around the depositing of litter are wide and varied. The towns and villages in Mid Devon are all focal points for litter depositing and it is vital to ensure that these areas continue to have the necessary bin infrastructure for litter to be collected in an effective way. Outside of the towns and villages the district can be affected by

litter being thrown from cars and by pedestrians without proper scrutiny so enforcement practice needs to be effective to ensure that the relevant legislation is properly applied.

3.0 The Way Forward

- 3.1 Key to the success in reducing litter is changing the behaviour of those who currently feel that it is acceptable to drop litter. The development of an effective litter strategy needs to combine education and enforcement together so they complement each others approach but also sends the right message and precedent to the public that the proper depositing of litter is an important priority for the district.
- 3.2 The Mid Devon Litter Strategy in line with the National strategy covers:
 - Education and awareness
 - Better cleaning and litter infrastructure
 - Improving enforcement
- 3.3 Whilst one would hope that education can pre-empt enforcement action in most cases, in others education does commence with enforcement action having to be taken. So the two approaches need to go hand in hand and reinforce one another.
- 3.4 It is vital that we effectively raise the awareness and knowledge of the public so we improve practice regarding the depositing of litter. There is a wide pool of accessible resource including; National campaigns, strategies and those that have been implemented by other local authorities and voluntary organisations to draw upon. These are predominantly around changing behaviours and to share; expertise, intelligence and ideas. These can be seen in the Litter Strategy (Table 1 – MDDC Litter Strategy Action Plan).
- 3.5 There are a number of components which underpin the effective application of enforcement. A separate short discussion paper has started to be compiled which sets out some of the key learning that has arisen from recent enforcement cases and where there are opportunities for improvements to be made regarding our enforcement practice in the future. Priorities include:
 - The streamlining and simplification of Enforcement practice and correspondence using flowcharts and template letters
 - Empowering and encouraging Officers to take difficult Enforcement related action where it is necessary to do so
 - The publishing of data to show where we have initiated enforcement action and the success of its implementation and subsequent follow through.
- 3.6 We will look to work more closely with our neighbouring authorities to share ideas and develop best practice.

4.0 Outcomes and Recommendations

- 4.1 The lack of clear strategy could lead to inconsistencies in the Council's approach to provision of litter infrastructure, enforcement and education.
- 4.2 There have been calls for use of body cameras to be worn by council officers, which will be considered as part of a review to our work on enforcement by the new Environment and Enforcement Manager who will start in February. As part of this review, consideration will also be given to the views of staff regarding how we protect them with regards health and safety. It is important that the council has a consistent position that can be applied across the council.
- 4.2 The Environment PDG considers the contents of this report and the attached draft Litter Strategy and recommends it to Cabinet for adoption so we can start to implement the proposed actions that will help make a positive difference to the District.
- 4.3 Once adopted, the Mid Devon Litter Strategy will be reviewed periodically to ensure:
- It is in step with the changes to the environment which may increase levels and types of litter
 - Changes to relevant legislation are brought into the strategy
 - Enforcement action is reviewed to assess effectiveness of implementation together with new technology and innovation
 - We involve and empower the community to take ownership of their litter (and related behaviour)

Contact for more Information: Darren Beer, Operations Manager for Street Scene and Open Spaces
dbeer@middevon.gov.uk

Circulation of the Report: Cllr Colin Slade, Leadership team

List of Background Papers:

Litter strategy for England:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/630999/litter-strategy-for-england-2017-v2.pdf

Litter strategy for England: Annual Report (2017-2018)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/727987/litter-strategy-annual-report-2017-2018.pdf

Litter strategy for England: Annual Report (2018-2019)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/836953/litter-strategy-annual-report-2018-2019a.pdf

Code of Practice of Litter and Refuse:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/834331/pb11577b-cop-litter1.pdf

Resource and Waste Strategy:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/765914/resources-waste-strategy-dec-2018.pdf

Environmental Protection Act 1990:

<https://www.legislation.gov.uk/ukpga/1990/43/contents>

Draft Resource and Waste Management Strategy for Devon and Torbay 2020 – 2030:

[Draft Resource and Waste Management Strategy for Devon and Torbay 2020 - 2030 - Waste and Recycling](#)

A Green Future: Our 25 Year Plan to Improve the Environment:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693158/25-year-environment-plan.pdf

Clean Devon

<https://cleandevon.org/>

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Mid Devon District Council Draft Litter Strategy

Contents

1.0	Introduction	2
2.0	Aims and objectives	2-3
3.0	Measuring and Monitoring	5
4.0	Priorities and Sustainability	5-6
5.0	Current Provision	6
6.0	Future Provisions – Delivering the strategy	7-8
Table 1 - MDDC Litter Strategy Action Plan		4
Appendix A – Types of enforcement action		9-10
Appendix B – Inspections		11

1.0 Introduction

- 1.1 Litter blights the local environment, reduces overall quality of life, influences people's choice of where to live, discourages investment and visitors to our area and can be damaging to wildlife and habitats. We want Mid Devon to be a place that people want to live and visit to enjoy our towns, villages and beautiful countryside.
- 1.2 We all need to look ahead to protect our future. Our nation's future prosperity will greatly depend on how well we manage our environment and therefore it is important that we all play our part in reducing litter and stop people from dropping litter in the first place. This is about everyone taking ownership of their behaviour.
- 1.3 Mid Devon's Litter Strategy focuses on community change and sits within our waste and recycling strategic targets of reducing and reusing waste, increasing recycling, which in turn are key to reducing our carbon footprint. It is aimed at delivering best practice to both residents and visitors and delivery of community and environment objectives.
- 1.4 Our vision is to raise the awareness of the public and providing the education, infrastructure and enforcement for behaviour change to reduce litter in our community.

2.0 Aims and objectives

- 2.1 In order to help deliver our pledge to tackle climate change and cut carbon emissions it will be useful to look at the litter strategy under the following aims:
 1. **Education and awareness** – By supporting positive behaviour and ownership
 2. **Better cleaning and litter infrastructure** – By making it easier to dispose of litter
 3. **Improve enforcement** - By exercising council powers to deal with anyone who drops litter. Types of enforcement action can be found in Appendix A
- 2.2 The six key objectives to support the aims are:
 1. Create a culture where it is unacceptable to drop litter through an effective communication and engagement plan
 2. Facilitate strong and consistent anti-litter education with children and young people
 3. Collaborate with community action groups and local businesses to develop actions to prevent and clear litter
 4. To develop a bin infrastructure and bin emptying review
 5. Understand the issues to create cleaner places
 6. To provide efficient and effective enforcement services

- 2.3 The aims, key objectives to deliver along with the actions and measures to monitor improvements are listed in Table 1 – MDDC Litter Strategy Action Plan below:

Table 1 – MDDC Litter Strategy Action Plan

Aim	Objective	Actions	Measures
1. Education and awareness - Supporting positive behaviour and ownership	1. Create a culture where it is unacceptable to drop litter through an effective communication and engagement plan	Promote National campaigns including the Great British Spring Clean	Number
		Pool resources to introduce efficiencies in Clean Devon campaigns, including Devon is beautiful, keep it that way	Number
		Innovative campaigns advertised/viewed on the high street and areas such as cinema screens to get the public to take ownership of their surroundings so they see littering as their responsibility	Locations and media
		Set up a stall in Tiverton Market to promote awareness around litter and good practice around disposal supported by Officers and Councillors	Number of visits and enquiries
		Use nudge type interventions by using positive messages and images during campaigns	
	2. Support strong and consistent anti-litter education with children and young people	Work with school leaders to develop a programme to reduce litter in and around the schools such as litter patrols and litter picking	Feedback and inspections
		Go into schools and deliver presentations to educate pupils in the impact of litter	Feedback
		Develop Primary School competitions around the theme of anti littering and sponsor a prize to award best ideas for promoting awareness	Interest
		Work with youth groups to understand the issues in the local community	
	3. Collaborate with community action groups (including CAG and Sustainable Tiverton/Crediton) and local businesses to develop actions to prevent and clear litter	Raise the profile of litter picking completed through social media and website	Number and weight of collections and compare
		Collaborating with community groups to formulate actions to reduce and clear litter	
		Partnership working on actions to prevent litter with fast food outlets	Number of partnerships
		Clear signposting to MDDC litter picking content on website	Number of visits
2. Better cleaning and litter infrastructure - Making it easier to dispose litter	4. To develop a bin infrastructure and emptying review	Examine the location of bins, along with the emptying frequency to determine the correct number and type	Bin emptying statistics, service costs and inspections
		Install recycle on the go bins to increase recycled waste collected	Weigh collections and compare
		MDDC Litter Strategy adopted to be best placed for future funding opportunities	
		Review, trial and cost new technologies and innovations including; bin with sensors and solar compaction bins	Trial
		Work with other local authorities to review and implement best practice with regards bin provision	Compare and evaluate plans
	5. Understanding the issues to create cleaner places	Review data available along with feedback from the public and staff to better understand littering hotspots to direct resources	Number and location for complaints and inspections
		Partnership working with Highways England and Devon County Council to reduce litter on highways and roads	Number and location for complaints and inspections
3. Improving enforcement - Exercise council powers	6. To provide efficient and effective enforcement services	Review operational procedures to reduce wind-blown and dropped items	Number and location for complaints and inspections
		Publishing enforcement results and show follow through to implementation and subsequent payment of fines	
		Review enforcement arrangements for dealing with littering	
		Issue FPNs for littering and dog fouling	Number issued
		Identify serial offenders through working with stakeholders	
		Use the police to support with the implementation of enforcement measures	

3.0 Measuring and Monitoring

- 3.1 We need to look at ways to monitor and evaluate progress through collection of data on littering hotspots, along with inspection routines and street cleansing reports/complaints. Part of this strategy is to construct a system of monitoring and recording that can inform future planning and direct current activity and operations.
- 3.2 Therefore we will review:
- The number of litter complaints received
 - The number of FPNs issued
 - Litter tonnages collected
 - Litter picks including; number, location and tonnages
 - The number of bins, type, location and emptying frequency
 - Results of inspections/gradings completed (Appendix B)
 - Perceptions and understanding through feedback and surveys
 - The cost of providing a Street Cleansing service, which is approximately £420,000

We will use this information to compare and ensure best practice amongst our neighbouring authorities and available national statistics.

4.0 Priorities and Sustainability

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

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



- 4.3 The Litter Strategy aims to support the council pledge to tackle climate change and cut carbon emissions and facilitate the achievement of the four priorities, which includes:

- Homes - Use new development as opportunities to help communities to become increasingly sustainable and self-sustaining at neighbourhood level (district heating, energy use, recycling/re-use systems etc.)
- Environment - Increase recycling rates and reduce the amounts of residual waste generated
- Environment - Support community activities that improve the environment such as litter-picks, guerrilla gardening, or community adoption of assets
- Community - Promote community involvement in Council activity
- Economy - Develop and deliver regeneration plans for all three main towns in partnership with town and parish councils, private and third sector and communities

5.0 Current Provisions

5.1 Street Cleansing currently provides services across the district, including:

- Bin provision and emptying - There are around 850 bins in the District split into three zones that are audited and emptied at frequencies dependant on location and use. Within Mid Devon dog waste can be bagged and deposited in dog bins or in litter bins (not in a childrens play area) as there is an existing 'Any Bin Will Do' Policy. An audit of litter and dog bin provision has been completed with photographs of all bins and locations entered onto a GIS mapping system. This audit also includes a condition survey and fill levels.
- Street cleaning in the three town centres of; Tiverton, Cullompton and Crediton
- Litter picking of parks, open spaces and road side verges – This also includes clearing of litter blown or dropped from council waste and recycling vehicles
- Street sweeping of the district using two mechanical sweepers
- Clearing of fly tipping
- Bulky Waste collections

We also provide organised litter picking groups with; litter picking sticks, advice and risk assessments and picking up the litter collected by these groups.

5.2 The Street Scene Education and Enforcement Service is a frontline service which works throughout the District ensuring cleanliness and attractiveness of our public realm through both education and enforcement. The role of the four District Officers is to protect, promote and improve the health and environment of the district and all its people through education, guidance and enforcement. Related activities include patrols where District Officers can detect and deal with littering incidents and dog fouling related issues for which they may issue Fixed Penalty Notices (FPNs). Cleansing Inspections are carried out at the same time.

6.0 Future provisions – delivering the strategy

6.1 It is important that we do not look at education, infrastructure and enforcement in isolation. There will always be an overlap and one may compliment and support another. We will blend education with enforcement and promote how these two areas can work closely together. For some people enforcement is preceded by education, whilst with others education is preceded by enforcement. The key thing is to ensure these measures are linked and complement each other.

6.2 Education and awareness measures will embed a culture which views littering as socially unacceptable and we recognise that prevention is more effective than cleaning up after the event - the clean-up costs are a huge drain on our resources. Enforcement is a necessary tool to address the behaviour of habitual litterers by sending a clear message to the public. We will use existing prosecution powers where appropriate including the issuing of Fixed Penalty Notices.

6.4 Mid Devon District Council wants to create a culture where it is totally unacceptable to drop litter. This means generating strong and lasting social pressure against littering, making it socially unacceptable to drop litter. A compelling communications plan is a common feature of almost all successful approaches to tackling litter. Mid Devon District Council believes that there is now a need for a more joined up approach led by Government to develop a national anti-litter campaign to help deliver sustained behavioural change for this generation.



6.5 Mid Devon District Council will look at innovative ways to engage the community, groups and businesses to share their experiences of what works to reduce littering to assist in the future direction and thinking for tackling littering in our District. We need to understand the cause of littering and focus on what works. Stakeholder groups will be crucial to convey the message to change behaviours and assist in reducing litter in our District. Nudge-type interventions are often small changes that are relatively cheap to implement, compared to traditional behaviour-change tools like large-scale campaigns or enforcement. For example, there is no difference in cost between using positive social norm messages (e.g. “be part of a clean community”) rather than negative instructions (e.g. “don’t drop litter”), yet nudge theory suggests that positive messages should be more effective.

- 6.6 Mid Devon District Council will work with schools in teaching about litter, working with Partnership Directors and Ambassadors. Education and work with young people will be a consistent theme to our approaches in reducing littering and bring about long lasting behavioural changes so that good habits learned in school are followed through into homes and the community. We will work with the Devon Waste Education Programme to look at how we engage school children with anti-littering campaigns.
- 6.7 Mid Devon District Council needs to understand why littering is more common in certain age groups than others. Mid Devon District Council needs to look at the motivations and barriers that influence littering behaviour and proper disposal behaviour. Mid Devon District Council needs to understand how individual's feelings about and relationship to their community can also affect their behaviour. Mid Devon District Council will need to work with youth groups and the National Citizen Service to understand and develop interventions that engages youth to take personal responsibility and ownership and pride in their local area. This could be conveyed through; social media, peers and even the cinema.
- 6.8 Mid Devon District Council will use our position as the local authority to spread the message about the financial and environmental cost of litter through the use of social media and the Council website. Advise residents on the correct disposal of household waste and appropriate methods for disposing of household items using; reuse services, bulky waste collections or waste disposal contractors with the correct waste carrier licence. We will periodically review systems used for the public to report instances of littering.
- 6.9 Mid Devon District Council will assess the effectiveness of developing technologies and new innovations along with local authority interventions with regards the three areas of; education, infrastructure and enforcement.

Appendix A – Types of enforcement action

Type of enforcement action	Purpose
No further action	All actions of observed littering and reports of littering will be investigated by the District Officers. It may be decided that enforcement action is not proportionate to the level of harm caused by a breach. This may be for cases where the member of public is unaware that they have littered, but will be told their responsibilities regarding littering and that a Fixed Penalty Notice will be issued for any future offences.
Fixed Penalty Notice (FPN)	Fixed Penalty Notices (FPNs) are a means of punishing offenders for unlawful behaviour and offer a quick, flexible means of dealing with certain offences. It avoids overloading the judicial system with unnecessary cases. The Council can issue a fixed penalty notice as permitted by section 88 of the Environmental Protection Act 1990. A fixed penalty notice sets a penalty of £150 to be paid but it is not a fine or a criminal conviction. The recipient can opt for the matter to be dealt with in court instead of paying. No proceedings will be taken for the offence before the expiration of 14 days following the date of the notice. The offender will not be liable to conviction for the offence if payment of the fixed penalty is received during the period of 14 days.
Prosecution	Section 87 of the Environmental Protection Act 1990, as amended, makes it a criminal offence to “throw down, drop or otherwise deposit any item, and leave it”. The offence applies to all land (or water) that is publicly accessible (with or without payment) and open to the air. An area is open to the air if it is open on one side, even if the area is covered. It is not an offence to drop litter if it is authorised by law or if it is done with the consent of the owner or occupier of the area where the litter is dropped (except in the case of ponds, lakes or watercourses, where the owner or occupier giving permission for litter to be dropped must have control of the whole area of water for no offence to be committed.) The maximum fine for littering is £2,500 .
Fly Tipping	Fly tipping is the illegal dumping of any waste onto land that has no licence to accept waste. It can vary in scale significantly from a bin bag of rubbish to a large quantity of waste dumped from a truck. Enforcement legislation is embodied within the Environmental Protection Act 1990 sections 33 and 34. The Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016 came into force on 9 May 2016 which amends the Environmental Protection Act 1990 to allow the issuing of fixed penalties of £400 for waste deposit offences. The adopted Fly-Tipping Policy can be found under item 162 (Environment Education Policy) of the MDDC Cabinet meeting of 23 April 2020
Littering From Vehicles	Mid Devon District Council is committed to reducing litter on

	<p>roadsides and verges and will take enforcement action against those who litter from their vehicles. It is recognised that it can be particularly difficult for District Officers in the Environmental Enforcement Team to identify which person in the vehicle committed the offence. Recently introduced powers allow Mid Devon District Council to hold the keeper of a vehicle responsible for littering offences committed from the vehicle.</p> <p>The amount of a fixed penalty is the amount specified under Section 88(6A) of the EPA 1990 for the fixed penalty for the offence of leaving litter which has been thrown from a vehicle. Mid Devon District Council has set this sum at £150. If this fixed penalty is not paid in full within the fixed penalty payment 14 days, the amount of the fixed penalty increases by 100% with effect from the day after the last day of the fixed penalty payment period.</p> <p>These FPNs will be issued when District Officers in the service Environmental Enforcement Team observe offences whilst on patrol, on a pure chance basis whilst engaged on other duties, or following an approach by members of the public willing to stand as witness in any subsequent Court action.</p>
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There are no current national metrics in place although locally District Officer hours are used to grade roads/streets etc. in our district. Sites are assessed using a grading system based on the same principles previously used in Defra's Code of Practice on Litter and Refuse (NI 195). These are graded A-D:

- grade A meaning no litter is present
- grade B meaning - the area is predominantly free with some minor instances of litter
- grade C meaning widespread distribution of litter and refuse, with minor accumulations
- grade D meaning heavily affected with litter, with significant accumulations

Grades A and B are classed as meeting an acceptable standard.

In 2017 to 2018 the average number of sites that were graded as acceptable or higher was 86% - 96% from data supplied by Keep Britain Tidy and APSE.

MDDC data from 2020-2021

	Number		Percentage	
	Litter	Detritus	Litter	Detritus
Number of Wards Surveyed	27	27		
Total Number of Transects Surveyed	820	829		
Transects Graded A	445	202	54.27	24.37
Transects Graded B	355	566	43.29	68.28
Transects Graded C	19	54	2.32	6.51
Transects Graded D	1	7	0.12	0.84
Percentage graded A or B:			97.56%	92.64%

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HOMES POLICY DEVELOPMENT GROUP 18 JANUARY 2022

THE DRAFT TENANT INVOLVEMENT AND EMPOWERMENT STANDARD POLICY

Cabinet Member(s): Cllr Bob Evans, Cabinet Member for Housing

Responsible Officer: Mrs Claire Fry, Operations Manager for Housing Services

Reason for Report & Recommendation: The landlord service, Mid Devon Housing, is currently reviewing previously adopted policies with the aim of rationalising them and ensuring that they support work to ensure regulatory compliance. To this end, policies are being more closely aligned with each of the individual Standards within the regulatory framework.

Recommendation: That Members recommend the adoption of the Draft Tenant Involvement and Empowerment Standard policy to the Cabinet.

Financial Implications: The work of Mid Devon Housing (MDH) is funded through the Housing Revenue Account (HRA) and there is a budget set aside within this account to support tenant involvement and engagement. There is a Housing Complaints Officer whose role is funded through the HRA and there is a budget to support the payment of compensation in cases where complaints are upheld. Recharges are made from the HRA to the General Fund in respect of work undertaken corporately with regard to the management of contacts with tenants.

Budget and Policy Framework: The HRA must balance but there are funds set aside within it to support the activity required to deliver regulatory compliance with the Tenant Involvement and Empowerment Standard. This new policy refers to corporate policies and includes the revised strategy relating to tenant involvement and the refreshed approach to the management of compensation and redress set out in the appendices.

Legal Implications: MDH is a social landlord and is registered with the Regulator for Social Housing (RSH), meaning that it is a Registered Provider (RP). The RSH sets consumer standards and the Tenant Involvement and Empowerment Standard is one of these. The role of the regulator is to intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants. MDH is also obliged to manage complaints in line with the Complaints Handling Code issued by the Housing Ombudsman Service (HOS) and completed a self-assessment against this, which is available to view on the Council's webpages, in line with the requirements of the HOS.

Risk Assessment: Agreed housing policy provides a framework for decision-making which ensures that customer-facing teams deliver consistency in the discharge of duties to support good housing management. This ensures that both properties and tenancies are managed effectively and reduces reputational risk.

Equality Impact Assessment: MDH is required to work with people from all sections of society and having agreed policy ensures that all tenants and other

stakeholders are treated in the same way with adjustments being made to meet their needs, as necessary.

Relationship to Corporate Plan: Homes and the environment are a priority for the Council and this includes increasing the supply of affordable homes in the District and also supporting and growing active tenant engagement

Impact on Climate Change: The pandemic has resulted in increased internet usage and therefore an increased ability amongst the population at large to use social media and other digital conferencing platforms. Officers of MDH are now using electronic means of communication with tenants and other stakeholders more frequently which reduces printing and paper usage. Our tenant involvement offer, should the policy be agreed, should result in more digital engagement and less face to face meetings which will reduce mileage incurred by Officers to locations some distance from the office and the associated resources relating to heating halls for meetings etc.

1.0 Introduction/Background

- 1.1 The Council, in its role as a social landlord, is required to deliver compliance with the four Consumer Standards within the Regulatory Framework for Social Housing.
- 1.2 There are currently four Consumer Standards: the Tenant Involvement and Empowerment Standard; the Home Standard; the Tenancy Standard; and the Neighbourhood and Community Standard.
- 1.3 The Social Housing White Paper, published in November 2020, announced a move towards a full consumer regulation regime where the Regulator for Social Housing (RSH) will be more proactive in order to ensure compliance with the revised Consumer Standards. This is likely to involve Registered Providers (RPs) such as Mid Devon Housing (MDH) having to give assurances to the RSH which will take a risk-based approach.
- 1.4 The RSH recently published a paper: “Reshaping Consumer Regulation: Our Principles and Approach” with six new themes replacing the Standards currently in use. These were stated as follows: Safety; Quality; Neighbourhood; Transparency; Engagement and Accountability; and Tenancy. The theme relating to Engagement and Accountability is likely to incorporate the requirements of the existing standard relating to Tenant Involvement and Empowerment. However, in the aftermath of the fire at Grenfell Tower in 2017, there is some expectation that the new regime will require social landlords to work much more closely with tenants and other residents on the estates which they manage. This is likely to involve a need to offer greater opportunities for scrutiny and to drive forward service improvements to deliver a better service to those in receipt of it.
- 1.5 The new regime can only be implemented once relevant legislation has received Royal Assent. There may some delay in getting this passed and onto the Statute Book. However, the RSH has indicated that RPs should work towards compliance with the new regime as a matter of good practice.

2.0 The Tenant Involvement and Empowerment Standard

- 2.1 Each of the existing standards within the regulatory framework contains a number of required outcomes and specific expectations. In this standard, there are several strands which relate to discreet areas of work. These are:
 - 2.1.1 The need to deliver information about services available to tenants and the standards which can be expected
 - 2.1.2 A requirement to offer a clear, simple and accessible approach to the management of complaints which results in these being resolved promptly, politely and fairly.
 - 2.1.3 A requirement that RPs, such as the Council, offer opportunities to tenants to get involved in many aspects of our work including the development of housing-related policies and strategic priorities.
 - 2.1.4 A requirement which relates to respect, and the need to treat all tenants fairly. RPs need to be able to demonstrate that they understand the different needs of their tenants, including in relation to equality strands and to additional support needs of tenants.

3.0 The Draft Tenant Involvement and Empowerment Standard Policy

3.1 Customer Service, Choice and Complaints

- 3.1.1 Since MDH is a Service positioned within a Council with retained housing stock, there are a number of corporate policies which support its work. With regard to the need to deliver regulatory compliance in relation to the Tenant Involvement and Empowerment Standard, those relevant include the corporate Complaints Policy and the corporate Vulnerability Policy which are currently being reviewed; the corporate Customer Care Standards, which are also being reviewed; and the Single Equality Scheme. These corporate documents are referenced within the new draft policy.
- 3.1.2 In addition, guidance relating to compensation has been attached to the new draft policy as an appendix. This has been revised to take account of the need to resolve complaints made by tenants, locally if possible. This is a requirement of the Housing Ombudsman Service which also puts great emphasis on the need to offer redress in cases where there has been service failure or where a complaint is upheld for other reasons. Frequently, compensation would be seen as a form of redress which can be paid to resolve the complaint and in recognition of service failure or distress caused as a result of this.
- 3.1.3 It should be noted that MDH will be refreshing the approach to the use of social media as a means of communicating with tenants shortly. However, as part of the review of involvement and engagement activity currently ongoing, consideration is being given to a revival of our tenant's newsletter and other ways of engaging with tenants on a regular basis including as part of focus groups, by email and on a face to face basis.

3.2 Involvement and Empowerment

- 3.2.1 Following a restructure, there is a customer engagement team which is managed by the Customer Engagement Co-ordinator. This team is dedicated to developing our offer to tenants in relation to scrutiny activities, consultation and increased information.
- 3.2.2 The strategy relating to tenant involvement has been refreshed and the new approach has been documented and attached to the new draft policy as an appendix.
- 3.2.3 The Tenant Involvement Strategy included in the new draft policy represents a new approach to this area of work. As a result of the pandemic, there seems to be an increased willingness for people generally to engage online. Since this offers opportunities to support the engagement of those who traditionally did not engage with us, including younger tenants, those with caring responsibilities with no access to respite, and those who do not drive, the strategy supports activity to increase digital engagement whilst at the same time promoting face to face meetings where needed.
- 3.2.4 The format of the document will allow the publication of the new strategy independently showing that the approach has changed; the design makes it more engaging and more accessible to those who would perhaps tend to shy away from reading a long and wordy document.
- 3.2.5 The strategy has been written in such a way as to set out the options available for tenants to get involved, showing the amount of commitment required, without being too prescriptive.
- 3.2.6 During the pandemic, Officers focused on reaching out to vulnerable people and work relating to more formal tenant involvement activity was paused. The new strategy allows for new methods of engagement to evolve naturally which take advantage of new ways of working with stakeholders, whilst still offering more traditional ways of getting involved.

3.3 Understanding and responding to the diverse needs of tenants

- 3.3.1 Housing applicants are required to provide data about their health and general circumstances as part of their housing application on Devon Home Choice. This informs their priority for rehousing. This information informs risk assessments and is fed through to the Neighbourhood teams once a home is allocated to a prospective tenant. Therefore, there is generally more information available to customer-facing teams about new tenants. Until the pandemic, there was a programme of Tenancy Home Checks (THCs), otherwise known as tenancy audits, and over 70% of our tenants had been visited over a period lasting some years. Any new information disclosed was updated to our electronic housing system. The programme of THCs was paused until such time as the risk of infection is considerably reduced on the basis that most tenants are unlikely to welcome an unannounced visit involving an inspection of their home and discussion of their needs.

3.3.2 Therefore, MDH has good insight into the varying needs of tenants and the Customer Engagement Co-ordinator has been tasked with reviewing the approach with the aim of ensuring that this informs service delivery, policy development and our approach to increasing customer satisfaction levels.

3.3.2 It should also be noted that the electronic housing management system enables the use of flags on individual tenant records showing communication preferences, special needs relating to home visits and so on. This may include reference to someone being hard of hearing, for example, but able to lip read, necessitating the use of a special facemask designed to enable someone to see the lips of the wearer.

3.3.3 There is a large cohort of tenants with multiple and complex needs whose lifestyles may be described as chaotic. The Neighbourhood teams work in partnership with a wide range of other agencies to support such tenants but there is an acknowledgement that working with such tenants can be resource-intensive and difficult. Furthermore, some individuals can have a profound impact on their local communities if their behaviour is such that it causes nuisance to neighbours.

4.0 Feedback on Activity relating to Tenant Involvement

4.1 There will be an annual update to the Policy Development Group (PDG) detailing the number of tenants actively involved with the work of MDH and showing which activities are proving to be of most interest to people wishing to make a contribution to the running of the Service.

5.0 Recommendation

5.1 That Members of the PDG recommend the adoption of the Draft Tenant Involvement and Empowerment Standard policy to the Cabinet.

Contact for more Information: Mrs Claire Fry, Operations Manager for Housing Services, telephone: 01884 255255 (via callback), email: cfry@middevon.gov.uk

Circulation of the Report: Cllr Bob Evans, Cabinet Member for Housing; Leadership team; Corporate Management Team

List of Background Papers:

Gov.uk, "Guidance, Regulatory Standards", last updated 1 April 2020
<https://www.gov.uk/guidance/regulatory-standards#consumer-standards>

Gov.uk, the "Tenant Involvement and Empowerment Standard" published 1 July 2017

<https://www.gov.uk/government/publications/tenant-involvement-and-empowerment-standard/tenant-involvement-and-empowerment-standard-2017>

Housing Ombudsman Service, "Complaints Handling Code", published July 2020

<https://www.housing-ombudsman.org.uk/landlords-info/complaint-handling-code/>

Gov.uk, “Reshaping Consumer Regulation: Our Principles and Approach”, published 17 November 2021

<https://www.gov.uk/government/publications/reshaping-consumer-regulation-our-principles-and-approach>

Mid Devon Housing

Tenant Involvement and Empowerment Standard Policy

December 2021

Contents

	Page
Introduction	
Themes	
The Tenant Involvement and Empowerment Standard Policy	
Customer Service, Choice and Complaints	
Involvement and Empowerment	
Understanding and Responding to Diverse Needs	
Appendix 1 – Tenant Compensation Policy <ul style="list-style-type: none"> - Supplement 1 – Right to Repair – Qualifying Repairs - Supplement 2 – Right to Compensation for Improvements – Qualifying Improvements - Supplement 3 – Calculation of Compensation for Improvements - Supplement 4 – Discretionary Payment Matrix 	
Appendix 2 – Tenant Involvement Strategy <ul style="list-style-type: none"> - Tenant Involvement Action Plan 	

1. Introduction

The Charter for Social Housing Tenants

- 1.2 The 2020 Social Housing White Paper 'The Charter for Social Housing Tenants' was produced building on the lessons learnt from the Grenfell Tower fire. The importance of having the resident voice at the heart of service design and effective resident involvement is a theme that runs throughout our Tenant Involvement and Empowerment Policy.

1.3 Themes within the Tenant Involvement and Empowerment Policy:

- 'Engaged tenants' being a key part of Mid Devon Housing's (MDH) governance and scrutiny arrangements
- Tenants who do not want to attend formal meetings or join a formal group have other opportunities to have their voices heard, through resident surveys, consultations and neighbourhood walkabouts.
- Engagement opportunities are tailored to our tenants' needs and interests encouraging and supporting greater involvement
- The Charter also ensures that information should be published and available to tenants on how their landlord is performing in key areas of service delivery.
- Ensuring alignment of resident involvement at all levels across Mid Devon Housing, including addressing needs and helping with aspirations as well as boosting community resilience and self-reliance.
- A need to embrace digital solutions both in terms of responding to residents changing needs and a requirement to access information and services 24/7 as well as embracing learning from digital involvement access during the pandemic
- The Housing Ombudsman Code places greater responsibility to resolve complaints, quickly, demonstrating learning and improvement from complaints and ensuring these are shared with residents. This is addressed in our corporate Complaints Policy, the corporate Vulnerability Policy, the corporate Customer Care Standards, and the Single Equality Scheme all of which are referenced in the Tenant Involvement and Empowerment Standard Policy.

2. Aim:

- 2.1 The aim of our policy is to ensure that our tenants live good quality lives in a place where people come together and contribute as one community, where people value decency and dignity and where neighbourhoods are clean, safe and well maintained.

3. Customer Service, Choice and Complaints

MDH is required to:

- Provide choices, information and communication that is appropriate to the diverse needs of its tenants in the delivery of all standards. We will use Plain English.
- Have an approach to complaints that is clear, simple and accessible that ensures complaints are resolved promptly, politely and fairly.
- MDH offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance against the standards, and details of what to do if they are unhappy with the outcome of a complaint.
- We have reviewed our compensation policy to provide a clearer and more aligned policy for MDH. We have reviewed the need to offer redress in cases where there has been service failure or where a complaint has been upheld for another reason.
- The Compensation Policy attached in Appendix 1 has been revised to ensure that we meet the needs of the Housing Ombudsman Service with the need to offer compensation in the form of redress in cases where there has been a service failure or in recognition of distress caused to our tenants.

4. Involvement and Empowerment

- 4.1 The Customer Engagement Team is dedicated to develop our offer to tenants in relation to scrutiny activities (this involves giving tenants opportunities to review performance, to undertake service reviews and to contribute to service improvement activity), consultation and providing a transparent approach to service satisfaction.
- 4.2 Delivery of the Tenant Engagement Framework and the involvement of our tenants in housing services and estate management activities directly contribute towards delivery of the Council priorities through community based action and empowerment to improve the environment and offer a range of activities to benefit people of all ages.
- 4.3 The framework for involvement provides a flexible range of options for residents to get involved at all levels based on their interests and preferred communication channel. It seeks to ensure that all resident involvement activity is designed and aligned to support the delivery of the department strategic objectives and that all feedback flows through local and strategic groups to ensure the resident voice is integrated in service planning, monitoring and improvement.
- 4.4 For more information on the menu of involvement MDH offers, please see our Tenant Involvement and Empowerment Strategy contained in Appendix 2

5. Understanding and Responding to Diverse Needs

- 5.1 MDH is committed to treating all tenants with fairness and respect and expresses this within the Single Equality Scheme. Our electronic housing management system enables the use of flags for individual tenant records. The introduction of our

Customer Engagement Team will ensure we measure customer satisfaction and review it regularly. This will enable us to drive service delivery and to improve satisfaction levels, whilst at the same time confirming that action is appropriate in the context of the improvements which tenants would like to see.

- 5.2 The Neighbourhood Teams work together with other support agencies in both the voluntary and statutory Sector to improve coordination between services, and encouraging cross-service approach. This ensures we provide targeted services that are based on the different needs of our tenants within Mid Devon, rather than a 'one size fits all' approach.

6. Feedback on Tenant Involvement Activity

- 6.1 In order for MDH to continually improve our services, we recognise that we need to regularly collect and use feedback from our tenants. This feedback is used to improve service delivery.
- 6.2 An annual update will be provided to the Policy Development Group (PDG) noting how many tenants are actively involved in the work of MDH.

7. Monitoring, evaluating and reviewing the Strategy

- 7.1 The Tenant Involvement and Empowerment Policy will be reviewed every 4 years, unless there is a need for us to review it sooner due to a change in legislation or regulation.

Appendix 1

Mid Devon District Council

Tenant Compensation Policy

December 2021

Version Control Sheet

Title: Tenant Compensation Policy

Purpose: To review the Tenant Compensation Policy in accordance with good practice and relevant legislative requirements

Owner:

Date:

Version Number:

Status: Policy Review

Review Frequency:

Next review date: December 2024

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

Title	Date	Version Approved
Cabinet Member for Housing	22 December 2021	
Operational Managers	23 December 2021	
Home PDG	18 January 2022	

Mid Devon Housing

Compensation Policy

Contents

	Page
Aims and Objectives	
Policy Statement	
Different types of compensation covered by this policy	
This policy does not deal with certain claims for Compensation	
Legal Framework	
Statutory Compensation Right to Repair Right to Compensation for Improvements	
Statutory Home Loss and Disturbance Allowance	
Right to Buy	
Discretionary Payments	
Payments	
Appeals and Disputes	
Appendix 1 – Right to Repair – Qualifying Repairs	
Appendix 2 – Right to Compensation for Improvements – Qualifying Improvements	
Appendix 3 – Calculation of Compensation for Improvements	
Appendix 4 – Discretionary Payment Matrix	

1. Aims and Objectives

- 1.1 Mid Devon Housing (MDH) aim is to provide an excellent service to its tenants at all times, however, we recognise that there will be occasions when our tenants may suffer some disadvantage, inconvenience or loss as a result of our actions or mistake and that in some instances, we will give consideration to financial compensation or a goodwill gesture as the most appropriate form of redress.
- 1.2 This policy applies to tenants or residents of Mid Devon District Council. It covers both discretionary compensation, which relates to loss, damage or inconvenience due to a service failure and statutory (obligatory) compensation.
- 1.3 The aims of the Compensation Policy are:
 - To ensure a clear, fair and transparent approach to compensation for all tenants and residents.
 - To ensure consistency when calculating compensation.
 - To provide guidance on how and when compensation can be claimed.
 - Record and pay compensation promptly
 - Monitor compensation payments and spend

2. Policy Statement

- 2.1 MDH strive to provide excellent standards of service for our residents. We acknowledge that when these standards are not met, tenants can be inconvenienced or distressed, or have suffered a loss as a result of our action or inaction and that in some instances, compensation may be the most appropriate remedy.
- 2.2 Compensation is not automatic and will not apply where the service failure or mistake has not caused any inconvenience and has been easily and quickly remedied. The level of compensation should be reasonable, justifiable and proportionate to reflect value for money for all MDH tenants or residents.
- 2.3 Each case will be considered for compensation on an individual basis and take into account all relevant known circumstances and supporting evidence. All reports of loss or inconvenience will be investigated and where appropriate, compensation offered. Factors that should be taken into consideration when considered the level of compensation or goodwill gesture include:
- 2.4 Where the tenant has contributed to the failure in the service. This could be when there have been problems gaining access. MDH reserves the right to charge tenants £20 for missed appointments.
 - Costs have been incurred by the resident that would not otherwise have been incurred.
 - The level of stress or distress caused as a result of an action or inaction that has led to the claim of compensation. This will include the severity of the distress, the length of time involved and the number of people affected.
 - The amount of inconvenience experienced by the tenants and how much effort was required by them to resolve the problem.
- 2.5 Any compensation or goodwill gesture awarded must be appropriate and proportionate. To ensure consistency in the levels of compensation paid, the matrix

in **Supplement 4** sets out the maximum values that should be awarded. These amounts are based on the level of our responsibility and the impact on the resident. They are in line with guidance on compensation and redress, issued by the Housing Ombudsman Service.

3. Different types of Compensation covered by the Policy

There are two types of compensation; compensation that MDH is obliged to pay and discretionary compensation which we can choose to pay where circumstances warrant. We are obliged to award compensation under:

3.1 Statutory Compensation:

- Right to Repair
- Tenant Improvements
- Disturbance and Home Loss Payments
- Right to buy

3.2 Discretionary Compensation or Goodwill Gesture:

We may award discretionary compensation for the following (this list is not exhaustive):

- Poor complaint handling
- Delays in providing a repair or service
- Temporary loss of amenity
- Failure to meet target response times
- Failure to follow policy or procedure

3.3 This policy does not deal with certain claims for Compensation:

The policy does not cover the following claims:

- Claims that would normally be dealt with by our insurers
- Those covered by MDH's liability insurance
- Any claim that should be covered by a home contents insurance policy
- A claim for personal injury
- A claim for loss of earnings
- Where there is impending legal action

MDH will **not** consider a claim of compensation where:

- The loss or damage was caused by a tenant, household member or visitor and includes failure to report a repair promptly or keep an appointment.
- The fault was unforeseeable and/or caused by a 3rd party or MDH had no control over it, such as a water leak from a neighbouring property.
- Possessions are lost, stolen or damaged through no fault of MDH.
- Items which have been unavoidably damaged by improvement works, such as installation of central heating which has unavoidably left holes in the flooring to accommodate new pipework.
- Damage caused by condensation due to lifestyle.
- Service failure or damage is the result of extreme or unforeseen conditions such as weather.

