

# Public Document Pack

**Mid Devon District Council**

## **Cabinet**

**Tuesday, 7 March 2023 at 10.00 am**  
**Phoenix Chamber, Phoenix House, Tiverton**

**Next ordinary meeting**  
**Tuesday, 4 April 2023 at 10.00 am**

**Please Note:** This meeting will take place at Phoenix House and members of the Public and Press are able to attend via Zoom. If you are intending to attend in person please contact 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 B G J Warren  
Cllr G Barnell  
Cllr Mrs C P Daw  
Cllr D J Knowles  
Cllr A Wilce  
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 5 - 16)*  
To consider whether to approve the minutes as a correct record of the meeting held on 7 February 2023.
5. **Financial Monitoring**  
To receive a verbal update of the Deputy Chief Executive (S151) presenting a financial update in respect of the income and expenditure so far in the year.
6. **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.
7. **Cullompton Town Centre Relief Road** *(Pages 17 - 24)*  
To consider a report from the Director of Place.
8. **Local Authority Housing Fund** *(Pages 25 - 58)*  
To consider a report from the Corporate Manager for Public Health, Regulation & Housing, Public Health
9. **Meeting Housing Needs SPD** *(Pages 59 - 132)*  
  
To consider a report from the Director of Place.
10. **Voids Management Policy** *(Pages 133 - 160)*  
To consider a report from the Corporate Manager for Public Health, Regulation & Housing, Public Health
11. **Resident Survey Results** *(Pages 161 - 176)*  
To consider a report from the Deputy Chief Executive.
12. **draft Non-Statutory Interim Planning Policy Statement: Climate Emergency (post consultation)** *(Pages 177 - 380)*  
To consider a report from the Director of Place

13. **2023/24 Capital Strategy and Capital Programme** *(Pages 381 - 402)*  
Report of the Deputy Chief Executive, this item will be discussed under the general exception clause.
14. **2023/24 Treasury Management Strategy** *(Pages 403 - 436)*  
Report of the Deputy Chief Executive, this item will be discussed under the general exception clause.
15. **2023/24 Budget** *(Pages 437 - 462)*  
Report of the Deputy Chief Executive, this item will be discussed under the general exception clause.
16. **Revised 2023/24 Budget** *(Pages 463 - 470)*  
Report of the Deputy Chief Executive, this item will be discussed under the general exception clause.
17. **National Non Domestic Rates** *(Pages 471 - 478)*  
Report of the Deputy Chief Executive, this item will be discussed under the general exception clause.
18. **Notification of Key Decisions** *(Pages 479 - 486)*  
To note the contents of the Forward Plan.

**Stephen Walford**  
Chief Executive  
Monday, 27 February 2023

## Meeting Information

From 7 May 2021, the law requires all councils to hold formal meetings in person. The Council will enable all people to continue to participate in meetings via Zoom.

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## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **CABINET** held on 7 February 2023 at 10.00 am

### **Present**

#### **Councillors**

C J Eginton (Vice Chairman, in the Chair), R J Chesterton, Mrs C P Daw, D J Knowles, S J Penny and C R Slade

### **Apologies**

#### **Councillor(s)**

R M Deed

### **Also Present**

#### **Officer(s):**

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Jill May (Director of Business Improvement and Operations), Richard Marsh (Director of Place), Maria De Leburne (District Solicitor and Monitoring Officer), Paul Deal (Corporate Manager for Finance), Dean Emery (Corporate Manager for Revenues, Benefits and Recovery), Simon Newcombe (Corporate Manager for Public Health, Regulation and Housing), Matthew Page (Corporate Manager for People, Governance and Waste), Fiona Keyes (Operations Manager for Revenues Benefits & Recovery), James Hamblin (Operations Manager for Human Resources) and Andrew Seaman (Member Services Manager)

## 122. **APOLOGIES**

Apologies were received from Cllr R Deed.

## 123. **PUBLIC QUESTION TIME (0:3.29)**

The following questions were received from members of the public:

Paul Elstone:

### **Question 1**

Page 16 of your papers Section 5.2 shows a 3 Rivers overspend of four hundred and one thousand pounds (£401,000) on the knowle lane Development. 3 Rivers do not even have outline planning on this site, so what exactly was this overspend for?

### **Question 2**

On page 17 there is an overspend on the Shapland Place zed pod Modular development of four hundred and sixty seven thousand pounds (£467,000) mostly for planning. Planning changes that have increased the modular unit project budgeted amount by about 25%. Given these planning changes reduce the modular unit foot print by 1.5 meters surely the build cost should go down and not massively up. The MDDC chosen developer is not on the approved South West Procurement Alliance list for constructing enhanced energy performance homes yet their main competitor who is on the list was not asked to bid. Will the Cabinet Member for Housing please implement a comprehensive external audit on the Contract Awards and all costs for the Modular Homes at both the Shapland Place and Cullompton sites?

#### Question 3

On Page 18 Section 7 covers interest and loan repayments from 3 Rivers. Have 3 Rivers always met their interest and loan payment obligations on all project loans and at the due time?

#### Question 4

My last question covers Agenda Items 6, 7, 8 and 9 which all deal with lending to 3 Rivers. I was at the last Cabinet Meeting on 31 January and witnessed the public resignation of the 3 Rivers Finance Director. As he left he told me and one other that he was resigning because of the lack of competency of MDDC Officers and Cabinet Members. He is an experienced Commercial Director and I took him seriously and was concerned. Will the Leader of the Council arrange an external investigation into whether there is any basis for this statement?

The Deputy Leader thanked Mr Elstone for their questions and noted that any unanswered questions would be given a written response.

In regards to question 3, the Deputy Chief Executive confirmed that all payments with 2022/23 had been paid promptly with nothing outstanding.

#### 124. **DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (0:6.26)**

Councillor C J Eginton declared a non-pecuniary interest in that he owned a business that was based in Tiverton under item 17.

#### 125. **MINUTES OF THE PREVIOUS MEETING (0:6.44)**

The minutes of the previous meeting from 3 January 2023 and 31 January were approved as a correct record and signed by the Deputy Leader, acting as Chair.

#### 126. **UPDATE FROM THE CABINET MEMBER FOR CONTINUOUS IMPROVEMENT (0:13.54)**

This item was deferred to the next ordinary Cabinet meeting.

#### 127. **QTR. 3 BUDGET MONITORING (0:15:16)**

The Cabinet were presented a report\* which provided a financial update in respect of the income and expenditure so far in the year.

The following was discussed:

- Clarification was sought regarding the £467k cost for the Shapland modular housing. It was explained by the Corporate Manager for Public Health, Regulation & Housing that there had been additional costs due to the planning process as well as required design changes due to the nature of the site. It was added that a breakdown of the costs could be provided.

**RESOLVED:** That Cabinet

- a) Note the financial monitoring information for the income and expenditure for the nine months to 31 December 2022 and the projected outturn position;
- b) Note the use of Waivers for the Procurement of goods and services as included in Section 10.0;

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

## 128. **2023/24 BUDGET (0:24.50)**

The Cabinet were presented a report\* which provided the proposed budgets for the General Fund and the Housing Revenue Account for the year 2023/24 and recommends the Band D Council Tax charge for 2023/24.

It was noted that in table 5.1 a typo would be amended to read “assumptions for fuel, 3-weekly black sack waste”.

**RESOLVED:** That Cabinet recommend to Council the following:

1. A Council Tax Requirement of £6,724,350 calculated using a Council Tax of £225.40 for a Band D property, an increase of £6.56 or 2.99% from 2022/23 and a Tax Base of 29,832.98, 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 3 January 2023;
2. The overall budgeted Cost of Services within the General Fund of £16,720,364 for 2023/24 is approved as detailed across Appendices 1 – 2 and inclusive of the adjustments included within Table 1 in paragraph 5.1;
3. The 2023/24 budget requires no transfer from the General Fund Balance and a further temporary transfer of £57,657 from the New Homes Bonus EMR in order to balance and agree all of the transfers to and from Earmarked Reserves as detailed in Appendix 3;
4. HRA budget for 2023/24 be approved – Appendix 4;
5. HRA fees/charges are approved based on the attached Appendix 5;
6. Work on strategic planning for delivering a balanced budget for 2024/25 is commenced immediately.

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

#### 129. **2023/24 CAPITAL STRATEGY (0:33.24)**

The Cabinet were presented a report\* which proposed the 2023/24 Capital Strategy which also sought approval of the 2023/24 Capital Programme and requested the Cabinet noted the indicative Capital Programmes for 2024/25 to 2027/28.

The following was discussed:

- It was confirmed that the proposed lending to 3 Rivers Developments Ltd was included within the figures in recommendation 3 of the capital strategy.

**RESOLVED:** That Cabinet recommend to Council the following:

1. That the proposed 2023/24 Capital Strategy is approved.
2. To approve in principal the current estimated amounts of Slippage of £6,201k from the 2022/23 Deliverable Capital Programme and £33,231k of 2022/23 Capital Programme expenditure profiled over the life of the MTFP. This will be finalised and formal approval sought as part of 2022/23 Outturn report.
3. The overall Capital Programme for projects commencing in 2023/24 of £98,375k be approved and the indicative Capital Programmes across the four remaining years of this Medium Term Financial Plan covering 2024/25 to 2027/28 be noted.
4. To approve the 2023/24 Deliverable Budget based on the forecast spend profile of £64,826, this will include elements of amounts detailed in recommendations 2 & 3 above and will form the budget to monitor against in 2023/24, subject to any changes referred to in recommendation 2 at Outturn.

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

#### 130. **2023/24 TREASURY MANAGEMENT STRATEGY (0:39:16)**

The Cabinet were presented a report\* which presented the Treasury Management Strategy and Annual Investment Strategy for 2023/24.

The following was discussed:

- This report provided the outcomes of the capital programme and had shown that the Council were under borrowed, using internal balances where possible.

**RESOLVED:** That Cabinet recommends to Full Council

That the proposed Treasury Management Strategy and Annual Investment Strategy for 2023/24, including the prudential indicators for the next 3 years and the Minimum Revenue Provision Statement (Appendix 1), be approved.

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

**131. 2023/24 – 2026/27 PROCUREMENT STRATEGY (0:43.46)**

The Cabinet received a report\* which introduced the draft new Procurement Strategy covering the period 2023/24 to 2027/28.

The following was discussed:

- Partnership with Devon County Council in order to support Mid Devon District Council's procurement arrangements and had made strategies more aligned.
- Asked if other authorities were involved, it was confirmed that East Devon District Council and the national parks of Exmoor and Dartmoor.

**RESOLVED:**

That Cabinet approve the attached Procurement Strategy.

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

**132. THE COUNCIL TAX REDUCTION SCHEME & EXCEPTIONAL HARDSHIP POLICY (0:48.20)**

The Cabinet were presented a report\* which sought to amend the current scheme in order to expand the assistance for customers.

The following was discussed:

- Was important to help those in need during this cost of living crisis.
- This would come at a cost to the Council, circa £50k for Mid Devon District Council.

**RESOLVED:**

1. To increase the maximum reduction from 85% to 100%.
2. Disregard the housing element of universal credit in the calculation.
3. Increase the income bands by inflation each year.
4. Any income from welfare provision to be disregarded.
5. That this policy is adopted by Mid Devon District Council Cabinet.

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

### 133. **PAY POLICY (0:55.43)**

The Cabinet were presented the annual pay policy report\* which complied 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 following was discussed:

- For 2022/23 Mid Devon District Council employees received a cost of living wage rise. With talks for 2023/24 expected to commence significantly earlier, this would hopefully help with the retention and recruitment of staff.

**RESOLVED:** That Cabinet recommend to Council the Pay Policy 2023.

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

### 134. **ESTABLISHMENT (0:58.54)**

Cabinet were presented a report\* which provided an update on both the Establishment of the Council together with its performance. It was noted that this report should be read in conjunction with the functions of individual officers highlighted in the Constitution. This built upon information shared in February 2022 and September 2022.

The following was discussed:

- In June 2022 Mid Devon District Council received the Petroc Employer of the Year award.
- The Council had experienced higher levels of sickness absence with Covid-19 being a factor.
- Turnover for the start of 2022/23 had seen an upward track however this had dropped off since September.
- Digital exit interviews had been launched.
- Asked why staff were not attending exit interviews, it was explained that a digital exit interview format had been launched which should mitigate this.
- It was noted that some employees may not want to leave comments and it would be reasonable for an exit interview to not be carried out.

**RESOLVED:** That Cabinet recommends to Council the contents of the report.

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

### 135. **NATIONAL NON DOMESTIC RATES (NNDR1) (1:07.05)**

The Cabinet were presented a report\* which provided an update of the income generation and financial implications of the number of Business Rate properties in Mid Devon. The report sought to approve the NNDR1 (estimated income to be generated in 2023/24 from business rates). There was a statutory deadline for notifying Precepting Authorities and the Government by 31 January 2023 of their appropriate shares in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013 Regulation 2(b). The Government return had been submitted and Preceptors informed of the estimated income.

**RESOLVED:** The Cabinet is asked to recommend to Council the contents of the report.

1. That the calculation of the NNDR1 net yield of £16,921,552 from 3,519 Business Rated properties is noted for 2023/24;
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 under section 47

(Proposed by from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

### 136. **SHARED PROSPERITY FUND AND THE RURAL PROSPERITY FUND (1:13.22)**

The Cabinet received a report\* which provided an update on the proposed delivery plan for the UK Shared Prosperity Fund (SPF), the report sought approval for the year 1 spend (2022/23) and delegated authority to the Director of Place, in conjunction with Cabinet Members, to approve the detailed SPF Policy and any accompanying guidance materials.

The following was discussed:

- That MDDC had received funding on the 31 January 2023.
- There had been positive engagement with local businesses.

**RESOLVED** That Cabinet:

1. Approve the UKSPF expenditure & Delivery Plan for Year One (2022/23) as outlined throughout the report.
2. Approve delegated authority to the Director of Place, in conjunction with the Cabinet Member for Finance, to finalise the detailed SPF Policy & grant arrangements;



3. Approve delegated authority to the Director of Place, in conjunction with the Cabinet Member for Planning and Economic Regeneration, to approve variations to the Delivery Plan, Investment Plan and/or grant scheme criteria;

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

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

#### **137. CULLOMPTON TOWN CENTRE MASTERPLAN (1:21.25)**

The Cabinet were presented a report\* which sought approval for the Draft Cullompton Town Centre Masterplan Supplementary Planning Document (SPD) and Delivery Plan.

##### **RESOLVED:**

1. That Members note the comments received at the Stage 2 public consultation (Appendix 1 and 2) and the proposed changes as set out in Appendix 2;
2. That the Cabinet recommend to Council that:
  - i) Subject to the updates, detailed in Appendix 2, that the Cullompton Town Centre Masterplan Supplementary Planning Document (Appendix 3) and Delivery Plan (Appendices 4 & 5) be adopted; and
  - ii) Delegated authority be given to the Director of Place in consultation with the Cabinet Member for Planning and Economic Regeneration prior to publication to make any typographical, grammatical, imagery and formatting changes to the Cullompton Town Centre Masterplan Supplementary Planning Document; and
  - iii) That Cabinet note the Strategic Environmental Screening Report (Appendix 6) and the Habitats Regulations Assessment Screening Report (Appendix 7).

(Proposed by Cllr R Chesterton and seconded by Cllr S Penny)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

#### **138. TIVERTON TOWN CENTRE MASTERPLAN (1:26.52)**

The Cabinet were presented a report\* which updated Members with recommendations in association with work undertaken by the Coastal and Market Towns Initiative, Shared Prosperity Fund and Rural England Prosperity Fund.

##### **RESOLVED:**

1. That the report is noted;
2. That:



- i) A budget of up to £60k is set aside from the Brown Field Register Fund (up to £35k) and Custom and Self Build Burdens Fund (up to £25k) for the completion of the Draft Masterplan SPD and accompanying Delivery Plan;
- ii) That Officer's commence the process to engage consultants to complete the Tiverton Town Centre Masterplan SPD and Delivery Plan process including commissioning assessments as required; and that
- iii) The timetable for the adoption of the Tiverton Town Centre Masterplan and Delivery Plan be agreed.

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

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

#### **139. EAST CULLOMPTON (CULM GARDEN VILLAGE) MASTERPLAN SPD (1:31.07)**

Members were presented a report\* which informed Members of the outcome of the public consultation and asked Cabinet to consider the draft masterplan that has subsequently been produced taking these comments into account, the report also sought the a recommendation be made to Council to adopt the revised East Cullompton Masterplan Supplementary Planning Document (SPD).

##### **RESOLVED:**

1. That Members note the comments received at the Stage 2 public consultation (Appendix 1) and proposed changes set out in Appendix 2.
2. That the Cabinet recommend to Council that the Masterplan Supplementary Planning Document for East Cullompton (Appendix 3), which incorporates changes made following the Stage 2 public consultation, be adopted.
3. That delegated authority be given to the Director of Place in consultation with the Cabinet Member for Planning and Economic Regeneration to amend and finalise the document to reflect any agreed changes following Planning Policy Advisory Group and Cabinet meetings.

(Proposed by Cllr R Chesterton and seconded by Cllr S Penny)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

#### **140. HOUSING ASSISTANCE POLICY (1:35.44)**

The Cabinet were presented a report\* which provided a revised Housing Assistance Policy under Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, following a review of the current Housing Assistance Policy 2019-22.

##### **RESOLVED:**

1. That Cabinet approve the revised Housing Assistance Policy 2022-2025 attached in Annex A.
2. That delegated authority is given to the Corporate Manager for Public Health, Regulation and Housing, in consultation with the Cabinet Member for Housing, to make minor adjustments to the policy based on demand and local priorities.
3. That delegated authority is given to the Corporate Manager for Public Health, Regulation and Housing, in consultation with the Cabinet Member for Housing, to suspend some or all non-mandatory parts of the revised Housing Assistance Policy attached in Annex A (all elements of the Policy other than Section 4 Mandatory Disabled Facilities Grants) if adequate funding is not available.

(Proposed by Cllr S Penny and seconded by Cllr Mrs C Daw)  
Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

#### **141. REPLACEMENT ROOFING 2023 – 2026, AWARD REPORT (1:39.38)**

The Cabinet were presented a report\* which advised on the results for the tendering of the Replacement Roofing Programme 2023 – 2026.

##### **RESOLVED:**

1. That the new three year Replacement Roofing Contract be awarded to Contractor 1.
2. Delegated authority be granted to the S151 Officer (in consultation with the Cabinet Member for Housing and Property Services) to complete the associated Replacement Roofing Contract.

(Proposed by Cllr S Penny and seconded by Cllr D J Knowles)  
Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

#### **142. POLICY FRAMEWORK (1:42.02)**

The Cabinet were presented a report\* which sought that Cabinet recommend to Council that the Policy Framework be adopted. This was an annual report that defined the policy framework for Mid Devon District Council.

##### **RESOLVED:**

That Cabinet recommend to Full Council that the Policy Framework be adopted.

(Proposed from the Chair)  
Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

**143. SCHEDULE OF MEETINGS 2023-2024 (1:43.50)**

The Cabinet were presented the schedule of meetings\* for the next municipal year (2023/24).

**RESOLVED:**

That Cabinet recommend the schedule of meetings to Full Council. With an amendment that the 4 October 2023 Economy PDG meeting should be 5 October 2023 and that the 17 November 2023 Economy PDG meeting should be 16 November 2023.

(Proposed from the Chair)

Reason for Decision: As stated in the report.

Note: \*report previously circulated and attached to the minutes

**144. NOTIFICATION OF KEY DECISIONS (1:44.50)**

The notification of key decisions were noted.

(The meeting ended at 11.50 am)

**CHAIRMAN**

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**CABINET**  
**7 MARCH 2023**

## **REPORT OF THE DIRECTOR OF PLACE**

### **CULLOMPTON TOWN CENTRE RELIEF ROAD (CTCRR)**

**Cabinet Member(s):** Councillor Graeme Barnell, Cabinet Member for Planning and Regeneration

**Responsible Officer:** Richard Marsh, Director of Place

#### **Reason for Report:**

1. To inform Members of the outcome of Mid Devon's application to the second round of the Levelling Up Fund (LUF2) to support delivery of the Cullompton Town Centre Relief Road (CTCRR).
2. To seek approval to continue to investigate and negotiate additional funding opportunities to deliver the CTCRR scheme noting that this will include review and consideration of overall development viability and scheme S106 contributions.
3. To seek approval for Officers developing and submitting a bid to the third round of the Levelling Up Fund to enable or support the delivery of the Cullompton Town Centre Relief Road. The bid being updated to include key information and addressing any issues raised through the LUF2 bid evaluation (when and if received from DLUHC).

#### **RECOMMENDATIONS:**

1. That Cabinet consider the contents of this report and instructs Officers to:
  - i) Continue to investigate and negotiate additional funding opportunities to support timely delivery of the Cullompton Town Centre Relief Road
  - ii) If an additional funding mechanism to support timely delivery of the relief road project (working with the existing HIF grant) can be negotiated and agreed in detail, to bring this back to Cabinet as soon as possible for consideration and decision, as appropriate.
2. That delegated authority be given to the Director of Place to develop and submit a bid to the third round of the Levelling Up Fund in respect of the gap funding required to enable or support delivery of the Cullompton Town Centre Relief Road, should the scheme still qualify for a District Council submission and should the LUF3 fund be confirmed.

#### **Financial Implications:**

The current shortfall for delivering the CTCRR scheme is in excess of £19m. This is assuming a continuation of the £10m HIF scheme and £1.5m Devon County Council funding. Given the importance of the scheme, this report proposes that Officers continue to explore additional funding opportunities to address this shortfall. It is proposed that Cabinet is updated on any possible options and a recommendation made, with their related financial implications and risks detailed, once a preferred option is fully developed.

Should the District Council be successful in securing funding through the third round of the Levelling Up Fund, and should this ultimately be directed to providing the 'gap funding' required to fully address the current shortfall, this would once again become the favoured route of funding the CTCRR and MDDC would revert to utilisation of this funding as its preferred delivery mechanism.

Government has yet to announce details of 'LUF 3'; however assuming it is similar to the two previous bids, District Councils would be able to bid for up to £20 million capital funding. Should the scheme costs increase and the shortfall exceed £20 million, assuming similar rules to the last two rounds, it would need to be a submission undertaken by Devon County Council as highways authority, should DCC confirm that CTCRR is a priority for funding.

Previously bidding authorities were 'encouraged' to include local match funding amounting to 10% of total project costs – this could be in the form of developers' contributions, or private sector match. For the Cullompton relief road, there is already a close connection with development financial contributions through Housing Infrastructure Fund recovery requirements and Devon County Council is acting as delivery partner. Devon County Council has previously pledged £1.5 million towards the scheme costs.

Clearly, the investment of officer and consultant time in the development and review of options does incur cost to the Council/the project – directly or indirectly – but the relatively low cost of exploring additional options for funding, and the risk associated with this expenditure, is deemed to be low whilst the risk and cost of not developing options to support the delivery of CTCRR and the associated risk of failing to utilise the HIF funding within the lifetime of the HIF programme (i.e. by March 2024) is deemed to significantly outweigh any risks associated with modest expenditure. Officers are therefore committed to exploring every viable option to support the delivery of CTCRR as critical infrastructure to address existing issues in Cullompton, to support the delivery of the Garden Village/other developments and to support the realisation of the type and scale of development as foreseen through the adopted Local Plan.

Necessarily, any consideration of alternative funding opportunities will also be accompanied by a review of forecast scheme costs to identify potential opportunities for cost reduction. However, officers understand the need for a comprehensive scheme, are mindful of the need to not undermine local benefits accruing from it and are also very conscious of current inflationary pressures and the need not to underestimate these. Any cost review and cost reduction will therefore be careful not to undermine the key outputs of the scheme.

### **Budget and Policy Framework:**

As set out above, the CTCRR scheme currently has a funding shortfall in excess of £19m. This is assuming a continuation of the £10 million HIF scheme and £1.5 million of Devon County Council funding. This report seeks approval to continue to explore additional funding options to meet the shortfall. One of the options to be explored is the third round of the Levelling Up Fund (LUF) details of which are yet to be released by Government.

This report is not considered to raise policy framework implications but clearly the delivery of the CTCRR is a key objective for the Council and is key to supporting the realisation of a range of benefits to Cullompton; enabling housing delivery in and around Cullompton, and; unlocking the wider garden community. Failure to deliver the relief road in a timely fashion will have implications for the council in terms of its ability to address existing constraints and challenges within Cullompton (such as air quality), but also in affecting the scale and pace

of housing delivery within the district. This point has also been stressed to project partners – as it was throughout the LUF2 bid submission.

The review of additional funding opportunities will necessarily also involve consideration of policy frameworks. In this case, this is likely to relate to relevant development plans and their policies, as well as S106 requirements. Any work/options will seek to work within the policy framework or, where divergences are identified or recommended, these will be fully considered and appraised in accordance with established practice. For example; should viability or financial analysis demonstrate the need for reduction in elements of S106 contributions in order to support other financial contributions (i.e. increased financial contributions aimed at supporting the delivery of the CTCRR), these will be fully assessed, considered and determined through appropriate processes and procedures.

**Legal Implications:** All funding options will have legal implications and will be subject to legal agreement (e.g. Grant Funding Agreement, Section 106 etc) dependent on the nature of the funding mechanism. These cannot be specified until the precise nature of the funding package is known.

As referenced above, the HIF funding has a limited programme lifetime and is already subject to grant conditions which the Council will need to remain mindful of and work within. Engagement with Homes England will therefore continue to be necessary as options are identified and developed and in order to ensure Homes England remain satisfied with the Council's ability to deploy the HIF grant to support delivery of the relief road within the lifetime of the HIF programme. If it is not possible to satisfy Homes England of this capability and of the deliverability of the CTCRR scheme, then it is possible that the Council will lose the ability to utilise the HIF funding. Again, this underpins the importance of exploring all viable additional funding opportunities at this time in order to facilitate timely delivery of the CTCRR whilst utilisation of the HIF funding remains viable.

**Risk Assessment:**

The Cullompton Town Centre Relief Road is considered to be a strategic transport intervention which unlocks planned strategic growth as well as environmental and air quality improvements within Cullompton town centre. Historic England has made it clear that the award of the Heritage Action Zone monies in Cullompton was predicated upon a clear expectation of the delivery of the CTCRR. The relief road will also unlock early capacity at J28 M5 in advance of more significant junction intervention, allowing for planned growth within the adopted Local Plan to come forward. This planned growth is considered vital to sustain the pipeline of housing delivery in order to meet future Housing Delivery Test requirements and as such is also significant to the delivery of the recently adopted Local Plan. Failure to deliver homes within the required timeframe will significantly increase risk, with the prospect of unplanned development coming forward in other locations within the District.

Given the importance of the scheme to the District Council the risks of continuing to explore options for its delivery is deemed to be low in comparison to the implications of not pursuing its delivery.

Any emerging funding proposals will be the subject of detailed financial risk assessment. The project itself is subject to its own risk management procedures as part of its overall project management.

Should the District Council pursue a third round LUF bid, considerable time and effort will be needed. As with the previous two rounds there is no guarantee of success, however failure to develop and submit projects under this fund may represent a missed opportunity.

As part of the next steps Officers also propose to continue land assembly discussions so as to seek opportunities to de-risk the project and assist in unlocking the scheme's delivery.

**Equality Impact Assessment:** The scheme is subject to Equality Impact Assessment which demonstrates how the scheme will reduce economic and social inequalities, or promote wider growth and economic / job creation opportunities particularly as they impact the most vulnerable residents or hardest hit communities.

**Relationship to Corporate Plan:** The Cullompton Town Centre Relief Road contributes towards all four corporate priorities of economy, homes, community and environment and assists in the delivery of many of aims identified within the Corporate Plan.

**Impact on Climate Change:** The scheme aims to reduce the impact of traffic on the town centre and ease congestion. The Town Centre Relief Road has planning permissions and has demonstrated a net gain in biodiversity, a reduction in carbon and air quality improvements. The scheme incorporates walking and cycling improvements to the proposed new railway station and enhanced bus stop facilities.



## 1 BACKGROUND

- 1.1 At its meeting of the 28<sup>th</sup> June 2022 Cabinet agreed to submit a bid to the second round of the Levelling Up Fund in respect of the gap funding required to deliver the Cullompton Town Centre Relief Road. This followed disappointment in 2021 when the scheme did not receive funding through the first round despite very favourable feedback from government officials who considered it a strong bid. Opportunities were taken to further strengthen the bid for round two which was submitted in July 2022 – again with a very strong benefit-cost ratio and with the backing of many organisations and businesses from within Cullompton. Unfortunately, despite the high quality of our bid, this latest bid was also unsuccessful. To date, we have received no feedback with regard to the bid; however we have been informed that there will be a third round of the fund to be launched later in the year.
- 1.2 The Cullompton Town Centre Relief Road has planning permission, is already supported by Housing Infrastructure Funding (HIF) with associated expectations of delivery and is of strategic significance to Mid Devon. The Cullompton Town Centre Relief Road is considered to be a major strategic transport intervention which unlocks strategic growth within the district, as set out within the adopted Local Plan. As identified in the risk section of this report:
- Its delivery will unlock environmental and air quality improvements within Cullompton town centre;
  - Historic England has made it clear that the award of the Heritage Action Zone monies in Cullompton was predicated by a clear expectation of its delivery;
  - It will unlock early capacity at J28 M5 in advance of more significant junction intervention, allowing for planned growth within the adopted Local Plan to come forward. This planned growth is considered vital to sustain the pipeline of housing delivery in order to meet future Housing Delivery Test requirements and as such is also significant to the delivery of the adopted Local Plan; and
  - Failure to deliver homes within the required timeframe will significantly increase risk, with the prospect of unplanned development coming forward in other locations within the District.
- 1.3 The relief road scheme also includes associated works with regard to enhanced vehicular access, pedestrian and cycle provision in the Station Road corridor at the northern end of the relief road's connection with the existing road network. Inclusion of these aspects has an associated benefit to the realisation of connections along Station Road between the town centre, northern end of the relief road and proposed railway station site.

- 1.4 Officers have been working on additional funding options and have been discussing opportunities with various relevant parties. This report seeks approval to continue to investigate opportunities. This will include, but is not limited to, exploring options relating to development viability, future s106 requirements and investigating potential for adjusting the balance of requirements with regard to other planning obligations in order to enable the early delivery of the relief road. In parallel Devon County Council officers are reassessing the scheme to investigate whether any elements could be delivered by other funding sources which would help to reduce the overall funding gap or whether any cost savings can be generated without opening the council's up to the risk of cost over-runs or undermining the original objectives of the scheme.
- 1.5 Clearly, if any additional opportunities are identified to bring additional funding to bear on enabling the timely delivery of the relief road, the Council will need to be fully appraised of any key financial, reputational or programme risks it faces. This will be a key focus of work that officers will be looking to undertake and then report back to Cabinet for further consideration alongside details of any additional funding opportunity to be recommended.
- 1.6 It should also be noted that the current Homes England funded work to develop a business case to support a longer term solution to addressing capacity problems at Junction 28 of the M5 Motorway is being amended to incorporate the relief road within its proposals. Inclusion of the relief road could be beneficial should there be future funding opportunities through the pursuance of that wider scheme.
- 1.7 It should also be noted that discussions are ongoing with Homes England with regard to potential for continued utilisation of the £10m HIF funding.
- 1.8 A key component of the Cullompton Town Centre Relief Road scheme is land acquisition. Officers propose to continue to work with Devon County Council and its land agent with regard to land assembly. A particular issue currently exists with Tesco owned land which is in the flood plain which Tesco contest has retail value. Officers from both Councils will continue to liaise with Tesco plc to attempt to resolve this issue and Compulsory Purchase Order(CPO) capabilities exist in order to progress the matter through this route, as necessary

## **2 THIRD ROUND LEVELLING UP BID SUBMISSION**

- 2.1 The Levelling Up Fund Round 3: Prospectus is yet to be published. It is likely that it will again focus on the following investment themes: Transport, Regeneration and Town Centre and Cultural. The timescale for bids is not currently available but it is likely that the Government will wish to determine bids for round three within this calendar year.

- 2.2 This third round provides an opportunity to apply for funding to fill the funding gap in the Council's well established Corporate Objective to deliver the Cullompton Town Centre Relief Road; however should the District Council pursue a third round LUF bid, considerable time and effort will be needed. As with the previous two rounds there is no guarantee of success, however failure to develop and submit projects under this fund may represent a missed opportunity. Until more information is available it is impossible to say whether the scheme would qualify to meet any changes in bid criteria, or indeed whether the scheme would remain within the available funding envelope for a district council submission. Should the scheme costs increase and the shortfall exceed £20 million, assuming similar rules to the last two rounds, it would need to be a submission undertaken by Devon County Council. Previous bidding windows have been relatively short and so this report seeks approval to continue to undertake work to prepare a third bid in readiness for future government announcements.
- 2.3 This third round fund will hopefully provide an opportunity for funding, but it is important to note that this report refers only to an application. If such an application is successful, Cabinet will be advised of the relevant terms and conditions and its approval sought to proceed in due course.

**Contact for more Information:** Adrian Welsh, Strategic Manager – Growth, Economy and Delivery 01884 234398 [awelsh@middevon.gov.uk](mailto:awelsh@middevon.gov.uk)

**Circulation of the Report:** Cabinet Member seen and approved [yes/no – name of Cabinet Member], Cabinet, Leadership Team seen and approved [yes/no]

**List of Background Papers:**

13 May 2021 Cabinet Report

<https://democracy.middevon.gov.uk/documents/s21841/Levelling%20Up%20Fund%20-Cabinet%20Report%20v4%20210422.pdf>

28 June 2022 Cabinet Report

<https://democracy.middevon.gov.uk/documents/s25095/220628%20Levelling%20Up%20Fund%20-Cabinet%20Report%20V4.pdf>

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## **MEMORANDUM OF UNDERSTANDING**

*Between*

**Department for Levelling Up, Housing and Communities**

*-and-*

**Mid Devon District Council**

### **1. Purpose**

- 1.1. This Memorandum of Understanding ('MOU') sets out the terms that will apply to the working relationship between the Department for Levelling Up, Housing and Communities ('DLUHC') and Mid Devon District Council ('the Council') regarding the administration and delivery of the Local Authority Housing Fund ('LAHF').
- 1.2. This MOU will be for the period Q4 2022/23 and 2023/24. It will be reviewed and updated only where either of the signatories deem it necessary, in which case it will require joint agreement. Further detail on changing the MOU is set out in Paragraph 4.4.
- 1.3. This MOU sets out both the universal fund wide conditions and expectations for appropriate spend of LAHF.
- 1.4. This MOU is not intended to create legal or binding obligations. It describes the understanding between both parties for the use of funding specified in Section 3 of this agreement.

### **2. Background**

- 2.1. The LAHF was launched on 14 December 2022. The details of the fund were shared with the Council in the document 'Local Authority Housing Fund – Prospectus and Guidance' ('the Prospectus').
- 2.2. LAHF is a £500m capital grant fund to support local authorities in England to provide sustainable housing for those unable to secure their own accommodation that meet the eligibility criteria outlined in Section 3.2 of the Prospectus.
- 2.3. The objectives of LAHF are to:
  - Ensure recent humanitarian schemes (Afghan and Ukraine schemes) which offer sanctuary, via an organised safe and legal entry route, to those fleeing conflict, provide sufficient longer term accommodation to those they support.

- Support areas with housing pressures which have generously welcomed substantial numbers of Ukrainian refugees so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems.
  - Mitigate the expected increased pressures on local authority homelessness and social housing resources which arise from the eligible cohort (as defined at section 3.2 of the Prospectus) as sponsorship/family placements/bridging accommodation arrangements come to an end by increasing the provision of affordable housing available to local authorities to support those in the cohort who are homeless, at risk of homelessness, or in bridging accommodation;
  - Reduce emergency, temporary and bridging accommodation costs;
  - Deliver accommodation that as far as possible allows for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to UK nationals (i.e. after usage by this cohort ends);
  - Utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort;
  - Reduce pressures on the existing housing and homelessness systems and those waiting for social housing.
- 2.4. DLUHC has accepted the Council's plan to provide 12 homes ('the delivery target') under LAHF, and DLUHC will provide a grant of £1,327,608 ('the total allocation'). The Council agrees the following targets to deliver at least:
- 11 properties for households that meet the eligibility criteria outlined in section 3.2 of the Prospectus ('the main element');
  - 1 Four+ bed properties to be allocated to households currently in bridging accommodation ('the bridging element');
- 2.5. This MOU covers the funding commitments from DLUHC and the delivery, financial expenditure, agreed milestones, reporting and evaluation, and communications between the Parties. It also sets out the steps DLUHC could take in the event of underperformance if required.

### **3. Purpose of the Funding**

- 3.1. LAHF funding has been provided specifically for spending on LAHF priorities and the Council agrees to spend LAHF funding on activity set out in this MOU as agreed by DLUHC or subsequently agreed by DLUHC as per Paragraph 4.4.

- 3.2. DLUHC will part fund the cost of the Council obtaining properties for use by households that meet the eligibility criteria. The Council will use its best endeavours to meet the delivery target and to achieve value for money. DLUHC's contributory share of funding ('the average grant rate per unit') should not exceed the maximum described below but the grant per unit for individual properties can be higher.
- 3.3. The maximum average grant rate per unit (for the portfolio of properties, not individual purchases) for the main element is 40% of the costs the council charges to its capital budget plus £20,000 per property. Eligible costs funded by the 40% and the £20,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.
- 3.4. The maximum average grant rate per unit (for the portfolio of properties, not individual purchases) for the bridging element is 50% of the costs the council charges to its capital budget plus £20,000 per property. Eligible costs funded by the 50% and the £20,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.
- 3.5. The Council can determine how it uses the £20,000 per property and can choose how much of the grant is to be spent on each individual property.
- 3.6. The Council or its delivery partner(s) will fund the outstanding share for each property.
- 3.7. The funding provided by DLUHC in Q4 2022/23 ('the Year 1 allocation') is 30% of the total allocation. The funding provided by DLUHC in 2023/24 ('the Year 2 allocation') is 70% of the total allocation. Both are set out in Table 1.

	Year 1 allocation	Year 2 allocation	Total allocation
Properties for households that meet the eligibility criteria for this Programme	£336,600	£785,400	£1,122,000
4+ bed properties for households currently in bridging accommodation	£61,682	£143,926	£205,608
<b>Total funding</b>	<b>£398,282</b>	<b>£929,326</b>	<b>£1,327,608</b>

*Table 1 – Funding allocation*

#### **4. Delivery Profile**

- 4.1. Delivery of the fund will be measured on the basis of exchange of contracts, or equivalent milestone where exchange of contract will not occur, and number of families housed. Any variations to this, and necessary changes to the MOU will need to be agreed by the parties and an amendment to this MOU made.
- 4.2. Funding outlined in Table 1 is provided to deliver the delivery target. The Council agrees to make best endeavours to deliver the delivery target by 30 November 2023. DLUHC is committed to funding any contract the Council enters into, even if completion occurs after this date.
- 4.3. This MOU is for the full term of the total allocation unless signatories agree to change as per Paragraph 4.4. A further Grant Determination Letter (GDL) will be provided following confirmation of the annual payment for each year.
- 4.4. DLUHC and the Council both have the right to request a change to the MOU. With regards to changing the target amount of units, the Council may ask for either a higher or lower target. Any proposed change will impact the amount of funding received (as set out in the Prospectus) unless the Council is seeking to deliver more units for the same amount of money. Requests will be considered based on the progress of the reallocations process as outlined in Sections 4.4 and 4.5 of the Prospectus and confirmed in writing.

#### **5. Financial Arrangements**

- 5.1. The agreed funds will be issued to the Council as grant payments under section 31 of the Local Government Act 2003. The Council may pass on the funding to a third party (e.g. Registered Providers) as appropriate to deliver the delivery target, complying with the Subsidy Control Act 2022.
- 5.2. Table 2 sets out the timetable for payments to be made to the Council. Payment of the Year 1 allocation will be made in February 2023. The Year 2 allocation will be paid once the Council has demonstrated that at least 60% of the Year 1 allocation has been committed ('the spend requirement'). This will be paid in line with timings outlined in Table 2.
- 5.3. Should the Council not meet the spend requirement in time for payment in May 2023, the payment for the Year 2 allocation may then be made in July 2023 should the Council meet the spend requirement in time for that payment date as set out in Table 2. DLUHC will put in place further payment dates should the Council not meet the spend requirement for



payment in July 2023 and will confirm any further dates in writing. The Council may wish to return unspent monies to the Department.

Payment month	February 2023	May 2023	July 2023 (if applicable)
<b>MI from the Council to support payment</b>	<ul style="list-style-type: none"> <li>Signature of this MOU before the date below.</li> </ul>	<ul style="list-style-type: none"> <li>April MI Touchpoint</li> <li>S151 officer statement of grant usage in April</li> </ul>	<ul style="list-style-type: none"> <li>June MI Touchpoint</li> <li>S151 officer statement of grant usage in June</li> </ul>
<b>DLUHC confirm payment latest by</b>	15 February	10 April	8 June
<b>DLUHC make payment</b>	By the last working day in February	By the last working day in May	By the last working day in July

*Table 2 – Payments timetable*

## 6. Roles and Responsibilities

### DLUHC Responsibilities

- 6.1. DLUHC is responsible for setting national housing policy, providing grant(s) to the Council and monitoring the delivery of homes.

### Council Responsibilities

- 6.2. The Council will make housing investment decisions, review existing housing policies and products, maximise leverage of this public sector investment and ensure that funds provide value for money and are deliverable within the timescale of the fund. The Council may work in partnership with private Registered Providers and local authority housing companies to deliver homes. The Council will also report on the fund by providing Management Information (MI) as set out in **Annex A** of this MOU and will work with DLUHC to ensure they have the capability to deliver the fund and provide MI within the set timescales.
- 6.3. The Council is expected to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely:
- subsidy control**, at all levels e.g. the funding the Council allocates to project deliverers and subsidies that project deliverers provide to third parties.

- **equalities duties**, the Council must ensure that all LAHF funded activity is delivered in accordance with its obligations under the public sector equality duty (PSED)
  - **procurement**, the Council must ensure that the allocation of funding to project deliverers that constitutes a procurement is managed in compliance with the public contract regulations
  - **fraud**, the Council must ensure that robust arrangements are in place to manage fraud risk, including ensuring that project deliverers have robust fraud risk management process and paying particular attention to projects that involve the payment of grants to beneficiaries e.g. businesses.
- 6.4. The Council's Section 151 Officer is expected to ensure that these legal duties and all other relevant duties are considered and that delivery of LAHF investment is carried out with propriety, regularity and value for money.

## **7. Monitoring Arrangements and Accountability**

- 7.1. The Council will put in place appropriate governance and oversight arrangements to ensure that delivery of housing is on track and that plans remain ambitious and provide value for money.

### Reporting Arrangements

- 7.2. The Council has agreed to provide reporting information to DLUHC on fund allocations and delivery. The Council will be asked to provide a mix of quantitative and qualitative summary updates to DLUHC; a full list of MI can be found in **Annex A**.
- 7.3. The first report will be due in April 2023 and then every two months thereafter, until the Council's programme has completed. The schedule for monitoring reports is outlined in **Annex B**.
- 7.4. Spend outturn and forecast should be signed off by the S151 officer or deputy S151 officer.
- 7.5. The Council also agrees to work with the department to provide any reasonable additional MI as and when requested by the DLUHC Senior Reporting Officer (SRO). DLUHC will provide an appropriate amount of time to return any additional MI requests.
- 7.6. The Council agrees to work collaboratively with any requests from DLUHC to support any retrospective assessment or evaluation as to the impact or value for money of LAHF. As a minimum, the Council is expected to

monitor spend, outputs and outcomes against agreed indicators and keep this information for at least 5 years.

## **8. Governance & Assurance**

8.1. The Council is expected to ensure that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, state aid / subsidy control, equalities duties, procurement, health and safety, and fraud prevention. The Council has prerogative to establish internal governance and assurance arrangements as they see fit to achieve this.

8.2. The Council will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities in relation to LAHF – including, but not limited to, property contracts, professional services contracts, construction contracts and lease agreements:

“Data may be shared with other enforcement agencies for the prevention and detection of crime.”

### **Signed for and on behalf of DLUHC**

Signature:

Name:

Position:

Date:

### **Signed for and on behalf of Mid Devon District Council**

Signature:

Name:

Position:

Date:

## **Annex A – Reporting and Monitoring Arrangements**

### **Scope and Purpose**

1. This annex sets out the agreed reporting and monitoring arrangements for LAHF, including the expected frequency and content of the regular reports that the Council will provide to DLUHC.

### **DLUHC Role**

2. DLUHC will support the running of the fund and maintain a national picture of delivery by putting in place a proportionate monitoring and governance framework. This will include a fund governance board(s) attended by the DLUHC Senior Reporting Officer (SRO) and other relevant stakeholders. Wherever possible DLUHC will avoid duplication of requests towards the Council.

### **Council Role**

3. Day-to-day project monitoring and delivery responsibilities will be delegated to the Council. The Council will submit reports to DLUHC in accordance with the agreed timescales and frequency set out in the MoU. The Council will also work with DLUHC to provide any reasonable additional MI required as and when requested by the DLUHC Senior Reporting Officer. DLUHC will provide an appropriate amount of time to return any additional MI requests.

### **Management Information (MI)**

4. The list of MI is split between operational data – required for monitoring the ongoing fund delivery (Table 3) and evaluation data (Table 4) required to assess the strategy-level success of the fund and inform future policy development. Tables 4 and 5 present the required routine MI and is subject to change, with agreement by DLUHC and the Council. For MI purposes, “committed spend” is considered funding which has been allocated to a property where there has been an exchange of contracts or equivalent milestone where exchange of contract will not occur.

<b>Item</b>	<b>Frequency</b>
No. of offers accepted, including bedroom size and whether these are part of the ‘main’ or ‘bridging’ element of funding	Every 2 months
No. of properties where contracts exchanged, including bedroom size	Every 2 months
No. of properties occupied, including bedroom size	Every 2 months
Number of families housed, including which resettlement programme they belong to	Every 2 months
Number of individuals housed, including which resettlement programme they belong to	Every 2 months
Total expenditure (incl grant and other funding)	Every 2 months
Total committed spend (incl grant and other funding)	Every 2 months
DLUHC grant used	Every 2 months
Overall assessment (RAG rated) of whether delivery is on track as determined by the responsible Council officer	Every 2 months

Table 3 – Monitoring Data

Item	Frequency
How properties have been sourced (e.g. through stock acquisition or another delivery route)	In December 2023 and thereafter upon request to aid with evaluation of the fund
How the Council has funded its contributory share	
Breakdown of households housed by previous housing situation, e.g. emergency accommodation/temporary accommodation	
Tenancy duration	
Rent levels	
Number of additional pledges made to provide housing for those in bridging accommodation	
Number of properties obtained outside the local authority's area, if applicable, and where these are located.	
Evaluation of additional pledges, number of individuals houses, number of properties occupied.	

Table 4 – Evaluation Data

5. In addition, to enable the assessment of relative value for money and to assist with future spending reviews, we may occasionally ask for additional information including details of how the fund is delivered and housing market conditions. This will provide important data to support future policy developments and will also support engagement with HM Treasury. This information will be provided to agreed timeframes when requested by DLUHC.
6. Should the Council wish to amend and/or not collect any of these proposed data points, they should submit a proposal to DLUHC for agreement.

### Frequency of Reporting

7. The Council will be asked to provide reports every two months. The schedule for monitoring reports is outlined in Annex B.

### Data Consistency

8. DLUHC and the Council have a shared commitment to ensure that, for clarity and transparency purposes, consistent methods of recording outputs are maintained. It is expected that the provided reporting will be robust, accurate and quality assured to a high standard. As such minimal revisions would be expected – although, where these are required, DLUHC should be advised as soon as practical.

### Use of Material Provided

9. DLUHC will use the provided material to monitor delivery nationally.



## Annex B – Monitoring Milestones

Date	Milestone
February 2023	Payment of the Year 1 allocation if this MOU is signed before 15 February 2023.
March 2023	Payment of the Year 1 allocation if this MOU is signed after 15 February 2023 and before 15 March 2023.
April 2023	MI touchpoint
May 2023	Payment of the Year 2 allocation
June 2023	MI touchpoint
July 2023	Payment of the Year 2 allocation if the spend requirement for payment in May was not met.
August 2023	MI touchpoint
October 2023	MI touchpoint
30 November 2023	The Council agrees to make best endeavours to deliver the delivery target by 30 November 2023.
December 2023	Final MI touchpoint following 30 November 2023. DLUHC-led evaluation of LAHF begins.

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

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## Annex C

Cabinet report 7 March 2023

### LOCAL AUTHORITY HOUSING FUND

#### Proposed Modular Development – Station Road (Forge Way) Car Park, Cullompton

Forge Way car park presently has 112 spaces which are currently significantly under-utilised (see report Section 2.3). The site has good vehicular access off Forge Way and is located in a town-centre location with good walking access to amenities, services and schools. It also has good access to public transport.

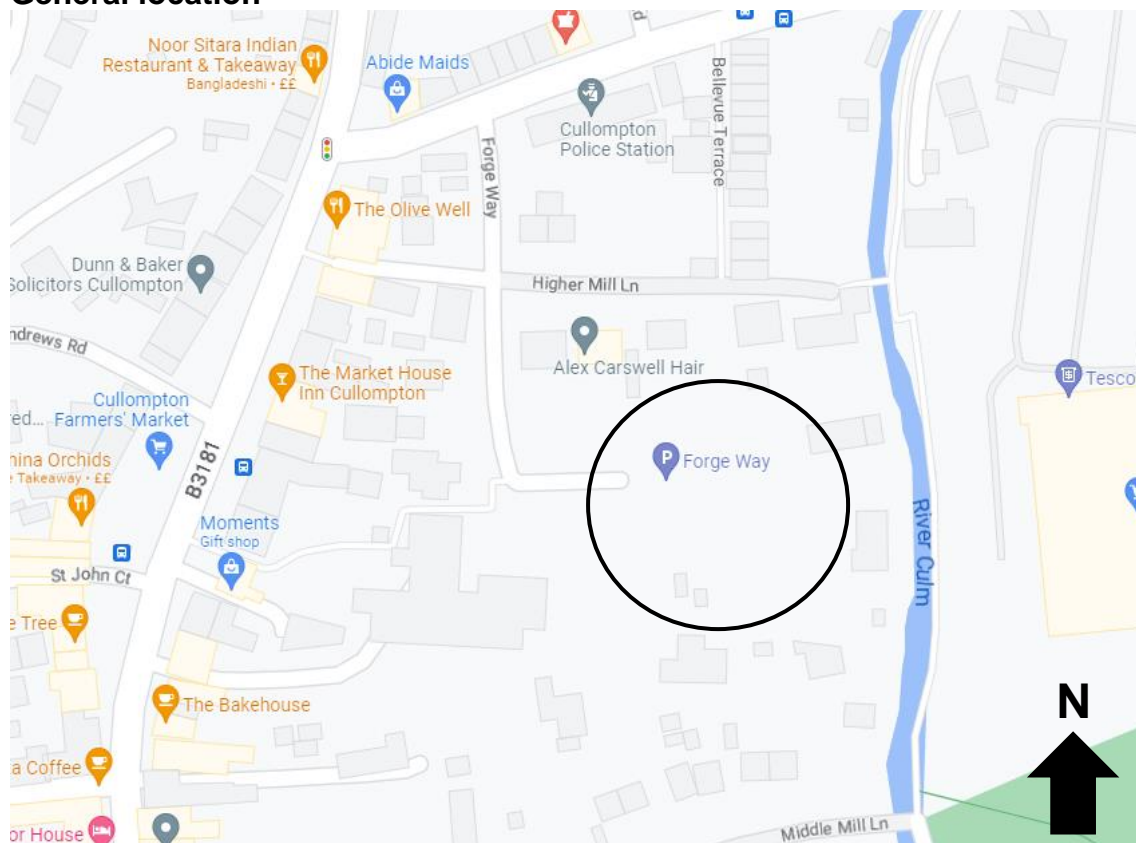
The car park slopes downwards to the east towards the River Culm/Tesco but is elevated above the river and outside of any designated flood zone. Enhancement is required for drainage and electricity provision to enable the proposal. This includes a small, additional substation likely to be located on an existing grassed area and these costs are incorporated into the proposal.

It is projected to fully utilise the lower one-third of available hard-standing including around 35 existing car parking spaces on the eastern side of the site.

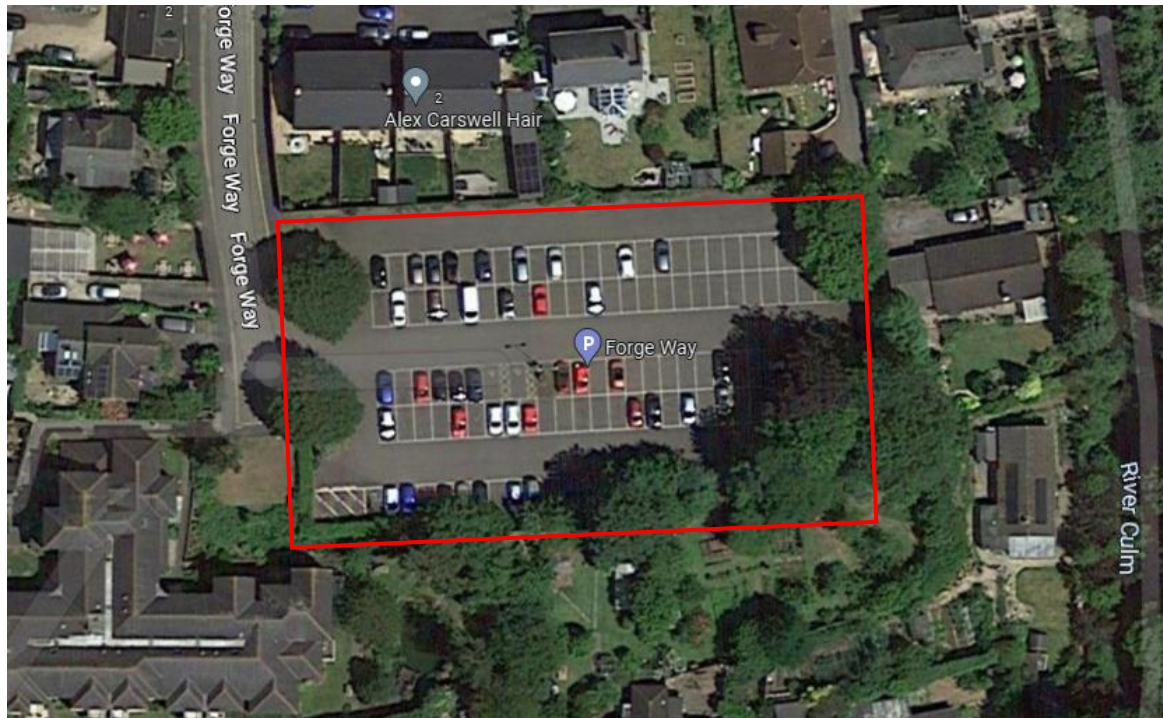
The modular accommodation is likely to be a 2-story, ground level single block terrace. This may form an 'L-shape' as is appropriate for design and access considerations.

Two electric vehicle charging points are already planned for the car park (north-west corner near the entrance) which will be retained and not impacted the development.

#### General location



## Aerial view



## Site entrance/views looking east



Note: use on day of photos (22 February) was 48 spaces from 112 available, therefore above average at around 45% - this was due to a training event at Cullompton Police Station and is atypical but would nonetheless remain possible under the proposed scheme.

## **CABINET**

**7 MARCH 2023**

### **LOCAL AUTHORITY HOUSING FUND**

**Cabinet Member(s):** Cllr Ashley Wilce, Cabinet Member for Housing and Property Services  
**Responsible Officer:** Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing

**Reason for Report:** To agree that the Council enter into agreement with the Department of Levelling Up, Housing Communities (DLUHC) for the provision of affordable housing under the Local Authority Housing Fund (LAHF). In doing so, the Council utilise LAHF grant funding and additional budget as set out to purchase 2no. 2-bed properties in the district under the Year 1 element of LAHF (Q4 22/23) and to develop a further 10no. modular new-build properties (nine 2-bed and one 4-bed) at Station Road Car Park, Cullompton within the Year 2 element of LAHF (23/24).

These properties will be provided for and managed under the terms of the LAHF funding and be specifically allocated for use as temporary accommodation under the general fund. The primary initial use of this accommodation will be mitigate the expected increased pressures on local authority homelessness and social housing resources which arise from eligible arrivals within the district under the Homes for Ukraine and Afghan settlement schemes.

Using a direct award framework, consideration is required for the Phase 1 design and planning and Phase 2 construction and installation contracts for the construction of the proposed modular housing.

**Recommendation: That Cabinet approve the following:**

- 1. That delegated authority be given to the S151 Officer to sign the LAHF Memorandum of Understanding (MOU) between the DLUHC and Mid Devon District Council as set out in Annex A**
- 2. Subject to recommendation 1, that under the LAHF the Council purchase Property 1 and 2 described within the report and set out further in Annex B Part II – Confidential**
- 3. Subject to planning permission being granted for the proposed affordable rent modular housing development at Station Road Car Park, Cullompton:**
  - (a) Zen Pods Ltd's bid for the Phase 1 and Phase 2 works be accepted under the terms of the South West Procurement Alliance (SWPA)**
  - (b) This will therefore be a direct award under the SWPA NH2 modular housing framework**
- 4. Delegated authority be granted to the S151 Officer to complete the associated purchase of Property 1 and 2 and the Phase 1 and Phase 2 contracts.**

**Financial Implications:** The LAHF scheme provides for circa 40% funding towards the delivery of this additional housing (based on local market rates) as a capital grant.

The remaining 60% must be found by the Council. It is proposed that this will come from a projected underspend of Homes for Ukraine (HfU) funding. This Government provided funding is held by the Council for the purposes of delivering HfU locally and to mitigate its wider impacts. DLUHC have confirmed that under both LAHF and HfU then these funds are eligible for match-funding purposes. In doing so, DLUHC have confirmed that Housing Account 1:4:1 funds from right-to-buy receipts or Government grant funding schemes such as the Affordable Home Programme are not eligible.

There will be revenue spend avoidance commencing Q3 23/24 from reduced B&B and hotel temporary accommodation costs that would otherwise have been necessary. These revenue benefits will continue going forward as the accommodation becomes available for general homelessness accommodation use, however they are not included in the budget assumptions for the delivery of this project. The overall budget and funding is explained fully within the report/annexes.

The proposed purchase of Property 1 and 2 will be at market rate for each home, confirmed by independent valuation. The procurement of modular housing development at Cullompton is a direct award under an approved framework as set out above and discussed further within the Risk Assessment below and in Section 3.0 of the report. A contingency allowance is included for additional planning costs and unforeseen works.

Under LAHF, an additional £20k per property is allocated for costs necessary to bring a property into use including refurbishment and purchase costs or to bring forward a new development, with discretion to propose the best use of this portion of funding. There is an expectation the properties will also be provided as fully furnished. At this time it is unclear if Stamp Duty is expected to come from this portion however the full budget conservatively includes this.

The schemes will be managed within the general fund budget by the Housing Options team within Public Health. There will be recharge by Mid Devon Housing for the Housing Revenue Account to maintain these properties on behalf of the general fund, fully offset by the rental income.

**Policy Framework:** These homes will support the delivery of specific objectives in the Housing Strategy 2021-25, notably the provision of affordable housing and the prevention of homelessness.

**Legal Implications:** The MOU between the Council and DLUHC is not intended to create legal or binding obligations. It nonetheless describes the understanding between both parties for the use of funding specified in Section 3 of the agreement (see Annex A). There is a 15 March 2023 deadline to sign the agreement.

Under LAHF, DLUHC we are asking local authorities to make best endeavours to deliver the homes part of this programme by 30 November 2023, although DLUHC is committed to funding any contract the LA has entered into by 30 November 2023, even if completion occurs after this date (as will be the case for our proposed modular housing element). DLUHC will be measuring delivery of the programme on the basis



of exchange of contracts (or equivalent milestone where exchange of contracts will not occur). This is set out in the MOU.

Upon awarding the Phase 1 and Phase 2 modular housing contract, the Council will also be engaged and bound by the terms of the SWPA contract with the chosen contractor.

**Risk Assessment:** Not drawing down the opportunity for 40% funding towards additional temporary housing that will be owned by the Council is a missed opportunity, especially where full match-funding is available from eligible underspend of HfU grant payments received directly from the Government to support housing pressures.

The Government have extended the HfU scheme for a further 12-months until March 2024. We currently have 153 Ukrainian guests in 70 hosting arrangements within the district. Some hosting arrangements have been in place for 12-months already and will naturally end soon, or will come to an end sometime within the next year when the scheme ends. A further 14 guests/6 arrangements are due in the next month and the scheme remains open as set out so further guest numbers are anticipated. Whilst the Council has agreed to a Devon-wide package of support to transition guests into private rented sector accommodation which has supported eight families already, there will still be an additional pressure on our local homelessness accommodation provision and an additional, costly burden of B&B or hotel temporary accommodation without these homes.

In the medium to long-term, once there is no requirement to utilise these properties under a refugee resettlement scheme then these properties will be high-quality, largely purpose built homes owned by the Council and available for wider homelessness accommodation provision within the district on a permanent basis.

Consequently, for reasons set out above, not accessing the LAHF would fail to alleviate our current housing pressures.

A combination of initial property purchase and then a new-build modular development has been put forward the Council and accepted by DLUHC. This delivery model was chosen to maximise availability of some properties as quickly as possible given the urgent need for these homes and the follow-up modular scheme will minimise match-funding cost on land owned by the Council. It also represents the most efficient route to new-build with the lowest revenue/maintenance costs in the future.

Use of an approved procurement framework which undertook an open and transparent tendering process had been selected to meet the specific requirements of the modular housing project and to avoid the potential for challenge and to ensure both additional efficiency (due to pressing demand) and value for money.

**Equality Impact Assessment:** The design of the modular properties considers the needs of all and more information on the enhanced accessibility and neuro-diversity standard of the dwellings is available on request. No other considerations.

**Relationship to Corporate Plan:** Homes: Deliver more affordable housing.

**Impact on Climate Change:** The proposed modular homes are accredited, zero-carbon. The dwellings will also come with the latest low-carbon technologies ensuring ultra-low energy consumption and cheaper running costs.

## **1.0 Local Authority Housing Fund**

- 1.1 The LAHF was launched on 14 December 2022. The details of the fund were shared with the Council in the document 'Local Authority Housing Fund – Prospectus and Guidance' (the Prospectus).
- 1.2 LAHF is a £500m capital grant fund to support local authorities in England to provide sustainable housing for those unable to secure their own accommodation that meet the eligibility criteria outlined the Prospectus.
- 1.3 The objectives of LAHF are to:
  - Ensure recent humanitarian schemes (Afghan and Ukraine schemes) which offer sanctuary, via an organised safe and legal entry route, to those fleeing conflict, provide sufficient longer term accommodation to those they support.
  - Support areas with housing pressures which have generously welcomed substantial numbers of Ukrainian refugees so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems.
  - Mitigate the expected increased pressures on local authority homelessness and social housing resources which arise from the eligible cohort (as defined in the Prospectus) as sponsorship/family placements/bridging accommodation arrangements come to an end by increasing the provision of affordable housing available to local authorities to support those in the cohort who are homeless, at risk of homelessness, or in bridging accommodation;
  - Reduce emergency, temporary and bridging accommodation costs;
  - Deliver accommodation that as far as possible allows for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to UK nationals (i.e. after usage by this cohort ends);
  - Utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort;
  - Reduce pressures on the existing housing and homelessness systems and those waiting for social housing.
- 1.4 DLUHC has accepted the Council's (non-commitment) expression of interest (validation form) which proposes to provide 12 homes under LAHF, and DLUHC will provide a grant of **£1,327,608** as the total allocation.



In doing so, the Council would be agreeing to the following overall funding and minimum delivery targets:

- £1,122,000 for 11 properties for households that meet the eligibility criteria outlined in section 3.2 of the Prospectus ('the main element'):
  - The funding equates to 40% of total capital costs (average £82000 grant per property) plus £20,000 per property.
  - Occupants housed in these properties should be in unsustainable accommodation (or likely to enter into) and be in the UK under the Ukraine Family Scheme (UFS), Homes for Ukraine (HFU) or Ukraine Extension Scheme (UES).
- £205608 for 1 four+ bed properties to be allocated to households currently in bridging accommodation ('the bridging element'):
  - The funding equates to 50% of total capital costs (average £185608 grant per property) plus £20,000 per property.
  - This home is for the use of an Afghan family currently residing in Home Office bridging accommodation under the Afghan Citizen Resettlement Scheme (including eligible British Nationals under this scheme) (ACRS) or Afghan Relocations and Assistance Policy (ARAP). We are expected to liaise with the Strategic Migration Partnership to identify a suitable family for this property.

1.5 This MOU covers the funding commitments from DLUHC and the delivery, financial expenditure, agreed milestones, reporting and evaluation, and communications between the Parties. It also sets out the steps DLUHC could take in the event of underperformance if required.

1.6 Funding under LAHF is provided by DLHUC in Q4 2022/23 ('the Year 1 allocation') which is 30% of the total allocation. This is followed by the remaining 70% in 2023/24 ('the Year 2 allocation'). Under our expression of interest to meet the delivery target set out above, we have proposed that the main and bridging elements would be delivered as follows:

#### Year 1

- 2no. 2-bed properties purchased on the open market – main element

#### Year 2

- 9no. 2-bed modular new-build properties developed at Station Road Car Park – main element
- 1no. 4-bed modular new-build property also developed at Station Road Car Park – bridging element

This equates to a total of 26 beds of accommodation across 12 properties. More information on Year 1 and 2 delivery is provided in Section 2.

On this basis, the allocation would be provided as set out in the table below.

	Year 1 allocation	Year 2 allocation	Total allocation
Properties for households that meet the eligibility criteria for this Programme	£336,600	£785,400	£1,122,000
4+ bed properties for households currently in bridging accommodation	£61,682	£143,926	£205,608
<b>Total funding</b>	<b>£398,282</b>	<b>£929,326</b>	<b>£1,327,608</b>

- 1.7 Due to the modular, off-site construction the Year 2 scheme can be delivered significantly faster than traditional build schemes, with first occupation planned within 3-months of the relevant contract award (see Section 3.0).
- 1.8 The proposed Phase 1 and 2 construction contracts will be a SWPA approved framework contract to Zed Pods Ltd and include a combined project contingency sum of 10% of the Phase 2 contract value to allow for any late design amendments following consultation on final proposals or through the planning process and any unforeseen works.
- 1.9 Further information on this proposed development including plans, the wider site context, detailed design/sustainability considerations will be provided to members through consultation on the proposed planning application submission once the Phase 1 design contract with further technical studies have been completed.

## 2.0 Year 1 Property Acquisition

- 2.1 As set out in Section 1, the Year 1 element of LAHF will be met by the purchase of 2no. 2-bed properties.
- 2.2 In order to minimise both purchase and ongoing management costs it was proposed that former Mid Devon Housing (MDH) ex-council house properties available on the open market be identified. Where possible these would be in sustainable locations (access to public transport, schools and amenities) and be leasehold (i.e. a flat) where MDH have retained the freehold or be former MDH freehold properties and/or located in the vicinity of current MDH stock. The properties must also be empty and available for immediate purchase without a conveyance chain.
- 2.3 The following properties have been identified, inspected by MDH and Private Sector Housing staff and subject to an independent RICS valuation and which meet the above criteria. They are in good condition and require limited refurbishment. More detailed information on each property is set out in Annex B Part II – Confidential. The agents acting for each property vendor have informally agreed to sell these to the Council and have temporarily withdrawn them from the market:

### **Property 1 (Silverton) – 2-bed former MDH flat**

Purchase price:	£165,000
Survey costs	£1,000
Repairs/Refurb:	£3,550
Furnishing	£5,000
Stamp duty (3%):	£4,950
Solicitor fees (estimate):	£2,000
LAHF contribution:	-£82,000
LAHF funded costs:	-£20,000
Estimated total match funding requirement:	£79,500

### **Property 2 (Tiverton) – 2-bed house**

Purchase price:	£185,000
Survey costs	£1,000
Repairs/Refurb:	£7,970
Furnishing:	£5,000
Stamp duty (3%):	£5,500
Solicitor fees (estimate):	£2,000
LAHF contribution:	-£82,000
LAHF funded costs:	-£20,000
Estimated total match funding Requirement:	£104,470

- 2.4 Rounded up, the combined total cost of Property 1 and 2 is therefore £0.38m with an overall match-funding requirement of £0.184m
- 2.5 The properties will be let at an affordable rent level according to the 2-bedroom Local Housing Allowance (LHA). The tenants will take on responsibility for utilities and council tax.
- 2.6 The tenure will be temporary accommodation licences as per existing arrangements for temporary accommodation in properties owned by the Council.
- 2.7 Property 1 and 2 milestones:
- March 2023 agree purchase
  - June 2023 purchase complete
  - July 2023 refurb/furnishing complete
  - End July/August 2023 properties occupied

### **3.0 Year 2 Station Road Modular Housing Scheme**

- 3.1 As set out in Section 1, the Year 2 element of LAHF will be met by the development of 9No. 2-bed modular properties and 1no. 4-bed modular property as part of the same scheme at the Station Road (Forge Way) Car Park, Cullompton, owned by the Council as a general fund asset.

- 3.2 Detailed drawings and plans will be produced under the proposed Phase 1 contract for planning submission, however the general location and proposed development area set out in Annex C.
- 3.3 The overall footprint and massing of the proposed development will be approximately 600m<sup>2</sup> total floor space arranged across a 2-storey terraced block and located directly on the ground (as opposed to podium/stilt designs adopted at other sites) to minimise height and impact. This will be towards the lower, rear section of the car park most under used. It will involve the loss of around one-third of the available car parking spaces but should not impact on car parking provision / income based on usage data (see below). Full detail of the scheme will be subject to normal planning policy scrutiny and determination.

3.4 This site was identified as suitable for several reasons:

- Mid District Council general fund ownership
- Town centre location and proximity to existing hostings
- Significantly under-utilised car park (lowest revenue generating open air car park at £35 per space/month – typically only a maximum one-third of the 112 spaces are in use daily with estimated loss of 35 spaces through development)
- Average open car park income per space for all MDDC sites is £115 per space, demonstrating the comparable usage. The site was also recently used long-term to locate a Covid testing facility with no impact on wider parking use
- Brownfield land in wider residential area
- Overall, limited planning constraints with good access, compatible transport impact, boundary screening, strong sustainability/amenity access
- Suitability for modular development
- Existing, recently installed EV charging provision (retained)
- Local employment and schooling provision (primary/secondary)

3.5 An initial study has identified the following project costs:

Phase 1 design and planning contract (main and bridging elements):		£25,000
Phase 2 const. contract (9no. 2-bed/1no. 4-bed):		£2,005,000
Contingency@10%		£200,500
Furnishing:		£25,000
Legal/misc costs:		£4,000
LAHF contribution (main):		-£738,000
LAHF contribution costs (bridging):		-£185,608
LAHF funded costs (all):		-£200,000
Estimated total match funding requirement:		£1,135,892

3.6 Rounded up, the combined total cost Phase 1 and 2 for the proposed modular new build is therefore £2.26m including contingency with a maximum projected match-funding requirement of £1.14m

- 3.7 The works will be procured under the SWPA New Homes (NH2) Offsite Construction of New Homes direct award framework. The bid received for these works would therefore be provided under the terms of this framework.
- 3.8 Under the SWPA NH2 framework, contracts are split into two phases:
- Phase 1 – design, pre-application advice, surveys consultation and planning  
(equivalent to RIBA – Royal Institute of British Architects - Stages 2-4)
  - Phase 2 – construction and installation  
(equivalent to RIBA Stages 5-6)
- 3.9 Zed Pods are one of 7 suppliers approved under the NH2 modular housing work-stream within the SWPA framework. Whilst any of these suppliers could have been selected without further evaluation due to this being a direct-award framework, Zed Pods were selected for the following specific reasons:
- UK based – reduced carbon footprint, including for Pod delivery
  - Quality – design/assured (more below)
  - Appearance – offer the widest range of final finishing schemes to suit the location and local architecture etc
  - Zero carbon build standard/performance – assured and approved
  - Adaptive pods – one of only two suppliers to offer this
  - Flexibility – range of multiple bed unit options
  - Room on stilt options or ground–further flexibility of location and design
- 3.10 In respect of design quality/durability, assurance is provided by Zed Pods through a formal accreditation process for their residential systems. This requires them (and any other modular builders signing up) to undergo a rigorous quality review under the Building Offsite Property Assurance Scheme (BOPAS) which includes process and quality checks by Lloyds Register and minimum 60-year durability and maintenance assessments by Building Life Plans. This covers both off-site construction and on-site installation through separate BOPAS accreditations. Within our proposed contract, Zed Pods go beyond this and are providing an overall 100-year assurance.
- 3.11 Zed Pods also meet national minimum space standards by bedroom/unit size.
- 3.12 Overall, BOPAS offers assurance that these new homes and assets have been designed, manufactured and installed to ensure a lifespan way beyond any borrowing and/or mortgage term to provide very durable housing stock for the future. Other elements of the construction which are typically replaced in 10-25 year cycles have higher than standard durability on this contract – for example the windows have a 50-year guarantee. Along the with the overall construction design, these features will support a lower cyclical planned maintenance bill going forward – an equally important consideration.
- 3.13 Beyond the key BOPAS accreditation, there were detailed and specific quality considerations within the SWPA tender process that led to the development of the NH2 framework. Zed Pods also specifically hold Q-policies for providing

assurance on structural integrity of their new build systems – see <https://www.qassurebuild.co.uk/>. Q is recognised as a leading, highly risk-managed, quality focused approach to technical assurance and consumer warranties in the construction industry.

- 3.14 The total costs per unit modular new build at the Station Road site compares favourably (-18%) with an average project cost per typical traditional build 2-bed property built with allowance for additional service infrastructure costs. The modular properties will also be higher energy efficiency standard and net-zero carbon accredited.
- 3.15 As with the Year 1 acquired properties, these properties will be let at an affordable rent level according to the 2-bedroom/4-bedroom Local Housing Allowance (LHA). The tenants will take on responsibility for utilities and council tax.
- 3.16 The tenure will also be temporary accommodation licences as per existing arrangements for temporary accommodation in properties owned by the Council.
- 3.17 Modular development milestones:
  - March 2023 award Phase 1 contract
  - April 2023 complete feasibility study and consultations
  - May 2023 submit planning application
  - August 2023 planning permission/award Phase 2 contract
  - November 2023 commence off-site build/on-site works
  - March 2024 properties occupied

#### **4.0 Financial Analysis**

- 4.1 The total combined project cost is £2.64m (£0.38m Yr 1 purchase / £2.95m Yr 2 modular new build) with £1.328m available from the LAHF grant and the balance required from Council match-funding budget as set out below.
- 4.2 Match-funding budget will come from underspend from HfU grant funding received within the current financial year. At year end (March 2023) this underspend profiled at £1.5m to be held in ring-fenced EMR. DLUHC have confirmed that all year one HfU monies not spent can be carried forward into year two (i.e. 23/24).
- 4.3 These HfU EMR monies must be utilised against the wider terms and conditions of the original funding i.e. to support continued scheme delivery or to offset the impact of the scheme, for example through the provision of affordable housing and prevention of temporary accommodation costs. For these reasons, this EMR budget is compatible with supporting the delivery of LAHF. If we do not spend HfU funds within agreed carry forward periods then there is risk we will have to return monies to DLUHC.
- 4.4 The HfU EMR includes £0.5m allowance for ongoing HfU delivery costs next year including internal staffing recharges and third party contracts. This is

slightly greater than first year spend under the scheme and is important as it protects the overall provision of the HfU scheme locally.

4.5 Under the Devon-wide agreement for distribution of HfU funding, monies received for the first year of the scheme based on Government funding of £10.5k per Ukrainian guest has been split as follows under respective burdens:

- 60% to District Council
- 25% to Devon County Council
- 15% contingency top-slice (held by DCC but available to both tiers)

4.6 As a consequence of the above split, DCC current hold around a further £0.5m of HfU funds for Mid Devon. Financial modelling by the Council and district peers in Devon recommends DCC release half the contingency monies being held in order to make the LAHF drawdown proposition work for all as a united position. This would equate to a £0.252m match-funding contribution from this source and based on income received in Q1-Q3 of the scheme this year.

4.7 The overall match-funding requirements as set out above are:

- |                                       |         |
|---------------------------------------|---------|
| • Property 1 and 2 purchase           | £0.184m |
| • Modular development (all elements): | £1.140m |
| • TOTAL                               | £1.324m |

This will therefore be 100% offset from HfU EMR/DCC contingency as follows:

- |                                |                |
|--------------------------------|----------------|
| • Mid Devon HfU EMR            | <b>£1.072m</b> |
| • DCC contingency (50% of pot) | <b>£0.252m</b> |

4.8 The final Q4 funding for the first year of HfU will be less based on fewer projected arrivals/national visa data and lower national funding arrangements (reduced £5k funding per head for new arrivals from 1 Jan 2023 onwards). We are conservatively discounting this as budget towards this project and it will be held as general HfU contingency funding. Monthly host payments will continue to be met directly by the Government as part of our quarterly claim via Devon County Council.

4.9 As part of the December LAHF announcement, the Government also set out an additional one-off £150m pot to be distributed to local authorities to support HfU delivery. However, at time of writing no decision has been announced on what this means on a district basis. However, it is unlikely to be significant and is being considered as another contingency top-up.

## **5.0 Project delivery and oversight**

5.1 Project delivery for the Year 1 Property 1 and 2 purchases and subsequent furnishing will be the responsibility the Housing Options team in Public Health supported by Legal Services (conveyancing) and Mid Devon Housing (repairs/refurbishment).

5.2 Project delivery for Year modular development at Station Road, Cullompton will be responsibility of the proposed contractor (Zed Pods if the recommendation

is approved) under the Phase 1 and Phase 2 contracts respectively (through to the equivalent of RIBA stage 6 and on-site installation). This is supported by a combined Zed Pods and in-house team.

- 5.3 Internal oversight of the project is provided the Corporate Management Team (Simon Newcombe, supported by Andrew Busby). Day-to-day project management lead for the Council for Year 2 modular housing will be Mike Lowman (Operations Lead for Building Services under a recharge arrangement).

## 6.0 **Conclusions**

- 6.1 The Council has an urgent housing need to drawdown the LAHF funding to support specific affordable housing delivery and offset the impact of increased pressures on local authority homelessness and social housing resources. These pressures arise from the eligible cohort of local refugees (primarily Ukrainian guests) within the district.
- 6.2 A proposal submitted to DLUHC to provide the target delivery of affordable housing has been accepted and a formal MOU drafted as attached. Signing this agreement would commit the Council to deliver the additional housing proposals as set out within this report.
- 6.3 The cost of these proposals will be 100% met from LAHF grant and HfU EMR budget as set out and including development, delivery, refurbishment, legal and stamp duty costs. This will not impact ongoing delivery of the HfU scheme locally for Year 2 of the scheme.
- 6.4 Tenants will be responsible for Council Tax and utilities and will pay LHA affordable housing rent which will cover rolling support and maintenance revenue costs.
- 6.5 The identified property purchases are high-quality properties in good condition and linked to our existing MDH stock. The proposed modular homes are exemplar sustainable build schemes meeting zero-carbon standard and maximum adaptability for meet future needs, applying modern methods of construction through modular off-site build.
- 6.6 Together, this project will provide 26-beds of accommodation to support immediate pressures and will be available in the medium to long-term for wider homelessness provision. This presents a significant flexible local housing asset that will offset growing hotel and B&B accommodation costs.
- 6.7 The award of the Phase 1 and 2 contracts is subject to grant planning permission and subject approval, a prepared planning application will be submitted in April following initial informal consultation with ward members for Cullompton and the Housing portfolio holder plus Cullompton Town Council.



**Contact for more Information:** Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing – [snewcombe@middevon.gov.uk](mailto:snewcombe@middevon.gov.uk)

**Circulation of the Report:**

Cabinet Member for Housing and Property Services  
Leadership Team  
Corporate Management Team  
Operational Leads for Housing Management, Building Services and Public Health & Housing Options

**List of Background Papers:**

Local Authority Housing Fund – Prospectus and Guidance (DLUHC December 2022)

**Annex A LAHF MOU – attached separately**

**Annex B (Part II) Properties 1 and 2 – attached separately**

**Annex C Station Road Car Park, Cullompton – attached separately**

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## **CABINET 7 MARCH 2023**

### **MID DEVON MEETING HOUSING NEEDS SUPPLEMENTARY PLANNING DOCUMENT (SPD)**

**Cabinet Member(s):** Councillor Barnell, Cabinet Member for Planning and Economic Regeneration

**Responsible Officer:** Richard Marsh, Director of Place

**Reason for Report and Recommendations:** To approve the draft Mid Devon Meeting Housing Needs Supplementary Planning Document for Public Consultation

#### **RECOMMENDATION:**

**To Cabinet that**

1. **The draft Mid Devon Meeting Housing Needs Supplementary Planning Document (Appendix 1 to this report), the Strategic Environmental Assessment Screening Report (Appendix 2 to this report) and the Habitat Regulations Assessment Screening Report (Appendix 3 to this report) be approved for public consultation.**
2. **That delegated authority be given to the Director of Place in consultation with the Cabinet Member for Planning and Economic Regeneration to finalise the material and arrangements for consultation.**

**Financial Implications:** There is existing budgetary provision for the preparation of the Meeting Housing Needs SPD. There will be some limited additional costs associated with consultation which may involve printing and postage, for which budgetary provision also exists.

**Legal Implications:** The process of preparing the Meeting Housing Needs Supplementary Planning Document (SPD) will need to comply with the Town and Country Planning (Local Planning) (England) Regulations 2012 and the Council's Statement of Community Involvement. Adoption of the Meeting Housing Needs SPD will help provide direction on the relevant policies adopted in the Mid Devon Local Plan 2013-2033 in relation to housing development proposals that are submitted to the Council for determination and help guide planning decisions made on these.

**Risk Assessment:** The Meeting Housing Needs SPD will provide guidance on the Mid Devon Local Plan 2013-2033 policies on housing. The document will reduce the risk of costs being awarded against the Council where decisions are based on its content.

**Budget and Policy Framework:** Once the Meeting Housing Needs SPD has been completed and adopted it will form guidance that will be capable of being used to inform decisions taken on planning applications submitted to the Council for determination.

**Equality Impact Assessment:** A full Equality Impact Assessment (2017) has been prepared as part of the Mid Devon Local Plan Review evidence base.

The assessment has included relevant policies with regard to housing and has found many have a positive impact on persons with protected characteristics, in particular against the backdrop of equalities issues, including ethnicity (Gypsies and Travellers), and persons with mobility impairment or other disabilities.

**Relationship to Corporate Plan:** The Meeting Housing Needs SPD will contain guidance on the Mid Devon Local Plan 2013-2033 policies on housing. It will particularly help deliver the Corporate Plan priority for 'Sustainable and prosperous communities' and objective for 'Homes'.

And Councils policy framework – Housing Strategy 2021 - 2025

### **Impact on Climate Change:**

The Meeting Housing Needs SPD does not include content that will have direct or indirect impacts on climate change. However, the broader scope of policies in the adopted Local Plan provide for sustainable development, including the distribution of new housing to help reduce the need to travel by car, and supporting energy efficiency.

## **1.0 Introduction**

- 1.1 The current Mid Devon Meeting Housing Needs SPD was adopted in June 2012. It contains guidance intended to support policies for housing development that were included in the Council's Core Strategy 2026 (adopted 2007) and the Allocations and Infrastructure Development Plan Document (AIDPD (adopted 2010)) that were in force as part of the statutory development plan for Mid Devon at that time. The SPD includes guidance on housing tenures, housing mix, standards of affordable housing, qualifying sites for affordable housing, a definition of affordable housing, and financial implications of affordable housing (development viability, developer contributions, and off-site contributions), layout and design, assessing rural need, and implementation. It also includes an Annex 1 Local Need / Connection Qualification Criteria, which has subsequently been updated in 2017.
- 1.2 The Core Strategy, and the Allocations and Infrastructure Development Plan Document (AIDPD) have now been replaced by the Mid Devon Local Plan 2013 – 2033. This follows the adoption of the local plan on 29<sup>th</sup> July 2020. As such, there is a need to update and replace the guidance included in the Meeting Housing Needs SPD so that it reflects the policies of the adopted local plan, and is consistent with current national planning policy and practice guidance. Additionally a new Meeting Housing Needs SPD is needed to reflect other parts of the Council's policy framework, including the Corporate Plan 2021 – 2024 and A Housing Strategy for Mid Devon 2021-2025.
- 1.3 Officers have prepared a new Meeting Housing Needs SPD which will provide guidance that can support relevant housing policies of the adopted Mid Devon Local Plan, principally:

- Policy S3 Meeting housing needs,
- Policy S14 Countryside,
- Policy DM1 High Quality Design,
- Policy DM6 Rural Exceptions Sites,
- Policy DM7 Traveller sites,
- Policy DM8 Rural workers' dwellings.

It will also reflect more recent technical evidence and studies, including the Mid Devon Local Housing Needs Assessment (LHNA) completed September 2022 (noting there are limitations in taking forward recommendations in the LHNA since this technical evidence post-dates the preparation of the adopted local plan, which was informed by a Strategic Housing Market Assessment and a viability appraisal). It also reflects current good practice in relation to the planning and facilitating the delivery housing to meet the needs of different parts of the community, including drawing from casework in relation to development proposals in Mid Devon. It should be noted that at the time of the preparation of the Meeting Housing Needs SPD a Gypsy and Traveller Accommodation Needs Assessment (GTAA) was being undertaken for Mid Devon by consultant Opinion Research Services. Subject to the early completion of the GTAA its findings may be used to help inform updates to the Meeting Housing Needs SPD before it is finalised and adopted.

- 1.4 The Meeting Housing Needs SPD has been prepared in accordance with Part 5 of the Town and Country Planning (Local Planning) (England) Regulations 2012 and the Council's Statement of Community Involvement and will be adopted by the Council as a Supplementary Planning Document (SPD). The SPD will not be part of the development plan and does not introduce new planning policies into the development plan. However, it will be capable of being a material consideration in determining planning applications.

## **2.0 Content of the Meeting Housing Needs SPD**

- 2.1 The scope and content of the new Meeting Housing Needs SPD is broader than the current version. It reflects national planning policy (NPPF paragraph 62) through the inclusion of guidance on "the size, type and tenure of housing needed for different groups in the community ...(including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes)".
- 2.2 The scope and content has also been shaped through the development of in-house expertise and experience in housing enabling through the work of the Principal Housing Enabling and Policy Officer and with support from the Council's Housing Services team. It should be noted this includes the Principal Housing Enabling and Policy Officer's work with the national Right to Build Task Force. The draft SPD also incorporates recommendations from research undertaken on behalf of Team Devon, to encourage, enable and support Community Land Trusts and address the barriers to securing high quality affordable housing for local people.

2.3 The scope and content of the new Meeting Housing Needs SPD is as follows:

1.0 Introduction

2.0 Affordable Housing

- Defining affordable housing
- Housing Tenures and Dwelling Mix
- First Homes
- Dwelling size mix
- First Homes local eligibility criteria and planning obligation requirements
- Standards of affordable housing
- Electric vehicle charging point provision
- Financial implications of affordable housing
  - Development viability
  - Off-site affordable housing contributions
- Timing of affordable housing
- Rural Exception Sites
- Layout and Design
- Registered Providers
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### **3.0 Strategic Environmental Assessment / Habitats Regulation Assessment Screening**

- 3.1 The Meeting Housing Needs SPD has been ‘screened’ to establish whether it requires a Strategic Environmental Assessment (SEA). The SEA Screening Report (**Appendix 2**) has identified that the Meeting Housing Needs SPD is unlikely to have significant negative effects on the environment. The SEA Screening Report has also found that there is no requirement for the Meeting Housing Needs SPD to be subject to a full SEA.
- 3.2 The Meeting Housing Needs SPD has been ‘screened’ for the purpose of the Habitat Regulations Assessment (HRA) to assess whether it may affect the protected features of a European ‘habitats site’ identified under the Conservation of Habitats and Species Regulations 2017 (as amended) and the Conservation of Offshore Marine Habitats and Species Regulations 2017 (as amended). The HRA Screening Report (**Appendix 3**) identifies that the Meeting Housing Needs SPD is not likely to have significant adverse effects on the integrity of Habitat sites, either alone or in-combination with other plans or projects, and therefore further ‘Appropriate Assessment’ is not required.

### **4.0 Public Consultation**

- 4.1 In accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012 and the Council's Statement of Community Involvement, a public consultation exercise of at least 6 weeks is proposed to be undertaken, commencing on a date to be agreed. Once the consultation has ended and all comments have been taken into account, the final version of the Meeting Housing Needs SPD and a statement of public participation will be presented to a future meeting of the Cabinet with a recommendation to adopt the document as a SPD.

## **5.0 Groups Consulted**

- 5.1 The Planning Policy Advisory Group (PPAG) considered the Meeting Housing Needs SPD at its meetings of 17<sup>th</sup> January 2023 and 9<sup>th</sup> February 2023 and have agreed the recommendations to the Cabinet.

### **Contact for more Information:**

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### **Circulation of the Report:**

Councillor Barnell - Cabinet Member for Planning and Economic Regeneration

Leadership Team, Finance, Legal Services and Equalities

### **List of Background Papers:**

**Appendix 1: Meeting Housing Needs Supplementary Planning Document**

**Appendix 2: SEA Screening Report**

**Appendix 3: HRA Screening Report**





# MEETING HOUSING NEEDS SUPPLEMENTARY PLANNING DOCUMENT

Draft – March 2023



Explanatory Note: This Supplementary Planning Document contains a series of Core Principles. These are intended to expand upon, and provide further detail to the policies contained in the Mid Devon Local Plan 2013 – 2033 to demonstrate how these policies can be taken forward. They are not planning policies and they do not seek to supersede development plan policy in any way. This SPD is capable of being a material consideration in the Council’s determination of planning applications for the development of new homes in Mid Devon.

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## 1. Introduction

- 1.1. Having a home is a basic necessity that provides shelter, security and can support health and well-being. Whether homes are owned, rented, in single occupancy or shared with others, the simple fact is that for many their home is not suitable to meet their needs and having a suitable home may not be affordable.
- 1.2. Nationally, for many years there have not been enough new homes being built to meet our needs, and there has been an increasing gap between the price of those homes and being able to afford to buy or rent them – the cost of new homes has risen higher than wages. In Mid Devon (2019) full time employees can typically expect to spend around 9.3 times their workplace – based annual earnings on purchasing a home, higher than the England average ratio of 7.8. Average income in Mid Devon also remains below the national average with a relatively low-pay economy, which means that local house prices are too high for many on low-medium incomes to afford. High house prices and a lack of homes that are affordable and suitable to meet housing needs in Mid Devon is part of what has been declared as a national housing emergency. The charity Shelter argues that 17.5 million people nationally are trapped by the housing emergency and the high cost of housing is at the heart of this crisis.
- 1.3. The Council's Corporate Plan 2022 – 2024 recognises that our villages and towns need affordable housing for local people. It establishes 'Homes' as one of four key priorities for the Council with a series of specific objectives as follows:

Deliver more affordable housing and greater numbers of social rented homes.

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

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

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

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

Introduce zero carbon policies for new development.

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

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

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

Support and grow active tenancy engagement.

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

- 1.4. In addition, the Council's Housing Strategy 2021 - 2025 sets out a clear direction, to offer more housing with more choice by developing new homes and improving existing homes and communities. There is particular focus on affordable and social rent properties alongside a strong commitment to having low carbon, accessible and adaptable homes. The Housing Strategy is a framework; setting direction for each of our partners and stakeholders involved in housing; residents, ward members, housing associations, developers, government bodies, investors, private landlords, charities, voluntary groups and the Council – to provide the right type of homes that are needed.
- 1.5. The Mid Devon Local Plan 2013 – 2033 contains a number of planning policies related to housing, all contributing to the delivery of a vision that *'Mid Devon will be a prosperous and sustainable rural district, where individuals, families and communities can flourish as a result of access to good quality local employment, housing and services and a clean, green safe environment.'*
- 1.6. This Meeting Housing Needs Supplementary Planning Document, contains guidance to support the implementation of relevant policies in the adopted Mid Devon Local Plan 2013 – 2033 for securing the delivery of new homes through the planning process. It will help achieve many of the objectives and priorities set out in the Council's Corporate Plan 2022 - 2024 and Housing Strategy 2021 - 2025. It is intended to inform consideration of housing needs and is a material consideration in the determination of planning applications.

## 2. Affordable Housing

### *Defining Affordable Housing*

- 2.1. Affordable Housing is defined as housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential workers). A full definition of affordable housing is provided in the National Planning Policy Framework but broadly, it includes two forms:
  - **Affordable housing for rent** – means housing managed by a Registered Provider or Build to Rent landlord and let at subsidised levels. The Local Housing Allowance sets a rent level which can be covered by Housing Benefit or Universal Credit and is therefore affordable to all households. It is therefore an appropriate maximum rental level for new affordable housing for rent. It is important to define the difference between affordable homes (those let at an affordable rent) and social rent homes:
    - **Social rent** – Homes let at below the market rent by a registered provider. The rent level is calculated on a legal basis according to a formula based on property values and local earnings (target rent). This is set out in the Regulator of Social Housing's Rent Standard. Typically these rents are around 50% of the local market rate.
    - **Affordable rent** – Homes let at below market rent by a registered provider. The rent (including service charge) is set at up to 80% of the local market rent for an equivalent home.
  - **Affordable home ownership** – products give a household the option to purchase at a subsidised price in various different ways, either immediately or after some years of living in a property.

## Housing Tenures and Dwelling Mix

- 2.2. The Local Plan 2013 – 2033 Policy S3 stipulates that a mix of affordable dwelling size and types should be provided, appropriate to the evolving needs of Mid Devon’s population. Planning applications will need to be tailored to the affordable housing needs of the area. Clause b) of the policy states:

*“Unless otherwise stated in a site allocation policy, on open market housing sites (i.e. excluding exception sites provided under Rural Exception Sites under policy DM6) of **11 dwellings or more in Tiverton, Cullompton and Crediton a target of 28% affordable dwellings, and on sites elsewhere of 6 dwellings or more, a target of 30% affordable dwellings will be applied to the total number of dwellings**, depending on viability and providing a mix of dwelling sizes and types appropriate to the evolving needs of Mid Devon’s population. Sites of between 6-10 dwellings outside Tiverton, Cullompton and Crediton will be permitted to make a financial contribution sufficient to provide the affordable dwellings in another location.”*

- 2.3. The Mid Devon Local Housing Needs Assessment (LHNA, completed September 2022) provides evidence of housing mix requirements, by bedroom size that would enable both affordable and market housing need to be met. Table 1 below provides the starting point for establishing an appropriate tenure mix, together with dwelling size requirements.

**Table 1: (Based on Figure 53 of the LHNA – Overall need)**

	Affordable Dwellings				Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents		Unable to afford market ownership				
	Social Rent	Affordable Rent	Unable to afford 70% First Homes	Able to afford 70% First Homes			
1 bedroom	1.6%	0.1%	0.1%	0.4%	2.2%	3.5%	5.7%
2 bedrooms	6.7%	2.2%	0.6%	1.6%	11.1%	8.8%	19.9%
3 bedrooms	6.9%	2.7%	0.9%	1.7%	12.2%	37.1%	49.3%
4+ bedrooms	2.1%	0.5%	0.3%	0.6%	3.6%	18.9%	22.5%
Dwellings	17.3%	5.5%	1.9%	4.4%	29.2%	68.2%	97.4%
C2 Dwellings	-	-	-	-	-	2.6%	2.6%
LHN	17.3%	5.5%	1.9%	4.4%	29.2%	70.8%	100.0%
%age of total affordable	59.2%	18.9%	6.6%	15.2%	100.0%		

- 2.4. The above table is based on the assumption that 29.2% of the total housing requirement will be provided as affordable housing. However, not every site in Mid Devon will necessarily deliver affordable housing at 29.2%. Nevertheless, as the current adopted Local Plan 2013 – 2033 establishes a target of between 28-30%, these assumptions remain appropriate.
- 2.5. In order to inform tenure mix and dwelling size assumptions, the overall need figures presented in Table 1 can be translated into target percentages. They suggest that 60% of affordable homes should be provided in the form of social rented units.

- Social Rent (60%)
- Affordable Rent (19%)
- Affordable Home Ownership (excluding First Homes) (6%)



- First Homes (discounted by 30%) (15%)
- 2.6. However, the delivery of social rented homes can have viability and funding challenges, and might require significant public subsidy to support schemes coming forward. The current Local Plan was informed by a plan-wide viability assessment which assumed a tenure mix comprising 60% affordable rent / 40% intermediate tenures. This SPD does not seek to supersede existing development plan policy but does refer to the latest housing needs evidence to ensure that an appropriate mix of types and tenures of affordable housing are provided.

#### *First Homes*

Recent changes to Government policy require that planning applications going forward will need to support the delivery of First homes. First Homes are a specific kind of discounted market sale housing, where the discount remains in perpetuity via restrictions on the property title, and it falls within the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sales units which:

- a) Must be discounted by a minimum of 30% against the market value;
  - b) Are sold to a person or persons meeting the First Homes eligibility criteria;
  - c) On their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and
  - d) After the discount has been applied, the first sale price must be at a price no higher than £250,000.
- 2.7. The Government has made it clear that First Homes are the preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations. This national requirement will need to be factored into development proposals and planning applications. Of the remaining 75% of affordable housing secured through development contributions, the Written Ministerial Statement published on 24 May 2021 makes clear that local authorities should prioritise securing their policy requirements on social rent, once they have secured the 25% First Homes requirement.
- 2.8. The Mid Devon LHNA (Figure 53) shows a calculation based purely on ability to access the product that assumes a 70% First Homes discount results in only 4.4% of affordable homes being First Homes. This is significantly less than the Government's requirement of 25%. The Mid Devon LHNA undertakes additional sensitivity testing in order to meet the Government's First Homes target, although these will be matters which will be investigated further for the purpose of bring used to help inform the preparation of a new local plan for Mid Devon ("Plan Mid Devon"). In the interim, for the purpose of determining applications in relation to the adopted Local Plan Policy S3, adjustments are made to the tenure mix to achieve the Government's First Homes policy target and to reflect the viability and policy considerations in relation to securing social rented homes through the planning process.
- 2.9. The Council will expect that development proposals for new homes will reflect the following mix of affordable housing tenures for the purpose of determining planning applications, where relevant, in relation to the adopted Local Plan Policy S3:
- Affordable Rent (including social rented housing) (60%)
  - Affordable Home Ownership (excluding First Homes) (15%)
  - First Homes (discounted by 30%) (25%)

The Council will explore with applicants on a case by case basis the potential for an element of social rented housing as part of the affordable rent proportion, including impact on viability of a scheme and opportunities for funding support.

#### **Principle 1**

In accordance with adopted Local Plan Policy S3, the Council will seek the provision of affordable housing in accordance with the following proportions:

- Affordable Rent\*: 60%
- Affordable Home Ownership (excluding First Homes): 15%
- First Homes (Discounted by a minimum of 30%): 25%

\*The Council will work with applicants to explore the potential for an element of social rent housing to be included within affordable housing proposals, subject to viability and local housing need

#### *Dwelling Size Mix*

2.10. The Mid Devon LHNA recommends mixes of dwelling size across housing tenures. Development proposals for new homes will be expected to reflect these mixes, which will be the Council's start point for the determination of planning proposals for new homes in relation to adopted Local Plan Policy S3. However, where more localised data is available (e.g. through an up to date parish housing needs survey) this can be taken into consideration, alongside other technical information in relation to viability and other relevant matters. As part of the pre-application and/or planning application process, the Council's Housing Enabling service will be able to provide data on local housing needs and dwelling sizes, at the parish level and provide advice on an appropriate tenure and dwelling size mix, as well as phasing and timing considerations.

#### **Principle 2**

A mix of dwelling sizes should be provided throughout new housing development in accordance with Policy S3 of the Local Plan 2013 – 2033, reflecting the target percentages of the Mid Devon Local Housing Needs Assessment 2022 and any local housing need survey or demand information from Devon Home Choice:

##### **Social Rent**

- 1 bedroom (10%)
- 2 bedroom (39%)
- 3 bedroom (40%)
- 4+ bedrooms (12%)

##### **Affordable Rent**

- 1 bedroom (1%)
- 2 bedroom (39%)
- 3 bedroom (50%)
- 4+ bedrooms (10%)



**Affordable Home Ownership (e.g. Shared Ownership, First Homes)**

1 bedroom (7%)  
2 bedroom (35%)  
3 bedroom (42%)  
4+ bedrooms (16%)

**Market housing**

1 bedroom (5%)  
2 bedroom (13%)  
3 bedroom (54%)  
4+ bedrooms (28%)

**Principle 3**

The Council's Housing Enabling Service will work positively with applicants to help achieve suitable and optimal mix of housing types, sizes and tenures in development proposals submitted for determination to meet identified affordable housing needs. The Council will have regard to:

- Relevant national and local planning policy
- Available technical evidence (strategic and local housing need, and viability evidence)

This will include exploring potential options for alternative mixes of house types and tenures, and for the phasing of delivery, including in relation to infrastructure requirements and with regard to the viability of the scheme being maintained.

Developers should engage with the Council's housing enabling team at the earliest possible opportunity to discuss affordable housing proposals.

*First Homes Local Eligibility Criteria and Planning Obligation Requirements*

Planning Practice Guidance makes clear that 'First Homes are designed to allow people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work. Authorities can therefore prioritise key workers for First Homes, and are encouraged to do so.' The Local Housing Needs Assessment 2022 suggests that it may be appropriate to for some affordable properties to be set aside solely for essential local workers in need. Principle 4 defines what is meant by 'key worker' for the purpose of guidance in this SPD and which can support Policy S14 Countryside and Policy DM8 Rural workers' dwellings in the adopted Local Plan. This definition takes a broader approach than 'essential local workers' defined in national planning policy, to reflect the Office for National Statistics definition for 'key worker' and in recognition that other worker roles can have play an important, and potentially vital part in supporting local shops and services across the district for sustainable communities and a prosperous rural economy.

#### **Principle 4**

First Homes will be prioritised for key workers for 3 months from when a home is first marketed. If a suitable buyer has not reserved a home after 3 months, the eligibility criteria will revert to the national criteria, to widen the consumer base.

“Key Worker” means a person employed or with a confirmed job offer in one of the following categories of employment:

- Health and social care
- Education and childcare
- Key public services – e.g. Justice system
- Local and national government
- Food and other necessary goods
- Public safety and national security
- Transport
- Utilities, communication and financial services

A full list of key worker occupations is provided at Appendix 2

Such other categories of employment as may be published by the Council from time to time as the “First Homes Key Worker criteria” and is in operation at the time of the relevant disposal of the First Home.

2.11. To secure the delivery of First Homes, the Council will seek a legal agreement securing the necessary restrictions on the use and sale of the property, and a legal restriction on the title of the property to ensure that these restrictions are applied to the property at each future sale. The landowner will be required to enter into a planning obligation under section 106 of the Town and Country Planning Act 1990 that:

- a) Secures the delivery of the First Homes; and
- b) Ensures that a legal restriction is registered onto a First Home’s title on its First Sale.

2.12. Mortgagee Exclusion Clauses should also be present in all planning obligations in order to ensure that a regulated financial institution which has provided the finance necessary to support the purchase of a First Home is not bound by the requirement to sell the home under the First Homes criteria.

2.13. Finally, it will also be necessary to include provisions to allow a developer or First Home owner to sell a first home on the open market and remove the title restriction in the event that a suitable buyer for a First Home cannot be met. This will need to be subject to certain conditions being met. There should be a requirement, within the agreement, that the home is marketed for at least 6 months in total and that all reasonable steps have been taken to sell the property.

#### *Standards of affordable housing*

2.14. Policy DM1 ‘High Quality Design’ of the adopted Local Plan 2013 – 2033 establishes additional housing standards in respect of accessibility and space. Clause h) requires ‘*Suitably sized rooms and overall floorspace which allows for adequate storage and movement within the building together as set out in the Nationally Described Space Standard and principal windows*’.

2.15. The policy ensures that adequate internal space is provided, particularly for smaller dwelling sizes (where historically, failure to comply with space standard requirements has been more commonplace). The Council expects full compliance with the Nationally Described Space Standard and no exceptions are made for affordable housing.

Number of bedrooms	Number of bed spaces (persons)	Minimum gross internal floor areas and storage (m2)			
		1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37)*			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

**Table 8: Nationally Described Space Standards (2016)**

#### *Electric Vehicle Charging Point Provision*

2.16. Policy DM5 of the adopted Local Plan 2013 – 2033 stipulates that within the towns of Tiverton, Cullompton and Crediton, infrastructure for electric vehicles should be built into the development in accordance with set standards, the variation of which must be justified on a case-by-case basis. It is important to ensure that EV charging provision is distributed equitably throughout the development and therefore the Council will expect some provision to be made within the affordable housing.

#### **Principle 5**

The requirements of Policy DM5 in respect of electric vehicle charging provision should be applied equitably across both the open market and affordable housing provision, to ensure that the latter is indistinguishable from the former.

## *Financial implications of affordable housing*

### *Development Viability*

- 2.17. Adopted Local Plan 2013 – 2033 Policy S3 provides targets for the provision of affordable housing as follows:

**“Unless otherwise stated in a site allocation policy, on open market housing sites (i.e. excluding exception sites provided under Rural Exception Sites under policy DM6) of 11 dwellings or more in Tiverton, Cullompton and CREDITON a target of 28% affordable dwellings will be applied to the total number of dwellings, and on sites elsewhere of 6 dwellings or more a target of 30% affordable dwellings will be applied to the total number of dwellings, depending on viability and providing a mix of dwelling sizes and types appropriate to the evolving needs of Mid Devon’s population. Sites of between 6 – 10 dwellings outside Tiverton, Cullompton and CREDITON will be permitted to make a financial contribution sufficient to provide the affordable dwellings in another location”**

- 2.18. The Local Housing Needs Assessment demonstrates a continued significant need for affordable homes in Mid Devon. The target percentages for affordable homes set out in Policy S3 will be the Council’s start point in the determination of planning applications for new homes and a key material consideration. However, a flexible approach may be taken on a case by case basis where there is evidence to prove the policy target would make a development unviable, and without a flexible approach a development would not be able to proceed. Developers will be required to robustly justify any level of provision below the required target.
- 2.19. Where a developer considers that development is rendered unviable by the provision of policy compliant affordable housing targets, they should contact the Local Planning Authority at an early stage, in order to present their evidence. An “open book” approach will be necessary, with viability evidence submitted a part of documentation for planning applications for the Council to evaluate. Without sufficient detail being presented, the Council will assume that viability is not an issue and pursue affordable housing requirements accordingly.
- 2.20. The Council may request that viability evidence is independently tested by a suitably qualified consultant. Where the need for independent testing arises, the Council will inform the applicant at the earliest possible opportunity. It is expected that the applicant will bear the full cost of any such assessments.

### *Off-site affordable housing contributions*

- 2.21. The Council’s strong expectation is that affordable housing will be delivered on-site as completed dwellings. However, on sites of between 6-10 dwellings outside Tiverton, Cullompton, and CREDITON, adopted Local Plan Policy S3 permits off-site financial contributions sufficient to provide the affordable dwellings in another location.
- 2.22. It is important to ensure that onsite and off-site planning obligations are genuinely equivalent. Otherwise a developer will be able to avoid meeting the full requirements of providing an appropriate form of affordable housing and increase their financial benefit from a development.
- 2.23. Offsite provision may be in the form of a commuted sum of the equivalent value or serviced plots on an alternative site within the vicinity of the application site, along with a commuted

sum for construction of the affordable housing. A financial contribution may also be required where the affordable housing provision required by policy generates a fraction.

- 2.24. Where off-site provision is proposed, it is important that applicants discuss the matter with the Council at the earliest possible opportunity and preferably demonstrate through the pre-application process the reasons for such an approach.
- 2.25. The Council will negotiate a phased payment programme with the developer to ensure the timely payment of contributions. The Council will also index the agreed financial contribution from the date of the agreement to the date of payment. This will be by an amount equal to the proportionate upward only change in the All in Tender Price Index of the Building Costs Information Service (BCIS) of the Royal Institute of Chartered Surveyors.

#### **Principle 6**

Where a financial contribution is proposed in lieu of affordable housing provision on-site, the Council will commission an independent viability assessment, the cost of which shall be met by the developer prior to the application being determined.

Financial contributions in lieu of on-site affordable homes will be subject to the same test of viability as on-site affordable housing. Off-site provision will be in the form of either:

- a) A commuted sum of the equivalent value; or
- b) Serviced plots on an alternative site within the vicinity of the application site, along with a commuted sum for construction of the affordable housing.

Financial contributions towards the off-site delivery of affordable housing will be subject to a negotiated phased payment schedule. Usually this will be 50% payment on commencement of the development and the remaining 50% payment when 50% of the open market units have been occupied.

#### *Timing of affordable housing*

- 2.26. Affordable housing should be provided broadly in-step with market housing as the development progresses and should be inter-mixed with it across the site. Any deviation to these requirements will need to be fully justified.
- 2.27. A legal agreement (Section 106 / Unilateral Undertaking) will control the progression of the development to ensure the affordable housing is delivered in phases in parallel with the development of market housing.

#### *Rural Exception Sites*

- 2.28. To encourage the delivery of affordable and low-cost housing in rural areas, the adopted Local Plan makes clear that exceptions can be made to the normal restrictions on housing development outside defined settlements. Policy DM6 establishes the appropriate policy tests that rural exception sites need to meet.
- 2.29. Government policy states that First Homes exception sites can come forward on unallocated land outside of a defined settlement. However, they cannot come forward in designated rural areas as defined in Annex 2 of the NPPF. In these areas, rural exception sites are the sole permissible type of exception site.

- 2.30. Under Section 157 of the Housing Act 1985, the entire district of Mid Devon (with the exception of the towns of Crediton, Cullompton and Tiverton) is a designated rural area. Therefore outside of the Main Towns, rural exception sites are the sole permissible type of exception site.

#### *Layout and Design*

- 2.31. By definition, it is likely that affordable housing provision will be occupied by households on low incomes. It is important that affordable housing provision does not exacerbate social tensions and increase social exclusion. Social and other affordable housing which is segregated from other housing provision, and has a distinguishing design approach, can lead to such problems. It is the role of planning to try to ensure that such problems do not occur.
- 2.32. It is therefore important that the design of new housing areas which include affordable housing take a “tenure blind” approach to location and design. Under such an approach it should not be possible to distinguish the tenure of a dwelling from its external appearance. Similarly, there should be a genuine intermixing of tenures within a scheme with affordable housing distributed across a site rather than concentrated in any one area, often referred to as “pepper potting”.
- 2.33. The Mid Devon Design Guide provides a readily accessible and easily usable tool to facilitate better quality design across the district. It provides detailed guidance on urban, village and rural design issues in Mid Devon.