- Loss of the supply of gas, electricity or water which is outside of MDH's control.
- 3.4 Tenants should ensure that they have sufficient home contents insurance to cover damage to their property through no fault of MDH.
- 3.5 This policy should be read in conjunction with Mid Devon District Council's Corporate Complaints and Feedback Policy

4. Legal Framework

- 4.1 MDH is governed by legislation and good practice relating to the payment of compensation. This is used to decide when and how much compensation will be payable. Compensation payable under legislation includes:
- Right to Repair – Common hold and Leasehold Reform Act 2002
 - Right to Compensation for Improvements – The Housing Act 1985 and the Secure Tenants of Local Authority Regulations 1994
 - Home Loss and Disturbance payments – Land Compensation Act 1973 as amended by the Planning Act 1991

5. STATUTORY COMPENSATION

Type of Compensation Payments:

5.1 Right to Repair

- 5.2 Under the Right to Repair Scheme, tenants have the right to be compensated if certain small, urgent or emergency repairs, costing less than £250, are not carried out within specific time scales. These are defined as 'qualifying' repairs under the Right to Repair Regulations 1994.

- 5.3 If MDH fail to carry out a 'qualifying' repair that has been reported, on two separate occasions within the published repair time period and the resident has allowed reasonable access to the property, a one-off compensation payment of £10, plus £2 for every day thereafter that the repair is not completed, up to a maximum of £50. A full list of qualifying repairs is available in **Supplement 1**

5.3 Mitigating Factors

Financial compensation would not be due if the tenant has done any of the following:

- Failed to inform MDH about works required to the property.
- Where tenant lifestyle has resulted in the property getting into disrepair.
- The tenant has damaged the property.
- The tenant has delayed works being done to the property either by restricting access or postponing appointments.

For more information on the Right to Repair Scheme, please visit:

www.legislation.gov.uk/ukxi/1994/133/made

6. Right to Compensation for Improvements

- 6.1 Under the Local Authorities (Compensation for improvements) Regulations 1994 or Section 100 of the Housing Act 1985, tenants may be able to claim compensation for

the improvements made, at the end of their tenancy. Providing the improvement is considered a 'qualifying improvement'.

- 6.2 Prior permission from MDH must have been obtained for a 'qualifying' improvement, and it must be made clear at the time of requesting permission that it would qualify as an improvement. For example, a kitchen may be on the list as a 'qualifying improvement', however MDH reserves the right not to deem it an 'improvement'. It is important that the tenant seeks advice, prior to work commencing, as to whether MDH would class it as a 'qualifying improvement'. Tenants can claim for the cost of materials and labour costs, but not for appliances or their own labour. The amount payable can be up to £3000 though claims under £50 will not be considered.

- 6.3 Payments will be adjusted for undue wear and tear or if any defects to the improvement exist at the end of the tenancy. Compensation is worked out based on the notional life of the improvement, divided by the cost of the improvement, minus the number of years left.

$$C \times \left(1 - \frac{Y}{N}\right)$$

C = Cost of Improvement

N = Notional life of improvement

Y = Number of years since completion

- 6.4 Compensation will not be paid to tenants who have exercised their Right to Buy or where the tenancy ends as a result of a Court Order for possession.
- 6.5 Any compensation will be paid at the end of the tenancy and will be offset against any sums owed to MDH.
- 6.6 Tenants can enquire about compensation at any point during their tenancy, but should apply for compensation at the same time as giving notice to end the tenancy. Tenants have 14 days from the end from the end of the tenancy to make a claim. The tenant will need to supply:
- Name and Address
 - Details of improvements
 - Evidence of permission obtained
 - Evidence of cost of improvements
 - The dates the improvement works started and finished
- 6.7 For more information on compensation for tenant improvements, please visit:

www.gov.uk/government/publications/landlord-and-tenant-law-compensation-for-tenants-improvements

- 6.8 A list of qualifying improvements is available in **Supplement 2** and the compensation calculation is available in **Supplement 3**

7. Statutory Home Loss and Disturbance Allowance

- 7.1 Where a resident is required to move permanently by MDH, compensation will be paid in accordance with the statutory Home Loss Regulation. This amount is set out in Section 30 of the Land Compensation Act 1973 and is reviewed annually. It is in

addition to reasonable compensation for disturbance and is only payable to secure/flexible tenants who have held their tenancy for at least 1 year. The payment will only be made once the permanent move has taken place and any monies owed to MDH will be deducted beforehand.

- 7.2 Decanting is the term used to explain the process when residents are required to move from their homes due to works being carried out that cannot be carried out whilst they are in residence. This includes when a resident has to move because their home is due to be demolished or disposed of, and when extensive structural or intrusive works are required. Please see our Decants policy for more details.

8. Right to buy

- 8.1 Tenants who have made an application to buy their home are entitled to claim compensation if the sale has not completed within our statutory timescales, as a result of our inaction.

Tenants will need to:

- Issue a Notice of Delay to officers giving one month in which to resolve the delay.
- A further Operative Notice of Delay must then be issued by the tenant if the delay is not resolved within a month.

- 8.2 Financial compensation

- 8.3 We will deduct the sum of the weekly rent amount x the delay period. For instance, if the rent is £78.60 a week and there has been an 8-week delay, we would take £78.60 x 8 =£628.80 off the final purchase price.

9. Discretionary Compensation

9.1 Repairs

- 9.2 We know how important it is to tenant's that we help them to maintain their home and fix repairs as quickly as possible. When considering paying discretionary compensation we will consider:

- 9.3 Each claim for compensation is on an individual basis, taking into account all relevant circumstances, where documents and evidence have been supplied. If evidence has been requested and is not supplied, claims may not be considered.

10. Financial Compensation

- 10.1 Financial compensation may be appropriate for:

- 10.2 Loss of amenities or rooms

If we are unable to complete a responsive repair within the set response times, in operation at the time, the tenant may have to cope without the use of amenities and/or rooms. In such cases, compensation may be awarded and will be calculated on the amount of rooms which are unable to be used and the amount of rent payable.

- 10.3 For non-pecuniary losses, the Complaints Officer should follow the discretionary payment process set out within the document. Please see **Supplement 4**

11. Service Failure

- 11.1 Tenants are encouraged to feedback incidents where they are unhappy with the service that they have received. In such cases offering a small amount of compensation may be appropriate to recognise any inconvenience caused.

12. Temporary heating

- 12.1 In some circumstances it may not be possible to carry out a repair to heating systems during the first visit due to the availability of spare parts, or the system is beyond economical repair. In such circumstances we will provide tenants with temporary heaters. Tenants will be compensated for the cost of using each heater provided.

13. Missed Appointments

- 13.1 Tenants can claim compensation for financial loss if a pre-arranged appointment that has been confirmed in writing is broken by a member of staff or one of our contractors. On such occasions we will pay compensation, except in exceptional circumstances which are beyond the control of the Council, its officers, or appointed contractors.
- 13.2 We may ask tenants to provide evidence if they have suffered a financial loss.
- 13.3 Tenants will not be eligible for compensation if the tenant was advised that the appointment would not be kept 24 hours before the appointment and an alternative appointment was arranged within 7 working days.

14 Damage to property

- 14.1 Tenants can claim compensation for accidental damage to their property caused by our contractors or staff. In this instance, tenants may be required to provide us with photographic evidence.
- 14.2 We may, at our discretion, issue compensation to tenants as a result of decorations, furniture or personal items being damaged due to neglect by a member of staff or a contractor acting on our behalf, where it can be reasonably proven.

15. Distress, Time and Trouble

- 15.1 We may decide that through our actions or inaction, we have caused a tenant to experience distress, upset or inconvenience and as such may look to compensate them for this. We do not compensate for loss of earnings, but may consider for example that if a tenant had to take time off work, that this was an inconvenience.
- 15.2 If a good will gesture is offered managers should aim to tailor it to the individual and base each offer on the particular circumstances of the case.

16 Gesture of Goodwill

- 16.1 We reserve the right to choose, sometimes even without acceptance of fault, to offer a gesture of goodwill. This can take the form of a physical token or financial gesture. Such gestures of goodwill will be considered on a case by case basis, but should not normally constitute more than a value of £250. However, there may be occasions when this amount may be exceeded but this will be at the discretion of MDH.

17. Time and trouble

- 17.1 Our tenant may have had to go to extensive time and trouble to persuade us to revise our decision or recognise their complaint. In this instance it is appropriate to pay compensation in recognition of our inaction. If we have failed to follow our processes within the permitted timescales, tenants may be entitled to compensation or a goodwill gesture.

17.2 Mitigating Factors

Financial compensation would not be if the complainant had done any of the following:

- Failed to provide us with any information requested.
- Caused an unreasonable delay in any part of the process.
- Been abusive or threatening to our staff.
- Rejected a transfer offer which we consider reasonable.

18. Payments

- 18.1 Claims for compensation or a goodwill gesture, due to service failure can be made via a service request before it reaches a stage one complaint. The relevant Office or Service Lead will decide on a case by case basis the most appropriate way to pay compensation. If the tenant owes money to MDH, the compensation will be credited directly to their rent account.
- 18.2 MDH may not use compensation to pay a debt if the compensation is meant to be used for a specific purpose, e.g. to replace a damaged item. However, if part of the compensation awarded is for distress or inconvenience, MDH may use this part to offsets any debt.
- 18.3 If a tenant feels that the compensation payment offered has not been considered in line with this policy, they have the right to use MDH's Complaints Procedure.
- 18.4 If a tenant accepts an offer of compensation, they must notify us within 30 working days of the offer. If the tenant fails to notify us of their acceptance, we reserve the right to withdraw our offer of compensation.

19. Value for Money

- 19.1 The correct issue of compensation can have a financial and social benefit to both MDH and our tenants or residents. Failure to issue appropriate compensation and redress, that is not appropriate or proportionate, can impact in our overall customer satisfaction.

20. Related Policies

- Corporate Complaints and Feedback Policy
- Complaints Procedure
- Repairs Policy and Procedure
- Decant Policy

21. Appeals / Disputes

- 21.1 Tenants have a right to dispute or appeal the compensation decision if they feel that MDH has not met its legal or statutory requirements, or if there is evidence that there has been a service failure.
- 21.2 Disputes can be dealt with informally by phone, email or letter, should a Tenant wish to discuss this with their Neighbourhood Officer or a Repairs Officer. Disputes can be formally dealt with as a service request. First time disputes or appeals cannot be dealt with as formal complaints in the first instance.

22. Review

This policy will be reviewed every 3 years, unless there is a change in legislation or regulation.

Supplement 1

Right to Repair

Tenants will be eligible for compensation under the Right to Repair if MDH fail to carry out the repair within the specified time, and after a further request again to complete the work within the specified time period.

Qualifying Repairs:

Defect	Prescribed period (in working days)
Total loss of electric power	1
Partial loss of electric power	3
Unsafe power or lighting socket, or electrical fitting	1
Total loss of water supply	1
Partial loss of water supply	3
Total or partial loss of gas supply	1
Blocked flue to open fire or boiler	1
Total or partial loss of space or water heating between 31 st October and 1 st May	1
Total or partial loss of space or water heating between 30 th April and 1 st November	3
Blocked or leaking foul drain, soil stack or (where there is no other working toilet in the house) toilet pan	1
Blocked sink, bath or basin	3
Tap which cannot be turned	3
Leaking from water or heating pipe, tank or cistern	1
Leaking roof	7
Insecure external window, door or lock	1
Loose or detached bannister or hand rail	3
Rotten timber flooring or stair tread	3
Door entry phone not working	7
Mechanical extractor fan in internal kitchen or bathroom not working	7

Supplement 2

Right to Compensation for Improvements

Tenants have a statutory right to claim compensation at the end of their tenancy for 'qualifying improvements' they have carried out to their home.

The 'qualifying improvement' must have been started on or after 1 April 1994

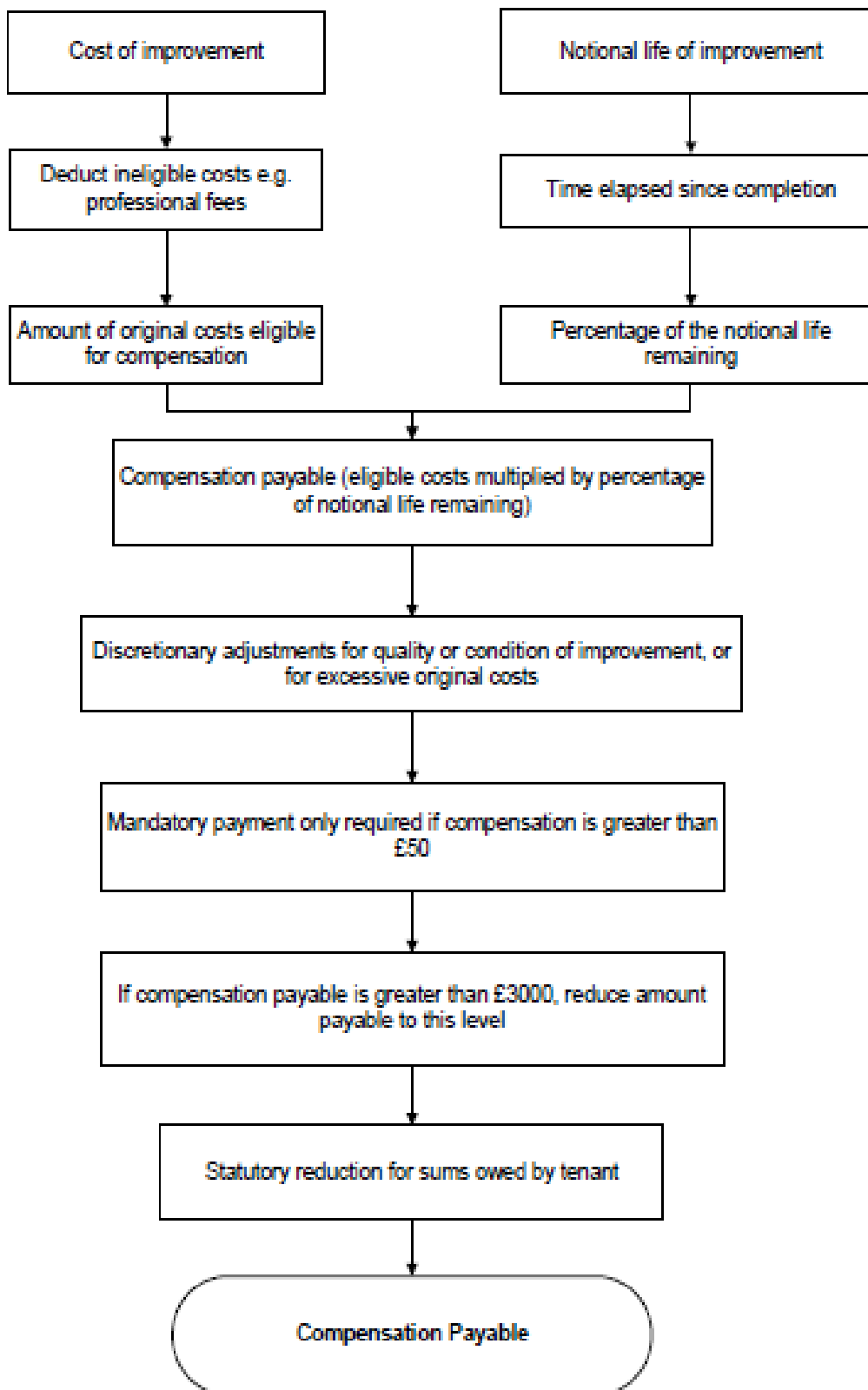
Qualifying improvements that **may be** eligible for compensation are:

- bath or shower
- wash hand basin
- toilet
- kitchen sink
- storage cupboards in bathroom or kitchen
- kitchen work surfaces
- central heating or water heating
- thermostatic radiator valves
- insulation of pipes, water tank or cylinder
- loft or cavity wall insulation
- double glazing, secondary glazing or other window replacement
- draught proofing of external doors or windows
- re-wiring or the provision of power and lighting or other electrical fittings including smoke alarms,
- security measures (excluding burglar alarms)

*Internal decoration **does not** qualify for compensation.*

Supplement 3

CALCULATION OF COMPENSATION PAYABLE



Supplement 4

Discretionary Payments

The Complaints Officer may authorise compensation, up to a maximum of £250. Higher payments must be authorised by a manager.

Compensation payments for delay and distress will be made based on the level of MDH's responsibility for the loss or inconvenience and the impact on the resident.

On occasions, MDH has the right to use discretion when awarding an amount, other than that stated in the matrix.

Discretionary payments include:

- Unacceptable delays in providing service which have resulted in serious distress or inconvenience to the tenant
- Unacceptable responses to upheld or partially upheld complaints which have caused distress, dissatisfaction or inconvenience
- Where a tenant has incurred additional costs as a result of a failure in service

The matrix sets out the maximum payment that can be made:

Level of Mid Devon Housing Responsibility	Impact on Tenant			
	No Impact	Low Impact	Medium Impact	High Impact
None	£0	£0	£0	£0
Partial	£0	£25	£175	£250
Full	£10	£50	£250	£500

Low impact: The complaint has been upheld but there has not been significant inconvenience or distress caused. The impact has been no more than a reasonable person could be expected to accept and the compensation is a token in acknowledgement of MDH's responsibility.

Medium impact: Inconvenience and/or distress has clearly been caused as a result of a failure in service. A repeated failure of a low impact event could result in the impact being increased to a medium impact.

High impact: A serious failure in service has taken place. This could either be due to the severity of the event or a persistent failure has occurred over a prolonged period of time or an unacceptable number of attempts to resolve the complaint have failed.

Goodwill gestures: Any member of staff is able to offer a goodwill gesture to residents who have received a poor service or have suffered inconvenience. Payments should take into account the level of stress, anxiety, frustration, uncertainty and inconvenience caused. This will include the severity, length of time, number of people affected and their individual circumstances.

If a tenant wishes to accept a compensation offer, they must do so within **30 days** of the offer.

Appendix 2

Mid Devon District Council

Tenant Involvement Strategy

Policy Number:

December 2021

Version Control Sheet

Title: Tenant Involvement Strategy

Purpose: To set out MDH's objective to increase successful tenant involvement and to consider how we can continuously improve the way in which we engage with tenants and leaseholders

Owner: Mrs Claire Fry, Operations Manager for Housing Services

cfry@middevon.gov.uk

Telephone: 01884 255255

Date: November 2021

Review Frequency: Every 4 years or sooner if required and in accordance with legislation and/or the regulatory framework for social housing

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

Cabinet Member

Staff

Tenants

Homes Policy Development Group

Leadership Team and Corporate Management Team

Document History

This document obtained the following approvals.

Title	Date	Version Approved
Cabinet Member	22 December 2021	
Leadership Team	04 January 2022	
Homes PDG		
Cabinet		



Tenant Involvement Strategy

2021-2025

CONTENTS

1. Introduction

What is tenant involvement?

Your rights

The Aims of Our Tenant Involvement Strategy

Page 3

2. Key principles

Opportunity

Consultation and Participation

Support and Information

Page 4

3. Objectives

Page 5

4. Ways You Can Get Involved

Page 6

5. Overcoming barriers

Page 8

6. Contact Us

Page 9

7. Tenant Involvement Action Plan

Page 10

1. INTRODUCTION

What is tenant involvement?

The 'National Strategy for Tenant Participation – Partners in Participation (1999)' describes tenant involvement as being “about tenants taking part in decision making processes and influencing decisions about housing policies; housing conditions; and housing services”.

Within this strategy you will find out about the different ways you can get involved. We will provide you with key information on how we will consult with you and use your views to influence the way we deliver our Housing Service.

Your rights:

- To access information about housing policies and related services
- To be consulted on issues that affect your home
- To participate in decisions that affect the services you receive
- Regularly review how well tenant participation is working

The Aims of Our Tenant Involvement Strategy:

- Improve the culture and practice of involving our residents across the housing service
- Improve our feedback to tenants so that we can increase transparency and evidence where our residents have shaped the housing service
- Continue to promote a wide range of options for tenants to be involved, including more interactive online meetings allowing residents an opportunity to participate from home
- Continue to promote tenant involvement, particularly to the under-represented groups
- Promote the positive benefits of tenant involvement to them personally as well as within their community
- Develop resident involvement in monitoring and improving performance through our Scrutiny Panel
- Provide resource and training to empower our residents and provide adequate support in developing tenant involvement
- Communicate effectively, using plain English, ensuring our information is accessible to all residents

2. KEY PRINCIPLES

OPPORTUNITY

- Give all residents the opportunity to get involved at a level that suits them and engage in ways that are accessible
- Promoting good practice and innovative ideas for encouraging and sustaining tenant involvement

OPPORTUNITY



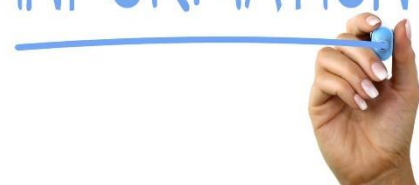
CONSULTATION AND PARTICIPATION

- Providing residents with the option to comment on policy, service improvements and any proposals that may affect them
- Providing relevant and timely feedback on outcomes

SUPPORT AND INFORMATION

- Support for our residents to meet their obligations and develop their activities
- Make training and resources available
- Provide an expenses scheme to cover reasonable costs arising from getting involved with the work of MDH

INFORMATION



3. OBJECTIVES

For successful tenant involvement MDH ensure that:

- Our tenants recognise us as an approachable landlord who will actively listen to their views
- As a natural inclusive part of our service we ensure equal access and fair delivery of services
- We provide support opportunities for tenants to develop their knowledge and skills
- We develop effective communication between officers and residents
- Residents have access to developing skills and confidence to influence decisions
- Mutual respect to allow understanding for all involved in participation
- Enhanced satisfaction for residents with their homes and neighbourhoods

4. WAYS YOU CAN GET INVOLVED

Our strategy is aimed to give our residents a fair and equal opportunity to get involved at all levels

How much of my time would I need to dedicate if I wanted to get involved:

Higher level of time	Medium level of time	Low level of time	Information only
★ ★ ★	★ ★	★	●

➤ Social Media:



We recognise that times are changing and we appreciate the importance of utilising remote access. By evolving our approach, we will introduce new and innovative ways to engage with our residents, removing barriers to make our tenant involvement accessible for all. This in turn will allow us to engage with a more diverse range of individuals.

➤ Website:



We will signpost to relevant pages on the website using our social media platforms.

➤ Annual Report:



Each year we publish an annual report, which reflects on our achievements and performance over the year. This report is sent out via a range of mediums, tailored to the needs of our residents.

➤ Consultations:



Consultations are a great opportunity for our residents to be involved in any future changes that may have an impact on their home or neighbourhood. By providing an opportunity to consult, we raise awareness and manage expectations.

➤ Neighbourhood Walkabouts:



Our walkabouts provide our residents the opportunity to meet with our Housing Officers twice yearly. Residents are invited to join in the estate walkabouts as a way of engaging with local area cooperating, addressing any concerns in their local area and share ideas for improvements to their communities.

➤ Communal Inspections:



Communal inspections are conducted on a monthly basis to ensure that areas are clean, safe and free from potential fire hazards.

➤ Opportunities to scrutinise our performance:



Residents would have an opportunity to undergo training in order to effectively scrutinise performance and make recommendations for improvements to the service.

➤ Focus Groups:



This is an opportunity for residents to review specific policies. These groups offer a greater flexibility to those that would like to get involved in scrutiny but are unable to commit fully to the scrutiny group.

➤ Estate Champions:



Estate Champions will work closely with the Tenant Engagement Team to gather feedback on a variety of areas within the Housing Service. They will be supported by monthly digital meetings.

➤ Complaints Champions:



Our complaints champions provide complainants the opportunity to drive service changes, from personal experiences or from their desire to promote positive service development. The complaints champions meet on a quarterly basis with the Complaints and Customer Engagement Officers to scrutinise the handling of complaints, identify systematic issues, or areas for improvement. It is also an opportunity to publicise effective complaint handling

➤ Void Tenant Inspectors:



Residents who have a keen interest in the standard of our homes can get involved in monitoring our re-let standards.

➤ De-carbonisation and Zero Carbon Champions



Residents would have the opportunity to consult on initiatives in order to meet our targets for de-carbonisation and zero carbon. Training will be provided for anyone with a keen interest in this area.

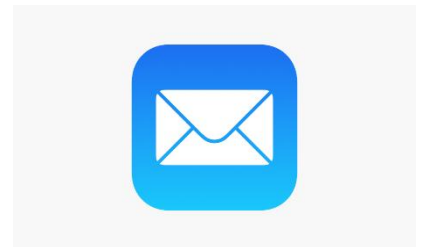
5. OVERCOMING BARRIERS

We are aware that there are groups of residents that are often under-represented in tenant participation. We will look to develop different ways to involve residents so that groups of people are not excluded. We will do this by raising awareness of involvement opportunities through our media platforms. We will also discuss tenant involvement during our sign-up process for new tenants.

Keeping you informed:

We know how important it is that we provide you with good quality, up to date information which is accessible to everyone and free of jargon. The methods we use include:

- Letters, phone, email
- Surveys and questionnaires
- Tenant polls



- Face to face meetings
- Home visits



- Focus Groups
- Tenant Handbook

- Annual Report

- Website, Facebook and Twitter



6. CONTACT US

We want to encourage all our residents to be involved in shaping our services and provide you with as many opportunities as possible.

If you want to find out more then please get in touch:

Phone: 07977928070 or 01884 255255

Email: tenantinvolvement@middevon.gov.uk



What we will do	How we will do it	When we will do it	Outcome
➤ Improve on our tenant feedback so that we can demonstrate where our	➤ We will inform residents when consulting with them,	➤ Ongoing	➤ Tenant involvement is working and empowering

Tenant Involvement Action Plan:

residents have influenced our housing service	how their views will be used to inform decisions		
➤ Evolve and increase engagement through empowerment and best practice	➤ Deliver a variety of high quality engagement activities	➤ Ongoing	➤ Continue to improve the ways we engage
➤ Promote a wide range of options for tenant involvement	➤ Offer various ways, dependent on interest and time for all residents to be actively involved	➤ Ongoing	➤ Increase residents' awareness and understanding of options and support available to help them get involved
➤ Ensure that we effectively communicate with residents to provide good quality, accessible information	➤ Review and improve the content on our website and use of social media	➤ Ongoing	➤ Increase the use of the tenant involvement web page ➤ Improve the information and communication available to our residents
➤ Review our training and development	➤ Provide our officers with regular training and for new staff it will form part of our induction process	➤ Ongoing	➤ Residents will receive a high level of customer service

CABINET 1 FEBRUARY 2022

CULLOMPTON TOWN CENTRE RELIEF ROAD (CTCRR) PROJECT

Cabinet Member(s): Cllr Richard Chesterton, Cabinet Member for Planning and Economic Regeneration
Responsible Officer: Richard Marsh, Director of Place.

Reason for Report and Recommendations: The report presents a recommendation to utilise a further tranche of the Housing Infrastructure Fund (HIF) monies to facilitate the progression of technical work relating to the Cullompton Town Centre Relief Road (CTCRR) over the next 12 months. This will support ongoing work and discussions to identify and secure funding to enable the delivery of the relief road and minimise the overall impact on programme (slippage) to the project.

RECOMMENDATIONS FOR CABINET:

1. To approve the drawdown and expenditure of a further tranche of the Housing Infrastructure Fund (HIF) funding, totalling £560k, to enable the progression of further feasibility and technical work relating to the Cullompton Town Centre Relief Road (CTCRR).

Financial Implications:

The drawdown of further HIF funding (£560k) to support further feasibility and technical work in relation to the Cullompton Town Centre Relief Road (CTCRR) will have limited financial implication for the Authority owing to the fact that Homes England are prepared to offer the Authority an indemnity to protect the Authority from the clawing back of any of this expenditure should the scheme ultimately not proceed to completion.

For clarity: the Council could still be at risk of claw-back from that element of HIF funding already committed (approx. £635k), as set out within the November 2021 report.

Budget and Policy Framework:

The CTCRR Scheme has detailed planning consent, is a scheme which has broad public support and is a key scheme in realising wider objectives and ambitions for Cullompton and the district as a whole.

Provision is made within the existing Budget framework for the scheme and arrangements are under continual review.

Legal Implications:

Legal obligations apply in relation to the original/existing grant of HIF (Housing Infrastructure Fund) funding and the delivery of the CTCRR scheme. The utilisation of a further tranche of the HIF funding, without the risk of clawback, will allow the scheme to progress – but it does not fundamentally address the issue of how to fund delivery of the road and deliver the outputs which the Council would wish to see, or which underpin the grant of the HIF monies.

It will be necessary to keep the other terms of the original HIF grant in mind, and be mindful of the legal implications for the Council to avoid the Council breaching any terms of the HIF Agreement.

Risk Assessment:

As set out above, the risk associated with the utilisation of a further tranche of HIF funding is limited, as the Council is to be indemnified against clawback of the funding from Homes England. This means that the Council's financial risk is not increased as a consequence of the expenditure of further HIF money to progress the technical design work associated with the scheme.

However, risks do remain for the Council. Notably;

1. Utilisation of the funding does not fundamentally address the issue that the Council does not yet have the full funds required to deliver the road as currently costed. The Council therefore continues to progress the scheme, without certainty of delivery.
2. Programme (time) risk remains - The HIF agreement places specific obligations on the Council. One of the obligations within the Agreement relates to the date of the completion of works which is set for 31st March 2023. The current programme will not facilitate completion of works by this date. Homes England are aware of this and the parties (MDDC and Homes England) have agreed to review the Agreement at a point in time when it is expected that there will be more certainty as to whether MDDC have been successful in securing the additional funding required to deliver the road and when both parties are expected to have more clarity regarding the future of the project. This review will allow the parties to review the terms of the Agreement in light of the status of the project and consider any variations required to the existing Agreement in order to support delivery. Clearly, should the additional funding to deliver the full road scheme not be secured and the current Agreement is not varied, the existing Agreement could terminate on the 31st March 2023 and the Council may be required to return the element of funding which has been spent and which is not covered by the indemnity (this element totalling approx. £635k). This position is unaffected and unchanged by the drawdown of the further funding proposed within this report.

An alternative option to drawing down further funding would be for the Council to choose not to proceed with the further technical work at this time. However, this would then stall the project indefinitely. This would not be practical as it would stall a key MDDC project and is therefore not a recommended option. Instead, it is recommended that the Council draw down the further tranche of HIF funding and progress technical work, despite the continued uncertainty around ultimate delivery. This is recommended because further progressing the technical work will increase the technical understanding of the scheme and therefore should, in theory, reduce the risk for any prospective funder in relation to non-delivery or cost or programme over-run – as the project will better understand the scheme challenges and how to address them. It should be hoped that this additional project understanding will then increase the likelihood of securing the required funding to enable delivery, as the scheme has been further de-risked and is 'shovel-ready'.

Equality Impact Assessment:

There are no issues arising directly from this report.

Relationship to Corporate Plan:

The CTCRR project is considered vital to enable development identified in the Local Plan to come forward and make a valuable contribution to delivering the priorities of the Corporate Plan 2020 to 2024; Economy, Homes, Community and Environment.

Impact on Climate Change:

The relief road project is a consented scheme which will deliver significant environmental improvements within the town centre, unlock significant development within Cullompton and reduce issues currently associated with congestion and pollution. The scheme is therefore considered, on balance, to be one which should be pursued and delivered in order to deliver the benefits associated with the scheme. However, the road will of course create new highways infrastructure which will continue to support the use of private and public vehicles, despite the associated environmental impacts of emissions from such vehicles.

1.0 INTRODUCTION/BACKGROUND

- 1.1 Reports previously set before Cabinet have set out the background to this matter and information is therefore not duplicated within this report.
- 1.2 The November 2021 report confirmed that the Council had been unsuccessful in securing LUF (Levelling-Up Fund) monies (at this time) to support the delivery of the Cullompton Town Centre Relief Road – those additional monies being necessary to facilitate delivery owing to the funding shortfall created as a result of increased construction costs.
- 1.3 The report also sought for approval for officers to;
 - a. work to explore other funding opportunities which could deliver the additional funding required to enable the delivery of the Cullompton town centre relief road, and;
 - b. bring a further report before Cabinet as soon as possible in order to update members on the progress of discussions and the options available to the Council in relation to the delivery of the relief road project.
- 1.4 Since November 2021, officers have been in close discussion with government agencies in relation to the CTCRR project and have been seeking to identify funding sources which would enable delivery of the scheme, and/or funding sources which would facilitate progression of the scheme in the short term whilst funding for delivery is sought.
- 1.5 Discussions with Homes England have confirmed that Homes England are willing to allow the Council to draw down a further element (£560k) of the previously secured Housing Infrastructure Fund (HIF) monies to allow technical work to continue to progress on the CTCRR scheme over the next 12 months – ensuring that scheme progress does not stall.

- 1.6 Under the terms of the HIF agreement, this funding would ordinarily be subject to claw-back by the Agency should the scheme ultimately not proceed to completion. However, MDDC officers have been able to agree with Homes England that an indemnity will be provided by Homes England to MDDC – protecting the Authority from the clawback of this additional element of funding drawdown (£560k.)
- 1.7 The additional monies will fund scheme progress for the next 12 months and allow MDDC and DCC to progress the CTCRR scheme to a stage whereby it is ready to be tendered.
- 1.8 Whilst this further technical work progresses, officers will continue to seek to identify and secure further funding to support the overall delivery of the road scheme. The progression of the technical work will be helpful in this regard; with the additional technical work further moving the scheme towards a 'shovel-ready' state.

2.0 RECOMMENDATIONS AND CONCLUSION

- 2.1 The recommendation is to draw down the further tranche of HIF funding (£560k) to facilitate the progression of further technical work over the next 12 months. An indemnity in favour of MDDC will be secured to protect the authority against the claw-back of this element of funding, should the scheme not ultimately progress to completion.
- 2.2 In addition, officers will continue to seek to secure funding which will enable the delivery of the Town Centre Relief Road scheme. Further reports will be brought before Cabinet as soon as possible in order to provide updates in relation to these discussions, and potential funding opportunities.

Contact for more Information: Richard Marsh, Director of Place

Circulation of the Report: Cllr Richard Chesterton, Cabinet, Leadership Team

Background Papers – Cullompton Town Centre Relief Road update – 30th November 2021.

CABINET

1 February 2022

NNDR 1 for 2022/23

Cabinet Member: Cllr Andrew Moore

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

Reason for Report: To provide Members with an update of the income generation and financial implications of the number of Business Rate properties in Mid Devon and to approve the NNDR1 (estimated income to be generated in 2022/23 from business rates). To ensure that the Council meets its statutory deadline for notifying Precepting Authorities and the Government by 31 January 2022 of their appropriate shares in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013, following approval by Council.

RECOMMENDATIONS:

1. That the calculation of the NNDR1 net yield of £14,398,686 from 3,436 Business Rated properties is noted and approved for 2022/23;
2. That the proportions distributed to the respective authorities and Central Government be allocated as per the statutory regulations; and
3. That Members note that Central Government will reimburse the Council through a Section 31 grant to compensate it for the reduction in collectable business rates as a result of introducing various reliefs.

Relationship to Corporate Plan: This report sets out the estimated net business rates for 2022/23; the estimate will then be used in the calculation of future Council business rates budgets. This report is in line with the Council's Corporate Plan objectives and is essential to delivering the necessary funding to balance the 2022/23 General Fund Revenue budget.

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

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

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

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

Climate Change Assessment: No climate change issues identified for this report.

1. Introduction

- 1.1. Councils must submit a return known as the NNDR1 form to the Department for Levelling Up, Housing and Communities (DLUHC). This form provides the local tax base for business properties in the area for the forthcoming year and determines the value of income from Non-Domestic Rates between Central Government, Mid Devon District Council and the Devon and Somerset Fire & Rescue Authority. As such the NNDR1 form is a key document in the budget setting process.
- 1.2. The NNDR1 form must be certified by the Section 151 Officer. Councils are expected to adopt a similar approval process used for the Council Tax Base, i.e. approval by Council.

2. Business Rates Retention Scheme

- 2.1. Prior to 1 April 2013, all billing authorities collected the business rates in their area and passed this money onto a Central Government pool. The pool was then redistributed to local authorities throughout the country based on their needs, resources and the services they provide to their community. For example, one billing authority may collect £15m and only require £10m to run its services, whereas another billing authority may collect £10m and require £15m to run its services. The shortfall and excess was then redistributed by Central Government through a fixed sum as part of the Formula Grant Settlement.
- 2.2. From 1 April 2013, Central Government changed the way this financing is distributed. Each billing authority now has to forecast the amount of revenue it will generate from business rates and then redistribute that income between Central Government, the County Council, the Fire Authority and itself, based on a centrally prescribed formula (see below).
- 2.3. The Business Rates Retention Scheme as it is now known, also allows the billing authority to keep a share of the increase in revenue it generates, therefore encouraging billing authorities to encourage business growth in its area. However, the converse of this applies and if a billing authority's business rates decline, the District Council (i.e. MDDC) will see a proportionate drop in revenue.
- 2.4. This is the key difference between the old and new schemes. As under the old business rates scheme, the level of funding was determined at the beginning of the year and was fixed thereafter, thereby protecting billing authorities.
- 2.5. In order to assist local authorities in retaining revenue within the counties, Central Government allowed Upper Tier Councils (Unitary and County Councils) and Lower Tier Councils (District Councils) to join together to pool their growth and offset the growth of one area against a decline in another area. Effectively, this creates a larger critical mass across the county to alleviate

exposure to individual authority losses, thus enabling Counties and Districts to retain more of the rates collected instead of contributing this money to the central pool.

- 2.6. Mid Devon District Council joined the Devon County-wide pool in 2014 and will remain in the pool for 2022/23 to maximise the amount of Business Rates it can retain. This may however be the last year of the pool, as the new business rates funding scheme being considered for 2023/24 may not be beneficial for such arrangements. Furthermore, the Government are proposing resetting the baseline against which growth is measured, which could see Councils like MDDC lose the benefit of the growth they have delivered since 2013.
- 2.7. This report details the calculations necessary to determine the estimated debit the Council is expected to collect in business rates for the 2022/23 year. The net collectable debit is then split proportionally in accordance with the provisions of the Local Government Finance Settlement issued in December 2020 which enables the whole of Devon to have a 50% rates retention, subject to tariffs / Top-ups and levies. The tier split for Devon is as follows:
- 9% is distributed to Devon County Council
 - 40% is kept by Mid Devon District Council
 - 1% is distributed to the Devon & Somerset Fire & Rescue Authority
- 2.8. The current 2017 Valuation list took effect from 1st April 2017.

3. S31 Grant Reliefs (funded reliefs)

- 3.1. The Government provides grants to Councils under Section 31 (S31) of the Local Government Act 2003 (LGA 2003) for a wide range of purposes. Within the Business Rates service area, S31 grants are provided to recompense the Council for a range of reliefs, including the Small Business Grant Fund and Retail, Hospitality and Leisure schemes introduced in response to Covid-19.
- 3.2. Part 2, Section 46 of the NNDR1 calculates that MDDC is due £2,188,682 in S31 Grant in 2022/23 across the various reliefs applied. This is largely due to the Government's announcement to continue the relief available to Retail, Hospitality and Leisure businesses in 2022/23 at a rate of 50%.

4. 2022/23 Forecast Yield

- 4.1. Appendix 1 shows the estimated net yield from business rates for 2022/23 set out in the NNDR1 return. The Council is notionally able to keep 40% of the total business rates it collects and this would generate an estimated £5,759,474 (less Tariff and Levy). MDDC gets £115,493 as a cost of collecting the years' business rates and will continue to retain the income from renewable energy schemes of £137,995k in 2022/23.
- 4.2. Prudent forecast are included for the possibility of losing income as a result of a business appealing its Rateable Value, or for non-payment of the charge.

5. Possible amendments to grant and reduced business rates income

- 5.1. As stated in 3.2 above, the Covid-19 related reliefs have already been announced for 2022/23. However, in the current situation, it is possible that further reliefs may be awarded during the year.
- 5.2. The Chancellor will be delivering the budget on the 23 March 2022 and it's possible that revised or new reliefs will be announced, this will require modelling and revising financial figures shown in this report. It would be expected that further S31 grant would accompany such an announcement, along with additional New Burdens funding to help meet the cost of undertaking the additional work.

6. Conclusion

- 6.1. Due to the associated volatility and significant sums of revenue involved, we will continue to maintain a Business Rates Smoothing Reserve and provide Members with regular updates on the level of business rates being collected during 2022/23.

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Circulation of the Report: Leadership Team, Cabinet

Background Papers: NNDR1 and supporting documentation

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Cabinet 1 February 2022

2022/23 Capital Strategy

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

Reason for Report: To agree the proposed Capital Strategy for 2022/23.

RECOMMENDATION(S): Cabinet are asked to recommend to Full Council that the proposed Capital Strategy for 2022/23 is approved.

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

Financial Implications: Good financial management and administration underpins the entire strategy. The Capital Strategy set the boundaries in which the Council's capital and treasury management functions operate.

Legal Implications: Authorities are required by regulation to prepare a Capital Strategy for each financial year which needs to be approved by the Full Council prior to the start of the financial year. Authorities must also 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: There are no direct Equality implications arising from this report.

Impact on Climate Change: The Council has committed to a net zero carbon policy by 2030. Elements of the Capital Programme contribute to the achievement of this objective as highlighted within the body of the report.