#### [Mid Devon Design Guide Supplementary Planning Document](#)

#### *Registered Providers*

- 2.34. Affordable housing must be retained as such in perpetuity. The Council’s strong preference is for affordable housing to be provided and managed by a Registered Provider. The Council does not have a preferred list of Registered Providers, although will seek to work collaboratively to ensure that certain requirements are met. For example, letting should be through Devon Home Choice or in accordance with specific local lettings arrangement as agreed with the Council.
- 2.35. Early discussion with the Council’s Planning and Housing Enabling officers is strongly encouraged.

#### *Net zero and the Climate Emergency*

- 2.36. In May 2019, Devon County Council agreed to declare a climate emergency and to initiate a country-wide partnership to ensure Devon becomes carbon neutral by 2050. Mid Devon District Council formally signed up to the Devon Climate Declaration in June 2019, but will aim to become carbon neutral by a more ambitious date of 2030.
- 2.37. The CCC’s Report ‘UK Housing: Fit for the Future?’ stipulates that we cannot meet our climate objectives without a major improvement in UK housing and a near complete decarbonisation of the housing stock. At the local level, Mid Devon currently has the highest per capita emissions of anywhere in the Greater Exeter Housing Market Area and the highest proportion of households in fuel poverty at 13.6%, higher than the South West Region (11.4%) and England (11%).
- 2.38. The Council’s Non-statutory Interim Planning Policy Statement for the climate emergency makes clear that **‘Tackling climate change is a material consideration to the planning process, to which significant weight should be attached. Therefore the Council will view and interpret development plan policies for Mid Devon in light of the climate change emergency.’** The Council has prepared a [Net Zero Carbon Toolkit](#) and a [Net Zero Housing Assessment Tool](#) in

order to assist developers in designing proposals that will result in lower emissions, and inform decisions taken by Mid Devon District Council when determining planning applications.

**Principle 7**

In accordance with the Council's local validation requirements, applications for planning permission submitted to the Council for determination will be expected to have regard to the principles and objectives included in the Mid Devon Non-statutory Interim Planning Policy Statement: Climate Emergency – Planning Applications Checklist. This will be the Council's preferred format for a Carbon Reduction Statement in major applications, and for the submission of information on the estimated carbon emissions impact of development proposals.

*Assessing Rural Need*

2.39. There are a number of methods for assessing needs in a particular local area, including a local housing needs survey as well as analysis of data provided by Devon Home Choice.

**Principle 8**

The Council will consider the following forms of information when assessing the level and type of need for affordable housing in a local rural areas:

- A housing needs survey specific to the parish and no more than two years old;
- The Council Housing Register / Devon Home Choice
- The housing register of any registered provider.

### 3. Housing for older persons and people with disabilities.

- 3.1. The proportion of people over 60 is likely to increase significantly over the next 20 years. Mid Devon's ageing population will give rise to the need for proposals for elderly person's accommodation including sheltered accommodation, care homes and nursing homes. In general terms, care and support needs increase with age. However, more people are staying in their properties longer with support and care being provided by external agents in their homes.
- 3.2. In order to meet the diverse needs of older people, there will be a need to provide a range of types of specialist housing. This may include:
- Age restricted general market housing - generally for people aged over 55 and over and the active elderly.
  - Retirement living or sheltered housing – this usually consists of purpose built flats or bungalows with limited communal facilities.
  - Extra care housing or housing-with-care – this usually consists of purpose built flats or bungalows with a medium to high level of care available. There are often extensive communal areas such as space to socialise or a well-being centre.
  - Residential care homes and nursing homes – These have individual rooms within a residential building and provide a high level of care meeting all activities of daily life.

#### *Accessible and adaptable homes*

- 3.3. Clause j) of adopted Local Plan Policy DM1 stipulates that '*On sites of 10 houses or more the provision of 20% of dwellings built to Level 2 of Building Regulations Part M 'access to and use of dwellings'.*
- 3.4. The Mid Devon LHNA identifies that the numbers of households with a limiting long-term illness or disability affecting housing (both existing and projected) that are likely to need to move comprises a significant proportion when compared to the total Local Housing Need for Mid Devon. Furthermore, the rates of limiting long-term illness or disability affecting housing needs are much higher in the affordable tenures and therefore there is evidence to support a higher proportion of affordable homes being built to at least M4 (2) standards where viability allows.

#### **Principle 9**

In line with clause i) of Policy DM1, on sites of 10 houses or more, the provision of 20% of dwellings built to Level 2 of Building Regulations Part M 'access to and use of dwellings' is required.

The Council will work with applicants to explore the potential for a higher proportion of affordable homes being built to at least M4 (2) standards, subject to the scheme being viable.

#### *Wheelchair accommodation*

- 3.5. The Mid Devon LHNA supports at least 10.5% of all new affordable rented housing to be wheelchair adapted, as the Council will be able to allocate affordable rented households with wheelchair needs to appropriate homes. In market housing, the evidence supports at least 5.5% of all market housing being fully (and simply) adaptable to the needs of a wheelchair occupant. The adopted Local Plan 2013 – 2033 does not have a policy on wheelchair housing provision.



#### **Principle 10**

The Council will work with applicants to explore opportunities to ensure at least 10.5% of all new affordable rented housing and 5.5% of market is wheelchair adapted, in accordance with the findings of the Mid Devon LHNA.

#### *Bungalow Provision*

- 3.6. The number of new bungalows being built in the UK has collapsed, despite an ageing population and their popularity. The national property portal Rightmove has reported a significant increase in the number of enquires for bungalows, following the COVID-19 pandemic as buyers and renters are seeking more suitable properties to meet their needs.
- 3.7. Research undertaken by McCarthy Stone has found that demand for one-level living is on the rise and that 70% of over-65s would consider moving to more suitable properties, such as bungalows. Respondents to the research showed that their appeal lies in the ability to live on one level (57%); easier maintenance (43%) and being much better suited to older people (39%). Also, 36% of respondents said that they would be able to keep their independence while downsizing, therefore freeing up larger family homes. The importance of building more suitable housing for older people in Mid Devon has been brought to the fore by the coronavirus pandemic. There is therefore a need to consider how best to support Mid Devon's ageing population.

#### **Principle 11**

The Council will support the inclusion of age-restricted bungalow provision on development sites and encourages developers to consider the demand for this form of housing when designing development proposals.

#### *Planning for dementia*

- 3.8. The Alzheimer's Society estimates that there are currently around 900,000 people living with dementia in the UK. This is projected to reach 1.6 million people in 2040. The majority of people with dementia in the UK and Ireland live at home in the community. Only 39% of people with dementia aged over 65 live in care homes according to Alzheimer's Research UK. Of those who live in their own homes, 120,000 live alone and this is predicted to double to around 240,000 by 2039.
- 3.9. The Alzheimer's Society believes people with dementia who want to remain in their own homes should be supported to do so for as long as possible. People with dementia may go into residential care homes earlier than they want to because their own homes are not designed to enable them to live independently and can be expensive to adapt to meet their needs. This is despite 85% of people saying they would choose to live at home for as long as possible if diagnosed with dementia.

#### *Home and dementia*

- 3.10. Whilst the internal layout of buildings is usually beyond the scope of the role of planners, the key principles of good design include:
- **Safety** – avoid trip hazards; or changes in depth; provide contrasting handrails and good lighting
  - **Visual cues** – clear signage, sightlines and routes around the building;

- **Clearly defined rooms** – activities that take place in each room can be easily understood;
- **Interior design** – avoid reflective surfaces and confusing patterns. Use age and culturally appropriate designs;
- **Noise** – reduce noise through location of activities and soundproofing. Provide quiet areas as people with dementia can be hyper-sensitive to noise or have hearing loss.
- **Natural light or stronger artificial light** – many people with dementia have visual and perception difficulties, sight loss impairments or problems interpreting what they see;
- **Outside space** – access to safe outside space, with good views from inside the building as daily exposure to daylight improves health and circadian rhythm.

#### *Built and natural environment and dementia*

3.11. The built and natural environment also has an important role to play in maintaining the wellbeing and independence of people living with dementia. This can be outlined in some simple design principles that can be applied to a large number of settings – urban or rural, new development or existing settlements. These principles are based on '[Designing dementia-friendly outdoor environments](#)' by Oxford Brookes University:

- **Familiar** – functions of places and buildings are obvious, any changes are small scale and incremental;
- **Legible** – a hierarchy of street types, which are short and fairly narrow. Clear signs at decision points;
- **Distinctive** – a variety of landmarks, with architectural features in a variety of styles and materials to distinguish them from one another. There is a variety of practical features, e.g. trees and street furniture; but these are not cluttered
- **Accessible** – land uses are mixed with shops and services within a 5-10 minute walk from housing. Entrances to places are obvious and easy to use and conform to disabled access regulations;
- **Comfortable** – open space is well defined, with toilets, seating, shelter and good lighting. Background and traffic noise should be minimised through planting and fencing. Street clutter is minimal to aid walking and focus attention;
- **Safe** – footpaths are wide, flat and non-slip, development is orientated to avoid creating dark shadows or bright glare, use of shared spaces is avoided.

#### **Principle 12**

Developers should demonstrate how they have included dementia friendly principles of design as part of the proposal.

Developers should engage with the Council at the earliest possible opportunity (at scoping/pre-application stage) to consider design opportunities for people living with dementia.

#### 4. Community Led Housing

- 4.1. Community led housing is housing that has been built or brought back into use by local people where:
- Open and meaningful community participation and consents take place through the process;
  - The community group or organisation owns, manages or stewards the homes in whichever way they decide to.
  - The housing development is of true benefit for the local community, a specific group of people (an intentional community) or both. These benefits should also be legally protected in perpetuity.
- 4.2. There are a number of different types of community led housing. [Community Led Homes](#) defines the different concepts as follows:

##### **Community Led Housing:**

##### **Cohousing**

Cohousing is a design methodology used by intentional community to create spaces that promote connectivity and togetherness.

##### **Housing Co-Operatives**

A housing co-operative is a housing organisation that is controlled, managed and owned by its members.

##### **Community Land Trusts (CLTs)**

CLTs are legal entities set up by communities to provide and protect assets of community value like genuinely affordable housing.

##### **Self-help housing**

Self-help housing is where empty properties are refurbished and brought back, often creating opportunities for training and volunteering.

- 4.3. The Council's Housing Strategy 2021 – 2025 outlines a clear commitment to providing more affordable housing for local people. A key priority for the Council is to build more social rented housing and housing for purchase that is truly affordable. The Council is therefore committed to working with Community Land Trusts ('CLTs') and other organisations to deliver homes retained in perpetuity for local need.
- 4.4. Similarly, the delivery of more affordable housing is a key strategic priority set out within the Local Plan 2013 – 2033. Policy S1(g) includes a clear commitment to *'Delivering a wide choice of high quality homes through a diverse housing mix and meeting the housing needs of all sectors of the community including through the provision of accessible housing for elderly and disabled, those wishing to build their own home, affordable housing and gypsy and traveller pitches.'* The Local Plan sets out a number of policies to support affordable housing delivery including Policy DM6 'Rural Exception Sites'. This policy creates an exception to the normal restrictions on housing development outside defined settlements in order to encourage the delivery of affordable and low-cost housing in rural areas.

- 4.5. The Council recognises the benefits of community led housing in providing genuinely affordable housing in perpetuity, diversifying the local housebuilding market, enhancing local community cohesion and delivering high quality, beautiful homes and neighbourhoods.
- 4.6. Community-led housing is capable of delivering various types and tenures of housing. The size and tenure mix will need to be determined by what the community identifies as its need. Community Groups may choose to develop the homes themselves, taking responsibility for all aspects: putting together a business plan, raising the finance, carrying out viability assessments, submitting the planning application and, managing the build contract. Others choose to work in partnership with an existing Registered Provider (RP) who takes responsibility for the pre-development and build, but takes its lead from and involves the CLH group throughout the process. In the case of CLTs they will own the freehold and lease the land to an RP on a long lease (60-125 years). Others may work in partnership with a private developer on a market site. At completion the CLH organisation will buy the homes and take them into their control.

#### **Principle 13**

Considerable positive weight will be given to proposals where it is clear that the proposal is genuinely community-led and genuinely has community support.

The Council will work proactively and positively to support local communities where there is an aspiration to bring forward a scheme that will provide affordable homes to meet an identified housing need.

#### *Support for community-led housing groups*

- 4.7. The Council has a strong track record of supporting community-led housing initiatives across Mid Devon and are keen to identify and provide support to a range of additional community-led housing initiatives where there is a need for affordable housing.
- 4.8. The Council can provide support through commissioning a local housing needs survey (see section above) and also through its Community Housing Fund:

#### *Housing Need Surveys to support community housing schemes*

- 4.9. Mid Devon District Council is a partner of the Devon Rural Housing Partnership. The aim of the partnership is to support rural communities in developing sufficient affordable housing to meet the needs and aspirations of local people and to support the sustainability of those communities.
- 4.10. As part of our partnership agreement, the Council is able to commission up to three Housing Need Surveys each year. As there is limited capacity for surveys, the Council will prioritise those parishes who are interested in progressing community-led housing projects and would therefore benefit from an updated survey. The Council will prioritise those parishes who meet the following criteria:
- There is strong interest in community-led housing in your parish;
  - There is no up-to-date (last five years) housing needs survey and/or local circumstances have changed significantly since the last survey was completed; and

- Community-led housing development in your parish would be in conformity with the development strategy set out within the adopted Local Plan 2013 – 2033.

#### *Community Housing Fund*

4.11. The Council has a limited fund available towards supporting community housing. This is following the award of £131,359.00 from Government in order to help bring social and economic benefits to local communities through the provision of housing developed by members of the local community with support. The Fund is available to develop new housing and/or purchase, refurbish and bring back into effective use, empty properties. Any funding provided is used to benefit the local area and/or specific community in a clearly defined and legally protected way in perpetuity. Communities will be expected to work with Registered Providers as development partners. However, there may also be situations where the community works with another development partner to deliver a community-led scheme.

4.12. The Council currently has three grants available:

- **Community Development / Set-Up Grant (Stage 1)** – Up to £3,000 per community to develop a group to the stage where it is constituted and to undertake initial community consultation.
- **Feasibility Grant (Stage 2)** – from £5,000 to up to £15,000 per scheme to support a feasibility appraisal and to develop a project plan.
- **Development Grant (Stage 3)** – Grants up to £15,000 available either to top up public subsidy or provide gap funding for capital costs to contribute towards project management and construction costs.

4.13. If you would like to discuss the Community Housing Fund in more detail or wish to understand the application process, please contact [housingenabling@middevon.gov.uk](mailto:housingenabling@middevon.gov.uk)

#### *Section 106 Affordable Housing Funding for Community Housing Schemes*

4.14. Mid Devon District Council currently collects financial contributions from new development through legal agreements signed under Section 106 of the Town and Country Planning Act 1990 (as amended), sometimes referred to as planning obligations. The Council is expected to use all of the funding it receives through planning obligations in accordance with the terms of the individual planning obligation agreement with the emphasis being to mitigate the impact of development in order to make it acceptable in planning terms. Equally, if monies are not spent in accordance with the terms of the S106 agreement, developers can request that their contribution is returned to them. The Council, from time to time, has limited funding available for affordable housing schemes in Mid Devon. Where this is the case, the Council is keen to work collaboratively with local communities to support schemes coming forward.

#### *Involving community housing groups in the provision of affordable housing on allocated sites*

4.15. The Council welcomes the inclusion of CLTs in the provision of affordable housing on allocated housing sites. Whilst this would not deliver any additionally in terms of the quantum of affordable housing delivered, it would:

1. Encourage communities to support new developments in exchange for securing a genuine stake in them, and;

2. Ensure that affordable rented homes are protected from the various current forms of right to buy.
- 4.16. Most housing is provided by private developers on sites that are allocated in the adopted Local Plan (or through a Neighbourhood Plan), or through development on windfall sites. Under Local Plan policies, most of these developments will be required to provide a percentage of affordable housing, either for rent or for sale. If CLTs were to become involved in the provision of affordable homes on these sites, it would make no difference to the number of affordable homes being provided, but it could make a difference to the level of local support for these projects and to their long term benefit to the community. This is because freehold ownership of affordable rented homes by a CLT confers exemptions from the various rights of tenants to buy their homes. Whereas affordable rented homes provided on developer-led sites under S106 agreements would normally be transferred freehold to RPs and then subject to the Right to Shared Ownership, the Voluntary Right to Buy and the Right to Acquire. The intervention of a CLT as freeholds confers exemptions from all these rights.

The Right to Acquire – this has long been a right for RP tenants but doesn't apply in Designated Rural Areas or *where the freehold interest is owned by a non-public sector body, such as a CLT*. See item 2.4.1

<https://www.gov.uk/guidance/capital-funding-guide/10-right-to-acquire>

The Voluntary Right to Buy – this was introduced by the Cameron government as a variation from the Right to Acquire for HA tenants. It's not enshrined in primary legislation like the Statutory Right to Buy for LA tenants (hence 'voluntary') and RPs can use their discretion to *exempt homes where the CLT owns the freehold*. For a belt and braces approach, Middlemarch includes a clause in leases between CLTs and RPs which specifically *prevents RPs from using their discretion without a CLT's consent*. See 'exemptions' on pages 31 and 32:

<https://researchbriefings.files.parliament.uk/documents/CBP-7224/CBP-7224.pdf>

The new Right to Shared Ownership – this was introduced in 2020 by the present government and gives RP tenants the right to convert their tenancy to a shared ownership lease, starting with as little as a 10% stake and buying further increments if they wish. However, there are exemptions for properties in Designated Protected Areas or on a Rural Exception Site or *where the freehold is held by a CLT*. See here – item 2.3, bullet points 2 and 6:

<https://www.gov.uk/government/publications/right-to-shared-ownership-initial-guidance-for-registered-providers/right-to-shared-ownership-initial-guidance-for-registered-providers>.

- 4.17. The involvement of a CLT's can have associated additional costs for affordable housing schemes than affordable homes simply being sold to an RP. Under the partnership model (CLTs working in partnership with an RP), the RP's offer will be affected by the legal costs it incurs in taking a lease from the CLT, in the payment of a ground rent to the CLT and in underwriting the cost of the CLT's technical adviser. Sometimes these costs can be met from the Council's Community Housing Fund, but would be subject to the availability of that potential source of financial support. They may also be offset where the Council seeks to agree to an alternative tenure mix, depending on whether the CLT is involved or not. In practice, this may mean a higher proportion of intermediate homes which would generate a higher value, thus providing CLTs with a competitive advance in making an offer for the affordable homes, whether in partnership with an RP or not. This approach can be set out within a s106 agreement. A template approach is provided below:

**Draft Clauses for a S106 to incentivise the involvement of a CLT**

**"Affordable Housing Dwellings"** means:

those Dwellings forming part of the Affordable Housing Provision to be provided as Affordable Housing in accordance with the Registered Provider Tenure Split or the Approved Community Body Tenure Split

**"Approved Community Body Tenure Split"** means:

x% of the Affordable Housing Provision to be Affordable Rented Housing:  
(100-x)% of the Affordable Housing Provision to be Intermediate Housing  
or such other alternative tenure split which the District Council may approve

**"Registered Provider Tenure Split"** means:

(x-y)% of the Affordable Housing Provision to be Affordable Rented Housing:  
(100-x-y)% of the Affordable Housing Provision to be Intermediate Housing

**1.1 Mechanics of Offer**

- 1.1.1 The Owners shall not offer the Affordable Housing Dwellings in a Reserved Matters Area to an Affordable Housing Provider until notice of the availability of Affordable Housing Dwellings in a Reserved Matters Area has been served on an Approved Community Body fifty six (56) Working Days prior to making of any offer
- 1.1.2 The Owners shall offer the Affordable Housing Dwellings in a Reserved Matters Area to:
  - 1.1.2.1 an Affordable Housing Provider in accordance with the Affordable Housing Provider Tenure Split, and
  - 1.1.2.2 an Approved Community Body in accordance with the Approved Community Body Tenure Split

Source: Team Devon Research on 'encouraging, enabling and supporting Community Land Trusts, prepared by Middlemarch CIC.

**Principle 14**

The Council will encourage developers to explore opportunities to work with local community housing groups, in partnership with Registered Providers to assist with the delivery of affordable housing on allocated sites.

The Council will provide a supportive role, including through its Community Housing Fund depending on the nature of support needed and subject to funds being available, and consideration of alternative tenure mixes to incentivise the involvement of a CLT.

*Neighbourhood planning and community-led housing*

- 4.18. It is recognised that one of the most significant challenges facing community led housing groups is the availability of land. Neighbourhood planning is a powerful tool that empowers local communities to shape how development comes forward in their areas. Planning Practice Guidance is clear that *‘Neighbourhood Plans can support the provision of affordable homes for sale that meet the needs of local people by including relevant policies and site allocations. Depending on the content of relevant strategic policies in the local plan or spatial development strategy, neighbourhood plans may be able to vary the types of affordable housing that will be expected to allocate additional sites that will provide affordable housing, where this will better meet the needs of the neighbourhood area.’*
- 4.19. The [Planner’s Guide to Community Led Housing](#) provides guidance on how local communities can facilitate community-led housing opportunities through the neighbourhood plan process.

**Principle 15**

The Council will support neighbourhood plan groups to facilitate community-led housing provision within neighbourhood plans. This may include site allocations, as well as policy to support community led housing as a delivery mechanism for affordable homes.



## 5. Homes for Gypsies and Travellers

*Another form of housing for part of our community*

- 5.1 Everyone has a right to a decent home, and not everyone's housing needs are the same. The provision of pitches for Gypsies and Travellers is just another form of housing that is needed by a specific part of the community, alongside homes that are built and sold on the open market, or homes that are built for rent or which are 'affordable', or where plots are laid out, serviced and made available for people wishing to commission or build their own homes. The National Planning Policy Framework requires Councils to assess the needs of different groups in the community and reflect these in planning policies. This forms part of holistic and inclusive approach towards achieving communities that are balanced and which are mixed.

*Who are Gypsies and Travellers – definition for planning purposes*

- 5.2 The national "Planning Policy for traveller sites" (DCLG, 2015) includes a definition for "gypsies and travellers". The Council will have regard to this, or any subsequent national policy superseding that document, in relation to planning for and determining planning applications in relation to development proposals for Gypsy and Traveller accommodation.

### Planning Policy for Traveller Sites

For the purpose of that planning policy "gypsies and travellers" means:

*"Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily, but excluding members of an organised group of travelling showpeople or circus people travelling together as such."*

- 5.3 However, this definition has been subject to legal challenge resulting in the Court of Appeal (*Lisa Smith v The Secretary of State for Housing, Communities and Local Government and others* [2021] EWHC 1650 (Admin)) decision which has found the 2015 planning definition of gypsies and travellers discriminatory against the elderly and disabled, since it requires them to demonstrate that they are able to continue to travel to look for work.
- 5.4 The Council will have regard to the Court of Appeal decision in respect of the planning proposals for gypsy and traveller sites and pitches that are submitted for determination, and in the assessment of need for additional gypsy and traveller sites and pitches.
- 5.5 Gypsies and Travellers are not a homogenous group, but is diverse, including Romany (English) Gypsies, Scottish Travellers, Welsh Travellers, Irish Travellers and New Travellers.
- 5.6 The national "Planning Policy for traveller sites" (DCLG, 2015) set out the Government's planning policy for traveller sites and should be read in conjunction with the National Planning Policy Framework.

*Confirmation of Gypsy and Traveller status*

- 5.7 Where planning applications for new Gypsy and Traveller sites and pitches are submitted to the Council for determination, the Council may take advice from Devon County Council Services to Communities Team where an applicant has identified as having gypsy or traveller status. Devon County Council undertakes an assessment of status, which can include an investigation of travelling history (patterns, purpose and duration), the intention to travel again and purpose (if settled temporarily, and also noting the Court of Appeal decision), and where this is in relation to

a site can include the proposed use of the site and who this is needed for (family or extended family).

*What is meant by a Gypsy and Traveller Pitch?*

- 5.8 The national “Planning Policy for traveller sites” (DCLG, 2015) refers to “pitch” as meaning a pitch on a Gypsy and Traveller site. The 2015 Mid Devon Gypsy and Traveller Accommodation Needs Assessment (GTAA) defines a “pitch” as an “Area on a site developed for a family unit to live. On socially rented sites, the area let to a tenant for stationing caravans and other vehicles”. The GTAA has assumed that “a pitch is occupied by a single household or family unit although it acknowledges that this may also include...extended family members or hidden households”. A pitch may typically include a static residential unit, a touring van and space for a vehicle, an amenity block, and potentially space for on-site storage or operation of a business.

*Occupancy restrictions*

- 5.9 Where planning permission is granted for a Gypsy and Traveller site or pitch the occupancy may be restricted to Gypsies and Travellers meeting the definition of a Gypsy or Traveller. The restriction may also be for occupation by a specific family (named persons and their dependent family) where due to the circumstances there is a need to do so. This could include where the family is already residing on the site and there being no alternative site upon which the applicant and their family could be accommodated at that time or within a reasonable timescale. Occupancy restrictions will be necessary so that the development will meet the housing needs of Gypsies and Travellers as intended, and where permission may have been granted in a location (e.g. open countryside) where permission for residential development would have been refused had it not been for the special needs for Gypsy or Traveller accommodation.
- 5.10 Where permission is granted for pitches for transit purposes a restriction may be placed to limit the period (e.g. 6 months in any calendar year) in which a Gypsy or Traveller shall reside on the site.

*Meeting identified needs for pitches*

- 5.11 The Council’s monitoring records at December 2022 indicate the existing provision of private owned sites and pitches in Mid Devon includes:
- 23 consented and 1 unauthorised (tolerated) sites for Gypsies and Travellers. These include about 90 permanent residential static caravans or pitches, and 8 transit pitches.
  - 4 Traveller households in bricks and mortar accommodation

There are no Local Authority sites (permanent residential, transit or emergency stopping places) for Gypsies, Travellers and Travelling Showpeople in Mid Devon.

- 5.12 The 2015 Mid Devon Gypsy and Traveller Accommodation Needs Assessment (GTAA) recommends that 35 new permanent residential pitches for Gypsies and Travellers, and 11 plots for Travelling Showpeople are provided in Mid Devon in the period 2014 – 2034. 15 new pitches are needed in the period 2014 – 2019 and 6 pitches are needed in the period 2019 – 2024 i.e. a total of 21 pitches (2014 – 2019). Monitoring records show that in the period 2014 – 2022, 12 pitches have been completed and planning permission exists for a further 15 pitches on deliverable sites (capable of being implemented in the next 5 years). Planning permission (outline and a reserved matters application) and provision through site allocations in the adopted Mid Devon Local Plan give potential for a further 26 pitches on other sites, which are considered developable (i.e. not within the next 5 years).

5.13A new GTAA is currently being prepared and is expected to be completed in the early spring 2023. The findings of this study will be reflected in this Supplementary Planning Document where feasible.

5.14 The Council maintains a waiting list for Gypsies and Travellers to register a need for a pitch in Mid Devon. This can be completed on-line. The register will be used by the Council to better understand the level of current need for pitches in Mid Devon and can also be used to help inform the allocation of pitches where these may become available through a Registered Provider.

[Register your need for a pitch - MIDDEVON.GOV.UK](https://middevon.gov.uk/register-your-need-for-a-pitch)

#### *Unauthorised encampments*

5.15 In the two year period 2021 – 2022 there were four instances of unauthorised encampments reported to the Council. The occurrence of unauthorised encampments in Mid Devon appears to be related to travelling households and groups in transit or moving through the area, and is not believed to be related to a need for permanent residential sites and pitches in the district. This may be related to the location of the district in the south west in which there is likely to be seasonal work / opportunities for casual labour, and the district being accessible from the M5 motorway via junctions 27 and 28, and the A361 North Devon Link Road.

5.16 The Council has an established procedure in such cases where Council owned land or privately owned land is affected:

Annex A [Annex A - Procedure for Managing and Enforcing Unauthorised Encampments \(middevon.gov.uk\)](https://middevon.gov.uk/annex-a-procedure-for-managing-and-enforcing-unauthorised-encampments)

Annex B Flowchart [Item.pdf \(middevon.gov.uk\)](https://middevon.gov.uk/item.pdf)

Annex C [Annex C - Unauthorised Encampments Five Stage Procedure \(middevon.gov.uk\)](https://middevon.gov.uk/annex-c-unauthorised-encampments-five-stage-procedure)

Annex D [Annex D - NPCC Operational Advice on Unauthorised Encampments \(middevon.gov.uk\)](https://middevon.gov.uk/annex-d-npcc-operational-advice-on-unauthorised-encampments)

#### *Adopted Local Plan*

5.17 The adopted Mid Devon Local Plan includes provision for 35 new pitches to provide homes for Gypsies and Travellers (which is the need identified in the 2015 GTAA), including 25 pitches on planned urban extensions at the district's three towns - Tiverton, Cullompton and Crediton. The plan also includes flexibility for new pitches on suitable sites elsewhere in the district. A summary is as follows :

**Policy TIV1** Tiverton Eastern Urban Extension – at least 5 pitches

**Policy CU1** North West Cullompton – at least 5 pitches

**Policy CU7** East Cullompton (part of proposed Culm Garden Village) – at least 10 pitches

**Policy CRE5** Pedlerspool, Exhibition Road, Crediton – at least 5 pitches

**Policy S14** – flexibility to allow Gypsy and Traveller accommodation in the countryside

5.18 Other relevant local plan policies include:

**Policy S3 Meeting housing needs**, clause e)

“A five year supply of gypsy and traveller pitches will be allocated on deliverable sites within Mid Devon to ensure that the predicted need for traveller sites will be met. A further supply of

developable sites or broad locations for growth will be identified equivalent to a further ten years of predicted growth. The Housing Authority will seek to provide a public site for gypsy and traveller pitches within Mid Devon, subject to the availability of funding.”

**Policy DM7 Traveller sites**, which includes site location and occupation criteria. The policy requires provision for suitable on-site facilities and environmental quality for residents, no unacceptable landscape or ecological impact, no risk of flooding, safe and convenient access to local facilities, and that occupation restricted to travellers. Policy DM7 places a priority for pitches on allocated sites unless it is demonstrated that off-site provision will achieve an acceptable outcome for Gypsies and Travellers taking into account:

- i) Pitch numbers
- ii) Site facilities;
- iii) Accessibility to services, including health and education;
- iv) Early delivery of serviced pitches or plots which are available for occupation; and
- v) The provision of an effective mechanism for delivery.

**Policy S14 Countryside** clause a) which includes gypsy and traveller accommodation

*Application of local plan policies, and components of S106 planning agreements*

- 5.19 The Mid Devon Local Plan takes a proactive approach to help bring forward sites and pitches for Gypsies and Travellers through the planning process. This is by means of requiring provision as part of mixed use planned urban extensions at the three main towns in the district (which are the most sustainable locations for meeting the housing needs of the travelling community, being close to local shops, jobs, education, healthcare and other services. However, Local Plan Policies DM7 and S13 provide some flexibility for provision to be made in suitable off-site locations, including in the countryside.
- 5.20 The approach taken for the inclusion of Gypsy and Traveller sites as part of mixed use developments has been supported through Local Government Association funded research commissioned by the Council and undertaken by De Montfort University.

[LGA funded research on Gypsy and Traveller sites completed for the Council - MIDDEVON.GOV.UK](https://www.middevon.gov.uk/Document/Center/1234567890)

De Montfort University completed a 9 month investigation of the challenges facing Local Authorities in seeking to include Gypsy and Traveller sites in planned urban extensions. The 20 page report “Negotiating the delivery of Gypsy & Traveller sites through local planning” has found no substantive evidence to support the assertions made by some developers that the inclusion of pitches in housing schemes can impact on the viability of the development. This follows efforts to engage with mortgage lenders in the UK. The report has been informed by a survey of Local Authorities and an investigation of how residential property prices may be affected by the proximity of other land uses. The report concludes that ‘certainty increases viability’ and points to how the well-scoped plans can decrease the risk and uncertainty felt by developers and lenders.

#### **On-site provision**

Where provision of sites and pitches are required as part of a planned urban extension and provision is made on-site it will be expected that planning applications (outline, reserved matters, full details or in hybrid form) will identify where those sites and pitches are located in the proposed development. This might be supported through a land use illustrative masterplan. The identification of where sites and pitches will be located and their juxtaposition with other land uses will help to provide greater certainty about what development is proposed and its potential

impacts (assisting the Council and community understanding). This can help de-risk public engagement and the decision making process, and improve the viability of a scheme.

Planning applications may need to be supported by a **S106 planning agreement** between the applicant and the Council as local planning authority, which can include detailed provisions so as to make sure the S106 planning agreement secures the delivery of serviced pitches that are ready for occupation (i.e. not just a site with planning permission). This Supplementary Planning Document does not prescribe a model Section 106 planning agreement for proposals for the development of Gypsy or Travellers sites. However, a recent Section 106 planning agreement in relation to delivering on-site Gypsy and Traveller pitches in proposed development<sup>1</sup> at **Policy CRE5** Pedlerspool, Exhibition Road, Crediton has included the following provisions:

- Making clear the sites and pitches are for the sole purpose of occupation and ancillary business by Gypsies and Travellers
- **Travellers Pitches Scheme** – location, plan and layout of the phasing of delivery of sites and pitches to be submitted and approved by ‘X %’ occupation of dwellings. For example, this can specify matters such as site area and where this is situated in a proposed development, the number of serviced pitches to be provided and built, and what each serviced pitch comprises (e.g. an amenity building, a hardstanding sufficient to accommodate a large trailer, a touring caravan and parking spaces for two vehicles (2.4m x 4.8m) with the balance seeded to grass, boundary treatment, works to provide services for each serviced pitch to suitable connection points).
- **Travellers pitch works** – a requirement specifying when a Travellers Pitches Scheme will be completed e.g. prior to the occupation of ‘Y %’ dwellings in the development
- If provision is to be made off-site, justification for this must be provided in relation to Local Plan Policy DM7, and to include where the provision is to be made off-site
- **Travellers pitch management scheme** – required, with details of the basis for letting / licensing pitches / freehold or long leasehold purchasers
- Provision for the transfer of land (if applicable) to the Council or an affordable housing provider for £1

Applicants are encouraged to engage with the Council at an early stage to discuss their planning proposal and requirements. This can help the Council provide relevant advice needed, and could include, for example, introduction to a potential suitable Registered Provider in relation to making sites and pitches available for occupation by members of the Travelling community and for their ongoing maintenance. It might also include the involvement of a suitable Registered Provider in helping with the design and layout of a site and pitches, where that Registered Provider may be able to bring their experience about this form of housing, and arrangements for the transfer of land.

#### **Off-site provision**

5.21 The Mid Devon Local Plan Policy DM7 is supported by Local Plan paragraphs 4.28 and 4.29 which help to identify a way to ensure that where provision of sites and pitches is made off-site these will be delivered in such a way to achieve an acceptable outcome for the travelling community. Paragraph 4.29 makes clear this will usually be through a **S106 planning agreement** which, as part of or addition to detailed provisions identified above (e.g. Travellers Pitch Scheme, Travellers pitch works and Travellers pitch management scheme) will:

- require the developer to identify and obtain planning permission (which will not be unreasonably withheld by the Council) for the required number and standard of pitches
- ensure the pitches will be provided by the development itself or where the land is transferred for a nominal value, by an agreed third party Registered Provider or other agreed private provider

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<sup>1</sup> Outline planning application reference 17/00348/MOUT

- ensure the pitches are for the sole purpose of occupation and ancillary business by Gypsies and Travellers
- ensure the off-site provision of pitches must be provided and made available for occupation before the occupation of a specified proportion of the provision of on-site open market dwellings as part of the larger housing proposal (at TIV1, CU1, CU7 or CRE5)
- make sure that where off-site provision of pitches generates additional infrastructure needs, developers of the larger housing proposal at TIV1, CU1, CU7 or CRE5 will be expected to contribute fairly towards the cost in accordance with Policies S8 and DM7 of the adopted Local Plan.

#### *Part of affordable housing provision*

5.22 Local Plan paragraph 4.29 makes clear that where gypsy and traveller pitches are provided on- or off-site on housing allocations, these are to be counted against the affordable housing targets for that site. This will apply to:

**Policy TIV1** Tiverton Eastern Urban Extension – at least 5 pitches

**Policy CU1** North West Cullompton – at least 5 pitches

**Policy CU7** East Cullompton (part of proposed Culm Garden Village) – at least 10 pitches

**Policy CRE5** Pedlarspool, Exhibition Road, Crediton – at least 5 pitches

#### *Community Land Trust provision*

- 5.23 Forming a community land trust may provide an opportunity for Gypsies and Travellers to group together to purchase land and live together. It is understood that the CLT model is being considered by Bristol City Council and Mendip Council. While there are currently no such examples in Mid Devon the Council will provide appropriate support where there is interest from the Gypsy and Traveller community in bring forward a proposal in the district.

#### *Design of sites and pitches*

- 5.24 Local Plan Policy DM7 includes criteria that point towards making sure Gypsy and Traveller sites are well designed, including the layout of pitches, suitable on-site facilities and amenity buildings, space for children's play, suitable environmental quality for residents, non-isolating boundary treatments, and where there is specific justification there is associated employment or storage elements. Other design considerations could parking, visitor's space for friends and relatives, connection to services and utilities, and waste disposal.

- 5.25 This Supplementary Planning Document does not include detailed guidance for the design of sites and pitches. Each development proposal may present its own opportunities and challenges in terms of site characteristics and constraints to development and there is a need to avoid being over prescriptive and inflexible in the design of proposals submitted for determination. However, useful start points for helping shape development proposals might include:

- Government guidance on site design (note this was withdrawn in 2015)

<http://www.gov.uk/government/publications/designing-gypsy-and-traveller-sites-good-practice-guide>

- Welsh Government guidance on designing and managing sites (May 2015)

[Managing Gypsy and Traveller Sites Easy Read \(gov.wales\)](#)

**Principle 16**

The Council will make sure that necessary and satisfactory measures are put in place through the planning process to secure sites and pitches to meet the housing needs of the gypsy and traveller community.

## 6 Homes for Travelling Show People

### *Who are Travelling Show People – definition for planning purposes*

- 6.1 The national “Planning Policy for traveller sites” (DCLG, 2015) includes a definition for “travelling showpeople” as meaning:

*“Members of a group organised for the purposes of holding fairs, circuses or shows (whether or not travelling together as such). This includes such persons who on the grounds of their own or their family’s or dependants’ more localised pattern of trading, educational or health needs or old age have ceased to travel temporarily, but excludes Gypsies and Travellers as defined above [in the Planning Policy for traveller sites]”.*

### *Travelling show people accommodation*

- 6.2 The national “Planning Policy for traveller sites” (DCLG, 2015) uses the term “plot”, which means a pitch on a travelling showpeople site (often called a “yard”). Travelling show people yards may include mixed uses such as space to allow for the storage of commercial vehicles and equipment.

### *Meeting identified needs for plots and yards*

- 6.3 The Council’s monitoring records at December 2022 indicate the existing provision of private owned sites and pitches in Mid Devon includes 5 sites for Travelling Showpeople.

- 6.4 The 2015 Mid Devon Gypsy and Traveller Accommodation Needs Assessment (GTAA) recommends that 11 plots for Travelling Showpeople are provided in Mid Devon in the period 2014 – 2034. The Council’s monitoring records show that permissions has been granted for 1 new plot in Mid Devon for Travelling showpeople in the period to 2014 – 2022.

### *Occupancy restrictions*

- 6.5 Where planning permission is granted for a travelling showpeople site or plot the Council may include a restriction requiring that the site or plot shall not be occupied by persons other than Travelling Showpeople as defined in the national “Planning Policy for traveller sites” (DCLG, 2015) or any subsequent national policy superseding that document. This may also include restriction of occupancy to a specific family (named persons and their dependent family) where due to the circumstances there is a need to do so.

### *Adopted Local Plan*

- 6.6 The adopted Mid Devon Local Plan does not identify any suitable site/s for Travelling show people accommodation. However. The Policy DM7 Traveller Sites includes criteria that are applicable for the determining of planning applications for Travelling showpeople plots.

### **Principle 17**

The Council will make sure that necessary and satisfactory measures are put in place through the planning process to secure sites and pitches to meet the housing needs of the travelling showpeople community.



## 7. Custom and Self-Build

- 7.1. Mid Devon District Council wants to enable more people to build their own home. Currently, only 8% of new homes are built this way in the UK, but this form of Custom and Self-Build housing is growing in popularity.
- 7.2. The Council recognises the benefits of Custom and Self-Build in meeting the housing needs of Mid Devon residents. It provides opportunities to reduce costs by sourcing your own materials and being involved in the construction and fitting yourself and create high quality, well-designed buildings bespoke to your needs. Custom and Self-Build Housing is also more likely to draw upon local tradespeople and suppliers, supporting the local economy.

*What is Self-Build and Custom Housebuilding?*



- 7.3. A legal definition of Custom and Self-Build housing for the purposes of applying the Council's policies, is contained within the Self-Build and Custom Housebuilding Act 2015 (amended by the Housing and Planning Act 2016):

"Self-build and custom housebuilding" means the building or completion by

- a) Individuals, b) associations of individuals, or c) persons working with or for individuals or associations of individuals, of housing to be occupied as homes by those individuals.

But it does not include the building of a house on a plot acquired from a person who builds

- 7.4. Speculative market housing delivered by a developer, off-plan sales, or circumstances where developers give clients limited fit-out choices does not comply with the legislation and accompanying Government guidance.

*Types of Custom and Self-Build*

7.5. Serviced Plots can be delivered in a number of ways. The key routes are set out below:

#### Multiple individual serviced plots

- Plots will generally be located within larger sites which are generally allocated in the Local Plan Review 2013 - 2033.

#### Single plots or small sites delivering market plots

- These are likely to be windfall sites and not allocated in the Local Plan.

#### Single plots or small sites delivering affordable plots

- These include delivering affordable plots, including on rural exception sites in accordance with Policy DM6 of the Local Plan Review.
- These sites may also come forward as windfall sites delivered primarily by organisations such as Housing Associations and Community Land Trusts

#### Sites delivered by Town or Parish Councils

- Sites delivered by Town or Parish Council's via their Neighbourhood Plans or Neighbourhood Development Orders.

7.6. Other forms of 'self-finish' Custom Build where the dwelling is not built or commissioned by the occupant may not be considered by the Council to be true self build and are not recognised as such by the CIL regulations.

#### *Demand for Custom and Self-Build Plots*

7.7. Sites allocated in the Mid Devon Local Plan Review 2013 – 2033 are expected to deliver more than 200 serviced custom and self-build plots over the plan period.

7.8. The Council also holds a register of people interested in Custom and Self-Building in Mid Devon. This information is available upon request and will give a broad indication of demand.

[Mid Devon Self Build Register](#)

7.9. The Council also has a longer term [Custom and Self-Build Demand Assessment Framework](#)

## *Policy Context*

7.10. The National Planning Policy Framework (NPPF) paragraph 62 includes the following specific reference to Self-Build and Custom housing:

*“...the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).”*

7.11. The Mid Devon Local Plan Review 2013 – 2033 includes policy S3 (Meeting Housing Needs) which sets out the Council’s approach to ensuring sufficient delivery of land for people wishing to build their own homes, as follows:

“c) To support self-build and custom dwellings meeting the needs of local communities, such dwellings will be permitted as affordable housing in locations outside settlement limits in accordance with Policy DM6

e) To support self-build and custom housing on sites of 20 dwellings or more developers will supply at least 5% of serviced dwelling plots for sale to self-builders for a period of 12 months per plot and any plots subsequently developed for self-build must be completed within 3 years of purchase by a self-builder.”

7.12. Policy DM6 (Rural Exceptions Sites) stipulates that:

“The development of a site for predominately affordable or low-cost housing, including self-build housing, to meet proven local need in rural areas will be permitted where:

- There is up-to-date evidence of housing need secured through a housing need survey or, in the case of a self-build proposal, evidence of eligibility for shared ownership through ‘Help to Buy’ or an equivalent scheme;
- Each house will be occupied by at least one person with a strong local connection to the parish;
- The site adjoins a settlement and is in a suitable location which takes account of the potential for any visual impact and other relevant planning issues;
- The type and scale of affordable or low cost housing will remain affordable for and available to local people in perpetuity, limited to no more than 80% of its market value upon resale.

The inclusion of a proportion of market housing within exception sites will be permitted where the proportion of market housing will be less than the provision of affordable or low-cost housing and the market housing will be at the lowest level necessary to ensure that the development is deliverable.”

### *Delivery on larger sites*

#### *What is the 5% policy requirement?*

7.13. As set out in Policy S3, large sites of more than 20 dwellings should provide at least 5% of dwelling plots for sale to self-builders. Generally, these plots will be sold with outline planning permission, services to the boundary and access to the highway, as set out below.

- 7.14. Where the total number of plots to be provided includes part of a whole number then the number of Self Build and Custom Build plots shall be rounded up where the part of the whole number is 0.5 or more and shall be rounded down where the part of the whole number is less than 0.5.

#### *Planning Applications*

- 7.15. The Council will expect sites delivering self-build and custom build plots, including those required via Policy S3, to seek a planning permission for the self-build element of the scheme.
- 7.16. The suitability of different planning application routes will vary depending on the circumstances of the proposal. A description of the different application routes and their suitability for self-build and custom housebuilding is provided below:

Type of Development	Application route				Commentary
	Permission in Principle / Technical Details Consent	Full	Outline / Reserved Matters	Hybrid Applications	
Single Self Build Dwelling (including affordable housing)	✓	✓	✓	✗	Outline, Full or PP/TDC all acceptable routes. In some cases, the permission in principle route may be preferable as the scope of the permission is limited to location, land use and amount of development. All other matters will be considered at the Technical Details Consent stage.
Any larger residential site involving multiple self-build plots (including windfalls to those coming forward through the 5% policy)	✗	✗	✓	✓	The Hybrid application route would include outline permission granted for the whole site (with appropriate conditions for site wide landscaping, boundary treatments, contaminated land survey, habitat survey, etc.) Each plot to be identified as a separate phase. Full permission granted for access works including any necessary drainage and services. Separate Reserved Matters application for each plot.

- 7.17. The Council may also encourage the use of a Local Development Order to streamline the consent process for self-build and custom housebuilding on larger sites and is open to considering how these could be prepared by applicants in discussion with the Council for adoption.

7.18. When planning for the self-build and custom housebuilding as part of larger sites, proposals will be expected to make specific provision for the following components:

- That plots will need to be serviced and have legal access to the public highway;
- Avoid fixing the details concerning the appearance of the dwellings, beyond any matters agreed via a design code. Design details should be applied for via reserved matters to be determined by the occupants or if necessary through a variation to a planning application.

#### *Serviced Plots*

7.19. The Council will expect plots to be sold with the minimum service connections available at the boundary. There are usually four common utility connections:

- Water and sewage connections
- Electricity
- Gas
- Telecoms

7.20. The definition of a serviced plot of land as set out in the Housing and Planning Act 2016 (9) (4) is:

A serviced plot of land is a plot of land that either has access to a public highway and has connections for electricity, water and waste water, or, in the opinion of a relevant authority, can be provided with access to those things within the duration of a development permission granted in relation to that land.

7.21. It is desirable that plots also have surface water drainage, telecommunications services, and gas. The cost of servicing plots may therefore be reflected in the plot value. Servicing of plots may be carried out in phases, with key services required for plot sale and construction (water, electricity and access) provided before services requirement for occupation (sewerage, telecommunications and gas).



***An example of services/utilities provision at Graven Hill, Bicester providing ease of access for self-builders/contractors. Service boxes are then removed post-construction***

- 7.22. A straightforward site should cost between £10,000 and £30,000 per plot to provide the access roads and utilities depending on the overall sites of development.

*Providing a mix of plot sizes for different types of homes*

- 7.23. The Council will expect plot providers to provide a range of serviced plot sizes and types to meet the range of demand types and price ranges.
- 7.24. This may include plots suitable for bungalows for people with limited mobility, smaller plots which provide opportunities for households seeking lower cost market housing, and larger plots suitable for semi-detached properties to cater for extended families wishing to build together.
- 7.25. Applicants will be expected to have regard to the Council's Right to Build Register. Plot providers may also choose to consult with the local community and consider the immediate demand.
- 7.26. Applicants will be expected to be clear about the market they are seeking to service and to provide information which demonstrates how this has informed the mix of plots provided.

*Achieving Quality Design and the role of Design Codes and Plot Passports*

- 7.27. When considering self-build and custom housebuilding projects, the Council will expect the design to be of high quality which takes full account of the Mid Devon Design Guide Supplementary Planning Document (SPD).
- 7.28. To secure high quality urban design and afford design flexibility to people who want to build their own homes, proposals for sites involving five or more serviced building plots are strongly encouraged to be supported by a design code, prepared in discussion between the Council and the applicant. Such codes are unlikely to be needed for community-led housing projects unless it is intended to sell service plots as part of the development. To secure the design code and enable development to come forward more quickly the Council will seek to link a code to a planning permission via a planning condition.
- 7.29. Design codes should be kept as simple as possible to avoid stifling the ability of self and custom builders to build innovative and creatively designed homes and undermine market demand. If a code is too restrictive it will be more challenging for a landowner to sell the plots. Key design code considerations should typically focus on the site/plots and the acceptable form of development on each plot (for example scale, massing, materials, height, layout, amenity and landscaping). A mix of plot sizes to enable different types of homes to be built, including smaller, lower cost plots which can accommodate smaller homes are encouraged and the proposed housing mix should take account of the local demand on the Council's statutory Self Build and Custom Housebuilding Register.
- 7.30. Codes should be clear about what aspect of a design is mandatory and what is optional and how this applies to the plot and/or wider site. Menus of alternative design solutions for specific elements are encouraged.
- 7.31. For larger sites codes will need to be consistent with the design principles and masterplan for the site as a whole, including the design of the public realm, highway treatments and the serviced of a site by a contractor, developer or other third party.

- 7.32. The Council also encourages the use of a 'Plot Passport' when self-build plots are marketed to buyers. Such documents can help translate the design code into a series of easily understood principles and they are becoming more widely used as part of site marketing. Plot passports are not normally needed where a Custom Build developer manages the build out of a site and homes are built for the homeowner to complete themselves or built to their specification, ready to move in. This includes community-led housing not involving serviced plots for sale to the public.
- 7.33. The location of self-build and custom housebuilding projects on larger housing sites also requires careful consideration.
- 7.34. Although there may be several potential locations for service plots on a site the desirability and value of plots, design quality of the development, the management of site build-out and its brand will be influenced by the location and design of the custom and self-build offer. Where possible, different self-build and custom housebuilding models should also be considered to attract a wide customer base.
- 7.35. Any self-build and/or custom housebuilding parcel on a larger site should be located in prominent location. Plots located exclusively on less prominent parts of the site will reduce their value and could pose sales risks and reduce site viability. The Council is therefore unlikely to accept scheme layouts which locate plots in remote corners of a site and in locations that will be developed at the end of the build out phase.
- 7.36. A phased approach linked to a suitable marketing strategy is considered essential to keep interest high, secure steady build out and minimise site disruption for local residents.
- 7.37. Self-build and/or custom housebuilding projects on larger sites are best arranged in a series of parcels clustered in an allocated hub or 'quarter' within one or more phases of the development, taking account of local demand and viability. This ensures that the design character and wider housing offer across a site is not compromised.
- 7.38. Arranging custom and Self-Build housing in clusters will also enable construction traffic and different build out rates to be better managed and better align with the design aspirations, constraints and design quality expectations. Clustering of plots/properties would also help in terms of management of sales and marketing. Clusters of five or more homes in a parcel is recommended.

**Principle 18**

Custom and Self Build provision should be phased in a timely manner. On larger sites, the Council will expect the early delivery of parcels of self and custom built plots. The Council will work positively with the developer to ensure appropriate phasing of plots via a legal agreement such as a section 106 agreement.

*Design Codes*

- 7.39. As set out above design codes are a useful tool to help achieve consistently higher quality development.
- 7.40. A design code is a set of written and illustrative requirements that provide specific, detailed parameters for the physical development of a site or area. Their content should be informed by the 10 characteristics of good places set out in the National Design Guide and the Mid Devon

Design Guide Supplementary Planning Document to ensure high quality, locally distinctive design and the achievement of memorable and desirable places where people choose to live. They are not intended to address every eventuality but will focus on the basic design requirement that are essential to get right. Ultimately however, whilst the design code should specify what is mandatory and what is optional, it should also allow for design variation, creativity, innovation and originality.

7.41. The table below sets out the parameters that could be helpfully agreed through a Design Code, although this may vary depending on the level of detail.

Design Code Parameter	Guidance
Plot form	Plot size and width
Building forms	Bulk, massing, height, storey heights
Building orientation	Solar masterplanning, position on plot, overlooking, natural surveillance.
Density	Site coverage, dwellings per hectare, plot ratios, higher or lower density nodes.
Developable footprint	Maximum proportion of plot that may be developed; parameters of dwelling position on plot.
Building lines	Frontage continuity, roof-line parameters, setbacks, boundary treatments.
Building types	Detached, semi-detached, terraced / town house, flats.
Street network	Urban grain – street and building pattern and connectivity.
Views and vistas	Relationship to heritage assets, topography, corridors and backdrops.
Soft landscaping	Standards, species planted, biodiversity (net gain), lawns and verges, planters.
Building frontage	Active frontage, frequency of building features such as windows and entrances, architectural styles, features, proportions, materials, colours, balconies, porches.
Townscape features	Eave lines, rooflines, chimneys, corner treatments, focal points, advertising.
Street trees	Species, numbers, placements.
Parking standards	On-street and off-street, on-plot parking, courtyard parking, treatments, overlooking, lighting and garages, having regard to the Council's Parking SPD.
Waste facility	Refuse and recycling bin storage having regard to the Councils 'Refuse storage for new residential properties' SPD.
Infrastructure	Community energy facilities such as combined heat.

7.42. A range of design code examples are provided below:

[Trevenson Park Design Code](#)

[Derwent Forest](#)

[Norwich-Self Build Design Code Rev A.pdf \(landformestates.com\)](#)

[Graven Hill Design Code](#)



### **Principle 19**

Design Codes submitted to the Council for consideration should provide clear, illustrative requirements that specify what is mandatory and what is optional, allowing for design variation, creativity, innovation and originality.

#### *Plot Passports*

7.43. A plot passport is a simple and succinct summary of the design parameters for a given plot. The add value as a key reference point for the purchaser, capturing relevant information from the planning permission, design constraints and procedural requirements in an easily understandable and readily accessible format.

7.44. It should include clear and concise information on the plot, include the total plot size (m2), any design and siting parameters, as well as cost and location of the plot. An example plot passport is provided below:

#### [Graven Hill Sample Plot Passport](#)

7.45. The use of Plot Passports are helpful where the developer allows buyers to build their own homes on serviced plots without a design and build contract. They are not normally needed where a Custom Build developer manages the build out of a site and homes are built for the homeowner to complete themselves or built to their specification, ready to move in. This includes community-led housing that do not involve serviced plots for sale to the public.

#### *Use of Planning Conditions and obligations when the Council grants consent for projects*

7.46. Planning conditions and obligations are an important tool to ensure that projects are delivered in a timely and policy compliant manner. However, the Council will seek to avoid imposing too many conditions on projects. This is particularly important for outline schemes where individual plot purchasers may be submitting their own proposals at the reserved matters stage of the planning process.

7.47. Notwithstanding this, the Council will consider including planning obligations and conditions to ensure the following key issues are addressed:

- Appropriate marketing mechanisms
- Design Code requirements
- Plot Passports and Costs
- Securing custom and self-build as part of a larger site
- Delivery of infrastructure to create serviced plots
- Phasing and CIL
- Occupancy conditions linked to self and custom builders
- Marketing periods and restrictions on occupations of non-self-build dwellings
- Restrictions on disposing of more than 1 plot to the same purchaser
- Build out obligations
- Mortgagee exclusion
- Affordable self-build and custom build

## *Marketing*

- 7.48. Self-build and custom build plots being delivered under adopted Local Plan Policy S3 will be expected to be marketed for a minimum period of 12 months. A marketing strategy will need to be agreed which specifies the minimum 12 month period for advertising plots, the appropriate means of doing so and based on an independent valuation.
- 7.49. The marketing of plots may begin sooner, but the 12 month marketing period should only begin from when the serviced plot(s) are first available for purchase, and ideally available for purchasers to view with the plot boundary fenced or demarked as appropriate. The plot provider shall notify the Council that the formal 12 month marketing period has begun.
- 7.50. The marketing strategy should set out how plots will be marketed including through advertisement; an active local marketing campaign including consideration of targeted marketing to potential self-builders and local community groups and; roadside marketing boards.

### **Principle 20**

Marketing Strategies submitted to the Council for approval should include the following requirements:

- Marketing agent contact details
- High quality downloadable and printable sales brochures
- An appropriate Design Code for the site
- An appropriate Plot Passport for each plot
- Details of all websites and portals upon which the plots will be listed
- CGI images promoting the development
- Proposed draft purchase agreements complete with any step in rights or buy back clauses
- Evidence of mortgage availability
- A development for sale board erected at site entrance.
- Appropriate advertising within the onsite marketing suite.
- The media and PR strategy
- The sales process including timeline
- The plot viewing process
- A monitoring method statement setting out how information on plot sales will be monitored and fed back to the Council at 3 monthly intervals from commencement of marketing.

- 7.51. Once plots have been marketed for the appropriate period, they may then remain on the market as self-build plots, be offered for purchase to the Council or partner Housing Associations, or be built out by the landowner/developer as appropriate.

### *Alternative off-site delivery of Custom and Self-build plots*

- 7.52. Adopted Local Plan Policy S3 requires that custom and self-build plots on sites of 20 or more dwellings will be delivered on-site. However, where an applicant proves the provision of custom and self-build plots would prejudice the delivery of the wider scheme, and/or where it can be demonstrated that an alternative site would be more suitable and satisfactory arrangements can be made to secure the delivery of the custom and self-build plots on that alternative site, then off-site delivery of serviced plots on an alternative site may be considered on a case by case basis. The Council will require the developer to secure the alternative serviced site prior to commencement, with delivery and marketing of the alternative plots prior

to the occupation of the final 10% of homes on the main development site, although delivery should be sought sooner wherever possible.

7.53. Financial contributions in lieu of on-site provision will only be considered acceptable where the number of plots to be delivered is 2 or less or where sites cannot reasonably deliver self-build plots such as constrained town centre urban sites delivering higher density flats and townhouses. Financial contributions will be based on the most up-to-date evidence on custom build plot values.

*Delivery of Affordable Custom and Self-Build*

*Rural Exception Sites for Affordable Custom and Self-Build Housing*

7.54. The Council supports the delivery of low cost self-build and custom build on Rural Exception Sites subject to satisfying the provisions of adopted Local Plan Policy DM6.

There are various forms of self-build and custom homebuilding that can come forward via rural exceptions sites including:

- **Discounted serviced plots** – Sold at below market value with restrictions applied to maintain affordability in perpetuity.
- **Self-finish housing** – This could be provided by a Housing Association and sold at below market value to local people in housing need, or on a shared ownership basis.
- **Community-led group self-build and custom build projects** – These could be delivered by a wide range of organisations (e.g. community land trusts, neighbourhood plan groups) provided they meet the provisions of Policy DM6.

A proportion of higher value custom build homes could also come forward, where these would help cross-subsidise the provision of other affordable self-build and custom build homes or indeed, conventional affordable housing products.

7.55. Policy DM6 seeks to apply the Government's Help to Buy eligibility criterion to establish housing need. Whilst this guidance has been updated since this policy was drafted, it is considered that it is still an appropriate way of assessing eligibility. Therefore Housing Need is demonstrated where the applicant:

- Cannot afford to purchase a home suitable for their housing needs within a reasonable travel distance of their work place and have a household income not exceeding £60,000;
- Have sufficient savings or funds to pay, if required, a deposit (which may be 5% or more of the purchase price), legal fees, stamp duty and other costs of moving;
- Can sustain home ownership in the longer term; and
- Are not already a home owner or named on a home mortgage.

7.56. In addition, each house will be occupied by at least one person with a strong local connection to the parish. A planning obligation will be required to ensure that the affordable or low cost housing remains available for local people in perpetuity.

## 8. Modern Methods of Construction

8.1. The Council recognises that Modern Methods of Construction (MMC) can provide a wide range of benefits including faster construction, higher environmental standards and reduced costs compared to traditional building techniques. MMC can also help diversify the housing offered across Mid Devon, improve customer choice and affordability, and secure sustainable design. The Town and Country Planning Association outlines a number of benefits and challenges associated with MMC as follows:

### Benefits:

- Speed of delivery
- Amenity during construction
- Build Cost
- Build quality
- Environmental Performance
- Sustainability

### Challenges

- Evidence of durability
- Procurement
- Integrating planning and MMC
- Funding and mortgage availability
- Place-making and design concerns



***Carbon neutral, modular homes granted planning permission for 6 social rented homes at Shapland Place, Tiverton. Designed and build in partnership with modular house builder Zed Pods Ltd.***

8.2. Modern Methods of Construction encompasses a wide range of construction techniques, all of which differ from 'traditional' building methods. Research undertaken by the National House Building Council (NHBC) Foundation defines MMC as including the following approaches:

- Volumetric (modular) manufactured units
- Pods (particularly bathroom and kitchen)

- Panelised systems (including open and closed panel timber systems, open and closed panel timber frame systems, open and closed panel steel frame panels, structural insulated panels (SIPs), cross-laminated timber (CLT))
- Sub-assemblies and components (including door sets, timber I-beams, prefabricated chimneys, prefabricated dormers, floor cassettes, roof cassettes).
- Site-based MMC (including thin-joint masonry and insulated structural framework (ICF))

8.3. The Council is keen to support a wide range of MMC and their implementation within Mid Devon, and the Corporate Plan 2020-2040 encourages the piloting of MMC in Mid Devon. The Council will also seek to engage with the development industry and its strategic partners to identify, and pilot opportunities in the district.

**Principle 21**

The Council will work collaboratively with developers and other stakeholders to pilot Modern Methods of Construction schemes in the district.

## **Appendix 1**

[Affordable Housing Allocations Criteria 2017 \(middevon.gov.uk\)](https://www.middevon.gov.uk/affordable-housing-allocations-criteria-2017)

## **Appendix 2**

Key Worker Occupations – as specified in [\[Withdrawn\] Children of critical workers and vulnerable children who can access schools or educational settings - GOV.UK \(www.gov.uk\)](#)

Note on eligibility: The definition requires reference to both a specific occupation and a relevant occupational sector. Individuals may hold a specific occupation while working in an occupational sector outside of the key works scope.

The key occupational sectors are as follows:

- Health and social care
- Education and childcare
- Key public services
- Local and national government
- Food and other necessary goods
- Public safety and national security
- Transport
- Utilities, communications and financial services

Social services managers and directors  
 Higher education teaching professionals  
 Further education teaching professionals  
 Secondary education teaching professionals  
 Primary and nursery education teaching professionals  
 Special needs education teaching professionals  
 Senior professionals of educational establishments  
 Education advisers and school inspectors  
 Teaching and other educational professionals n.e.c.  
 Social workers  
 Youth and community workers  
 Child and early years officers  
 School secretaries  
 Nursery nurses and assistants  
 Childminders and related occupations  
 Playworkers  
 Teaching assistants  
 Educational support assistants  
 Caretakers  
 School midday and crossing patrol occupations  
 Production managers and directors in manufacturing  
 Managers and directors in retail and wholesale  
 Managers and proprietors in agriculture and horticulture  
 Managers and proprietors in forestry, fishing and related services  
 Shopkeepers and proprietors – wholesale and retail  
 Stock control clerks and assistants  
 Farmers  
 Agricultural and fishing trades n.e.c.  
 Butchers  
 Bakers and flour confectioners  
 Fishmongers and poultry dressers  
 Sales and retail assistants  
 Retail cashiers and check-out operators  
 Roundspersons and van salespersons  
 Sales supervisors  
 Customer service occupations n.e.c.  
 Customer service managers and supervisors  
 Food, drink and tobacco process operatives  
 Routine inspectors and testers  
 Agricultural machinery drivers

Farm workers  
 Fishing and other elementary agriculture occupations n.e.c.  
 Packers, bottlers, canners and fillers  
 Shelf fillers  
 Elementary sales occupations n.e.c.  
 Elementary storage occupations  
 Chief executives and senior officials  
 Production managers and directors in manufacturing  
 Health services and public health managers and directors  
 Health care practice managers  
 Residential, day and domiciliary care managers and proprietors  
 Biological scientists and biochemists  
 Research and development managers  
 Medical practitioners  
 Psychologists  
 Pharmacists  
 Ophthalmic opticians  
 Dental practitioners  
 Veterinarians  
 Medical radiographers  
 Podiatrists  
 Health professionals n.e.c.  
 Physiotherapists  
 Occupational therapists  
 Speech and language therapists  
 Therapy professionals n.e.c.  
 Nurses  
 Midwives  
 Laboratory technicians  
 Paramedics  
 Pharmaceutical technicians  
 Medical and dental technicians  
 Health associate professionals n.e.c.  
 Counsellors  
 Public services associate professionals  
 Medical secretaries  
 Veterinary nurses  
 Animal care services occupations n.e.c.  
 Nursing auxiliaries and assistants  
 Ambulance staff (excluding paramedics)  
 Dental nurses  
 Houseparents and residential wardens  
 Care workers and home carers  
 Senior care workers  
 Care escorts  
 Cleaning and housekeeping managers and supervisors  
 Pharmacy and other dispensing assistants  
 Cleaners and domestics  
 Hospital porters  
 Barristers and judges

Solicitors  
 Legal professionals n.e.c.  
 Clergy  
 Welfare professionals n.e.c.  
 Journalists, newspaper and periodical editors  
 Housing officers  
 Welfare and housing associate professionals n.e.c.  
 Authors, writers and translators  
 Actors, entertainers and presenters  
 Arts officers, producers and directors  
 Photographers, audio-visual and broadcasting equipment operators  
 Legal associate professionals  
 Local government administrative occupations  
 Officers of non-governmental organisations  
 Records clerks and assistants  
 Legal secretaries  
 Printers  
 Print finishing and binding workers  
 Undertakers, mortuary and crematorium assistants  
 Printing machine assistants  
 Chief executives and senior officials  
 Elected officers and representatives  
 Functional managers and directors n.e.c.  
 Business, research and administrative professionals n.e.c.  
 Public services associate professionals  
 National government administrative occupations  
 Local government administrative occupations  
 Chief executives and senior officials  
 Officers in armed forces  
 Senior police officers  
 Senior officers in fire, ambulance, prison and related services  
 Managers and proprietors in other services n.e.c.  
 Business and related research professionals  
 Probation officers  
 NCOs and other ranks  
 Police officers (sergeant and below)  
 Fire service officers (watch manager and below)  
 Prison service officers (below principal officer)  
 Police community support officers  
 Protective service associate professionals n.e.c.  
 Public services associate professionals

National government administrative occupations  
 Security guards and related occupations  
 Managers and directors in transport and distribution  
 Managers and directors in storage and warehousing  
 Garage managers and proprietors  
 Air traffic controllers  
 Aircraft pilots and flight engineers  
 Ship and hovercraft officers  
 Transport and distribution clerks and assistants  
 Vehicle technicians, mechanics and electricians  
 Aircraft maintenance and related trades  
 Boat and ship builders and repairers  
 Rail and rolling stock builders and repairers  
 Air travel assistants  
 Rail travel assistants  
 Vehicle and parts salespersons and advisers  
 Road construction operatives  
 Rail construction and maintenance operatives  
 Large goods vehicle drivers  
 Van drivers  
 Bus and coach drivers  
 Fork-lift truck drivers

Train and tram drivers  
 Marine and waterways transport operatives  
 Air transport operatives  
 Rail transport operatives  
 Elementary construction occupations  
 Chief executives and senior officials  
 Production managers and directors in manufacturing  
 Production managers and directors in mining and energy  
 Financial managers and directors  
 Information technology and telecommunications directors  
 Financial institution managers and directors  
 Managers and directors in transport and distribution  
 Waste disposal and environmental services managers  
 Mechanical engineers  
 Electrical engineers  
 Electronics engineers  
 Engineering professionals n.e.c.  
 IT specialist managers  
 IT project and programme managers  
 IT business analysts, architects and systems designers  
 Programmers and software development professionals  
 Web design and development professionals

Information technology and telecommunications professionals n.e.c.  
 Chartered and certified accountants  
 Management consultants and business analysts  
 Actuaries, economists and statisticians  
 Engineering technicians  
 IT operations technicians  
 IT user support technicians  
 Estimators, valuers and assessors  
 Insurance underwriters  
 Finance and investment analysts and advisers  
 Financial and accounting technicians  
 Financial accounts managers  
 Credit controllers  
 Book-keepers, payroll managers and wages clerks  
 Bank and post office clerks  
 Finance officers  
 Financial administrative occupations n.e.c.  
 Pensions and insurance clerks and assistants  
 Metal machining setters and setter-operators  
 Metal working production and maintenance fitters  
 Telecommunications engineers





## **Supplementary Planning Document on Meeting Housing Needs**

## **Strategic Environmental Assessment Screening Report**

**January 2023**

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## **1.0 Meeting Housing Needs Supplementary Planning Document**

### *Purpose, scope and content*

- 1.1 Mid Devon District Council has prepared a new Meeting Housing Needs SPD for Mid Devon District. This is currently in a Draft form, intended for public consultation.
- 1.2 The purpose of the Meeting Housing Needs SPD is to provide detailed guidance on the type and tenure of housing being provided across the district to ensure the timely delivery of open market, affordable, gypsy and traveller accommodation, community led housing and custom and self-build. The SPD can be used to help assist consideration of proposals submitted to the Council for determination and inform the decisions made on these.
- 1.4 The Meeting Housing Needs SPD comprises a number of key sections including affordable housing, homes for older people and people with disabilities, homes for gypsies and travellers, homes for travelling showpeople, custom and self-build, community-led housing and Modern Methods of Construction.

### *Relationship with the National Planning Policy Framework*

- 1.6 The National Planning Policy Framework (2019) paragraph 60 makes clear that ‘to support the government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. Paragraph 62 adds that ‘within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.

### *Relationship with the Mid Devon Local Plan*

- 1.8 The Mid Devon Local Plan 2013 2033 contains a number of planning policies related to housing, all contributing to the delivery of a vision that ‘Mid Devon will be a prosperous and sustainable rural district, where individuals, families and communities can flourish as a result of access to good quality local employment, housing and services and a clean, green safe environment.’
- 1.9 The Local Plan Review Policy S3 ‘Meeting housing needs’ provides the principal policy baseline for the more detailed guidance included in the Meeting Housing Needs Supplementary Planning Document:

### ***Policy S3 Meeting housing needs***

- a) *The diverse housing needs of Mid Devon will be met through the provision of a minimum of 7,860 dwellings between 1<sup>st</sup> April 2013 and 31<sup>st</sup> March 2033. In line with the predicted continuing need for new housing the expected annual rate of new housing development will be 393 dwellings per annum;*
- b) *Unless otherwise stated in a site allocation policy, on open market housing sites (i.e. excluding exception sites provided under Rural Exceptions Sites under Policy DM6) of 11 dwellings or more in Tiverton, Cullompton and Crediton a target of*

*28% affordable dwellings, and on sites elsewhere of 6 dwellings or more a target of 30% affordable dwellings will be applied to the total number of dwellings, depending on viability and providing a mix of dwelling sizes and types appropriate to the evolving needs of Mid Devon's population. Sites of between 6 – 10 dwellings outside Tiverton, Cullompton and Crediton will be permitted to make a financial contribution sufficient to provide the affordable dwellings in another location;*

- c) To support self-build and custom dwellings meeting the needs of local communities, such dwellings will be permitted as affordable housing in locations outside settlement limits in accordance with Policy DM6;*
- d) To support self-build and custom housing on sites of 20 dwellings or more developers will supply at least 5% of serviced dwelling plots for sale to self-builders for a period of 12 months per plot and any plots subsequently developed for self-build must be completed within 3 years of purchase by a self-builder; and*
- e) A five year supply of gypsy and traveller pitches will be allocated on deliverable sites within Mid Devon to ensure that the predicted need for traveller sites will be met. A further supply of developable sites or broad locations for growth will be identified equivalent to a further ten years of predicted growth. The Housing Authority will seek to provide a public site for gypsy and traveller pitches within Mid Devon, subject to the availability of funding.*

#### *Status of the Mid Devon Design Guide SPD*

- 1.12 The Meeting Housing Needs SPD will be adopted by the Council as a Supplementary Planning Document (SPD). The SPD will not be part of the development plan and does not introduce new planning policies into the development plan. However, it will be capable of being a material consideration in determining planning applications.

## **2.0 SEA and SEA Screening**

### *Strategic Environmental Assessment*

- 2.1. The requirement for a Strategic Environmental Assessment (SEA) arises from the European Directive 2001/42/EC “on the assessment of the effects of certain plans and programmes on the environment” (hereafter referred to as the SEA Directive). This has been transposed into English law by the Environmental Assessment of Plans and Programmes Regulations 2004 (referred to as the ‘SEA Regulations’). This legislation places an obligation on local authorities to undertake SEA on any plan or programme prepared for town and country planning or land use purposes and which sets the framework for future development consent of certain projects.

### *Screening*

- 2.2. The 2008 Planning Act has removed the requirement to undertake a Sustainability Appraisal (SA) for an SPD. However, this has not replaced the requirement to establish whether an SPD requires Strategic Environmental Assessment (SEA). SEA is required in some limited situations where a Supplementary Planning Document (SPD) could have significant environmental effects.
- 2.3. In order to establish whether SEA is required the fundamental consideration is whether the document is likely to have ‘significant environmental effects’. This is undertaken through a

screening assessment. If the screening assessment indicates that there could be significant effects, an SEA is needed.

- 2.4. A Practical Guide to the SEA Directive was published by the Department of the Environment, Office of the Deputy Prime Minister (2005). This sets out practical guidance on applying the SEA Directive on the assessment of the effects of certain plans and programmes on the environment. The practical guidance includes a flow chart (figure 2) which illustrates the process for screening a planning document to establish whether a full SEA is needed.

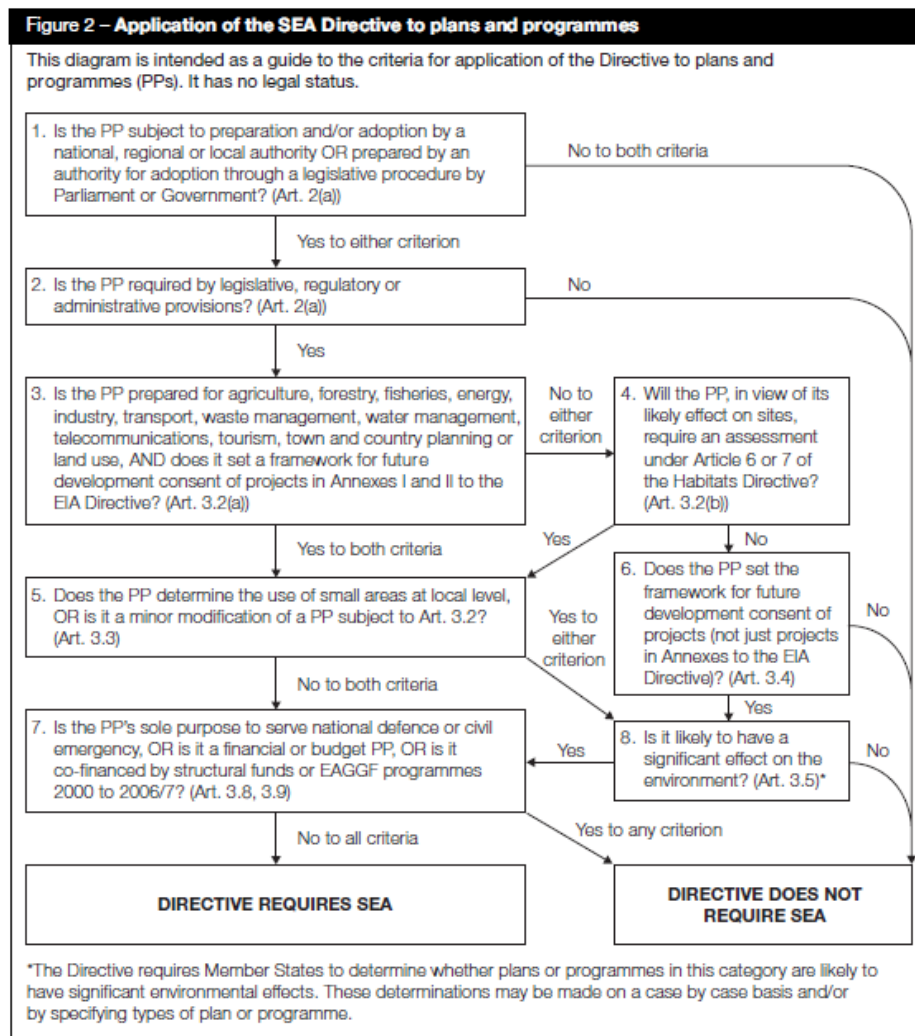


Diagram 1: Application of the SEA Directive to plans and programmes (Figure 2 extracted from 'A practical guide to the Strategic Environmental Assessment Directive')

- 2.5 Table 1 below sets out the Council's response to the above questions in order to clearly assess the whether there is a requirement for the SPD on Meeting Housing Needs to be subject a full SEA.
- 2.6 Table 2 provides the Council's assessment of likely significant effects of the SPD on Meeting Housing Needs on the environment, in accordance with the screening report process in Table 1.

**Table 1: Screening of the Mid Devon SPD on Meeting Housing Needs**

<b>Stage</b>	<b>Y/N</b>	<b>Reason</b>
1. Is the SPD subject to preparation and/or adoption by a national, regional or local authority OR prepared by an authority for adoption through a legislative procedure by Parliament or Government? (Art.2(a))	Y	<p>The preparation and adoption of the SPD is allowed under the Town and Country Planning Act 1990. The process in preparing the SPD is in accordance with the Town and Country Planning (Local Planning) Regulations 2012.</p> <p><b>Go to STAGE 2</b></p>
2. Is the SPD required by legislative, regulatory or administrative provisions? (Art.2(a))	Y	<p>Although the SPD is not a requirement under the provisions of the Town and Country Planning Act 1990, if adopted it will add further detail to the policies in the Local Plan and will be a material consideration in planning decisions. It is therefore important that the screening process is precautionary and considers whether it is likely to have significant environment effects and hence whether SEA is required under the Directive.</p> <p><b>Go to STAGE 3.</b></p>
3. Is the SPD prepared for agriculture, forestry, fisheries, energy, industry, transport, waste management, water management, telecommunications, tourism, town and country planning or land use, AND does it set a framework for future development consent of projects in Annexes I and II to the EIA Directive? (Art. 3.2(a))	Y	<p>The SPD has been prepared for the purposes of town and country planning. It supplements policies in the Mid Devon Local Plan (2013-2033) by providing detailed guidance as to how these policies are interpreted in relation to meeting housing needs</p> <p>As this SPD would relate to all development within Mid Devon District it will in some cases set a framework for future development consent of projects in Annex I and II to the EIA Directive.</p> <p><b>Go to STAGE 5</b></p>
4. Will the SPD, in view of this likely effect on sites require an assessment under Article 6 or 7 of the Habitats Directive? (Art.3.2(b))		<p><b>Not Applicable</b></p> <p>The SPD has been subject to a separate Habitat Regulations Assessment screening which has concluded the SPD is not likely to have significant adverse effects on the integrity of Habitats sites, either alone or in-combination with other plans or projects.</p>

Stage	Y/N	Reason
5. Does the SPD determine the use of small areas at local level, OR is it a minor modification of a plan or programme subject to Art 3.2? (Art.3.3)	Y	The SPD will be material consideration in planning applications for new developments. It provides detailed guidance to adopted Local Plan policy (minor modification).'  <b>Go to STAGE 8</b>
6. Does the SPD set the framework for future development consent of projects (not just projects in Annexes to the EIA Directive)? (Art. 3.4)	<b>Not applicable</b>	
7. Is the SPD's sole purpose to serve national defence or civil emergency, OR is it a financial or budget plan or programme, OR is it co-financed by structural funds or EAGGF programmes 2000 to 2006/7? (Art. 3.8, 3.9)	<b>Not applicable</b>	
8. Is it likely to have a significant effect on the environment? (Art. 3.4)	N	See Table 2, assessment of the likely significant effects on the environment. This concludes that the SPD is unlikely to have a significant effect on the Environment.  <b>DIRECTIVE DOES NOT REQUIRE SEA of the SPD</b>

**Table 2: Determining the likely significance of effects of the Mid Devon**

Criteria specified schedule 1 SEA Regulations	Likely significant negative environmental effect (Y/N)	Reason
1. The characteristics of plans and programmes, having regard, in particular, to -		
a) The degree to which the SPD sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources;	N	The SPD, if adopted will help implement the relevant policies of the Local Plan and therefore contribute to the framework for future development consent. It does not however introduce a new framework or policies. The Local Plan has been subject to Sustainability Appraisal (SA) and therefore SEA in which likely significant negative environmental effects are not anticipated.

Criteria specified schedule 1 SEA Regulations	Likely significant negative environmental effect (Y/N)	Reason
b) The degree to which the SPD influences other plans and programmes including those in a hierarchy;	N	The SPD is in conformity with the National Planning Policy Framework and Mid Devon Local Plan 2013-2033 policies. The SPD will not significantly influence other plans and programmes, it supplements the Local Plan which has been subject to SA and therefore SEA in which likely significant negative environmental effects are not anticipated.
c) The relevance of the SPD for the integration of environmental considerations in particular with a view to promoting sustainable development;	N	The SPD will help the integration of environmental considerations with a view to promoting sustainable development as part of the development proposals. This includes ensuring appropriate consideration of housing needs and delivering an appropriate mix of types and tenures of affordable housing. The impact of the SPD will be positive on this criterion.
d) Environmental problems relevant to the SPD; and	N	Planning policy in relation to housing needs is principally established through the National Planning Policy Framework and the Mid Devon Local Plan Review. The SPD provides specific guidance to ensure an appropriate mix of types and tenures of affordable housing are provided, and to secure local plan policy requirements with regards to gypsies and travellers and custom and self-build. Adverse impacts are not anticipated.
e) The relevance of the SPD for the implementation of Community legislation on the environment (for example, plans and programmes linked to waste management or water protection)	N	The SPD is not directly relevant to the implementation of community legislation on the environment including legislation relating to waste management or water protection.
2. Characteristics of the effects and of the area likely to be affected, having regard, in particular, to -		



Criteria specified schedule 1 SEA Regulations	Likely significant negative environmental effect (Y/N)	Reason
a) The probability, duration, frequency and reversibility of the effects;	N	The SPD provides specific guidance to ensure an appropriate mix of types and tenures of affordable housing are provided, and to secure local plan policy requirements with regards to gypsies and travellers and custom and self-build. Long-term significant adverse effects are not anticipated.
b) The cumulative nature of the effects;	N	The SPD is in conformity with the strategic policies in Local Plan 2013-2033 and it is intended that the effects will have a positive cumulative effect in the area.
c) The transboundary nature of the effects	N	There are not expected to be any significant trans-boundary effects. The SPD provides specific guidance to ensure an appropriate mix of types and tenures of affordable housing are provided within Mid Devon District.
d) The risks to human health or the environment (for example, due to accidents);	N	The SPD is likely to have a positive impact on human health by encouraging high quality and affordable accommodation and development. There are no significant risks to human health
e) The magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected);	N	The SPD is relevant for the Mid Devon District area. Adverse effects are not anticipated.
f) The value and vulnerability of the area likely to be affected due to – (i) Special nature characteristics or cultural heritage; (ii) Exceeded environmental quality standards or limit values; or (iii) Intensive land-use	N	The SPD is relevant for the Mid Devon District area. The SPD provides specific guidance to ensure an appropriate mix of types and tenures of affordable housing are provided, and to secure local plan policy requirements with regards to gypsies and travellers and custom and self-build. Adverse effects are not anticipated.

Criteria specified schedule 1 SEA Regulations	Likely significant negative environmental effect (Y/N)	Reason
g) The effects on areas or landscapes which have a recognised natural, Community or international protection status.	N	The SPD is relevant for the Mid Devon District area in which there are landscapes of recognised natural, community or international protection. The SPD provides specific guidance to ensure an appropriate mix of types and tenures of affordable housing are provided, and to secure local plan policy requirements with regards to gypsies and travellers and custom and self-build. Adverse effects are not anticipated for these landscapes.

### **3.0 Conclusion**

3.1 This SEA screening has identified that the SPD Meeting Housing Needs is unlikely to have significant negative effects on the environment.

3.2 The SEA screening has found that there is no requirement for the SPD Meeting Housing Needs to be subject to a full SEA.

### **4.0 Next steps**

4.1 This screening opinion will be subject to consultation with the three designated consultation bodies – Historic England, Natural England, and the Environment Agency.

4.2 The screening opinion will be published alongside the SPD on Meeting Housing Needs, and will also be subject to public consultation.

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## **Draft Meeting Housing Needs Supplementary Planning Document**

## **Habitat Regulations Assessment Screening Report**

**January 2023**

## **1.0 Mid Devon Design Guide**

### *Purpose, scope and content*

- 1.1 Mid Devon District Council has prepared a new Meeting Housing Needs SPD for Mid Devon District. This is currently in a Draft form, intended for public consultation.
- 1.2 The purpose of the Meeting Housing Needs SPD is to provide detailed guidance on the type and tenure of housing being provided across the district to ensure the timely delivery of open market, affordable, gypsy and traveller accommodation, community led housing and custom and self-build. The SPD can be used to help assist consideration of proposals submitted to the Council for determination and inform the decisions made on these.
- 1.4 The Meeting Housing Needs SPD comprises a number of key sections including affordable housing, homes for older people and people with disabilities, homes for gypsies and travellers, homes for travelling showpeople, custom and self-build, community-led housing and Modern Methods of Construction.

### *Relationship with the National Planning Policy Framework*

- 1.6 The National Planning Policy Framework (2019) paragraph 60 makes clear that ‘to support the government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. Paragraph 62 adds that ‘within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.

### *Relationship with the Mid Devon Local Plan*

- 1.8 The Mid Devon Local Plan 2013 2033 contains a number of planning policies related to housing, all contributing to the delivery of a vision that ‘Mid Devon will be a prosperous and sustainable rural district, where individuals, families and communities can flourish as a result of access to good quality local employment, housing and services and a clean, green safe environment.’
- 1.9 The Local Plan Review Policy S3 ‘Meeting housing needs’ provides the principal policy baseline for the more detailed guidance included in the Meeting Housing Needs Supplementary Planning Document:

### ***Policy S3 Meeting housing needs***

- a) *The diverse housing needs of Mid Devon will be met through the provision of a minimum of 7,860 dwellings between 1<sup>st</sup> April 2013 and 31<sup>st</sup> March 2033. In line with the predicted continuing need for new housing the expected annual rate of new housing development will be 393 dwellings per annum;*
- b) *Unless otherwise stated in a site allocation policy, on open market housing sites (i.e. excluding exception sites provided under Rural Exceptions Sites under Policy*

*DM6) of 11 dwellings or more in Tiverton, Cullompton and Crediton a target of 28% affordable dwellings, and on sites elsewhere of 6 dwellings or more a target of 30% affordable dwellings will be applied to the total number of dwellings, depending on viability and providing a mix of dwelling sizes and types appropriate to the evolving needs of Mid Devon's population. Sites of between 6 – 10 dwellings outside Tiverton, Cullompton and Crediton will be permitted to make a financial contribution sufficient to provide the affordable dwellings in another location;*

- c) To support self-build and custom dwellings meeting the needs of local communities, such dwellings will be permitted as affordable housing in locations outside settlement limits in accordance with Policy DM6;*
- d) To support self-build and custom housing on sites of 20 dwellings or more developers will supply at least 5% of serviced dwelling plots for sale to self-builders for a period of 12 months per plot and any plots subsequently developed for self-build must be completed within 3 years of purchase by a self-builder; and*
- e) A five year supply of gypsy and traveller pitches will be allocated on deliverable sites within Mid Devon to ensure that the predicted need for traveller sites will be met. A further supply of developable sites or broad locations for growth will be identified equivalent to a further ten years of predicted growth. The Housing Authority will seek to provide a public site for gypsy and traveller pitches within Mid Devon, subject to the availability of funding.*

#### *Status of the Mid Devon Design Guide SPD*

- 1.12 The Meeting Housing Needs SPD will be adopted by the Council as a Supplementary Planning Document (SPD). The SPD will not be part of the development plan and does not introduce new planning policies into the development plan. However, it will be capable of being a material consideration in determining planning applications.

## **2.0 Habitat Regulations Assessment**

2.0 A Habitat Regulations Assessment (HRA) refers to the several distinct stages of Assessment. These must be undertaken in accordance with the Conservation of Habitats and Species Regulations 2017 (as amended) and the Conservation of Offshore Marine Habitats and Species Regulations 2017 (as amended) to determine whether a plan or project may affect the protected features of a European site ('habitats site') identified under these regulations before deciding whether to undertake, permit or authorise it.

- 2.1 All plans and projects which are not directly connected with, or necessary for, the conservation management of a habitat site, require consideration of whether the plan or project is likely to have significant effects on that site. This consideration is typically referred to as the 'Habitats Regulations Assessment screening' and should take into account the potential effects both of the plan/project itself and in combination with other plans or projects.
- 2.2 Where the potential for likely significant effects cannot be excluded, an appropriate assessment of the implications of the plan or project must be undertaken, in view the relevant Habitats Sites conservation objectives. A plan or project may be agreed to only after having ruled out adverse effects on the integrity of the habitats site. Where an adverse effect on the site's integrity cannot be ruled out, and where there are no alternative solutions, the plan or project can only

proceed if there are imperative reasons of over-riding public interest and if the necessary compensatory measures can be secured.

- 2.3 In April 2018, the Court of Justice of the European Union delivered its judgement in Case C-323/17 People Over Wind & Peter Sweetman v Coillte Teoranta ('People over Wind'). The judgment clarified that making screening decisions as part of the HRA and for the purposes of deciding whether an appropriate assessment is required, mitigation measures cannot be taken into account. Mitigation measures intended to avoid or reduce the harmful effects of a plan or project can only be taken into account at the appropriate assessment stage.



### 3.0 Habitats site

3.1 A Habitats site (or European Site) refers to any site which would be included within the definition at regulation 8 of the Conservation of Habitats and Species Regulations 2017 for the purpose of those regulations, including candidate Special Areas of Conservation, Sites of Community Importance, Special Areas of Conservation, Special Protection Areas and any relevant Marine Sites.

3.2 There are no Habitats sites within Mid Devon although there are 11 such sites within 10km (Table 1), the closest being the Culm Grasslands SAC which lies immediately adjacent to the north western boundary of Mid Devon District.

Special Areas of Conservation (SACs)	Special Protection Areas (SPAs)	Ramsar Sites
<ul style="list-style-type: none"><li>• East Devon Pebblebed Heaths</li><li>• Culm Grasslands</li><li>• South Dartmoor Woods</li><li>• Holme Moor and Clean Moore</li><li>• Dartmoor</li><li>• Exmoor Heaths</li><li>• Quants</li><li>• Exmoor and Quantock Oakwoods</li></ul>	<ul style="list-style-type: none"><li>• Exe Estuary</li><li>• East Devon Heaths</li></ul>	<ul style="list-style-type: none"><li>• Exe Estuary</li></ul>

Table 1: Habitats Sites within 10km of Mid Devon District

3.3 Small parts to the East of the Mid Devon District also fall within the Somerset Levels and Moor Ramsar Tone Catchment area, for which Natural England has set out advice explaining how plans or projects with the potential to have nutrient impacts on Habitats site should be considered when making decisions in relation to planning.

#### ***Potential Impacts on Habitats Site***

3.4 There are a number of categories that can affect Habitats Sites which include:

- Physical Loss
- Physical Damage
- Non-physical disturbance
- Water table/availability
- Toxic contamination
- Non-toxic contamination
- Biological disturbance

#### **4.0 Mid Devon Local Plan 2013 – 2033 HRA**

- 4.1 As the competent authority under The Conservation of Habitats and Species Regulations (2010) (now 2017 as amended) Mid Devon District Council was required to assess its Local Plan 2013-2033 as part of the HRA process. A full HRA Report for the Mid Devon Local Plan 2013-2033 was undertaken March 2015 and related to the Publication Draft version of the Local Plan. This concluded that adverse effects on the integrity of European sites (referred to in this report as Habitats sites) around Mid Devon from policy and site options in the new Local Plan, either alone or in combination with other plans, will not occur.
- 4.2 Two HRA Addenda were prepared in 2016. The first (dated August 2016) was prepared in order to update the findings of the March 2015 HRA Report in light of changes to the supply of housing and employment land that were made in the Submission version of the Local Plan. The HRA Addendum screened the changes to policies in the Local Plan and concluded that, for each change, the screening conclusions of the March 2015 HRA Report would have been the same and the same Appropriate Assessment work would therefore have been undertaken. The second HRA Addendum (December 2016) presented Appropriate Assessment work that was undertaken in relation to potential air pollution impacts on the Culm Grasslands SAC that could result from development at Junction 27 and the associated additional housing required.
- 4.3 A third HRA Addendum was prepared in October 2019 which presented an assessment of the proposed Main Modifications raised by the Planning Inspector appointed by the Secretary of State to undertake the independent examination of the Mid Devon Local Plan (2013-2033). This concluded that the HRA for the Mid Devon Local Plan remain that the Local Plan (taking into account the Proposed Main Modifications) is not likely to have adverse effects on the integrity of European sites (referred to in this report as Habitats sites), either alone or in-combination with other plans or projects.
- 4.4 Subsequent to this conclusion in the Local Plan 2013-2033 HRA, new advice on the potential to have nutrient impacts on Habitats sites was received in 2020 from Natural England in light of a court Judgement (known as Dutch N). Of relevance to Mid Devon District this identified the Somerset Levels and Moors Ramsar Tone Catchment, in which small areas to the East of the District falls within the 'area of risk' Tone Catchment. Development types that require a HRA to determine the impacts on this Habitat Site include:
- New residential units – including tourist accommodation, gypsy sites/pitches
  - Commercial developments – where overnight accommodation is provided
  - Agricultural Development – additional barns, slurry stores etc. where it is likely to lead to an increase in herd size
  - Prior Notifications of agricultural development where, as a result of development, the herd size may increase. Prior notifications for change of use of office to dwellings and agricultural buildings to dwellings
  - Anaerobic Digesters
  - Some tourism attractions
- 4.5 No relevant types of development that could affect the Somerset Levels and Moors Ramsar are allocated within the Mid Devon Local Plan and DM28 sets out that where development proposals are likely to have a significant effect on a European site an Appropriate Assessment will be required. In which case, planning permission will be refused unless it has been

ascertained that with mitigation measures in place the development will not adversely affect the integrity of the site.

## **5.0 Mid Devon Design Guide SPD HRA Screening**

- 5.1 The Meeting Housing Needs SPD expands upon policies within the Mid Devon Local Plan Review 2013-2033. The SPD does not introduce new policies or proposals outside the scope of the Local Plan Review. Policies in the Mid Devon Local Plan Review, including Policy S3 Meeting Housing Needs have already been subject to HRA with the conclusion that the Mid Devon Local Plan Review is not likely to have adverse effects on the integrity of European sites (referred to in this report as Habitats sites), either alone or in-combination with other plans or projects. The Meeting Housing Needs SPD does not result in development itself but seeks to guide development in providing good design. The Meeting Housing Needs SPD is therefore not likely to have significant adverse effects on the integrity of Habitats sites, either alone or in-combination with other plans or projects and further 'Appropriate Assessment' is not required.

## **6.0 Conclusion**

- 6.1 This screening report has identified that the draft Meeting Housing Needs SPD is not likely to have significant adverse effects on the integrity of Habitats sites, either alone or in-combination with other plans or projects and further 'Appropriate Assessment' is not required.

## **7.0 Next steps**

- 7.1 This screening opinion will be subject to consultation with the three designated consultation bodies – Historic England, Natural England, and the Environment Agency.
- 7.2 The screening opinion will be published alongside the Draft Meeting Housing Needs SPD and will also be subject to public consultation.

## HOMES POLICY DEVELOPMENT GROUP 17 JANUARY 2023

### MID DEVON HOUSING DRAFT VOIDS MANAGEMENT POLICY

**Cabinet Member(s):** Councillor Ashley Wilce, Cabinet Member for Housing & Property Services

**Responsible Officer:** Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing

**Reason for Report & Recommendation:** An updated, draft policy on the management of void properties within the Council's housing stock is presented to Members. This has been developed following an in-depth review of voids management and with an aim to ensure that properties which become void continue to be re-let as quickly and efficiently as possible. The policy also seeks to balance this approach with the needs of tenants and the requirement to maintain our properties to an appropriate, safe lettings standard whilst retaining a sustainable stock and Housing Revenue Account.

**Recommendation:** That the PDG recommends that Cabinet adopt the updated Voids Management Policy contained in Annex B.

**Financial Implications:** The activity of the landlord service, known as Mid Devon Housing (MDH) is accounted for within the Housing Revenue Account (HRA). The HRA is ring fenced and subject to specific financial controls. There is a financial impact of properties being empty for longer than is necessary since the potential for lost income then becomes a factor in management of the HRA stock; this is referenced in the policy as recommended.

**Budget and Policy Framework:** There are no direct budget implications arising from this policy proposal. More information on the policy framework is set out in section 1 of this report and within the draft, updated policy itself.

**Legal Implications:** The Housing Act 1985 applies with regard to the management of Council housing. The relationship with tenants is set out in our Tenancy Agreement. This details the rights and responsibilities of both parties including those obligations relating to the termination of a tenancy. Other legislation relevant to the safety of our properties (e.g. gas, electrical and water safety) as well as construction/design and management regulations are all applicable in the context of inspecting and undertaking works to void properties.

The policy also aims to enable compliance with the mandatory Decent Homes Standard and the consumer Home Standard set out by the Regulator of Social Housing (RSH). This legislation and standards cover what social landlords should be achieving in all their properties in respect of decency, modernisation, repair and safety.

Following publication of the Social Housing White Paper in late 2020, the Social Housing Regulation Bill is currently on its way through Parliament and, once implemented, this will impact the regulatory framework for social housing. One aim of the new legislation is to ensure that providers of social housing, such as the Council, keep its properties and estates safe and clean.

The existing Neighbourhood and Community Standard which forms part of the regulatory framework for social housing is also relevant to discussion about how the Council manages and re-lets its properties and in what standard.

**Risk Assessment:** The Council has approximately 3,000 homes in management. Failure to provide an effective housing management service has the potential to result in failure to meet legal and statutory obligations. There are regulatory requirements to maintain safe and clean properties and quality accommodation as highlighted.

Social landlords manage all aspects of their business so that: tenants, owners and customers receive services that provide continually improving value for the rent and other charges they pay. These standards therefore also cover the efficient and effective management of services and specifically refer to minimising the time houses are empty but that these houses also are safe and maintained or modernised in an efficient way. Any Voids Management Policy must therefore strive to achieve the correct balance between short-term occupancy, property standards and longer-term, effective asset management.

**Equality Impact Assessment:** There is a suite of housing related policies, the use of which helps to ensure that service delivery is consistent and fair. There is also a regulatory requirement for registered providers of social housing to tailor their service to meet the needs of the tenants and diversity data is requested from tenants at sign up to enable compliance to be monitored. Within this overarching context, nothing has been identified in the draft, updated Voids Management Policy is likely to directly or indirectly disadvantage any incoming or outgoing tenant on the basis of any legally protected characteristics that may be relevant.

**Relationship to Corporate Plan:** A stated aim of the Council is to deliver sustainable communities.

**Impact on Climate Change:** None directly relevant to this report.

## **1. Introduction and context**

- 1.1 MDH, as a provider of social housing (RP), is subject to the provisions of the regulatory framework for social housing, which is issued by the Regulator for Social Housing (RSH).
- 1.2 The Home and Neighbourhood & Community Standards are two of the consumer standards and are therefore applicable to the work of MDH. These Standards require RPs to provide tenants with quality accommodation and a cost-effective repairs and maintenance service as well as keeping the neighbourhood and communities safe. Landlords are expected to work in partnership with their tenants to achieve compliance.
- 1.3 The Social Housing White Paper and pending legislation (Social Housing Bill) present a significant shift the regulation of the social housing sector towards a proactive, consumer led regime with increased powers being granted to both the RSH and Housing Ombudsman. The White Paper sets out a charter that is leading towards clear the standards that every social tenant in England is entitled to expect from their landlords.

- 1.4 These new standards are there to ensure people feel safe and secure in their homes with no significant issues or safety concerns when they take on a new tenancy. They are also there to ensure problems are fixed before they spiral out of control, and see exactly how good their landlord is performing giving tenants a stronger voice. Of the seven chapters within the White Paper, several are particularly relevant to the aims of this policy:
- o To be safe in your home (Chapter 1)
  - o To know how your landlord is performing (Chapter 2)
  - o To have your complaints dealt with promptly and fairly (Chapter 3)
  - o To have a good quality home and neighbourhood to live in (Chapter 6)
- 1.5 As part of the new consumer regulation regime, from April 2023, the RSH is introducing a series of 22 mandatory Tenant Satisfaction Measures (TSMs) creating a new system for assessing how well social housing landlords in England are doing at providing good quality homes and services. These measures include those applicable directly to building safety as well as those based on tenant perception surveys capturing tenant views.
- 1.6 The new TSMs will form part of the key benchmark for all major registered providers of social housing including MDH. The emphasis behind these measures is firmly on tenant experience or satisfaction and how tenants perceive we are performing alongside management information/data on repairs, safety, complaints and anti-social behaviour.
- 1.7 Our voids management policy and subsequent performance have the potential to directly or indirectly impact on almost all of these TSMs. The measures are set out on the RSH website and within the policy in more detail.
- 1.8 There is no TSM on void turnaround times or overall occupancy rates and taking into account the new focus of the regulatory regime has required a shift away from the more singular, historic focus on simply minimising void turnaround times and letting as we seek to concentrate on the priorities of the new regulatory regime.
- 1.9 Within this changing and developing legislative framework and in the context of increasing demand for affordable housing within the district a review of the MDH Voids Management Policy is therefore timely.
- 1.10 As members will be aware, a voids review was completed by officers working with the Cabinet Members for Housing and Continuous Improvement between July – October 2022. An audit by the Devon Audit Partnership (DAP) was subsequently completed in December 2022 to supplement this review with a specific focus on void management procedures but with a wider overview on performance. More information on the audit findings and management actions are set out in Section 4.0 and Annex A.
- 1.11 As a result of the above, having also taken on board comments made by members during the review period, it was concluded that the current policy document was in need of updating to reflect the relevant changes in the regulatory landscape and pressures on MDH arising from an increasing complexity of asset management and void numbers. Annex B contains the updated policy and more information on the policy detail is provided in Section 2.0 below.

## **2. The updated MDH Draft Policy relating Voids Management**

- 2.1 Overall, the policy sets out how voids are defined within a legal framework, the role of outgoing tenants, technical standards to be achieved and how different voids will be measured and reported on. It also links to reviewed void procedures.
- 2.2 The policy aims are to ensure compliance with our regulatory framework and balance the need to ensure maximum occupancy of homes and minimum void re-let times with needs of tenants and to ensure our void periods used as part of an overall asset management. This asset management must also be as efficient as possible to deliver works required on the most cost effective basis and enable new Council homes to be built in line with our overarching Housing Strategy.
- 2.3 Within these aims, the policy provides new and updated clarity in respect of:
- Void definitions
  - Void management objectives
  - Performance management – management information, benchmarking and reporting (targets – see report Section 5)
  - Areas of responsibility
  - Risk management
  - Linked procedures and policies
  - Information and data protection
  - Tenant obligations
  - Complaints procedure
  - Letting standards
  - Policy review (see report Section 5)
- 2.4 Within the updated policy, voids are defined as
- **A property that can be re-let but is unavailable**  
Typically a property undergoing works for repair, modernisation, decarbonisation or to facilitate wider development and held by our voids team within Building Services
  - **A property that is available but is not re-let**  
Typically a property going through the allocation process via Devon Home Choice and being re-let including prospective tenant viewing, checks and assessments prior to award of a new tenancy and held by our allocations team within Housing Management
- 2.5 These aims and the policy detail therein have also be informed by the review with regard to historic performance outcomes and other review findings as outlined in Section 5.0 below.

## **3. Historic Performance and review highlights**



- 3.1 Historically, for over ten-years, and as referenced in the current adopted 2019 policy, voids have been subject to the following classification and targets:
- Standard voids (no more than a single major works) – 14 working days
  - Major voids (two or more major works) – target as above
- 3.2 These targets only applied to the period when the property was undergoing inspection and works (repairs etc) and therefore held by our voids team in Building Services. It did not cover the period whilst the property remained void following transfer to our Tenancy Management function and allocations team for the purposes of re-letting.
- 3.3 Furthermore, there was no classification or inclusion of the voids management of MDH properties specifically used for temporary (homelessness) accommodation. This is despite these properties typically being re-let for such use (where the rent is paid by the Homelessness team as a statutory general fund function) more quickly than is the average for standard voids. Conversely, long-term empty properties scheduled for demolition and redevelopment (i.e. not available to re-let in short-term to medium term subject to permissions) have been included in the voids reporting, adversely impacting on reported working-days performance.
- 3.4 More recently, MDH have been providing an independent benchmarking organisation (Housemark) with our overall void performance times in working days for the whole period between the end date of the previous tenancy and date of commencement of a new tenancy alongside the overall occupancy rates in our available to let stock (as a %) for the purposes of sector comparison.
- 3.5 Finally, members have also continued to receive quarterly service performance reports which from 2021/22 onwards have including updates on the overall void numbers at the end of each reporting period.
- 3.6 The recent voids review has identified that historic voids performance has the following characteristics:
- The standard voids 14 working days target (Building Services work only) has never been met since adoption – the best year was pre-Covid in 2017/18 when the voids team completed required works in 16.4 days on average prior to handing over the property to the allocations team
  - A comparison of local and regional standard void targets in working days shows the historic MDDC target to be significantly lower (fewer working days) on average than other stock-holding local authorities and remains lower when adjusted to include the allocation or re-letting period
  - Void numbers peaked during and immediately after Covid and remain high, however have improved from over 70 going into 2021/22, to 55 presently (end of Q2 2022/23) including long-term empty properties which will not be re-let. The projected outturn for Q3 this year is 45.
  - Mid Devon has upper quartile performance (against sector and English Local Authority averages) for proportion of properties let based on Housemark data, so prior to the consideration of changes to this policy the

Council is in the top 25% of performers on voids – this Council understands the importance of managing our housing stock effectively.

- 3.7 The review has therefore highlighted that the historic, adopted target fails to capture the entire void period and all relevant voids (homelessness exclusion and unavailable to re-let inclusion).
- 3.8 Furthermore, that the historic working day target for Building Services has never been fully achievable, likely reflected by the fact that it is lower (shorter) than peer local authorities. Going forward, it does not take into account increasing material lead times for essential repairs (e.g. windows and fire doors) or the increasing complexity of voids work including decarbonisation works.
- 3.9 The review also highlighted an increasing number voids requiring pest control with a corresponding lead time and treatment period by competent contractors.
- 3.10 Finally, our historic performance on voids under current policy has been delivered in the context of only undertaking safety repairs, fixing major faults and cleaning, therefore not undertaking any cosmetic works at properties unless unavoidable, with tenants responsible for any redecoration (decorating pack provided) irrespective of property type or tenant needs. Contrary to current policy MDH are increasingly having to redecorate properties to bring them up to a lettings standard
- 3.11 Notwithstanding the above, our recent occupancy rates compare very well with the sector including private housing associations and peer local authorities.

#### **4. Audit findings and agreed management actions**

- 4.1 The draft December voids audit completed by DAP as an advisory report therefore did not provide an overall assurance rating or direction of travel. Nonetheless, the report narrative is informative on overall performance and positive with regard assurance whilst identifying several medium to low actions for improvement, many of which were also identified in the preceding review and some already actioned.
- 4.2 The audit specifically found processes for the management of voids to be generally sound with no significant weaknesses, but does reiterate the need to update the void policy to reflect current and forecast requirements and needs whilst ensuring performance is deliverable and targets relevant within a changing regulatory landscape.
- 4.3 In summary, the findings and management actions are set out in the draft audit report which is due to be considered at the 23 January 2023 Audit Committee and duplicated in Annex A of this report. Overall, the audit findings and actions have been reflected in the updated policy where relevant and as noted.

#### **5. New targets/standards and wider policy updates**

- 5.1 In order to address the review findings and ensure void management is both achievable and fit-for-purpose in the future, then the updated policy sets out that voids will be categorised and measured as follows with start-to-end targets:

- **Standard voids including temporary accommodation – 35 working days** (split as 20-days Building Services/works and 15-days Tenancy Management/allocations)
  - **Major voids – 55 working days** (split as 40-days Building Services/works and 15-days Tenancy Management/allocations)
  - **Decent Homes – 75 working days** (split as 60-days Building Services/works and 15-days Tenancy Management/allocations)
  - **Development – 1 calendar year** (no split between Building Services and Tenancy Management).
  - **Occupancy rate – 97% of stock** (rolling target/at any one time)
- 5.2 The targets are believed to be realistic and achievable but will nonetheless be reviewed alongside the overall policy after 12-months to allow for sufficient data on performance and outcomes. Part of this review will be a more extensive consultation with tenants, targeting those incoming tenants that have moved into a void process under the revised policy approach. Targets and approach can then continue to be reviewed on a regular basis to reflect against tenant feedback and any changes arising from key considerations e.g. material lead times, repair times and costs or additional/new safety or Decent Homes standards etc.
- 5.3 In context, meeting the new occupancy rate target would require no more than approximately 90 properties to be void at any one time on the basis of circa 3,000 properties within our stock.
- 5.4 In order to reduce the level of complaints from incoming tenants, the standard for voids will now incorporate a basic, neutral redecoration of the property as required alongside a pre-inspection or checklist for existing, outgoing tenants for completion once tenancy notice has been given but prior to the formal end of the tenancy and handing back of keys.
- 5.5 Research and experience shows that improving the appearance of our properties improves both the perceived quality of the property and how it is treated by tenants during their tenancy. In the long-term this may reduce subsequent void costs and also increase MDH performance within future tenant perception surveys and RSH mandated reporting on Tenant Satisfaction Measures which we must measure from April 2023.
- 5.6 Full definitions of each void category are provided within the updated policy for the avoidance of doubt but in general terms then major voids refers to a time/cost threshold and Decent Homes refers to the most structural and/or significant works to meet not just safety standards but also Decent Homes legislation and/or our decarbonisation programme. Redevelopment voids are held longer-term for potential adjacent development subject to consultation and planning permission – if the development does not go ahead these will not be demolished and will be returned to stock and may also be used for temporary accommodation. Standard voids includes every other void including those used for temporary homelessness accommodation as set out below unless Major or Decent Homes works are required.
- 5.7 Long-term properties scheduled for demolition and/or subsequent replacement through redevelopment that may not be re-let have a new 1-year, long-term voids performance target to allow for feasibility studies, budget and permissions to be

put in place. If development plans can be advanced and planning permission granted and it is identified that specific individual properties cannot be re-let until development proceeds then these will be removed from reporting as they no longer meet the void definition. These will only be a very small number of properties at any one time.