1. Introduction

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

- 1.2. The strategy is designed to be a user-friendly document which can direct stakeholders to the relevant documents relating to Treasury decisions, Asset Management and the Capital Programme for the coming years. It provides a link between these activities and reiterates the need for these to be co-ordinated to support the objectives of the Corporate Plan.
- 1.3. This strategy brings together the statutory requirements of the Chartered Institute of Public Finance Accountants (CIPFA) and the CIPFA Prudential Code for Capital Finance in Local Authorities. There is also a strong link with the Treasury Management Strategy that provides a framework for the borrowing and lending activity of the Council.
- 1.4. The Capital Strategy needs to be relevant in the current financial and economic climate and therefore needs a cautious and measured, yet flexible, approach that reflects the fact that:
 - Revenue resources have, and will be, cut significantly in each of the forthcoming financial years. The impact on the Revenue Budget arising from the Capital Investment Programme must be affordable and sustainable, and be used to aid the bottom line;
 - Capital resources available to the Council are limited, with little direct funding provided from Government and currently limited scope to raise income from Capital Receipts;
 - Local Government's range of responsibility is constantly changing along with the role that it plays within the community, leading to an expectation that Society will assist in the delivery of services.
- 1.5. The Council is required, by regulation, to publish a number of indicators relating to the Capital Investment Programme, Treasury Management and the revenue implications of the programme, known as the Prudential Indicators. This report, along with the Treasury Management Strategy, publishes those indicators, based on the assumption that Cabinet / Council will approve the proposals contained within the Revenue Budget and Capital Programme.

2. Strategic Aims

- 2.1. The key objective of the Capital Strategy is to deliver a Capital Programme that:
 - Ensures that the Council has assets that are fit for purpose and enable the delivery of the priorities set out in the Corporate Plan;
 - Supports the Council's service specific plans and strategies;
 - Facilitates income generation that aids the revenue budget;
 - Is affordable, financially prudent and sustainable.

This should not however prevent the authority from:

- Reducing the on-going liability of holding assets by engaging with communities to develop alternative service delivery options including asset transfer;

- Fully utilising resource opportunities available for Capital Investment from outside sources where this does not create ongoing revenue liabilities or commitments that cannot be met.

3. Priorities

3.1. The Council's priority areas for investment can be summarised as:

- 3.1.1. **Asset replacement and/or enhancement:** The services delivered by the Council depend upon a variety of assets such as computers, equipment or vehicles. These need to be updated/upgraded on a regular basis to ensure service delivery is maintained or enhanced. Asset maintenance is a revenue cost; the purchase or enhancement is a capital cost.
- 3.1.2. **Income Generation:** The Council is looking to identify investments that generate an income to replace the lost grant funding and ease the pressure on the Revenue Budget. Specific projects / investment opportunities will be brought forward for approval by the Cabinet as they are identified.
- 3.1.3. **Economic Regeneration:** The Council is committed to investing in the District's future through regeneration projects. Any schemes will need to be self-financing so that borrowing costs are covered by either Grant, investment income or capital receipts, so that there is no impact on the Council's revenue budget.
- 3.1.4. **Invest to save:** The Council is always looking for opportunities to deliver future efficiencies in service provision, known as 'Invest to Save'. This could include investment in technology or processes. The "green" investments are a good example of this, where investment in more efficient heating systems reduces the ongoing cost of energy consumption.
- 3.1.5. **Health and Wellbeing:** The Council's receives the Disabled Facilities scheme, which pays for essential housing adaptations to help disabled people stay in their own homes. In the current climate, it is also important that the Council plays wider role in the health and wellbeing of its local community.

4. Capital Expenditure and Financing

- 4.1. 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 deemed de minimis and are not capitalised but are instead charged to revenue in-year.

- 4.2. The detail of our approach to capitalisation is shown in our Accounting Policies in the Statement of Accounts that we produce each year. The latest approved Accounts are for the year 2020/21 and can be found here:

<https://www.middevon.gov.uk/your-council/finance/annual-accounts/>

- 4.3. 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.
- 4.4. In 2022/23, the Council is planning new capital expenditure of £34,303k as well as £23,239k of expenditure approved in prior years that has slipped in timescale, as detailed within the Capital Programme included elsewhere on the meeting agenda. It can be summarised as follows:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

Estimates of Capital Expenditure	2020/21 Actual Capital Spend £K	2021/22 Forecast Capital Spend £K	2022/23 Proposed Capital Spend £K
General Fund Projects	3,099	7,353	19,166
HRA Projects	2,637	5,469	18,378
Loans To Subsidiary Company	1,318	5,761	19,998
TOTAL	7,054	18,583	57,542

- 4.5. The main projects in the Capital Programme in 2022/23 include the following:

4.5.1. General Fund Schemes:

- £13,054k investment in Infrastructure projects in Tiverton and Cullompton. Funding is actively being sought to enable the Tiverton project to be delivered;
- £3,534k investment in Housing Developments through 3 Rivers, in line with their Business Plan approved by Cabinet in November;
- £577k investment in essential housing adaptations to help disabled people stay in their own homes funded through the Disabled Facilities Grant;
- £420k further investment in the hydro mills electricity generation project at Tiverton Weir that will provide green electricity at the Council's Phoenix House offices (note £800k will slip from 2021/22).

4.5.2. HRA Schemes¹:

- £2,465k investment to enhance the quality of our existing housing stock are undertaken each year through the planned maintenance scheme;
- £8,514k investment in Housing Developments to deliver new housing within the district in the main through highly efficient (zero carbon) modular buildings. A prudent assumption has been included for the utilisation of 1-4-1 receipts or for additional grant funding to be made available from Homes England.

4.6. 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).

4.7. Borrowing may be internal or external:

4.7.1. **Internal borrowing** uses the cash balances of the Council. Currently, these balances yield small returns on the market and is therefore cheaper than the interest rate payable on an external loan and so is maximised as far as possible. This has been a significant funding source in recent years.

4.7.2. **External borrowing** is via loans. Within Local Government the main provider for long term borrowing has traditionally been the Public Works Loan Board [PWLB]. However, the Council also uses other organisations, such as other Local Authorities for shorter term requirements.

4.8. An increasing number of assets are leased, such as the new vehicles within our fleet. These are normally taken through Finance Leases where the asset remains owned by the finance company, but the Council rents them.

4.9. The planned financing of the above expenditure is as follows:

¹ 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.

Table 2: Capital financing

Capital Financing	2020/21 Actual Capital Spend £K	2021/22 Forecast Capital Spend £K	2022/23 Proposed Capital Spend (Incl Projected Slippage from 2021/22) £K
PWLB / Internal Borrowing	2,287	11,251	32,642
New Homes Bonus	874	246	1,414
Housing Maintenance Fund	225	922	316
Capital Receipts Reserve	376	1,941	1,922
Other Housing EMRs	2,073	2,615	3,564
Capital Grants	471	400	920
Housing Infrastructure Fund (HIF)	446	917	6,465
Levelling Up or Similar *			6,436
Homes England Grant	0	0	3,031
Other GF EMRs	193	241	832
S106	109	50	0
TOTAL	7,054	18,583	57,542

*Bid failed – now seeking alternative funding to make Cullompton HIF viable

4.10. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as Capital Receipts) may be used to replace debt finance.

4.11. The Council's full Minimum Revenue Provision / loans fund repayments statement is shown in Appendix 1 of the Treasury Management Strategy Statement. This strategy is also included elsewhere on the meeting agenda. Planned MRP is as follows:

Table 3: Planned MRP payments

Planned MRP Payments	2020/21 Actual £K	2021/22 Forecast £K	2022/23 Proposed Budget £K
<i>General Fund</i>	703	742	687
<i>HRA</i>	958	964	981
Total	1,661	1,706	1,668

4.12. The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt. The CFR is expected to increase by £19,251k during 2022/23. Within this increase, £7,912k relates to projects undertaken by 3 Rivers Developments Ltd. There is an additional £5,417k relating to the development of 75 affordable homes at Post Hill and £4,249k relating to other HRA projects. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

Estimates of Capital Financing Requirement	2020/21 Actual £K	2021/22 Forecast £K	2022/23 Proposed Budget £K
General Fund Services	9,336	13,337	15,853
Council Housing (HRA)	39,550	39,606	48,429
Loans To Subsidiary Company*	8,959	13,533	21,445
Total CFR	57,846	66,476	85,727

** Loans To Subsidiary Company investments relate to capital expenditure on housing developments and investment properties.*

4.13. At present, the Council does not charge MRP on its loans to 3 Rivers. This is because it funds assets that are under construction – to which MRP does not apply. Once the assets are complete and MRP would normally become chargeable, they are sold by 3 Rivers and the loan is repaid. However, CIPFA is out to consultation at this time to enforce MRP to be applicable on loans to third parties, despite the regulations around “assets under construction”. If formally implemented, this will apply from 2023/24.

5. Treasury Management

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

5.2. Due to decisions taken in the past, at 31 March 2022 the Council is forecast to have £35,234k of borrowing (excluding finance leases) at an average interest rate of 2.91% and £27,000k treasury investments earning interest at an average rate of 0.30%.

5.3. **Borrowing strategy:** The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.50%) and long-term fixed rate loans where the future cost is known but higher (currently 1.74% to 2.46%²).

5.4. Projected levels of the Council’s total outstanding debt (which comprises borrowing, and leases are shown below, compared with the Capital Financing Requirement (see above).

² As at the time of drafting this report – 14 January 2022

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

Gross Debt and the Capital Financing Requirement	2020/21 Actual £K	2021/22 Forecast £K	2022/23 Proposed Budget £K
Debt (Incl. Leases)	39,541	37,404	46,668
Capital Financing Requirement	57,846	66,476	85,727

5.5. Statutory guidance is that Debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from table 5, the Council expects to comply with this in 2022/23.

5.6. **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “Operational Boundary” is also set as a warning level should debt approach the limit. Further details on borrowing are included with the Treasury Management Strategy, which is also included elsewhere on the meeting agenda.

Table 6: Prudential Indicators: Authorised Limit and Operational Boundary for external debt

Authorised Limit and Operational Boundary For External Debt	2020/21 Limit £K	2021/22 Limit £K	2022/23 Limit £K
Authorised Limit	69,000	77,000	96,000
Operational Boundary	60,000	68,000	87,000

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

5.8. The Council’s policy on treasury investments is to prioritise Security and Liquidity over Yield; to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the Government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice. Further details on treasury investments is included within the Treasury Management Strategy, but can be summarised as follows³:

³ As at the 31 March of the appropriate year

Table 7: Treasury Management investments

Treasury Management Investments	2020/21 Actual £K	2021/22 Forecast £K	2022/23 Proposed Budget £K
Near-Term Investments	17,500	26,000	16,000
Longer-Term Investments	5,000	5,000	5,000
TOTAL	22,500	31,000	21,000

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

6. Investments for Economic Development Purposes

- 6.1. 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 a requirement for such investments to generate a profit after all costs, and after conducting all appropriate due diligence.
- 6.2. For example, during 2021/22, the Council facilitated a loan to fund a GP Surgery/NHS Hub in Crediton. Not only will this provide the Council with a return on its loan, it will also provide an important, modern NHS Hub in Crediton, replacing two existing GP Surgeries and offering further NHS services to the public.
- 6.3. **Governance:** Decisions on investments of this type are made by the relevant Service Manager in consultation with the Deputy Chief Executive (S151) and must meet the criteria and limits laid down in the Treasury Management Strategy Statement (TMSS). Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the Capital Programme.

7. Commercial Activities

- 7.1. With Central Government financial support for local public services declining and the tightening of regulations within the Prudential Code that prohibits the Council from investing primarily for financial return, the options for the Council to invest in Commercial and for Economic Development purposes is limited. However, it is able to lend to its subsidiary 3 Rivers Developments Ltd to develop land and commercial income generating projects and charge interest on loans at a commercial rate.

- 7.2. 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 company's Annual Business Plan.
- 7.3. **Governance:** Decisions on commercial investments are made by the Deputy Chief Executive (S151) in conjunction with the Leadership Team members, in line with the criteria and limits approved by Council in the Treasury Management Strategy Statement (TMSS). Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved alongside the capital programme.
- 7.4. 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.

8. Asset Management

- 8.1. In order to ensure we are allocating our resources in the most effective way, we maintain an Asset Management Plan (AMP). It outlines where capital investment can assist the Council achieve its goals or where investment and use of resources plays a contributing role to shared priorities. Therefore the AMP helps set out the Council's approach to the Strategic Management of its land and building assets. It has been developed in consultation with the Senior Officers and members of the Council who form the Capital Strategy Asset Management Group (CSAG). The AMP seeks to ensure that assets are used in the most effective and efficient way to support the delivery of the Corporate Plan.
- 8.2. The latest version of the AMP was considered and approved by Cabinet on 4 March 2021. It can be found here:
- <https://democracy.middevon.gov.uk/ieListDocuments.aspx?CId=133&MId=1265&Ver=4>
- 8.3. The AMP enables the Council to consider the best use of our assets by identifying those that require investment in planned maintenance; those that we should consider disposal of; those that could generate additional income from leasing out etc. These considerations will then inform the Capital Programme and funding decisions.

- 8.4. **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. During the 2021/22 Finance Settlement, Government announced a 3-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery. Repayments of Capital Grants, loans and investments also generate Capital Receipts. The Council expects to receive £1,027k of Capital Receipts (net of Pooling) in the coming financial year as follows:

Table 8: Capital Receipts

Capital Receipts	2020/21 Actual £K	2021/22 Forecast £K	2022/23 Proposed Budget £K
Asset Sales	730	2,146	1,027
Loans Repaid	0	0	0
TOTAL	730	2,146	1,027

9. Liabilities

- 9.1. In addition to debt of £46,668k in 2022/23 detailed in Table 5 above, the Council is committed to making future payments to cover its pension fund deficit (valued at £75,401k in 2020/21).
- 9.2. **Governance:** The risk of liabilities crystallising and requiring payment is monitored by Finance and Legal. Any new material liabilities would be reported to Full Council for approval/notification as appropriate.

10. Revenue Budget Implications

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

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

Proportion Of Financing Costs To Net Revenue Stream	2020/21 Actual £K	2021/22 Forecast £K	2022/23 Proposed Budget £K
NON-HRA	0.79%	2.18%	0.98%
HRA	15.07%	15.15%	14.90%

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

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

11. Knowledge and Skills

11.1. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Deputy Chief Executive (S151) is a qualified accountant with 17 years' of experience and the Corporate Manager for Property, Leisure & Climate Change is experienced across the full range of Property responsibilities. In addition, the Council employs ten finance staff who hold one or more of the following qualifications CIPFA, ACA, CIMA, ACCA and AAT.

11.2. To support those staff, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Link Asset Services as treasury management advisers and Ichabod Industries as technical advisers on accountancy matters. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

12. Conclusion

12.1. The Capital Programme for 2022/23 is £34,303k. This will be adjusted for slippage carried forward from previous years that will be approved with the outturn report; the slippage for 2021/22 is currently forecast to be £23,239k. Slippage occurs due to the size and complexity of capital projects and it can be expected that some projects will similarly slip into future years. Of course, the inactivity caused by Covid-19 precautions has compounded these delays over the past couple of years.

12.2. The Capital Programme encompasses a broad range of expenditure including operational assets which 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.

12.3. Funding for this programme may include significant borrowing. The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken, and the type of borrowing should allow the Council transparency and control over its debt.

12.4. The Treasury Management Strategy Statement details the approach that the Council will take to ensuring it has sufficient cash available to meet the Council's spending needs. Reports on treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review, and an annual report after its close, will be taken to Full Council via the Cabinet.

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Circulation of the Report: Leadership Team, Cabinet

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

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Cabinet
01 February 2022

Treasury Management Strategy Statement
Minimum Revenue Provision Policy Statement and Annual Investment Strategy
2022/23

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

Reason for Report: To agree the proposed Treasury Management Strategy and Annual Investment Strategy for 2022/23.

RECOMMENDATION(S):

Cabinet are asked to recommend to Full Council that the proposed Treasury Management Strategy and Annual Investment Strategy for 2022/23, including the prudential indicators for the next 3 years and the Minimum Revenue Provision Statement (Appendix 1), be approved.

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

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

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

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

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

Impact on Climate Change: There are no Climate Change implications relating to the content of this report.

1.0 Background

- 1.1 The Council is required to operate a balanced budget, which broadly means that the cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure), and are separate from the day to day treasury management activities.
- 1.5 CIPFA defines treasury management as:
"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.0 Reporting requirements

2.1 Treasury Strategy

- 2.1.1 The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:
 - a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - an overview of how the associated risk is managed; and
 - the implications for future financial sustainability.

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

2.2 Treasury Management reporting

- 2.2.1 The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report is forward looking and covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

b. A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. An annual treasury report – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

- 2.2.2 **Scrutiny.** The above reports are required to be adequately scrutinised before being recommended to the Council. The Cabinet undertakes this role.

2.3 Treasury Management Strategy for 2022/23

- 2.3.1 The strategy for 2022/23 covers two main areas:

2.3.2 Capital issues

- The capital expenditure plans and the associated prudential indicators; and
- The minimum revenue provision (MRP) policy.

2.3.3 Treasury management issues

- The current treasury position;
- Treasury indicators which limit the treasury risk and activities of the Council;
- Prospects for interest rates;
- The borrowing strategy;
- Policy on borrowing in advance of need;
- Debt rescheduling;
- The investment strategy;
- Creditworthiness policy; and

- The policy on the use of external service providers.

2.3.4 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

2.4 Training

2.4.1 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for Scrutiny. Training requirements will be reviewed in 2022/23 and training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

2.5 Treasury management consultants

2.5.1 The Council uses Link Group, Treasury solutions as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers.

2.5.2 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

3.0 The Capital Prudential Indicators 2022/23 – 2024/25

3.1.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

3.2 Capital expenditure

3.2.1 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. The below table shows planned expenditure in the 2022/23 Capital Programme of £57,542k, (£34,303k new projects plus the projected slippage from prior years £23,239k).

Prudential Indicator: Estimates of Capital Expenditure

Capital Expenditure	2020/21	2021/22	2022/23	2023/24	2024/25
£000	Actual	Estimate	Estimate	Estimate	Estimate
Non-HRA	3,099	7,353	19,166	25,782	2,923
HRA	2,637	5,469	18,378	26,351	17,915
Loans to Subsidiary Company*	1,318	5,761	19,998	11,625	12,288
TOTAL	7,054	18,583	57,542	63,758	33,126

** Loans to Subsidiary Company are non-treasury investments and so not covered in detail in this report. Refer to the Capital Strategy for further information.*

3.2.2 Other long-term liabilities – The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

3.2.3 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of Capital Expenditure £000	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Receipts	376	1,941	1,922	2,393	1,262
Capital Grants	916	1,317	16,852	18,763	6,329
Capital Reserves	0	0	0	0	0
Revenue	3,475	4,074	6,126	5,308	2,956
Net Financing Need for the Year	2,287	11,251	32,642	37,294	22,579

3.2.4 The net financing need for Loans to Subsidiary Company included in the above table against expenditure is shown below:

Loans to Subsidiary Company £000	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Expenditure	1,318	5,761	19,998	11,625	12,288
Financing Costs	0	0	38	130	117
Net Financing Need for the Year	1,318	5,761	20,036	11,755	12,405
Percentage of Total Net Financing Need	57.6%	51.2%	61.4%	31.5%	54.9%

3.3 The Council's borrowing need (the Capital Financing Requirement)

3.3.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

3.3.2 The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

3.3.3 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £2.170m of such schemes within the CFR.

3.3.4 **The Council is asked to approve the CFR projections below:**

Prudential Indicator: Estimates of Capital Financing Requirement

Capital Financing Requirement	2020/21	2021/22	2022/23	2023/24	2024/25
£000	Actual	Estimate	Estimate	Estimate	Estimate
CFR - Non Housing	9,336	13,337	15,853	23,531	24,662
CFR - Housing	39,550	39,606	48,429	64,801	72,235
CFR - Loans to Subsidiary Company	8,959	13,533	21,445	11,776	15,613
Total CFR	57,846	66,476	85,727	100,108	112,510
Movement in CFR*	1,732	8,630	19,251	14,381	12,402

**The movement in CFR will not directly match the Net Financing Need (see 3.2.3) due to the annual MRP charge reducing the balance in line with each asset's expected life. The CFR is also reduced when loan repayments are received from 3 Rivers Developments Ltd, so that only outstanding loan balances are included within the CFR.*

4.0 Borrowing

4.1 The capital expenditure plans set out in section 3 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

4.2 Current portfolio position

4.2.1 The overall treasury management portfolio as at 31 March 2021 and the position as at 31 December 2021 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	Actual	Actual	Current	Current
	31/03/2021	31/03/2021	31/12/2021	31/12/2021
Treasury Investments	£000	%	£000	%
Banks	10,608	32%	18,877	40%
Building Societies	0	0%	12,000	26%
Local Authorities	15,500	47%	11,000	23%
DMADF (H.M.Treasury)	0	0%	0	0%
Other Public Bodies	2,000	6%	0	0%
Total Managed In-House	28,108	85%	41,877	89%
Property Funds	5,000	15%	5,000	11%
Total Managed Externally	5,000	15%	5,000	11%
Total Treasury Investments	33,108	100%	46,877	100%
Treasury External Borrowing				
Local Authorities	0	0%	0	0%
PWLB	37,104	100%	36,176	100%
Total External Borrowing	37,104	100%	36,176	100%
Net Treasury Investments / (Borrowing)	-3,996		10,701	

4.2.2 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt (the treasury management operations) against the underlying capital borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

External Debt	2020/21	2021/22	2022/23	2023/24	2024/25
£000	Actual	Estimate	Estimate	Estimate	Estimate
Debt at 1 April	38,937	37,104	35,234	44,558	69,918
Expected Change in Debt	-1,833	-1,870	9,324	25,360	5,566
Other Long-Term Liabilities (OLTL)	980	2,436	2,170	2,110	1,825
Expected Change in OLTL	1,457	-266	-60	-285	345
Actual Gross Debt at 31 March	39,541	37,404	46,668	71,743	77,654
The Capital Financing Requirement	57,846	66,476	85,727	100,108	112,510
Under / (Over) Borrowing	18,305	29,072	39,059	28,365	34,856

4.2.3 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

4.2.4 The Deputy Chief Executive (S151) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

4.3 Treasury Indicators: limits to borrowing activity

4.3.1 The operational boundary. This is the limit which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Prudential Indicator: Operational Boundary

Operational boundary £000	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate
Debt	65,000	84,000	99,000	111,000
Other long term liabilities	3,000	3,000	2,000	3,000
TOTAL	68,000	87,000	101,000	114,000

4.3.2 The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

4.3.3 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
The Council is asked to approve the following authorised limit:

Prudential Indicator: Authorised Limit

Authorised limit £000	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate
Debt	70,000	89,000	104,000	116,000
Other long term liabilities	7,000	7,000	6,000	7,000
TOTAL	77,000	96,000	110,000	123,000

4.4 Prospects for interest rates

4.4.1 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on future interest rates. The following table gives their view.

Interest Rates	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Bank Rate View	0.25%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%
5yr PWLB Rate	1.50%	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.80%	1.90%	1.90%	1.90%	2.00%	2.00%
10yr PWLB Rate	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%	2.10%	2.10%	2.10%	2.20%	2.30%
25yr PWLB Rate	1.90%	2.00%	2.10%	2.10%	2.20%	2.20%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%
50yr PWLB Rate	1.70%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%	2.10%	2.10%	2.20%	2.20%	2.30%	2.30%

4.4.2 Over the last two years, the Covid-19 pandemic has done huge economic damage to the UK and to economies around the world. After the Bank of

England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021. As shown in the forecast table above, the forecast for Bank Rate now includes four further increases, one in quarter 2 of 2022 to 0.50%, then quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

- 4.4.3 A more thorough economic outlook provided by our Treasury Advisors is detailed in **Appendices 2 and 3**.

4.5 Borrowing strategy

- 4.5.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. With significant levels of capital expenditure expected during 2022/23, it is recommended that the Council maximises its use of internal borrowing rather than seeking to fund projects through new external borrowing. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

- 4.5.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Deputy Chief Executive (S151) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- If it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed;
- If it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- The Council will consider all external loan options available in the market including Public Works Loans Board, Banks, Other Local Authorities and the Municipal Bond Agency. The term and repayment profile of any loans will be determined by the periods we need finance. The level of borrowing will stay within the limits.

- 4.5.3 Any decisions will be reported to the Cabinet at the next available opportunity.

4.6 Policy on borrowing in advance of need

- 4.6.1 The Council can not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

- 4.6.2 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequently reported through the mid-year or annual reporting mechanism.

4.7 Debt rescheduling

- 4.7.1 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the penalties currently being applied to premature repayments are prohibitive. If rescheduling is done, it will be reported to the Cabinet at the earliest meeting following its action.

4.8 New financial institutions as a source of borrowing and / or types of borrowing

- 4.8.1 Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry”)
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time)

- 4.8.2 The degree to which any of these options proves cheaper than PWLB Certainty Rate is constantly evolving but our advisors will keep us informed.

4.9 Approved Sources of Long and Short Term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal Bond Agency	●	●
Local Authorities	●	
Banks	●	●
Finance Leases	●	●

5.0 Annual Investment Strategy

5.1 Investment policy – management of risk

- 5.1.1 The Department of Levelling Up, Housing and Communities (DLUHC – this was formerly the Ministry of Housing, Communities and Local Government [MHCLG]) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (a separate report).

- 5.1.2 The Council's investment policy has regard to the following:
- DLUHC's Guidance on Local Government Investments ("the Guidance")
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
 - CIPFA Treasury Management Guidance Notes 2018
- 5.1.3 The Council's investment priorities will be Security first, portfolio Liquidity second and then Yield (return) – known as the SLY Principle.
- 5.1.4 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
- 5.1.4.1 Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- 5.1.4.2 **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets, which the Council will achieve through engaging with its advisors to maintain a monitor on market pricing.
- 5.1.4.3 **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 5.1.4.4 The Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. See **Appendix 4** for a list.
- 5.1.4.5 **Lending and transaction limits** (amounts and maturity) for each counterparty will be set through applying the matrix table in paragraph 5.2.6.
- 5.1.4.6 The Council will set a limit for the amount of its investments which are invested for **longer than 365 days** (see paragraph 5.4.9).
- 5.1.4.7 Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 5.3.2).
- 5.1.5 The Council has engaged external consultants (see paragraph 2.5.1), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the Council in the context of the expected level of cash balances and need for liquidity throughout the year.
- 5.1.6 All investments will be denominated in sterling.

- 5.1.7 As a result of the change in accounting standards for 2019/20 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023.)
- 5.1.8 However, the Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance (see section 5.5). Regular monitoring of investment performance will be carried out during the year.
- 5.1.9 The above criteria are unchanged from last year.

5.2 Creditworthiness policy

- 5.2.1 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
 - It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 5.2.2 The Deputy Chief Executive (S151) will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 5.2.3 Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty with the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 5.2.4 The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term Fitch rating of AAA; and
 - iii. have, as a minimum, a credit rating of F1 (Fitch), with regard for Moody's and Standard & Poor's credit ratings (where rated).
- Banks 2 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Building Societies – The Council will use all societies which:
 - i. Meet the Fitch rating for banks outlined above; and
 - ii. Have assets in excess of £1bn;
- Money Market Funds Fitch CNAV AAmmf/AAA
- Money Market Funds LNAV AAmmf/AAA
- Money Market Funds VNAV AAmmf/AAA
- UK Government (including gilts, Treasury Bills and the DMADF)
- Local authorities, Police, Fire, parish councils and other public bodies

5.2.5 Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information will be applied to compare the relative security of differing investment opportunities.

5.2.6 Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

Details	Fitch Short term Rating	Money and/or % Limit	Transaction Limit	Time Limit
The Council's bank* (currently NatWest)	F1	£5m + balance of grant funds	n/a	n/a
Banks 1 (good credit quality)	F1	£5m	£5m	2yr
Banks 2 (Council's banker if not meeting Banks 1)	F2/F3	£5m (call account)	£5m (call account)	1 day
DMADF	UK sovereign rating	unlimited	unlimited	unlimited
Local authorities & other public bodies	N/A	unlimited	unlimited	unlimited
Building Societies	F1	£5m	£5m	2yr
Money Market Funds - CNAV	AAAmf/AAA	£2m	£2m	liquid
Money Market Funds - LVNAV	AAAmf/AAA	£2m	£2m	liquid
Money Market Funds - VNAV	AAAmf/AAA	£2m	£2m	liquid

**This limit was approved in the TMSS for 2021/22 to allow the continued administration of business grant funds.*

***Relates to financial investments only – non-financial investments, such as commercial loans or purchases of income yielding assets, are covered in the Capital Strategy.*

5.2.7 The proposed criteria for specified and non-specified investments are shown in **Appendix 4** for approval.

5.2.8 Creditworthiness

5.2.9 Significant levels of downgrades to short- and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

5.3 Other limits

5.3.1 Due care will be taken to consider the country, group and sector exposure of the Council's investments.

5.3.2 **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AAA. The list of countries that qualify using this credit criteria as at the date

of this report are shown in **Appendix 5**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

5.3.3 **Other limits.** In addition:

- no more than 30% of overall investment balances will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies; and
- the Council will not hold more than £5m with any banking group.

5.4 **Investment strategy**

5.4.1 **In-house funds**

5.4.2 Over recent years, the Council has typically held upwards of £20m in short term investments with the objective of managing cash flows whilst earning a return at the same time. Before the Covid-19 pandemic hit in Q4 2019/20, interest rates had been increasing gradually, with some short term investments earning over 1% and generating a return for the Council of £238k in 2019/20. Since then, interest rates have plummeted, and with only a limited recovery seen during 2021/22 the return on short term investments is forecast to be circa £45k.

5.4.3 Retaining cash balances (short term investments + current account [excluding Covid-19 grant funds]) of £10m would be enough to ensure a regular turnover in short term investments to manage the fluctuations in cash flows. Therefore, internal borrowing will be used to finance capital expenditure where cash balances remain above £10m, with external borrowing only sought to keep balances above this limit. With current interest rates, this could result in net savings of around £50k per annum versus maintaining cash balances at current levels.

5.4.4 As cash balances reduce through 2022/23, there will be a need to reduce the average maturity on investments to ensure a regular turnover of maturities, which will be matched with the Council's large cash outflows. This will mean the primary consideration for investments will be the core balance and cash flow requirements, with the outlook for short-term interest rates only considered where significant changes are expected. Greater returns are usually obtainable by investing for longer periods, however this needs to be balanced with the Council's cash requirements.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

5.4.5 **Investment returns expectations**

5.4.6 The current forecast shown in paragraph 4.4.1, includes a forecast for the next increase in Bank Rate in May 2022, though it could come in February.

- 5.4.7 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year (based on a first increase in Bank Rate in quarter 2 of 2022) are as follows:

Year	%
2022/23	0.50%
2023/24	0.75%
2024/25	1.00%
2025/26	1.25%
Later years	2.00%

- 5.4.8 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

- 5.4.9 **The Council is asked to approve the following treasury indicator and limit:**

Upper limit for principal sums invested for longer than 365 days	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)
Principal sum invested for longer than 365 days but not exceeding 2 years.	5	5	5

- 5.4.10 For its cash flow generated balances, the Council will seek to utilise money market funds and short-dated deposits (overnight to 365 days) in order to benefit from the compounding of interest.

5.5 Investment performance / risk benchmarking

- 5.5.1 The Council will use an investment benchmark to assess the performance of its investment portfolio of 7 day SONIA (Sterling Overnight Index Average).

5.6 End of year investment report

- 5.6.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5.7 Commercial and Non-Financial Investments

- 5.7.1 **Property Investments.** A limit of £5m will be applied to the use of non-specified investments. This principally relates to property funds, which is within the Local Authorities' Property Fund via CCLA.

- 5.7.2 **Non-Financial Investments.** On the 30th March 2017, Cabinet approved the establishment of a Special Purpose Vehicle – 3 Rivers Developments Limited and that the Council could lend to 3 Rivers Developments Ltd. This company is a subsidiary of Mid Devon District Council and has the sole purpose of property development.

- 5.7.3 There is no cap on the amount of money that can be loaned to 3 Rivers Developments Ltd. However, for each new project the company takes on, there is an individual loan agreement signed by the S151 Officer prior to any lending. All project spending / borrowing requirements are approved annually by Cabinet as part of the company's Annual Report/Business Plan.

Note: For Members clarity, the NHS Hub loan is treated as General Fund.

- 5.7.4 Please refer to the Capital Strategy for a more detailed programme and borrowing streams.

6.0 Conclusion

- 6.1 Treasury management is a highly complex and specialist subject. It is tightly controlled by regulation and procedures that the Council must abide by. In addition to the skilled staff in house, the Council has access to advice from its Treasury Advisors (Link Group) where we need it to ensure that we comply with these rules.
- 6.2 Cabinet will consider the Treasury Management Strategy before recommending Full Council approve it at its budget meeting on 23 February.

APPENDICES

1. Prudential and treasury indicators and MRP statement
2. Interest rate forecasts
3. Economic background
4. Treasury management practice 1 – credit and counterparty risk management
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The treasury management role of the Section 151 Officer

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APPENDIX 1

1.0 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2022/23 – 2024/25

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

1.1 Capital expenditure

See section 3.2 for the breakdown of capital expenditure.

1.2 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. **The Council is asked to approve the following indicators:**

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

	2020/21	2021/22	2022/23	2023/24	2024/25
%	Actual	Estimate	Estimate	Estimate	Estimate
Non-HRA	0.79%	2.18%	0.98%	2.28%	5.96%
HRA	15.07%	15.15%	14.90%	16.81%	21.82%

The estimates of financing costs include current commitments and the proposals in this budget report.

1.3 Minimum Revenue Provision (MRP) Policy Statement

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department of Levelling Up, Housing & Communities' *Statutory Guidance on Minimum Revenue Provision* (the DLUHC Guidance).

The broad aim of the DLUHC Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The DLUHC Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. **The Council is recommended to approve the following MRP Statement:**

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR.

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction)

This option provides for a reduction in the borrowing need over approximately the asset's life.

Finance leases will have their capital financing applied on a straight-line basis over the life of the lease contract.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

The MRP requirement for a finance lease or PFI contract is deemed to be equal to the element of the charge/rent that goes to write down the balance sheet liability.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan.

MRP will not be charged against capital expenditure in the year it is incurred, but will instead commence the following year. Capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24.

1.4 MRP Overpayments

A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2021, the total VRP overpayments were £0m.

APPENDIX 2 – Provided by Link Group (MDDC's Treasury Advisor)

2.0 INTEREST RATE FORECASTS 2022-2025

Link Group Interest Rate View

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Bank Rate View	0.25%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%
5yr PWLB Rate	1.50%	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.80%	1.90%	1.90%	1.90%	2.00%	2.00%
10yr PWLB Rate	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%	2.10%	2.10%	2.10%	2.20%	2.30%
25yr PWLB Rate	1.90%	2.00%	2.10%	2.10%	2.20%	2.20%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%
50yr PWLB Rate	1.70%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%	2.10%	2.10%	2.20%	2.20%	2.30%	2.30%

These forecasts are subject to the following significant risks:

- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns. 25% of the population not being vaccinated is also a significant risk to the NHS being overwhelmed and lockdowns being the only remaining option.
- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **The Monetary Policy Committee** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **The Monetary Policy Committee** tightens monetary policy too late to ward off building inflationary pressures.
- **The Government** acts too quickly to cut expenditure to balance the national budget.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Longer term US treasury yields** rise strongly and pull gilt yields up higher than forecast.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including risks from Covid-19 and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic. It should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- We do not know how severe an impact Omicron could have on the economy and whether there will be another lockdown or similar and, if there is, whether there would be significant fiscal support from the Government for businesses and jobs.
- If economic activity slows due to Omicron then it could lead into stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Some current key supply shortages could spill over into causing economic activity in some sectors to take a significant hit.
- Rising gas and electricity prices in October and April, and increases in other prices caused by supply shortages and increases in taxation in April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, whether in part or in total?
- The economy seemed to cope well with the end of furlough on 30th September. It is estimated that there were around 1 million people who came off furlough then and there was not a huge spike up in unemployment. Vacancies have also been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services, i.e. a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
- There could be further nasty surprises on the Covid-19 front beyond the Omicron mutation.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.

Forecasts for PWLB rates and gilt and treasury yields

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields. As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant **upward risk** exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.

US treasury yields. During the first part of 2021, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid-19 pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend \$1trn on infrastructure (which was eventually passed by both houses later in 2021) and an even larger sum on an American families

plan over the next decade; this is still caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when:

1. A fast vaccination programme had enabled a rapid opening up of the economy during 2021.
2. The economy was growing strongly during the first half of 2021 although it has weakened overall during the second half.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing substantial stimulus through monthly QE purchases during 2021.

It was not much of a surprise that a combination of these factors would eventually cause an excess of demand in the economy which generated strong inflationary pressures. This has eventually been recognised by the Fed at its December meeting with an aggressive response to damp inflation down during 2022 and 2023.

As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases eventually needed to suppress inflation, are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within the forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and Russia, China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

There are possible **downside risks** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash could end up being invested in bonds and so push up demand for bonds and support their prices, i.e. this would help to keep their yields down. How this will interplay with the Bank of England when they stop reinvesting maturing gilts, and then later start selling gilts, will be interesting to monitor.

The balance of risks to medium to long-term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era for local authority investing – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation,

especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US, before consideration would be given to increasing rates.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically low rates as a result of the Covid-19 crisis and the quantitative easing operations of the Bank of England, and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- On 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority that had that purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -
 - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- **Borrowing for capital expenditure.** Our long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio.
- While the Council will not be able to avoid borrowing to finance new capital expenditure, there will be a *cost of carry* (the difference between higher borrowing costs and lower investment returns) to any new borrowing that causes a temporary increase in cash balances.

APPENDIX 3 – Provided by Link Group (MDDC's Treasury Advisor)

3.0 ECONOMIC BACKGROUND

Covid-19

Vaccines were a game changer during 2021 which raised high hopes that life in the UK would be able to largely return to normal in the second half of the year. However, the emergence of the Omicron mutation at the end of November dashed such hopes and raised concerns that a fourth wave of the virus could overwhelm hospitals in early 2022. What we now know is that this mutation is very fast spreading but may not cause so much severe illness as previous mutations. Rather than go for full lockdowns which heavily damage the economy, the government strategy this time is focusing on getting as many people as possible to have a third (booster) vaccination. To enable time for this latest round of vaccinations, workers have been requested to work from home and restrictions have been placed on large indoor gatherings and hospitality venues. Sectors like restaurants, travel, tourism and hotels which had been hit hard during 2020, could now be hit hard again by government restrictions and/or consumer reluctance to leave home. Growth will also be lower due to people being ill and not working. The economy, therefore, faces significant headwinds although some sectors have learned how to cope well with Covid-19.

MPC meeting 16^H December 2021

- The Monetary Policy Committee (MPC) voted 8-1 to raise Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the increasing inflationary pressures. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over the end of the furlough scheme on 30th September without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.
- There was a disappointing **0.1% m/m rise in GDP** in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" Covid-19 restrictions could cause the economy to contract in December.
- On 14th December, the **labour market statistics** for the three months to October and the single month of October were released. The fallout after the furlough scheme was smaller and shorter than the Bank of England had feared. The single-month data were more informative and showed that LFS employment fell by 240,000, unemployment increased by 75,000 and the unemployment rate rose from 3.9% in September to 4.2%. However, the weekly data suggested this did not last long as unemployment was falling again by the end of October. What's more, the 49,700 fall in the claimant count and the 257,000 rise in the PAYE measure of company payrolls suggests that the labour market

strengthened again in November. There was also a further rise in the number of vacancies from 1.182m to a record 1.219m in the three months to November, which suggests that the supply of labour is struggling to keep up with demand, although the single-month figure for November fell for the first time since February, from 1.307m to 1.227m.

- On 15th December the **CPI inflation** figure for November showed a further increase from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).
- **Other elements of inflation are also transitory**, e.g. prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas and electricity prices will also fall back after winter when demand for these falls away.
- There were no references this month to inflation being expected to be below the **2% target in two years' time**, which at November's meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.
- These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% in April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a "modest tightening" in policy will be required, the Bank could be thinking about raising interest rates two or three times this year to 0.75% or 1.00%.
- As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November's statement that Bank Rate would be raised "in the coming months". That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of QE, (gilts purchased by the Bank would not be replaced when they mature).
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 - Raising Bank Rate as "the active instrument in most circumstances".
 - Raising Bank Rate to 0.50% before starting on reducing its holdings.
 - Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 - Once Bank Rate had risen to at least 1%, it would start selling its holdings.

World Growth

World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. While headline inflation will fall sharply, core inflation will probably not

fall as quickly as central bankers would hope. It is likely that we are heading into a period where there will be a **reversal of world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

Supply Shortages

The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), which will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will gradually be resolved, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

APPENDIX 4

4.0 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

Specified Investments: All investments with a high level of credit quality subject to a maturity limit of one year.

Non-Specified Investments: Any investments that do not meet the specified investment criteria. These may be of a lower credit quality, for periods in excess of one year, or are more complex instruments which require a greater consideration by members and officers before being authorised for use. A maximum of £5m will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria	Max % of total investments / £ limit per institution	Max. maturity period
DMADF – UK Government	N/A	100%	Any
UK Government gilts	UK sovereign rating	100%	Any
UK Government Treasury bills	UK sovereign rating	100%	Any
Money Market Funds CNAV	AAAmmf/AAA	£2m	Liquid
Money Market Funds LNAV	AAAmmf/AAA	£2m	Liquid
Money Market Funds VNAV	AAAmmf/AAA	£2m	Liquid
Local authorities	N/A	100%	Any
Term deposits with banks and building societies	F1 (Fitch) / £1bn asset base for building societies	£5m	2 Years
Term deposits with Non-UK banks and building societies	Sovereign Fitch rating of AAA	£3m	1 Year
Gilt funds	UK sovereign rating	100%	Any
Property funds	LA Property Fund	£5m	Ongoing

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

Non-specified investments. A maximum of £5m will be held in aggregate in non-specified investments.

APPENDIX 5

5.0 APPROVED COUNTRIES FOR INVESTMENTS

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

The sovereign ratings shown above are at 22 December 2021 from Link Group.

APPENDIX 6

6.0 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Cabinet

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

(iv) Delegation from the Deputy Chief Executive (S151) to the nominated post(s) for the taking of the investment decisions:

- Corporate Manager for Finance and Procurement (Deputy S151)

APPENDIX 7

7.0 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe for example 25+ years;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*

- *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

CABINET 1 FEBRUARY 2022

CAPITAL PROGRAMME 2022/23 – 2026/27

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

Reason for Report: To seek approval of the 2022/23 Capital Programme and note the draft 2023/24, 2024/25, 2025/26 and 2026/27 programmes.

RECOMMENDATIONS: That the Cabinet recommend to Full Council:

1. The detailed Capital Programme for 2022/23 of £34,303k be approved and the indicative Capital Programmes across the four remaining years of this Medium Term Financial Plan covering 2023/24 to 2026/27 be noted.
2. That investment in the Council Housing Development schemes can start straight away (prior to 01/04/2022), following Full Council approval, to allow the design stage to commence and enable the prompt delivery of these projects.

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

Financial Implications: The Capital Programme submitted for 2022/23 of £34,303k is fully funded. It does, however, include £12,426k of anticipated PWLB borrowing to fund various projects. Future capital receipts are now estimated at such a low level that the Council needs to continually evaluate ways of making additional provision to fund its long-term capital programme or reduce its property portfolio. This is especially relevant due to the uncertainty around the future of New Homes Bonus and its availability as an income stream going forward.

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

Risk Assessment: There is a risk of clawback of external funds if sums received are not spent in accordance with the terms on which they were given, or not within agreed timescales. New Capital Receipts for 2022/23 have been projected at a prudent level of £1,027k but there is a risk that if these do not materialise, the Authority may need to delay scheme start dates to the following financial year or identify an alternative funding mechanism to ensure full programme delivery. Other risks, such as cashflow management are managed through the operation of the Treasury Management Strategy.

Equality Impact Assessment: Each of the capital investments will be, where appropriate, subject to an impact assessment. This is done with a view to identifying possible actions to mitigate negative impacts. However, many of the proposals do not have a direct impact on the public and therefore do not require an Impact Assessment.

Impact on Climate Change: The Capital Programme contains significant investment in order to work towards the Council's Carbon Reduction Pledge. Any major asset replacements/upgrades will consider the environmental impact in relation to carbon footprint.

1.0 Introduction

- 1.1. The proposed 2022/23 Capital Programme shown in **Appendix 1** has evolved from that originally presented to Cabinet on 26 October and subsequently updated on 4 January 2022, following detailed consultation with Officers and Members. It is mainly focused on essential asset maintenance, funding a range of private sector housing projects, ICT replacement and investment and ensuring that our existing housing stock is maintained to the decent homes standard.
- 1.2. The 2022/23 programme includes significant investment into Council House building projects and future years indicative programmes include 'spend to save' projects improving the energy efficiency of our property estate that will only be undertaken if the Council is successful in securing sufficient external funding, and is accompanied by a robust business case that demonstrates an acceptable payback period.
- 1.3. A significant amount of work was undertaken when producing the Council's Medium Term Financial Plan (MTFP) during the year, which helped to scope the size and funding of the 2022/23 Capital Programme. A number of subsequent meetings were held with Corporate Managers, which focused on the essential projects (in terms of end of life asset replacement or health and safety) and involved reprioritising or rescheduling expenditure to future years.
- 1.4. **Appendix 2** shows the updated indicative Capital Programme for the remaining years within this MTFP, refreshed with up to date information on expenditure and funding. These projections are likely to alter as we get closer to those years as greater information becomes available. Therefore only the Capital Programme for 2022/23 is proposed for approved; the indicative future years are only for information and noting.

2. The 2022/23 Capital Programme

- 2.1. Through the prioritisation of capital projects, the Council has been able to set a balanced Capital Programme for 2022/23. **Appendix 1** shows the proposed Capital Programme for 2022/23, which totals £34,303k.
- 2.2. This is a significant increase on previous years due to a significant plan to increase the investment into improving the energy efficiency of our property estate and increasing the HRA Housing stock directly through the HRA and plans to fund housing developments through 3Rivers. As with all capital

projects, these are all subject to a full appraisal and rigorous business case assessment.

2.3. The investment in the 2022/23 Capital Programme can be summarised as:

General Fund Projects	2022/23 Expenditure £K
Leisure Services	260
Other General Fund Estates Management	462
Economic Development Projects (Hydro Mills)	420
Housing Infrastructure Schemes (HIF)	13,054
ICT Projects	260
Disabled Facilities / Private Sector Housing Improvements	577
3 Rivers Development Projects	3,534
Other Development Projects	1,265
Regeneration Projects	500
Total General Fund Projects	20,332
HRA Projects	2022/23 Expenditure £K
Existing Housing Stock	3,015
Housing Development Schemes Funded From 1-4-1 Receipts	1,079
Housing Development Schemes Funded From Homes England Grants and Borrowing	7,435
Other HRA Projects / Council House Development	2,442
Total HRA Projects	13,971
TOTAL (GF & HRA)	34,303

2.4. General Fund Investment

2.4.1. Within the investment in our Leisure Service, there are a number of projects that will help the Council deliver its commitment to climate change and reducing carbon emissions. It is anticipated that external funding will assist with the funding of these bids, but at present the prudent position of undertaking borrowing is shown.

2.4.2. There is an assumption included in respect of the Housing Infrastructure Funded (HIF) projects. Currently, funding has been received to cover the initial projected estimated cost of the projects. However, costs have dramatically increased since that funding was received. Therefore the Council submitted a bid to the Levelling Up Fund to cover the forecast difference for the Cullompton project. This bid was rejected and currently other forms of funding are actively being sought to enable this project to be delivered. However for the Tiverton project, the assumption is that the shortfall (currently estimated to be £1,900k) will be funded through borrowing.

- 2.4.3. Further investment within our ICT assets is required to enable the Council to update its infrastructure, including upgrading the telephony and Wi-Fi, and improve its cyber security. In addition, a planned refresh of staff laptops and associated devices is due. This will be completed in a phased roll out to ensure that the cost is spread over a number of years.
- 2.4.4. As in previous years the Disabled Facilities Grant funding will be used to improve homes across the district that will enable residents with health problems to remain in their homes, avoiding or delaying the need for them to enter the health care system.
- 2.4.5. The Capital Programme for 2022/23 includes a further £3,534k of 3 Rivers Projects in line with their Business Plan approved by Cabinet in November. This is in addition to £10,364k of slippage to projects approved in prior years.

2.5. Housing Revenue Account Investment

- 2.5.1. A number of projects to enhance the quality of our existing housing stock are undertaken each year through the planned maintenance scheme. In 2022/23, provision has been made to invest in garage refurbishments, replace roofing, windows and doors in properties where required, along with general modernisation works, including updating heating systems. Budget has been included to address recent legislation post Grenfell and to undertake the remedial action required to mitigate the recommendations from the recent Fire Risk Assessment Audit.
- 2.5.2. Significant new investment of £8,514k is planned to deliver new housing within the district through highly efficient (zero carbon) modular buildings. To fund the proposed Housing Development Schemes, a prudent assumption has been included for the utilisation of 1-4-1 receipts or for additional grant funding to be made available from Homes England; although a substantial element of the cost remains with the Council. In total, £3,463k is assumed to be secured from 1-4-1 receipts or Homes England funding, leaving £4,249k to be funded by borrowing and the remaining £802k from existing reserves.
- 2.5.3. The investment in Other Council House Development includes the development of Post Hill in Tiverton.

3. Funding the Capital Programme

3.1. The 2022/23 Capital Programme is fully funded by a combination of:

General Fund Project Funding Sources	Amount of Funding £K
Capital Reserve	48
Disabled Facilities Grant	577
New Homes Bonus (NHB)	81
HIF Funding	6,465
Levelling Up [#]	6,436
DCC Funding – Cullompton Infrastructure Project	153
Contribution From Existing Useable Capital Receipts	5
Borrowing	5,977
ICT Equipment Sinking Fund EMR	260
Waste Infrastructure EMR	250
Economic Development EMR	80
Total Funding General Fund Projects	20,332
HRA Project Funding Sources	Amount of Funding £K
Contribution From Existing Useable Capital Receipts	410
Use Of Forecast Useable Capital Receipts	444
Major Repairs Allowance	2,465
New Homes Bonus (NHB)	21
Use Of Forecast Replacement Homes Capital Receipts	432
Contribution From Renewable Energy Fund EMR	250
S106 Affordable Housing	170
*Contribution From Affordable Rents Surplus EMR	299
Anticipated Homes England Funding For Housing Development Projects (Assumed At 45%)	3,031
Borrowing	6,449
Total Funding HRA Projects	13,971
TOTAL FUNDING (GF & HRA)	34,303

[#] Levelling up bid failed now seeking alternative funding to make Cullompton infrastructure project viable

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

3.2. The figures assumed for receipts from the sale of assets have been calculated prudently and therefore if any additional receipts are generated we can return to some of the projects which could not be funded in the first instance and consider their inclusion. Any such decision (subject to constraints within the

financial rules) would require Full Council approval and be linked to the Corporate Plan priorities.

- 3.3. Due to the very low level of estimated new capital receipts for 2022/23, only a small number of Council funded schemes have been incorporated in the Capital Programme. Council house sales have been predicted at a prudent level across the life of this programme. The projected level of usable capital receipts available for 2022/23 is £1,291k. All other previously generated capital receipts have been used to balance the subsequent years of the MTFP.
- 3.4. The Government Pooling arrangements mean a proportion of the Council House sale proceeds are pooled to the Government; a proportion is retained in a ring-fenced reserve for replacement house building (linked to the HRA self-financing arrangements that have been in place since 01/04/12) and the balance is retained by the Authority as a useable capital receipt, which can be used to support our Capital Programme.
- 3.5. As shown, the 2022/23 Capital Programme requires £102k (£81k General Fund + £21k HRA) of New Homes Bonus (NHB) funding to ensure it is balanced. Further contributions from NHB are required over the life of the MTFP, with the forecast contributions amounting to £561k.
- 3.6. The future of the NHB scheme and the associated funding is still unclear. The Government has stated, again, its intention to consult on changes to the New Homes Bonus scheme to make it more effective and it intends to implement any changes from 2023/24. Therefore there is a major risk to the availability of funding for our future Capital Programme. The Revenue report highlights the need to explore other revenue income streams to try to mitigate reduction in NHB but this will of course be challenging.
- 3.7. A programme of £2,465k has been identified to maintain our existing council house stock. The balance of available monies will remain in the Major Repairs Reserve in order to deal with future additional spend that has been identified by the stock condition survey.
- 3.8. There is also additional general projected slippage from 2021/22, currently estimated to be £23,239k that will roll into the 2022/23 Capital Programme. This is not yet included and approval will be sought to add it to the 2022/23 Capital Programme during Outturn.
- 3.9. We continue to set aside sinking funds for future asset maintenance, replacement of Leisure plant and equipment and for future replacement of ICT systems and equipment. This ensures the Revenue base budget is more robust. However, given the pressure on its finances, the Council will need to assess whether this remains affordable, or whether alternative options should be explored.

4. Council Borrowing

- 4.1. Prudential borrowing has been estimated for 2022/23 at £12,426k, this will be used to fund General Fund schemes amounting to £5,977k and HRA scheme amounting to £6,449k. All schemes will be subject to a rigorous business case assessment; their cost and timing of spend will determine the amount of actual prudential borrowing required.
- 4.2. Borrowing is also envisaged across the remainder of this MTFP amounting to £103,407k; of this £54,349k will be used to deliver General Fund projects and £49,508k to deliver HRA projects.
- 4.3. Borrowing will be supported or supplemented with short and medium term Treasury Management decisions based on prevailing and future interest rates and will only be considered in exceptional circumstances, whether in relation to the projects detailed above or for spend to save projects following a robust cost/benefit analysis exercise that would be able to demonstrate both an acceptable 'payback period' and that savings would be generated in excess of the annual revenue cost of servicing the debt.

5. Conclusion

- 5.1. As previously mentioned, the Capital Programme for the next four years is limited due to the scarce availability of funding (with the exception of borrowing). It is, therefore, imperative that capital funds are only spent on those projects that enable the Council to deliver its Corporate Plan objectives, reduce operational cost, or generate a financial return.

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Circulation of the Report Leadership Team, Cabinet

Background Papers: Capital Bid Submissions and workings for MTFP

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CAPITAL PROGRAMME - Medium Term Financial Plan 2022/23 - 2026/27

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Total £k	Notes
General Fund Estates Management				
Exe Valley Leisure Centre				
Evlc - Boilers and CHP	30		30	
Evlc - Fitness Studio renewal of equipment	153		153	
Culm Valley sports centre				
Ceiling - asset review		260	260	
Cvsc - Remodelling of Ground Floor	189		189	
Other Leisure - Projects				
Reception infrastructure review - All sites	120		120	
All Leisure Etarmis - Security Swipe - (linked to security project)	30		30	
Total Leisure	522	260	782	
Other MDDC Buildings				
Cemetery Lodge - Structural solution for damp		62	62	
Phoenix House				
Etarmis - Security Swipe - (linked to security project)	50		50	
General Car parks				
West Exe South - Remodelling - additional parking spaces	60		60	
MDDC Depot sites				
Depot Design & Build - Waste & Recycling		250	250	Subject to identification of appropriate site
MDDC Shops/industrial Units				
36 & 38 Fore Street including Flat above structure & cosmetic works	47	150	197	This is in addition to the £47k identified in 2021/22.
Market Walk Unit 17 - remodelling options	495		495	
Parks & Play Areas				
Open Space Infrastructure (incl Play Areas)	20		20	
Play area refurbishment - Amory Park Tiverton	74		74	
Other Projects				
Hydromills Electricity generation Project - Tiverton Weir	800	420	1,220	Funding options to be explored - subject to acceptable Business Case/Financial appraisal. This is in addition to £800k identified in 2021/22 that is forecast to slip into 2022/23.
Land drainage flood defence schemes - St Marys Hemyock	50		50	
Land drainage flood defence schemes - Ashleigh Park Bampton	87		87	
Land acquisition for operational needs	1,000		1,000	
Total Other	2,683	882	3,565	

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Total £k	Notes
HIF Schemes				
Cullompton Town Centre Relief Road (HIF bid)		8,414	8,414	Revised Project costs/funding have been incorporated per Cabinet Report 03/08/21 and latest forecast from DCC (July 2021). Revised total project costs £24.9m. 'Levelling Up' funding bid has been submitted for £13.6m, if successful this funding will be used to partially fund costs in this forward looking MTFP but also budgeted costs in 2021/22 (which depending on the speed in which this project progresses may slip into 2022/23). Total project costs in this plan take into account monies already spent in 2019/20 & 2020/21 and the budgeted spend in 2021/22 Capital Programme. Levelling up bid unsuccessful - alternative funding source being explored - if insufficient funding identified project will be unable to continue
Tiverton EUE A361 Junction Phase 2 (HIF bid)		4,640	4,640	Additional £1.9m projected costs assumed in 2023/24 per Cabinet Report 03/08/21 (Total revised project forecast £10.1m). At this stage for illustrative purposes to be funded by borrowing until tendering process complete and revised report brought back to Cabinet regarding delivery contract and associated funding and revised estimated profile of spend.
Total HIF Schemes	0	13,054	13,054	
ICT Projects				
Laptop/desktop refresh - Workstation		150	150	
Secure WIFI Replacement		60	60	
Network Switch/Firewall Refresh (all sites except P/House)		50	50	
Server farm expansion/upgrades	74		74	
Additional Unified Communications budget	66		66	
CRM replacement	175		175	
Digital Transformation	33		33	
Lalpac Licensing System replacement	80		80	
Total ICT	428	260	688	
Private Sector Housing Grants				
Disabled Facilities Grants–P/Sector		577	577	
Total PSH Grants	0	577	577	
TOTAL GF PROJECTS	3,633	15,033	18,666	
Other General Fund Development Projects				
3 Rivers Scheme - Bampton		1,206	1,206	Linked to 3 Rivers Business Plan that was presented at 30/11/21 Cabinet
3 Rivers Scheme - Riverside Development (rear of Town Hall) Tiverton	925	99	1,024	Linked to 3 Rivers Business Plan that was presented at 30/11/21 Cabinet
* 3 Rivers scheme - Knowle Lane, Cullompton (note slippage from 2020/21 will fund planned spend in 2021/22)	7,739	0	7,739	Linked to 3 Rivers Business Plan that was presented at 30/11/21 Cabinet
* 3 Rivers Schemes - Future Projects	1,700	2,229	3,929	Linked to 3 Rivers Business Plan that was presented at 30/11/21 Cabinet
* These schemes require signed loan agreements before they can be progressed further				
Park Road (Delivery of this project is yet to be determined until conclusion of marketing exercise & therefore maybe a Capital Receipt)	760	1,265	2,025	
Post Hill Tiverton	4075		4,075	
Regeneration Project 2		500	500	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
TOTAL GF OTHER DEVELOPMENT PROJECTS	15,199	5,299	20,498	
GRAND TOTAL GF PROJECTS	18,832	20,332	39,164	

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Total £k	Notes
HRA Projects				
Existing Housing Stock				
Major repairs to Housing Stock	377	2,465	2,842	
*Renewable Energy Fund		250	250	
Home Adaptations - Disabled Facilities		300	300	
* 23/24 & 24/25 are dependent on SHDF Funding bid in 21/22 - if successful this spend will be b/fwd to 22/23				
** Housing Schemes (1:4:1 Receipt) Projects				
Housing Scheme - Project 1		35	35	Subject to acceptable Business Case/Financial appraisal - 40% Funded through 1:4:1 Monies, additional funding options to be explored
Housing Scheme - Project 2		150	150	Subject to acceptable Business Case/Financial appraisal - 40% Funded through 1:4:1 Monies, additional funding options to be explored
Future Housing schemes - 1:4:1 Projects		494	494	Subject to acceptable Business Case/Financial appraisal - 40% Funded through 1:4:1 Monies, additional funding options to be explored
Affordable Housing/ Purchase of ex RTB		400	400	Subject to acceptable Business Case/Financial appraisal - 40% Funded through 1:4:1 Monies, additional funding options to be explored
** Housing Development Schemes				
Housing Scheme - Project 11		1,500	1,500	Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in respect of additional units created, additional funding options to be explored
Housing Scheme - Project 14		800	800	Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in respect of additional units created, additional funding options to be explored
Housing Scheme - Project 16		900	900	Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in respect of additional units created, additional funding options to be explored
Housing Scheme - Project 18		900	900	Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in respect of additional units created, additional funding options to be explored
Housing Scheme - Project 19		1,400	1,400	Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in respect of additional units created, additional funding options to be explored
Future Housing development Schemes		1,935	1,935	Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in respect of additional units created, additional funding options to be explored
** Proposed Council House 1:4:1 & Housing Development schemes subject to full appraisal				
Other HRA Projects				
Westexe - Structural Communal area work (stairwells, steps)		100	100	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
Garages Block - Redevelopment	408	92	500	This is in addition to the £408k identified in 2021/22, the majority of which is projected to slip into 2022/23
Post Hill, Tiverton	3,217	2,200	5,417	Original timescales/costs have been assumed - subject to scheduling of delivery provider. Planning application to be submitted Jan/Feb 2022
Old Road Depot remodelling options - forecast expenditure to maintain operations		50	50	Assumed Costs to keep building operational
Queensway (Beech Road) Tiverton (3 units)	380		380	
Sewerage Treatment Works - Washfield	25		25	
GRAND TOTAL HRA PROJECTS				
	4,407	13,971	18,378	
GRAND TOTAL GF + HRA Projects				
	23,239	34,303	57,542	

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Total £k	Notes
FUNDING				
MDDC Funding Summary				
General Fund				
	Estimated Slippage Funding from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme Funding 2022/23 £k	Total £k	
EXISTING FUNDS				
Capital Grants Unapplied Reserve	20	577	597	
Capital Receipts Reserve	328	5	333	
NHB Funding	1,291	81	1,372	
Other Earmarked Reserves	194	638	832	
HIF Funding (Tiverton & Cullompton schemes)	0	6,465	6,465	
Levelling Up funding bid (Cullompton Relief Road Project)	0	6,436	6,436	Levelling up bid unsuccessful - alternative funding source being explored - if insufficient funding identified project will be unable to continue
DCC Funding (Cullompton Relief Road Project)	0	153	153	
Subtotal	1,833	14,355	16,188	
NEW FUNDS				
PWLB Borrowing (50 years)	1,000	500	1,500	
PWLB Borrowing (25 years)	800	678	1,478	
PWLB Borrowing (3 years)	15,199	4,799	19,998	
Subtotal	16,999	5,977	22,976	
Total General Fund Funding	18,832	20,332	39,164	
Housing Revenue Account				
	Estimated Slippage Funding from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme Funding 2022/23 £k	Total £k	
EXISTING FUNDS				
Homes England Funding	0	3,031	3,031	
Capital Grants Unapplied Reserve	0	170	170	
Capital Receipts Reserve	303	1,286	1,589	
NHB Funding	21	21	42	
HRA Housing Maintenance Fund	316	0	316	
Other Housing Earmarked Reserves	550	3,014	3,564	
Subtotal	1,190	7,522	8,712	
NEW FUNDS	2022/23 £k	2022/23 £k	Total £k	
PWLB Borrowing (50 years)	3,217	6,449	9,666	
Subtotal	3,217	6,449	9,666	
Total Housing Revenue Account Funding	4,407	13,971	18,378	
TOTAL FUNDING	23,239	34,303	57,542	

CAPITAL PROGRAMME - Medium Term Financial Plan 2022/23 - 2026/27

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Estimated Capital Programme 2023/24 £k	Estimated Capital Programme 2024/25 £k	Estimated Capital Programme 2025/26 £k	Estimated Capital Programme 2026/27 £k	Total £k	Notes
General Fund Estates Management								
Lords Meadow Leisure Centre								
Dance Studio space challenge (Relocation of dance studio)			902				902	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
Fitness Studio renewal of equipment			150				150	
ATP surface replacement			150				150	
Spin Bikes			24				24	
Exe Valley Leisure Centre								
ATP replacement (50% share with DCC)					150		150	50% Funded by DCC
Spin Bikes			32				32	
Evlc - Boilers and CHP	30						30	
Evlc - Fitness Studio renewal of equipment	153						153	
Culm Valley sports centre								
Remodelling dance studio			153				153	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
ATP replacement (50% share with DCC)				150			150	50% Funded by DCC
Ceiling - asset review		260					260	
Fitness Studio renewal of equipment				150			150	
Spin Bikes			24				24	
Cvsc - Remodelling of Ground Floor	189						189	
Leisure - Climate Change-Net Zero Target (incl heat- decarbonisation)								
EVLC - Boilers & CHP						80	80	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
								Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids. Also to note if bid unsuccessful like for like Gas Boilers would need to be replaced in 25/26 at a cost of Circa
EVLC - Air Source Heat Pumps					420		420	£200k
EVLC - Solar Car Park Cover						390	390	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
EVLC -Ground Source Heat Pumps						520	520	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
EVLC - Building Fabric - Insulation improvements					350		350	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
LMLC -Solar Car Park Cover			640				640	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
								Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids. Also to note if bid unsuccessful like for like Gas Boilers would need to be replaced in 25/26 at a cost of Circa
LMLC -Ground Source Heat Pump -(for whole site)					170		170	£90k
LMLC - Building Fabric -insulation improvements						350	350	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
CVSC - Biomass Boiler installation				160			160	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
CVSC -Air Source Heat Pump					170		170	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
CVSC -Ground Source Heat Pumps						220	220	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
CVSC -Building Fabric -Insulation improvements					200		200	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
Other Leisure - Projects								
Reception infrastructure review - All sites	120						120	
All Leisure Etarmis - Security Swipe - (linked to security project)	30						30	
Total Leisure	522	260	2,075	460	1,460	1,560	6,337	

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Estimated Capital Programme 2023/24 £k	Estimated Capital Programme 2024/25 £k	Estimated Capital Programme 2025/26 £k	Estimated Capital Programme 2026/27 £k	Total £k	Notes
Other MDDC Buildings								
Cemetery Lodge - Structural solution for damp		62					62	
Phoenix House								
Cooling options Air Handling Unit				150			150	
Phoenix House - Air Source Heat Pumps and ducting				450			450	Subject to acceptable Business Case/Financial appraisal and success of External/Salix funding bids
Etarmis - Security Swipe - (linked to security project)	50						50	
General Car parks								
MSCP -Solar carport and additional security						370	370	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
West Exe South - Remodelling - additional parking spaces	60						60	
MDDC Depot sites								
Depot Design & Build - Waste & Recycling		250	3,500				3,750	Subject to identification of appropriate site
Recycling Baler replacement				480			480	
MDDC Shops/industrial Units								
36 & 38 Fore Street including Flat above structure & cosmetic works	47	150	100				297	This is in addition to the £47k identified in 2021/22.
Market Walk Unit 17 - remodelling options	495						495	
Parks & Play Areas								
Amory Park - Hard Court Area			64				64	
Play Area's - schemes tbc			50	50		50	150	
Open Space Infrastructure (incl Play Areas)	20						20	
Play area refurbishment - Amory Park Tiverton	74						74	
Public Conveniences								
Phoenix Lane Toilets - new construction in fresh position - funding options to be pursued			125				125	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
Westexe Rec Toilets - Replacement			159				159	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
Other Projects								
Hydromills Electricity generation Project - Tiverton Weir	800	420					1,220	Funding options to be explored - subject to acceptable Business Case/Financial appraisal. This is in addition to £800k identified in 2021/22 that is forecast to slip into 2022/23.
Tiverton Market Paving - Permanent Solution			150				150	
Land drainage flood defence schemes - St Marys Hemyock	50						50	
Land drainage flood defence schemes - Ashleigh Park Bampton	87						87	
Land acquisition for operational needs	1,000						1,000	
Total Other	2,683	882	4,148	1,130	0	420	9,263	
HIF Schemes								
Cullompton Town Centre Relief Road (HIF bid)		8,414	11,038	597			20,049	Revised Project costs/funding have been incorporated per Cabinet Report 03/08/21 and latest forecast from DCC (July 2021). Revised total project costs £24.9m. 'Levelling Up' funding bid has been submitted for £13.6m, if successful this funding will be used to partially fund costs in this forward looking MTFP but also budgeted costs in 2021/22 (which depending on the speed in which this project progresses may slip into 2022/23). Total project costs in this plan take into account monies already spent in 2019/20 & 2020/21 and the budgeted spend in 2021/22 Capital Programme. Levelling up bid unsuccessful - alternative funding source being explored - if insufficient funding identified project will be unable to continue
Tiverton EUE A361 Junction Phase 2 (HIF bid)		4,640	5,100				9,740	Additional £1.9m projected costs assumed in 2023/24 per Cabinet Report 03/08/21 (Total revised project forecast £10.1m). At this stage for illustrative purposes to be funded by borrowing until tendering process complete and revised report brought back to Cabinet regarding delivery contract and associated funding and revised estimated profile of spend.
Total HIF Schemes	0	13,054	16,138	597	0	0	29,789	

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Estimated Capital Programme 2023/24 £k	Estimated Capital Programme 2024/25 £k	Estimated Capital Programme 2025/26 £k	Estimated Capital Programme 2026/27 £k	Total £k	Notes
ICT Projects								
Laptop/desktop refresh - Workstation		150	150	150	150	150	750	
Secure WIFI Replacement		60			65		125	
Network Switch/Firewall Refresh (all sites except P/House)		50			55		105	
Server hardware/software Citrix Replacement			50				50	
Uninterruptible Power Supply Refresh			20			25	45	
VM/Storage Area Network			120			130	250	
Server farm expansion/upgrades	74						74	
Additional Unified Communications budget	66						66	
CRM replacement	175						175	
Digital Transformation	33						33	
Lalpac Licensing System replacement	80						80	
Total ICT	428	260	340	150	270	305	1,753	
Private Sector Housing Grants								
Disabled Facilities Grants–P/Sector		577	581	586	590	594	2,928	
Total PSH Grants	0	577	581	586	590	594	2,928	
TOTAL GF PROJECTS	3,633	15,033	23,282	2,923	2,320	2,879	50,070	
Other General Fund Development Projects								
3 Rivers Scheme - Bampton		1,206					1,206	Linked to 3 Rivers Business Plan that was presented at 30/11/21 Cabinet
3 Rivers Scheme - Riverside Development (rear of Town Hall) Tiverton	925	99	178				1,202	Linked to 3 Rivers Business Plan that was presented at 30/11/21 Cabinet
* 3 Rivers scheme - Knowle Lane, Cullompton (note slippage from 2020/21 will fund planned spend in 2021/22)	7,739	0	2,725				10,464	Linked to 3 Rivers Business Plan that was presented at 30/11/21 Cabinet
* 3 Rivers Schemes - Future Projects	1,700	2,229	8,622	12,288	12,000	5,000	41,839	Linked to 3 Rivers Business Plan that was presented at 30/11/21 Cabinet
* These schemes require signed loan agreements before they can be progressed further								
Park Road (Delivery of this project is yet to be determined until conclusion of marketing exercise & therefore maybe a Capital Receipt)	760	1,265	100				2,125	
Post Hill Tiverton	4075						4,075	
Regeneration Project 1			2,500				2,500	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
Regeneration Project 2		500					500	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
TOTAL GF OTHER DEVELOPMENT PROJECTS	15,199	5,299	14,125	12,288	12,000	5,000	63,911	
GRAND TOTAL GF PROJECTS	18,832	20,332	37,407	15,211	14,320	7,879	113,981	

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Estimated Capital Programme 2023/24 £k	Estimated Capital Programme 2024/25 £k	Estimated Capital Programme 2025/26 £k	Estimated Capital Programme 2026/27 £k	Total £k	Notes
HRA Projects								
Existing Housing Stock								
Major repairs to Housing Stock	377	2,465	2,435	2,275	2,295	2,315	12,162	
*Renewable Energy Fund		250	250	250	250	250	1,250	
Home Adaptations - Disabled Facilities		300	305	310	315	320	1,550	
* 23/24 & 24/25 are dependent on SHDF Funding bid in 21/22 - if successful this spend will be b/fwd to 22/23								
** Housing Schemes (1:4:1 Receipt) Projects								
Housing Scheme - Project 1		35						Subject to acceptable Business Case/Financial appraisal - 40% Funded through 1:4:1 Monies, additional 35 funding options to be explored
Housing Scheme - Project 2		150						Subject to acceptable Business Case/Financial appraisal - 40% Funded through 1:4:1 Monies, additional 150 funding options to be explored
Future Housing schemes - 1:4:1 Projects		494	2,796	430			3,720	Subject to acceptable Business Case/Financial appraisal - 40% Funded through 1:4:1 Monies, additional funding options to be explored
Affordable Housing/ Purchase of ex RTB		400	400	400	400	400	2,000	Subject to acceptable Business Case/Financial appraisal - 40% Funded through 1:4:1 Monies, additional funding options to be explored
** Housing Development Schemes								
Housing Scheme - Project 11		1,500						Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in 1,500 respect of additional units created, additional funding options to be explored
Housing Scheme - Project 14		800						Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in 800 respect of additional units created, additional funding options to be explored
Housing Scheme - Project 16		900						Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in 900 respect of additional units created, additional funding options to be explored
Housing Scheme - Project 18		900						Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in 900 respect of additional units created, additional funding options to be explored
Housing Scheme - Project 19		1,400						Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in 1,400 respect of additional units created, additional funding options to be explored
Future Housing development Schemes		1,935	10,965	14,000	27,900	13,800	68,600	Subject to acceptable Business Case/Financial appraisal - Assumed 45% Homes England Funding in 68,600 respect of additional units created, additional funding options to be explored
** Proposed Council House 1:4:1 & Housing Development schemes subject to full appraisal								
Other HRA Projects								
Westexe - Structural Communal area work (stairwells, steps)		100	350					450 Funding options to be explored - subject to acceptable Business Case/Financial appraisal
Garages Block - Redevelopment	408	92						500 This is in addition to the £408k identified in 2021/22, the majority of which is projected to slip into 2022/23
Post Hill, Tiverton	3,217	2,200	8,800					Original timescales/costs have been assumed - subject to scheduling of delivery provider. Planning application to be submitted Jan/Feb 2022
Old Road Depot remodelling options - forecast expenditure to maintain operations		50	50	250	100	50	500	Assumed Costs to keep building operational
Queensway (Beech Road) Tiverton (3 units)	380						380	
Sewerage Treatment Works - Washfield	25						25	
GRAND TOTAL HRA PROJECTS	4,407	13,971	26,351	17,915	31,260	17,135	111,039	
GRAND TOTAL GF + HRA Projects	23,239	34,303	63,758	33,126	45,580	25,014	225,020	

	Estimated Slippage from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme 2022/23 £k	Estimated Capital Programme 2023/24 £k	Estimated Capital Programme 2024/25 £k	Estimated Capital Programme 2025/26 £k	Estimated Capital Programme 2026/27 £k	Total £k	Notes
FUNDING								
MDDC Funding Summary								
General Fund								
	Estimated Slippage Funding from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme Funding 2022/23 £k	Estimated Capital Programme Funding 2023/24 £k	Estimated Capital Programme Funding 2024/25 £k	Estimated Capital Programme Funding 2025/26 £k	Estimated Capital Programme Funding 2026/27 £k	Total £k	
EXISTING FUNDS	£k	£k	£k	£k	£k	£k	£k	
Capital Grants Unapplied Reserve	20	577	581	661	665	594	3,098	
Capital Receipts Reserve	328	5	255	65	0	20	673	
NHB Funding	1,291	81	337	110	0	30	1,849	
Other Earmarked Reserves	194	638	2,140	175	0	0	3,147	
HIF Funding (Tiverton & Cullompton schemes)	0	6,465	10,550	0	0	0	17,015	
Levelling Up funding bid (Cullompton Relief Road Project)	0	6,436	3,438	0	0	0	9,874	Levelling up bid unsuccessful - alternative funding source being explored - if insufficient funding identified project will be unable to continue
DCC Funding (Cullompton Relief Road Project)	0	153	250	597	0	0	1,000	
Subtotal	1,833	14,355	17,551	1,608	665	644	36,656	
NEW FUNDS								
PWLB Borrowing (50 years)	1,000	500	4,250	0	0	0	5,750	
PWLB Borrowing (25 years)	800	678	1,851	610	1,310	1,930	7,179	
PWLB Borrowing (10 years)	0	0	0	555	75	0	630	
PWLB Borrowing (5 years)	0	0	230	150	270	305	955	
PWLB Borrowing (3 years)	15,199	4,799	11,625	12,288	12,000	5,000	60,911	
Tiverton HIF Scheme - Assumed funded through borrowing from Public Works Loan Board			1,900				1,900	Funding options to be explored - subject to acceptable Business Case/Financial appraisal
Subtotal	16,999	5,977	19,856	13,603	13,655	7,235	77,325	
Total General Fund Funding	18,832	20,332	37,407	15,211	14,320	7,879	113,981	
Housing Revenue Account								
	Estimated Slippage Funding from 21/22 to be C/fwd to 2022/23 £k	Estimated Capital Programme Funding 2022/23 £k	Estimated Capital Programme Funding 2023/24 £k	Estimated Capital Programme Funding 2024/25 £k	Estimated Capital Programme Funding 2025/26 £k	Estimated Capital Programme Funding 2026/27 £k	Total £k	
EXISTING FUNDS	£k	£k	£k	£k	£k	£k	£k	
Homes England Funding	0	3,031	3,776	4,903	12,555	5,393	29,658	
Capital Grants Unapplied Reserve	0	170	168	168	168	168	842	
Capital Receipts Reserve	303	1,286	2,138	1,197	1,030	1,035	6,989	
NHB Funding	21	21	21	21	21	21	126	
HRA Housing Maintenance Fund	316	0	0	0	0	0	316	
Other Housing Earmarked Reserves	550	3,014	2,810	2,650	2,670	2,690	14,384	
Subtotal	1,190	7,522	8,913	8,939	16,444	9,307	52,315	
NEW FUNDS								
	2022/23 £k	2022/23 £k	2023/24 £k	2024/25 £k	2025/26 £k	2026/27 £k	Total £k	
PWLB Borrowing (50 years)	3,217	6,449	17,438	8,976	14,816	7,828	58,724	
Subtotal	3,217	6,449	17,438	8,976	14,816	7,828	58,724	
Total Housing Revenue Account Funding	4,407	13,971	26,351	17,915	31,260	17,135	111,039	
TOTAL FUNDING	23,239	34,303	63,758	33,126	45,580	25,014	225,020	

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Cabinet 01 February 2022

Budget for 2022/23

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

Reason for Report: This report provides the budget proposals for the General Fund and the Housing Revenue Account for the year 2022/23 and recommends the Band D Council Tax charge for 2022/23.

RECOMMENDATIONS:

Cabinet are asked to recommend to Full Council that:

1. A Council Tax Requirement of £6,523,930, calculated using a Council Tax of £218.84 for a Band D property, an increase of £5 or 2.34% from 2021/22 and a Tax Base of 29,811.41, in accordance with the Local Authorities (Calculation of Tax Base) Regulation 1992, as amended, after the relevant adjustments in respect of the Council tax support scheme approved by Cabinet on 4 January 2022;
2. The overall budgeted Cost of Services within the General Fund budget of £14,785,295 for 2022/23 is approved as detailed across Appendices 1 – 3;
3. The 2022/23 budget requires no transfer from the General Fund Balance;
4. A further temporary transfer of £144,879 from the New Homes Bonus EMR to balance the General Fund Budget in addition to the £258,808 already included within previous budget assumptions;
5. HRA budget for 2022/23 be approved – Appendix 4;
6. HRA fees/charges are approved based on the attached Appendix 5a - b;
7. Work on strategic planning for delivering a balanced budget for 2023/24 is commenced in the Spring.

Relationship to Corporate Plan: This budget delivers the Corporate Plan priorities within existing financial resources.

Financial Implications: This is a financial report and the implications are contained within it. This report proposes a balanced GF and HRA budget for 2022/23 without reducing service delivery.

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

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

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

Climate Change Assessment: The General Fund, Capital Programme and the Housing Revenue Account all contain significant investment in order to work towards the Council's Carbon Reduction Pledge.

1 Introduction

- 1.1. The balancing of the Council's budget continues to be a challenge year-on-year following the Government's austerity measures and the subsequent reduction in funding. Further, the financial impacts of Covid-19 continue to disrupt service delivery and reduce fee income whilst government support to the Council has ceased (insofar as it has been announced to date).
- 1.2. To mitigate these austerity measures, the Council has already secured and delivered significant savings for over a decade in order to "balance the books" and maintain service delivery during that austerity period.
- 1.3. Leadership Team, Corporate Managers and the Finance Team have been involved in discussions to secure savings, without reducing service delivery as far as possible. However it is now a more difficult challenge year-on-year and therefore, looking to the future, a new more strategic process will be required to match service provision to available funding.
- 1.4. In October, the General Fund (GF) indicated a budget deficit of £1.072m in 2022/23 rising to over £1.6m by the end of the 5-year timeframe, based upon a number of key assumptions (e.g. Government funding, inflation rates, pay award, Council Tax level, use of balances/reserves, Covid-19 etc.). Following further review, the 2022/23 deficit had increased to £1.427m as reported to Cabinet on 4 January 2022. Within that January report, a savings target was issued to the Cabinet and Policy Development Groups to try to identify additional savings/income to help balance the 2022/23 Budget.
- 1.5. This report shows the progress made towards balancing the 2022/23 Budget, and recommends the General Fund and the associated Band D Council Tax charge for 2022/23 and summarises the Capital Programme and Housing Revenue Account for the year 2022/23.

2. January PDGs and Cabinet – Budget Update

- 2.1. Policy Development Group (PDG) and Scrutiny meetings in January received an update on the latest budget shortfall position, which had reduced to £947k due to minor alterations to staffing budgets and a thorough review of the Capital Financing implications flowing from a largely finalised Capital Programme, which has enabled greater use of internal balances to fund the planned capital expenditure.
- 2.2. Throughout the budget process the PDGs have been kept informed and have considered various options during the drafting of the proposed 2022/23 Budget. During their January meetings, the individual PDGs agreed to make the following recommendations to Cabinet to help reduce the budget deficit:

2.2.1. Environment Policy Development Group

- To recommend the move to 3-weekly waste collection. However, the committee felt it more prudent to not include any expected budget savings in 2022/23, instead advised to retain flexibility to assist with the implementation costs.
- To consider including an assumption that income generated from the Share Waste Savings scheme could recover further in 2022/23.