- 5.8 The exception to the above is where properties meet essential safety standards and can be used for temporary homelessness accommodation in the short-term via direct, licensed lettings until demolition orders and planning permissions etc are in place. MDH will endeavour to demolish any empty properties not suitable for this use as soon as practicable to avoid any long-term Council Tax liabilities arising from empty homes status where as a local authority we don't have access to legal exemptions available to private property owners.
- 5.9 The decarbonisation programme refers to reduction in carbon emissions from our housing stock and significant investment in retro-fit works including energy efficiency measures, new heating systems and solar energy generation to improve energy performance and improve the property EPC rating/reduce tenant running costs.
- 5.10 Voids will only be formally categorised and assigned a turnaround target once an initial inspection of the empty property has been undertaken and key asset management decisions undertaken. This is to allow for proper, cost-effective asset management as well as a full check for damage/repairs and required works with all relevant spaces fully accessible and visible. Re-categorisation may have to take place where significant additional works are uncovered during the repairs process. Provisions for recharging former tenants for lost keys, replacement locks and damage remain in place.
- 5.11 Each component of the voids target within the relevant category will be recorded as routine management information. In respect of the re-let times once a void is available to the Allocations team then it is important to note performance within this activity is not fully within the control of MDH. For example, where properties are refused following DHC bidding and offer before or after viewings and the allocation has commence again (and sometime on several occasions) or occasional difficult to let properties in more remote, very rural areas where local demand is limited. A summary of this information will be available to members as a matter of course through each future review of the policy.
- 5.12 Finally, it is helpful to highlight that the policy sets out an ongoing commitment to around financial monitoring regarding voids. In particular, the cumulative income loss through voids (£ and as a % of annual rent including lost rent, council tax payments against decant and related disturbance/moving costs avoided) as well as the cost of tenant damage in returning voids to availability (£ repair and refurbishment).

## **6. Recommendation**

- 6.1 In accordance with the above, it is recommended that Members recommend to Cabinet that they approve the revised Voids Management Policy as attached in Annex B.

**Contact for more Information:**

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**Circulation of the Report:**

Members of the Housing PDG  
Cllr Stuart Penny, Cabinet Member for Housing and Property Services  
Leadership Team  
Corporate Management Team  
Service/Operations Managers  
Legal Services

**List of Background Papers:**

Current MDDC Voids Management Policy 2019  
<https://www.middevon.gov.uk/media/191681/void-management-policy-obs-004-v32.pdf>

## Annex A – Draft Internal Audit - Advisory Report on Voids Management (December 2022)

### Detailed Audit Observations and Action Plan

1. Risk Area: There are un-necessary voids because of weaknesses in the process				
No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer	
1.1	There used to be void turnaround time targets but they are very old and are not realistic to today's requirements processes. A review of void turnaround times to be in line with processes needs to be carried out to provide a more realistic target time.	Medium	Updated voids targets and categorisations are included in the updated Voids Management Policy (December 2022) and are based upon the current legal, strategic and operational context with realistic turnaround times encompassing the end – to – end voids management process both building services and tenancy management.	
			Responsible person: Corporate Manager for Public Health, Regulation and Housing	Target date: 31 March 2023
1.2	Part of the policy is that a 'pre-void' inspection will occur before the tenant vacates the property to identify and works that may be required as part of the voids work. Some of this work may be rechargeable. The 'pre-void' inspection is no longer carried out. This could be helpful in advising the tenant of their responsibilities and providing them time to rectify some of the works instead of being recharged. This might reduce the level of works required by the voids team.	Medium	Physical, pre-void inspections were stopped during Covid and have not recommenced due to Neighbourhood Officer resource pressures. A full team has now been recruited with no officers with MDH greater than 12-months, resulting in an extended training and development period. From April 2023, targeted pre-void inspections will recommence and all voids where tenants give notice to end tenancy will complete a void/damage checklist. The update Voids Management Policy (December 2022) reflects this.	
			Responsible person: Operations Manager for Housing Management	Target date: 31 March 2023

1.3	The void policy states that the Council will not carry out any painting to a property and that they will provide a paint pack to the new tenant to enable them to paint. There is no clause in the tenancy contract to stop tenants painting in vibrant colours. The majority of void properties now require a full redecoration prior to re-let due to the colour and condition of the decoration. This increases the work required and the knock on effect is that the time the property is void is increased. Therefore, the current process is that painting is required by the Council whilst the property is void to return the property to a re-let able standard. The policy needs to be updated to reflect the current process	Medium	The updated Voids Management Policy (December 2022) reflects this improvement in lettings standard and accommodates recent, within budget practice to introduce redecoration where required and current process	
			Currently we have no clauses within a tenancy agreement that states that any tenant cannot carry out decoration works to their property, this would require a full consultation with tenants and rewriting of Tenancy agreements. Furthermore, such clauses are not practicable or realistic for the majority of MDH tenancies which are secure and would represent an unreasonable control over tenancies long-term homes. Excessive bold redecoration will be picked through the voids inspection process with outgoing tenants (those providing notice) given the opportunity to update neutral redecoration and have it recharged by MDH	
			Responsible person: Corporate Manager for Public Health, Regulation and Housing & the Operations Manager Building Services	Target date: 31 March 2024
1.4	It was found that data entry for some voids categorisation onto the Orchard Housing system is not accurate against current policy. Due to staff shortages and no procedure notes for a period of time all voids were being added as standard voids. This has had an effect on stats. Procedure notes are required to ensure that data entry is consistent.	Medium	This has been addressed and actioned already and updated training and instruction provided. The management system will also be updated for the new, proposed categorisation of voids from April 2023 as set out in the updated Voids Management Policy (December 2022) with dedicated members of staff responsible for the raising of all voids	
			Responsible person: Operations Manager Building Services	Target date: 31 March 2023
1.5	Total rent lost for the 15 samples reviewed amounts to £26,352. If you exclude the homelessness properties from	Medium	Within the 15 sample voids there were several that required extensive modernisation and decarbonisation works which	

	<p>the costings the total rent lost is £25,731.</p>		<p>have had a negative effect on the length of time a property has been void.</p> <p>The homeless adjusted figure equates to £1,715 per property or 20 weeks 1-bed rent and may inc. some long-term redevelopment properties. The total rent loss for the sample set or any selection of voids excludes any consideration is better considered as net £ loss. A level £ loss due to rent loss is nonetheless unavoidable to enable repairs and modernisation to be carried out.</p> <p>However, for most major voids and some standard ones these works avoid decanting existing tenants with the significant upheaval for tenant that would otherwise occur, especially for significant works. Every decanted tenant is legally entitled to a decant, home-loss payment updated by regulations annually (currently £7,800) plus other expenses. An average decant therefore costs over £8,000 per property or over 100-wks rent for a 1-bed property.</p> <p>Taking the opportunity to undertake planned and unplanned major works, Decent Homes works and decarbonisation works during more quickly and efficiently in with a further £ saving against rent loss.</p> <p>The updated Voids Management Policy (December 2022) sets out a wider consideration of financial information that the service will hold and assess as management information including net £ loss (typically rent loss and empty home Council Tax charges against decant costs, efficient repairs savings). The cost of necessary void works is also closely monitored and recorded.</p> <p>Long-term empty, redevelopment properties are also replaced by a greater number of new properties resulting in</p>
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			longer-term additional rent gain to the Housing Revenue Account and more social or affordable rent accommodation to meet critical housing needs.	
			With the number of void properties dropping the amount of time that any Major/Development Void is vacant will decrease.	
			Responsible person: Operations Manager Building Services	Target date: 31 March 2024
1.6	There are some voids where a strategic decision has been made to not carry out the void. In these cases, Orchard has not been updated to reflect that the property is no longer void. This is having an effect on stats.	Medium	This is addressed through the revised categorisation of voids in the updated Voids Management Policy (December 2022)	
			Responsible person: Operations Manager Building Services	Target date: 31 March 2024
1.7	Housing stock is used by Homelessness. If a property used by homelessness becomes void, these properties are given priority over any other void. This is to reduce the need to spot purchase accommodation which costs the Council additional expenditure. It is understood that the housing stock used for homelessness is not included in stats for voids. This provides a distortion in voids stats and reduces turnaround time as the time spent in these properties is not considered.	Medium	This is addressed in the updated Voids Management Policy (December 2022). From April 2023, homeless voids used for temporary accommodation will be included with the overall voids reporting going forward and will have the same target as standard voids reflecting the typically quicker turnaround.	
			Responsible person: Operations Manager Building Services	Target date: 31 March 2023
1.8	We understand that once a void has been categorised on Orchard it is not possible to change the categorisation at a later stage i.e. if the void was a 'standard' void and then when works commenced there was more work than initially thought resulting in the void now being a 'major' void. It is not possible to change the void from 'standard' on the system to 'major'. It would be helpful to establish if the system supplier is able to help with this issue.	Medium	This is a system issue and workaround has been identified and is in place.	
			Although we are unable to change a category of void after it has been raised we are confident that with the new procedure notes that have been created and the dedicated members of staff who will be responsible for the raising of all voids along with the detailed description of which works	

			fall within each category of void we will be able to ensure that all voids are raised correctly. However some retrospective reconciliation of categorisation and target adjustment will always be required. especially in respect of the revised categorisation and targets proposed in the updated Voids Management Policy)	
			Responsible person: Operations Manager Building Services	Target date: 31 March 2023
1.9	The total number of re-let days for the 15 samples was 502 (ranging from 1 - 87 days per void), average number of days is: 33.47. If the homelessness properties are excluded the total number of days are: 494, average number of days is: 41.17. N.B. NUMBER OF DAYS IS BASED ON WORKING DAYS	Medium	Within the 15 sample voids there are voids that have required extensive modernisation and decarbonisation works which have had a negative effect on the length of time a property has been Void. With the number of Void properties dropping the amount of time that any Major/Development void is vacant will decrease.  Nonetheless, updated voids targets and categorisations are included in the updated Voids Management Policy (December 2022) and are based upon the current legal, strategic and operational context with realistic turnaround times encompassing the end – to – end voids management process both building services and tenancy	
			Responsible person: Operations Manager Building Services	Target date: 31 March 2024
1.10	The void categorisations are not documented, incorporation of these into the voids policy would be informative.	Low	See 1.1	
			Responsible person: Corporate Manager for Public Health, Regulation and Housing	Target date: 31 March 2023

1.11	Voids workmen do not book jobs in the same way as the repairs team. They do not have PDAs where they can book time and materials through their PDAs which links to the Orchard system.	Low	PDAs are available and training has been successfully rolled across Building Services with priority given to repairs and maintenance teams. Some voids works is now undertaken using PDAs and training has commenced for the remaining team members. It is expected that PDAs will be further deployed and in use within the first QTR of 23/24, aiming for full implementation of mobile working by the end of 23/24	
			Responsible person: Operations Manager Building Services	Target date: 31 March 2024

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# VOIDS MANAGEMENT POLICY

## **1 Introduction**

- 1.1 Mid Devon Housing (MDH) is part of Mid Devon District Council (the Council). It is responsible for the Council's housing stock including the maintenance, management and letting of its properties.
- 1.2 The policy sets out how MDH will manage its properties which are currently empty because a tenancy has ended and a new tenancy has not yet started i.e. so called 'voids'.
- 1.3 This is an update to the previous Voids Management Policy OBS 004 dated January 2019.

## **2 Legal Framework and Context**

- 2.1 The Housing Act 1985 applies with regard to the management of Council housing. The relationship with tenants is set out in our Tenancy Agreement. This details the rights and responsibilities of both parties including those obligations relating to the termination of a tenancy.
- 2.2 Other legislation is also relevant to the safety of our properties (e.g. gas, electrical and water safety) as well as construction/design and management regulations are all applicable in the context of inspecting and undertaking works to void properties.
- 2.3 The policy enables compliance with the mandatory Decent Homes Standard and the consumer Home Standard set out by the Regulator of Social Housing (RSH). This legislation and standards cover what social landlords should be achieving in all their properties in respect of decency, modernisation, repair and safety.
- 2.4 The Neighbourhood and Community Standard which also forms part of the regulatory framework for social housing is also relevant to how the Council manages and re-lets its properties and in what standard.
- 2.5 Following publication of the Social Housing White Paper in late 2020, the Social Housing Regulation Bill is currently on its way through Parliament at the point of review and update to this policy and has been taken into account. It is expected to become law in 2023 and once implemented, this will impact the regulatory framework for social housing and introduces a new proactive, consumer regulation regime focussed on meeting the needs of tenants. One aim of the legislation and regime is to ensure that providers of social housing, such as the Council, keep its properties and estates safe and clean.
- 2.6 These new standards are there to ensure people feel safe and secure in their homes, can get problems fixed before they spiral out of control, and see exactly how good their landlord is performing giving tenants a stronger voice. Of the seven chapters within the White Paper, several are particularly relevant to the aims of this policy:
  - o To be safe in your home (Chapter 1)
  - o To know how your landlord is performing (Chapter 2)
  - o To have your complaints dealt with promptly and fairly (Chapter 3)
  - o To have a good quality home and neighbourhood to live in (Chapter 6)

- 2.7 As part of the new consumer regulation regime, from April 2023, the RSH is introducing a series of 22 mandatory Tenant Satisfaction Measures (TSMs) creating a new system for assessing how well social housing landlords in England are doing at providing good quality homes and services. These measure include those applicable directly to building safety as well as those based on tenant perception surveys setting out tenants views on our performance which will include transferring or new tenants coming into a previously void property.
- 2.8 Our voids management policy and subsequent performance have the potential to directly or indirectly impact on almost all of these TSMs. The measures are set out in Annex 1.
- 2.9 The new TSMs will form part of the key benchmark for all major registered providers of social housing including MDH. The emphasis behind these measures is clearly on tenant experience or satisfaction and how tenants believe we are performing alongside management information on repairs, safety, complaints and anti-social behaviour which have been reflected in this policy.
- 2.10 There is no TSM on void turnaround times or overall occupancy rates and taking into account the new focus of the regulatory regime we must work within has required a shift away from a more singular, historic focus on minimising void turnaround times and letting to a minimum legal standard only.
- 2.11 Our recently adopted Housing Strategy (2021-25) encompasses many of these requirements setting out specific objectives and targets. An important part of this includes the delivery of more affordable homes including growing our Council house stock. There will be times that void properties present opportunities to access and develop our land for this purpose whilst also replacing end-of-life (typically concrete pre-fabricated) homes.
- 2.12 Mid Devon District Council, of which MDH is part has also set an ambitious target to be net zero carbon by 2030. As the biggest contributor carbon emissions, MDH, either through its direct actions or activities or those of our tents, has a key role in the decarbonisation of our stock through major planned retrofit and refurbishment works.

### **3 Policy Aims and Objectives**

#### Aims

- 3.1 Within the legal framework and context set out in Section 1, this policy aims to ensure that properties which become void are re-let as quickly and efficiently as possible, with due regard to the needs and requirements of outgoing and incoming tenants and the need to maintain our properties to the agreed, safe lettings standard whilst retaining a sustainable stock and Housing Revenue Account.

#### Objectives

- 3.2 Overall, in order the meet the aims of this policy, the policy objectives are:
- ensure compliance with our regulatory framework and that our properties are safe
  - properties are re-let to an appropriate standard
  - balance the need to ensure maximum occupancy of homes and minimum void re-let times with the needs of tenants
  - ensure our void periods used as part of an overall asset management approach that is efficient as possible to deliver works required as cost-effectively as possible
  - enable new Council homes to be built in line with our overarching Housing Strategy

3.3 In more detail, this policy ensures that MDH will:

- minimise void rental loss, void periods and void repair costs through effective coordination of housing management, maintenance and redevelopment operations to re-let properties within agreed target times.
- ensure effective, efficient and accountable management of properties
- have effective monitoring and reporting of void management and service delivery.
- ensure that tenants are aware of their tenancy obligations in relation to ending the tenancy e.g. requirement to give 28-days notice, to return all keys promptly and to fully clear the property and leave it in a clean, acceptable condition
- ensure that repairs to properties are undertaken to enable MDH to re-let to the lettings standard (see Appendix 1) and that where appropriate “rechargeable” repair costs are met by the outgoing tenant or pursued post termination
- make effective use of void periods to carry out upgrading, decarbonisations works or major repairs as appropriate and to co-ordinate with the major repairs and modernisation programme with regard to decant requirements
- make effective use of void periods regarding the MDH Housing Revenue Account rolling 5-year development programme and building of new Council homes
- seek to prevent end of tenancy arrears wherever possible
- ensure incoming tenants are given all required information, documentation and advice to allow them to move into the property promptly at the agreed commencement of tenancy date
- achieve high levels of tenant satisfaction with the condition of properties at the beginning of the tenancy and subsequently

## 4 Void definition

4.1 In general terms, “voids” are properties which are currently empty because a tenancy has ended and a new tenancy has not yet started. Voids may arise due to formal termination of a tenancy, abandonment of a tenancy, the tenant transferring to another tenancy, eviction of the tenant or the tenant's death.

4.2 More specifically, for more formal purposes and when accounting for voids management performance, a “void” is defined as:

*A property for which there is a current rent account, but for which no current tenancy exists. In line with guidelines the “void period” is the period which commences the first day there is no rent debit and ends on the day before a new rent debit is raised.*

4.3 Voids can be further sub-defined as follows:

- A property that can be re-let but is unavailable

Typically a property undergoing works for repair, modernisation, decarbonise or to facilitate wider development and held by our voids team within Building Services

- A property that is available but is not re-let

Typically a property going through the allocation process via Devon Home Choice or a direct letting and being re-let including prospective tenant viewing, checks and assessments prior to award of a new tenancy and held by our allocations team within Housing Management



- 4.4 An empty property may not always mean it is a void. It could be the tenant is absent for period of times for legitimate reasons but maintains an active tenancy or the tenant has died but there is formal process to secure the property going forward before it can legally be re-let. Alternatively, MDH may have an injunction temporarily decanting a tenant into other accommodation (often to carry out urgent works and repairs caused by tenant damage) or we are seeking a formal possession order to end a tenancy and legally re-let including where a tenant is absent. Finally, a property may have a demolition order in place pending removal from our stock (typically for end-of-life properties and redevelopment) and cannot be re-let on a secure tenancy basis.

## **5 Performance Management**

### Background and changes

- 5.1 Historically, Housing at MDDC was operated by two distinct, separated managed service areas – Housing Services (housing/tenancy management) and Building Services (property management). This resulted in void management being largely associated with void properties held by our Building Services team, largely as reflection of this as the major area of activity of which there was greater direct control.
- 5.2 Previous void management policy consequently set out performance management approaches and targets relevant to voids that focussed on the activity of our Building Services and bringing properties back to use following the end of a tenancy (rent debit) and making it available for our re-letting (allocations) process.
- 5.3 Since 2021, the two distinct areas of the housing service have been restructured and reorganised and operate under a single, coherent MDH banner. As a result we have reviewed voids processes, our categorisation and asset management work relevant to these voids and our overall performance management approach with the core policy aims and objectives.

### Benchmarking

- 5.4 MDH subscribe to the independent benchmarking which is currently provided by the Housemark 'Pulse' benchmarking service. Housemark collect data from 200 social landlords including MDH on a monthly basis providing consistent data for 15 measures sector comparison purposes. This service provides performance indicators and benchmarking data that includes the % of social homes let (an overall occupancy rate including all voids) but does not report on void turnaround times or related targets.

### Internal performance management

- 5.5 Procedures and processes for gathering information and recording each stage of void processing are in place and this information will be used to provide the following internal performance management information:
- Average re-let times for all voids including by category
  - Details of all long-term voids including “difficult to let” properties or voids with no applicants for re-housing or undergoing major planned or unplanned works or held for redevelopment purposes
  - Actual numbers of voids (terminated and re-let) on a monthly basis
  - Vacancies as a % of total stock.

- Cumulative income loss through voids (£ and as a % of annual rent including lost rent, council tax payments against decant costs avoided).
  - Cost of tenant damage in returning voids to availability (£ repair and refurbishment)
  - Actions taken to reduce voids in difficult to let properties.
  - Offer refusal rates and reasons
- 5.6 This detailed management information will underpin and be provided as part of each subsequent review and update of this policy. Financial information will also support relevant budget setting and reporting.

#### Performance reporting and targets

- 5.7 Beyond key information we will gather and assess for management purposes as set out in section 5.5, MDH recognises the importance of working to specific timescales in dealing with voids as part of performance monitoring and ongoing review of operations.
- 5.8 Operation of the Voids Policy will be reported to the Homes Policy Development Group on a quarterly basis incorporating the void categories and targets below. This information will also be made available to tenants directly via newsletters, our annual report and online tenant dashboard.

The categories targets are as follows:

1. **Standard voids** including temporary accommodation – **35 working days** (based on 20-days Building Services/works and 15-days Tenancy Management/allocations)
  2. **Major voids** – **55 working days** (based on 40-days Building Services/works and 15-days Tenancy Management/allocations)
  3. **Decent Homes** – **75 working days** (based on 60-days Building Services/works and 15-days Tenancy Management/allocations)
  4. **Development** – **1 calendar year** (no split between Building Services and Tenancy Management)
  5. **Occupancy rate** – **97% of stock** (rolling monthly target)
- 5.9 It is important to note that the above targets are the maximum timeframe, staff will always be working towards minimising the number of void days.
- 5.10 Within these targets, the above categories of voids are defined as follows:
- Standard** - works carried out but not limited to: gas and electrical safety checks, removal of all items internally / externally and cut garden, lock changes, routine repairs, minor decoration and cleaning.
- Major** – standard works plus gas or electrical safety repairs, pest control treatments, major repairs (doors, windows and structural repairs), major redecoration (more than one room or major area)
- Decent** – standard or major works plus Decent Homes works (kitchens, bathrooms, heating upgrades, decarbonisation works, asbestos removal, legionella works)

**Development** – long-term properties scheduled for demolition and/or subsequent replacement through redevelopment that may not be re-let with a secure tenancy whilst plans, studies and planning permissions etc are sought. These may or may not be returned to stock depending on the outcome of feasibility and subsequent planning process. If a property is confirmed for removal from stock and/or has a demolition order in place and is not suitable for temporary accommodation then it no longer meets the void definition and will be removed from void reporting

- 5.11 Development voids will only be a very small number of voids at any one time and the overall occupancy target will apply.
- 5.12 MDH will endeavour to demolish any empty properties not suitable for this use as soon as practicable to avoid any illegal trespass/occupancy and blight risks alongside long-term Council Tax liabilities arising from empty homes status.

#### Using development voids as temporary accommodation

- 5.13 If development plans can be advanced and planning permission granted and it is identified that specific individual properties cannot be re-let until development proceeds then these will be removed from reporting as noted in 5.10.
- 5.14 The exception to the above is where properties meet essential safety standards and can be used for temporary homelessness accommodation in the short-term via direct, licensed lettings until demolition orders and planning permissions etc are in place and works commence.
- 5.15 Regular meetings will be held between the development and voids teams in Building Services, the allocations team in Tenancy Management (both MDH) and the homelessness team in Public Health to maximise opportunities for temporary accommodation and therefore minimise void periods. This will also support the tenant engagement and consultation process where development is proceeding and tenant decants and short-term or permanent moves are required (subject to separate policy).

#### Pre-checks, inspections and assigning void categorisation

- 5.16 Targeted property condition checks by Neighbourhood Officers and other tenancy staff will be carried out where a notice of end of tenancy is provided. All ongoing tenants providing notice will be requested to complete an end of tenancy checklist regarding property condition and damage. This will provide helpful information for the voids management process and minimise some avoidable void time. Nonetheless, the actual works required on a property cannot fully be established until a property is fully visible and accessible (empty) and surveys and voids teams or contractor inspections carried out.
- 5.17 Voids will only be formally categorised and assigned a turnaround target once an initial inspection of the empty property has been undertaken and key asset management decisions undertaken. This is to allow for proper, cost-effective asset management as well as a full check for damage/repairs and required works with all relevant spaces fully accessible and visible. Re-categorisation may have to take place where significant additional works are uncovered during the repairs process. Provisions for recharging former tenants for lost keys, replacement locks and damage remain in place as set out in section 6.

## 6. Areas of Responsibility

### MDH

- 6.1 The relevant Corporate Manager for MDH has responsibility for ensuring that this policy is met and therefore complies with Regulatory and Legislative requirements in addition to meeting the MDH business planning and budget commitments. They are also responsible for the production of timely and accurate performance management and reporting as set out within the policy.
- 6.2 The relevant Operations Leads for MDH – have responsibility for operational delivery split across our Building Services and Tenancy Management functions. They must ensure that appropriate support and timely advice is provided to the Corporate Manager and relevant staff to ensure compliance with the policy and the MDH business planning and budget commitments. They are also responsible for day-to-day budget monitoring in relation to voids management across the different functions and for the provision of timely and accurate data as set out within the policy.
- 6.3 Where this policy is relevant to Health and Safety then the Designated H&S lead for MDH is also accountable for relevant aspects relating to building safety.
- 6.4 The above officers form the overall management team for MDH.
- 6.5 The above will work closely with other teams and support staff including the Finance and Performance Team lead for the service who will support in the collation of information, the identification of issues and gaps and provide reactive and proactive reports as relevant to support the delivery of this policy and the overall management of voids.
- 6.6 Reporting of policy compliance is through the Homes PDG and Cabinet as required notwithstanding the Scrutiny functions of the Council and the role of the Regulator of Social Housing in addition to the Housing Ombudsman service.
- 6.7 Overall, MDH have a responsibility to ensure incoming tenants have the right to a property that meets our lettings standards, is safe, clean with a reasonable level of decoration as well as meeting the Decent Homes Standard. Some cosmetic exceptions will be made for properties let as urgent temporary accommodation.

### Tenants

- 6.7 Tenancy Agreements relating to Council houses set out which repairs Tenants are responsible for. It advises Tenants that they must keep their home in a reasonable condition, and leave it clean and tidy when they end their tenancy. It states that we will recharge the Tenant for the cost of making good any damage they have caused and clearing any damage they may have caused and cleaning any items left behind.
- 6.8 All other types of Tenancy Agreements including licences for Temporary Accommodation set out the Tenant's responsibilities for repair and maintenance of land/property they are occupying.
- 6.9 Any rechargeable repairs will be identified where possible during the pre-void inspection and the tenant made aware of their responsibilities regarding these.

- 6.10 The outgoing tenant will be asked to sign the list of rechargeable repairs and this will be used as a checklist to ensure that their responsibilities have been met.
- 6.11 The Council reserve the right to recharge the outgoing tenant for any rechargeable works that were not visible during the pre-void inspection or identified on a pre-void checklist.
- 6.12 If the outgoing tenant is moving into other accommodation was any type or tenure they will be required to provide a forwarding address, as specified in their tenancy agreement.
- 6.13 For the full terms and conditions relating to tenants responsibilities please refer to the tenancy agreement or licence.

#### Mutual responsibilities and opportunities

- 6.14 All prospective secure tenants are provided with information about the property attributes, and local neighbourhood facilities prior to viewing.
- 6.15 When a prospective tenant has indicated their acceptance of a vacant property, the tenancy will commence as soon as possible after all essential repairs and identified works are completed and the allocations team will engage with the new tenants to keep them informed.
- 6.16 All new tenants are given an opportunity to feed back their satisfaction with the void management process and standard of the property when let. New tenants will be visited within the first six weeks of their tenancy commencing. In summary the purpose of this visit will be:
- to welcome the tenant and give an opportunity for them to ask any questions, raise any concerns and follow up on any outstanding issues;
  - to establish if they need any extra help setting up their home and identify any support needs the tenant may have;
  - to offer any advice about benefits that the tenant may be entitled to receive;
  - to discuss rent payment options or delays with outstanding Housing Benefit or the Housing Cost element for Universal Credit claimants;
  - to reinforce the terms of the tenancy agreement and the tenants' rights and responsibilities;
- 6.17 This will ensure the sign up process and settling in visit has a significant, positive impact on the sustainability of tenancies.

### **7 Transfers and Mutual Exchanges**

- 7.1 This policy does not relate to transfers (internal movement of existing secure or flexible tenants between properties) or mutual exchanges (swapping of homes between Local Authority or other registered providers) as there is no void and managed under separate legal and policy provisions.
- 7.2 In undertaking a transfer or mutual exchange, in terms of property condition and decoration, incoming tenants have different rights and obligations although all MDH properties will be safe and compliant.

## **8 Risk Management**

8.1 The MDH management team will consider the risk management factors of void management including:

- Financial risk through potential failure to ensure that enough income is collected to cover operating costs due to excessive rent lost to voids and other costs or excessive statutory costs due to decanting tenants in non-void properties and excess costs arising from undertaking planned works with tenants in-situ
- Other financial risks arising from end-of-life properties and repairs/refurbish decisions to extend property life against the Decent Homes Standard and redevelopment/replacement of properties
- Delivery of the adopted Housing Strategy and objectives therein including the delivery of more affordable Council housing
- Non-compliance with Regulatory or best-practice requirements and performance indicators or mandated tenant satisfaction measures
- Formal guidance from the Regulatory of Social Housing, Housing Ombudsman or other relevant Government guidance

## **9 Linked Strategies, Policies and Procedures**

9.1 The following strategic documents and policies are linked to this policy:

- Housing Strategy
- Allocation Policy
- Tenancy Standard Policy Framework
- Tenancy Inspection Policy
- Decant Policy
- Vulnerability Policy
- Planned and Reactive maintenance Policies
- Debt Recovery Policy
- Asset Management Policy
- Health and Safety
- Tenancy agreements and temporary accommodation licences
- 5-year rolling development programme

9.2 The following procedures are linked to this policy

- Ending tenancies and return of key
- Pre-voids inspections and checklist
- Organisation of repair works
- Planned works: maintenance, safety, modernisation/upgrading and decarbonisation
- Planned works: refurbishment and decoration
- Redevelopment works and site-specific development project plans
- Transfer to allocations
- Property re-lets/allocations
- Properties for which there are no applications
- New developments – first lets

## **10 Tenant Consultation**

- 10.1 MDH has consulted on the Voids Management Policy and its component parts in line with its Tenant Involvement and Empowerment Standard Policy. Additionally, MDH will carry out Customer Satisfaction Surveys, TSM Perception Surveys and new tenant Home Visit responses that will assist in the shaping of any future review of this policy.

## **11 Complaints**

- 11.1 Any tenant may submit a complaint, using the MDH complaints procedure if it is felt that MDH has failed to correctly apply this Void Management Policy. More information is available at <https://www.middevon.gov.uk/residents/mid-devon-housing/help-and-support/complaints-and-feedback/> or by contacting MDDC at Phoenix House, Phoenix Tiverton EX16 6PP or 01884 255255 and asking for the Housing Support Team.

## **12 Review and Version**

- 12.1 MDH will review this Policy every 5-years and as required to address legislative, regulatory, best practice or operational issues.
- 12.2 This policy was produced in December 2022 and is version 3.7, as such it is an update of version 3.6 dated January 2019.

## **Annex 1 – Regulator of Social Housing Tenant Satisfaction Measures**

### Overall satisfaction

TP01: Overall satisfaction

### Keeping properties in good repair

TP02: Satisfaction with repairs

TP03: Satisfaction with time taken to complete most recent repair

TP04: Satisfaction that the home is well maintained

RP01: Homes that do not meet the Decent Homes Standard

RP02: Repairs completed within target timescale

### Maintaining building safety

TP05: Satisfaction that the home is safe

BS01: Gas safety checks

BS02: Fire safety checks

BS03: Asbestos safety checks

BS04: Water safety checks

BS05: Lift safety checks

### Respectful and helpful engagement

TP06: Satisfaction that the landlord listens to tenant views and acts upon them

TP07: Satisfaction that the landlord keeps tenants informed about things that matter to them

TP08: Agreement that the landlord treats tenants fairly and with respect

### Effective handling of complaints

TP09: Satisfaction with the landlord's approach to handling complaints

CH01: Complaints relative to the size of the landlord

CH02: Complaints responded to within Complaint Handling Code timescales

### Responsible neighbourhood management

TP10: Satisfaction that the landlord keeps communal areas clean and well maintained

TP11: Satisfaction that the landlord makes a positive contribution to neighbourhoods

TP12: Satisfaction with the landlord's approach to handling anti-social behaviour

NM01: Anti-social behaviour cases relative to the size of the landlord



## **CABINET 7 MARCH 2023**

### **Mid Devon Residents' Survey 2022**

**Cabinet Member:** Leader of the Council

**Responsible Officers:** Deputy Chief Executive (S151) – Andrew Jarrett

**Reason for Report:** To provide Cabinet with an update of the results of the Mid Devon residents' survey which was undertaken in November/December 2022 and included questions in relation to statutory consultation on the budget.

**RECOMMENDATION:** That Cabinet note the survey results.

**Relationship to Corporate Plan:** Gaining insight from our residents enables the Council to understand how our residents value and prioritise the services that we provide.

**Financial Implications:** There are no direct financial implications.

**Legal Implications:** Under the Local Government Finance Act 1992, the Council has a statutory duty to consult ratepayer representatives on its annual spending proposals, ahead of setting its budget.

**Risk Assessment:** There are no direct risk issues emanating from this report.

**Equality impact assessment:** No equality issues identified from this report.

**Impact on climate change:** Residents' comments on climate change are included in the report.

## **1.0 Introduction**

- 1.1 The Council conducted a combined residents' and budget setting survey in November/December 2022. The survey ran for six weeks. Whilst it was an online survey, paper copies were also available and this was publicised. Customer Services staff were also able to assist anyone who was unable to complete the form, but wanted to have their say.
- 1.2 We would like to thank all of the residents who took the time to engage with our survey.
- 1.3 The survey was shared as far as possible using in-house communication team resources. This included sending posters, social media graphics and the survey link to:
  - All parish clerks
  - All Members
  - MDDC staff
  - All primary schools within the district
  - The local press

- Social media - including local Facebook groups such as Positive Cullompton, Crediton Community Noticeboard, What's on Tiverton, etc.
  - Our 11,000+ e-bulletin subscribers
  - Posters at Phoenix House, Tiverton Pannier Market and the three Mid Devon Leisure centres
- 1.4 1,423 people clicked on the survey link, with 1,015 answering the questions (71% completion rate).
- 1.5 These results are only a sample of our residents who choose to engage. The population of Mid Devon is 82,800 (Census 2021), hence we don't record any demographics as it is not a representative sample.
- 1.6 Many of the questions used were from surveys carried out by the LGA in order to have a level of benchmarking. The LG Inform results shown in brackets are from the Local Government Association resident satisfaction telephone survey, conducted in June 2022.  
[https://www.local.gov.uk/sites/default/files/documents/Resident%20Satisfaction%20Polling%20Round%2032%20-%20FINAL\\_MJ\\_Accessible.pdf](https://www.local.gov.uk/sites/default/files/documents/Resident%20Satisfaction%20Polling%20Round%2032%20-%20FINAL_MJ_Accessible.pdf)
- 1.7 A comparison to the previous residents' survey results (2021) is also shown in brackets.

## **2.0 Summary responses**

- 2.1 78% of residents are very or fairly satisfied with their local area as a place to live. (81% LG Inform 2022 / 81% Mid Devon Residents' Survey 2021).
- 2.2 49% of residents are very or fairly satisfied with the way MDDC runs things (63% LG Inform 2022 / 51% Mid Devon Residents' Survey 2021), 25% are fairly or very dissatisfied (23% Mid Devon Residents' Survey 2021).
- 2.3 46% strongly agree or tend to agree MDDC provides value for money. (45% LG Inform 2022 / 41% Mid Devon Residents' Survey 2021), 24% neither agree nor disagree, while 29% tend to or strongly disagree.  
 NB – Mid Devon households pay on average £218.84 per year (£4.20 per week) in 2022/23.
- 2.4 39% feel the Council acts on concerns of residents (52% LG Inform 2022 / 38% Mid Devon Residents' Survey 2021) while 48% think the Council does not (49% Mid Devon Residents' Survey 2021).
- 2.5 62% feel very or fairly well informed, (57% LG Inform 2022 / 45% Mid Devon Residents' Survey 2021) while 36% don't.  
 NB – The Council uses a number of channels to keep members of the public informed. These include a free online newsletter subscription service which currently has 11,000+ subscribers. We also post council news stories on social media platforms including Facebook, Twitter, LinkedIn and Nextdoor. These news stories are also sent to local news organisations such as Radio Devon,

Mid Devon Gazette, Crediton Courier and Tiverton Community Radio, as well as to all of the parishes in our communities.

- 2.6 50% trust MDDC a fair amount or a great deal, 30% indicate not much trust, while 12% don't trust MDDC at all.
- 2.7 52% trusted their local council to make decisions about local services, compared to 3% trust for the Government.
- 2.8 55% trusted their local councillor to make decisions for their local area, but 40% didn't trust any of their councillors, MPs or government ministers.
- 2.9 5% think the media has viewed local councils positively in the last few months. (24 or 16% LG Inform 2022 / 8% Mid Devon Residents' Survey 2021) 55% think it's neither positive nor negative.

### **3.0 Specific services**

- 3.1 84% felt it fairly or very important for MDDC to tackle climate change (90% Mid Devon Residents' Survey 2021).
- 3.2 71% were fairly or very satisfied with MDDC's waste collection service (81% LG Inform 2022 / 81% Mid Devon Residents' Survey 2021).
- 3.3 41% were fairly or very satisfied with MDDC's street cleaning service (66% LG Inform 2022 / 47% Mid Devon Residents' Survey 2021).
- 3.4 35% were fairly or very satisfied with MDDC leisure services (55% LG Inform 2022 / 39% Mid Devon Residents' Survey 2021) and 54% were fairly or very satisfied with MDDC provision of parks and green spaces (81% LG Inform 2022 / 57% Mid Devon Residents' Survey 2021).
- 3.5 61% felt fairly or very safe after dark (76% LG Inform 2022 / 61% Mid Devon Residents' Survey 2021).
- 3.6 89% felt fairly or very safe in the day (95% LG Inform 2022 / 88% Mid Devon Residents' Survey 2021).
- 3.7 In areas where we have scored below the LG Inform data we will look to review these services in order to establish, why and importantly how we can improve.

### **4.0 Pandemic recovery**

- 4.1 The table below is in response to the question: 'As the country recovers from the pandemic, which, if any of the following do you think it is important for the Council to do?'

	VERY IMPORTANT	FAIRLY IMPORTANT	NOT VERY IMPORTANT	NOT IMPORTANT AT ALL	DON'T KNOW	TOTAL
▼ Delivering housing for local people	54.32% 547	33.66% 339	6.85% 69	2.88% 29	2.28% 23	1,007
▼ Supporting local businesses and high streets	57.64% 581	34.52% 348	5.85% 59	1.69% 17	0.30% 3	1,008
▼ Introducing measures to encourage more walking and cycling	32.07% 322	35.46% 356	23.41% 235	7.47% 75	1.59% 16	1,004
▼ Supporting people who still have to self isolate	30.17% 302	43.26% 433	18.08% 181	5.09% 51	3.40% 34	1,001
▼ Supporting people who lose their jobs	31.74% 318	48.20% 483	13.37% 134	3.69% 37	2.99% 30	1,002
▼ Supporting parks and open spaces	37.08% 373	47.32% 476	13.02% 131	1.49% 15	1.09% 11	1,006
▼ Promoting activities that improve the public's health	37.74% 380	41.71% 420	15.29% 154	4.07% 41	1.19% 12	1,007

## 5.0 Spending and budget setting

- 5.1 When asked about what was the most important priority when making spending decisions 42% said providing basic statutory services, 16% seeking to support and develop the economy, 15% tackling climate change, and 14% said providing affordable housing.
- 5.2 50% said when making spending plans the Council should protect services even if it means it will need to increase council tax and fees and charges. 26% said the Council should share services with other organisations.  
NB – the Council currently operates its Building Control Service in partnership with North Devon District Council and has a shared procurement arrangement with Devon County Council.
- 5.3 63% think the Council should seek to generate additional income from planning and building control.
- 5.4 Of the discretionary services provided by MDDC there was a fairly even balance about which services should be protected. 52% public toilets, 51% favoured parks and open spaces, 46% town centre regeneration.
- 5.5 Of our statutory services 92% felt waste and recycling service was the most important service, followed by food and water sampling with 69%, and homelessness at 56%.

## 6.0 General comment questions

- 6.1 We asked four open ended questions. The comments were wide ranging but a summary of these are below, categorised by common themes.
- 6.2 773 comments were received in response to the question:  
*What is the single most important thing the council could do to improve quality of life in your community?*

### 6.3 Recurring themes and some examples were:

#### 6.3.1 Leisure:

- Review pricing policy for lower income families.
- Consider a swimming pool in Cullompton.
- More cycle paths.
- Lack of 24 hour offering, closing at 9pm is early.

#### 6.3.2 Housing:

- More affordable housing for local people.
- Set higher standards for new build developments (houses with more outside space, electric vehicle charging points, solar panels, heat exchange heating systems).
- Temporary housing for the homeless.

#### 6.3.3 Climate:

- Continue to address the issues of climate change.
- Tailored advice for residents to reduce their climate impact.
- Provide warm spaces during winter.
- Improve air quality.
- More EV charging points.
- Plant more trees.

#### 6.3.4 Street Scene and Recycling:

- Change the way recycling is stored and collected.
- More frequent recycling collections.
- Enforcements for dogs.
- Tackle ASB.
- Provide more car parking.
- Maintain overgrown footpaths, verges, etc.
- Re-open all public toilet facilities.
- Reduce parking penalty fees and/increase time for free parking.

#### 6.3.5 Planning:

- Review your planning process.
- Address issues facing Cullompton Town Centre. Traffic, parking, only housing (no additional doctors, schools, etc.) and relief road. Stop building without infrastructure.
- Prioritise footpaths and cycle paths over roads. Car free zones.
- Protect and provide green spaces.
- Enhance town centres. Empty shops.

#### 6.3.6 Members:

- More engagement with parish councils who can address resident's issues to the Council.
- Ask councillors to be more involved with the residents they 'represent'.
- I would like to see my local representative out and about in the community more.

#### 6.3.7 Finance:

- Invest in areas other than Tiverton.

#### 6.3.8 Non-MDDC Remit:

- Mend roads (potholes) and maintain signage.
- Car parking enforcement on roads.
- Replace 30mph with 20mph limit in villages.
- Streetlights lit throughout the night.
- Broadband, faster rural internet speeds.
- Maintain regular bus services.
- Make Devon unitary.
- Social care, more buses, more police.
- Community resources for youth. Youth clubs, community centres, etc. Improve youth services, reduce ASB.

#### 6.3.9 So what are we doing to address some of these issues?

The full report on what the Council is doing to address these issues is included in Appendix 1.

#### 6.4 539 comments were received in response to the question:

*Are there any particular services areas you feel should not reduce their expenditure?*

6.5 The majority of these comments were focused on waste and recycling services as well as affordable housing but also many answers focussed on suggesting social care expenditure should not be cut, which is a county council function.

#### 6.6 316 comments were received in response to the question:

*Is there anything else you think the Council should consider a priority when setting the budget?*

6.7 The key themes for these responses were – those who are vulnerable, climate change, council value for money/efficiency and again a focus on functions which are provided by either Devon County Council or the Police (e.g. social care, pot holes, street lighting, greater police presence, etc.).

#### 6.8 209 comments were received in response to the question:

*If you have any specific issues not covered in this survey, please comment.*

6.9 Many of these comments were repetitions of comments to the previous open ended responses and again included; roads, pot holes, parking, anti-social behaviour and how Council meetings/processes could be more inclusive.

### 7.0 Budget setting

7.1 All of the budget feedback that we received, which is summarised in paragraph 5, was utilised in the Council's 2023/24 budget setting process. Our four Policy Development Groups and the Cabinet all made their decisions with regard to

how residents had prioritised our services, reflected on the level of our fees/charges and decisions around the associated level of Council Tax.

## **8.0 Next steps**

- 8.1 Resident and customer feedback is a powerful source of information that will enable us to ensure that we are directing our resources to the areas of highest priority and take remedial action in areas that our public are voicing concerns over.
- 8.2 Having this overarching resident feedback enables the Council to focus on the key concerns/messages, whilst also providing an important baseline which we can utilise in order to measure feedback against in future years and assess our direction of travel.

## **9.0 Conclusion**

- 9.1 When reflecting on this overall consultation exercise, it is very encouraging to reflect on the fact that 62% felt very or fairly well informed by the Council, which is 5% higher than the national average and 17% higher than the Council scored in 2021.

Contact for more information: Andrew Jarrett, Deputy Chief Executive (S151)  
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Circulation of the report: Cabinet and Leadership Team

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## **Appendix 1 - In answer to ‘So what are we doing to address some of these issues?’**

Here is just a flavour of what the Council is doing or will be doing over the next couple of years.

### **1.1 Leisure**

#### **1.1.1 Review pricing policy for lower income families:**

The Council reviews the pricing for our leisure provision on a regular basis throughout the financial year. The Council has faced a number of challenges, including: recovery from the pandemic, significant increases in energy costs and the cost-of-living crisis.

The Council was also part of a pilot, run in partnership with Devon County Council, where unpaid adult carers receive free access to Mid Devon Leisure.

<https://www.middevon.gov.uk/councils-work-together-to-support-unpaid-carers-at-mid-devons-leisure-centres/>

#### **1.1.2 Consider a swimming pool in Cullompton:**

The Council is aware of this desire for many people in the area, however the Council has had a significant challenge to maintain the existing leisure service in its current form; an additional swimming pool in Cullompton would add to that affordability pressure.

#### **1.1.3 More cycle paths:**

The Council recently consulted on a new policy statement, which will help new developments in the district meet green credentials in relation to climate change mitigation and adaptation, and support our move towards a net zero carbon future.

<https://www.middevon.gov.uk/new-policy-statement-to-support-climate-emergency/>

#### **1.1.4 Lack of 24 hour offering, closing at 9pm is early:**

The Council regularly reviews the opening hours across its leisure portfolio as well as trends of usage, to ensure it continues to offer a high level of service at the optimum time to suit all of our users. The Council has to balance operating costs with the needs of our customers.

### **1.2 Housing**

#### **1.2.1 More affordable housing for local people:**

The Council's housing strategy plans to build over 400 new council homes across the district over the next five years. Current plans for affordable/social council homes include 70 Passivhaus homes and 14 zero-carbon modular homes. In addition, several planning applications are in the process of being submitted for 2023/24.

<https://www.middevon.gov.uk/mid-devon-receives-funds-for-council-homes/>

<https://www.middevon.gov.uk/plans-for-affordable-homes-at-post-hill-given-the-go-ahead/>

**1.2.2 Set higher standards for new build developments (houses with more outside space, electric vehicle charging points, solar panels, heat exchange heating systems):**

- The Council's plans for 70 Passivhaus homes in Tiverton include plenty of parking spaces, landscaping, electric charging points and a mixture of bike lockers, cycle storage and sheds. The plans have also been designed to achieve a 10% net biodiversity gain in regards to ecological enhancement.
- The Council's planning policies are also being reviewed to ensure they consider the climate, including bio-diversity.
- The Council's modular development scheme at St Andrews in Cullompton has won or been nominated for several high profile awards.  
<https://www.middevon.gov.uk/zero-carbon-homes-pick-up-regional-housing-award/>
- The Council has led work on a regional level to develop new housing standards for social housing for those with neuro-diverse needs.

**1.2.3 Temporary housing for the homeless:**

The Council is completing feasibility studies and purchasing properties to boost its housing supply, with government support.

It has also recently completed the purchase of two properties in Tiverton which will provide multiple, single-person accommodation specifically for local homeless residents.

**1.2.4 Mid Devon ASB award shortlisting:**

The Council's housing service, Mid Devon Housing, has been shortlisted for a national 'Team of the Year' award, recognising its efforts to resolve community safety issues and anti-social behaviour in Mid Devon.

**1.3 Climate:**

**1.3.1 Continue to address the issues of climate change:**

The Council continues to be committed to its aim of becoming net-zero by 2030.

Notably, it has been successful in securing circa £3.4 million in funding to reduce energy consumption, moving away from fossil fuels, by significantly reducing gas usage at our leisure centres at Exe Valley, Tiverton and Lords Meadow, Crediton.

<https://www.middevon.gov.uk/multi-million-decarbonisation-works-begin-affecting-leisure-centre-parking/>

**1.3.2 Tailored advice for residents to reduce their climate impact:**

The Council has set up a climate and sustainability website to provide guidance for residents and local businesses.

<https://sustainablemiddevon.org.uk/>

**1.3.3 Provide warm spaces during winter:**

The Council has supported sign posting for warm spaces during the winter months that includes Tiverton Library at Phoenix House.

**1.3.4 More EV charging points:**

The Council is providing an increased number of electric car chargers via a joint procurement exercise with Devon County Council in select pay and display car parks in Crediton, Cullompton and Tiverton.

**1.3.5 Plant more trees:**

The Council has been planting even more trees this season to that reported in 2020. We have ambitions to plant more than 500 trees at different sites across Mid Devon in an effort to enhance biodiversity and address carbon pressures.

[Council aim to plant 500 trees across Mid Devon this season | InYourArea Community](#)

**1.4 Street Scene and Recycling**

**1.4.1 Change the way recycling is stored and collected:**

The Council's kerbside recycling scheme ensures only recyclable materials are collected; any non-recyclable materials are left behind and residents are made aware. Recycling rates are shown to be better by kerbside sorting, as opposed to recycling using wheelie bins.

**1.4.2 More frequent recycling collections:**

At a meeting of the Environment Policy Development Group on 11 October 2022, the Cabinet Member for the Environment and Climate Change advised that an options paper to introduce weekly recycling would be brought to the PDG.

<https://democracy.middevon.gov.uk/ieListDocuments.aspx?CId=135&MId=1710&Ve r=4>

**1.4.3 Enforcement for dogs:**

On 7 October 2021, the Council introduced a new Dog Control Public Spaces Protection Order (PSPO) for a duration of 3 years in order to ensure that dogs are kept under proper control in Public Spaces, as well as to tackle dog fouling.

<https://www.middevon.gov.uk/residents/dogs/public-space-protection-order/>

**1.4.4 Tackle ASB:**

There has been a significant increase regarding enforcement of fly typing, littering and dog fouling, with a large number of abandoned vehicle cases also being addressed and resolved.

**1.4.5 Provide more car parking:**

The Council has 19 Pay and Display / amenity car parks across the district.

<https://www.middevon.gov.uk/residents/car-parking/>

**1.4.6 Maintain overgrown footpaths, verges, etc.:**

The Council's in-house Grounds Maintenance team have a regular maintenance regime in place. However, footpaths and verges around the district are generally managed by Devon County Council. Our Customer First team assist with ad hoc enquires.

**1.4.7 Re-open all public toilet facilities:**

The Council has transferred a number of public conveniences across to town and parish councils to ensure that they continue to be operational. Tiverton Town Council has a partnership arrangement for the upkeep of conveniences in the town.

<https://www.middevon.gov.uk/residents/public-toilets/>

**1.4.8 Three-weekly waste collection pilot and rollout:**

Following a pilot of the scheme in the summer, the Bin It 1-2-3 scheme launched across the district on 10 October 2022. The scheme saw a change in non-recyclable waste collections, from fortnightly to three-weekly, with more than 35,000 wheelie bins delivered.

The change allowed the Council to achieve a number of environment benefits, including: reduce its carbon footprint, increase recycling rate, increase amount of food waste collected and decrease the amount of non-recyclable waste collected.

For information on the first quarter performance of the scheme, see:

<https://www.middevon.gov.uk/bin-it-123-service-sees-improvements-in-recycling-rates-for-mid-devon/>

**2.1 Planning**

**2.1.1 New planning charges:**

The Council introduced new charges in Planning (Development Management) to reduce the overall level of council tax subsidy the service requires and ensure the best levels of service can be provided to customers.

#### 2.1.2 Neighbourhood Plans adopted:

We successfully supported the progression and adoption of Neighbourhood Plans for Crediton and Tiverton – supporting residents in their role as place-guardians.

#### 2.1.3 District growth:

The Council continued to promote the development of key growth projects and infrastructure projects to serve the district, for example: the re-opening of Cullompton railway station continues to progress and is targeted for service by May 2025.

<https://www.middevon.gov.uk/government-announces-support-for-new-train-stations-at-cullompton-and-wellington/>

#### 2.1.4 Economic Development:

The Economic Development team has led on various initiatives to support economic growth and vitality, including: running several successful jobs fairs, promoting shopfront grants within the Cullompton Heritage Action Zone (HAZ) and securing further grant funding for economic development activities within the district.

#### 2.1.5 Building Control partnership with North Devon DC:

NMD Building Control, a partnership between Mid Devon and North Devon District Council's continues to perform exceptionally well, delivering excellent service provision to users across the NMD partnership area.

### 3.1 **Member Relations**

Members have helped identify and raise concerns from residents of areas for improvement and attention, in relation to three-weekly bin collections as well as environmental enforcement (dog fouling, fly-tipping, litter, etc.).

### 3.2 **Human Resources**

#### 3.2.1 Management Improvement:

Human Resources have designed and delivered a number of modules for line managers to increase confidence and capability in addressing key issues.

#### 3.2.2 Internal Engagement:

The Council has significantly increased employee participation regarding the direction of its future. Human Resources also maintain a formal union relationship with Unison and run a staff consultative group, both of which meet regularly.

#### 3.2.3 Apprenticeships:

The Council has installed talent pipelines to bring in new employees, which includes growing the number of Apprenticeships on offer.

#### 3.2.4 Employer of the Year:

In June 2022, the Council was awarded Petroc's Employer of the Year award, which recognises the work the Council has undertaken with its apprenticeship scheme, mentoring, career advice and engagement with school leavers, as well as its work upskilling its current workforce.

<https://www.middevon.gov.uk/council-scoops-petroc-s-employer-of-the-year-award/>

### 3.3 Internal

A new Customer Relationship Management (CRM) system is scheduled to go-live for summer 2023.

### 4.1 Finance

#### 4.1.1 Invest in areas other than Tiverton:

Circa £35m of social housing development is planned to begin in 2023/24 outside of Tiverton. Circa £27m of social housing development is planned to begin in 2023/24 within Crediton or Cullompton. 154 units of social housing development is planned to begin in 2023/24 within Crediton or Cullompton.

#### 4.1.2 Financial Support Summary:

Positive Action/Scheme	Households Helped	£	Help Given
Household Support Fund 2 & 3	2,390	£342,569	Energy and food vouchers
Council Tax Energy Support Scheme	21,292	£4,372,350	Financial help paid out to help with increases in energy costs
Exceptional Hardship	34	£12,737	Financial help with Council Tax
Discretionary Housing Payment	104	£46,121	Financial help with shortfall in rent
Council Tax Reduction	3,680	£3,839,196	Financial help with Council Tax
<b>Total</b>	<b>27,500</b>	<b>£8,612,973</b>	

### 4.2 Revenues & Benefits

The service has carried out training and created two additional posts to help with customer queries. Below are some figures from 2022/23.