2.2.2. Economy Policy Development Group

- To consider including an assumption that income generated from Car Parking could recover further in 2022/23.
- To take ownership of the development of both motorway junctions in the district to ensure that the wider economic benefits arising are captured.

2.2.3. Homes Policy Development Group

- To promote the Piper Alarm scheme to increase the customer base for this important service to the community.
- To increase the stock of housing units available to support the homeless and thereby reduce the B&B costs incurred by the Council.

2.2.4. The Community Policy Development Group meeting will be held after this report has been published. Therefore any recommendations coming from that meeting will be verbally presented to Cabinet at the meeting. Should Cabinet support any of those suggestions, which are not already part of the proposed budget, the budget will be updated through an equal and opposite adjustment to the proposed use of New Homes Bonus.

2.3. Some of the options discussed by the Committees have variable savings levels, or involve lead times meaning that the proposal is unlikely to help with the 2022/23 budget deficit. However, these options are still important and should continue to be assessed to assist with future year's budgets. Officers will bring back proposals for discussion once further developed.

3. The Corporate Plan

3.1. The new Corporate Plan was presented to Cabinet on 16 January 2020. It sets the overarching direction of travel for the Council and will guide all future decision making through to 2024.

4. Key Assumptions for the 2022/23 Budget

4.1. The Council has carefully scrutinised all existing budgets and the service risks associated with delivering them. It has also examined all material income sources, especially the ones which are most at risk due to the impact of Covid-19 which has led to continuing fluctuations in demand and price movements e.g. recycling products, planning, car parking and leisure services income.

4.2. In such rapidly and frequently changing circumstances (not to mention unprecedented) assumptions soon become superseded by events. Given the success of the vaccine programme rolling out across the country, it does not seem unreasonable to assume that "things" will continue to slowly return to

some version of normal in the latter half of 2022. This budget therefore assumes that early in the budget year we will enter a recovery phase with services activity and income growing accordingly.

- 4.3. In addition to the above, regard has been made to our existing and future levels of reserves and balances which are required. We have a number of ongoing commitments already made against these reserves and balances (e.g. future capital contributions, economic development and building projects, “spend to save” projects, business transformation, town centre regeneration, future grant settlements).
- 4.4. However, given the prevalence of uncertainty, it should be noted this budget may well vary to a material extent. The Deputy Chief Executive (S151 Officer) proposes this budget on the basis of the information that is available at this time and his judgement of the most likely outcomes. Any adverse movement in these numbers will require support from other areas of the General Fund, or potentially Reserves as a last resort. Therefore there will be a need for much earlier intervention on reducing spend if financial monitoring indicates a shortfall position at the year end.
- 4.5. In January 2019 Cabinet amended the minimum level of general reserves required to be maintained at £2m. This level continues to be prudent due to the resilience offered by the level of Earmarked Reserves which the Council holds for specific projects. Using these reserves to fund recurrent General Fund expenditure must be considered an option of last resort. It is inherently unsustainable (they can only be spent once) and with the forecast financial challenges this Council will face in the coming years, post Covid-19, it is imperative that they are maintained at the highest level possible.
- 4.6. Corporate Managers, in conjunction with the Finance Team, review all areas of income and expenditure for known increases / decreases based on both prevailing and predicted changes in demand, price inflation, contractual obligations, etc., when proposing the 2022/23 budget. More volatile budgets are subject to sensitivity analysis and a reasonably prudent assessment is made.

5. Requirements for Council Tax Setting

- 5.1. In recent years the Government (via the DLUHC) has become far more prescriptive with regard to acceptable levels of Council Tax increase. The implementation of the Localism Act has effectively replaced Government set “capping limits” and replaced them with principles that allow the local electorate to call for a referendum if the Council is planning to increase its Council Tax above an acceptable level. The level for District Councils announced as part of the Settlement was set at a maximum of the greater of 2% or £5 for the 2022/23 budget year.
- 5.2. The ‘acceptable level’ is defined by the Chancellor as part of the national budget-setting process and all government calculations on ‘spending power’ of local authorities are on the basis that authorities increase Council Tax to the maximum amount permitted.

- 5.3. The Council Tax income included in the proposed budget includes a £5.00 (2.34%) increase. This equates to a Band D charge of £218.84. (A 1% variation to our Council Tax changes the income generated by approximately £60k).

6. General Fund Budget 2022/23

- 6.1. The proposals contained in this report result in a balanced budget for the General Fund (see **Appendix 1**). The forecast budget deficit last reported to Cabinet stood at £1,427k. After the updated budget report was considered by the PDGs and Cabinet in January there was still an outstanding budget gap of £947k. The top portion of the following table shows the amendments to the position presented to PDGs and to Cabinet and the remainder show the proposed actions necessary to move towards a balanced position.

Table 1 – Reconciliation of further movements

Movements	Amount £k
2022/23 Budget Shortfall (Cabinet Report 04/01/22)	1,427
Further revision to Pay Award Adjustment and staffing Establishment	- 60
Adjustment to Capital Financing estimates following finalisation of Capital Programme	- 420
Updated Budget Shortfall presented to PDG's / Scrutiny	947
Further Service Savings identified	- 42
Further Release / Adjustments to Earmarked Reserves	- 195
Finalisation of the recharges to HRA	- 141
Further Business Rates Growth	- 342
Further increase in the Council Tax in-year collection surplus	- 24
Further refinement of Capital Financing estimates	- 58
Current Budget Shortfall for 2022/23 (see 6.8)	145

- 6.2. Despite additional analysis work and discussions with Members and Budget Holders, it was not possible to identify the full £500k ongoing savings target set for the PDGs. However, a number of other options were identified by officers that help to reduce the gap further.
- 6.3. In addition, the budget shortfall has been reduced on a one-off basis in the very short term by the use of reserves. Following a thorough review, a number of Earmarked Reserves have been deemed to no longer be required, or deemed a lower priority, and therefore have been released.
- 6.4. The recharge to the Housing Revenue Account has been reviewed and finalised for 2022/23. It has increased year-on-year due to the increase in the staffing establishment and the assumed pay awards coverings 2021/22 and 2022/23. In addition, greater clarity has been provided by our insurers on the breakdown of the various insurance premiums. This enables a more relevant apportionment of the costs, which has seen the HRA pick up a larger proportion.

- 6.5. We have now completed our Business Rates NNDR1 return which is included as a separate report on this meeting's agenda. This has shown a healthy increase in the rateable value of the businesses within the district arising from a few large new hereditaments completing in 2021/22, e.g. the new supermarket in Tiverton. These are partially offset by some reductions and further softened by the freezing of the NNDR multiplier within the Chancellor's Budget Statement in October. The net impact is a year-on-year increase in the overall rateable value of c.£1,000k leading to an increase in the retained value of £380k (some £340k above the previous assumption). The ever-present risk of appeals, which the Valuation Office consider on a daily basis, and the heightened risk of bad debts arising necessitates that we prudently set aside significant funds in a provision in our Business Rates Smoothing Reserve to mitigate these risks.
- 6.6. Similarly, we have seen growth in the Council Tax tax base and less of a reduction in the collectable amount than expected which has led to a collection surplus. This has now been finalised for the year and shows a further increase of £24k above the previous forecast.
- 6.7. Finally, following a technical review of the capital financing arrangements, we have altered the profile of the Minimum Revenue Provision¹ which has reduced the charge by £58k.
- 6.8. To set a balanced budget, that continues to provide the current level of service provision, will require an additional use of £145k from the New Homes Bonus Earmarked Reserve, subject to any additional proposals put forward by the Community PDG. Any such proposals agreed, will reduce the need to draw further from this reserve.

7. Future Funding Concerns/Cost Pressures

- 7.1. It is clear that members' preference is to explore all revenue-raising options before cutting services. However, due to the increasing pressures on our budgets and the continuing reduction in our Central Government funding, the Council will need to reassess its overall corporate priorities and therefore where it allocates future budgets, it will also need to consider:
- Statutory vs Discretionary service provision;
 - Resident priorities – as per the recent consultation undertaken;
 - How it can work more closely with Towns/Parishes;
 - Explore more commercial and regeneration opportunities (being aware of the risks);
 - Continue to consider any partnership possibilities;
 - Review Treasury options;
 - Maximise all income possibilities;
 - Impact of funding changes: Fair Funding Review; NNDR baseline reset; changes to NHB;

¹ the minimum amount which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing

- Ongoing impacts of Covid-19 especially with regard to service income losses and recovery periods which in some cases may be measured in years rather than months;
 - The need to create investable propositions for our carbon reduction ambitions.
- 7.2. The Council has stated its intent to try and achieve a net zero carbon operation by 2030. There remains a substantial challenge ahead if this target is to be achieved. From a carbon accounting perspective, the fact that we retain direct control (and ownership) over the majority of services means that while our influence is unfettered by long-term commissioning or contractual arrangements, we retain ownership of the significant challenges around decarbonisation. The future year's Capital Programme includes a range of investments in improving the energy efficiency of our property estate, subject to securing sufficient funding.
- 7.3. Not least in the area of social housing provision, where we have to balance the long-term viability of our social housing stock for the needs of future generations, with the need to invest substantially to reduce emissions (housing stock makes up the bulk of MDDC emissions). The Capital Programme includes a number of substantial housing developments increasing the amount of housing stock with highly efficient (zero carbon) modular buildings, subject to securing sufficient external funding. This continues across the 5-year Medium Term Financial Plan with the aim of developing 500 new properties.
- 7.4. Changes to vehicles, operations and processes can all deliver incremental gains, and we have an important scheme planned to deliver hydroelectric power from the River Exe, as well as various tree-planting projects to help offset emissions. However, with limited funding available from Government, and any such funding subject to a bidding process, in the short term we will be trying to achieve the maximum possible locally, while taking every opportunity to bid into future funding pots as they arise.
- 7.5. The NHB grant monies have been considered at risk for some time. It remains the expectation that 2022/23 will be the final year for the scheme, at least in its current guise. However, as announced in the Funding Settlement, MDDC benefitted from an allocation for 2022/23 of £259k which has been used to support the budget. It remains unclear what will happen to the funding associated with the current scheme. The Government has stated, again, its intention to consult on changes to the New Homes Bonus scheme to make it more effective. While we do not yet know what these changes might include, it can be assumed that meeting and exceeding our growth targets will be critical to ensuring that we access whatever revised distribution methodology the government implements.
- 7.6. What is clear is that local authorities are in desperate need of a multi-year funding agreement rather than the current year-to-year arrangements which do not allow a considered medium term view of the resources that will be available, and, how these may be managed to optimise service provision within the scope of the Corporate Plan.
- 7.7. It's important to highlight how much New Homes Bonus is being used to help fund our General Fund and Capital Budgets in 2022/23. A total transfer of

£483k is being used to contribute towards various one-off General Fund projects, including:

- £190k towards the ICT equipment sinking fund;
- £168k towards the Cullompton HAZ;
- £80k towards Business Development; and
- £45k to Community Development.

In addition, £259k is underpinning the 2022/23 Budget and to close the budget gap, it is recommended that this be increased by a further £145k, as referred to in **Recommendation 4** of this report. NHB amounting to £102k is also used to fund part of the Capital Programme (£81k supporting the GF, £21k supporting the HRA – please see Capital Programme report also on this agenda). This gives a total of £989k to be utilised in 2022/23 (if the additional balancing drawdown is approved). With the future of the scheme at risk and no assurance of any further funding from 2023/24 onwards, the Council will need to be mindful of the future funding available and agree service level changes accordingly.

- 7.8. Proposals for future year's budgets requiring additional work over the coming months including a range of revenue-raising options to reduce the net revenue requirement, and these will be considered to reduce the need to cut public-facing services.

8. Overall General Fund (GF) position at 31 March 2022

- 8.1. Recent verbal updates on the in-year budget position indicates that it is trending towards or close to the original budget position. If the Outturn position does continue as forecast, the General Fund Reserve balance should remain at least, or close to, the current £2,168k. This position remains close to the proposed minimum level of £2,000k.

9. Transfers To and (From) Earmarked Reserves

- 9.1. **Appendix 3** shows in detail which amounts are being contributed to, or are being drawn down from, various earmarked reserves in 2022/23.

- 9.2. It is proposed to transfer £1,759k into earmarked reserves to help mitigate future pressures. This includes:

- £460k into the New Homes Bonus reserve (being the residual of the 2022/23 grant allocation not supporting the budget – prior to the proposed £145k balance adjustment through NHB;
- £100k into the Statutory Development Plan; and
- £1,199k being the balance into various Sinking Funds.

- 9.3. However, it is also proposed to drawdown £2,614k to fund expenditure in 2022/23. This includes:

- £188k release of funds no longer needing to be set aside;
- £338k supporting the investment in our property maintenance;

- £310k supporting the development of the Garden Village;
- £493k supporting the vehicle fleet; and
- £174k supporting the Statutory Development Plan.

This gives a net reduction in earmarked reserves of £856k, prior to the proposed £145k balance adjustment through NHB.

10. Housing Revenue Account Budget 2022/23

- 10.1. The Housing Revenue Account (HRA) is ring fenced and accounts for the income and expenditure associated with the Council's statutory housing obligations to its tenants. The HRA has an obligation to provide a high quality, value for money service for its tenants coupled with affordable rent levels.
- 10.2. The Council continues to undertake valuable benchmarking work in conjunction with Housemark. These findings are then used to inform the budget setting process. In doing so, MDDC are able to better identify their position in relation to other authorities in the sector and identify areas for improved efficiency.
- 10.3. The overall HRA budget has been constructed on a detailed line-by-line examination of expenditure and income, having regard to last year's outturn, this year's forecast position and the on-going improvement of the housing service.
- 10.4. Some items of expenditure can be defined quite accurately whilst others require managers to exercise business judgement based upon their experience, particularly in the case of new commitments. Where such judgement has been applied, the proposals before Members are based upon realistic assumptions.
- 10.5. The recent budget proposals that went before the Homes PDG have resulted in a balanced draft budget for the Housing Revenue Account for 2022/23 as shown at **Appendix 4**.
- 10.6. The main proposals for the 2022/23 budget can be summarised as follows:
 - An increase of CPI plus 1% (4.1%) is proposed on existing rents;
 - Garage rents to be frozen, remaining unchanged at £10.71 per week;
 - Garage plot ground rents to be frozen, remaining unchanged at £275 per annum.
- 10.7. The main factors influencing this year's budget are as detailed below:
 - 10.7.1. The overall rental income was materially affected by the Governments previous policy to reduce Rents by 1% each year for four consecutive years. We estimate that the budget is therefore c£2m lower per annum. The current policy is to enable rents to be increased by 1% above inflation. A more detailed analysis of the proposed rent increase can be found in **Appendix 5a** that shows that the average housing rent will increase to £83.92 on a 52 week basis.

- 10.7.2. The roll-out of Universal Credit in Mid Devon continues and we continue to monitor the impact. We anticipate that this may have an increasing impact upon revenue into the HRA due to the expected rise in the level of rent arrears.
- 10.7.3. Current legislation on Right to Buy means that we're likely to sell several properties in future years. We forecast that 25 will be sold, while 3 will be repurchased, giving a net reduction of 22 properties per annum.
- 10.7.4. Similarly, we forecast that we will have a number of void properties during the year. We have a prudent forecast of 75 voids across the year which is higher than in previous years to reflect the financial implications on tenants of the move to Universal Credit and Covid-19. This is in line with the forecast Council Tax collection rate of 97.5%. Combined, these reductions affect our ability to fund property maintenance and development as well as servicing any existing or new debt.
- 10.7.5. Budget has been included to address recent legislation post Grenfell and to undertake the remedial action required to mitigate the recommendations from the recent Fire Risk Assessment Audit. Similarly, budget has been included to further contribute to the decarbonisation of the Housing Estate, in line with the Council's commitment. However, significant further investment will be required to achieve Net Zero by 2030.
- 10.8. It has been deemed as prudent to maintain the HRA reserve balance at £2,000k and it is expected to remain so throughout 2022/23. At the start of 2021/22, other HRA reserves totalled £19,567k. This included £15,121k in the Housing Maintenance Fund (HMF); £701k in the Renewable Energy Fund (REF) and £199k in Major Repairs Reserve. It is intended that any expenditure funded from the REF monies be used on renewable energy schemes.
- 10.9. The final budget summary for the 2022/23 HRA is shown in **Appendix 4**. It will continue to provide for an enhanced housing service which will allow for more capital investment and additions to our existing stock.
- 10.10. The ambition to build a significant number of new properties continues across the 5-year Medium Term Financial Plan. The prospect of building new social housing raises the issue of significant future capital financing requirements. £1,514k is included within the future years of the MTFP to finance the build of a number of new highly efficient (zero carbon) modular buildings, subject to securing sufficient funding. Members are reminded that the constraint on increasing stock is still an issue of affordability, not the access to borrowing.

11. Capital Programme 2022/23

- 11.1. Full detail on this matter is included within in a separate agenda item on this meeting.
- 11.2. In summary, it shows that the 2022/23 programme totals £34,303k. This is a significant increase on previous years due to a significant plan to increase the HRA Housing stock directly through the HRA (£7,435k) and plans to fund housing developments through 3Rivers (£3,534k). In addition, plans continue

with the HIF projects in Cullompton and Tiverton at a cost of £13,054k. The funding associated with the Cullompton project is yet to be identified but the Council is actively pursuing all avenues. As with all capital projects, these are all subject to a full appraisal.

- 11.3. A prudent assumption has been included for the utilisation of 1-4-1 receipts or for additional grant funding to be made available from Homes England; although a substantial element of the cost remains with the Council.
- 11.4. The most significant funding source required to support the 2022/23 programme is the £12,426k of borrowing from the Public Works Loan Board (PWLb). The associated capital financing costs are included within the relevant GF or HRA budget.
- 11.5. The future year's Capital Programme shows increased investment in improving the energy efficiency of our property estate and the continuation of investment in increasing the HRA Housing stock. The overall borrowing requirement increases accordingly and therefore so does the capital financing costs within the Revenue Budget. These projects will be further refined over time and will be subject to sufficient funding being available.

12. Updated MTFP position

- 12.1. The new MTFP summary position is shown in the table below. It shows a cumulative shortfall over the remaining four-years of this MTFP of £2,165k remains to be addressed.

Table 2 – Future Medium Term Financial Plan

	2023/24 £k	2024/25 £k	2025/26 £k	2026/27 £k
Annual Surplus / Deficit	1,703	531	(61)	(8)
Cumulative Surplus/Deficit	1,703	2,234	2,173	2,165

- 12.2. The underlying budget shortfall falls largely in 2023/24. This is in part due to the “cliff-edge” currently assumed for the Funding settlement while we await clarity on future funding mechanisms, but also in part due to a number of one-off funding options being used to balance the 2022/23 budget (for example release of earmarked reserves). The latter years are forecast to be broadly balanced, with assumed inflationary increases offset by increases in Business Rates and Council Tax.
- 12.3. This forecast position also makes a number of prudent assumptions, including:
 - No new grant due to MDDC within the replacement New Homes Bonus Scheme and no further one-off allocations of NHB.
 - A loss of historic growth in business rates above the baseline, on reset of the business rates system
 - No income from business rates pooling, which would probably not continue after a reset of the system
 - No further continuation of the allocation of Lower-Tier Services grant (initially announced as one-off)

- No continuation of the new 2022/23 Services Grant (announced as one-off)
- The continuation of the current Council Tax referendum principles
- Pay Award and general inflation in line with assumptions included within the 2022/23 budget

12.4. The same level of uncertainty will be facing all local authorities across the country.

13. Conclusion

General Fund

- 13.1. The General Fund budget has been set against a back drop of over a decade of cuts to Public Sector funding. However, the proposed balanced budget protects service delivery at current levels. This has been achieved with the use of a small amount of one-off funding from reserves and balances. Therefore, further ongoing budget savings options will need to be identified to mitigate the underlying budget shortfall across the remainder of this MTFP.
- 13.2. Significant uncertainty remains for the future funding of Local Government. Further delays were announced to the outcomes of the Fair Funding Review and potential changes to both Business Rates and New Homes Bonus. These changes are now planned to be due in 2023/24.
- 13.3. The financial implications of Covid-19 continue and appear likely to take some time to diminish adding further ambiguity; income losses prove slow to recover and services are impacted each time the government extends its containment measures. However central support, as far as it has been announced to date, has ceased.

HRA

- 13.4. The HRA budget for 2022/23 addresses a number of important factors, such as the Post Grenfell and Fire Risk Assessment requirements, increased decarbonisation of the housing stock, and a marked increase in the overall number of units through significant investment. These investments continue across the whole 5-year MTFP period.
- 13.5. Rents are proposed to increase by 4.1% in line with the Government's guidance and neighbouring authorities. A prudent allowance has been made for voids and non-collection, in line with that applied to Council Tax, taking into account the current economic climate.
- 13.6. This report has set out a proposed balanced budget for the HRA for 2022/23, with appendices attached showing the following:

Appendix 4 – The overall makeup of the budget at summary level

Appendix 5a – The proposed rent for 2022/23

Appendix 5b – The proposed fees and charges for 2022/23

Capital Programme

- 13.7. The Capital Programme for 2022/23 includes the beginning of a programme of significant investment in social and affordable housing. The capital MTFP also includes investment into improving the energy efficiency of our property estate, and in the economic regeneration of the district. However these projects, as with any capital project, is subject to the Council receiving sufficient grant funding and a robust business case.
- 13.8. Therefore assumptions are built in that the Council will be successful in attracting funding through the increasing number of bid schemes for grant

funding. Additional borrowing is also projected which is forecast to increase our Capital Financing Requirement to c.£112m (see Treasury Management Strategy included elsewhere on this agenda). The Revenue MTFP includes the associated financing implications.

- 13.9. It is, therefore, imperative that capital funds are only spent on those projects that enable the Council to deliver its Corporate Plan objectives, reduce operational cost, or generate a financial return.

Future Budgets

- 13.10. The Council will need to prepare for the future in a timely manner and this is why it will continue to discuss how it can provide a wide range of services in a much reduced funding envelope. The process will continue to involve all staff, Members and our local residents/businesses.
- 13.11. Cabinet are asked to agree the contents of this report and recommended its approval by Full Council in February 2022.

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Circulation of the Report: Leadership Team, Cabinet

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

GENERAL FUND REVENUE ACCOUNT DRAFT BUDGET SUMMARY 2021/22

Notes	Budget 2021/22	Movement	Draft Budget 2022/23 Round 1	Movement	Draft Budget 2022/23 Round 2	Movement	Draft Budget 2022/23 Round 3
	£	£	£	£	£	£	£
Cabinet	5,561,182	75,114	5,636,296	569,190	6,205,486	(6,172)	6,199,314
Community	4,083,712	(877,119)	3,206,593	730,439	3,937,033	(94,607)	3,842,426
Economy	(296,730)	60,629	(236,101)	166,313	(69,788)	50,238	(19,550)
Environment	3,926,239	(2,605)	3,923,634	572,031	4,495,664	(261)	4,495,403
Homes	393,010	(53,143)	339,867	128,418	468,285	(200,583)	267,702
TOTAL NET DIRECT COST OF SERVICES	13,667,413	(797,125)	12,870,288	2,166,391	15,036,680	(251,385)	14,785,295
Net recharge to HRA	4	(1,501,410)	(56,303)	(1,557,713)	-	(1,557,713)	(156,847)
Provision for the financing of capital spending	5	731,720	87,145	818,865	(65,405)	753,460	(66,800)
NET COST OF SERVICES	12,897,723	(766,283)	12,131,440	2,100,986	14,232,427	(475,032)	13,757,395
Net Interest Costs	6, 18	(539,050)	(262,665)	(801,715)	219,867	(581,848)	(410,765)
Finance Lease Interest Payable	7	159,410	9,146	168,556	(15,956)	152,600	-
Transfers To Earmarked Reserves	8	2,361,372	(715,788)	1,645,584	120,680	1,766,264	(7,200)
Transfers (From) Earmarked Reserves		(3,124,501)	1,631,861	(1,492,640)	(1,098,228)	(2,590,868)	(22,890)
Transfer (From) NNDR Smoothing Reserve	9	-	-	-	-	-	(1,677,640)
Transfers To/(From) General Reserves		-	-	-	-	-	-
Proposed Contribution from New Homes Bonus Reserve	10	-	-	-	-	(144,888)	(144,888)
TOTAL BUDGETED EXPENDITURE	11,754,954	(103,729)	11,651,225	1,327,349	12,978,575	(2,738,415)	10,240,160
Funded by: -							
Business Rates:							
Retained Business Rates		(3,150,000)	(156,000)	(3,306,000)	116,000	(3,190,000)	2,107,090
S31 Grant associated with COVID-19 Reliefs	11	-	-	-	-	(2,449,280)	(2,449,280)
Business Rates prior year (surplus)/deficit		-	-	-	-	1,677,640	1,677,640
Council Tax:							
Council Tax-MDDC	12	(6,114,620)	(231,350)	(6,345,970)	(177,960)	(6,523,930)	-
Council Tax prior year (surplus)/deficit		115,109	(115,109)	-	(376,874)	(376,874)	(24,156)
Un-Ringfenced Grants:							
Covid-19 Related Grant	13	(407,699)	407,699	-	-	-	-
Covid-19 Related Income		(570,000)	570,000	-	-	-	-
Lower Tier Services Support Grant	14	(179,252)	179,252	-	(99,272)	(99,272)	(99,272)
Rural Services Delivery Grant	15	(489,742)	23,047	(466,695)	(23,047)	(489,742)	-
2022/23 Services Grant	16	-	-	-	(152,564)	(152,564)	-
New Homes Bonus	17	(958,750)	498,486	(460,264)	(258,808)	(719,072)	-
TOTAL FUNDING	(11,754,954)	1,176,025	(10,578,929)	(972,525)	(11,551,454)	1,311,294	(10,240,160)
REQUIREMENT TO BALANCE THE BUDGET	-	1,072,296	1,072,296	354,824	1,427,121	(1,427,121)	(0)

Notes:

- The annual pay award for 2021/22 has yet to be agreed nationally. The budget includes an estimate that a 1.75% increase will be agreed. A further assumption of a 2% increase in included for 2022/23 along with the increase in National Insurance as outlined by the Government's health and social care levy.
- Income flows have been reviewed and adjusted for changes in demand and unit price. Provision has been made to reflect the estimated continued recovery from the Covid-19 pandemic.
- "Movement" Includes budget virements and realignment of budgets in addition to the pressure and savings identified as part of this budget.
- The increase in the recharges to the HRA reflect the increased cost of service provision and greater transparency on the breakdown of insurance liability.
- The Provision for repayment of borrowing incorporates the financial implications of the proposed Capital Programme. Borrowing costs are minimised by the Council's internal borrowing policy.
- Net Interest Costs includes both interest payable and receivable. Investment income has been based upon the lending criteria as outlined within the Treasury Management Strategy. Interest payable is minimised through the Council's internal borrowing policy.
- Lease costs are increasing reflecting the Councils move to leasing its vehicle fleet rather than purchasing.
- Transfers to/(from) Earmarked Reserves reflects planned contributions to, or drawdowns from reserves. All earmarked reserves have been reviewed and adjustment made based upon existing need.
- The drawdown from the NNDR Smoothing Reserve is in line with the Government's guidance to spread the deficit on the collection fund resulting from Covid-19 impacts over 3 financial years.
- This is the proposed addition use of New Homes Bonus to balance the remaining shortfall in the 2022/23 Budget
- Retained Business Rates income has reduced due to the Governments Covid-19 relief relating to Retail, hospitality and Leisure sectors. However, the Council is compensated by S31 grant. The prior year deficit on the collection fund (offset by the drawdown from reserves in note 9) is included here. No dividend from the Devon Business Rates pool is budgeted - should there be one, it will help the in-year or future year budget position.
- Council Tax has been increased by £5 (the higher of £5 or 2%) to £218.84 from £213.84 in line with the referendum limits announced within the Funding Settlement. The taxbase as also grown by 4.26%
- Government support through either grant funding, or through the compensation schemes for revenue losses arising in year from the pandemic have ceased. However, the Council is still incurring costs and reductions in its fee income.
- This grant as initially announced as one-off, but has been continued in 2022/23, albeit at a reduced level.
- This grant has continued at 2021/22 levels
- This is a new grant for 2022/23 only - reflecting the important services that local Councils deliver, and recognises the additional cost to the Council of the increase in National Insurance
- New Homes Bonus receipts based on the latest announcements in the Funding Settlement. An additional year was unexpectedly announced of £259k which has been used to support the budget.
- Benefits to the GF of 3 Rivers Developments Ltd - within the Net Interest costs is £38k of Interest Payable on loans to 3R and £578k of Interest Receivable on those loans from 3R. Therefore the net benefit to the GF in 2022/23 is £540k plus minor recharges for office accommodation etc.

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PDG SERVICE UNIT MOVEMENTS

Appendix 2

Service Unit	Direct Costs Detail	2021/2022 Annual Budget £	2022/2023 Forecast Budget £	Movement £	+/- %
Cabinet					
SCM01	Leadership Team	406,590	534,019	127,429	31%
SCM02	Corporate Functions	95,740	100,260	4,520	5%
SCM03	Corporate Fees	152,450	266,935	114,485	75%
SCM06	Pension Backfunding	779,690	801,480	21,790	3%
SES01	Emergency Planning	8,150	7,500	(650)	-8%
SFP01	Accountancy Services	533,720	478,460	(55,260)	-10%
SFP02	Internal Audit	94,410	97,480	3,070	3%
SFP03	Procurement	113,470	101,340	(12,130)	-11%
SFP04	Purchase Ledger	45,840	48,460	2,620	6%
SFP05	Sales Ledger	44,770	47,330	2,560	6%
SHR01	Human Resources	387,360	497,080	109,720	28%
SHR02	MDDC Staff Training	29,870	25,000	(4,870)	-16%
SHR03	Payroll	36,370	40,960	4,590	13%
SHR04	Learning And Development	47,500	53,430	5,930	12%
SIT01	IT Gazetteer Management	70,500	76,400	5,900	8%
SIT03	IT Information Technology	968,430	1,260,750	292,320	30%
SLD01	Electoral Registration	230,820	218,278	(12,542)	-5%
SLD02	Democratic Rep And Management	504,460	544,662	40,202	8%
SLD04	Legal Services	368,503	419,661	51,158	14%
SPR01	Building Regulations	59,430	17,390	(42,040)	-71%
SPR04	Local Land Charges	(16,970)	(24,561)	(7,591)	45%
SRB01	Collection Of Council Tax	442,380	361,270	(81,110)	-18%
SRB02	Collection Of Business Rates	(105,380)	(98,870)	6,510	-6%
SRB03	Housing Benefit Admin & Fraud	126,270	180,920	54,650	43%
SRB04	Housing Benefit Subsidy	65,000	65,000	-	0%
SRB06	Debt Recovery	71,810	78,680	6,870	10%
TOTAL CABINET PDG		5,561,183	6,199,314	638,131	11%
Community PDG					
SCD01	Community Development	138,500	138,500	-	0%
SCS20	Customer Services Admin	23,350	23,720	370	2%
SCS22	Customer First	751,010	725,598	(25,412)	-3%
SES03	Community Safety - C.C.T.V.	45,200	16,390	(28,810)	-64%
SES04	Public Health	3,990	3,990	-	0%
SES11	Pool Cars	280	1,884	1,604	573%
SES16	ES Staff Units/Recharges	750,610	792,330	41,720	6%
SES17	Community Safety	6,220	6,070	(150)	-2%
SES18	Food Safety	(24,200)	(25,340)	(1,140)	5%
SES21	Licensing	48,480	24,030	(24,450)	-50%
SES22	Pest Control	5,000	2,500	(2,500)	-50%
SES23	Pollution Reduction	(580)	7,250	7,830	-1350%
SPR02	Enforcement	91,780	92,800	1,020	1%
SPR03	Development Control	825,420	587,570	(237,850)	-29%
SPR09	Forward Planning	263,550	306,890	43,340	16%
SPR11	Regional Planning	248,103	234,760	(13,343)	-5%
SRS01	Recreation And Sport	906,999	903,485	(3,514)	0%
TOTAL COMMUNITY PDG		4,083,712	3,842,427	(241,285)	-6%
Economy PDG					
SCD02	Economic Development	79,420	70,320	(9,100)	-11%
SCP01	Parking Services	(529,250)	(489,680)	39,570	-7%
SPR06	Economic Development	554,160	706,700	152,540	28%
SPS12	Gf Properties Shops/Flats	(401,060)	(306,890)	94,170	-23%
TOTAL ECONOMY PDG		(296,730)	(19,550)	277,180	-93%
Environment PDG					
SES02	Cemeteries	(62,630)	(67,230)	(4,600)	7%
SES05	Open Spaces	200,854	180,190	(20,664)	-10%
SGM01	Grounds Maintenance	555,436	559,523	4,087	1%
SPS01	Asset Management	40,000	188,310	148,310	371%
SPS03	Flood Defence And Land Drain	26,430	26,020	(410)	-2%
SPS04	Street Naming & Numbering	7,810	8,070	260	3%
SPS05	Administration Buildings	262,420	425,140	162,720	62%
SPS06	MDDC Depots	74,990	141,240	66,250	88%
SPS07	Public Transport	(15,280)	(6,110)	9,170	-60%
SPS09	Property Services Staff Unit	738,890	734,650	(4,240)	-1%
SPS11	Public Conveniences	63,980	41,330	(22,650)	-35%
SWS01	Street Cleansing	420,440	472,798	52,358	12%
SWS02	Waste Collection	229,459	435,192	205,733	90%
SWS03	Recycling	1,017,000	978,510	(38,490)	-4%
SWS04	Waste Management	366,440	377,770	11,330	3%
TOTAL ENVIRONMENT PDG		3,926,239	4,495,403	569,164	14%
Homes PDG					
SES15	Private Sector Housing Grants	(3,630)	(1,490)	2,140	-59%
SHG03	Homelessness Accommodation	396,640	269,192	(127,448)	-32%
TOTAL HOMES PDG		393,010	267,702	(125,308)	-32%
GRAND TOTAL		13,667,414	14,785,296	1,117,882	8%

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2022/23 BUDGETS**Transfers To Earmarked Reserves**

SERVICE	EMR		Total
IE435	EQ653	New Homes Bonus Grant*	460,264
PS990	EQ685	Fore Street Maintenance Sinking Fund	5,000
PS992	EQ685	Market Walk Maintenance Sinking Fund	20,000
CP540	EQ686	Paying Car Parks (Machine Replacement Sinking Fund)	3,000
LD201	EQ720	Election Costs - District	25,000
PR810	EQ728	Statutory Development Plan	100,000
EQ755	EQ755	ICT Equipment Sinking Fund	189,500
EQ756	EQ756	Fleet Contract Fund	624,600
GM960	EQ760	Grounds Maintenance	16,500
EQ761	EQ761	Recycling Plant Sinking Fund	30,000
EQ763	EQ763	Recycling Maintenance Sinking Fund	2,700
PS880	EQ765	Bus Station	5,000
ES100	EQ766	Cemeteries	25,000
ES450	EQ767	Parks & Open Spaces	25,000
RS140	EQ837	Leisure Sinking Fund	75,000
WS700	EQ839	Waste Pressure Washer	2,500
PS980	EQ837	Property Maintenance	100,000
IT500	New	Business Systems Migration	50,000
TOTAL			1,759,064

2022/23 BUDGETS**Transfers (From) Earmarked Reserves**

SERVICE	EMR	Description	TOTAL
CD200	EQ653	Community Development	(45,000)
EQ638	EQ638	Dev Cont Linear Park	(4,170)
EQ640	EQ640	W52 Popham Close Comm Fund	(1,950)
EQ641	EQ641	W67 Moorhayes Com Dev Fund	(1,630)
EQ642	EQ642	W69 Fayrecroft Willand Ex West	(4,620)
EQ643	EQ643	W70 Developers Contribution	(6,650)
EQ644	EQ644	Dev Cont Winswood Credition	(3,080)
EQ755	EQ653	ICT Equipment Sinking Fund	(189,500)
EQ756	EQ756	Fleet Contract Fund	(493,230)
IE420	EQ777	C/Tax Smoothing EMR	(62,401)
IE440	EQ659	NNDR Reserve	(152,020)
PR225	EQ824	Garden Village Project	(310,130)
PR400	EQ653	Business Development	(80,000)
PR400	EQ728	Crediton Masterplan	(60,000)
PR400	EQ722	Staffing For Economic Recovery Work	(23,750)
PR402	EQ653	Cullompton HAZ	(168,040)
PR402	EQ652	Cullompton HAZ	(110,000)
PR600	EQ821	Neighbourhood Plans	(15,560)
PR810	EQ728	Statutory Development Plan	(173,500)
PR810	EQ726	Brownfield Project	(36,260)
PR810	EQ729	Custom Build Project	(25,000)
RB100	EQ787	Council Tax Staffing	(32,282)
RB100	EQ776	Customer Welfare Officer	(2,308)
IT900	EQ655	IT Project Managers X 2 - IT600 And IT900	(87,017)
PS992/PS991	EQ838	GF Shops EMR	(87,000)
RS100/PS810	EQ837	General Property Maintenance Sinking Fund	(251,000)
	EQ660	Releasing of Reserves to fund the 2022/23 GF Budget	(187,660)
TOTAL			(2,613,758)

Net Transfer To / (From) Earmarked Reserves**(854,694)****NNDR Transfer (From) Smoothing Reserve**

IE440	EQ659	NNDR Reserve	(1,677,640)
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Proposed Transfer (From) NHB Reserve to Balance remaining deficit on 2022/23 Budget

	EQ653	NHB to fund the GF Deficit	(144,889)
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Housing Revenue Account - Analysis by service
Appendix 4

Code	Best Value Unit	Base Budget 2021/2022	Movement	Draft Budget 2022/2023
		£	£	£
	Income			
SHO01	Dwelling Rents Income	(12,450,680)	(222,980)	(12,673,660)
SHO04	Non Dwelling Rents Income	(559,830)	71,470	(488,360)
SHO07	Leaseholders' Charges For Services	(23,810)	(5,190)	(29,000)
SHO08	Contributions Towards Expenditure	(29,220)	(51,700)	(80,920)
SHO10	H.R.A. Investment Income	(10,000)	(15,000)	(25,000)
SHO11	Misc. Income	(7,350)	350	(7,000)
	Services			
SHO13A	Repairs & Maintenance	3,600,220	225,513	3,825,733
SHO17A	Housing & Tenancy Services	1,626,530	104,177	1,730,707
	Accounting entries 'below the line'			
SHO29	Bad Debt Provision	150,000	0	150,000
SHO30	Share Of Corp And Dem	168,040	5,860	173,900
SHO32	H.R.A. Interest Payable	1,026,430	50,890	1,077,320
SHO34	H.R.A. Transfer To/From Earmarked Reserves	1,899,100	(587,380)	1,311,720
SHO37	Capital Receipts Res Adjustment	(19,500)	(1,300)	(20,800)
SHO38	Major Repairs Allowance	2,260,000	205,000	2,465,000
SHO45	Renewable Energy Transactions	(105,000)	0	(105,000)
	TOTAL	(2,475,070)	(220,290)	(2,695,360)

Subjective analysis

Code	Best Value Unit	Base Budget 2021/2022	Movement	Draft Budget 2022/2023
1000	Employees	2,976,890	346,850	3,323,740
2000	Premises	235,500	32,400	267,900
3000	Transport	238,860	1,180	240,040
4000	Cost Of Goods And Services	7,292,170	(362,870)	6,929,300
7000	Income	(13,218,490)	(237,850)	(13,456,340)
	TOTAL	(2,475,070)	(220,290)	(2,695,360)

Code	Best Value Unit	Base Budget 2021/2022	Movement	Draft Budget 2022/2023
5000	Internal Recharges	1,501,410	213,150	1,714,560
6000	Capital Charges	973,660	7,140	980,800
	TOTAL	2,475,070	220,290	2,695,360

	GRAND TOTAL	0	(0)	(0)
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Assumptions/significant variances

- SHO01 Income assumption for Rents retained at 4.1%. The budgetary increase is reduced from this due to assumed Void and RTB levels
- SHO04 Garage rents and ground rent charges assumed to remain unchanged for 2022/23, again there will be a real reduction due to the forecast units available
- SHO08 Forecast increase in Building Services works
- SHO10 Slight increase to the forecast investment income in line with the General Fund
- SHO13A £213k in salary changes this assumes 2% for 2022/23 and a slight increase in the establishment
- SHO17A £127k salary inflation assumes 2% for 2022/23, inclusive of establishment changes
- SHO32 Inclusive of Interest for Self-financing loan and interest on assumed borrowing for 2022/23 capital programme schedule of works
- SHO34 Contributions to reserves: £50k towards vehicle cost sinking fund, £803k to the Loan deficit reserve, £105k to the Renewables reserve, £149k to the Affordable Rent surplus reserve, £190k provision made for Decarbonisation works
- SHO38 Change is in line with the planned Works Programme for 2022/23 included Fire Risk Assessments (post Grenfell)

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HRA Rent Budget 2022/23

Description	Average rent (52 week basis) £	Average properties 2022/23	Annual rent total £	Void level %	Annual rent total (less voids)	Budget (rounded)
Social rent (in use)	83.92	2,865	12,501,674	2.62%	12,174,386	12,174,390
Affordable rent properties	120.65	87	545,821	2.30%	533,273	533,270
Rent written off					(35,000)	(35,000)
Write-offs recovered					1,000	1,000
HO700 budget					12,673,659	12,673,660
Affordable rent surplus					163,999	164,000
TOTAL		2,952				

Formula Rent	83.99
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HRA: Proposed Fees and Charges 2022/23

	<u>2021/22</u>	<u>Increase</u>	<u>Increase %</u>	<u>2022/23</u>
Garage rents per week (52 week basis) <i>It should be noted that council tenants receive a discount of £1.85 per week on any garage rent</i>	£10.71	£0.00	0.00%	£10.71
Garage ground ren (Annual charge)	£275	£0	0.00%	£275
<u>N.B</u>				
MDDC Formula Rent on average (52 weeks)	£80.72			£83.99

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DRAFT 2022/23 HOUSING REVENUE ACCOUNT (HRA)

Cabinet Member(s): Cllr Bob Evans (Cabinet member for Housing & Property),
Cllr Andrew Moore (Cabinet member for Finance)
Responsible Officer(s): Andrew Jarrett – Deputy Chief Executive (S151),
Simon Newcombe – Corporate Manager for Public Health,
Regulation and Housing

Reason for Report: To present proposals for the second draft of the Housing Revenue Account budget for 2022/23.

Recommendation: That the PDG recommend to Cabinet to agree the rent increase proposed and the other budget proposals for 2022/23.

Financial Implications: A balanced and realistic budget must be set for 2022/23 in order to maintain a sustainable Housing Revenue Account with adequate investment for necessary maintenance.

Budget and Policy Framework: This report forms part of the Council's annual process of setting balanced budgets across all areas of income and expenditure.

Legal Implications: It is a statutory requirement for the local authority to set a balanced budget each year.

Risk Assessment: Service Managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. In addition, prudent levels of reserves will also continue to be maintained.

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

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

Impact on Climate Change: The HRA budget contains significant investment in order to work towards the Council's Carbon Reduction Pledge.

1.0 Introduction/Background

1.1 The HRA is a ring-fenced account within Mid Devon's financial accounting system. This means that a balanced budget must be set each year including all income and expenditure pertinent to the Council's landlord function and excluding all other income and expenditure (since this would be captured as part of the General Fund budget).

- 1.2 This report will set out management's proposals for a draft HRA budget for 2022/23 and members will see from Appendix 1 that, as it stands, the budget has been balanced and so nets to nil. The report will outline the key issues affecting the HRA today, along with how they impact on the setting of a budget for 2022/23.

2.0 **Key Issues**

COVID-19

- 2.1 The global pandemic that has been, and continues to be, experienced has had an obvious and significant impact on the local economy. In terms of the direct impact on the HRA, at the time of compiling this report indicative markers such as arrears levels and debts written off are not notably different from the previous year, however this does not suggest there won't be an impact going forward, therefore the budget (as reflected in the round 1 draft) has been prudently updated.
- 2.2 At present it is unclear how and when many economic uncertainties will be resolved and so medium term planning is also affected. The HRA Medium Term Financial Plan (MTFP) (presented to Members at the previous PDG) is based on the draft budget for 2022/23 with inflationary assumptions and known pressures or savings built in for future years.

Rent Policy

- 2.3 Rent policy set out by central government states that existing rents can be increased annually by the previous September's CPI rate, plus an additional 1%. Although this calculation has been applied (giving a rent increase of 4.1%) the overall increase in the dwelling rent budget is less for the following reasons.
- Increased void turnaround times mean that more properties sit empty at any one time, thus generating no rent. We therefore assume a lower collection rate in line with that applied to Council Tax.
 - Similarly, the transition to Universal Credit means that some rents that would have been received automatically are now recoverable from the tenant. Where tenants suffer a financial impact from the current climate, arrears are likely to increase with the potential for further write-offs, which represent a cost to the Council.
- 2.4 It is unclear precisely to what extent our arrears will be affected and for what duration. For purposes of this draft budget, it has been assumed that arrears will continue to be higher than during pre-covid years.

Other Income

- 2.5 The garage rents budget is based on rent levels remaining at £10.71 per week (based on a 52 week year) and customer numbers remaining at current levels. Should customer numbers change significantly there would clearly be an impact on the budget position, either adverse or favourable.

- 2.6 Due to the current economic climate it is proposed to keep garage ground rents at their current level, £275 per annum. This will be reviewed again in a year's time.
- 2.7 Income generated from interest where cash balances have been invested have reduced sharply due the historic low interest rates. However it has performed a little better than forecast. Given the recent increase in the Bank of England Base Rate, the budget target has been increased by a further £15k from the first round (draft) budget.

Building Services carrying out Major, Cyclical and non-HRA works

- 2.8 Each year any low demand periods experienced by our operatives are put to good use by carrying out works that might otherwise require Mid Devon to use an external contractor and so incur additional cost. In doing so, the Repairs team are able to transfer a significant amount of their costs to the relevant area and so reduce the overall Repairs team budget.
- 2.9 For 2022/23, the Building Services team have budgeted to carry out major voids upgrades, installations of both traditional and renewable heating systems, update fire safety measures and undertaken work to decarbonise the estate, along with other major work, cyclical servicing and remedial fixes. This should result in a transfer of £1,278k of their costs to other areas as well as £750k of disabled adaptations work.

Staffing costs

- 2.10 In line with Council policy for the General Fund, our estimates for HRA establishment costs assume a pay award of 2% for 2022/23. In addition, there is also the new 1.25% increase in National Insurance contributions. Combined, this has resulted in a £157k pressure on the brought forward budget.
- 2.11 In 2022/23 there is a proposal to bolster the complement of staff within Tenancy Services arising from the planned increase in housing units over the next 5 years. In addition, two posts have transferred from Property Services into the HRA as the majority of their workload was HRA related – this cost will be slightly offset by recharging the General Fund for any work undertaken on non HRA property.

Housing Maintenance Fund

- 2.12 Any surpluses generated by the HRA are usually used to contribute to the Housing Maintenance Fund (HMF). This fund is designed to meet any spikes in the cost of major works in the HRA's plan to 2048. However, in the 2022/23 proposed budget, it is proposed to create a budget for further decarbonisation work on the estate. This is £190k.

3.0 Recommendation

- 3.1 It is recommended that Members consider the proposals for this draft HRA budget along with the details laid out in this report.

- 3.2 However, it should be noted that some items within the budget may change between now and the final budget being agreed by Full Council and these changes could come as a result of members' suggestions, management proposals or central government instructions.

4.0 Future Issues

- 4.1 Within the 2022/23 Medium Term Financial Plan, there will be four further years of the September CPI plus 1% rent increases. After that, it is unclear what rent policy central government will set out for us to follow. Clearly, there is great uncertainty of how costs of running the service will increase with inflation over the coming years and so it is hoped that rent collected will be sufficient to meet the needs of the service.

5.0 Conclusion

- 5.1 This report has set out a proposed balanced budget for the HRA for 2022/23, with appendices attached showing the following.
1. Appendix 1 – The overall makeup of the budget at summary level
 2. Appendix 2 – The proposed rent for 2022/23
 3. Appendix 3 – The proposed fees and charges for 2022/23
- 5.2 It is recommended that Members agree the contents of this report and details of the proposed budget to be forwarded to Cabinet prior to approval by Full Council in February 2022.

Contact for more Information: Andrew Jarrett 01884 23(4242) / ajarrett@middevon.gov.uk

Circulation of the Report: Cllr Bob Evans, Cllr Andrew Moore, Leadership Team

List of Background Papers: N/A

CABINET 1 FEBRUARY 2022

POLICY FRAMEWORK

Cabinet Member(s): Councillor R M Deed - Leader
Responsible Officer: Stephen Walford – Chief Executive

Reason for Report: To endorse the Policy Framework

Recommendation: To recommend to Council that the Policy Framework be adopted

Financial Implications: None arising from this report.

Budget and Policy Framework: This report outlines the Council's Policy Framework.

Legal Implications: The report is required by the Constitution.

Risk Assessment: Not updating the strategic policies of the Council would result in policies not being aligned to corporate objectives and an inefficient use of resources.

Equality Impact Assessment: There are no concerns with regard to equalities impact relating to the content of this report.

Relationship to Corporate Plan: An efficient and effective policy framework helps provide the infrastructure to deliver the corporate plan

Impact on Climate Change: Several policies within the Policy Framework have a direct link to climate change.

1.0 Introduction/Background

- 1.1 The Policy Framework consists of both statutory documents that have to be adopted or approved by the Council as well as locally determined policies and strategies that form an integral part of the decision making process and their subsequent implementation.
- 1.2 A list of Strategies and Policies covered by the Framework is attached at Appendix 1.
- 1.3 It is recommended that these Strategies and Policies be formally approved as the Council's Policy Framework in accordance with the Constitution so far as they still apply and are relevant.
- 1.4 As new policies are approved by Council they will automatically be added to the Policy Framework.

2.0 **Way Forward**

- 2.1 Under the Budget and Policy Framework Procedure Rules, the Cabinet will be responsible for the implementation of the Budget and Policy Framework.
- 2.2 The purpose of this report therefore is to inform the Cabinet of their role in the implementation of the budget and policy framework, and highlighting to the Scrutiny Committee, Audit Committee and Policy Development Groups its work for the coming year.
- 2.3 Members will note that within the Homes Policy Development Group tab within the Framework, additional notes have been supplied which set out changes to the delivery of many of the policies that relate to the Building and Housing Services that will be introduced either in this current year or 2023.
- 2.4 The Policy Framework covers all strategic rather than operational policies and highlights those which are for Cabinet only approval and those which require full Council approval.

Contact for more Information: Stephen Walford, Chief Executive or Sally Gabriel, Member Services Manager

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

Community Policy Development Group						
Policy	Head of Service	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed
Air Quality Action Plan	Corporate Manager for Public Health, Regulation and Housing	Nov-21	Community PDG	Nov-24	Cabinet	4 yearly
CCTV Policy	Corporate Manager for Property, Leisure and Climate Change	Jan-21	Community PDG	Jan-24	Cabinet	3 yearly
Community Engagement <u>Strategy</u> (including Action Plan)	Director of Business Improvements and Operations	Mar-21	Community PDG	Mar-23	Cabinet	2 yearly
Corporate Anti Social Behaviour Policy	Corporate Manager for Public Health, Regulation and Housing	Mar-21	Community PDG	Mar-24	Cabinet	3 yearly
Corporate Health & Safety Policy	Director of Business Improvements and Operations	Jan-21	Community PDG	Jan-24	Cabinet	3 Yearly
Customer Care Policy	Director of Business Improvements and Operations	Jan-22	Community PDG	Jan-24	Cabinet	3 yearly
Grant payments to external organisations (the strategic grants review process)	Strategic Manager for Growth, Economy and Delivery	Jan-22	Community PDG	Jan-24	Cabinet	when appropriate
Enforcement Policy	Director of Business Improvements and Operations	Oct-20	Community PDG	Oct-22	Cabinet	When required
Safeguarding Children & Adults at Risk Policy and Procedures	Director of Business Improvements and Operations	Feb-19	Community PDG	Feb-22	Cabinet	3 yearly

Single Equalities Policy and Equality Objective	Director of Business Improvements and Operations	Jan-22	Community PDG	Jan-23	Cabinet	Annually
Town and Parish Charter	Director of Business Improvements and Operations	Jan-18	Community PDG	Jan-21	Cabinet	3 yearly
Unauthorised Encampment Policy	Deputy Chief Executive (S151)	Feb-19	Community PDG	Feb-22	Cabinet	3 yearly
Contaminated Land Cost Recovery Policy	Group Manager for Public Health and Regulatory Services	Sep-20	Community PDG	Sep-25	Cabinet	5 yearly
The Council Tax Reduction Scheme & Exceptional Hardship Policy	Corporate Manager for Revenues, Benefits and Recovery	Dec-19	Community PDG	Jan-22	Cabinet	When required
Regulation of Investigatory Powers	Head of Legal (Monitoring officer)	Apr-21	Community PDG	Apr-22	Cabinet	Now Annually

Environment Policy Development Group						
Policy	Head of Service	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed
Bereavement Services Fees and Charges	Deputy Chief Executive (S151)	Jan-22	Environment PDG	Jan-23	Cabinet	Annually
Climate Strategy and Action Plan	Corporate Manager for Corporate Property, Leisure and Climate Change	Oct-20	Environment PDG	Oct-24	Cabinet	4 yearly
High Hedges Policy	Operations Manager for Street Scene	Aug-16	Environment PDG	Aug-23	Cabinet	7 yearly
National Assistance Burial Procedure	Deputy Chief Executive (S151)	Jun-19	Environment PDG	Jun-24	Cabinet	5 yearly
Open Space and Play Area Strategy (2013 - 2033)	Group Manager for Street Scene and Open Spaces	Jan-15	Environment PDG	Jan-33	Cabinet	18 yearly
Parks and Open Spaces 10 Year Management Plan and Design Principles	Operations Manager for Street Scene	Nov-17	Environment PDG	Nov-27	Cabinet	10 yearly
Play Area Safety Inspection Policy	Deputy Chief Executive (S151)	Aug-19	Environment PDG	Aug-22	Cabinet	3 yearly
Environment Educational Enforcement Policy	Group Manager for Public Health and Regulatory Services	Mar-20	Environment PDG	Mar-23	Cabinet	3 yearly
Tree Policy	Deputy Chief Executive (S151)	May-21	Environment PDG	May-26	Cabinet	5 yearly

Economy - Policy Development Group						
Policy	Head of Service	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed
Destination Management Plan for Mid Devon	Director of Place	Mar-18	Economy PDG	Mar-23	Economy PDG - Cabinet	Every 5 years
Economic Strategy 2019-2024 (formerly known as the Mid Devon Economic Development Strategy 2012 - 2015)	Director of Place	Feb-19	Economy PDG	Jan-24	Economy PDG - Cabinet	5 yearly
Market Environmental Strategy 2017-2022	Director of Place	Feb-18	Economy PDG	Mar-22	Economy PDG - Cabinet	Every 5 years
Shopfront Enhancement Schemes (£15k non-key)	Director of Place	Jan-19	Economy PDG	Mar-22	Economy PDG - Cabinet	3 yearly
Strategy for Tiverton 2017/27	Director of Place	Feb-17	Economy PDG	Feb-27	Economy PDG - Cabinet	Every 10 years

Homes Policy Development Group

Policy	Head of Service	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed	Important notes regarding the new housing policy structure
Aids and Adaptations Policy	Director of Business Improvements and Operations	Sep-16	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023
Allocations Policy and Procedures	Director of Business Improvements and Operations	March 2016	Homes PDG	See note	Cabinet	3 yearly	The Social Housing White Paper was published in November 2020 with the title: "The Charter for Social Housing Tenants". One of the themes contained within the White Paper was that tenants should have a good quality home and neighbourhood to live in. In Chapter 6, which set out the plans to deliver this, the Government explained that there would be a forthcoming review of the way in which housing is allocated. This will be in order to ensure that this is done in the fairest way possible, and achieves the best outcomes for local places and communities. The Allocations Policy is a strategic housing policy which should govern the allocation of all social homes in the District, whether they belong to the Council in its role as a landlord, or housing associations or other registered providers of social housing. Therefore, a decision has been made to delay the review of the Allocations Policy pending the publication of more guidance and/ or legislation by the
ASB Policy and Procedures	Director of Business Improvements and Operations	Jul-15	Homes PDG	See note	Cabinet	3 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.
Car Parking Management Policy (housing amenity, residential and permit holder car parks).	Director of Business Improvements and Operations	Jan-16	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.
Community Housing Fund Grant Policy	Director of Business Improvements and Operations	May-18	Homes PDG	May-22	Cabinet	4 yearly	Dealt with by the Forward Planning Team.
Compensation Policy	Director of Business Improvements and Operations	Jan-20	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023.
Decant Policy	Director of Business Improvements and Operations	Jan-17	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.
Domestic Abuse Policy	Director of Business Improvements and Operations	Jul-15	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.
Fire Risk in Communal Areas Policy	Director of Business Improvements and Operations	Jul-17	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023
Garage Management Policy	Director of Business Improvements and Operations	Jan-16	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.
Gas Safety Policy	Director of Business Improvements and Operations	Sep-18	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023
Harrassment Policy	Director of Business Improvements and Operations	Oct-19	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.

Hoarding Policy	Director of Business Improvements and Operations	Oct-19	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.
Homelessness Strategy	Director of Business Improvements and Operations	Dec-19	Homes PDG	See note	Cabinet	5 yearly	Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development)
Housing Assistance Policy, Devon wide (previously known as the Private Sector Renewal Policy)	Director of Business Improvements and Operations	Mar-19	Homes PDG	Mar-22	Cabinet	3 yearly	Now dealt with via delegated authority (needs a review in 2022). Awaiting confirmation from SN as at Dec 2020.
Housing Enabling - SPD (S106 - Housing Need Allocation - Exception Sites)	Director of Business Improvements and Operations	May-17	Homes PDG	See note	Cabinet	3 yearly	Due to come to the Homes PDG in either late 2021 or early 2022. Dealt with by the Forward Planning Team
Housing Revenue Account Asset Management Strategy	Director of Business Improvements and Operations	May-14	Homes PDG	See note	Cabinet	5 Yearly	Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development)
Housing Strategy	Director of Business Improvements and Operations	Jan-16	Homes PDG	See note	Cabinet	5 yearly	Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development)
Improvements to Council Property Policy	Director of Business Improvements and Operations	Jan-20	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023
Income Management Policy	Director of Business Improvements and Operations	Jan-20	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Rent Standard policy' due to come to the Homes PDG in 2023/2024.
Introductory Tenancies Policy	Director of Business Improvements and Operations	Sep-16	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.
Leasehold Management policy	Director of Business Improvements and Operations	Dec-15	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.
Neighbourhood Management Policy	Director of Business Improvements and Operations	Sep-18	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.
Pets and Animals policy	Director of Business Improvements and Operations	Oct-19	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.
Private Sector Fees & Charges	Director of Business Improvements and Operations	Mar-19	Homes PDG	Mar-20	Cabinet	Annually	Now dealt with via delegated authority (needs a review in 2022). Awaiting confirmation from SN as at Dec 2020.
Recharge Policy	Director of Business Improvements and Operations	Sep-18	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Rent Standard policy' due to come to the Homes PDG in 2023/2024.
Service Standards Review	Director of Business Improvements and Operations	Sep-16	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenant Involvement and Empowerment Standard policy' due to come to the Homes PDG in June 2021.
Severe Weather Emergency Protocol and Extended Winter Provision Protocol	Director of Business Improvements and Operations	Jan-18	Homes PDG	See note	Cabinet	2 yearly	Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development).
Supply and Demand Policy	Director of Business Improvements and Operations	Jan-19	Homes PDG	See note	Cabinet	3 yearly	Will be subsumed into the overarching Corporate Housing Strategy 2021-2025 (currently in development).
Telecare Policy	Director of Business Improvements and Operations	Mar-17	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.
Tenancy Policy	Director of Business Improvements and Operations	Aug-15	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.

Tenancy Changes Policy (formerly known as the 'Succession and Assignment Policy')	Director of Business Improvements and Operations	Jun-16	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.
Tenancy Agreement	Director of Business Improvements and Operations	Jul-16	Homes PDG	See note	Cabinet	5 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.
Tenancy Inspection Policy	Director of Business Improvements and Operations	Jul-16	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Neighbourhood and Community Standard Policy' due to come to the Homes PDG late 2021/2022.
Tenant Involvement Policy	Director of Business Improvements and Operations	May-18	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenant Involvement and Empowerment Standard policy' due to come to the Homes PDG in June 2021.
Tenant Involvement Strategy	Director of Business Improvements and Operations	May-18	Homes PDG	See note	Cabinet	4 yearly	
Tenancy Strategy & Policy review (Formerly known as the Strategic Tenancy Policy) - <i>Awaiting Government Regulations on Tenancy Policies</i>	Director of Business Improvements and Operations	Nov-12	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.
Void Management Policy	Director of Business Improvements and Operations	Jan-19	Homes PDG	See note	Cabinet	10 yearly	Will be subsumed into 'The Homes Standard Policy' due to come to the Homes PDG in 2022/2023
Vulnerability Policy	Director of Business Improvements and Operations	Mar-17	Homes PDG	See note	Cabinet	4 yearly	Will be subsumed into 'The Tenancy Standard Policy' which is due to come to the Homes PDG in 2022/2023.

Licensing Committee						
Policy	Responsible Officer	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed
Hackney Carriage and Private Hire Policy and Conditions	Corporate Manager for Public Health , Regulation and Housing	Nov-18	Regulatory Committee	Jun-22	Council	3 Yearly
Licensing Policy	Corporate Manager for Public Health , Regulation and Housing	Nov-18	Licensing Committee	Oct-23	Council	5 yearly
Statement of Principles for Gambling Act 2005	Corporate Manager for Public Health , Regulation and Housing	Dec-21	Licensing Committee	Oct-24	Council	3 Yearly
Mobile Homes FIT AND PROPER PERSON FEE POLICY	Corporate Manager for Public Health , Regulation and Housing	Sep-21	Regulatory Committee	Sep-22	Delegated to Officers	Annual

Audit Committee						
Policy	Head of Service	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed
Annual Governance Statement and Governance Framework	Director of Business Improvements and Operations	Aug-21	Audit Committee	Aug-22	Audit Committee	Annually
Anti-fraud and Corruption and Anti-Money Laundering Policies	Director of Business Improvements and Operations	Mar-21	Audit Committee	Jan-23	Audit Committee	2 yearly
Corporate Recovery Policy	Deputy Chief Executive (S151)	Mar-21	Audit Committee	Mar-24	Cabinet	3 yearly
Data Quality Policy	Director of Business Improvements and Operations	Nov-18	Audit Committee	Dec-22	Audit Committee	4 yearly
Financial and Contract Procedure Rules	Deputy Chief Executive (S151)	Jan-19	Audit Committee	Jan-22	Audit Committee - Full Council	3 yearly
Four year Strategic Audit Plan and Work Programme	DAP	Mar-21	Audit Committee	Mar-22	Audit Committee	Annually
Internal Audit Charter and Strategy	DAP	Mar-21	Audit Committee	Mar-22	Audit Committee	Annually
Risk and Opportunity Management Strategy	Director of Business Improvements and Operations	Mar-21	Audit Committee	Mar-22	Audit Committee	Annually
Whistleblowing Policy	Director of Business Improvements and Operations	Mar-21	Audit Committee	Mar-25	Audit Committee	4 yearly

Cabinet						
Policy	Head of Service	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed
Statement of Community Involvement	Director of Place	Aug-20	PPAG	when required	Council	As and when required
Area of Special Control for advertisements	Director of Place	Dec-11	PPAG	Linked to the Local Plan	Council	When required
Asset Management and Capital Strategy Plan 2016-2020	Deputy Chief Executive (S151)	Mar-21	Cabinet	Mar-25	Cabinet	4 years
Channel Access Strategy 2014-2017	Director of Business Improvement and Operations	Sep-18	Cabinet	Apr-22	Cabinet	3 years
Community Infrastrure Levy	Director of Place	Jan-21	PPAG	As and when required as part of the Local Plan	Council	As and when required as part of the Local Plan
Complaints and Feedback policy	Director of Business Improvement and Operations	Jan-21	Cabinet	Jan-24	Cabinet	3 years
Corporate Asbestos Policy	Deputy Chief Executive (S151)	Feb-20	Cabinet	Feb-23	Cabinet	3 years
Corporate Debt Recovery Policy	Deputy Chief Executive (S151)	Mar-21	Audit Committee - Cabinet	Mar-24	Cabinet	3 years
Corporate Plan (2020-2024)	Director of Business Improvement and Operations	Feb-20	Cabinet	Feb-24	Council	4 yearly
Council Tax Reduction Scheme	Deputy Chief Executive (S151)	Dec-16	Cabinet	Apr-22	Cabinet	When required

Cabinet						
Policy	Head of Service	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed
Data Protection Policy	Director of Business Improvement and Operations	Jun-19	Cabinet	Jun-22	Cabinet	3 yearly
Discretionary Rate Relief Scheme	Deputy Chief Executive (S151)	Feb-19	Cabinet	awaited	Cabinet	Annually
Email Policy	Director of Business Improvements and Operations	Jan-21	Cabinet Member for Community-Well-Being	Jan-23	Cabinet Member for Community Well-Being	2 Yearly
The Establishment	Director of Business Improvements and Operations	Feb-21	Cabinet	Feb-22	Council	Annually
Freedom of Information Policy	Director of Business Improvements and Operations	Jun-19	Cabinet or Cabinet Member	Jun-22	Cabinet	3 yearly
ICT Strategy	Director of Business Improvements and Operations	Feb-19	Cabinet	Feb-24	Cabinet	5 yearly
Internet Policy	Director of Business Improvements and Operations	Jan-21	Cabinet Member for Community Well-Being/and Corporate Manager	Jan-24	Cabinet Member for Community Well-Being	5 Yearly
Leisure Pricing Policy	Deputy Chief Executive (S151)	Dec-21	Individual Decision by the Cabinet Member for Community Well Being	Dec-22	Cabinet Member for Community Well-Being	Annually

Cabinet						
Policy	Head of Service	Last Approved	Group/Committee to review/develop	Expected date for next approval	Approval required from	Frequency to be reviewed
Local Development Scheme	Director of Place	Jan-22	PPAG	As and when required as part of the Local Plan	Cabinet	As and when required as part of the Local Plan
Local Enforcement Plan (replaces Development Control Enforcement Policy)	Director of Place	Jan-18	PPAG	awaited	Council	3 yearly
Local Plan	Head of Planning, Economy and Regeneration	Jul-20	Cabinet	Jul-25	Council	5 Yearly
Medium Term Financial Strategy	Deputy Chief Executive (S151)	Dec-21	Cabinet	Dec-22	Cabinet	Annually
Pay Policy	Director of Corporate Affairs and Business Transformation	Feb-21	Cabinet	Feb-22	Council	Annually
Records Management Policy	Director of Business Improvement and Operations	Jun-18	Cabinet	Jun-22	Cabinet	4 yearly
Treasury Management Strategy and Annual Investment Strategy	Deputy Chief Executive (S151)	Feb-21	Cabinet	Feb-22	Council	Annually
Information Security and Information Security Incident Policies	Director of Business Improvements and Operations	Jan-22	Cabinet	Oct-25	Cabinet	3 yearly

CABINET FEBRUARY 1 2022

PAY POLICY

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

Reason for Report: To comply with the legislative requirements of the Localism Act 2011 relating to senior pay in particular the role of the Chief Executive, Directors and other senior officers. The Localism Act 2011 requires an annually published Pay Policy which has been adopted by the full Council.

Recommendation: The Cabinet is asked to recommend to Council the Pay Policy 2022.

Financial Implications: None arising from this report which aims to ensure that the Council pays enough to recruit and retain senior staff, but avoids excessive pay levels.

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

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

Risk Assessment: The risk to the Council of not complying with the legislative requirement is mitigated by this report and having a robust performance management system.

Equality Impact Assessment: Equality of pay is a legal requirement and while no specific issues arise from this report, it should be noted that the pay policy contains the annual gender pay gap reporting (as required by law).

Relationship to Corporate Plan: To have a robust Pay Policy which ensures good use of public money in respect of the salaries of the most senior employees of the Council that is both transparent and visible. To ensure the Council is able to recruit and retain staff of a sufficiently high calibre who are able to deliver the objectives of the Corporate Plan.

Impact on Climate Change: No climate change issues highlighted in this report.

1.0 Introduction/Background

1.1 The localism bill required that all local authorities publish a Pay Policy on an annual basis. The Policy should be agreed by a meeting of the Council and be published on the Council's website.

- 1.2 The purpose of having a Pay Policy is so that the pay and related awards structure of the Council are transparent.
- 1.3 At the present time, the Chief Executive is appraised on an annual basis by a group of Members as set out in the Constitution. The Leader consults Cabinet colleagues and the other two main party leaders on the objectives to be set and these are agreed with the Chief Executive.
- 1.4 Cabinet and Leadership Team meet on a monthly basis to monitor progress within each service area. Cabinet members can raise issues with the Chief Executive and Directors on performance in any area of the Council.
- 1.5 In discussion with the Cabinet Member for the Working Environment and Support Services, a commitment was given last year to regularly review the content of the Pay Supplement Policy.
- 1.6 In line with the above, the new attached Pay Supplement Policy is to be noted following its review and sign off with the Union in November 2021. This reflects changes made last year to clarify that any payments made to senior officers under the terms of this policy needed to be agreed and ratified between the Chief Executive, the Cabinet Member for the Working Environment and Support Services and the Leader of the Council (in consultation with the Corporate Manager People, Governance and Waste).
- 1.7 It has also been agreed that the Corporate Manager for People, Governance and Waste will ensure that any such proposed future payments are evaluated by an independent body (e.g. South West Councils) before they are made.

2.0 Recommendation/Action

- 2.1 The Council is asked to note and approve the attached Pay Policy and its contents regarding the establishment and its pay.

Contact for more Information: Matthew Page, Corporate Manager for People, Governance and Waste, Cllr Bob Deed

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

Human Resources Policy

Version Control Sheet

Title: Pay Policy 2021

Reference No: HR/

Purpose: The Localism Bill requires that all local authorities publish a Pay Policy on an annual basis. The Policy should be agreed by a meeting of Council and be published on the Council's website.

The purpose of having a Pay Policy is so that the pay and related rewards structure of the Council is transparent.

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

Date: Feb 2021

Version Number: 4

Status: Final

Review Frequency: Every year

Next review date: February 2023 to be published by March 2023

Pay Policy

1. INTRODUCTION

Local authorities must publish a pay policy statement for each financial year. This must be approved by a Council resolution before 31 March each year. The Act specifies a number of elements that must be covered by the statement including: the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay for chief officers, the use of bonuses for chief officers, the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and the publication of and access to information relating to remuneration of chief officers.

The specific part of the Localism Act 2011 relating to a pay policy is Section 38 (1). Pay is an emotive issue for staff, Councillors and also for the public at large. Transparency in what and how we pay our senior staff particularly, but also all council employees is of paramount importance.

A pay policy statement will be updated and taken to full Council each year in February, in this way a clear view of the salaries and benefits paid to the most senior staff at the Council can be tracked.

2. REFERENCES

Equal Pay Act 1970
Equality Act 2010
Localism Act 2011

3. SCOPE

This policy applies to:-

- Chief Executive Officer including Head of Paid Service responsibilities
- Directors, Heads of Service and certain Corporate Managers including Monitoring Officer responsibilities and Section 151 Officer responsibilities

4. POLICY

Clarity in the provision of pay and other benefits is essential to ensure that the Council can attract and retain good calibre employees at all levels but particularly at the most senior level.

In the context of managing scarce public resources, remuneration at all levels within the Council needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive.

This pay policy statement applies specifically to chief officers (a term which includes both statutory and non-statutory chief officers which for the purposes of this policy are the Directors, Heads of Service, Monitoring Officer and certain Corporate Managers) and addresses the legal requirement to set out how the policy for agreement of chief officer remuneration differs to that of other Council employees. For the purposes of this statement this includes:

- **Chief Executive Officer (Head of Paid Service)**
- **Deputy Chief Executive (151)**
- **Director of Corporate Affairs & Business Transformation**
- **Director Of Place**
- **District Solicitor & Monitoring Officer**
- **Corporate Management Team**

The definition of chief officers (as set out in section 43(2) of the Localism Act 2011) is not limited to Directors, Heads of Paid Service or statutory chief officers. It also includes those who are their direct reports (who may or might not be statutory chief officers and those who report directly to non-statutory chief officers (deputy chief officers).

The metric used for pay dispersion is the multiple of chief executive to mean earnings. Tracking this multiple will ensure public service organisations are accountable for the relationship between the pay of their executives and the wider workforce. Through this pay policy statement Mid Devon will track this multiple annually. **(This is shown as Officer Remuneration in the accounts)**

- the level and elements of remuneration for each chief officer
- the remuneration of the lowest paid employees
- the relationship between the remuneration of its chief officers and other officers
- other specific aspects of chief officer remuneration.

In respect of Officer Remuneration Note in the accounts: It should be noted that this information will relate to the previous year as shown in the annual accounts.

- Salary, fees and allowances
- Bonuses
- Expenses allowance
- Compensation for loss of employment
- Employers pension contribution
- Any other emoluments

Pay multiple

This is calculated by comparing all taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of benefits in kind) for the Chief Executive compared to mean earnings and the lowest paid in the organisation.

Specific Policy Areas

The National Joint Negotiating Committee has previously emphasised that 'it is good governance that local authorities can demonstrate that decisions on pay and reward packages for chief executives and chief officers have been made in an open and accountable way.'

The Leader of the Council may recommend to Full Council changes to the remuneration package following an annual review. Any structural changes to the remuneration packages of the Chief Executive or Directors will be subject to Full Council approval.

Salary increases in relation to cost of living will be made in line with National Joint Council recommendations. (At the time of writing there has been no salary increase agreed for the 2020/21 tax year)

The cost of living increase does not apply automatically to the Chief Executive and the two/three Director roles as of 1st April each year. Any increase given to them will take into account the national pay award and will be agreed by the Leader of the Council, having sought the views of the Cabinet, and will be based on performance. The annual assessment/pay award for the Chief Executive and Directors is implemented from 1st July each year in order to allow for reflection on the previous year's performance (salary increases for all other employees continue to take effect from 1st April each year).

The use of market supplements may be applied in certain circumstances but at present are not considered necessary for any senior role.

At present, there are no additional payments made to senior officers which specifically relate to performance such as performance bonuses; neither is there an element of pay which can be enhanced for performance, other than those already mentioned in respect of the Chief Executive and Director roles. Performance issues will be dealt with through the achievement of agreed objectives and appraisal review process.

Any termination payments to chief officers on ceasing office will comply with Mid Devon District Council's Redundancy Policy and no additional payments will be made without the express approval of Full Council.

Through this policy the pay multiple of the Chief Executive will be monitored annually. Should the multiplier between the annual salary paid to a full time

employee on the lowest spinal column point and the annual salary paid to the Chief Executive be greater than 10, this will be reported by the Leader of the Council to Full Council for consideration.

Our support for apprenticeships, which may be considered a temporary employment, will not be used to skew the pay multiple metric and will therefore be excluded from the calculation. In order to ensure complete transparency however we have also included the salary of apprentices.

There are no arrangements currently in place for tax and national insurance payments to be paid other than through the normal channels, i.e. through the normal PAYE route for all officers of the Council.

5. PAYMENT OF RETURNING OFFICER

Additional payments are set and made by Central Government to officers carrying out additional duties at elections. These payments will only be received when elections take place and although fixed, do vary according to the type of election for which the payment is made. These payments are not within the scope of this policy.

6. OUTCOMES

In having this policy Mid Devon District Council will ensure that the process for setting pay at a senior level is transparent. This policy will be reviewed annually to track the relationship of chief officer pay with the rest of the workforce.

7. PERFORMANCE MONITORING

Annual monitoring of this policy will take place in February. Monitoring of the Chief Executive's performance takes place through an annual appraisal process.

8. POLICY/STRATEGY CONSULTATION

This policy will be agreed with the Council's Leadership Team, Cabinet and Full Council.

9. EQUALITY IMPACT CONSIDERATIONS

The principles of equal pay are integral to this policy. 'Equal work' is defined as:

- Like work where the woman and the man are doing the same job or
- Work rated as equivalent where the 2 jobs are different but have been evaluated by the employer's job evaluation scheme (JES) at the same level/grade or
- Work of equal value where the jobs are again different but an argument is made that both jobs should be regarded as being of equal value or worth.

10. RESPONSIBILITIES

The Corporate Manager for People, Governance and Waste will be responsible for this policy and for updating information on an annual basis.

11. RECORDS

Documents and records generated as a result of the application of this policy will be held electronically and retained as legally required.

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

12. DOCUMENT HISTORY

Date	Version	Update
10/02/2017	1	Pay Policy
05/04/2018	2	Pay Policy
07/02/2019	3	Pay Policy
13/02/2020	4	Pay Policy

1. The level of remuneration for all officers earning over £50,000 is shown below:

Post Title	Remuneration	
	2020/21	2021/22
Chief Executive	£114,900	£114,900
Deputy Chief Executive (S151)	£83,844	£83,844
Director of Corporate Affairs and Business Transformation	£82,200	£82,200
Director of Place (new post added 18/10/2021)		£82,200
Head of Service: Planning and Regeneration (Employee left the post 10/09/2021)	Grade P £63,857 to £67,765	Grade P £65,614 to £69,629
Head of Service: Legal Services & Monitoring Officer (Now deleted)	Grade P £65,614 to £69,629	Grade P £65,614 to £69,629
District Solicitor and Monitoring Officer (New post from 25/09/2021)		Grade P £65,614 to £69,629
Corporate Manager Public Health, Regulation & Housing	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager People, Governance & Waste	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager Digital Transformation & Customer Engagement	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager Property, Leisure & Climate Change	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager Income, Benefits & Recovery	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager Financial Services	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427

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

Post Title	Remuneration		Other Allowances	
	2020/21	2021/22	2020/21	2021/22
Recreation Assistant	£18,562	£18,562	None	None
Apprentice	£8,007	£14,277	None	None

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

Category	Total Remuneration	
	2020/21	2021/22
Pay multiple of Chief Executive to Mean	4.35	4.35
Pay multiple of Chief executive to lowest paid FT employee	6.19 (based on Recreation Assistant) 14.35 (based on apprentice rate)	6.19 (based on Recreation Assistant) 8.05(based on apprentice rate)
Annual Mean Pay of all employees (Total Salaries/Number of contracts)	£26,417	£25,415

Officer Remuneration Note in Accounts

Publication of Officers Remuneration

We are required to publish the following information in respect of officer remunerations:

- a) The number of employees whose remuneration in the year was greater or equal to £50,000, grouped in rising bands of £5,000.

- b) An analysis by job title of the remuneration and employer's pension contributions in respect of senior employees whose salary is £50,000 or more per year (or by name and job title where the salary is £150,000 per year)

4. Officers' Emoluments

This table includes all statutory and non-statutory posts whose overall remuneration exceeds £50k excluding pension contributions and non-taxable allowances as published in [Mid Devon District Council Statement of Accounts 2021](#)

Remuneration Band	2019/20		2020/21	
	Number of Employees	Left During Year	Number of Employees	Left During Year
£50,000 - £54,999	3	0	3	0
£55,000 - £59,999	3	1	4	0
£60,000 - £64,999	1	1	1	1
£65,000 - £69,999	1	0	2	0
£70,000 - £74,999	1	1	0	0
£75,000 - £79,999	1	0	0	0
£80,000 - £84,999	0	0	3	1
£85,000 - £89,999	1	0	0	0
£95,000 - £99,999	0	0	0	0
£100,000 - £104,999	0	0	0	0
£105,000 - £109,999	0	0	0	0
£110,000 - £114,999	1	0	1	0

The above table includes two employees who received a termination payment in 2020/21 These employees are included in the Termination Benefit note. Nine employees in the above table are not Senior Officers so have not been included in the Senior Officers table, all other employees are included. In completing the 2019/20 Accounts we have complied with the statutory instrument regarding officer emoluments. The statutory instrument requires the

individual naming of any Officers with an annual salary of £150,000 or more and the post title of any officers earning £50,000 or more who occupy statutory roles or are responsible for managing the strategic direction of services. The Council had no officers earning at or in excess of £150,000 in 2020/21.

5 Termination Benefits

2020/21 Exit Package Cost Band	Number of Compulsory redundancies	Number of Other Departures Agreed	Total number Of exit Packages by Cost band	Total cost of Exit packages in each band £'000
£0 - £19,999	0	11	11	34
£20,000-£39,000	-	1	1	33
£40,000-£59,999	1	-	1	46
£60,000-£79,999	-	-	1	1
Total	1	13	14	182

During 2020/21 a number of settlement agreements were made. These were associated with service restructures and changes in order to reduce future employee costs. This helps match ongoing expenditure against the well documented cuts in Central Government funding.

6 Gender Pay Gap

6.1 Pay quartiles by gender

The Mid Devon District Council figures set out below have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

Quartile	Males	Females	Description
1	65%	35%	Includes all employees whose standard hourly rate places them at or below the lower quartile
2	34%	66%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
3	44%	56%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
4	47%	53%	Includes all employees whose standard hourly rate places them above the upper quartile

6.2 Mid Devon District Council's Gender Pay Gap

	Mean Average Hourly Rate	Median Average Hourly Rate
Male	£13.82	£12.45
Female	£13.98	£12.69
HMRC % gap	-1.16%	-1.93%

The mean gender pay gap for the whole economy (according to the October 2021 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 15.4%; at -1.80% Mid Devon District Council's mean gender pay gap is, therefore, significantly lower than that for the whole economy.