SMS (text messages issued)	13,448	Helpful messages to customers - could be a reminder about arrears or a link to an application on the website
R&B CTAX & Business Rates Self Service Portal	6,949	Customers using the portal to change their Council Tax records rather than write in or phone
Self Service Benefits	1,139	New claims and change in circumstances where a customer used their self-service account
<b>Total Transactions</b>	<b>21,536</b>	

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## CABINET

7<sup>TH</sup> MARCH 2023

### NON-STATUTORY INTERIM PLANNING POLICY STATEMENT: CLIMATE EMERGENCY

**Cabinet Member(s):** Councillor Barnell, Cabinet Member for Planning and Economic Regeneration

**Responsible Officer:** Richard Marsh, Director of Place

**Reason for Report:** To adopt the Non-Statutory Interim Planning Policy Statement

### RECOMMENDATION:

To Cabinet that:

- 1) The proposed amendments to the draft Non-Statutory Interim Planning Policy Statement: Climate Emergency detailed in the Statement of Public Participation (Appendix 4) and in section 4.0 of this report be approved and these are included in the finalised version of the Non-Statutory Interim Planning Policy Statement: Climate Emergency (Appendix 1).
- 2) The amendments made to the Net Zero Carbon Toolkit detailed in the Statement of Public Participation (Appendix 4) and the schedule at paragraph 2.13 in this report be approved.
- 3) The Non-Statutory Interim Planning Policy Statement: Climate Emergency (Appendix 1), including the Net Zero Carbon Toolkit (Appendix 2) and the Net Zero Housing Assessment Tool (Appendix 3) be adopted, published on the Council's website, and brought into effect in the development management process.
- 4) The Council's validation checklist "4 – Application for Planning Permission" be amended to include the local validation requirement for the completion of the "Climate Emergency – Planning Applications Checklist".
- 5) Applicants for planning permission be encouraged to use the Net Zero Carbon Toolkit and the Net Zero Housing Assessment tool where these are relevant to the proposed development.
- 6) Delegated authority be given to the Director of Place in consultation with the Cabinet Member for Planning and Economic Regeneration to approve future amendments to the Non-Statutory Interim Planning Policy Statement: Climate Emergency (Appendix 1 including the Climate Emergency – Planning Applications Checklist), the Net Zero Carbon Toolkit (Appendix 2) and the Net

**Zero Housing Assessment Tool (Appendix 3) and where these are factual and are in relation to updated national policy and guidance, regulations and legislation.**

**Financial Implications:** None identified

**Legal Implications:** The Non-Statutory Interim Planning Policy Statement will not have a Supplementary Planning Document status. However, it will be guidance and a resource which can be used by applicants to help inform the preparation of planning applications submitted to the Council for determination within the Mid Devon area. The Non-Statutory Interim Planning Policy Statement can help clarify how the requirements of existing development plan policies can be met in relation to climate change, which can assist the assessment of planning applications, and it underlines that tackling climate change is a material consideration.

**Risk Assessment:** None identified.

**Budget and Policy Framework:** The Non-Statutory Interim Planning Policy Statement will provide guidance that can assist the understanding and implementation of relevant policies in the statutory development plan for the district.

**Equality Impact Assessment:** The Non-Statutory Interim Planning Policy Statement will not in itself lead to any impacts on the equality strands protected under the Equality Act 2010 (the “protected characteristics”) over and above those considered and addressed through the Local Plan Equalities Impact Assessment, although it could be used to assist the achievement of climate ‘justice’.

**Relationship to Corporate Plan:** The Non-Statutory Interim Planning Policy Statement plan will help meet the Corporate Plan priorities: ‘Homes’, ‘Environment’, ‘Community’ and ‘Economy’.

**Impact on Climate Change:** The Non-Statutory Interim Planning Policy Statement will supplement relevant policies in the adopted Local Plan where these are relevant to adapting to, and mitigating the impacts of, climate change through development in Mid Devon, and it will draw from current good practice and relevant legislation and statutory provisions since the Local Plan was submitted to the Secretary of State in March 2017 and subject to its independent examination.

## **1.0 INTRODUCTION / BACKGROUND**

- 1.1 The decision to prepare a non-statutory interim policy statement on planning for the climate emergency (hereafter referred to as the ‘Planning Policy Statement’) was taken by the Cabinet at its meeting on 4<sup>th</sup> February 2021, together with the preparation of a new Local Plan for Mid Devon (Minute 304).
- 1.2 A draft Planning Policy Statement was approved for public consultation by the Cabinet at its meeting on 4<sup>th</sup> October 2022 (Minute 74). That report provided a detailed context for why the Planning Policy Statement is needed, and in relation to national planning policy and relevant legislation, including the Council’s signing of the Devon Climate Emergency Pledge on 26<sup>th</sup> June 2019

and its aim to become carbon neutral by 2030 (Net Zero greenhouse gas emissions).

- 1.3 The Planning Policy Statement and use of a 'Climate Emergency – Planning Applications Checklist' will help raise the profile and importance, and improve the transparency of climate change and climate emergency considerations in the planning process in Mid Devon. The principal benefits of the Planning Policy Statement will be:

- it allows the Council to set out its expectations to applicants for planning permission for proposed development in Mid Devon, shape planning proposals that are submitted to the Council for determination, and be used to help inform the decisions made on these
- it can help clarify how the requirements of policies in the adopted Mid Devon Local Plan, adopted Devon Minerals and Waste Plans, and Neighbourhood Plans which have passed their referendum and have been 'made' / adopted in the district can be met in relation to climate change (e.g. Local Plan Policy S1 Sustainable Development Priorities, and others where relevant) it underlines that tackling climate change is a material consideration.
- it will enable a greater focus on climate change and climate emergency matters in advance of, and can be used to help inform the preparation of the new Local Plan for Mid Devon ('Plan Mid Devon')

- 1.4 The Planning Policy Statement will be applicable to all applications for the development and use of land and buildings in Mid Devon (outside the Dartmoor National Park) that are submitted to the Council for determination. Exemptions to the use of the Planning Policy Statement will include development that is subject to 'permitted development rights' where there is no need to apply for planning permission.

## 2.0 CONTENT OF THE STATEMENT

- 2.1 The Planning Policy Statement includes guidance in relation to increasing accessibility, reducing the need to travel, and efficient movement of goods; improving energy efficiency; adapting to higher temperatures; mitigating flood risk; and resilience of natural systems and resources. The scope of content and detail of the Planning Policy Statement has been shaped through a review of relevant policy hooks in the adopted Local Plan, adopted Devon Minerals and Waste Plans, and Neighbourhood Plans which have passed their referendum and have been 'made' / adopted in the district, and a Climate Emergency – Planning Applications Checklist including a set of principles and objectives developed by planning officers and the Council's Climate and Sustainability Specialist.

- 2.2 The Planning Policy Statement at **Appendix 1** includes the following content:

- 1.0 Introduction
- 2.0 Purpose, Status and Content
- 3.0 Climate Emergency Context

## Legislative Context

## National and Local Policy Context

## Future National and Local Policy Context

### 4.0 Climate Emergency – Planning Applications Checklist

### 5.0 Net Zero Carbon Toolkit

### 6.0 Net Zero Housing Assessment Tool

## Appendix A Legislative, Regulatory and Policy Context

### *Climate Emergency – Planning Applications Checklist*

- 2.3 The 'Climate Emergency – Planning Applications Checklist' provides guidance for applicants that can be used to help inform the preparation of planning applications submitted to the Council for determination, and also the decisions made on these. This can contribute to improving the quality of development and place making.
- 2.4 Policies of the adopted Local Plan, the adopted Devon Minerals and Waste Plans, and Neighbourhood Plans which have passed their referendum and have been 'made' / adopted in the district have been scoped in terms of climate-related considerations. Policy themes have been derived from these and are included as a set of principles and objectives within the 'Climate Emergency – Planning Applications Checklist'. Relevant measures for consideration are listed alongside the objectives.
- 2.5 Applicants for planning permission will be expected to have regard to the principles and objectives included in the Planning Policy Statement's 'Climate Emergency – Planning Applications Checklist', and show how these have been considered and used in preparing planning applications that are submitted to the Council for their determination.

### *Validation requirements for planning applications*

- 2.6 This will be achieved through an amendment to the Council's local list of information requirements in support, and for the validation, of planning applications that are submitted for determination.
- 2.7 Section 62 (4A) of the Town and Country Planning Act 1990 (inserted by the Growth and Infrastructure Act) and article 11(3)(c) of the Town and Country Planning (Development Management Procedure) (England) (Order) 2015 place statutory tests on the information which the Council can request with a particular planning application. It must be:
- reasonable having regard, in particular, to the nature and scale of the proposed development; and

- about a matter which it is reasonable to think will be a material consideration in the determination of the application.

2.8 The level of information that will be required through the completion of the Climate Emergency – Planning Applications Checklists will meet the statutory tests (being relevant in relation to national planning policy and legislation, and policies of the adopted Local Plan), and will be proportionate. Not all of the principles / objectives may be relevant in every instance and the level of detail provided in responses to each will need to be considered on a case by case basis depending on the nature and scale of development that is proposed. For example, it could include a short descriptive response to a question, pointing to how each matter has been considered in the development proposal, and / or it might include signposting to other documents that have been submitted in support of the development proposal, where these are relevant. The ‘Climate Emergency – Planning Applications Checklist’ in itself does not present a requirement for additional evidence, but provides a means to clarify and encourage consistency in the evidence provided (a Carbon Reduction Statement is already required to be submitted with major applications).

2.9 The Council’s local list of information requirements in validation requirement form “4 – Application for Planning Permission” will be amended as follows:

Insertion of a new local requirement:

‘Climate Emergency – Planning Applications Checklist’ – all applications. Our preferred approach to demonstrate compliance with relevant policies in the adopted development plan will be through the completion of the planning applications checklist. The information provided will be proportionate in relation to the nature and scale of development that is proposed’

Amendment to an existing local requirement:

Current wording	New wording
<b>Major Applications</b> - Carbon Reduction Statement to set out how landform, layout, building orientation, massing and landscaping to minimise energy consumption have been taken account of in the final design	<b>Major Applications</b> - We require a Carbon Reduction Statement. Our preferred format for expedient processing of your application is to fill out the ‘Climate Emergency – Planning Applications Checklist’ as a way to clarify the key Climate and Sustainability points of your statement

2.10 Completed and submitted Climate Emergency – Planning Applications Checklists will be published on the Council’s website alongside other documents submitted for each planning application being determined by the Council.

2.11 Responses provided in completed ‘Climate Emergency – Planning Applications Checklist’s will be capable of being used by the Council to better understand how the principles and objectives have been addressed in proposed development, and assist the decision making process through

providing clarity in how relevant policies in the development plan and the National Planning Policy Framework have been complied with.

### *Net Zero Carbon Toolkit*

- 2.12 The 'Statement' introduces a 'Net Zero Carbon Toolkit', which has been funded through the Local Government Association Housing Advisers Programme. The Net Zero Carbon Toolkit (**Appendix 2** to this report) explains how net zero carbon developments can be delivered through construction, and takes into account embodied carbon and operational energy requirements. The toolkit includes advice on different methods of design and construction to achieve and maintain a healthy and comfortable indoor climate.
- 2.13 The Net Zero Carbon Toolkit in **Appendix 2** includes amendments made following the public consultation exercise. These are detailed in the Statement of Public Participation (**Appendix 4**) and the following schedule of amendments.

Schedule of amendments made to the Net Zero Carbon Toolkit		
Page / Section	Consultation Document	Revised Document
Cover	<del>September 2022 v1.0</del>	<u>February 2023 v1.1</u>
p.34 Ecology and biodiversity	Building with Nature <del><a href="https://www.buildingwithnature.org.uk/how-it-works">https://www.buildingwithnature.org.uk/how-it-works</a></del>	Building with Nature <u><a href="https://www.buildingwithnature.org.uk/">https://www.buildingwithnature.org.uk/</a></u>
p.35 Reducing flood risk through Sustainable Urban Drainage (SuDS)	Changes to our climate are predicted to result in increased rainfall and greater risk of flooding. Integrating SuDS into a development can greatly improve the site's ability to capture, absorb and effectively retain water as part of a comprehensive green infrastructure design. This <del>will</del> reduce surface water run-off and support local drainage networks to function effectively, <b>reducing</b> the risk of flooding.	Changes to our climate are predicted to result in increased rainfall and greater risk of flooding. Integrating SuDS into a development can greatly improve the site's ability to capture, absorb and effectively retain water as part of a comprehensive <b>and multifunctional</b> green infrastructure design. This <b>can</b> reduce surface water run-off and support local drainage networks to function effectively, to <b>reduce</b> the risk of flooding.
p.35 Creating a healthy environment	Our homes are places that should support our health and wellbeing. Consideration <del>to the</del> materials <del>chosen</del> can have a beneficial effect <del>on people's health</del> . For example volatile organic compound (VOCs) content) can cause short term irritation for some people, and long term health problems. Ventilation and good indoor air quality are also discussed in this toolkit.	Sentence amended for conciseness and to ensure sufficient space for other alterations to this page:  Our homes should support health and wellbeing. Consider <b>how</b> the materials <b>you use</b> can have a beneficial effect. For example, volatile organic compound (VOCs) can cause short term irritation for some, or even long term health problems. Ventilation and good indoor air quality are also discussed in this toolkit.

p.35 Water	<del>Advice on Water Efficient Homes for England</del>  <del><a href="https://waterwise.org.uk/wp-content/uploads/2019/10/Advice-on-water-efficient-homes-for-England061118.pdf">https://waterwise.org.uk/wp-content/uploads/2019/10/Advice-on-water-efficient-homes-for-England061118.pdf</a></del>	Webpage no longer available, reference and hyperlink removed
p.35 Water		New link added:  <b><u>Watersafe Information for Developers</u></b>  <b><u><a href="https://www.watersafe.org.uk/advice/information-for-developers/">https://www.watersafe.org.uk/advice/information-for-developers/</a></u></b>
p.35 Sustainable Urban Drainage		New link and text added:  <b><u>Devon County Council SUDS Guidance</u></b>  <b><u><a href="https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/">https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/</a></u></b>  <b><u>Surface water should be managed in accordance with guidance considered suitable at the time a planning application is being submitted.</u></b>
p.47 Identifying relevant solutions for the context	Upgrading or installing replacement double/triple glazed windows (subject to planning officer support) can reduce heat loss by up to 40%. Recent advances in window technology such as evacuated glazing offer the possibility of recreating traditional window forms but with only a fraction of the heat loss. <del>This technique can in some cases be applied to listed buildings.</del>  Emerging products such as insulating plasters also offer the opportunity to insulate walls in a sensitive manner.	Upgrading or installing replacement double/triple glazed windows (subject to planning officer support) can reduce heat loss by up to 40%. Recent advances in window technology such as evacuated glazing offer the possibility of recreating traditional window forms but with only a fraction of the heat loss. Emerging products such as insulating plasters also offer the opportunity to insulate walls in a sensitive manner. <b><u>For Listed Buildings, check first with your local authority Conservation Officer whether Listed Building Consent is needed for what is proposed (and how to apply).</u></b>
p.69 Find High Performance Door Products	<b>Passive House Institute Component database</b>	Passive House Institute Component database
p.70 Finding High Performance Insulation Products	<b>Passive House Institute Component database</b>	Passive House Institute Component database
p.76 UK Government's Renewable Heat Incentive	<b>A potential source of income</b> <b><i>Installing</i></b> a typical system costs around £14,000 to £19,000. It will most likely reduce fuel bills if replacing a	<b>Costs versus benefits</b> <b><i>To install</i></b> a typical system costs around £14,000 to £19,000. It will most likely reduce fuel bills if replacing a

	conventional electric heating system, but you are unlikely to save much on your heating bills if you are switching from mains gas, unless other energy efficiency improvements are made. If the system is part of a new development, combining the installation with other building work can reduce the cost of installing the system. <del>You may be able to receive payments for the heat you generate using a heat pump through the UK Government's Renewable Heat Incentive.</del>	conventional electric heating system, but you are less likely to save much on your heating bills if you are switching from mains gas, unless other energy efficiency improvements are made. If the system is part of a new development, combining the installation with other building work can reduce the cost of installing the system.
p.85 Table	Text not visible within 'Find out more' section of the 'Building regulations approval' column	'Building regulations approval' and 'Planning permission' 'Find out more' sections combined:
p.85 Table	'Find out more' section of the 'Planning permission' column:  'Mid Devon District Council' hyperlinked to West Oxfordshire Council website	<ul style="list-style-type: none"> <li>• <b><u>Planning Portal</u></b> <a href="http://www.planningportal.co.uk/">http://www.planningportal.co.uk/</a></li> <li>• <b><u>Mid Devon District Council</u></b> <a href="https://www.middevon.gov.uk/residents/planning/">https://www.middevon.gov.uk/residents/planning/</a></li> <li>• <b><u>Local Authority Building Control</u></b> <a href="https://www.labc.co.uk/">https://www.labc.co.uk/</a></li> </ul>
p.85 Table		<p>Title added to table:</p> <p><b><u>The difference between building regulations approval and planning permission</u></b></p>

- 2.14 Through the development management process applicants for the development of new homes will be encouraged to make use of the Net Zero Carbon Toolkit in the preparation of planning proposals. In doing so, this can help show how the principles and objectives of the Climate Emergency – Planning Applications Checklist, where relevant to new build homes, can be met.

#### *Net Zero Housing Assessment Tool*

- 2.15 The Council has developed a 'Net Zero Housing Assessment Tool' in association with the University of Exeter. This is presented in a .pdf format in **Appendix 3** for the purpose of this report, but will be published in the form of a functional spreadsheet (MS Excel) for its use. The Net Zero Housing Assessment Tool can be used alongside the Net Zero Carbon Toolkit to evaluate the costs and benefits of a range of low carbon standards for new residential developments.



- 2.16 The Net Zero Housing Assessment Tool calculates the carbon performance of 4 dwelling typologies: 1- and 2-bed apartments, attached and detached houses for a range of fabric and building services specifications. It then sizes the required photovoltaic array to comply with Part L of the Building Regulations, and permits further improvements. This establishes the cost uplift needed to achieve user-selected performance standards, which can be compared with the lowest cost means needed to meet the minimum requirements of the 2021 Building Regulations amendments. The tool has the capacity to be updated should further amendments occur.
- 2.17 Through the development management process applicants for the development of new homes will be encouraged to make use of the Net Zero Housing Assessment Tool in the preparation of planning proposals. In doing so, this can help show how the principles and objectives of the Climate Emergency – Planning Applications Checklist, where relevant to new build homes, can be met.

### **3.0 CONSULTATION ON A DRAFT STATEMENT**

- 3.1 The Planning Policy Statement, including the planning applications checklist, net zero carbon toolkit and net zero carbon housing assessment tool were published on the Council's website alongside a draft Air Quality Supplementary Planning Document and was subject to an 8 week period of public consultation from 24<sup>th</sup> October to 16<sup>th</sup> December 2022. Information was also made available on the Sustainable Mid Devon website
- 3.2 Consultation responses were encouraged through an on-line questionnaire published on the Council's website.
- 3.3 Public notification of the consultation was provided by means of a press release (20<sup>th</sup> October 2022) and 6 posts made on social media (including Facebook, Twitter and Nextdoor). All consultees on the Plan Mid Devon mailing list were contacted by post or email, and invited to comment on the draft Planning Policy Statement This includes relevant specific and general consultation bodies, parish and town councils in Mid Devon, and residents or other persons carrying on a business in the area who have requested to be kept informed about Plan Mid Devon.
- 3.4 The public consultation included targeted engagement with the stakeholder group of planning agents active in Mid Devon. This was by means of a meeting of the Mid Devon Planning Agents Forum held on 4<sup>th</sup> November 2022. Invitations were sent by email to 304 planning agents. The Forum was held on-line via Zoom.
- 3.5 Representations have been received from 18 separate individuals and organisations. These are set out in a Statement of Public Participation (**Appendix 4**) to this report. All representations received have been carefully considered, and where necessary amendments made to the 'Planning Policy Statement' have been set out in the Statement of Public Participation and are included in the final version of the 'Statement' in **Appendix 1**.

## 4.0 GROUPS CONSULTED AND FURTHER POST-CONSULTATION AMENDMENTS

- 4.1 The Planning Policy Advisory Group (PPAG) met on 9<sup>th</sup> February 2023. The PPAG has considered post-consultation amendments made to the Planning Policy Statement, detailed in the Statement of Public Participation (**Appendix 4**) and also further post-consultation amendments detailed in this report below, and has agreed that it is recommended to Cabinet these amendments are approved. These post consultation amendments are included in Planning Policy Statement in **Appendix 1**.
- 4.2 The further amendments that have been made to the Planning Policy Statement following the consultation exercise include typographical corrections, or the inclusion of factual information for the purpose of adding clarity to the Planning Policy Statement in terms of the scoping of development policies or cross referencing. They do not introduce new Principles or Objectives to the Planning Applications Checklist:

Update the footnote 3 on page 5 of the Planning Policy Statement so that this links to the updated (January 2023) version of the TCPA / RTPi “The Climate Crisis – a guide for local authorities on planning for climate change”.

The inclusion of reference to the Government’s current consultation on proposed revisions to the National Planning Policy Framework as follows:

Paragraph 3.10 - inclusion of additional sentence:

“At the time of finalising this Planning Policy Statement the Government is consulting on proposed revisions to the NPPF; relevant amendments are set out within paragraph 3.24.”

“National Planning Policy Framework 2023

In response to the Levelling-Up and Regeneration Bill, the Government launched a consultation on proposed revisions to the National Planning Policy Framework in December 2022. The consultation period was still open at the time of finalising this ‘Planning Policy Statement’. Proposed revisions that are considered relevant in relation to climate matters have included extending the powers for granting wind energy development, if the proposal has community support and the planning impacts identified by the affected community have been appropriately addressed. Local planning authorities should also:

- Take into account the availability of agricultural land for food production, when deciding what sites are most appropriate for development;
- Afford significant weight to adaptations to existing buildings to improve energy efficiency performance; and
- Approve repowering, maintaining and extending the life of existing renewables sites, where the impacts are or can be made acceptable.

This Planning Policy Statement will be capable of being reviewed once the new NPPF has been brought into force.”

Paragraph 3.25 - add title heading “Plan Mid Devon”

Inclusion of reference to the Devon Waste Plan 2011 – 2033 at paragraph 3.22:

“Devon Waste Plan 2011 – 2033

Adopted in December 2014, the Devon Waste Plan establishes the overarching principle and policy direction for waste planning within the County.”

There is a need to make clear in the Planning Policy Statement that the scoping of development plan policies has included policies in Neighbourhood Plans that have passed their referendum and are ‘made’ / adopted. A new paragraph 3.23 is included in the Planning Policy Statement:

“Neighbourhood Plans in Mid Devon

Neighbourhood plans form part of the statutory development plan for their local areas within Mid Devon, along with the adopted Devon Minerals and Waste Plans. Neighbourhood Plans need to be in general conformity with the strategic policies of the Local Plan and can include policies and proposals that give people more say in what is planning in their local area. So far, three neighbourhood plans have passed their referendum and have been ‘made’ and adopted within Mid Devon:

- Crediton Neighbourhood Plan 2018 – 2033
- Cullompton Neighbourhood Plan 2020 – 2033
- Tiverton Neighbourhood Plan 2020 – 2033”

Paragraph 3.27 – inclusion of reference to full title of the Levelling Up and Regeneration Bill

Paragraph 4.3 – rewording of part of the paragraph with the inclusion of the words:

“, the adopted Devon Minerals and Waste Plans, and Neighbourhood Plans which have passed their referendum and have been ‘made’ / adopted for Crediton, Cullompton and Tiverton. These have been expanded into guidance in the form of measures for consideration.”

Paragraph 4.5 – inclusion of an explanation that the published version of the Planning Applications Checklist

“ and will be accompanied by an explanation of the level of information required for its completion”.

Objective 2.1 – reword “Optimise (achieve a significant uplift) in densities of dwellings...” to “Optimise (achieve a significant uplift in) densities of dwellings...”

Objective CP.3.3 Using cleaner energy – add the words “Energy recovery and / or” before “renewable energy generation and supply, including on-site where feasible”.

Inclusion of additional measure in Objective CP.6.1 Protecting existing Natural Capital and biodiversity to reflect development plan policy in relation to air quality which is related to other Objectives already included in the Planning Policy Statement:

“Improvement of air quality and reduce air quality impacts. This may be achieved through measures taken in relation to other Principles and Objectives e.g. Principle CP.2 Increasing accessibility, reducing the need to travel, and efficient movement of goods.

Planning proposals may also need to have regard to the Council’s Air Quality Supplementary Planning Document to assess impact on air quality.”

Appendix A to the Planning Policy Statement has been updated to clarify where the scoping of development plan policies has included the Devon Waste Plan 2011 – 2031, Neighbourhood Plans that have passed their referendum and have been ‘made’ and adopted within Mid Devon, and other relevant policies in the adopted Local Plan and Objectives in the Planning Policy Statement. It also makes clear that development site allocation policies can include specific requirements that support Objectives in the Planning Policy Statement. Amendments made to the Appendix A to the Planning Policy Statement which are set out below are expressed either by **~~strikethrough~~** for deletions and **underlining** for additions of text.

## Appendix A Legislative, Regulatory and Policy Context

National Requirements	Corresponding Objective
Environment Act 2021	CP.6.1; CP.6.2; CP.6.3
UK Climate Change Risk Assessment 2022	CP.4.1; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3; CP.6.4
<b><u>National Planning Policy Framework</u></b> 2021	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.3.1; CP.3.2; CP.3.3; CP.4.1; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3; CP.6.4
Part L ‘Conservation of fuel and power’ of The Building Regulations	CP.2.1; CP.3.2

etc. (Amendment) (England) Regulations 2021	
Part O 'Overheating in new residential buildings' of The Building Regulations etc. (Amendment) (England) Regulations 2021	CP.4.1; CP.4.3
Part S Infrastructure for charging electric vehicles' of The Building Regulations etc. (Amendment) (England) Regulations 2021	CP.2.5
Written Ministerial Statement (HCWS258) on Improving Water Quality and Tackling Nutrient Pollution July 2022	CP.6.1
Net Zero Strategy: Build Back Greener 2021	CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.3.2; CP.3.3; CP.6.1; CP.6.2; CP.6.3; <b>CP.6.4</b>
Heat and Buildings Strategy 2021	CP.2.1; CP.3.2; CP.3.3
National Design Guide 2019 / National Model Design Code 2021	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.3.1; CP.3.2; CP.3.3; CP.4.1; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3

County Requirements	Corresponding Objective
Devon Minerals Plan 2011 – 2033	CP.3.1
<b><u>Devon Waste Plan 2011 – 2031</u></b>	<b><u>CP.3.1; CP.3.3; CP.6.1</u></b>

<b><u>Development Plans (all)</u></b>	<b><u>Corresponding Objective</u></b>
<b><u>Development site allocation Policies</u></b>	<b><u>Certain site allocation policies include specific requirements (e.g green infrastructure, sustainable urban drainage, measures to reduce flood risk, pedestrian and cycle links and other transport measures which can help improve air quality, habitat and biodiversity protection and enhancement, renewable energy, and carbon reduction and energy efficiency in buildings) which support Objectives in this Planning Policy Statement</u></b>

Mid Devon Local Plan 2013 – 2033 <b>Policy</b>	Corresponding Objective
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Mid Devon Local Plan 2013 – 2033 <b>Policy</b>	Corresponding Objective
Policy S1 Sustainable development priorities	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.4.3; CP.5.3; CP.6.2; CP.6.3
<b><u>Policy S5 Public Open Space</u></b>	<b><u>CP.3.1; CP.4.3; CP.6.3</u></b>
<b><u>Policy S7 Town Centres</u></b>	<b><u>CP.2.3</u></b>
Policy S8 Infrastructure	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.2.5
Policy S9 Environment	CP.3.2; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3
<b><u>Policy S10 Tiverton</u></b>	<b><u>CP.2.3; CP.5.1; CP.5.3; CP.6.1; CP.6.2</u></b>
<b><u>Policy S11 Cullompton</u></b>	<b><u>CP.2.3; CP.4.3; CP.5.1; CP.5.3</u></b>
<b><u>Policy S12 Crediton</u></b>	<b><u>CP.2.3; CP.4.3</u></b>
Policy S14 Countryside	CP.6.2; <b><u>CP.3.3</u></b>
Policy DM1 High quality design	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.3.1; CP.5.1; CP.5.3; CP.6.3
Policy DM2 Renewable and low carbon energy	CP.6.2; <b><u>CP.3.3</u></b>
<b><u>Policy DM3 Transport and air quality</u></b>	<b><u>CP.6.1</u></b>
Policy DM4 Pollution	CP.6.1
Policy DM5 Parking	<b><u>CP.2.4</u></b> ; CP.2.5
<b><u>Policy DM7 Traveller sites</u></b>	<b><u>CP.5.3; CP.6.1</u></b>
Policy DM9 Conversion of rural buildings	CP.3.1; <b><u>CP.6.2</u></b>
<b><u>Policy DM14 Town centre development</u></b>	<b><u>CP.2.2; CP.2.3; CP.2.4</u></b>
<b><u>Policy DM15 Development outside town centres</u></b>	<b><u>CP.2.2; CP.2.3; CP.2.4</u></b>
Policy DM20 Agricultural development	CP.5.3; CP.6.1
<b><u>Policy DM24 Protection of Local Green Space and recreational land/buildings</u></b>	<b><u>CP.4.3</u></b>
Policy DM25 Development affecting heritage assets	CP.3.1
<b><u>Policy DM26 Green infrastructure in major development</u></b>	<b><u>CP.4.3; CP.6.1; CP.6.2; CP.5.1; CP.5.2; CP.5.3</u></b>
Policy DM27 Protected landscapes	CP.6.2; CP.6.3

<b>Mid Devon Local Plan 2013 – 2033 Policy</b>	<b>Corresponding Objective</b>
<b><u>Policy DM28 Other protected sites</u></b>	<b><u>CP.6.1</u></b>

<b><u>Crediton Neighbourhood Plan 2018 – 2033</u></b>	<b><u>Corresponding Objective</u></b>
<b><u>Policy CF1 Community hub</u></b>	<b><u>CP.3.1; CP.4.3; CP.5.3; CP.6.2; CP.6.3</u></b>
<b><u>Policy D1 Development principles</u></b>	<b><u>CP.2.1; CP.2.3; CP.3.1; CP.3.2; CP.3.3; CP.4.1; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3; CP.6.4</u></b>
<b><u>Policy D2 Sites allocated in the Mid Devon Local Plan as shown on the Adopted Policies Map for Crediton</u></b>	<b><u>CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.3.1; CP.4.3; CP.5.1; CP.5.3; CP.6.1; CP.6.2; CP.6.3</u></b>
<b><u>Policy D5 Design</u></b>	<b><u>CP.2.2; CP.2.3; CP.2.4; CP.3.1; CP.4.3; CP.5.3; CP.6.2; CP.6.3</u></b>
<b><u>Policy E3 Re-development and expansion of existing town centre employment sites</u></b>	<b><u>CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.6.2; CP.6.3</u></b>
<b><u>Policy EN1 Open spaces</u></b>	<b><u>CP.6.3</u></b>
<b><u>Policy EN2 Trees</u></b>	<b><u>CP.6.1; CP.6.2; CP.6.3</u></b>
<b><u>Policy EN3 Flood plains</u></b>	<b><u>CP.5.3</u></b>
<b><u>Policy EN4 Green infrastructure</u></b>	<b><u>CP.6.1; CP.6.2; CP.6.3</u></b>
<b><u>Policy H5 Retrofitting energy measures</u></b>	<b><u>CP.3.1</u></b>
<b><u>Policy S1 Renewable energy excluding wind turbines</u></b>	<b><u>CP.3.3; CP.6.1</u></b>
<b><u>Policy S2 Energy diversification</u></b>	<b><u>CP.3.3</u></b>
<b><u>Policy S3 Community scale renewable energy</u></b>	<b><u>CP.3.3; CP.6.1</u></b>
<b><u>Policy T1 Footpaths and cycle routes</u></b>	<b><u>CP.2.2; CP.2.3; CP.2.4</u></b>
<b><u>Policy T3 Development on principal routes</u></b>	<b><u>CP.2.2</u></b>
<b><u>Policy TC1 Town centre development</u></b>	<b><u>CP.6.2; CP.6.3</u></b>
<b><u>Policy TC2 Town centre living</u></b>	<b><u>CP.2.1; CP.3.1</u></b>
<b><u>Policy TC3 Public realm</u></b>	<b><u>CP.2.2; CP.3.1; CP.4.2; CP.4.3; CP.5.1; CP.5.3; CP.6.2; CP.6.3</u></b>

<b><u>Cullompton Neighbourhood Plan 2020 – 2033</u></b>	<b><u>Corresponding Objective</u></b>
<b><u>Policy EJ01 Improving access to Commercial Areas</u></b>	<b><u>CP.2.3; CP.2.4; CP.2.5; CP.2.6</u></b>
<b><u>Policy EJ02 Development of Small Business Units</u></b>	<b><u>CP.2.1</u></b>
<b><u>Policy EN01 Protecting and Enhancing the Natural Environment</u></b>	<b><u>CP.6.1; CP.6.2; CP.6.3</u></b>
<b><u>Policy EN02 Improving the Public Rights of Way Network</u></b>	<b><u>CP.6.3</u></b>
<b><u>Policy HS04 Parking on Housing Schemes</u></b>	<b><u>CP.2.5; CP.2.6; CP.5.3</u></b>
<b><u>Policy HT02 Improving our Public Transport Network</u></b>	<b><u>CP.2.3</u></b>
<b><u>Policy HT03 Improving our Cycle Network</u></b>	<b><u>CP.2.2; CP.2.3; CP.2.4</u></b>
<b><u>Policy HT04 Improving Footpaths</u></b>	<b><u>CP.2.2</u></b>
<b><u>Policy SD02 Links to the Town Centre</u></b>	<b><u>CP.2.2; CP.2.3; CP.2.4</u></b>
<b><u>Policy SD03 Flood Attenuation</u></b>	<b><u>CP.5.1; CP.5.3</u></b>
<b><u>Policy SD04 Solar Design in Housing Schemes</u></b>	<b><u>CP.3.1; CP.3.2; CP.3.3; CP.CP.4.1</u></b>
<b><u>Policy TC02 Character of the Built Environment</u></b>	<b><u>CP.3.1</u></b>
<b><u>Policy TC03 Pedestrian Priority in the Town Centre</u></b>	<b><u>CP.2.2</u></b>
<b><u>Policy TC04 Service Arrangements in the Town Centre</u></b>	<b><u>CP.2.6</u></b>
<b><u>Policy TC06 Cultural and Leisure Facilities in the Town Centre</u></b>	<b><u>CP.3.1</u></b>
<b><u>Policy WL03 Usable Public Open Space</u></b>	<b><u>CP.2.2; CP.6.3</u></b>
<b><u>Policy WL04 Outdoor Sports Facilities</u></b>	<b><u>CP.6.1</u></b>
<b><u>Policy WL07 Community Allotments, Orchards and Composting</u></b>	<b><u>CP.3.1</u></b>
<b><u>Tiverton Neighbourhood Plan 2020 – 2033</u></b>	<b><u>Corresponding Objective</u></b>
<b><u>Policy T1 Location and scale of development</u></b>	<b><u>CP.3.1; CP.3.3</u></b>



<b><u>Policy T4 Character of development</u></b>	<b><u>CP.3.1</u></b>
<b><u>Policy T5 Design of development</u></b>	<b><u>CP.1.1; CP.4.1; CP.4.2; CP.4.3; CP.6.1; CP.6.2; CP.6.3</u></b>
<b><u>Policy T6 Energy efficiency and design</u></b>	<b><u>CP.1.1; CP.2.5; CP.3.1; CP.3.2; CP.3.3; CP.4.1; CP.5.2</u></b>
<b><u>Policy T7 Minimising the risk of flooding</u></b>	<b><u>CP.5.1; CP.5.3</u></b>
<b><u>Policy T8 Local buildings and structures of merit and local heritage assets at risk</u></b>	<b><u>CP.3.1; CP.6.1; CP.6.2; CP.6.3</u></b>
<b><u>Policy T9 Green and blue infrastructure and delivering biodiversity net gain</u></b>	<b><u>CP.3.1; CP.4.3; CP.5.1; CP.5.3; CP.6.1; CP.6.2; CP.6.3</u></b>
<b><u>Policy T12 Supporting local agriculture and opportunities for diversification</u></b>	<b><u>CP.3.3</u></b>
<b><u>Policy T13 Provision of leisure and recreation facilities</u></b>	<b><u>CP.6.3</u></b>
<b><u>Policy T15 Allotments and community growing spaces</u></b>	<b><u>CP.2.2; CP.2.4; CP.3.1</u></b>
<b><u>Policy T16 Encouraging safe and sustainable movement</u></b>	<b><u>CP.2.2; CP.2.3; CP.2.4</u></b>
<b><u>Policy T17 Flexible workspaces</u></b>	<b><u>CP.3.1</u></b>
<b><u>Policy T18 Supporting a sustainable visitor economy</u></b>	<b><u>CP.2.4</u></b>

## **5.0 NEXT STEPS AND IMPLEMENTATION**

- 5.1 Once adopted, the Planning Policy Statement will be published on the Council's website as a printable and downloadable version for applicants to be able to complete and submit as a document supporting their planning application. The Planning Applications Checklist will be accompanied by an explanation of the level of information required for its completion as described in paragraph 2.8 to this report.
- 5.2 The Planning Policy Statement is capable of being updated to reflect any changes in relevant legislation and to national planning policy, guidance and updated source material and web links (noting that the Government is currently consulting on its proposed approach to updating the National Planning Policy Framework as part of how it might develop new national planning policy to support wider objectives in the Levelling-up and Regeneration Bill). Officers will keep this under review as necessary and in relation to progress made towards the completion of the new Local Plan (Plan Mid Devon). Officers will also keep the Planning Policy Statement under review in light of how it is used by the development industry and feedback provided, so it will be an effective tool to help shape planning applications

submitted to the Council for determination and that the information provided can be used to help inform decisions made on these.

- 5.3 The Council's validation requirement form "4 – Application for Planning Permission" is currently being reviewed. This will include the amendments shown at paragraph 2.9 of this report. Once the review has been completed the validation requirement form "4 – Application for Planning Permission" will be published and subject to a 3 week consultation period before it is approved by the Council, published on the Council's website, and brought into effect.

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#### **Circulation of the Report:**

Councillor Barnell - Cabinet Member for Planning and Economic Regeneration

Leadership Team, Finance, Legal Services and Equalities

#### **List of Background Papers and Links:**

**Appendix 1** - Non-Statutory Interim Planning Policy Statement: Climate Emergency

**Appendix 2** - Net Zero Carbon Toolkit

**Appendix 3** - Net Zero Housing Assessment Tool

**Appendix 4** – Statement of Public Participation

# Non-Statutory Interim Planning Policy Statement: Climate Emergency



February 2023



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# Foreword

The Planning process is at the foundation of the Council's action to help our communities at a time of climate change crisis.

Building **what the customer wants** is about investing in a better tomorrow **today**.

- Q** Would you buy a new house if you knew it needed a retrofit within 5 or 10 years?
- Q** Would you choose a home with sky high bills, if a nearby neighbourhood offered a super-insulated Net Zero home meeting its own energy needs with renewables?
- Q** Would you expect a local authority to permit a development that fails to address the climate change emergency?

Mid Devon's new homes must enable residents to enjoy a healthy, comfortable dwelling – affordable to run and designed to protect people from the extremes of heat or cold, drought or flood.

Our rural heart of Devon is a hard-working, thriving, living landscape with immense reserves of skills, knowledge and innovation. Mid Devon's communities want to feel connected, and not just to the internet, but also with their fellow neighbourhoods and local businesses.

Commercial developments seeking opportunity and growth in Mid Devon will rely on well-connected, climate-resilient, carbon-cutting communities, infrastructure services and transport. The Local Plan and effective environmental policies will actually help to cultivate those resources for growth.

Mid Devon's Local Plan asks that applicants and developers consider their climate credentials and environmental sustainability for each proposal in a holistic manner, working in ways that enhance ecosystem services, alleviate risk, and enable our Net Zero future. Our interim planning policy statement and supporting guidance helps developers understand the ambitions necessary to help us address the climate change emergency.

**XXXX**

**Cabinet Member for the Environment and Climate Change**







## 1.0 Introduction

- 1.1 Mid Devon District Council signed the Devon Climate Emergency Pledge on 26th June 2019 and aims to become carbon neutral by 2030 (Net Zero greenhouse gas emissions).
- 1.2 To ensure due regard is given to climate emergency considerations in all aspects of Planning, the Council has published this statement and supporting guidance.
- 1.3 **Tackling climate change is a material consideration to the planning process, to which significant weight should be attached.**
- 1.4 **Therefore the Council will view and interpret development plan policies for Mid Devon in the light of the climate change emergency.**
- 1.5 Setting the climate emergency as a top priority connects to closely-related issues such as low-carbon design, energy efficiency, infrastructure resilience, living landscapes and ecological recovery (the Council already has a statutory duty to conserve biodiversity).
- 1.6 Accordingly, the Council will encourage applicants to engage in pre-application discussions with Planning Officers to incorporate best practice. Where necessary, evidence will be required as part of the submission of planning applications, including how policy requirements and legislative standards will be met.
- 1.7 Guidance and resources to support this interim planning policy statement include three key elements:
  - a) A **Climate Emergency – Planning Applications Checklist** for all development proposals;
  - b) Guidance in the form of a **Net Zero Carbon Toolkit**;
  - c) The MDDC **Net Zero Housing Assessment Tool** to be used to compare 'low carbon' standards for new residential development.
- 1.8 This interim planning policy statement highlights the most relevant legislation and standards at the time of writing, and explains how these relate to Council policies. Policy context and local consultation indicates a compelling case for action to address the climate emergency at a faster pace than much of the current policy could otherwise achieve.

## 2.0 Purpose, Status and Content

### Purpose

- 2.1 The purpose of this interim planning policy statement is to supplement policies of the adopted Mid Devon Local Plan where these are relevant to climate change considerations, and to assist their implementation. These considerations encompass both mitigation (reductions in greenhouse gas emissions) and adaptation (dealing with the climate crisis risks). Therefore the scope goes beyond design and construction, and also seeks to address interlinked socioeconomic and ecological / biodiversity factors.
- 2.2 The Council has begun work on a new Local Plan for Mid Devon (called 'Plan Mid Devon'), which will provide an opportunity to introduce new policies to help us tackle climate change. However, this new Local Plan is not expected to be adopted until mid-2025. The current Mid Devon Local Plan has a lifespan to 2033 and remains in force as part of the statutory adopted development plan for the district together with the Devon Minerals and Waste Plans and neighbourhood plans (where these have been successful at their local referendum and 'made'). The current Local Plan includes policies for the development and use of land and buildings which are relevant to adapting to climate change and mitigating its effects. However, its content pre-dates current national planning policy, the Council's adoption of the Devon Climate Emergency Declaration in June 2019, and also more recent technical evidence intended to help inform future plan making. As a consequence, the Council took the decision in February 2021 to prepare an interim planning policy statement for the climate emergency to supplement relevant policies in the adopted Local Plan. This can also have regard to more recent national planning policy, legislation, technical information, current good practice and the Climate Emergency declaration, and will provide a stepping stone to the new Local Plan. The interim planning policy statement and use of a 'Climate Emergency – Planning Applications Checklist' is intended to raise the profile and importance, and improve the transparency of climate change and climate emergency considerations in the planning process in Mid Devon.

## Status

- 2.3 The interim planning policy statement does not form part of the statutory plan, alter existing or set new planning policy.
- 2.4 It will have the status of non-statutory guidance and will also be a resource which can be used by applicants to help inform the preparation of planning applications submitted to the Council for determination within the Mid Devon area. The interim planning policy statement can help clarify how the requirements of existing development plan policies can be met in relation to climate change, which can assist the assessment of planning applications, and it underlines that tackling climate change is a material consideration.
- 2.5 The climate emergency is increasingly recognised as a significant material consideration in decision-making and appeals<sup>1</sup>. As such, in April 2021 the Secretary of State recognised that **“the scale and urgency of the climate change emergency is such that tackling climate change is a material consideration to which significant weight should be attached”**.<sup>2</sup>
- 2.6 This is supported in a recent publication by the Royal Town Planning Institute (RTPI) and the Town and Country Planning Association (TCPA) which advocates that the climate impacts of any decisions that contradict planning policy are fully assessed, and that “development should not be approved if it would increase risks to the community or exceed established carbon budgets”.<sup>3</sup>
- 2.7 The ‘Statement’ will be applicable to all applications for the development and use of land and buildings in Mid Devon (outside the Dartmoor National Park) that are submitted to the Council for determination. However, not all of its principles / objectives may be relevant in every instance and this will need to be considered on a case by case basis. Exemptions to the use of the ‘Statement’ will include development that is subject to ‘permitted development rights’ where there is no need to apply for planning permission.

<sup>1</sup> APP/K1128/X/20/3252613, APP/K1128/W/20/3252623. Appeal by Mr David Holloway against South Hams District Council

<sup>2</sup> APP/V2255/W/19/3233606 Secretary of State decision. Appeal by Quinn Estates Ltd and Mulberry Estates (Sittingbourne) Ltd against Swale Borough Council

<sup>3</sup> TCPA/RTPI (2023) The Climate Crisis – a Guide for Local Authorities on Planning for Climate Change  
<https://tcpa.org.uk/resources/the-climate-crisis-a-guide-for-local-authorities-on-planning-for-climate-change/>

## Content

- 2.8 The interim planning policy statement includes guidance and resources in the form of three key elements:
- a) A Climate Emergency - Planning Applications Checklist to be used for development proposals;
  - b) Guidance in the form of a Net Zero Carbon Toolkit;
  - c) The Council's Net Zero Housing Assessment Tool to be used to compare 'low carbon' standards for new residential development.
- 2.9 The interim planning policy statement, including the planning applications checklist, net zero carbon toolkit and net zero carbon housing assessment tool were subject to an 8 week period of public consultation from 24th October to 16th December 2022. This included targeted engagement with planning agents active in Mid Devon. All representations received have been carefully considered, and where necessary, amendments made to this interim planning policy statement.



## 3.0 Climate Emergency Context

- 3.1 The Council has set an ambitious target to achieve net zero by 2030, ahead of Devon County Council's commitment to realise this by 2050 and that of the sixth Carbon Budget, which sets a legally binding target for a 78% reduction by 2035 (compared with 1990 levels)<sup>4</sup>.
- 3.2 The Mid Devon Climate Strategy 2020-2024<sup>5</sup> clearly identifies the role in that the planning system can lead in mitigating, and adapting to, climate change. To complement this, a variety of planning-related work streams are currently being implemented through the Mid Devon Climate Action Plan.
- 3.3 Due to the urgent need for action and the potential impact on delivery of housing and associated infrastructure, the Council is placing preparation for, and response to climate change at the forefront of its corporate agenda. This will ensure that environmental sustainability is considered alongside social and economic sustainability. This will, of necessity, require changes to existing planning policies, which will be explored during the preparation of Plan Mid Devon. The Plan will cover the period to 2043, set within a vision that looks ahead to 2053. Alongside this is a commitment to update the Council's Air Quality Supplementary Planning Document (SPD).
- 3.4 The planning system is set by, and subject to, a number of pieces of international, national, and local, legislation and regulation. This section identifies those currently of most relevance to this Statement and the need to plan for climate change.

## Legislative Context

### **United Nations Sustainable Development Goals (SDGs) 2015<sup>6</sup>**

- 3.5 Formulated as part of the United Nations 2030 Agenda for Sustainable Development, the 17 UN SDGs provide an integrated framework to address a comprehensive range of issues, and are underpinned by 169 ambitious Global Targets and 244 Global Indicators. Supported by the Royal Town Planning Institute (RTPI), the SDGs provide a particular opportunity to strengthen the commitment by local planning authorities to deliver development that contributes positively to creating sustainable communities (goal 11) and adapting to climate change (goal 13). According to the UK Government, which adopted the Agenda in 2015 following involvement in its production, 65% of the Global Targets are reliant on local stakeholder involvement if they are to be achieved.

<sup>4</sup> <http://www.theccc.org.uk/publication/sixth-carbon-budget/>

<sup>5</sup> <https://sustainablemiddevon.org.uk/Media/Seabrook/mddc-climate-strategy-2020-2024-v1-dec2020-ac.pdf>

<sup>6</sup> <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



## **Planning and Compulsory Purchase Act 2004<sup>7</sup>**

- 3.6 Section 19 (1A) of the Planning and Compulsory Purchase Act 2004 (as amended) includes a requirement for development plan documents to include policies designed to ensure that development and land use contribute to the mitigation of, and adaption to, climate change.

## **Climate Change Act 2008<sup>8</sup>**

- 3.7 The 2019 amendment to the Climate Change Act 2008 contains a legally binding commitment to reduce the UK's net emissions of greenhouse gases by 100% by 2050 (relative to 1990 levels). However, in June 2021 the Government adopted the sixth carbon budget<sup>9</sup>, which sets out a target reduction of 68% by 2030, stimulating the need for rapid action.

## **Environment Act 2021<sup>10</sup>**

- 3.8 Extending the duty conferred by the Natural Environment and Rural Communities Act 2006 on local planning authorities to conserve biodiversity, the Environment Act 2021 introduces a requirement to also enhance biodiversity. This comes in the form of introducing local nature recovery strategies and an expectation that all new development deliver a minimum 10% net gain in biodiversity, which should be managed for at least 30 years. To combat the ecological emergency, there is a strong expectation by the Council that new developments should be delivering biodiversity net gain in advance of the mandatory requirement coming into force (expected in the autumn of 2023). The Act also places weight on the role of nature based solutions in addressing climate change, sets out new requirements for waste reduction, air and water quality, and emphasises the sustainable use of resources.

## **Planning and Energy Act 2008<sup>11</sup>**

- 3.9 Section 1 of the Planning and Energy Act 2008 (as amended) empowers local planning authorities to include policies imposing reasonable requirements for a proportion of energy used in development within their area to be low carbon, or derived from renewable sources in the locality of the development, and to set "energy efficiency standards that exceed the energy requirements of building regulations".

<sup>7</sup> <https://www.legislation.gov.uk/ukpga/2004/5/contents>

<sup>8</sup> <https://www.legislation.gov.uk/ukpga/2008/27/contents>

<sup>9</sup> The Carbon Budget Order 2021 (SI 2021/100)

<sup>10</sup> <https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>

<sup>11</sup> <https://www.legislation.gov.uk/ukpga/2008/21/contents>

## National and Local Policy Context

### National Planning Policy Framework 2021<sup>12</sup>

- 3.10 The adopted Local Plan was prepared in the context of the 2012 National Planning Policy Framework (NPPF) and examined under transitional arrangements. Since then, the NPPF has undergone two revisions, the current 2021 version placing a greater emphasis on addressing the climate challenge as a material consideration and including reference to the UN SDGs. At the time of finalising this Planning Policy Statement the Government is consulting on proposed revisions to the NPPF; relevant amendments are set out within paragraph 3.24.
- 3.11 The NPPF 2021 sets out the Government's planning policies for England and how these should be applied in relation to both plan-making and decision-making. Key sections relating to planning for climate resilience are summarised below:
- Paragraph 8 identifies the opportunity to secure net gain across interdependent economic, social, and environmental objectives. It also includes a commitment to 'mitigating and adapting to climate change, including moving to a low carbon economy'.
  - Paragraph 104 states that 'transport issues should be considered at the earliest stages of plan-making and development proposals, so that ... opportunities to promote walking, cycling and public transport are identified and pursued'.
  - Paragraph 105 supports Paragraph 104, setting out that 'significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes'.
  - Paragraph 131 stipulates that existing trees are retained wherever possible, new streets are tree-lined, opportunities are sought to incorporate trees into developments and that long-term maintenance of newly-planted trees is secured.
  - Paragraph 152 includes a requirement for the planning system to 'support the transition to a low carbon future' through 'shap[ing] places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience'.
  - Paragraph 153 states that plans should consider 'the long-term implications for flood risk ... water supply, biodiversity and landscapes, and the risk of overheating from rising temperatures' on the future resilience of infrastructure and communities, establishing a clear link with the objectives and provisions of the Climate Change Act 2008.
  - Paragraph 167 strengthens the requirement for development within areas at risk of flooding to demonstrate that sustainable drainage systems will be incorporated, unless clear evidence can be provided to show that this would be inappropriate.
  - Chapter 15 specifically references the securing measurable net gains for biodiversity within paragraphs 179 and 180. While paragraphs 174 and 179 promote the establishment, conservation, restoration and enhancement of ecological networks.

<sup>12</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1005759/NPPF\\_July\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf)

## National Planning Practice Guidance<sup>13</sup>

- 3.12 The NPPF is supported by national Planning Practice Guidance (PPG) which provides additional context and guidance on how the NPPF and other relevant statements should be interpreted. The PPG is subject to regular updating, therefore specific paragraphs are not referred to within this Statement.

## The Building Regulations 2021 Amendments<sup>14</sup>

- 3.13 In anticipation of a Future Homes and Buildings Standard, the 2021 amendments to the Building Regulations came into force on 15th June 2022, followed by a 1-year transition period to allow for work subject to an existing building notice and for planning applications currently underway.<sup>15</sup>
- 3.14 The changes include the following interim uplifts to Part L 'Conservation of fuel and power', Part S 'Infrastructure for charging electric vehicles', and the introduction of Part O 'Overheating in new residential buildings'.

- Part L strongly encourages developers to **aspire towards zero carbon**, setting out that all new homes should provide an uplift in thermal efficiency (against 2013 Building Regulations) of at least 30%, with a minimum 40% of the building footprint accommodating roof mounted solar photovoltaic panels. For non-residential buildings, a 31% reduction of baseline emissions is required.
- Part O seeks to ensure that new homes are designed to **reduce overheating** through minimising solar gain and removing excess heat. This is to be achieved through restricting the amount of glazing allowed in a single room, in combination with consideration of cross-ventilation and orientation.
- Part S requires that where car parking provision is made, all new residential development must have a **minimum of one electric vehicle charging point per dwelling**, irrespective of whether communal or private parking spaces are provided.

## National Design Guide 2019 and National Model Design Code 2021<sup>16</sup>

- 3.15 The National Design Guide sets out the ten characteristics of a well-designed place that need to positively address environmental issues affecting climate. The National Model Design Code reflects this through a requirement for codes to cover sustainability, which includes nature based solutions, energy efficiency, net zero alignment and climate resilience.

<sup>13</sup> <https://www.gov.uk/government/collections/planning-practice-guidance>

<sup>14</sup> <https://www.legislation.gov.uk/ukSI/2010/2214/contents/made>

<sup>15</sup> Circular Letter 02/2021, <https://www.gov.uk/government/collections/building-regulations-circulars>

<sup>16</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1009793/NMDC\\_Part\\_1\\_The\\_Coding\\_Process.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009793/NMDC_Part_1_The_Coding_Process.pdf)



## **UK Climate Change Risk Assessment 2022<sup>17</sup>**

- 3.16 Published in January 2022, the UK Government's third Climate Change Risk Assessment identifies 8 priority risk areas. With an onus on achieving net zero (mitigation) and climate resilience (adaptation), these include risks to:

- terrestrial and freshwater biodiversity;
- soil health from increased flooding and drought;
- nature-based carbon sequestration and storage;
- supply chains and distribution networks;
- energy system failures; and
- overheating of buildings.

- 3.17 There is an emphasis on avoiding 'locking in' the need for future remedial actions in relation to new housing or infrastructure.

## **Net Zero Strategy: Build Back Greener 2021<sup>18</sup>**

- 3.18 The Government's Net Zero Strategy contains a raft of commitments. These include increasing onshore wind, solar and other renewable energies; banning the sale of petrol and diesel cars from 2030, and for all cars to fully zero emission capable by 2035. Funding to enable half of all journeys within urban areas to be walked or cycled by 2030; and to create integrated, zero emission public transport fleets and infrastructure is also pledged.

## **Heat and Buildings Strategy 2021<sup>19</sup>**

- 3.19 Taking a whole lifecycle system, fabric first approach to decarbonising buildings, the Heat and Buildings Strategy sets out the Government's plan to decarbonise the UK's 30 million homes and workplaces. Key elements include a commitment to update the Building Regulations (which were enacted in June 2022), outlaw the installation of new and replacement gas boilers by 2035, and advocate installation of heat pumps and heat networks.