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PAY SUPPLEMENT POLICY

1. INTRODUCTION

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

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

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

The objectives of this Policy are:-

- To recruit the best possible staff for each post and enable the Council to mitigate against any adverse impact on its ability to compete in the local labour market by looking at pay supplement payments
- To facilitate flexibility to resource the Council whilst ensuring compliance with equal pay legislation, achieving transparency and adopting best practice.
- To secure the consistent delivery of key services to the public that may be at risk by giving the ability to retain key post holders.
- To manage the usage of pay supplements responsibly with an aim to ensure that it does not create excessive or unnecessary pay disharmony.

This policy will be attached to the annual Pay Policy which is a statutory submission each year to be approved by both the Cabinet and Full Council.

2. SCOPE

This Policy applies to all Mid Devon District Council employees. Supplements are only considered where all reasonable methods to improve recruitment or

retention have been exhausted, and / or there is considerable risk to service delivery. Pay supplements will always be considered against the needs of the specific role as opposed to the post holder.

3. MARKET SUPPLEMENTS

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

Payment will be:

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

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

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

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

For example:

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

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

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

Market supplement reviews will be undertaken in the following circumstances:

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

4. RETENTION PAYMENTS

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

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

- evidence that other measures have been explored, together with the impact on the team.

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

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

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

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

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

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

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

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

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

If a retention payment is being proposed that relates to a Director then the CEO, the Leader of the Council, the relevant Cabinet Member and the Corporate Manager with responsibility for People will need to agree and sign off any proposal. This will then be sent to SW Councils for independent evaluation and ratification.

If a retention payment is being proposed that relates to the CEO, then the Leader of the Council, the relevant Cabinet Member, Chairman and the Corporate

Manager with responsibility for People will need to agree and sign off any proposal. This will then be sent to SW Councils for independent evaluation and ratification.

6. INCREMENTAL PROGRESSION

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

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

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

In the event that an employee has not met their performance targets in line with their annual appraisal or has not been working to the required standard of work they will not be awarded a pay increase, and this will be reviewed again in the following year.

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

Subsequent increments are achieved when there has been a demonstration of high performance against the expectations of the role. Any incremental pay progression will be awarded to employees once this has been evidenced through the annual pay review.

The annual performance review is an opportunity for managers and their staff to review performance throughout the year and make a judgement as to whether a pay increase will be awarded. If a pay increase is not awarded then the manager will be required to give specific details about any performance shortfalls, and provide the employee with specific targets and support. In certain circumstances where an informal process has not reached a solution this may proceed to a capability process.

Any incremental pay increases will be payable on 1 April. Pay increases will no longer be awarded once the employee has reached the top of the pay scale for their role.

7. HONORARIUM PAYMENTS

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

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

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

Extra responsibilities for between 6-8 weeks

For the first 6-8 weeks this is considered as a development opportunity offered without payment. As with any request for a staff member to take on extra responsibilities the extent of the duties will need to be clearly confirmed, and the member of the staff has the right to decline the opportunity. It is crucial that this aspect is confirmed in advance of any extra responsibilities being proposed.

Extra responsibilities for over 8 weeks

Any staff who have responsibilities longer than 8 weeks should receive an acting up allowance to the equivalent of 10% of their current salary if it is work at their grade. If duties are belonging to a role of a higher grade the staff member will receive 10% of the salary of the role being covered.

*Payments being awarded in respect to the above should be for no longer than 12 months as per the CMT principle adopted in 2020.

Extra responsibilities for a period longer than 12 months

If there is a requirement for additional duties to be taken for a period longer than 12 months then a formal evaluation of the staff members role will need to be considered which may lead to a formal restructure within the department.

In accordance with the Council's financial rules, the Line Manager must obtain approval prior to the confirmation of any honorarium by making a request using the Honorarium Payment Approval Form, which must be completed and signed off by themselves and the Operational Manager/Director. This should then be forwarded to Human Resources. Staff are not able to put themselves forward for an honorarium.

8. PROCESS FOR APPROVAL

In order to maintain the integrity of our Job Evaluation scheme, requests for market supplements, retention payments, and honoraria are all subject to additional approval by the Pay and Grading Group. Any such requests will be

submitted for consideration at the next available meeting of the Pay and Grading Group following receipt of the authorised request.

All requests must be made on the appropriate application form and all supporting documentation must be attached. Business cases which propose market supplements, retention payments and honorariums must be robust in order to provide a defence against an equal pay claim.

9. RESPONSIBILITIES

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

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

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

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

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

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

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

10. RECORDS

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

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

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

CABINET FEBRUARY 1 2022

ESTABLISHMENT

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

Reason for Report: To give Members an update on both the establishment of the council together with its performance. This report should be read in conjunction with the functions of individual officers highlighted in the Constitution.

RECOMMENDATION: The Cabinet is asked to recommend to Council the contents of the below report.

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

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

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

Risk Assessment: If the establishment is not appropriately managed and reviewed then service delivery may be put at risk.

Equality Impact Assessment: No equality issues highlighted in this report.

Relationship to Corporate Plan: This report highlights the Establishment figures and, as such, supports our aim to reduce costs without affecting service quality and continuity.

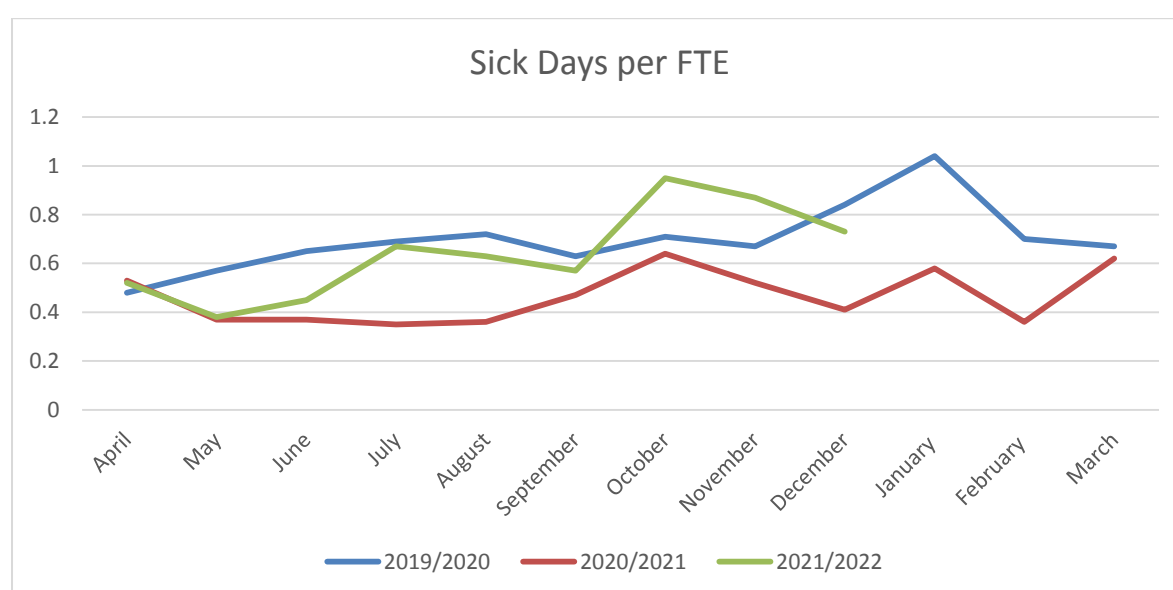
Impact on Climate Change: No climate change issues highlighted in this report.

1.0 Introduction/Background

- 1.1 The purpose of this report is to give an update on the performance of our workforce and how this has been affected by the COVID-19 pandemic.
- 1.2 These items included updates on the key establishment indicators of sickness and agency expenditure, turnover and the impact of COVID-19 on our workforce.
- 1.3 The work around scrutinising the performance of our Establishment has significantly improved during 2021 with Corporate Management and Operational Service Budget Leads regularly meeting with their HR Business Partners and Accountants to compare workforce data regarding turnover, sickness and vacancy rates with finance and budget related spend eg agency spend. Good establishment and budget management go hand in hand so this should lead to better understanding and decision making in the future.

2.0 Sickiness Absence, Agency Expenditure and Establishment

- 2.1 Last year (2020/21) MDDC had an average of 5.57 sickness days per FTE person, 2.7% of overall workforce time. This compares to 8.10 sickness days that were lost per FTE employee in 2019/20. For the 2021/22 financial year there is both a target and subsequent action plan to reduce the number of days lost to less than 7 days per FTE employee (which would put the Council in line with industry standards across other councils). This is down to a rise in sickness that was expected to occur as a result of COVID-19 restrictions being lifted and the presence of further variants that have required additional vaccination over time. This anticipated rise in sickness absence has become more evident during the autumn and winter months (starting in October 21).
- 2.2 A new sickness absence policy was introduced in 2020 to clarify the reporting and certifying arrangements for sickness, a new management guideline (an employee should not have more than six days of absence in the year) and clearer interventions around long term and short term sickness absence. A recent management survey conducted around how to best increase line manager confidence and capability around people interventions had led to the creation of an in house management development programme. This is due to start in February 2022.
- 2.3 In the first three quarters of this year (1 April to 31 December 2021) the Council has lost 5.4 days to absence per FTE employee, meaning we are currently in line to meet or slightly exceed the target set for the current financial year. Our sickness absence is usually less in the first two quarters of the financial year than in the last two due to the autumn and winter seasons (not including COVID-19). We have also seen the number of staff who were on furlough reduce from 20% to 0% as services like Leisure reopened and resumed their services to the public.



- 2.5 There is a comprehensive package of measures being developed by our new Health and Safety Officer, Chris Hodgson which look to improve levels of wellbeing and improved support around mental health in the workplace. This awareness has been complimented by the development of a comprehensive

package of support regarding the menopause including a new training programme for line managers and employees, the development of wellbeing ambassadors (using the all staff consultative group Impact) and a new policy.

- 2.6 The Council ran an all staff survey in the autumn of 2021 to gauge opinion and feedback on key organisation performance indicators including communication, leadership, development and wellbeing. This was run by an independent organisation to both ensure a greater level of trust and confidence in the survey and its impartiality from employees. It also benchmarked our results against different organisations including other councils. An action plan is being compiled by the all staff consultative group Impact at the time of writing.
- 2.7 One of the consequences of increasing sickness absence (partly caused by COVID-19) as well as turnover and vacancies that have proven challenging to fill (e.g. HGV drivers) is rising agency costs.
- 2.8 During the first three quarters of 2021/22 the organisation spent £533,028.00 on agency workers (some of this spend owing to providing cover to critical services during COVID-19). In the last two financial years the Council has paid out £534,378.49 in 2019/20 and £576,368.28 in 2020/21 so we are looking at a rise in spend for 2021/22 of around £150K (so end of year projection is at £700K). Agency workers provide cover to vacant posts as well as employees who are sick or absent from the workplace in public facing services including waste and leisure. So there is further incentive to continuously improve our position regarding sickness absence.
- 2.9 The below tables compare the establishment for the Council and their associated costs for 2020/21 and 2021/22. The small increase in Establishment is explained by more people returning to work from Furlough over time. Please note that the increase in gross pay for 2021/22 does not include a proposed 1.75% cost of living award which is yet to be made to each member of staff due to a national ongoing dispute with the Unions.

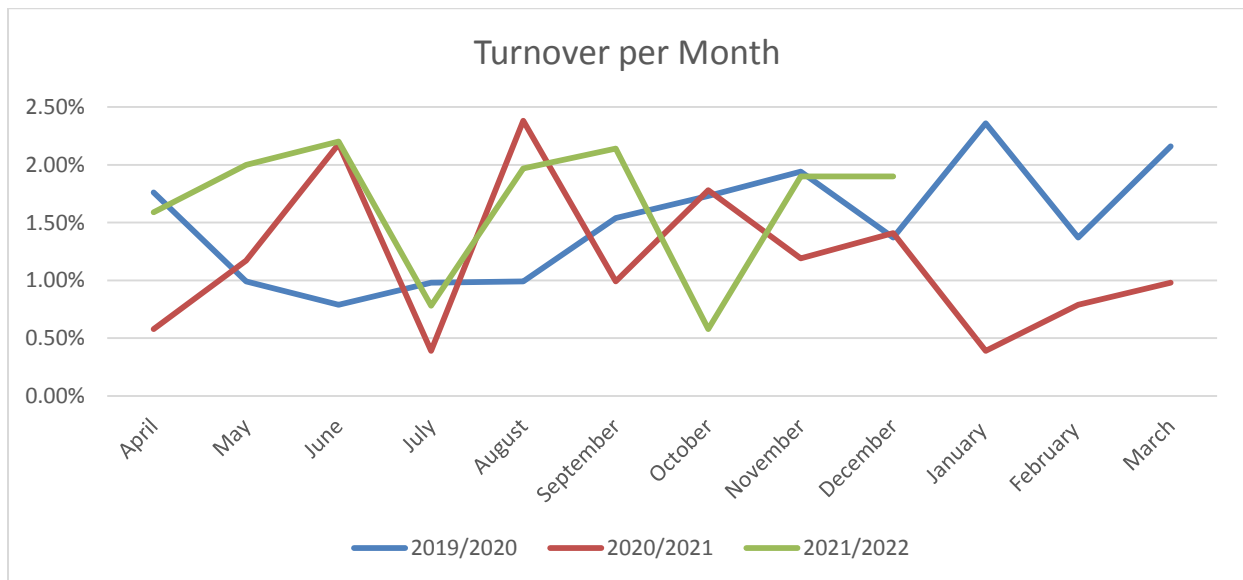
	2020/21	2021/22	2021/22 (Assuming 1.75% Increase)
Total number of employees/workers paid	697	699	699
Establishment FTE	422.79	425.63	425.63
Total Taxable Gross Pay	£11,515,324.63	£11,832,654.33	£12,039,725.78
Employers NI	£ 1,038,135.28	£ 1,087,280.03	£ 1,106,307.43
Employers Pension	£ 1,832,713.73	£ 1,901,929.77	£ 1,935,213.54

3.0 Turnover

- 3.1 Turnover for the first three quarters stood (1 April to 31 December 2021) stands at 15.09%. During this period 75 employees left the Council; there were 66 resignations, 2 dismissals with notice, 1 end of probationary, 1

redundancy, 2 retirements, 2 end of fixed-term contracts and 1 death in service.

- 3.2 This compares with turnover standing at 14.23% for the 2020/21 financial year and 18% for 2019/20.
- 3.3 Below is a full breakdown of all leavers and data collected during exit interviews for last 18 months. This information is shown in Appendix 1 with the below graph comparing turnover in 2020/21 with the first three quarters of 2021/22.
- 3.4 Mid Devon, like other local authorities, is facing increasing challenges over turnover due to a number of different external factors. In terms of manual work the lack of supply of Eastern European workers has hit different industries hard which has had the result of increased competition for drivers, loaders and other types of worker amongst different sectors. The increase in people being able to work in a mobile, hybrid way has resulted in employees having greater choice and flexibility over where they work (and how).
- 3.5 These challenges have brought into sharp focus the need to consider our longer term employment offer for potential applicants. Key aspects include promoting our benefits, encouraging greater flexible working where it is possible to do so (see next section on work already commenced around greater mobile, hybrid working) but also creating a path of progression and development for each employee so we give ourselves the best possible opportunity to retain the talent and leaders of tomorrow.
- 3.6 Another vital component of our work around workforce planning is to continue the development of our Apprenticeship programme which was formally recognised in February 2021 through the receiving of a national award from Petroc. The recruiting of new talent into the Council through the further development of our Apprentice programme but also the use of national initiatives such as the Kick Start programme are going to be increasing priorities for the future.
- 3.7 Our work around the Evolve learning and development project has developed considerably since I last reported to members with a first successful run of online Appraisal/PDR completed and a 94% response rate achieved to date. This work is informing both a future skills analysis piece that has been captured by the Appraisal process which will inform future workforce planning as well as the roll out of online six month and then quarterly objective and development reviews during 2022/23.



4.0 COVID-19

- 4.1 Since March 23 2020 when the government announced a formal lockdown of both businesses, services and offices, the Council have been closely managing both the health and wellbeing of its workforce as well as how it is redeployed to ensure critical services are delivered to the public.
- 4.2 Key activity has focused on reporting the status and performance of our workforce on first a daily then a weekly basis. During COVID 19 our workforce has been very stable in its status with at first 30% of our employees on site or in the office delivering critical work or services, 40% working from home and 20% furloughed.
- 4.3 This changed during Spring and the Summer period of 2021 with the lifting of restrictions and the opening up of key services including Leisure so around 60% of our workforce are currently in work with 25% working from home. The Council is maintaining its stance of encouraging the workforce to work from home where possible, isolate if necessary and get tested if required to protect the safety of our workforce and the public we serve. The below graphs show how the workforce has had to adjust to different restrictions imposed over recent months.



4.4 The furlough scheme allowed employers to be reimbursed for up to 80% of their employees' salaries where employees were unable to work due to closures etc. caused by Covid 19.

4.5 We have furloughed mainly employees from our leisure services over the last 18 months (this includes the casual employees from Leisure). It also includes employees who were shielding from other service areas.

The money reclaimed during 2021, since the last Establishment report, from the furlough scheme is as follows:

January 21	£74123.67
February 21	£69833.22
March 21	£54359.58
April 21	£25544.59
May 21	£980.27

We have not claimed any furlough allowance since 31st May 2021

4.7 Over the last 18 months the Council have responded to the ever changing guidance and restrictions to ensure that our workforce were appropriately protected but also that our services could be maintained to the highest possible standard during this time. An example of us having to adapt to these conflicting priorities was reducing the period that staff had to self-isolate to 21 days and then 10 days after finding out that COVID symptoms can be detected by a PCR test up to 90 days after an individual has contracted COVID-19. Our original position was to request a negative PCR test to be obtained before an employee returned to the workplace.

- 4.8 Other key initiatives have included publicising drop in opportunities for staff to get their COVID vaccinations. We also worked closely with Devon County to set up a testing centre in Exe Valley which was manned by our own Leisure staff and we have taken delivery of our own lateral flow tests to give to our front line service staff. The organisation has run two staff surveys in relation to COVID-19 to get feedback on the practice that has had to be brought in to ensure critical services could operate to the highest possible standard during the pandemic. Overall feedback was very positive with staff highlighting increased benefit and productivity from being able to work in a more flexible way.
- 4.9 The organisation has started to look ahead to allow some parts of the workforce to work in a more mobile, hybrid way in the future. This recognises that whilst some aspects of the workforce will need to be on site to deliver front line services to the public, other parts of the workforce have benefited from having greater flexibility and being able to go to the area of activity where they are most required. Other opportunities include reducing our carbon footprint and revising our approach to travel as well as looking at options around the potential renting out of office space. We have set up a physical demonstration for how new SMART desks may look and work in the ICT room of Phoenix House and have circulated this online to all employees. Members are invited to look at this in house proposal and demonstration.

5.0 Conclusion and Recommendations

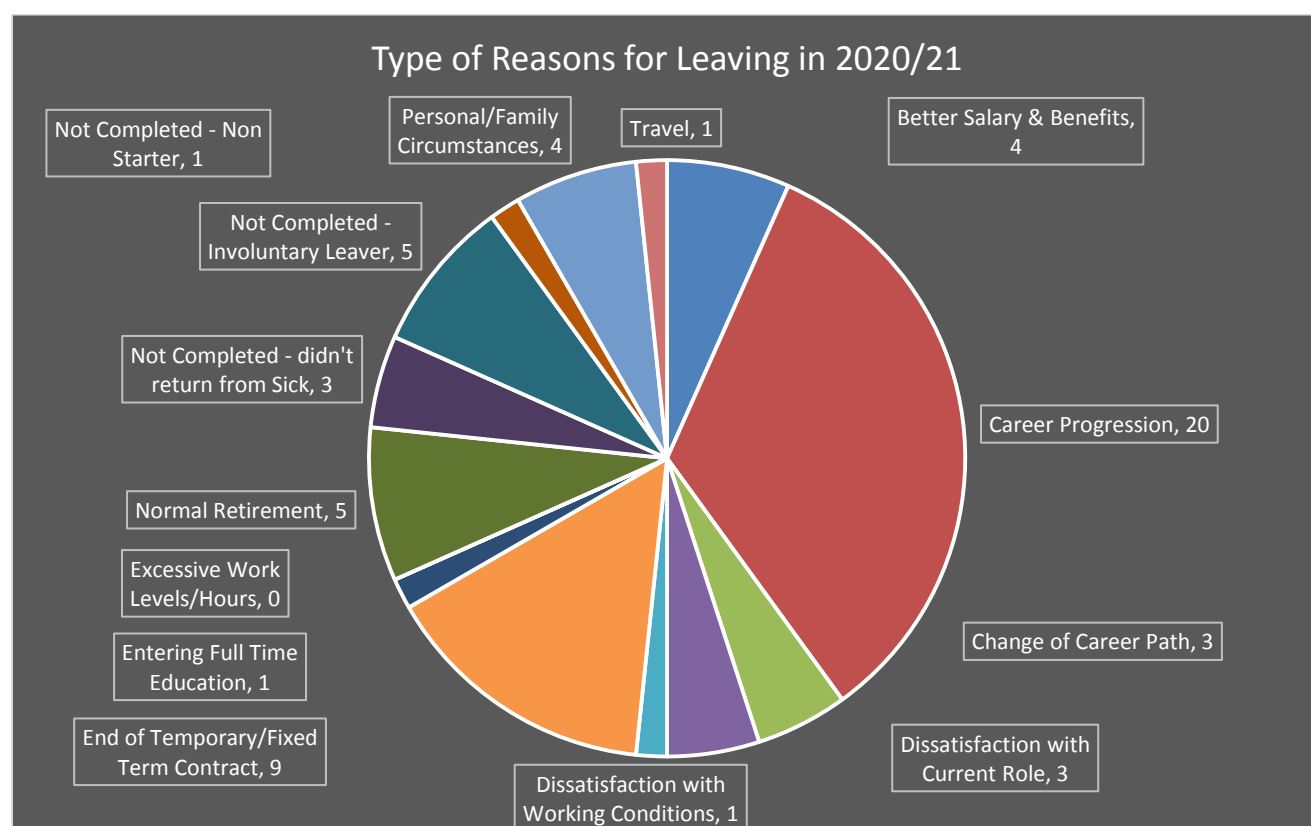
- 5.1 There are a number of priorities which the Corporate Manager for People, Governance and Waste wants to focus on in terms of our Establishment performance but he would like to draw attention to three key priorities.
- 5.2 It is vital that we continue to plan ahead for COVID-19 and dealing with the current Omicron wave for the forthcoming winter period. It is also predicted that seasonal flu and other illness will continue to result in a spike in staff absence during this period. We will also continue to develop our work around mobile, hybrid working.
- 5.3 We need to continue to consider how we recruit and retain our employees in different ways given the external challenges we face. The recent 'Work Local' promotion logo evident on the side of some of our Waste vehicles is one small example of how we need to be able to attract candidates in a variety of ways using different media. Another key priority is to build on our successful Apprentice programme to bring in new talent to the Council.
- 5.4 We need to implement the action plan priorities that will arise from the current discussions being held on the staff survey results. These include promoting better wellbeing practice including the management of emails, increasing the frequency of corporate communication (and improving it) as well as developing our online management of objectives and development.

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

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

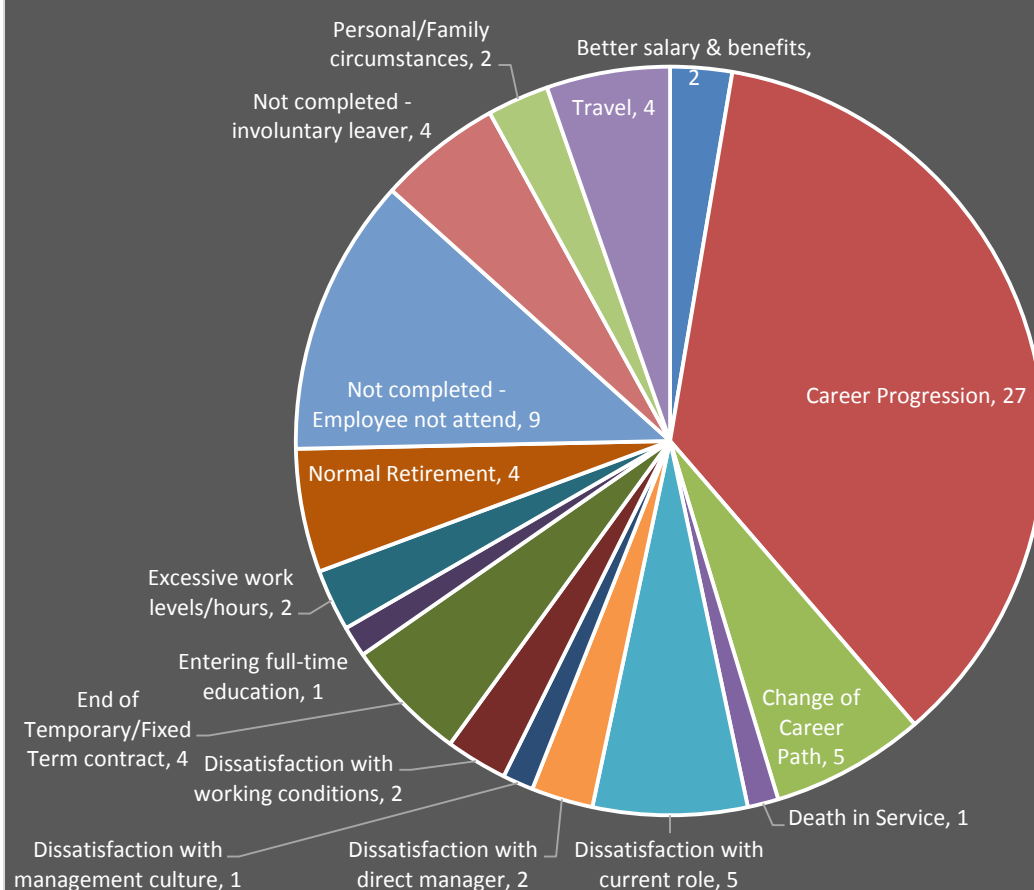
List of Background Papers: Establishment Paper submitted to Cabinet February 2021.

Appendix 1



Type of Reasons for Leaving 2020/21	
Better Salary & Benefits	4
Career Progression	20
Change of Career Path	3
Dissatisfaction with Current Role	3
Dissatisfaction with Working Conditions	1
End of Temporary/Fixed Term Contract	9
Entering Full Time Education	1
Excessive Work Levels/Hours	0
Normal Retirement	5
Not Completed - didn't return from Sick	3
Not Completed - Involuntary Leaver	5
Not Completed - Non Starter	1
Personal/Family Circumstances	4
Travel	1

Type of Reasons for Leaving in 2021/22 Q1-Q3



Type of Reasons for Leaving 2021/22 Q1-Q3	
Better salary & benefits	2
Career Progression	27
Change of Career Path	5
Death in Service	1
Dissatisfaction with current role	5
Dissatisfaction with direct manager	2
Dissatisfaction with management culture	1
Dissatisfaction with working conditions	2
End of Temporary/Fixed Term contract	4
Entering full-time education	1
Excessive work levels/hours	2
Normal Retirement	4
Not completed - Employee not attend	9
Not completed - involuntary leaver	4
Personal/Family circumstances	2
Travel	4

CABINET

1 FEBRUARY 2022:

PERFORMANCE AND RISK REPORT

Cabinet Member Cllr Bob Deed
Responsible Officer Catherine Yandle, Operations Manager for Performance, Governance and Health & Safety

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for 2021-22 as well as providing an update on the key business risks.

RECOMMENDATION: That the Committee reviews the Performance Indicators and Risks that are outlined in this report and feeds back any areas of concern.

Relationship to Corporate Plan: Corporate Plan priorities and targets are effectively maintained through the use of appropriate performance indicators and regular monitoring.

Financial Implications: None identified

Budget and Policy Framework: Produced in accordance with the Risk and Opportunity Management Strategy.

Legal Implications: None

Risk Assessment: If performance is not monitored we may fail to meet our corporate and local service plan targets or to take appropriate corrective action where necessary. If key business risks are not identified and monitored they cannot be mitigated effectively.

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

Impact on Climate Change: No impacts identified for this report.

1.0 Introduction

- 1.1 Appendices 1-5 provide Members with details of performance against the Corporate Plan and local service targets for the 2021-22 financial year.
- 1.2 Appendix 6 shows the higher impact risks from the Corporate Risk Register. See 3.0 below.
- 1.3 Appendix 7 shows the risk matrix for the Council.
- 1.4 All appendices are produced from the Corporate Service Performance And Risk Management system (SPAR).
- 1.5 When benchmarking information is available it is included.

2.0 Performance

Please note that for all areas of the Council performance remains impacted by the effects of the Covid 19 pandemic. There are specific comments on the attached appendices reflecting this.

Environment Appendix 1A

- 2.1 Regarding the Corporate Plan Aim: Increase recycling and reduce the amount of waste. Both the recycling rate and residual waste rate are still slightly below target. The number of missed collections for recycling is very slightly below target but the numbers remain low.
- 2.2 The number of households with chargeable garden waste collections remains above target although there has been a slight decrease as we went into winter as is expected.

Climate Change Appendix 1B

- 2.3 The electric car charger usage is well above the target now that lockdowns have been eased. The retro fitting measures are mainly showing favourable results for the year to date.
- 2.4 On Saturday 4th December, 35 trees were planted on council owned land at Mountbatten Way. The orchard will contain apple, plum, pear, cherry, mulberry and nut trees.
- 2.5 Two previously void properties in Lapford were on display for Mid Devon Councillors in December – showcasing achievable improvements the Council could make to support the decarbonisation of its housing stock. These homes meet decarbonisation targets set out in the recently adopted Housing strategy, with the Council looking to achieve a minimum Energy Performance Certificate of C (standard) in all properties by 2030 and becoming net zero by 2050 by retrofitting and upgrading existing properties.

Homes Portfolio - Appendix 2

- 2.6 Regarding the Corporate Plan Aim: Deliver Housing: Housing delivery against the Local Plan is monitored annually as part of the Annual Monitoring report published by Forward Planning and on the Government's DELTA system.
- 2.7 Regarding the Corporate Plan Aim: Private Sector Housing: Bringing Empty homes into use is below target for the first time for 6 years. This reflects the diversion of resources to the Covid pandemic response over the last 18 months.
- 2.8 Regarding the Corporate Plan Aim: Council Housing: Repairs performance KPIs are all at or above target. In terms of gas servicing compliance we are just below target at 99.6%.

- 2.9 Regarding the Corporate Plan Aim: Support and grow active tenancy engagement: The new Tenant Involvement and Empowerment Policy went to Home PDG on 18 January 2022.

Economy Portfolio - Appendix 3

- 2.10 Regarding the Corporate Plan Aim: Improve and regenerate our town centres: This includes a continued focus on Town Centre Regeneration: Empty shops; MDDC has 100% occupancy on its own units.
- 2.11 The number of business rates accounts and business rates rateable value (RV) continue to increase and the number of empty business properties remains stable, this is encouraging in the light of the impact of the pandemic upon local businesses.

Community Portfolio - Appendix 4

- 2.12 The KPIs identified are mostly new PIs and performance on most has been affected by Covid 19. It is unlikely that much progress will be seen over the next few months. Several of the corporate plan aims will require partnership working with Devon County Council, the NHS and Town and Parish Councils and lobbying activity. Targets for these remain to be developed.
- 2.13 Referrals under the various schemes at the Leisure centres are showing well above target results after suffering badly during the various lockdowns when the Leisure centres were legally required to close or operate at reduced capacity, this is very encouraging.

Corporate - Appendix 5

- 2.14 The workforce statistics are all favourable with the exception of staff turnover; an increase in workforce mobility (churn) post lockdown was widely predicted last year after recruitment stalled during lockdown. Recruitment remains challenging.
- 2.15 The Response to FOI requests have been 100% on time since April 2019. The additional requested FOI statistics have been added as a note against the KPI.
- 2.16 The % total Council Tax collected and % total NNDR collected are both above target again encouraging.
- 2.17 North Devon and Mid Devon District Council's joint building control team has been nominated by their customers for a prestigious national award. NMD Building Control is proud to be in the running for the category of Building Control Team of the Year in the LABC (Local Authority Building Control) Building Excellence Awards. The national award ceremony will be held on 28 January 2022, celebrating both people and places in the construction industry.

3.0 Risk

Some risk scores have increased due to the Covid 19 pandemic especially as regards financing, homelessness and the economic outlook.

- 3.1 The Corporate risk register is regularly reviewed by Group Managers and Leadership Team and updated as required.
- 3.2 Risk reports to committees include strategic risks with a current score of 10 or more in accordance with the Risk and Opportunity Management Strategy. (Appendix 6)
- 3.3 Appendix 7 shows the risk matrix for MDDC for this quarter. If risks are not scored they are included in the matrix at their inherent score which will be higher than their current score would be.
- 3.4 Operational risk assessments are job specific and flow through to safe systems of work. These risks go to the Health and Safety Committee biannually with escalation to committees where serious concerns are raised.

4.0 Conclusion and Recommendation

- 4.1 That the Committee reviews the performance indicators and risks that are outlined in this report and feeds back any areas of concern.

Contact for more Information: Catherine Yandle Operations Manager for Performance, Governance and Health & Safety cyandle@middevon.gov.uk

Circulation of the Report: Leadership Team and Cabinet Member

Corporate Plan PI Report Environment

Monthly report for 2021-2022
Arranged by Aims
Filtered by Aim: Priorities Environment
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below
target

Below target

On target

Above target

Well above
target

* indicates that an entity is linked to the Aim by its parent Service

Page 279

Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Residual household waste per household (measured in Kilograms) (figures have to be verified by DCC)</u>	379.8	362.0	33.9	62.8	93.9	125.2	155.5	186.7	215.0	248.5					Darren Beer	(April - November) + 2.26 % change compared to the same period in previous year. As household

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Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
																numbers increase and with no change to the current scheme this figure will continue to rise steadily (LD)
<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	10		0	0	0	0	0	0	0	0					Darren Beer	(July) Enforcement staff have spent a proportion of their time carrying out container delivery duties on behalf of waste and recycling; staff normally carrying out these duties

Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
																have been re-assigned to waste collection to ensure minimal disruption of the front line service to customers. (LD)
<u>% of Household Waste Reused, Recycled and Composted (figures have to be verified by DCC)</u>	53.5%	54.5%	52.1%	51.4%	53.7%	53.9%	54.0%	54.9%	54.8%	54.4%					Darren Beer	(November) Household recycling tonnage has decreased by 121 tonnes and household residual waste has increased by 53 tonnes; the effect on waste arisings

Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
																means that the recycling rate for the year to date is very slightly lower than for the same period in the previous year. (LD)
<u>Number of Households on Chargeable Garden Waste</u>	11,653	11,200	11,620	11,620	11,620	11,791	11,861	11,879	11,888	11,713					Darren Beer	(November) 4.8% increase compared to November 2020 (LD)
<u>% of missed collections reported (refuse and organic waste)</u>	0.02%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	0.03%	0.02%				Darren Beer	(December) Remaining on target for the year (LD)
<u>% of Missed Collections</u>	0.02%	0.03%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%				Darren Beer	(December) Remaining on

Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>logged (recycling)</u>																target for the year (LD)

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Corporate Plan PI Report Climate Change

Monthly report for 2021-2022
 Arranged by Aims
 Filtered by Aim: Priorities Climate Change
 For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below
target

Below target

On target

Above target

Well above
target

* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Green Sources of Energy

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Electric Car Charger usage</u>	1,867	2,300	279	633	1,017	1,442	1,918	2,322	2,768	5,821					Jason Ball, Andrew Busby	
<u>Electric Car Charger Units</u>	0	8	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Jason Ball, Andrew Busby	(Quarter 2) Funding secured for 5 units. Procurement by lead partner to follow (in preparation). (JB)

Aims: Biodiversity

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Corporate Tree Planting Scheme</u>	0	500	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Jason Ball, Andrew Busby	(Quarter 1) Winter 2020-2021 planned planting was deferred due to pandemic restrictions. Planting planned for winter 2021-2022 and we are working to secure funding. (JB)
<u>Community climate and biodiversity grants</u>	No	Agree funding. Options paper to be considered by Env PDG.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Jason Ball, Andrew Busby	

Aims: Retro-fitting measures

Corporate Plan PI Report Climate Change																	
Priorities: Climate Change																	
Aims: Retro-fitting measures																	
Performance Indicators																	
Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes	
<u>Corporate Renewable Energy Projects</u>	1	4	n/a	n/a	0	n/a	n/a		n/a	n/a		n/a	n/a		Jason Ball, Andrew Busby		
<u>ECO Flex</u>	1,028	300	113	171	239	269	302	355	393	418					Simon Newcombe		
<u>Housing Assistance Policy</u>	5	5	0	0	0	2	3	6	7	7					Simon Newcombe		
<u>Home Improvement Loans</u>	10	10	n/a	n/a	2	n/a	n/a	3	n/a	n/a		n/a	n/a		Simon Newcombe		

Aims: Other																	
Performance Indicators																	
Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes	
<u>Community Schemes</u>	0	4	n/a	n/a	4	n/a	n/a	4	n/a	n/a		n/a	n/a		Jason Ball, Andrew Busby	(Quarter 1) Working with 2x local litter groups, and at least 2 sustainability groups in the district. (JB)	
<u>Council Carbon Footprint</u>	19,407	18,250	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Jason Ball, Andrew Busby		

Corporate Plan PI Report Homes

Monthly report for 2021-2022
Arranged by Aims
Filtered by Aim: Priorities Homes
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below
target

Below target

On target

Above target

Well above
target

* indicates that an entity is linked to the Aim by its parent Service

Page 287

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Deliver Housing

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Net additional homes provided</u>	335	393	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Tristan Peat	
<u>Self Build Plots</u>	1	5	n/a	n/a	6	n/a	n/a	6	n/a	n/a	12	n/a	n/a		Tristan Peat	(Quarter 3) Permission granted on 1.10.2021 for a dwelling at Bow, Crediton (application reference: 21/01088/FULL), and 5 CSB plots at the Tiverton EUE (21/00128/MFUL) on 11.11.2021 (TP)

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Corporate Plan PI Report Homes

Priorities: Homes

Aims: Deliver Housing

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Gypsy & Traveller Pitches delivered</u>	1	2	n/a	n/a	0	n/a	n/a	1	n/a	n/a	1	n/a	n/a		Tristan Peat	(Quarter 2) Retrospective planning permission granted for one pitch at Yeoford (TP)
<u>Number of affordable homes delivered (gross)</u>	30	94	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Tristan Peat	
<u>New Social Rent Council Houses</u>	0	17	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Andrew Busby, Simon Newcombe	(Quarter 2) 1 buy back in Q2 (CY)
<u>Number of Homelessness Approaches</u>	587		n/a	n/a	144	n/a	n/a	316	n/a	n/a		n/a	n/a		Simon Newcombe	

Aims: Community Land Trusts

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Community Land Trusts Assisted</u>	2	1	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 2) All town and parish council have been contacted in October 2021 to advise about support available from the Council to

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Corporate Plan PI Report Homes

Priorities: Homes

Aims: Community Land Trusts

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
																assist community-led affordable housing schemes (TP)

Aims: Private Sector Housing

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Deliver homes by bringing Empty Houses into use</u>	101	72	0	9	16	20	20	30	35	42					Simon Newcombe	(June) There has been very little activity on Empty homes over the last 18 months due to covid responsibilities. It can take a minimum of 12 months from first contact to seeing a result so the reduced activity is a knock on effect from last year. (TW)
<u>Houses in Multiple Occupation</u>	96%	100%	100%	100%	100%	100%	100%	100%	100%	100%					Simon Newcombe	

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Corporate Plan PI Report Homes

Priorities: Homes

Aims: Private Sector Housing

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>(HMOs) investigations</u>																
<u>Landlord engagement and Support</u>	14	9	n/a	n/a	1	n/a	n/a	4	n/a	n/a		n/a	n/a		Simon Newcombe	(Quarter 2) 3x Pinpoint in September (TW)

Aims: Council Housing

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Tenant Census</u>	34%	Develop action plan	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Simon Newcombe	(Quarter 2) Customer Engagement and Tenant Involvement Officers now in place. Work has commenced on the Tenant Engagement

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Council Housing

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
																Strategy which will take account of the preferences of tenants as set out in the tenant census. (CY)
% <u>Emergency Repairs Completed on Time</u>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%							Simon Newcombe	
% <u>Urgent Repairs Completed on Time</u>	99.9%	95.0%	99.0%	99.5%	99.7%	99.6%	99.6%	99.4%	99.4%						Simon Newcombe	
% <u>Routine Repairs Completed on Time</u>	99.6%	95.0%	97.7%	98.3%	98.7%	98.8%	98.9%	98.9%	98.9%						Simon Newcombe	
%	99.4%	100%	100%	99%	99%	99%	99%	100%	100%						Simon	

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Corporate Plan PI Report Homes

Priorities: Homes

Aims: Council Housing

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Properties With a Valid Gas Safety Certificate</u>															Newcombe	
<u>% Complaints Responded to On Time</u>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.5%	98.6%	97.6%						Simon Newcombe	

Page 292

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Corporate Plan PI Report Economy