<sup>17</sup> <https://www.gov.uk/government/publications/uk-climate-change-risk-assessment-2022>

<sup>18</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1033990/net-zero-strategy-beis.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033990/net-zero-strategy-beis.pdf)

<sup>19</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1036227/E02666137\\_CP\\_388\\_Heat\\_and\\_Buildings\\_Elay.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036227/E02666137_CP_388_Heat_and_Buildings_Elay.pdf)

## **Written Ministerial Statement (HCWS258) on Improving Water Quality and Tackling Nutrient Pollution July 2022<sup>20</sup>**

- 3.20 In March 2022, Natural England advised the Council<sup>21</sup> that any “additional residential and commercial development that will result in a net increase in population served by a wastewater system, including new homes, student and tourist accommodation” within the catchment area of the Somerset Levels and Moors Ramsar will require an appropriate assessment<sup>22</sup>. This is to determine the potential impact on water quality from increased phosphorus levels from new development, which can lead to nutrient enrichment creating unfavourable conditions for habitats sites with subsequent loss of biodiversity. Threats such as this are interlinked and possibly cumulative in effect alongside the risks to ecological systems from climate change. A Written Ministerial Statement published in July 2022, announced details of a forthcoming nutrient mitigation scheme, to be delivered by Natural England.

### **Devon Minerals Plan 2011 – 2033<sup>23</sup>**

- 3.21 Adopted in February 2017, the Devon Minerals Plan provides a policy framework to maintain the supply of minerals from local reserves, through safeguarding sites and encouraging re-use of construction materials.

### **Devon Waste Plan 2011 – 2031<sup>24</sup>**

- 3.22 Adopted in December 2014, the Devon Waste Plan establishes the overarching principles and policy direction for waste planning within the County.

### **Neighbourhood Plans in Mid Devon<sup>25</sup>**

- 3.23 Neighbourhood plans form part of the statutory development plan for their local areas within Mid Devon, along with the adopted Local Plan and the Devon Minerals and Waste Plans. Neighbourhood development plans need to be in general conformity with the strategic policies of the Local Plan and can include policies and proposals that give people more say in what is planned in their local area. So far, three plans have passed their referendum and have been ‘made’ and adopted within Mid Devon:

- Crediton Neighbourhood Plan 2018 – 2033
- Cullompton Neighbourhood Plan 2020 – 2033
- Tiverton Neighbourhood Plan 2020 – 2033

<sup>20</sup> <https://questions-statements.parliament.uk/written-statements/detail/2022-07-20/hcws258>

<sup>21</sup> DiLUHC (16 March 2022) Nutrient Pollution: Neutrality, Support and Funding [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1061531/Chief\\_Planner\\_Letter\\_about\\_nutrient\\_pollution\\_\\_March\\_2022.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1061531/Chief_Planner_Letter_about_nutrient_pollution__March_2022.pdf)

<sup>22</sup> <https://www.legislation.gov.uk/uksi/2017/1012/regulation/63>

<sup>23</sup> <https://www.devon.gov.uk/planning/planning-policies/minerals-and-waste-policy/devon-minerals-plan/>

<sup>24</sup> <https://www.devon.gov.uk/planning/planning-policies/minerals-and-waste-policy/devon-waste-plan/>

<sup>25</sup> <https://www.middevon.gov.uk/residents/planning-policy/neighbourhood-planning/>

## Future National and Local Policy Context

### National Planning Policy Framework 2023<sup>26</sup>

3.24 In response to the Levelling-Up and Regeneration Bill, the Government launched a consultation on proposed revisions to the National Planning Policy Framework in December 2022. The consultation period was still open at the time of finalising this 'Planning Policy Statement'. Proposed revisions that are considered relevant in relation to climate matters have included extending the powers for granting wind energy development, if the proposal has community support and the planning impacts identified by the affected community have been appropriately addressed. Local planning authorities should also:

- Take into account the availability of agricultural land for food production, when deciding what sites are most appropriate for development;
- Afford significant weight to adaptations to existing buildings to improve energy efficiency performance; and
- Approve repowering, maintaining and extending the life of existing renewables sites, where the impacts are or can be made acceptable.

This Planning Policy Statement will be capable of being reviewed once the new NPPF has been brought into force.

### Plan Mid Devon

3.25 Mid Devon's new Local Plan - Plan Mid Devon – will introduce new policy, and the proposed structure sets the climate crisis as an overarching priority. Future policies will be subject to the reasonable expectation that they are robust and 'fit for purpose' with due regard to being capable of delivering statutory obligations and contributing to the achievement of legally binding targets, in the local context. Assessments of the likely capacity of planning policy and targets in relation to – for example – achieving Net Zero homes can be undertaken – as has been the case for the Cornwall Climate Emergency Development Plan Document<sup>27</sup>.

<sup>26</sup> <https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy>

<sup>27</sup> Etude (2021). Technical Evidence Base for Policy SEC 1 – New Housing. <https://bit.ly/3C5xDH9>

### **Future Homes and Buildings Standard<sup>28</sup>**

- 3.26 Following on from the 2006 Code for Sustainable Homes, the Future Homes and Buildings Standard will comprise of a set of standards to complement the Building Regulations. It will aid in reducing carbon emissions from new homes constructed from 2025 by 75-80% (based on those delivered under the 2013 requirements of Part L of the Building Regulations). Scheduled to come into force in 2025, it will also address carbon reductions in new non-domestic buildings and existing homes.

### **Levelling-Up and Regeneration Bill 2022<sup>29</sup>**

- 3.27 During May the Government published the Levelling-Up and Regeneration Bill which aims to set out how opportunity will be spread more equally across the UK through support of the decarbonisation agenda and recognition that changes to the planning system are required in order to support the transition to net zero. As part of this, the introduction of an additional clause to neighbourhood development plans is proposed for the Planning and Compulsory Purchase Act. This would require that neighbourhood development plans must be designed to ensure that development and land use within the neighbourhood forum area contributes to the mitigation of, and adaptation to, climate change.

### **Local Electricity Bill 2021<sup>30</sup>**

- 3.28 The Council has recently carried a motion to support the Local Electricity Bill 2021. Should this bill become law, it will enable producers of local generated renewable energy to become local electricity suppliers. The benefits include simplifying licensing conditions and ensuring that application costs are proportionate to the size of an applicant's business. In theory, this could incentivise local entrepreneurs, stimulate local economies and supply communities with clean energy.

### **Devon Carbon Plan<sup>31</sup>**

- 3.29 Based on detailed assessments of the county's greenhouse gas emissions, the Devon Carbon Plan seeks to outline how net zero emissions will be achieved throughout Devon by 2050. Key areas to target are food production; renewable energy supply; reduced energy consumption; sustainable travel; the built environment; carbon capture and storage; and circular economy principles.

<sup>28</sup><https://www.gov.uk/government/consultations/the-future-buildings-standard>

<sup>29</sup><https://bills.parliament.uk/bills/3155>

<sup>30</sup><https://bills.parliament.uk/bills/3039>

<sup>31</sup>[https://www.devonclimateemergency.org.uk/interimcarbonplan/?cat\\_id=2572](https://www.devonclimateemergency.org.uk/interimcarbonplan/?cat_id=2572)





## 4.0 Climate Emergency – Planning Applications Checklist

### Validation Checklist

- 4.1 The Council's current Validation Checklist for planning applications submitted for determination requests the following information which is relevant in the consideration of matters relating to climate change:

#### All types of development

- Flood Risk Assessment
- Surface Water Drainage Strategy
- Tree survey and report
- Pollution Impact Assessment and Mitigation Scheme
- Transport Assessment / Travel Plan / Traffic Pollution Assessment / Low Emission Assessment (where significant levels of vehicle movement are likely)
- Environmental Statement (where an Environmental Impact Assessment is required)

#### Major development only

The National Planning Policy Framework defines 'major development':  
**"For housing, [as] development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m<sup>2</sup> or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015."**

#### Planning proposals for major development require:

- Carbon Reduction Statement setting out how landform, layout, building orientation, massing and landscaping have been considered in relation to minimising energy consumption
- Waste Audit Statement setting out anticipated wastes arising from the construction and operational stages of the development. Focus should be on reuse, recycling, including careful selection of materials and – where possible – how existing features such as buildings, hard surfacing and topography will be incorporated

- 4.2 It is intended the Validation Checklist will be updated. This will provide an opportunity to include greater emphasis on climate change and climate emergency matters, and can assist the Council in meeting its target of reducing carbon emissions to net zero by 2030.



## Climate Emergency – Planning Applications Checklist

- 4.3 This Non-Statutory Interim Planning Policy Statement introduces a 'Climate Emergency – Planning Applications Checklist', which will be used by the Council for the purpose of helping to inform pre-application discussions, and also in the consideration of planning applications that have been submitted for determination. The Climate Emergency – Planning Applications Checklist includes principles and objectives derived through a scoping of policies relevant to climate change in the adopted Mid Devon Local Plan, the adopted Devon Minerals and Waste Plans, and Neighbourhood Plans which have passed their referendum and have been 'made' / adopted for Crediton, Cullompton, and Tiverton. These have been expanded into guidance in the form of measures for consideration.
- 4.4 The Interim Planning Policy Statement will be relevant to proposals for the development and use of land and buildings in Mid Devon in relation to climate change considerations. **Applicants for planning permission will be expected to have regard to the principles and objectives contained in this Interim Planning Policy Statement and show how these have been considered and used in preparing planning applications, and these principles and objectives will be used by the Council, alongside relevant development plan policies and policies of the National Planning Policy Framework to assist the consideration of planning applications that are submitted for determination.** Applicants will be expected to provide information that is proportionate to the nature and scale of the proposed development.
- 4.5 The Climate Emergency – Planning Applications Checklist is available as a separate document under the [Planning](#) section of the Council's website and will be accompanied by an explanation of the level of information required for its completion. Appendix A provides tables demonstrating how current legislation, regulation and policy support the checklist.



Climate Emergency - Planning Applications Checklist

Principle	Objectives	Measures for consideration in relation to relevant policy and legislative requirements	Has this been addressed through the planning proposal?	
			If yes, please outline how	If not, please explain why
CP.1 Sustainable development	CP.1.1 Benchmarking and quality	Participation on a recognised environmental accreditation scheme, such as LEED, BREEAM, or Building for Nature or through application of the Net Zero Carbon Toolkit		
CP.2 Increasing accessibility, reducing the need to travel, and efficient movement of goods	CP.2.1 Density and adaptability	Optimise (achieve a significant uplift in) densities of dwellings in town centres and other locations which are well served by public transport		
		Building design to allow for future adaptation, including for new technologies and battery storage		
		Other (please state):		
	CP.2.2 Permeability and walkability	Active frontages/edges with opportunities for natural surveillance		
		Use of sensory features and opportunities to stand and stay, places to sit and stand utilising views and sun		
		Pedestrian friendly – no obstacles, good surface, access for all, crossings, good sightlines, appropriate lighting, interesting facades		
		Signposting to local facilities		
		Appropriate block sizes to location		
		Local facilities accessible through walking/cycling (within 800m of new developments)		
		Maximising the number of internal pedestrian routes through the site		
		Maximising the number of pedestrian external routes in and out of the site linking to the wider area		
		Other (please state):		
	CP.2.3 Integrated active travel	Accessible range of transport modes with overall low impact on the environment		
		Signposting of active travel routes and facilities		
		Provision of travel packs for new residents		
		Easy transition from cycling and walking to public transport		
		Well lit travel facilities and appropriate crossings for pedestrians and cyclists		
		Other (please state):		
	CP.2.4 Cycling	See LTN1/20 for cycle design guidance: <a href="https://www.gov.uk/government/publications/cycle-infrastructure-design-ltn-120">https://www.gov.uk/government/publications/cycle-infrastructure-design-ltn-120</a>		
		Secure changing facilities provided in non-residential developments		
		Covered, well-located and secure cycle storage facilities		
		Green corridors, off-road cycle routes, home zones, quiet lanes, and public rights of way		
		Direct links for cyclists		



Principle	Objectives	Measures for consideration in relation to relevant policy and legislative requirements	Has this been addressed through the planning proposal?	
			If yes, please outline how	If not, please explain why
CP.2 Improving mobility		Cycle routes linking to wider area		
		Segregated cycle lanes		
		Other (please state):		
	CP.2.5 Planning for the car	Car-free, limited and timed zones at certain times and/or locations		
		<u>Residential development</u> Inclusion of a minimum of 1 electric vehicle charging point per dwelling (statutory requirement through Part S of the Building Regulations)		
		<u>Non-residential development</u> Provision of electric vehicle charging points as set out for non-residential uses in Policy DM5		
		Car clubs or demand responsive transport		
		Co-ordinated traffic calming approaches		
		Other (please state):		
	CP.2.6 Freight and logistics	Allow for the efficient delivery of goods (e.g. freight consolidation opportunities, mobility hubs, loading bays to accommodate deliveries without blocking roads/causing congestion)		
		Other (please state):		
CP.3 Improving energy efficiency	CP.3.1 Minimising energy consumption	<u>Residential development</u> Please refer to CP.3.2 below		
		Use of on-site or locally sourced reclaimed materials, and incorporation of existing structures into new development*  *For development proposals affecting historic buildings, relevant guidance has been prepared by Historic England:  <a href="#">Retrofit and Energy Efficiency in Historic Buildings   Historic England</a>  This guidance includes “Energy Efficiency and Traditional Homes” (July 2020), “Energy Efficiency and Historic Buildings: How to Improve Energy Efficiency” and other links and resources		
		Opportunities for repurposed buildings and structures prioritised over new construction*  *For development proposals affecting historic buildings, relevant guidance has been prepared by Historic England:  <a href="#">Retrofit and Energy Efficiency in Historic Buildings   Historic England</a>  This guidance includes “Energy Efficiency and Traditional Homes” (July 2020), “Energy Efficiency and Historic Buildings: How to Improve Energy Efficiency” and other links and resources		

[illegible]

Principle	Objectives	Measures for consideration in relation to relevant policy and legislative requirements	Has this been addressed through the planning proposal?	
			If yes, please outline how	If not, please explain why
		<u>Non-residential development</u> Provision of key details of the energy efficiency and carbon standards for the proposed design.  1. Operational Standards: a. The applicable Building Regulations minimum standard (such as Part L, Future Homes and Buildings Standard) b. The minimum Fabric Standard (performance standard), measured in kWh/ m2/year. (kilo-Watt-hours per square metre per year) c. The Carbon Standard (such as Net Zero, or a % improvement on the Part L in force)  2. A target Embodied Carbon standard: tCO2e/m2 benchmark (tonnes of CO2 equivalent per square metre)  3. Calculate the Embodied, Operational Lifetime, and Total Lifetime tCO2e (tonnes of CO2 equivalent)		
		External/internal lighting management systems with low carbon or energy efficiency technology e.g. solar		
		A higher level of fabric standards/insulation than required by the Building Regulations.		
		For roads which are unlikely to be adopted by Devon County Council, low carbon road surface options should be considered:  • Primary and secondary roads: low temperature asphalt • Tertiary roads: permeable paving		
		Other (please state):		
	CP.3.3 Using cleaner energy	Inclusion of low carbon heat networks		
		Energy recovery and/or renewable energy generation and supply, including on-site where feasible		
		Infrastructure to connect renewable energy systems to the grid (distribution network operator may need to assess)		
		Battery storage or flexibility systems such as V2G (vehicle to grid)		
		Other (please state):		

Principle	Objectives	Measures for consideration in relation to relevant policy and legislative requirements	Has this been addressed through the planning proposal?	
			If yes, please outline how	If not, please explain why
CP.4 Adapting to higher temperatures	CP.4.1 Shade and ventilation	Application of a cooling hierarchy to moderate the indoor climate through passive measures		
		Other (please state):		
	CP.4.2 Use of cool materials	Use of materials that minimise heat gain in summer e.g. cool roofs and paving		
		Other (please state):		
	CP.4.3 Green infrastructure	Beneficial habitat features e.g. trees in landscaping, parking areas and open spaces		
		Relationship between vegetation and building to optimise natural ventilation		
		Relationship between vegetation, building, distance, and aspect to regulate internal temperatures		
		Green and blue infrastructure in private outdoor space, e.g. trees, hedgerows, hedges, green/brown/blue roofs, vertical climbers, living walls, water features and landscaping		
		Other (please state):		
CP.5 Mitigating flood risk, and water resource resilience	CP.5.1 Sustainable urban drainage systems (SuDS)	SuDS such as rain gardens, swales, communal soakaways, filter strips, retention and detention basins		
		Can you demonstrate how habitat creation could be included within SuDS features, and how this links to local ecology priorities?		
		Are there opportunities for making SuDS features multifunctional, e.g., incorporating play areas within dry detention basins, improving water quality, or linking with water reuse systems?		
		Other (please state):		
	CP.5.2 Water efficiency and rainwater harvesting (ways to reduce demand on water utilities)	Water efficiency designed into specifications, e.g. toilet flush systems, shower and tap flow rates.		
		Coordinated greywater recycling and reuse systems		
		Rainwater collection and reuse systems		
		Other (please state):		
	CP.5.3 Reducing the risk of flooding	See Devon County Council's SuDs guidance: <a href="https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/">https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/</a>		
		Permeable surfaces for roads, parking areas, hard surfacing and pavements		
		Inclusion of nature-based solutions, riparian or flood tolerant tree and vegetation planting, green/brown/blue roofs, communal basins or ponds, green spaces within blocks, and/or green verges to retain rainfall and reduce surface water runoff		

Principle	Objectives	Measures for consideration in relation to relevant policy and legislative requirements	Has this been addressed through the planning proposal?	
			If yes, please outline how	If not, please explain why
		Undertake a Flood Risk Assessment (FRA) if the site is within: <ul style="list-style-type: none"> <li>Flood Zone 1: for locations within a critical drainage area, or potentially affected by flooding from surface water, reservoirs, etc., or where the site is larger than 1 hectare (ha)</li> <li>Flood Zones 2 and 3</li> </ul> Use the latest <a href="#">climate change allowances</a> , pertinent to the lifetime of the development		
		Other (please state):		
<b>CP.6 Resilience of natural systems and resources</b>  Page 221	CP.6.1 Protecting existing Natural Capital and biodiversity	For development within the Somerset Levels and Moors Ramsar catchment area (phosphorus nutrient neutrality): <ol style="list-style-type: none"> <li>Does the development generate wastewater from overnight use?</li> <li>Is wastewater likely to be discharged into the catchment</li> <li>Is there a change to the land use or drainage area?</li> <li>Does any part of the existing land use drain into the catchment area?</li> <li>Does the development result in a net increase in nutrients to the catchment?</li> </ol>		
		Avoidance and mitigation measures, e.g., nature based solutions or mechanical filtration systems, for pollution of other landscapes, soils, ecosystems and water. These could be from chemicals and activities such as nitrates, transport, agricultural or industrial emissions		
		Protection of soil from erosion and compaction, inappropriate planting*, avoidance of unnecessary digging or mixing of soils, or surface sealing (for carbon and water storage, as a biodiversity reservoir, and as a buffer against pollution).  * Reference: <a href="https://www.gov.uk/government/publications/decision-support-framework-for-peatland-protection-the-establishment-of-new-woodland-and-re-establishment-of-existing-woodland-on-peatland-in-england">https://www.gov.uk/government/publications/decision-support-framework-for-peatland-protection-the-establishment-of-new-woodland-and-re-establishment-of-existing-woodland-on-peatland-in-england</a>		
		Improvement of air quality and reduce air quality impacts. This may be achieved through measures taken in relation to other Principles and Objectives e.g. Principle CP.2 Increasing accessibility, reducing the need to travel, and efficient movement of goods. Planning proposals may also need to have regard to the Council's Air Quality Supplementary Planning Document to assess impact on air quality.		

Principle	Objectives	Measures for consideration in relation to relevant policy and legislative requirements	Has this been addressed through the planning proposal?	
			If yes, please outline how	If not, please explain why
		Light pollution avoidance, design and mitigation hierarchy, limit impacts of lighting. Conservation and enhancement of dark zones to benefit nature e.g. bats and other sensitive species.		
		Retention of existing open water features.		
		Retention of existing habitat features such as trees, scrub, hedgerows, refugia, hibernacula.		
		Protection of existing trees (with particular regard to ancient trees and woodland, and veteran trees), mature hedges and hedgerows during site preparation, demolition and/or construction works (for ecological value, carbon sequestration and amenity value). A minimum 5-metre buffer zone should be preserved between development and retained hedgerows, which should not be utilised as residential boundary treatments		
		Other (please state):		
	CP.6.2 Creating and enhancing biodiversity	Ecological impact assessment, mitigation and enhancements.  1. Has an ecological baseline been established? (e.g. preliminary ecological appraisal) 2. Has an Ecological Impact Assessment been recommended or undertaken? 3. Has a mitigation hierarchy been followed? 4. What enhancements have been proposed? 5. Have climate change implications been considered in ecological assessments and management plans?  Biodiversity Net Gain (BNG):  1. Which BNG Biodiversity Metric was used to assess proposals and calculate net gain? 2. Have you submitted the completed metric spreadsheet? (evidence of calculation) 3. How will a statutory minimum 10% net gain be delivered, either on-site or off-site? 4. How will management of the site be secured for a minimum of 30 years? 5. How will this be monitored and reported?  Reference: Devon Planning Guidance for Biodiversity Compensation and Net Gain <a href="https://www.devon.gov.uk/environment/wildlife/wildlife-and-geology-planning-guidance">https://www.devon.gov.uk/environment/wildlife/wildlife-and-geology-planning-guidance</a>		
		Restoration or new planting of hedges, hedgerows and trees (for habitat value and carbon sequestration, ecological and amenity value)		
		Planting of trees should respect the principle of ‘the right tree, in the right place, and for the right reason’. This principle should be adapted for all landscaping proposals		

Principle	Objectives	Measures for consideration in relation to relevant policy and legislative requirements	Has this been addressed through the planning proposal?	
			If yes, please outline how	If not, please explain why
		Planting of a diversity of native species, or species which are proven to attract wildlife		
		Installation of green infrastructure such as green/ brown/blue roofs and green/vegetated walls (including climbing and trailing plants)		
		One or more bird box, bat box/bricks per dwelling or employment unit. Additional features such as amphibian kerbs, hibernacula, hedgehog holes/ highways, wildlife-friendly/accessible ponds or other water features should also be incorporated into development		
		Other (please state):		
	CP.6.3 Nature re-covery and wildlife networks	Nature recovery areas and networks should be identified, protected and enhanced		
		Creation of ecological networks throughout the development for the benefit of both nature and the community		
		Creation of connective habitat features e.g. hedges, ditches, tree lines for wildlife to commute and migrate		
		Trees incorporated into primary street frontages (for habitat value, carbon sequestration and vehicle emissions filtration, ecological and amenity value)		
		Protection or enhancement of existing green space		
		Creation of pocket parks		
		Wildlife nodes at junctions and street corners		
		Green/blue buffers adjacent to wildlife areas		
		Other (please state):		
	CP.6.4 Carbon storage	Landscaping proposals to consider different habitat types for carbon storage and sequestration  Reference: Natural England (2021) Carbon Storage and Sequestration by Habitat <a href="http://publications.naturalengland.org.uk/publication/5419124441481216">http://publications.naturalengland.org.uk/publication/5419124441481216</a>  Environmental Benefits from Nature Tool  <a href="http://publications.naturalengland.org.uk/publication/6414097026646016">http://publications.naturalengland.org.uk/publication/6414097026646016</a>		







## 5.0 Net Zero Carbon Toolkit

- 5.1 The Local Government Association (LGA) [Housing Advisers Programme](#), has been designed to support councils seeking to innovate in meeting the housing needs of their communities. The Programme has funded the development of a Net Zero Carbon Toolkit. This contains the latest design approach and good practice within the field of Net Zero buildings, and has been developed by leading technical experts from Etude, the Passivhaus Trust, Levitt Bernstein and Elementa Consulting.
- 5.2 The Net Zero Carbon Toolkit is introduced as part of this Non-Statutory Interim Planning Policy Statement. It explains how net zero carbon developments can be delivered through construction, and takes into account embodied carbon and operational energy requirements. The Net Zero Carbon Toolkit includes advice on different methods of design and construction to achieve and maintain a healthy and comfortable indoor climate. It can also be applicable to the retrofitting of existing homes and where work does not require planning permission.
- 5.3 The Net Zero Carbon Toolkit is available as a separate document under the [Planning](#) section of the Council's website and can be used alongside the Net Zero Housing Assessment Tool. Applicants for the development of new homes will be expected to make use of the Net Zero Carbon Toolkit in the preparation of planning proposals. In doing so, this can help show how the following principles and objectives of the Climate Emergency – Planning Applications Checklist, where relevant to new build homes, can be met:

- Principle CP.1 Sustainable development
  - Objective CP.1.1 Benchmarking and quality
- Principle CP.2 Increasing accessibility, reducing the need to travel, and efficient movement of goods
  - Objective CP.2.1 Density and adaptability
- Principle CP.3 Improving energy efficiency
  - Objective CP.3.1 Minimising energy consumption
  - Objective CP.3.2 Using energy more efficiently
  - Objective CP.3.3 Using cleaner energy

## 6.0 Net Zero Housing Assessment Tool

- 6.1 Mid Devon District Council has developed a “Net Zero Housing Assessment Tool” with the University of Exeter. This can be used alongside the Net Zero Carbon Toolkit to evaluate the costs and benefits of various ‘low carbon’ standards for new housing developments.
- 6.2 The Net Zero Housing Assessment Tool is prepared for use in a spreadsheet format. It is intended to enable a greater understanding of how sustainable design and low carbon technologies can be implemented within developments, and will also help the Council and applicants for planning permission better understand the carbon emissions arising from proposals. It provides the ability to test different approaches and to evaluate the effect of these in terms of both reducing carbon emissions and the resultant cost uplift, which can be factored into more detailed development appraisals.
- 6.3 The Net Zero Housing Assessment Tool calculates carbon performance (based on regulated emissions from Part L of the Building Regulation, and embodied carbon) of 4 dwelling typologies: detached, attached, 1-bed flats and 2-bed flats for a range of fabric and building services specifications. The tool then sizes the required PV array to meet Part L, and any further improvements. The next stage establishes the cost uplift to achieve user-selected performance standards, compared to the lowest cost means to meet the minimum requirements of the 2021 Building Regulations amendments.
- 6.4 The Net Zero Housing Assessment Tool is available as a separate document under the [Planning](#) section of the Council’s website. Applicants for the development of new homes are encouraged to make use of the Net Zero Housing Assessment Tool in the preparation of planning proposals. In doing so, this can help show how the following principles and objectives of the Climate Emergency – Planning Applications Checklist, where relevant to new build homes, can be met:

- Principle CP.3 Improving energy efficiency
  - Objective CP.3.1 Minimising energy consumption
  - Objective CP.3.2 Using energy more efficiently

# Appendix A

## Legislative, Regulatory and Policy Context

<b>National Requirements</b>	<b>Corresponding Objective</b>
Environment Act 2021	CP.6.1; CP.6.2; CP.6.3
UK Climate Change Risk Assessment 2022	CP.4.1; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3; CP.6.4
National Planning Policy Framework 2021	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.3.1; CP.3.2; CP.3.3; CP.4.1; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3; CP.6.4
Part L 'Conservation of fuel and power' of The Building Regulations etc. (Amendment) (England) Regulations 2021	CP.2.1; CP.3.2
Part O 'Overheating in new residential buildings' of The Building Regulations etc. (Amendment) (England) Regulations 2021	CP.4.1; CP.4.3
Part S Infrastructure for charging electric vehicles' of The Building Regulations etc. (Amendment) (England) Regulations 2021	CP.2.5
Written Ministerial Statement (HCWS258) on Improving Water Quality and Tackling Nutrient Pollution July 2022	CP.6.1
Net Zero Strategy: Build Back Greener 2021	CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.3.2; CP.3.3; CP.6.1; CP.6.2; CP.6.3; CP.6.4
Heat and Buildings Strategy 2021	CP.2.1; CP.3.2; CP.3.3
National Design Guide 2019 / National Model Design Code 2021	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.3.1; CP.3.2; CP.3.3; CP.4.1; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3

<b>County Requirements</b>	<b>Corresponding Objective</b>
Devon Minerals Plan 2011 - 2033	CP.3.1
Devon Waste Plan 2011 - 2031	CP.3.1; CP.3.3; CP.6.1

<b>Development Plans (all)</b>	<b>Corresponding Objective</b>
Development site allocation policies	Certain site allocation policies include specific requirements (e.g. green infrastructure, sustainable urban drainage, measures to reduce flood risk, pedestrian and cycle links and other transport measures which can help improve air quality, habitat and biodiversity protection and enhancement, renewable energy, and carbon reduction and energy efficiency in buildings) which support Objectives in this Planning Policy Statement

<b>Mid Devon Local Plan 2013 – 2033</b>	<b>Corresponding Objective</b>
Policy S1 Sustainable development priorities	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.4.3; CP.5.3; CP.6.2; CP.6.3
Policy S5 Public Open Space	CP.3.1; CP.4.3; CP.6.3
Policy S7 Town Centres	CP.2.3
Policy S8 Infrastructure	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.2.5
Policy S9 Environment	CP.3.2; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3
Policy S10 Tiverton	CP.2.3; CP.5.1; CP.5.3; CP.6.1; CP.6.2
Policy S11 Cullompton	CP.2.3; CP.4.3; CP.5.1; CP.5.3
Policy S12 Crediton	CP.2.3; CP.4.3
Policy S14 Countryside	CP.3.3; CP.6.2
Policy DM1 High quality design	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.3.1; CP.5.1; CP.5.3; CP.6.3
Policy DM2 Renewable and low carbon energy	CP.3.3; CP.6.2
Policy DM3 Transport and air quality	CP.6.1
Policy DM4 Pollution	CP.6.1
Policy DM5 Parking	CP.2.4; CP.2.5
Policy DM7 Traveller sites	CP.5.3; CP.6.1,
Policy DM9 Conversion of rural buildings	CP.3.1; CP.6.2
Policy DM14 Town centre development	CP.2.2; CP.2.3; CP.2.4
Policy DM15 Development outside town centres	CP.2.2; CP.2.3; CP.2.4
Policy DM20 Agricultural development	CP.5.3; CP.6.1
Policy DM24 Protection of Local Green Space and recreational land/buildings	CP.4.3
Policy DM25 Development affecting heritage assets	CP.3.1
Policy DM26 Green infrastructure in major development	CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2
Policy DM27 Protected landscapes	CP.6.2; CP.6.3
Policy DM28 Other protected sites	CP.6.1

<b>Crediton Neighbourhood Plan 2018 – 2033</b>	<b>Corresponding Objective</b>
Policy CF1 Community hub	CP.3.1; CP.4.3; CP.5.3; CP.6.2; CP.6.3
Policy D1 Development principles	CP.2.1; CP.2.3; CP.3.1; CP.3.2; CP.3.3; CP.4.1; CP.4.2; CP.4.3; CP.5.1; CP.5.2; CP.5.3; CP.6.1; CP.6.2; CP.6.3; CP.6.4
Policy D2 Sites allocated in the Mid Devon Local Plan as shown on the Adopted Policies Map for Crediton	CP.2.2; CP.2.3; CP.2.4; CP.2.5; CP.3.1; CP.4.3; CP.5.1; CP.5.3; CP.6.1; CP.6.2; CP.6.3
Policy D5 Design	CP.2.2; CP.2.3; CP.2.4; CP.3.1; CP.4.3; CP.5.3; CP.6.2; CP.6.3
Policy E3 Re-development and expansion of existing town centre employment sites	CP.2.1; CP.2.2; CP.2.3; CP.2.4; CP.6.2; CP.6.3
Policy EN1 Open spaces	CP.6.3
Policy EN2 Trees	CP.6.1; CP.6.2; CP.6.3
Policy EN3 Flood plains	CP.5.3
Policy EN4 Green infrastructure	CP.6.1; CP.6.2; CP.6.3
Policy H5 Retrofitting energy measures	CP.3.1
Policy S1 Renewable energy excluding wind turbines	CP.3.3; CP.6.1
Policy S2 Energy diversification	CP.3.3
Policy S3 Community scale renewable energy	CP.3.3; CP.6.1
Policy T1 Footpaths and cycle routes	CP.2.2; CP.2.3; CP.2.4
Policy T3 Development on principal routes	CP.2.2
Policy TC1 Town centre development	CP.6.2; CP.6.3
Policy TC2 Town centre living	CP.2.1; CP.3.1
Policy TC3 Public realm	CP.2.2; CP.3.1; CP.4.2; CP.4.3; CP.5.1; CP.5.3; CP.6.2; CP.6.3

<b>Cullompton Neighbourhood Plan 2020 – 2033</b>	<b>Corresponding Objective</b>
Policy EJ01 Improving access to Commercial Areas	CP.2.3; CP.2.4; CP.2.5; CP.2.6
Policy EJ02 Development of Small Business Units	CP.2.1
Policy EN01 Protecting and Enhancing the Natural Environment	CP.6.1; CP.6.2; CP.6.3
Policy EN02 Improving the Public Rights of Way Network	CP.6.3
Policy HS04 Parking on Housing Schemes	CP.2.5; CP.2.6; CP.5.3
Policy HT02 Improving our Public Transport Network	CP.2.3
Policy HT03 Improving our Cycle Network	CP.2.2; CP.2.3; CP.2.4
Policy HT04 Improving Footpaths	CP.2.2
Policy SD02 Links to the Town Centre	CP.2.2; CP.2.3; CP.2.4
Policy SD03 Flood Attenuation	CP.5.1; CP.5.3
Policy SD04 Solar Design in Housing Schemes	CP.3.1; CP.3.2; CP.3.3; CP.4.1
Policy TC02 Character of the Built Environment	CP.3.1
Policy TC03 Pedestrian Priority in the Town Centre	CP.2.2
Policy TC04 Service Arrangements in the Town Centre	CP.2.6
Policy TC06 Cultural and Leisure Facilities in the Town Centre	CP.3.1
Policy WL03 Usable Public Open Space	CP.2.2; CP.6.3
Policy WL04 Outdoor Sports Facilities	CP.6.1
Policy WL07 Community Allotments, Orchards and Composting	CP.3.1

<b>Tiverton Neighbourhood Plan 2020 – 2033</b>	<b>Corresponding Objective</b>
Policy T1 Location and scale of development	CP.3.1; CP.3.3
Policy T4 Character of development	CP.3.1
Policy T5 Design of development	CP.1.1; CP.4.1; CP.4.2; CP.4.3; CP.6.1; CP.6.2; CP.6.3
Policy T6 Energy efficiency and design	CP.1.1; CP.2.5; CP.3.1; CP.3.2; CP.3.3; CP.4.1; CP.5.2
Policy T7 Minimising the risk of flooding	CP.5.1; CP.5.3
Policy T8 Local buildings and structures of merit and local heritage assets at risk	CP.3.1; CP.6.1; CP.6.2; CP.6.3
Policy T9 Green and blue infrastructure and delivering biodiversity net gain	CP.3.1; CP.4.3; CP.5.1; CP.5.3; CP.6.1; CP.6.2; CP.6.3
Policy T12 Supporting local agriculture and opportunities for diversification	CP.3.3
Policy T13 Provision of leisure and recreation facilities	CP.6.3
Policy T15 Allotments and community growing spaces	CP.2.2; CP.2.4; CP.3.1
Policy T16 Encouraging safe and sustainable movement	CP.2.2; CP.2.3; CP.2.4
Policy T17 Flexible workspaces	CP.3.1
Policy T18 Supporting a sustainable visitor economy	CP.2.4



**Printed & Published by:**  
**Forward Planning**  
**Mid Devon District Council**  
**Phoenix House**  
**Phoenix Lane**  
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**Published March 2023**



# Net Zero Carbon Toolkit



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# Introduction

This chapter sets out why this toolkit has been produced and how it can be used.

It also defines Net Zero carbon buildings and puts them in the context of the wider electricity revolution.

## Foreword

Mid Devon District Council declared a Climate Emergency in 2019 with the ambition to enable Net Zero by 2030, ahead of the wider Devon Carbon Plan target.

Achieving the UK's legally-binding Net Zero target is no small task, nor is it one that any single person or organisation can achieve alone. It requires everyone to come together, to work collectively, to share in their experiences and to build on their successes along the way. Through shared progress we can rapidly raise the standards for all new housing and in the retrofit of existing homes.

This Net Zero Carbon Toolkit is a practical and easy-to-navigate guide on how to plan your Net Zero housing project.

Whether you are a small or medium-size house builder, an architect, a self-builder or a consultant advising clients, this Toolkit will help you.

With local planning policy expected to strengthen requirements for Net Zero in development terms, this Toolkit explains how this can be delivered through design, construction and operational systems.

Leading technical experts from Etude, the Passivhaus Trust, Levitt Bernstein and Elementa Consulting have produced a resource that contains the very latest design approach and good practice within the field of Net Zero buildings. This Toolkit is the output of funding from the [Local Government Association \(LGA\) Housing Advisers Programme](#) designed to support councils seeking to innovate in meeting the housing needs of their communities.

We hope you find technical value, as well as inspiration and motivation, to achieve the best housing design possible.



# Introduction



The Intergovernmental Panel on Climate Change (IPCC, [www.ipcc.ch](http://www.ipcc.ch)), in 2018, showed the world there would be only 12 years to prevent irreversible catastrophic damage from a changing climate.

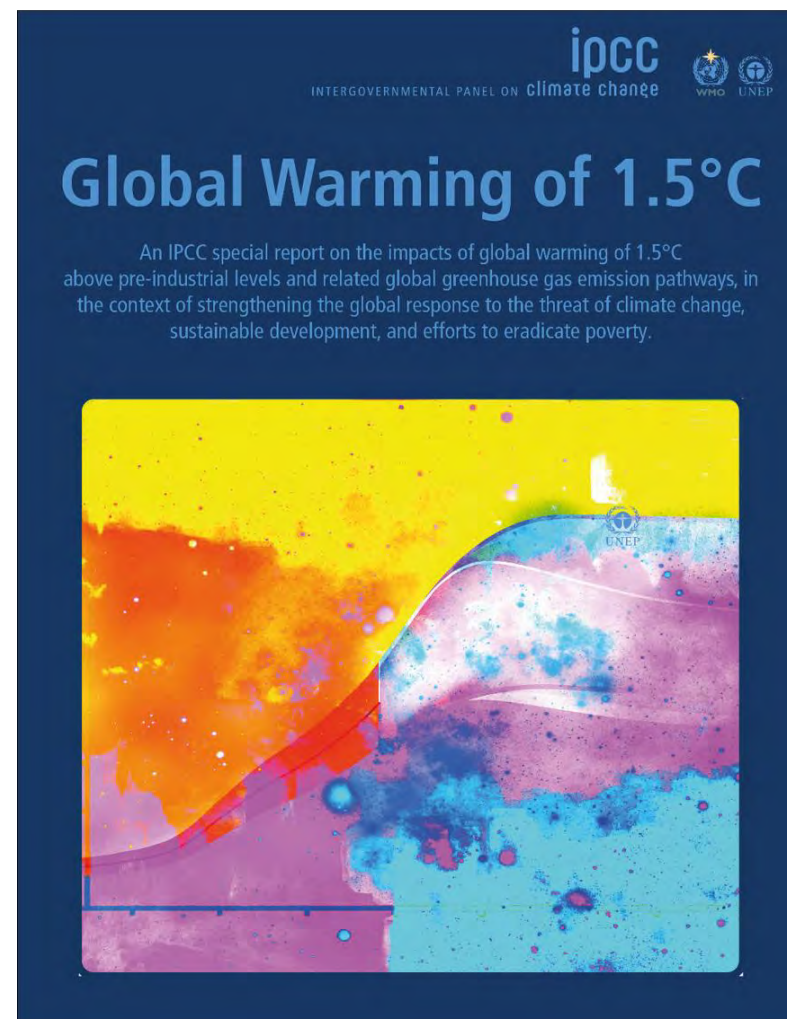
Any temperature increase above 1.5°C would trigger far worse effects than previously thought, in terms of drought, flood, poverty for many people, and catastrophic biodiversity loss.

The Climate Change Committee (the CCC, [theccc.org.uk](http://theccc.org.uk)) provides independent advice to the UK government and has published reports on the need for action to address the climate crisis.

Page 238  
Paid Devon District Council, along with other local planning authorities across the country, declared a climate emergency to deliver local action in response to a global issue. There is a significant role to play ensuring new housing and retrofits adopt and achieve the highest possible standards of energy efficiency, low carbon and Net Zero building design.

The Net-Zero Toolkit is designed to assist in the planning, design and construction of a new build or retrofit housing project.

It provides a technical, go-to guide on what to consider in the very early stages of design; how to achieve fabric energy efficiency; what systems to include; where to go for expert advice; and what to consider once you have finished your housing project and you are handing over to occupants.



(Source: IPCC)

# This Net Zero Carbon Toolkit



## Who is it for?

This toolkit has been created to make Net Zero carbon new build and retrofit more accessible. It has been created for building professionals (developers, contractors, architects and engineers) and is also relevant to self-builders, planning officers and other housing professionals. Although it can be used by homeowners, it is aimed at those who already have some knowledge or experience of construction.

## Both new homes and retrofit

The toolkit tackles new build homes and the retrofit of existing homes in separate chapters. So whatever your project, you will find relevant information here.

## Small to medium scale housing

The primary focus is on small to medium scale housing projects, but the principles are generally applicable to projects of any scale.













## From site selection to construction to operation

It covers all stages of building design and construction, including maintenance and operation.

## Understanding the complete picture

The toolkit aims to build the awareness and confidence of people implementing low or zero carbon projects and generally seeks to answer the following questions:

- Why?
- What to do and how to bring it all together?
- What does “good” look like?
- What to specify and how to choose products?

Who	Building professionals and homeowners	 
Why	Addressing the climate emergency	 
What	New build homes and retrofit of existing homes	 
When	Designing	 
	Specifying and tendering	 
	Constructing and maintaining	 

# Core principles of Net Zero carbon buildings



Net Zero carbon buildings in operation are supported by three core principles: energy efficiency, low carbon heat and renewable energy.

## Energy efficiency

Buildings use energy for heating, hot water, ventilation, lighting, cooking and appliances. The efficient use of energy reduces running costs and carbon emissions. It also reduces a building's impact on the wider energy supply network, which is also an important consideration.

There are different metrics we use to measure the efficiency of a building, including **Space Heating Demand** and **Energy Use Intensity** (both measured in kWh/m<sup>2</sup>/yr). These are described on the next page.

## Low carbon heating

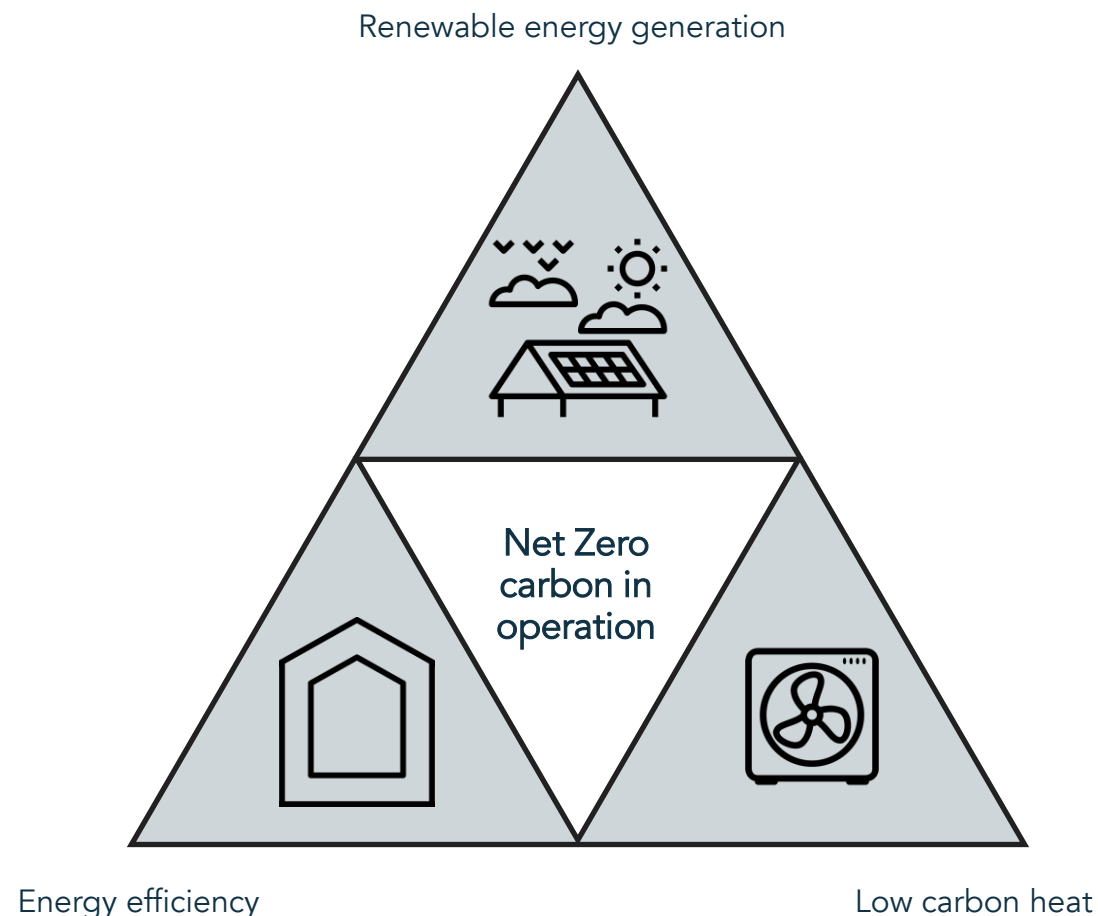
Low carbon sources of heat are an essential feature of Net Zero carbon buildings. All new buildings should be built with a low carbon heating system and must not connect to the gas network. Existing buildings need to transition away from gas and oil now.

## Renewable energy generation

In new buildings, renewable energy generation should be at least equal to the energy use of the building on an annual basis for it to qualify as Net Zero carbon in operation. This is straightforward to achieve on site for most new homes through the use of solar photovoltaic (PV) panels. The roofs of existing homes should also be utilised for PV panels, to support the increased demand for renewable energy.

## Embodied carbon

Operational carbon is only part of the story. Net Zero buildings should also minimise embodied carbon in materials.



*The three pillars of a Net Zero carbon building in operation*



# Introduction to energy targets and Key Performance Indicators (KPIs)



## What energy targets should I aim for?

We recommend the operational targets for new homes set out on this page, which are consistent with the [LETI Climate Emergency Design Guide](#). Energy use targets are more transparent and robust than carbon reductions targets and are the best way to ensure zero carbon is delivered in practice.

## What is an ultra low energy home?

An ultra low energy home is one which has a very low space heating demand. This requires a fabric efficiency and airtightness equivalent to that of a new Passivhaus home.

## What is the most efficient form of heating system?

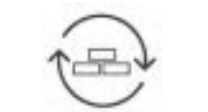
Heat pumps are considered the most efficient low carbon heat source keeping energy use to a minimum, while not using fossil fuels on site. Gas or oil boilers must not be used anymore.



## Why set a renewable energy target?

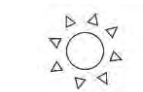
Net Zero carbon in operation can only be achieved by increasing renewable electricity generation. Solar PVs represent a mature and easy to use technology.

## Reducing the embodied carbon of a building

Limit the embodied carbon or emissions associated with the manufacture, transport, construction, repair, maintenance, replacement and deconstruction of building elements. This can be achieved by making informed design decisions based on quantified carbon reductions.



 New housing	 Retrofit housing
Space heating demand 15 kWh/m <sup>2</sup> /yr	Space heating demand 50 kWh/m <sup>2</sup> /yr* <small>*on average (range of 20-120 kWh/m<sup>2</sup>/yr)</small>
Energy Use Intensity 35 kWh/m <sup>2</sup> /yr	Energy Use Intensity 50 kWh/m <sup>2</sup> /yr <small>*on average</small>
Electricity generation intensity 120 kWh/m <sup>2</sup> <sub>fp</sub> /yr <small>m<sup>2</sup><sub>fp</sub> : m<sup>2</sup> building footprint</small>	Electricity generation intensity 120 kWh/m <sup>2</sup> <sub>fp</sub> /yr <small>m<sup>2</sup><sub>fp</sub> : m<sup>2</sup> building footprint</small>
Embodied carbon benchmark 500 kgCO <sub>2e</sub> /m <sup>2</sup> /yr	-



CIBSE TM59  
Compliance with guidance on overheating risk



AECB  
Good practice water standard



In-use performance  
Collect data for the first 5 years

# The electricity revolution: a greener grid and the future of heat



## Towards a decarbonised and smarter electricity system

The carbon content of electricity has fallen over the last few years. It is now three times less than ten years ago and already lower than natural gas on a per kWh basis. It is forecasted to continue to reduce even further over the next 20-30 years. This explains the current energy revolution and why the electrification of transport and heat is the best strategy to move away from fossil fuels. It is also considered unlikely that hydrogen will play a significant role in heating our homes.

In order for this electricity revolution to be successful and as cost effective as possible it is very important to reduce energy use so that energy demand is not more than renewable and nuclear energy generation by 2050. If electricity demand is more flexible, it can also be matched to times of high renewable energy generation. Electric vehicle charging from homes will also create additional demand for electricity\*.

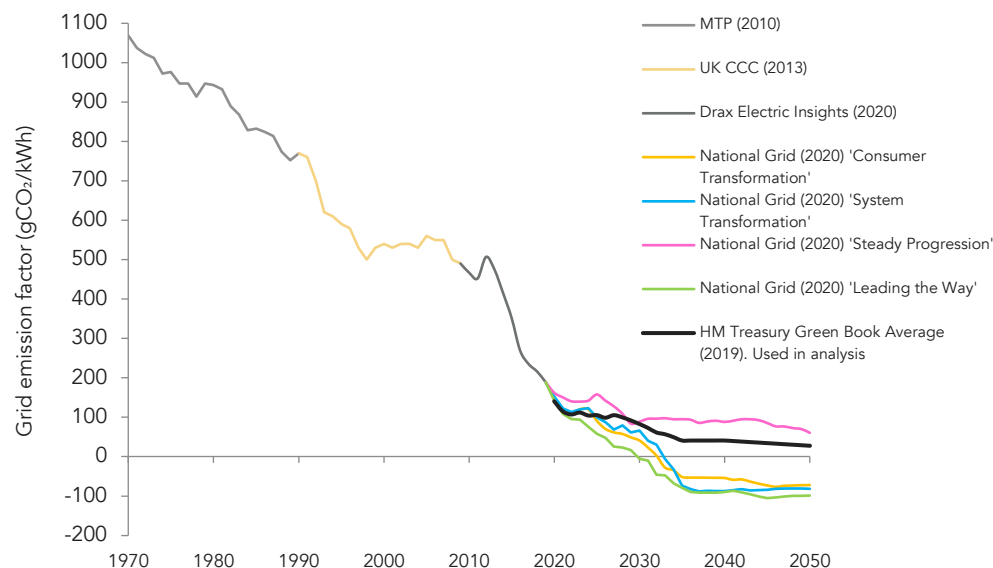
## The impact on buildings

The electrification of heat (e.g. the replacement of gas boilers by heat pumps) is widely considered as one of the main priorities of decarbonisation. New gas or oil boilers should not be installed in buildings anymore, in new or existing homes.

Energy storage (e.g. hot water tank) and management (e.g. smart controls) as well as smart meters for Time of Use (ToU) variable electricity tariffs are all likely to become increasingly important.

**In summary, electrification and digitalisation provide the backbone of decarbonisation for buildings.**

\* Electric vehicle charging is not currently covered by the Net Zero carbon home definition. It is captured in the assessment of transport emissions.



**Long-term variations in emission factor of grid electricity show the rapid historical reduction in emission factors** © Etude based on data from Market Transformation Programme, UK Committee on Climate Change, Drax, National Grid and HM Treasury.

**Note:** The National Grid Future Emissions Scenarios (FES) show that if the power sector removes CO<sub>2</sub> from the atmosphere by the growth of biomass and captures it when it is used in power stations, it could be carbon negative. This would rely on the use of Bioenergy with Carbon Capture and Storage (BECCS). Carbon Capture and Storage is a process in different steps: CO<sub>2</sub> produced is captured, transported away and isolated from the atmosphere in long-term storage in geological formations or for use in industrial processes). When more carbon is removed from the atmosphere and stored by a process than is emitted into the atmosphere, emissions are negative. BECCS features prominently in three of the four scenarios modelled in FES.

# The cost of Net Zero homes



## There is a (small) cost premium

Achieving Net Zero as a society will have a cost. For some sectors it will require investments in Research and Development (R&D) as technological innovation is required. For others Net Zero compliant solutions exist but currently have a very high cost premium which needs to be reduced to be acceptable at scale.

New buildings are comparatively less challenging: technologies, techniques and processes required to deliver Net Zero carbon buildings in operation are already available and will only lead to a small cost premium compared with a Part L 2021 compliant house or block of flats, i.e. 2-6% additional capital cost.

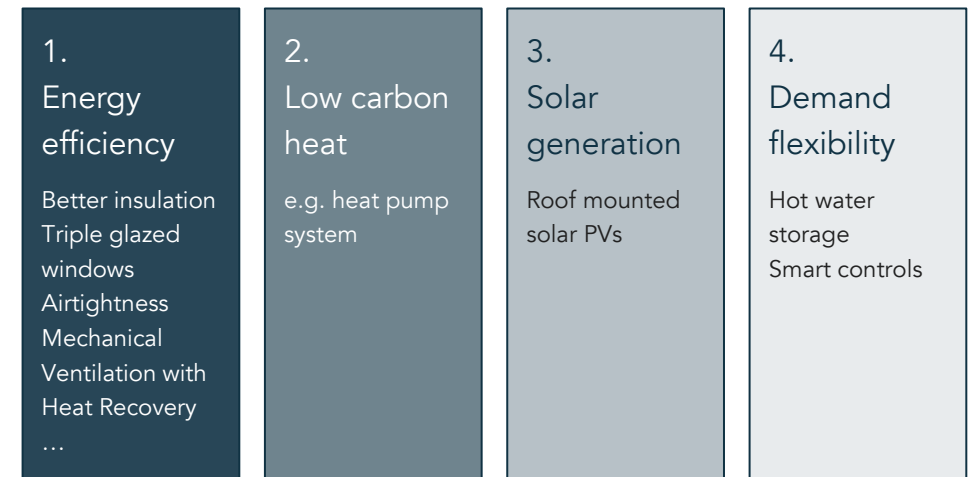
Lowering the embodied carbon of new buildings will be more challenging and requires both material and procurement innovations. However, this does not have to lead to a significant cost premium either.

## A good deal for residents

Net Zero carbon homes are not only good for the planet: they will also be much cheaper to run than a standard new build house. This is due to the combined effects of a lower energy demand alongside greater flexibility of energy use during the day and of solar electricity generation and self consumption.

## Avoided costs for society as a whole

All new buildings built to poor levels of energy efficiency and fitted with gas boilers will have to be retrofitted in the next 20-30 years in order to achieve Net Zero. The cost of future retrofit is significantly higher than the cost of 'getting it right now'. There are also wider off-site benefits in terms of reduced infrastructure costs as less renewable energy generation will be required.



Additional costs of Net Zero carbon buildings in operation can be split up into four key categories



Estimated savings on energy costs compared with a Part L 2021 compliant home

- No additional retrofit cost required later to achieve Net Zero
- Lower infrastructure costs

Savings on energy costs for residents and other savings for wider society



# New housing

This section explains what can be done so that new housing forms part of the solutions to climate change, instead of adding to the problem.

The list of subjects it covers can be found on the following page.