Monthly report for 2021-2022
Arranged by Aims
Filtered by Aim: Priorities Economy
For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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* Indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Incubator and start-up space

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Incubator and Start-up space</u>	0	2	n/a	n/a	0	n/a	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	Adrian Welsh	(Quarter 1) Due to staff redeployment during the pandemic and reduced capacity within the team, this project has not progressed. A scoping exercise is programmed for late 21 when ED team capacity is back to full strength. (JB)
<u>Sites for Commercial Development</u>	0	2	n/a	n/a	0	n/a	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	Keith Ashton, Andrew Busby	

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Number of business rate accounts</u>	3,356		3,358	3,362	3,366	3,375	3,381	3,384	3,405	3,429	3,436				Dean Emery	
<u>Business Rates RV</u>	£45,601,082		£45,614,697	£45,572,772	£45,572,772	£46,111,792	£46,092,812	£46,128,787	£46,258,944	£46,312,564	£46,354,264				Dean Emery	
<u>Empty Business</u>	244					250	250	242	249	232	240				Dean Emery	

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
Properties																
<u>Tiverton Town Centre Masterplan</u>			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Adrian Welsh, Angharad Williams	(2021 - 2022) Tiverton Town Centre Masterplan second round consultation scheduled to follow outcome of CRF bid - Cabinet March 2022 (AW)
<u>Cullompton Town Centre Masterplan</u>	n/a				Yes		Yes	Yes							Adrian Welsh, Angharad Williams	(September) Delivery Plan being developed (CY)
<u>Crediton Town Centre Masterplan</u>	n/a		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Angharad Williams	(2021 - 2022) Procurement March 2022 (CY)
<u>Pannier Market Regular Traders</u>	34.7%	85%	63%	82%	80%	80%	86%	88%							Adrian Welsh	(May) First full month after easing of restrictions (JB)
<u>West Exe North and South</u>	13		n/a	n/a	13	n/a	n/a	13	n/a	n/a	14	n/a	n/a		Keith Ashton, Andrew Busby	(Quarter 3) 100% Occupied (CY)
<u>Fore St Tiverton</u>	4		n/a	n/a	5	n/a	n/a	5	n/a	n/a	5	n/a	n/a		Keith Ashton, Andrew Busby	(Quarter 3) 100% Occupied (CY)
<u>Market Walk Tiverton</u>	14		n/a	n/a	14	n/a	n/a	14	n/a	n/a	15	n/a	n/a		Keith Ashton, Jason	(Quarter 3) 100% Occupied

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
															Ball, Andrew Busby	(CY)

Aims: Community Land Trusts

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Community Land Trusts Assisted</u>	2	1	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 2) All town and parish council have been contacted in October 2021 to advise about support available from the Council to assist community-led affordable housing schemes (TP)

Aims: Digital Connectivity

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Digital connectivity</u>			n/a	n/a	0	n/a	n/a		n/a	n/a		n/a	n/a		Adrian Welsh	(Quarter 4) Progress with the town centre wi-fi projects has been hampered by Covid 19, but is due to be delivered by 1st Qtr of 2022. Econ Dev Project Manager also working to ensure maximum uptake of FFTP through 2nd Phase CDR rollout through Airband (JB)

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Corporate Plan PI Report Community

Monthly report for 2021-2022
 Arranged by Aims
 Filtered by Aim: Priorities Community
 Filtered by Flag: Exclude: Corporate Plan Aims 2016 to 2020
 For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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*
 indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Community

Priorities: Community

Aims: Health and Wellbeing

Performance Indicators																	
Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes	
<u>Annual Community Safety Partnership (CSP) Action Plan</u>	12	12	1	3	5	7	11	13	13	15					Simon Newcombe	(November) Reclaim the night - promotion of issues around safe places and violence against women and girls Workforce Development Felt Trauma - training delivered to 10 staff (TW)	
<u>Safeguarding standards for drivers</u>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%					Simon Newcombe		
<u>Mental Health First Aiders</u>	0	5	n/a	n/a	0	n/a	n/a	2	n/a	n/a		n/a	n/a		Matthew Page		
<u>National and regional promotions</u>	7	9	1	1	1	1	2	3	3	3					Simon Newcombe	(September) FSA new food business project (TW)	

Aims: Community Involvement

Performance Indicators																	
Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes	
<u>% of complaints resolved w/in timescales (10 days - 12 weeks)</u>	90%	90%	100%	99%	97%	97%	96%	95%	95%	93%	90%				Lisa Lewis, Brian Trebilcock	(December) 14 at 1st check (04/01/22) (RT)	
<u>Number of Complaints</u>	273		38	78	116	145	179	214	235	269	292				Lisa Lewis, Brian Trebilcock		

Corporate Plan PI Report Community																	
Priorities: Community																	
Aims: Leisure Centres																	
Performance Indicators																	
Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes	
<u>Health Referral Initiative starters</u>	6	15	3	7	17	25	39	48	48	54					Corinne Parnall	(November) 6 (K)	
<u>Health Referral Initiative completers</u>	0	10	3	3	3	3	3	12	12	19					Corinne Parnall	(November) 7 (K)	
<u>Health Referral Initiative conversions</u>	0	5	2	2	2	2	2	11	11	16					Corinne Parnall	(November) 5 (K)	

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Corporate Plan PI Report Corporate

Monthly report for 2021-2022

Arranged by Aims

Filtered by Aim: Priorities Delivering a Well-Managed Council
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below
target

Below target

On target

Above target

Well above
target

* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: South West Mutual Bank

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>South West Mutual Bank</u>			n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a		Andrew Jarrett	(April - September) An update went to Cabinet on 26 October. A further £125,000 investment was secured during the last financial year. The length of time to obtain a Banking Licence means it will be mid-2024 before the first product openings. (CY)

Aims: Commercial Opportunities

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Commercial Opportunities

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Tiverton Other</u>	8		n/a	n/a	8	n/a	n/a	8	n/a	n/a	8	n/a	n/a		Keith Ashton, Andrew Busby	(Quarter 3) 100% Occupied (CY)
<u>Industrial Units Cullompton</u>	15		n/a	n/a	14	n/a	n/a	14	n/a	n/a	15	n/a	n/a		Keith Ashton, Andrew Busby	(Quarter 3) 100% Occupied (CY)

Aims: Other

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Sickness absence %</u>	2.10%	2.78%	n/a	n/a	2.08%	n/a	n/a	2.45%	n/a	n/a	2.96%	n/a	n/a		Matthew Page	
<u>Appraisals completed</u>	97%	100%	n/a	n/a	n/a	n/a	n/a	94%	n/a	n/a	n/a	n/a	n/a		Matthew Page	
<u>% total Council tax collected - monthly</u>	96.96%	96.00%	11.02%	19.86%	28.76%	37.56%	47.90%	55.18%	65.54%	73.60%	80.81%				Dean Emery	
<u>% total NNDR collected - monthly</u>	96.81%	97.00%	9.29%	15.07%	31.84%	39.83%	45.54%	57.36%	60.58%	69.36%	75.47%				Dean Emery	

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Other

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>New Performance Planning Guarantee determine within 26 weeks</u>	100%	100%	n/a	n/a	100%	n/a	n/a	100%	n/a	n/a	100%	n/a	n/a		Angharad Williams	
<u>Major applications overturned at appeal (over last 2 years)</u>	5%	10.00%	n/a	n/a	7.14%	n/a	n/a	6.30%	n/a	n/a	5.81%	n/a	n/a		Angharad Williams	
<u>Major applications overturned at appeal % of appeals</u>	0.05%	10.00%	n/a	n/a	8.33%	n/a	n/a	4.51%	n/a	n/a	3.01%	n/a	n/a		Angharad Williams	
<u>Minor applications overturned at appeal (over last 2 years)</u>	2%	10.00%	n/a	n/a	0.43%	n/a	n/a	0.22%	n/a	n/a	0.36%	n/a	n/a		Angharad Williams	
<u>Minor applications overturned at appeal % of appeals</u>	1.66%	10.00%	n/a	n/a	0.70%	n/a	n/a	0.63%	n/a	n/a	0.71%	n/a	n/a		Angharad Williams	

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Other

Performance Indicators

Title	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Response to FOI/EIR Requests (within 20 working days)</u>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%				Catherine Yandle	(December) Q3 received 140, replied 116, granted in full 65, refused in part or in full 29, review requests 1 (CY)
<u>Working Days Lost Due to Sickness Absence</u>	5.80days	7.00days	n/a	n/a	1.35days	n/a	n/a	3.20days	n/a	n/a	5.75days	n/a	n/a		Matthew Page	
<u>Staff Turnover</u>	24.5%	15.0%	n/a	n/a	5.8%	n/a	n/a	10.7%	n/a	n/a		n/a	n/a		Matthew Page	

Corporate Risk Management Report - Appendix 6

Report for 2021-2022

Filtered by Prefix: Exclude Risk Prefix: OP, PR, EV

Filtered by Flag: Include: * Corporate Risk Register

For MDDC - Services

Filtered by Performance Status: Exclude Risk Status: Low

Not Including Risk Child Projects records, Including Mitigating Action records

Key to Performance Status:

Mitigating Action:

Milestone
Missed

Behind
schedule

In progress

Completed
and
evaluated

No Data
available

Risks: No Data (0+)

High (15+)

Medium (6+)

Low (1+)

Corporate Risk Management Report - Appendix 6

Risk: Climate Change Declaration The implications to the Council's strategic, budget and medium term financial plans are not yet fully explored and understood. This introduces an increased level of uncertainty. Impact of climate change on the financial viability of the Council.

Service: Climate Change

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Climate and Sustainability Specialist	Appointment commenced in March 2021	Catherine Yandle	30/04/2021	10/01/2022	Fully effective (1)
Completed and evaluated	Climate Change Strategy and Action Plan	Was approved by Cabinet on 1 October 2020. The Handbook needs completing and publishing	Catherine Yandle	09/12/2020	10/01/2022	Satisfactory (2)
In progress	Consideration by the Environment PDG	This PDG has been tasked with considering the Council's own policy response (s) to the Climate Change Declaration made at Full Council on 26 June 2019.	Catherine Yandle	19/07/2019	10/01/2022	Satisfactory (2)
Completed and evaluated	Devon Climate Emergency – Tactical Group	MDDC are part of the tactical group for the climate emergency that	Catherine Yandle	18/05/2020	10/01/2022	Fully effective (1)

Corporate Risk Management Report - Appendix 6

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		has strategic links to our own plans.				
In progress	Net Zero Advisory Group	This was approved by Cabinet on 23 April 2020 terms of reference to be progressed for the group, membership confirmed and first meeting held remotely.	Catherine Yandle	18/05/2020	10/01/2022	Satisfactory (2)
Current Status: High (20)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 4 - High		
Service Manager: Jason Ball, Catherine Yandle						
Review Note: The Climate and Sustainability Specialist is prioritising work streams for future consideration. A report on budget options for climate investment went to Environment PDG on 11 January 2022.						

Corporate Risk Management Report - Appendix 6

Risk: Coronavirus Pandemic The risk to MDDC's ability to conduct business as usual

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Business Continuity Planning (BCP)	BCPs have been reviewed. Regular updates are being obtained from Public Health England and the Local Resilience Forum. Meetings of managers and Leadership Team via Skype now monthly.	Catherine Yandle	06/03/2020	10/01/2022	Satisfactory (2)
Completed and evaluated	Financial and Economic effects monitoring	To ensure that local authorities including MDDC are reimbursed in full for the Covid 19 response by Central government. Assurance has been received from Internal Audit reviews of our claims.	Catherine Yandle	13/05/2020	10/01/2022	Fully effective (1)

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Simon Newcombe

Review Note: Staff absence rates are at present the highest they have been during the entire pandemic, it is expected that BCPs may need to be invoked over the next few months.

Corporate Risk Management Report - Appendix 6

Risk: Culm Garden Village Possible discontinuance of Government funding support

Service: Planning

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Funding opportunities	Lobby for the creation of further funding opportunities and for further rounds of the garden communities capacity funding	Adrian Welsh	03/02/2021	18/10/2021	Satisfactory (2)
In progress	Further bids for capacity funding	To continue to secure external funding to support the project	Tristan Peat	29/03/2019	18/10/2021	Satisfactory (2)

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Tristan Peat, Adrian Welsh

Review Note: Future bid opportunities unknown at this stage and will be announced by Government in due course

Corporate Risk Management Report - Appendix 6

Risk: Cyber Security Inadequate Cyber Security could lead to breaches of confidential information, damaged or corrupted data and ultimately Denial of Service. If the Council fails to have an effective ICT security strategy in place.

Risk of monetary penalties and fines, and legal action by affected parties

Service: I C T

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Email and Protective DNS	ICT have applied the all levels of the government secure email policy, which ensures secure email exchange with government agencies operating at OFFICIAL. PSN DNS has been configured at the Internet gateway, which ensures the validity of websites and blocks known sites.	Lisa Lewis	06/06/2019	10/01/2022	Satisfactory (2)
Completed and evaluated	Information Security Policy in place, with update training	Information Security Policy on LMS (online policy system) included in induction.	Catherine Yandle	22/10/2015	10/01/2022	Fully effective (1)
In progress	Regular user awareness training	Staff and Member updates help to reduce the risk	Catherine Yandle	03/01/2019	10/01/2022	Satisfactory (2)
In progress	Technical controls in place	Required to maintain Public Sector Network certification	Lisa Lewis	03/01/2019	10/01/2022	Satisfactory (2)

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Brian Trebilcock

Review Note: In the process of replacing the firewall and upgrading anti-malware software.

Corporate Risk Management Report - Appendix 6

Risk: Economic Development Service The macro economic position might necessitate a reactive response, impacting on the Council's resourcing and reducing its ability to deploy resources as planned.

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Distribution and processing of Gov business support funding.	To assist businesses during the Covid19 pandemic and to help sustain them during this time of national restrictions.	Adrian Welsh	12/05/2020	10/01/2022	No Score(0)
In progress	Hardship funding	To support individuals/households but also crucial for self employed and furloughed staff as a result of the pandemic.	Adrian Welsh	12/05/2020	10/01/2022	No Score(0)
In progress	Recovery plans	Work underway in partnership with other Devon and regional partners to develop economic recovery plans to assist positive outcomes on local economy.	Adrian Welsh	12/05/2020	10/01/2022	No Score(0)
Current Status: High (25)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 5 - Very High		

Service Manager: Adrian Welsh

Review Note: The pandemic has had a critical impact on the local, national and global economy. Distribution of grant assistance again being required following the impacts of the Omicron variant. Development of a longer term approach to recovery is currently being considered by the Economy PDG.

Corporate Risk Management Report - Appendix 6

Risk: Economic Strategy Failure to deliver projects/outcomes in Economic Strategy

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Continue to seek out existing and new funding opportunities	To assist in ensuring adequate funding for delivery of COVID19 economic recovery work.	Adrian Welsh	10/06/2019	10/01/2022	Satisfactory (2)
In progress	partnership working	Continue to work closely with delivery partners to gain advance warning of difficulties so as to seek to mitigate and also to develop joint responses to COVID economic recovery	Adrian Welsh	10/06/2019	10/01/2022	Satisfactory (2)
In progress	Project Management	Continue rigorous project management, monitoring and reporting of economic development projects	Adrian Welsh	10/06/2019	10/01/2022	Satisfactory (2)
In progress	Recovery Plans	Recovery Plans will be put in place to aid recovery.	Adrian Welsh	12/05/2020	10/01/2022	Satisfactory (2)
In progress	Review and reprioritisation	Part of review of projects for Year 2 actions and a review of the likely impacts on the economy of the pandemic. This will consider maximising investment through external funding and prioritising officer time.	Adrian Welsh	31/01/2020	10/01/2022	Satisfactory (2)
Current Status: High (20)		Current Risk Severity: 4 - High		Current Risk Likelihood: 5 - Very High		

Corporate Risk Management Report - Appendix 6

Service Manager: Adrian Welsh

Review Note: Work is underway with regard to Economic Strategy actions with a number of projects being progressed; however many other actions will be reviewed as part of the longer term recovery plan work and the need for revised prioritisation.

Risk: Funding Insufficient resources (including funding) to deliver growth aspirations of Corporate Plan.

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Actively pursue funding opportunities through Levelling Up Agenda/Shared Prosperity Fund	Work currently being undertaken to be in a state of readiness as opportunities become available	Adrian Welsh	03/02/2021	10/01/2022	Satisfactory (2)
In progress	Lobbying	Officers will continue to review funding opportunities and seek opportunities to work closely with local partners and the HotSWLEP to seek additional funding support for key infrastructure.	Adrian Welsh	12/05/2020	10/01/2022	Satisfactory (2)
In progress	Officers have reprioritised work programmes to explore new funding opportunities	End of European funding sources	Adrian Welsh	10/06/2019	10/01/2022	Satisfactory (2)
Current Status: High (16)		Current Risk Severity: 4 - High		Current Risk Likelihood: 4 - High		

Service Manager: Adrian Welsh

Review Note: Given ongoing constraints on resource and the scale of the challenges to the GED team at this time there has been need to carefully prioritise project delivery. Funding opportunities are actively being pursued.

Corporate Risk Management Report - Appendix 6

Risk: Health and Safety Inadequate Health and Safety Policies or Risk Assessments and decision-making could lead to Mid Devon failing to mitigate serious health and safety issues

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Risk Assessments	Review risk assessments and procedures to ensure that we have robust arrangements in place. Risk training sessions in place.	Catherine Yandle	28/05/2013	26/08/2021	Satisfactory (2)
Completed and evaluated	Risk assessments	Group Managers receive monthly automated reminders to update any outstanding risk reviews	Catherine Yandle	20/09/2019	26/08/2021	Fully effective (1)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 2 - Low		
Service Manager: Catherine Yandle						
Review Note: Covid working arrangements unchanged. RAs continue to be kept under review.						

Corporate Risk Management Report - Appendix 6

Risk: Homelessness Insufficient resources to support an increased homeless population could result in failure to meet statutory duty to provide advice and assistance to anyone who is homeless.

Service: Public Health

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
No Data available	Multi-skilled Staff	Due to an increase in homelessness approaches more applicants with complex needs are coming through the system that require far greater staff attention than normal. In order to mitigate this, staff are expanding their training around mental health, drug and alcohol awareness, and safeguarding, in order to create a more multi-skilled and adaptable workforce. This may require a greater allocation of resources as homelessness increases.	Michael Parker	21/12/2020	10/01/2022	No Score(0)
No Data available	RSI funding	The number of homeless approaches and the number of rough sleepers in the District are both likely to increase as a result of the economic instability and the current outbreak of Covid19. Our	Michael Parker	21/12/2020	10/01/2022	No Score(0)

Corporate Risk Management Report - Appendix 6

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		success in obtaining up to £6,400 in RSI funding to deliver services during the cold weather means that we can adapt to this increased caseload and better carry out early intervention and prevention options to aid rough sleepers and prevent returning to the streets.				
No Data available	Staff Support	Officers are trained and knowledgeable and the structure of Housing Options team reviewed to build resilience.	Michael Parker	22/06/2017	10/01/2022	No Score(0)
No Data available	Temporary Accommodation	With the rise in homelessness applicants, the overall cost of homelessness provisions will increase and therefore there is a need to make use of existing stock as temporary accommodation, as opposed to more costly alternatives such as bed and breakfast.	Tanya Wenham	21/12/2020	10/01/2022	No Score(0)

Current Status: High (16)

Current Risk Severity: 4 - High

Current Risk Likelihood: 4 - High

Service Manager: Tanya Wenham

Review Note: Position essentially unchanged from previous review. The number of approaches

Corporate Risk Management Report - Appendix 6

continues to increase. The temporary accommodation and homelessness strategy are being reviewed alongside wider housing policies to take account of the growing need for temporary accommodation of varying types. See also Affordable Housing risk for wider update

Risk: Information Security Inadequate data protection could lead to breaches of confidential information and ultimately enforcement action by the ICO.

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Awareness and Training	Attend team meetings and other meetings such as Tenants Together to provide training and answer questions on request. Articles in the Link on an ad hoc basis. Annual Information Security training is mandatory for all network computer users	Catherine Yandle	09/08/2019	10/01/2022	Satisfactory (2)
Completed and evaluated	Breach notification	Security breaches are logged via the helpdesk and monitored for developing trends. Training and advice is offered in response to items logged.	Catherine Yandle	09/08/2019	10/01/2022	Fully effective (1)

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Catherine Yandle

Review Note: IS and IS Incident policies were reviewed and approved by Cabinet on 4 January 2022. Policies updated on LMS.

Corporate Risk Management Report - Appendix 6

Risk: Infrastructure delivery Inability to deliver, or delay in delivering, key transport infrastructure to unlock planned growth

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Close working with Devon County Council (delivery partner) over the HIF schemes	DCC is the delivery partner for the Council's HIF highway infrastructure project. Close working is taking place in order to ensure risks of project delay or cost escalation are reduced. DCC is undertaking robust project management of the projects. These actions seek to ensure the projects remain on track and any problems are raised at an early stage allowing for corrective action.	Adrian Welsh	13/01/2021	18/10/2021	Satisfactory (2)
In progress	Close working with Homes England over the HIF schemes	Grant fund agreements over the HIF funding to deliver 2 highway infrastructure schemes. These include a range of requirements and project milestones. Close liaison with Homes England is taking place via monthly project update meetings and quarterly monitoring returns. This ensures Homes England is updated on both projects, is aware of issues as they arise and any corrective actions	Adrian Welsh	13/01/2021	18/10/2021	Satisfactory (2)

Corporate Risk Management Report - Appendix 6

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
		can be taken- for example seeking the revision of project milestones to reflect the latest project programme.				
In progress	Partnership working	Close working with delivery partners to attempt to mitigate risks.	Adrian Welsh	12/05/2020	18/10/2021	Satisfactory (2)
In progress	Partnership working with infrastructure providers and statutory bodies	Reduce risk of delays and communication.	Adrian Welsh	10/06/2019	18/10/2021	Satisfactory (2)
In progress	target funding opportunities	To seek to bring forward delivery	Adrian Welsh	10/06/2019	18/10/2021	Satisfactory (2)

Current Status: High (16)	Current Risk Severity: 4 - High	Current Risk Likelihood: 4 - High
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Service Manager: Adrian Welsh

Review Note: We are working closely with Homes England on both HIF scheme and looking to mitigate project risks as and when they occur. The Cullompton Relief Road has now been granted planning permission. We await the outcome of the Levelling Up Fund bid to help bring forward the Cullompton Relief Road scheme. The SOBC for Cullompton Railway Station has been submitted to the DfT and has been well received. Further announcements from DfT expected shortly.

Corporate Risk Management Report - Appendix 6

Risk: Multi Storey Car Park ASB may result in injury, may also be reputational damage if not seen to be dealing with issues.

Service: Property Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Essential Maintenance / Improvement Project is underway	A full review of the MSCP structure and maintenance requirements has been fully assessed and works completed. New upgraded CCTV installed.	Andrew Busby	02/05/2020	10/01/2022	Fully effective (1)
Completed and evaluated	MSCP Improvement Project	A full review of the MSCP structure and maintenance requirements has been fully assessed and works are completed.	Andrew Busby	23/08/2020	10/01/2022	Fully effective (1)

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Keith Ashton, Jason Ball, Andrew Busby

Review Note: Bi-monthly management group has been set up and met on 10 January 2022 to follow up reported ASB. Long list of actions to be followed. Detailed report to Community PDG in March 2022.

Corporate Risk Management Report - Appendix 6

Risk: Out of Hours ICT Cover Ineffective out of hours ICT cover for services (eg leisure and Pannier Market) runs reputational risk of not having full system functionality

Service: I C T

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Managed links in place and manual contingency plans available	to enable Leisure Centre continue to function outside of office house	Christina Cross	22/10/2015	06/09/2021	Fully effective (1)
Completed and evaluated	Managed links, remote access to resolve issues	Support all businesses within MDDC	Liz Reeves	12/09/2017	06/09/2021	Fully effective (1)

Current Status: Medium (12)

Current Risk Severity: 3 - Medium

Current Risk Likelihood: 4 - High

Service Manager: Brian Trebilcock

Review Note: Remote connectivity limits risk/access to staff. Mitigations in place at Leisure Centres, e.g. removing door access requirements and broadband for kit run off separate adsl lines.

Corporate Risk Management Report - Appendix 6

Risk: Overall Funding Availability Changes to Revenue Support Grant, Business Rates, New Homes Bonus and other funding streams in order to finance ongoing expenditure needs.

Service: Financial Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
No Data available	Engaging in commercial activities	To provide additional revenue streams	Paul Deal	28/09/2017	07/01/2022	No Score(0)
No Data available	Medium term planning	Latest gap approximately £3M A range of options are being considered but Covid, business rates and uncertainty over fair funding review make the situation extremely challenging	Paul Deal	28/09/2017	07/01/2022	No Score(0)
No Data available	We continue to work with managers to reduce costs and explore new income streams	To close the budget gap and maintain services	Paul Deal	07/02/2019	07/01/2022	No Score(0)
Current Status: High (15)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 3 - Medium		

Service Manager: Paul Deal

Review Note: The 2022/23 Finance Settlement was better than forecast, but failed to provide any information about the future funding for Local Government. At the time of review, the S151 is confident that we will balance the 2022/23 budget without significant management action required. However, a budget deficit is still forecast in future years than must be addressed. The 2023/24 progress will need to begin promptly and thoroughly review all aspect of the budget. All options identified will be Cabinet and PDG's in the Autumn 2022.

Corporate Risk Management Report - Appendix 6

Risk: Reduced Funding - Budget Cuts We are subject to continuing budget reductions. If we concentrate on short term cost savings, it may increase long term impact of decisions

Service: Financial Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
No Data available	Business Plans	Service Business Plans are reviewed each financial year with suggestions for revised performance targets based on budget to be agreed by Cabinet Member and PDG.	Paul Deal	28/05/2013	07/01/2022	No Score(0)
No Data available	Identify Efficiencies	Taking proactive steps to increase income and reduce expenditure through efficiencies, vacancies that arise and delivering services in a different way.	Paul Deal	28/05/2013	07/01/2022	No Score(0)
No Data available	Reserves	Cabinet have taken the decision to recommend a minimum general reserve balance of 25% of Net annual budget.	Paul Deal	28/05/2013	07/01/2022	No Score(0)
No Data available	Set Budget	Each year as part of the budget setting process, members are consulted via PDGs in time to evaluate savings proposals, ahead of the November draft budget.	Paul Deal	28/05/2013	07/01/2022	No Score(0)

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Paul Deal

Review Note: At the time of review, the S151 is confident that we will balance the 2022/23 budget without significant management action required. However, a budget deficit is still forecast in future years than must be addressed. The 2023/24 progress will need to begin promptly and thoroughly review all aspect of the budget. All options identified will be Cabinet and PDG's in the Autumn 2022.

Corporate Risk Management Report - Appendix 6

Risk: Reputational damage - social media impact of reputational damage through social media is a significant risk that warrants inclusion on the Authority's risk register.

Service: Communications

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Monitoring social media	Two members of the communications team monitor the main corporate social media accounts on a rota basis. Alerts are also set up so the team receives notification of comments and can respond as appropriate. This is monitored in office hours only and the team does not provide 24 hour monitoring or a call out function. The Comms Team also works with other local authorities and takes part in social media training with other local authorities as the opportunities arise budgets permitting.	Jane Lewis	05/06/2019	30/06/2021	Satisfactory (2)

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Jane Lewis

Review Note: A new SM governance group has been formed. SM will also be included in LMS and a database of those who access will be kept. IT have been contacted to put SM access on the leavers list too.

Risk: Resourcing Risk If the Council fails to recruit and/or retain sufficient, suitable staff it may not be able to maintain essential and/or statutory services.

Service: Human Resources

Mitigating Action records

No Mitigating Action records found.

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Matthew Page

Review Note: The vacancy rate for the organisation is around 10% with turnover looking to come in at 18% for the 21/22 financial year. Sickness has been fairly low to date given the rise of the Omicron variant but we expect this to be more challenging in quarter 4.

Corporate Risk Management Report - Appendix 6

Risk: SPV - 3 Rivers - Failure of the Company This will depend on Economic factors and the Company's success in the marketplace commercially.

For MDDC the impacts will be:

3 Rivers are unable to service and repay the loan from MDDC

Not receiving the forecast additional income

Not supporting corporate objectives.

Service: Financial Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
No Data available	Cabinet	Monthly meetings with Shareholder Representatives and monthly update to Cabinet on progress with the recommendations action plan and projects.	Andrew Jarrett	09/11/2020	07/01/2022	No Score(0)
No Data available	Regular monitoring	The Board of 3 Rivers deliver a half yearly report to the Cabinet which provides an update on their delivery against their business plan. We charge interest to them at a commercial rate in order to maintain an "arms-length" relationship and the interest provides some mitigation to the outstanding principal.	Andrew Jarrett	30/05/2019	07/01/2022	No Score(0)

Current Status: High (16)

Current Risk Severity: 4 - High

Current Risk Likelihood: 4 - High

Service Manager: Paul Deal

Review Note: The MDDC accounts (which includes 3R within the Group Accounts) was audited and no issues were identified. The company's latest business plan was recently approved by Cabinet and continues in line with that plan.

Corporate Risk Management Report - Appendix 6

Risk: SPV 3 Rivers Reputational Impact That 3 Rivers' reputation is damaged by the actions of the council, threatening the long-term success of the company and potentially threatening the operational activity of the company through increased costs, reduced revenues, staff retention, or future claims against the council.

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Work with Members	Sustained work with elected members to ensure that the necessary balance is struck between constructive challenge and debate, without bringing the company or its activity into disrepute. Awareness raising relating to the roles of the council's scrutiny committee in assuring governance outcomes, the audit committee providing assurance on risk and mitigation, and the cabinet in its decision-making as shareholder. Use of external advice when necessary to provided added assurance.	Stephen Walford	11/11/2020	12/01/2022	Satisfactory (2)

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Stephen Walford

Review Note: With matters of governance now addressed, this risk sits predominantly with the actions of members who must work to balance the need for process checking, challenge and assurance, with the desire to use the company as a tool for political disagreement. As much as it might be (a point of political disagreement), the audit position is clear that such interventions are not beneficial to the company in commercial terms, and therefore unlikely to be in the long-term interests of the council in seeking to achieve its strategic objectives.

With regular updates at Cabinet continuing, alongside auditing, members have structurally embedded a range of mechanisms to give confidence in the governance, oversight and assurance process. The reputational risk from members bringing the company into disrepute is therefore very much in individual members' hands.

Corporate Risk Management Report - Appendix 6

Risk: Tiverton Pannier Market Failure to maximise the economic potential of Tiverton Pannier Market

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Continue to retain and prioritise market budget	To ensure most efficient use of resources	Adrian Welsh	10/06/2019	10/01/2022	Satisfactory (2)
In progress	continue to work with traders on promotion	To increase footfall.	Adrian Welsh	10/06/2019	10/01/2022	Satisfactory (2)
In progress	Implement and review market strategy	Implementation of strategy will increase market's financial success and help fulfill its function as a key driver for the town.	Adrian Welsh	10/06/2019	10/01/2022	Satisfactory (2)
In progress	Masterplan Implementation	To realise benefits from the Masterplan to increase visibility of market and increase footfall.	Adrian Welsh	10/06/2019	10/01/2022	Satisfactory (2)

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Adrian Welsh

Review Note: Plans to maximise economic potential of the pannier market are being reviewed to reflect the current challenges and future opportunities arising from changing retail habits as a result of the pandemic. The Market Manager is embarking on a number of initiatives to attract more traders and customers to the market.

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MID DEVON DISTRICT COUNCIL – NOTIFICATION OF KEY DECISIONS

March 2022

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)
Regulation of Investigatory Powers To receive the annual update Regulation of Investigatory Powers	Community Policy Development Group Scrutiny Committee Cabinet	25 Jan 2022 14 Feb 2022 8 Mar 2022	Karen Trickey, District Solicitor and Monitoring Officer	Cabinet for the Working Environment and Support Services (Councillor Nikki Woollatt)	Open
Cullompton Town Centre Masterplan and Delivery Plan SPD To consider the masterplan	Cabinet Council	8 Mar 2022 27 Apr 2022	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Appointment of Director to the Board of 3 Rivers Developments Limited To confirm the appointment	Cabinet	8 Mar 2022	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Cabinet Member for Housing and Property Services (Councillor Bob	Part exempt

Title of report and summary of decision	Decision Taker	Date of Decision	Officer contact	Cabinet Member	Intention to consider report in private session and the reason(s)
of a new director				Evans)	
Gas and Renewable Servicing Contract To consider the servicing contract.	Cabinet	8 Mar 2022	Mike Lowman, Building Services Operations Manager	Cabinet Member for Housing and Property Services (Councillor Bob Evans)	Part exempt
Playing Pitch Strategy - Post Consultation To consider the strategy for approval following the public consultation.	Cabinet	8 Mar 2022	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Review of Development Management Discretionary Fees and Charges To consider and agree a revised schedule of fees and charges.	Cabinet	Not before 8th Mar 2022	Angharad Williams, Interim Development Management Manager	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Cullompton Railway Station To receive a project update.	Cabinet	Not before 8th Mar 2022	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard	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)
				Chesterton)	
Tiverton Town Centre Masterplan To agree the draft masterplan for public consultation.	Cabinet	Not before 8th Mar 2022	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Crediton Masterplan - Procurement To consider the procurement of services for the Crediton Masterplan.	Cabinet	8 Mar 2022	Richard Marsh, Director of Place	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Part exempt
Tiverton EUE Area B Masterplan To consider the outcome of the playing pitch and sports provision review	Cabinet	Not before 8th Mar 2022	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
North West Cullompton Masterplan To consider a revised masterplan for North West	Cabinet	8 Mar 2022	Adrian Welsh, Strategic Manager for Growth, Economy and	Cabinet Member for Planning and Economic Regeneration	Open

Page 328

Title of report and summary of decision	Decision Taker	Date of Decision	Officer contact	Cabinet Member	Intention to consider report in private session and the reason(s)
Cullompton			Delivery Tel: 01884 234398	(Councillor Richard Chesterton)	
Modernisation Contract 2022 - 2026 To consider the outcome of the tender process for this contract.	Cabinet	8 Mar 2022	Mike Lowman, Building Services Operations Manager	Cabinet Member for Housing and Property Services (Councillor Bob Evans)	Part exempt
Residents Survey To consider the outcome of the Residents' Survey	Cabinet	8 Mar 2022	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Cabinet Member for Community Well Being (Councillor Dennis Knowles)	Open
Shopfront Enhancement Scheme To receive and discuss information with regard to the Shopfront Enhancement Scheme.	Economy Policy Development Group Cabinet	17 Mar 2022 5 Apr 2022	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Market Environmental Strategy To receive and discuss the draft Environmental Strategy.	Economy Policy Development Group Cabinet	17 Mar 2022 5 Apr 2022	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard)	Open

Page 66

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)
				Chesterton)	
Local Economic Recovery Plan To consider the plan.	Economy Policy Development Group Cabinet Council	17 Mar 2022 5 Apr 2022 27 Apr 2022	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Recommendations from the Motion 564 Spotlight Review To receive the final report and recommendations from the Motion 564 Spotlight Review.	Scrutiny Committee Cabinet	21 Mar 2022 5 Apr 2022	Clare Robathan, Policy and Research Officer		Open
Council Tax Reduction Scheme & Exceptional Hardship Policy To receive the Council Tax Reduction Scheme and the updated Exceptional Hardship Policy.	Community Policy Development Group Cabinet	22 Mar 2022 5 Apr 2022	Dean Emery, Corporate Manager for Revenues, Benefits and Recovery	Cabinet Member for Finance (Councillor Andrew Moore)	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)
Single Equalities Policy and Equality Objective To receive the annual review of the Single Equalities Policy and Equality Objective	Community Policy Development Group Cabinet	22 Mar 2022 5 Apr 2022	Matthew Page, Corporate Manager for People, Governance and Waste	Cabinet Member for Community Well Being (Councillor Dennis Knowles)	Open
Unauthorised Encampment Policy To receive the 3 yearly review of the Unauthorised Encampment Policy	Community Policy Development Group Cabinet	22 Mar 2022 7 Apr 2022	Andrew Busby, Corporate Manager for Property, Leisure and Climate Change Tel: 01884 234948	Cabinet Member for Community Well Being (Councillor Dennis Knowles)	Open
Safeguarding Childrens and Adults at Risk Policy and Procedures To receive the annual review of Safeguarding Childrens and Adults at Risk Policy and Procedures	Community Policy Development Group Cabinet	22 Mar 2022 7 Apr 2022	Matthew Page, Corporate Manager for People, Governance and Waste	Cabinet Member for Community Well Being (Councillor Dennis Knowles)	Open
Town and Parish Charter To receive the 3 yearly review of the Town and Parish Charter	Community Policy Development Group Cabinet	22 Mar 2022 5 Apr 2022	Sally Gabriel, Member Services Manager Tel: 01884 234229/0785511492 1	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)
Cullompton HSHAZ Public Realm Project - Consultation For consideration prior to consultation.	Cabinet	5 Apr 2022	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Cullompton - Town Centre Public Realm Enhancement To consider the Town Centre Public Realm Enhancement	Cabinet	5 Apr 2022	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Channel Access Policy To consider a revised Policy	Cabinet	5 Apr 2022	Lisa Lewis, Corporate Manager for Business Transformation and Customer Engagement Tel: 01884 234981	Cabinet for the Working Environment and Support Services (Councillor Nikki Woollatt)	Open
Tiverton A361 Junction HIF Scheme To consider the outcome of the tender process.	Cabinet	Not before 5th Apr 2022	Richard Marsh, Director of Place	Cabinet Member for Planning and Economic Regeneration (Councillor Richard)	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)
				Chesterton)	
Culm - Garden Village To consider a masterplan for consultation.	Cabinet	5 Apr 2022	Tina Maryan, Area Planning Officer	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Meeting Housing Needs SPD To recommend a draft for consultation to the Cabinet	Homes Policy Development Group Cabinet	31 May 2022 14 Jun 2022	Richard Marsh, Director of Place	Cabinet Member for Housing and Property Services (Councillor Bob Evans)	Open
Custom and Self Build Supplementary Planning Document To consider a draft SPD for consultation	Cabinet	Not before 1st Jun 2022	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Planning and Economic Regeneration (Councillor Richard Chesterton)	Open
Non Statutory Interim Policy Statement on Planning for Climate Change To consider the policy statement	Cabinet	Not before 7th Jun 2022	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Planning and Economic Regeneration (Councillor Richard	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)
				Chesterton)	
Crediton NHS Hub Phase 2 To consider a funding request.	Cabinet	14 Jun 2022	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Cabinet Member for Finance (Councillor Andrew Moore)	Part exempt
Play Area Safety Inspection Policy To receive the 3 yearly review of the Play Area Safety Inspection Policy	Environment Policy Development Group Cabinet	19 Jul 2022 9 Aug 2022	Andrew Busby, Corporate Manager for Property, Leisure and Climate Change Tel: 01884 234948	Cabinet Member for the Environment and Climate Change (Councillor Colin Slade)	Open

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CABINET 1 FEBRUARY 2022

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 (s151) – Andrew Jarrett

Reason for Report: To provide Cabinet with 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 13th update report (excluding the detailed update provided as part of the Business Plan reviewed by Cabinet at its meeting on the 30/11/21) on the progress of 3 Rivers since the recommendations made by the Cabinet at its meeting on the 13 July 2020 and is now following the revised pattern of bi-monthly reporting. 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 3 Rivers 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.

2.1.1 Since the last performance update received by this committee the company regrets to inform the Council that it has received the resignation of its Finance Director. Steps are already well advanced in attempting to fill to this key vacancy.

2.2 Below shows a brief overview of project progress and any associated issues as at the end of December 2021.

Current Projects

2.3 St Georges Court, Tiverton – 39 market flats/houses – work on site progresses well and estimated completion is still on schedule for May 2022. Discussions are in progress with marketing agents which will include an updated valuation estimate.

2.5 Bampton – 9 market houses – groundworks now well advanced and only lost 2 weeks on delivery schedule due to adverse weather.

Rental properties

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

Future Schemes

2.7 Detailed planning discussions are now well advanced for a large site in Cullompton and a medium sized one in Tiverton. In addition there are a number of offers for new projects that are in progress and the company will update the Council as soon as it is in a position to do so.

Financial Overview

2.8 In 2021/22 the Company has now borrowed an additional £3.268m for further project payments and to fund working capital commitments. During the same period 3Rivers has paid the Council £1.209m from sales receipts and £0.414m to cover interest payments and recharges for services rendered/recharged by the Council.

Project and Company Risk Analysis

- 2.9 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 A final report produced by Anthony Collins Solicitors was received in November 2021 which provides commentary on the full scope of their work including an update on all 33 of the recommendations. This report is subject to a part 2 restriction due to it containing some legally privileged information.

4.0 Conclusion

- 4.1 The company continues to provide the Council with its annual review of delivery/performance for 2021/22 at bi-monthly intervals to Cabinet meetings.

Contact for more information: Andrew Jarrett, Deputy Chief Executive (S151)
(ajarrett@midddevon.gov.uk)

Circulation of the report: Leadership Team and Cabinet

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