Why?	KPIs and recipes	Timeline		
14	15	16		
Orientation and windows	Construction methods and quality	Airtightness	Ventilation	Overheating
17	18	19	20	21
Heat pumps	Domestic Hot Water	Solar PVs	Demand flexibility	
22	25	26	28	
Embodied carbon	New terrace house	New block of flats	Cost	
29	30	31	32	
Don'ts	Beyond energy	Case studies	Other typologies	
33	34	36	37	

# Why? Key reasons for and benefits of Net Zero carbon new homes



## Our buildings produce a lot of carbon – and are expensive to run

The emissions from our buildings account for 26% of the UK's total emissions. 18% of this total is from our homes. This is not only bad for the planet, it is bad for the occupants. It is therefore important for new homes to be designed and built to use significantly less energy which also means they would cost a lot less to run.

It is clear that a Net Zero UK means that we will have to significantly reduce energy use and carbon emissions from all buildings and, in particular, our homes. Even today, most new homes are being fitted with gas boilers and these will continue to emit carbon for perhaps 20 years and also degrade local air quality.

## We haven't made any progress on this

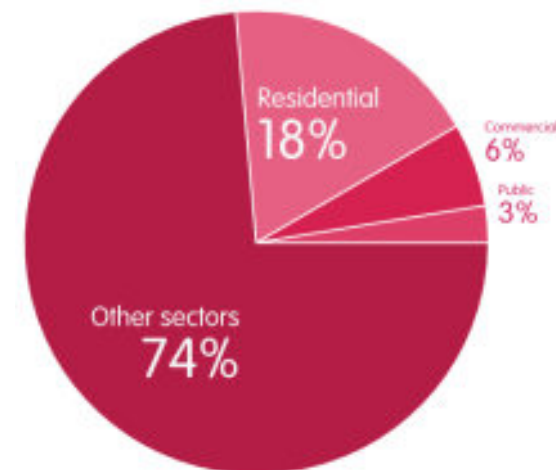
Despite rapid decarbonisation in many other sectors, the withdrawal of the Zero Carbon Homes target in 2016 has seen the energy performance of new homes remain almost constant over the last ten years. We need to do much better.

## Heating is an important energy demand which can be reduced

Space heating during the winter months accounts for around 65% of the total energy demand in a new home. Space heating is an excellent proxy for the fabric efficiency of the building – i.e. the insulation in the walls, floors and roofs; the windows/doors and the ventilation system. This is why we need to concentrate on a 'fabric first' approach.

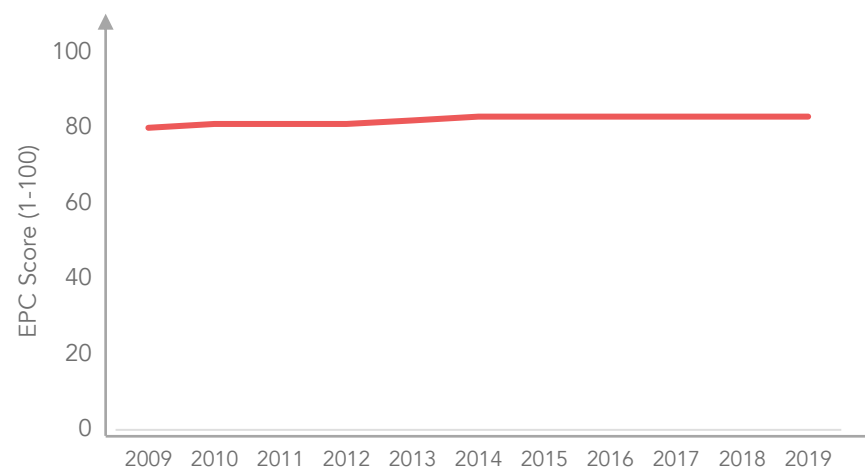
## In summary

A Net Zero carbon home in operation is very energy efficient and has an ultra low level of space heating demand. It does not use any fossil fuels on site and therefore improves air quality. It also generates renewable energy on-site and is cheap to run.



UK CO<sub>2</sub>e emissions, 2017

(Source: UKCCC Net Zero – Technical Report, May 2019. Includes direct (at the building) and indirect (at the power station) emissions.)



The EPC Score of new dwellings shows little improvement in the last 10 years

(Source: Live tables on Energy Performance of Buildings Certificates, MHCLG, 2020)

# Key Performance Indicators (KPIs) and recipe for Net Zero carbon homes



## Setting the right brief and targets is key

To achieve Net Zero carbon in reality, it is important that the brief and targets reflect this ambition from the start. A strong brief provides tangible guidance on how targets can be achieved. Best practice KPIs for new homes are listed in the table and all KPIs must be met for a home to be Net Zero carbon.

## Getting the right team

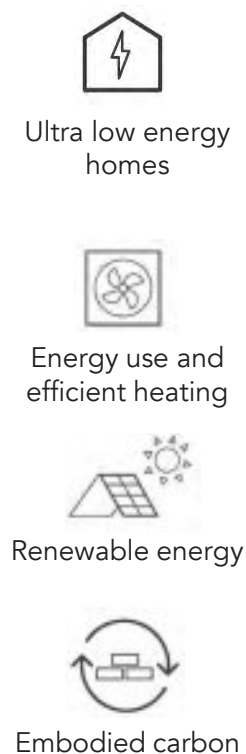
Delivering Net Zero carbon relies on the effective and successful coordination of a shared vision. Therefore, getting the right team on board at the right time is critical. The early appointment of an energy consultant with a specialism in Passivhaus or ultra low energy design, as well as early consideration of embodied carbon are recommended. A 'Net Zero carbon kick-off workshop' can be used to ensure the wider consultant team are clear on the targets and objectives.

## Consider Passivhaus certification

Passivhaus certification is considered a robust means to meet the space heating demand and Energy Use Intensity KPIs. It also drives quality assurance during construction. This involves the early appointment of a Passivhaus 'designer' to steer the design from concept stage and carry out PHPP (Passivhaus Planning Package) modelling. A Passivhaus 'certifier' will be required to act as an impartial quality assurance check on predicted performance during design and to carry out site inspections.

## Is energy modelling required?

Using accurate energy modelling is always the recommended route, however it is possible to target best practice by setting the right specification and design requirements as part of the project brief though. Please refer to the 'How it all comes together' pages.



KPIs
New housing
Space heating demand 15 kWh/m <sup>2</sup> /yr
Energy Use Intensity 35 kWh/m <sup>2</sup> /yr
Electricity generation 120 kWh/m <sup>2</sup> <sub>fp</sub> /yr <small>m<sup>2</sup><sub>fp</sub> : m<sup>2</sup> building footprint</small>
Embodied carbon benchmark 500 kgCO <sub>2</sub> e/m <sup>2</sup> /yr

  
**CIBSE TM59**  
Compliance with guidance on overheating risk

  
**AECB**  
Good practice water standard

  
**In-use performance**  
Collect data for the first 5 years

# What to do when? Timeline for design and construction



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PRE-PLANNING	PRE-CONSTRUCTION	CONSTRUCTION	HANDOVER AND USE	
<p><b>Setting the brief and getting the right team</b></p> <ul style="list-style-type: none"><li>• Include Key Performance Indicators (KPIs) requirements in the brief</li><li>• Appoint the relevant consultants</li><li>• Require the assessment of embodied carbon particularly for medium to large scale developments.</li></ul>	<p><b>Design considerations</b></p> <ul style="list-style-type: none"><li>• Optimise building form, orientation and window proportions</li><li>• Define building fabric performance e.g. U-values</li><li>• Allow sufficient thickness for all insulated walls, roofs and floor</li><li>• Incorporate Mechanical Ventilation with Heat Recovery (MVHR)</li><li>• Define airtightness strategy</li><li>• Consider low carbon heating options e.g. heat pumps</li><li>• Design roof to maximise renewables i.e. solar panels</li><li>• Carry out embodied carbon assessment</li></ul>	<p><b>Detailing, specification and choosing the right products</b></p> <ul style="list-style-type: none"><li>• Include KPI requirements in the tender</li><li>• Detail build ups of all external elements including thickness and conductivity of all materials and contact suppliers for confirmation of U-values</li><li>• Identify all thermal bridges and conduct thermal bridge calculations</li><li>• Define airtightness testing requirement for contractor</li><li>• Specify high performing solar panels</li><li>• Agree scope of post-occupancy evaluation.</li></ul>	<p><b>On-site quality inspections</b></p> <ul style="list-style-type: none"><li>• Run an ultra low energy workshop on site. Encourage contractor and team training to all attend.</li><li>• Review alternative materials or products proposed by the contractor and ensure these meet performance requirements to achieve KPIs</li><li>• Attend regular site visits and develop site quality tracker to assess against KPIs</li><li>• Witness commissioning of ventilation and heating systems.</li></ul>	<p><b>Handover and use</b></p> <ul style="list-style-type: none"><li>• Provide building user guides and instructions e.g. sticker on MVHR for filter replacement routine</li><li>• Carry out lessons learnt review</li><li>• Carry out post occupancy evaluation (POE) during the first five years of use to verify KPIs have been met</li><li>• Ideally, publicise performance against all KPIs and POE reports e.g. on a company website</li></ul>

## Best Practice Route

- Appoint Passivhaus consultant
- Energy (PHPP) modelling carried out by Passivhaus consultant to accurately predict energy use
- Detailed U-value calculations and thermal bridge analysis
- Regular inspections on-site by Passivhaus certifier
- Clear responsibility for airtightness and several air testing to meet requirements
- Passivhaus certification
- Final as-built energy (PHPP) model provided at hand-over

► Refer to design checklist in Appendix for a more comprehensive list of actions.





# Getting it right from the start: form, orientation and window proportions

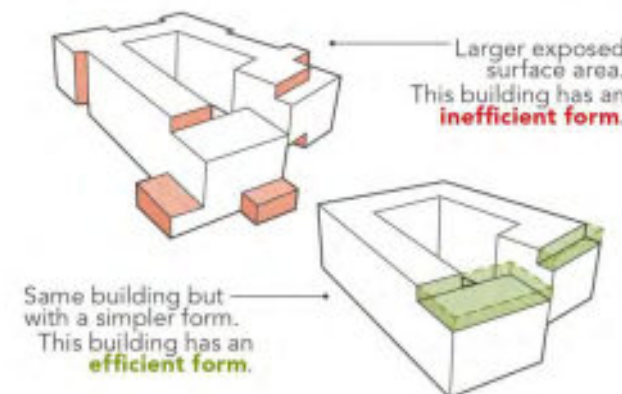


## Getting the design right from the start is key

Making informed decisions at an early design stage is key to delivering energy efficiency in practice. A building's form, orientation and window proportions are all aspects that do not add extra construction cost, but if optimised within the design can significantly improve the building's efficiency. For more details refer to the [Passivhaus Design Easi Guide](#).

## What should the building form look like?

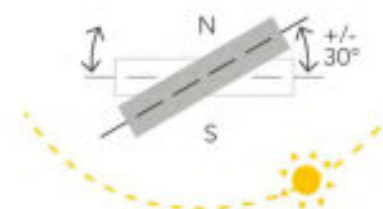
The building form should be as simple and compact as possible. This will reduce the exposed surface area for heat loss. Avoid or limit the use of stepped roofs, roof terraces, overhangs and inset balconies as these features will decrease the building's energy efficiency.



Designing the building to have an efficient form

## Which direction should the building face?

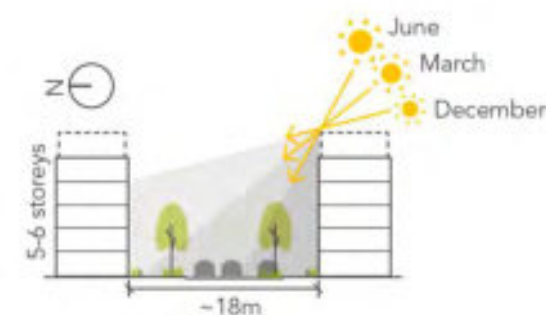
The orientation and massing of the building should be optimised if possible to allow useful solar gains and prevent significant overshadowing in winter. Encourage south facing dwellings with solar shading and prioritise dual aspect. Overshadowing of buildings should be avoided as it reduces the heat gain from the sun in winter.



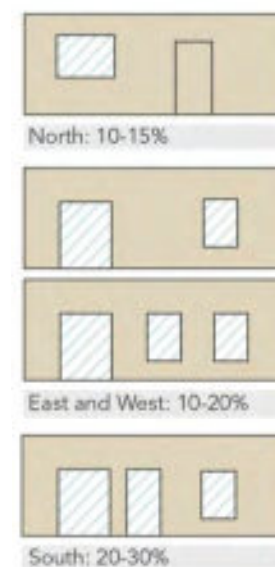
Elevations facing +/- 30° south will benefit from useful solar gains in the winter

## How big should the windows be?

Getting the right glazing-to-wall ratio on each façade is a key feature of energy efficient design. Minimise heat loss to the north (smaller windows) while providing sufficient solar heat gain from the south (larger windows). It is much easier to design smaller windows facing access decks and larger windows facing balconies. Therefore, try to orientate access decks to the north and balconies to the south.



Allow a distance of 1-1.5 times the building's height between buildings



Recommended glazing percentages of each external facade

(Source: Levitt Bernstein + Etude)

# Construction methods and quality



## Choosing a construction method

There are many different construction methods that could be utilised for building low energy residential dwellings: brick and block, timber frame, steel frame, structurally insulated panels, insulated concrete formwork, to name a few.

A low energy target need not dictate the construction method, but some methods of construction lend themselves better to the aims of ultra low energy buildings than others.

For example, closed panel timber framing may deliver a better quality and more thermally efficient structure than an open panel timber frame. Similarly, a solid, insulated masonry wall may be easier to control for airtightness than a cavity wall.

## Achieving quality construction

The quality of workmanship on-site has a big impact on energy performance. Pitfalls to avoid include badly installed insulation which will reduce its effectiveness (e.g. compressed insulation, uninsulated gaps, or wall ties not being installed correctly), and site operatives cutting through air-tightness layers.

Ways to mitigate these risk include:

- Frequent checks on-site of insulation and airtightness measures by someone who knows what to look for, so problems can be addressed along the way rather than be covered up.
- Utilising off-site construction methods, where there is factory quality controlled manufacture can help.
- Using schemes such as Passivhaus or BEPIT (Building Energy Performance Improvement Toolkit) can provide assurances of better construction quality.



Left: an example of good Expanded Polystyrene insulation installation. Right: An example of poorly installed partial cavity installation, loosely fitting, and cement dropped atop and inside cavity (Source: Etude)



A closed-panel timber frame, manufactured off-site with insulation, window and door frame included (Source: Vision Development).

# Airtightness for new build



## The importance of airtightness

Airtightness significantly improves energy efficiency and comfort, often for a relatively modest cost. New buildings must achieve an airtightness of at least  $10\text{m}^3/\text{h}/\text{m}^2$  as a minimum for building regulations, however new homes typically achieve levels of 3- $5\text{m}^3/\text{h}/\text{m}^2$ . Best practice levels are considered to be  $<1\text{m}^3/\text{h}/\text{m}^2$ .

## Start with a plan

Building airtight starts with a well thought through airtightness and ventilation strategy. Draw the airtightness line on plans and details, identifying which materials will form the airtight layer, and how they will be joined together. Identify challenging junctions, risks to airtightness, and consider how building services will interact with the airtight layer.

## Use the right products

Experienced manufacturers of airtightness products such as Isocell, Isover, Pro-clima and Siga have developed their products to achieve airtightness that lasts for many decades. Specify good quality products and ensure that inferior substitutes are not used on site.

## Stick to the plan on site

Once construction starts ensure the airtightness strategy is implemented precisely. Tradespeople should be briefed and the work regularly checked to ensure the airtight layer is being built correctly.

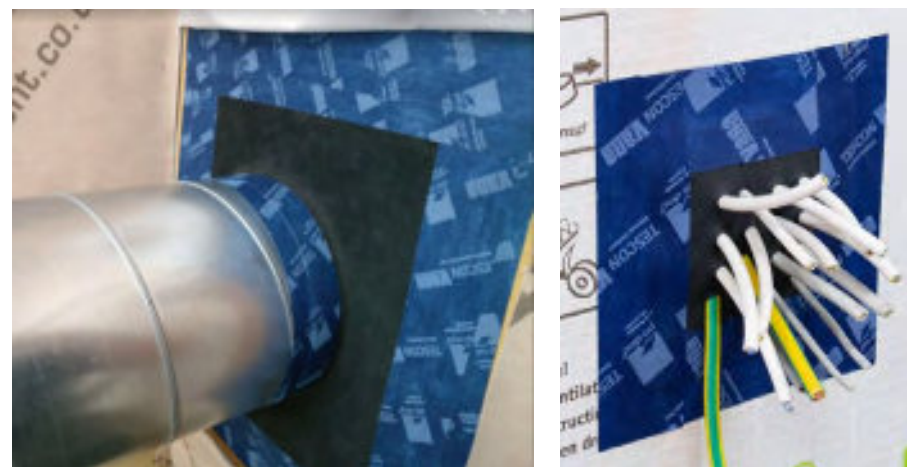
## Test, then test again

Plan for at least two air tests. The first test should be completed as soon as the building is weathertight and while joints between different components in the airtight layer are still accessible so leaks can be repaired if necessary. The second test on completion.



A good airtightness strategy forms the basis of an airtight building. This is an excellent example of taped OSB, with a dedicated service cavity on internal walls. The service cavity means most wires and pipes will not breach the airtight OSB layer

(Source: Jim Miller Design)



Services entries present a risk to airtightness, however proprietary grommets are available to ensure airtightness can be achieved. The image on the left is of a ventilation duct as a reminder that airtight buildings must have a robust ventilation strategy.

(Sources: buildinghub.org.uk by user IanR, Ecological Building Systems)

# Ventilation for new build



## Controlled air flow through good airtightness

The key to managing ventilation in new dwellings is being in control of where, when and how air flows through a building. This starts with very good airtightness, to limit any uncontrolled infiltration. Trickle vents should be avoided as they do not control infiltration.

## Install a Mechanical Ventilation with Heat Recovery (MVHR) unit

To maintain good air quality, and to reduce heat losses within a home the use of an MVHR is critical. Not only does this unit supply air into living spaces, and extract air from kitchen and bathroom spaces, it does this using very little energy.

It is important that the unit is positioned as close as possible to an external wall to prevent heat loss from the ductwork that connects to the outside. These ducts should be accurately fitted with adequate insulation to prevent heat loss, and generally ductwork should avoid having sharp bends which could affect pressure loss and flow.

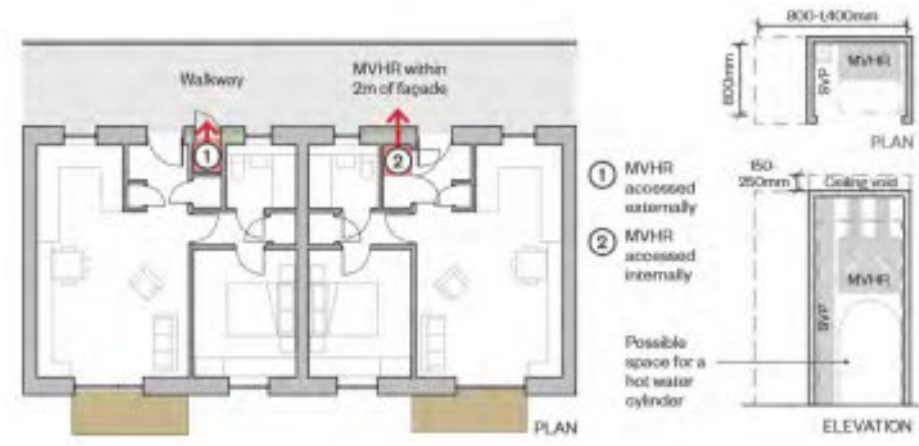
MVHR units include filters that must be changed regularly (usually at least once per year but check the manufacturer's instructions).

## You can still open windows

There is a myth that 'sealing up' a building means you can no longer open the windows. This is not true. The benefit of an MVHR is that you do not have to open windows in winter for fresh air, letting the heat escape. Residents can open windows and use the homes normally.

## Trust the controls

A common issue is a lack of understanding or trust that the unit is working correctly, and then it underperforms due to inappropriate user adjustments, or a user turning off the MVHR completely.



MVHR systems are an effective way of providing ventilation to airtight homes.  
The unit should be located within 2m of the façade (Source: Levitt Bernstein + Etude)

## Key requirements for a good MVHR system

Distance from external wall	<2m
Specific fan power	<0.85 W/l/s
Heat recovery	>90%
Thickness of duct insulation mm	>25mm
Certification	Passivhaus Certified
Maintenance	Easy access for filter replacement.

In order to have an efficient running MVHR, it is recommended to choose an MVHR that meets the above performance criteria



# Avoiding overheating



## Design out overheating from the start

Overheating is a known risk and can be reduced through good design:

- Ensure glazing areas are not excessive i.e. not more than 20-25% of facade on south or west façades.
- Avoid fixed panes and maximise opening areas of windows. Side hung windows typically allow more ventilation than top hung.
- Favour dual aspect homes to allow cross ventilation.
- Provide appropriate solar shading. South façades should have horizontal shading over the window and the west façade should ideally have movable vertical shading e.g. shutters.

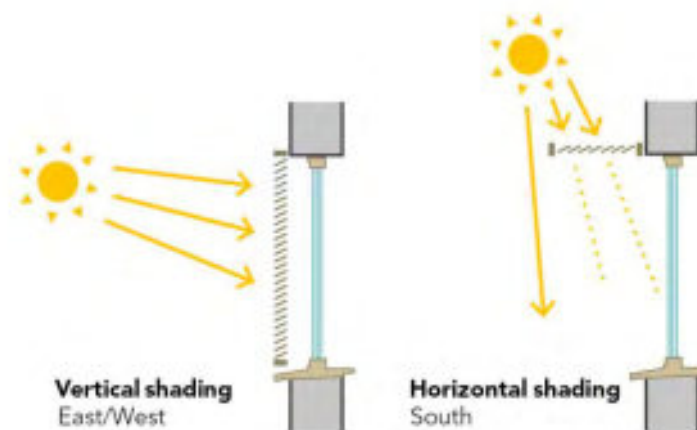
• **Page 253** Avoid relying on internal blinds, which can be removed by residents. Select a g-value (the solar factor indicating how much heat is transmitted from the sun) for glass of around 0.5 where possible. Use Good Homes Alliance overheating checklist for risk assessment.

## Consider potential conflicts

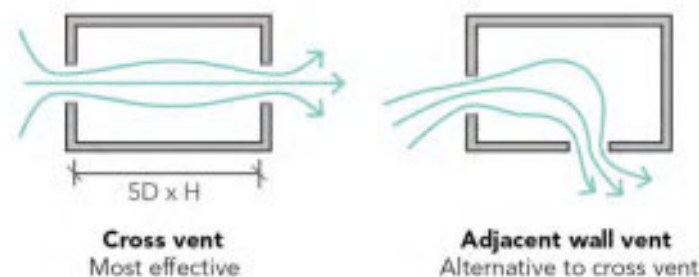
Daylight and acoustics design can conflict with overheating assessments. Use the Acoustics and Noise Consultants (ANC) Acoustics, Ventilation and Overheating Guide to determine an approach to acoustic assessment and seek to maximise daylight without significantly adding to the overheating risk.

## Carry out overheating modelling

Dynamic modelling should be undertaken to identify more clearly the risk of overheating and how to mitigate it. Prior to any planning submission, checking compliance with CIBSE guidance TM59 is recommended. A statement should be produced as part of the assessment to demonstrate the strategies can be implemented.



Provide horizontal shading on the south facade (e.g. brise-soleil or deep reveals) and vertical shading on the east or west facade (e.g. shutters). Design solar shading to allow useful solar gains in winter and block solar gains in summer.



Design for dual aspect homes to allow for natural cross ventilation

**Myth buster** – a common myth is that ultra low energy design with airtight construction leads to overheating. It is true that any building which does not design in measures to address overheating effectively will be at risk of overheating (i.e. inadequate shading or insufficient openable windows etc.) but this is not a result of ultra low energy design.

# Low carbon heat: design, commissioning and operation of heat pumps



The electricity grid has decarbonised and will continue to decarbonise, thus the most likely low carbon heat source for now and the future is electricity. This is done most efficiently, and has lower running costs, when using heat pumps.

## What types of heat pumps are available?

There are lots of different types of heat pumps, broadly in two categories, individual heat pumps and communal heat pumps. Individual heat pumps are shown in the adjacent diagram. For more information on communal systems continue to the next page.

## Designing heat pumps





Make sure that the heat pump is sized correctly to meet the heating and hot water load. Choose a heat pump with a refrigerant that has a low Global Warming Potential (GWP) - Propane is currently market best practice. Minimise pipe lengths to reduce the heat losses from distribution. Choose a heat pump with a high efficiency (often referred to as the Coefficient of Performance or COP).

## Radiators might be larger

Heat pumps run best at lower temperatures (around 35-45°C degrees) this means that radiators may need to be slightly larger to emit the same amount of heat as a traditional radiator.

## Commissioning and handover

Make sure it provides the right quantity of water and the right temperatures. Make sure the user understands how the heat pump works and why it is set to operate in a certain way.

	Heating	Hot Water
 Monoblock or split heat pump	✓	✓
 Ground source heat pump	✓	✓
 Heat pump integrated domestic hot water store	✗ Heating is provided by direct electric panel radiators	✓
 Exhaust air heat pump	✓ Provides some level of heating by heating air that is circulated through the home*	✓

This diagram above shows four types of individual heat pumps that can be installed in homes (Sources: Valliant, Mitsubishi Electric, Nilan, Dimplex)

\* For ultra low energy homes this can provide the majority of the heating, but direct electric panel radiators may be needed for peak winter conditions or additional comfort

# Low carbon heat: design, commissioning and operation of heat pumps (continued)



## What is a communal heating scheme?

Rather than each home having their own heat pump or boiler, in a communal heating scheme heat is generated in a central plant room, and distributed. Each home has a heat interface unit which heats up the water that the home needs. Traditionally fed by gas boilers, these systems now need to rely on heat pumps.

## Heat is lost in distribution

Even with well insulated pipes, heat is lost when you transport hot water through pipes. For ultra low energy schemes that do not need much heat, more than 50% of the heat that is generated by the communal heating system can be lost through the distribution pipe work, this makes traditional communal heating very inefficient.

## Communal heat pumps are not very efficient

The supply temperature for communal heating systems is generally between 60-80°C. However, heat pumps operate best at lower temperatures. This and the fact that so much heat is lost through distribution means that communal heat pumps are generally not recommended.

## Ambient loops with heat pumps in every home

An ambient loop system is a totally different type of system, and is a hybrid between communal heating and individual heat pumps. A small 'shoebox' style water source heat pump per home, is connected to an ambient loop that usually fluctuates between 10-25 °C. The communal heat pumps upgrade the heat in the ambient loop to the temperature required for the home. The ambient loop is either a 'passive' loop coupled with the ground (a bit like a ground source heat pump) or an 'active' ambient loop connected to communal air source heat pumps.

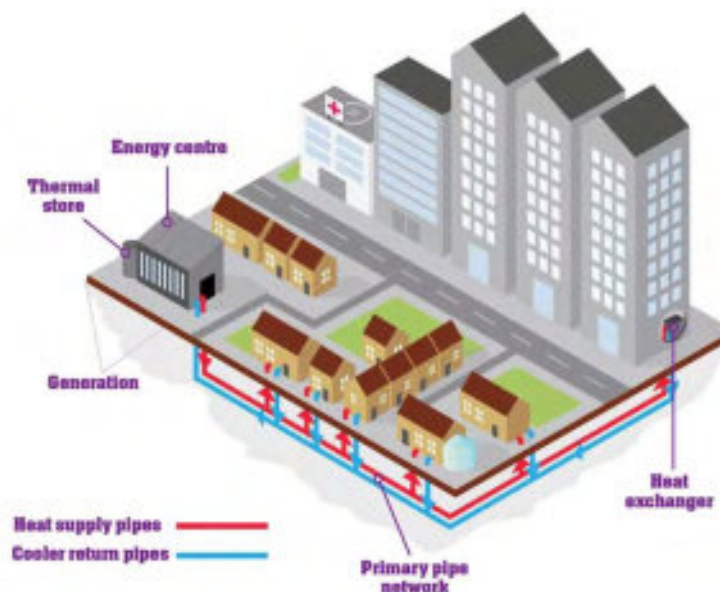


Diagram showing a traditional communal heating scheme connected to many homes from and energy centre containing the central plant (Source: E&T)

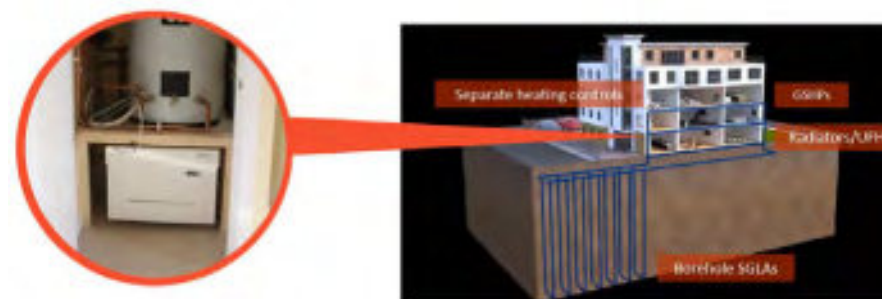
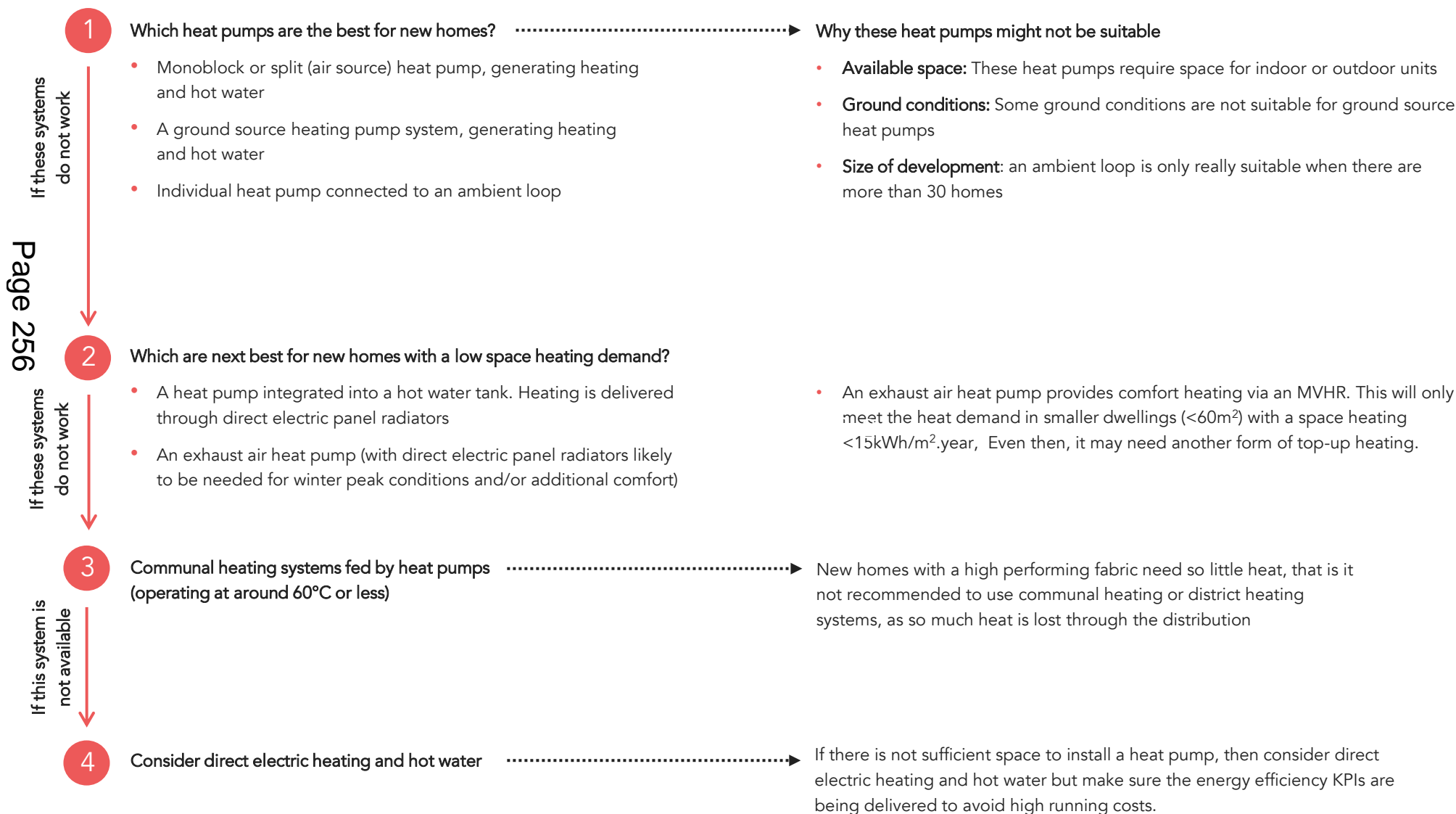


Diagram showing a passive ambient loop, with a small 'shoebox' style water source heat pump in each home connected to a ground array (Source: Kensa)

# Which heat pump is best for me?



There are various types of heat pump options available for new homes. This page outlines which heat pumps are available and which to choose.





# Water efficiency and domestic hot water



## Reduce overall water consumption

Water efficiency is about reducing our use of mains water and the effect our buildings have on water resources. Water use should not exceed 110 litres per person, per day, ideally less.

## Reduce hot water to reduce energy use

In very low energy buildings, the energy required for hot water can exceed the amount of energy required for space heating. Therefore optimisation of hot water systems is essential to ensure energy use remains low.

### What can you do?

#### Reduce flow rates

- The AECB water standards (opposite) provide clear guidance on sensible flow rates for showers and taps in low energy buildings.

#### Reduce distribution losses

- All pipework must be insulated and designed to ensure there are no 'dead legs' containing more than 1 litre. Tapping points (e.g. taps, shower connections) should be clustered near the hot water source. Small bore pipework should be carefully sized based on peak demands, minimising the diameter where possible.

#### Insulate to minimise losses from hot water tanks

- The standby losses of hot water tanks are highly variable, and can have a significant impact on overall energy use. Target a hot water tank heat loss of less than 1 kWh/day equivalent to 0.75 W/K.

#### Install waste water heat recovery systems in shower drains

- A simple technology that recovers heat from hot water as it is drained. Vertical systems can recover up to 60% of heat more than common horizontal ones recovering 25-40%.

#### Consider water recycling

- This is the process of treating waste water and reusing it, it can be used for large portions of potable water use.

Appliance / Fitting	AECB Good Practice Fittings Standard
Showers	6 to 8 l/min measured at installation. Mixer to have separate control of flow and temperature although this can be achieved with a single lever with 2 degrees of freedom (lift to increase flow, rotate to alter temperature). All mixers to have clear indication of hot and cold, and with hot tap or lever position to the left where relevant.
Basin taps	4 to 6 l/min measured at installation (per pillar tap or per mixer outlet). All mixers to have clear indication of hot and cold with hot tap or lever position to the left.
Kitchen sink taps	6 to 8 l/min measured at installation. All mixers to have clear indication of hot and cold with hot tap or lever position to the left.
WCs	≤ 6 l full flush when flushed with the water supply connected. All domestic installations to be dual flush. All valve-flush (as opposed to siphon mechanism). WCs to be fitted with an easily accessible, quarter turn isolating valve with a hand-operated lever. Where a valve-flush WC is installed, the Home User Guide must include information on testing for leaks and subsequent repair.
Baths	≤ 180 litres measured to the centre line of overflow without allowing for the displacement of a person. Note that some product catalogues subtract the volume of an average bather. A shower must also be available. If this is over the bath then it must be suitable for stand-up showering with a suitable screen or curtain.

Refer to the full [AECB document](#) for more information.



# Solar PV panels for houses



Solar PV panels are a simple, mature and reliable renewable energy technology. The majority of new homes have sufficient space on site to generate as much energy as they need on an annual basis. They are a particularly good match for heat pumps, where much of the solar electricity can be used to provide heating and hot water.

## Can you save much with Solar PV?

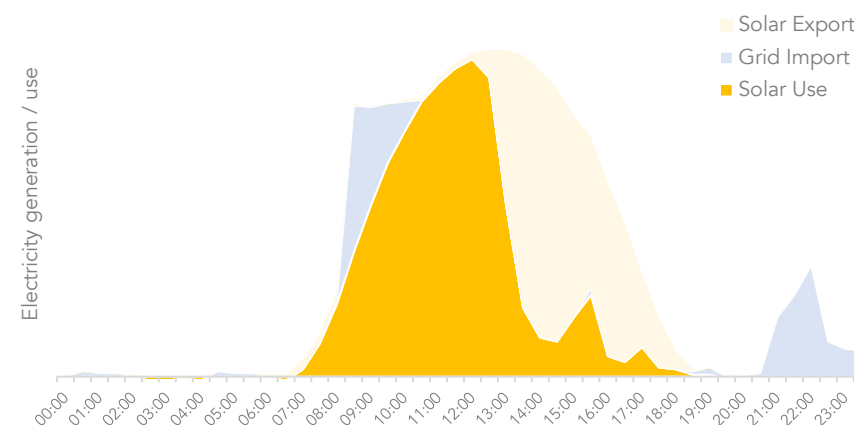
The lifetime cost of solar electricity in the UK is typically around half the price of grid electricity. Solar PV panels will therefore save money and carbon emissions by avoiding the need for your home to import electricity from the grid, and by exporting surplus energy back to the grid. Export tariffs typically pay around 5.4p per unit of electricity sold. Most homes are expected to use anywhere from 15%-50%+ of solar energy directly, depending on how well a home's consumption is matched to the sun.

## Where to install solar PV panels

Solar PV panels are typically installed on roofs as these often provide unshaded locations facing the sun for much of the day. They can be installed on flat roofs, pitched roofs, and even on walls or pergolas. A solar installer can advise you as to the most suitable locations.

## Choosing a good installer

Prices and installation quality vary between installers, so choose carefully. Small residential systems should typically cost around £1,500 per kW. The government regularly publishes [Solar PV cost data](#) if you want to check the latest prices. Look for a genuine and experienced Microgeneration Certification Scheme (MCS) certified installer that has a track record. Treat offers of 'free solar' with caution, these are typically financed systems, where you enter a long-term contract to pay a monthly fee. This can complicate selling or mortgaging your home.



This graph shows how solar works in practice on a sunny day. In the morning, solar energy is used to heat the home or a hot water tank, or charge an electric car. By early afternoon the hot water tank and electric car are both fully charged, so most solar energy is then exported. In the early morning and the evening, electricity is imported from the grid.



To maximise solar self-consumption, prioritise smart thermostats, solar hot water diverters, and solar electric vehicle charging. Residential batteries are expensive and can significantly increase the embodied carbon of solar energy, so avoid them unless absolutely necessary.

(Sources: Tado, Marlec Engineering Co., Myenergi)

# Solar PV panels for blocks of flats



In the UK it is generally possible for blocks of flats up to six stories in height to achieve a net zero energy balance on site through the use of rooftop solar PV arrays, heat pumps and efficient building fabric.

## The value of solar PV panels

A key challenge for solar panels on multi-residential buildings is figuring out how to maximise the financial benefit to occupants. Exported solar energy is only worth about 5.4p per unit, whereas electricity typically costs about 16p per unit to buy. Savings are therefore greatest if solar electricity can be used directly, avoiding the need to buy grid electricity.

## Connection options

The simplest option is to connect the solar PV panels to the landlord's supply, collect export tariff payments and issue a solar dividend to tenants, but this offers the lowest financial benefit.

A traditional approach to increase savings is to 'split' the array into many smaller arrays, and connect each one directly to each flat so the electricity can be used directly, however this can increase complexity and costs. A more elegant solution is the 'solar tenant model', pioneered in Germany. In this case, the building has a single electricity meter with the energy supplier and the landlord manages sub-meters to each flat. Bills are issued to tenants based on their share of the net consumption of the building from the electricity grid, maximising solar self-consumption.

## Choosing a good installer

Large residential systems should cost under £900 per kW. Check government [Solar PV cost data](#) to make sure you get a good deal.



*East/West facing concertina type solar arrays are usually the best solution for the flat roofs of blocks of flats. They generate less energy per panel than rows of south facing panels, but achieve much higher panel densities as they do not require large gaps between the rows to avoid interrow shading. (Source: K2 Systems)*



*South facing solar facades produce around 15% less energy than an East/West concertina array, but generate more electricity than an East/West array in winter months. For buildings with heat pumps, this can be a great match. (Source: Solarbuildingtech.com)*

# Smart controls and demand flexibility



## Intuitive and flexible energy use

Demand response or energy flexibility refers to the ability of a system to reduce or increase energy consumption for a period of time in response to an external driver (e.g. energy price change, grid signal). Energy storage allows these systems to consume, retain and release energy as required in response to specific energy demands. Smart controls respond to these external drivers and demands to manage our systems.

## Maximise renewables and stabilise the grid

These measures can help maximise the utilisation of on-site renewables and help stabilise demand on the grid. Moreover it will help to decarbonise the grid: when renewable electricity generation is low, demand response measures reduce the load on the grid, reducing the amount of peak gas plant that must be switched on to meet the grid demand.



Smart controls and demand response measures in the home (Source: SMA Solar UK)

## What can you do?

### Peak reduction

- Use passive measures and efficient systems to reduce heating, cooling and hot water peaks

### Active demand response measures

- These measures reduce the electricity consumption for a certain period.
- Install heating and cooling set point control with increased comfort bands, controlled with smart thermostats or home energy management systems.
- Integrate thermal storage of heat into communal or individuals system within a building.
- Reduce lighting ventilation and small power energy consumption

### Electricity generation and storage

- Use products that can generate electricity and feed into the grid, or power the building.
- Consider solar to water heat storage

### Electric Vehicle (EV) charging

- It is generally accepted that there will be a large increase in electric vehicles, so it is essential to implement demand response to ensure grid stability.
- Charge EVs only when needed and allow the supplier to cut the charging short during peak times
- Install 'Vehicle to Grid' / 'Vehicle to Home' technology which allows the EV battery to be used to supply the home during grid peak periods.

### Behaviour change

- Raise awareness of how people use electricity and the impacts.
- Consider incentives to reduce peak demand.
- Encourage responsible occupancy.

### Microgrids

- Consider being part of a small semi-isolated energy network, separate from the national grid.

# Embodied carbon



Embodied carbon includes the carbon emissions associated with the extraction and processing of materials, energy use in the factories and transport as well as the construction of the building and repair, replacement and maintenance. It also includes the demolition and disassembly of the building at the end of its life. Low embodied carbon design is not inherently more expensive or more complex, it just requires awareness and good design.

## What can you do?

### 1 Refurbishment over new build

Only build new when existing homes cannot be reused or refurbished.

### 2 Lean design

**Structural:** Design structure for 100% utilisation. Use bespoke loading assumptions, avoid rules of thumb. Reduce spans and overhangs.

**Architectural:** Use self-finishing internal surfaces. Reduce the quantity of metal studs and frames.

**Building services:** Target passive measures (e.g. improved fabric) to reduce the amount of services. Reduce long duct runs, specify low Global Warming Potential (GWP) refrigerant (max. 150) and ensure low leakage rate.

### 3 Material and product choice

Prioritise materials that are reused, reclaimed or natural from local areas and sustainable sources and that are durable. If not available use materials with a high recycled content. Use the following material hierarchy to inform material choice particularly for the building structure;

1. Natural materials e.g. timber
2. Concrete and masonry
3. Light gauge/Cold rolled steel
4. Hot rolled steel

Ask manufacturers for Environmental Product Declarations (EPD) and compare the impacts between products in accordance with BS EN 15804

### 4 Housing adaptation & flexibility

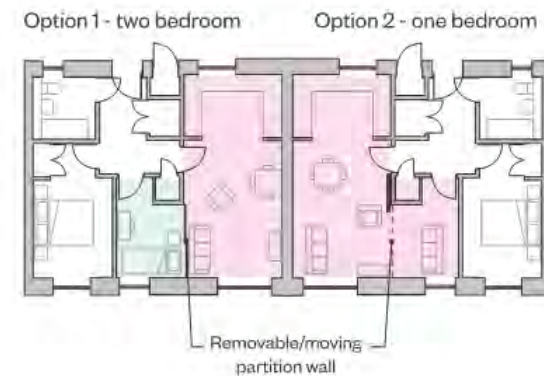
Allow for flexibility and consider how a layout may be adapted in the future.

### 5 Easy access for maintenance

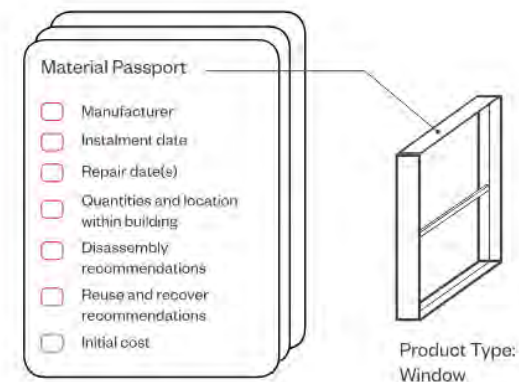
Maintained equipment will last longer.

### 6 Design for disassembly

Consider disassembly to allow for reuse at the end of life of the building. Create material passports for elements of the building to improve the ability of disassembled elements to be reused.



*Design for adaptation using a flexible floor plan e.g. one bed flat can be converted to a two bed flat or a one bed flat with space for home working. Working to a regular grid with removable partitions will allow adaptation as well as creating soft spots in the structure. (Source: Elementa)*



*Create material passports for products: This will improve the ability of disassembled elements to be reused. A material passport provides identification of materials, components and technical characteristics with guidance for deconstruction and applicability of re-use. In this way the building becomes a material bank for future use. (Source: Elementa)*

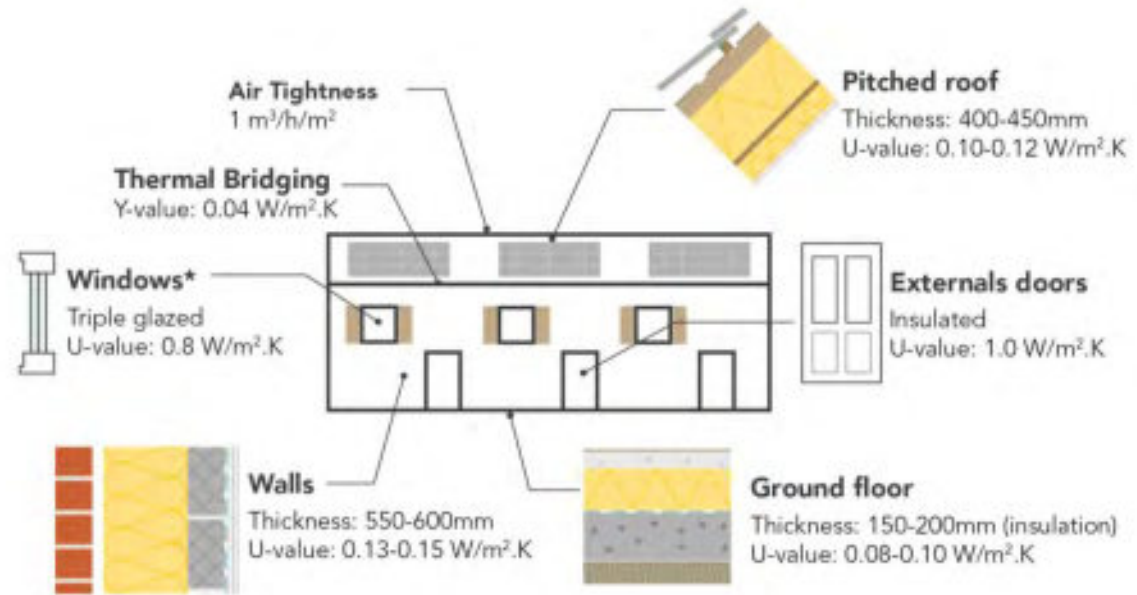


# How it comes together - new terrace house



## Design checklist

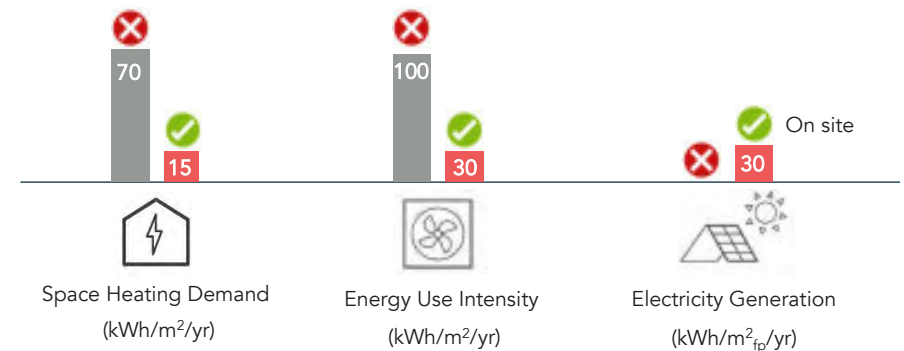
- ✓ **Form efficiency**  
 Ensure the building form is as simple and compact as possible
- ✓ **Window proportion**  
 Follow recommended ratio of window to external wall
- ✓ **Mechanical ventilation**  
 MVHR 90% efficiency  
 ≤2m duct length from unit to external all
- ✓ **Airtightness**  
 Airtight building fabric  
 < 1 m<sup>3</sup>/h/m<sup>2</sup> at 50 Pa
- ✓ **Heating system**  
 Choose a low carbon heating system e.g. heat pump
- ✓ **Design out overheating**  
 Carry out overheating analysis (as per CIBSE TM59 guidance) and reduce overheating through design e.g. external shading, openable windows and cross ventilation



## Performance

As electricity generated on site with PVs is the same as the Energy Use Intensity (EUI) on an annual basis, the building is **Net Zero carbon in operation**.

- Typical terrace house built to comply with building regulations
- New zero carbon terrace house

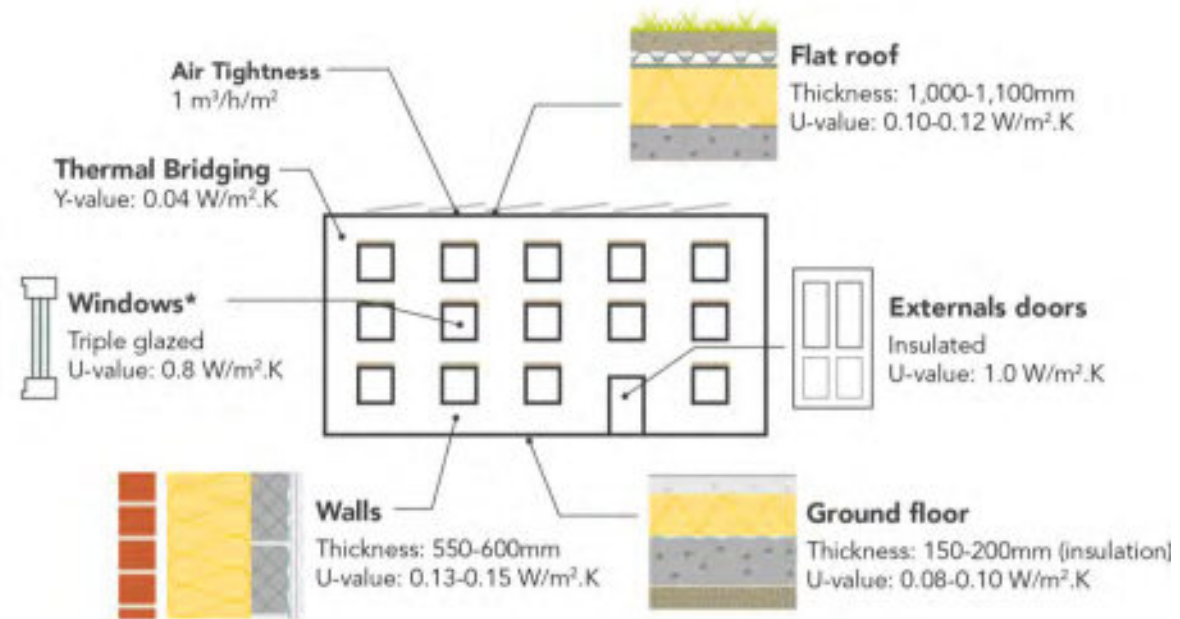


## How it comes together – small block of flats (6-8 units)



### Design checklist

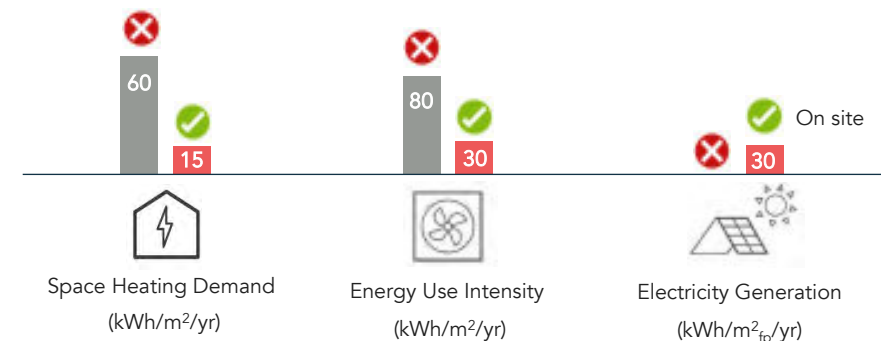
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### Performance

As electricity generated on site with PVs is the same as the Energy Use Intensity (EUI) on an annual basis, the building is **Net Zero carbon in operation**.

- Typical terrace house built to building regulations
- New zero carbon terrace house



# Cost premium for a Net Zero new home



## A 2-6% cost premium for Net Zero carbon in operation...

The cost premium for delivering a new Net Zero carbon home is estimated to represent approximately 2 to 6% compared with a Part L 2021 equivalent.

The majority of additional costs is associated with the energy efficient fabric and ventilation and in particular with triple-glazed windows, airtightness and MVHR, as well as additional PV generation. There is no significant additional cost for the heating system as Part L 2021 is already seeking to accelerate the transition to heat pumps.

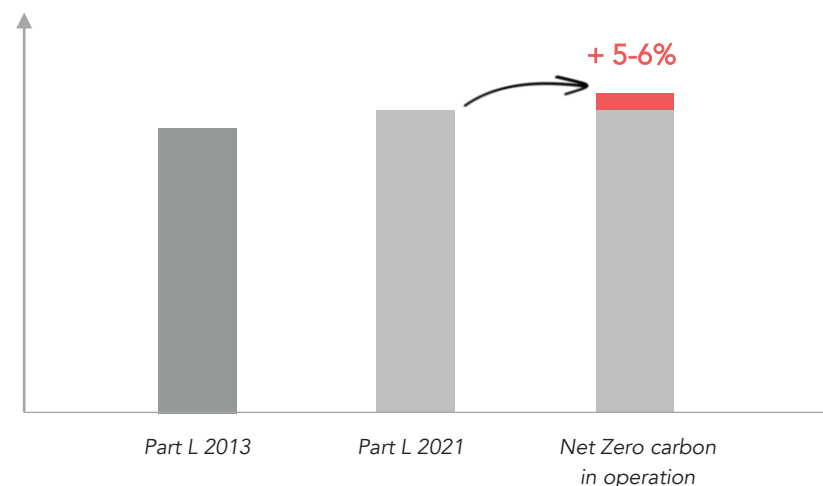
## and the potential to drive down costs

A significant advantage in committing to Net Zero new homes is that it offers a sustainable standard for the future. This offers significant opportunities for clients, contractors and project teams to reduce their additional costs over time by improving processes (e.g. airtightness) or contributing to driving down the cost of key technologies. There has been a significant reduction in the cost of solar PVs in the last ten years and other reductions, albeit smaller, are expected for heat pumps and MVHR.

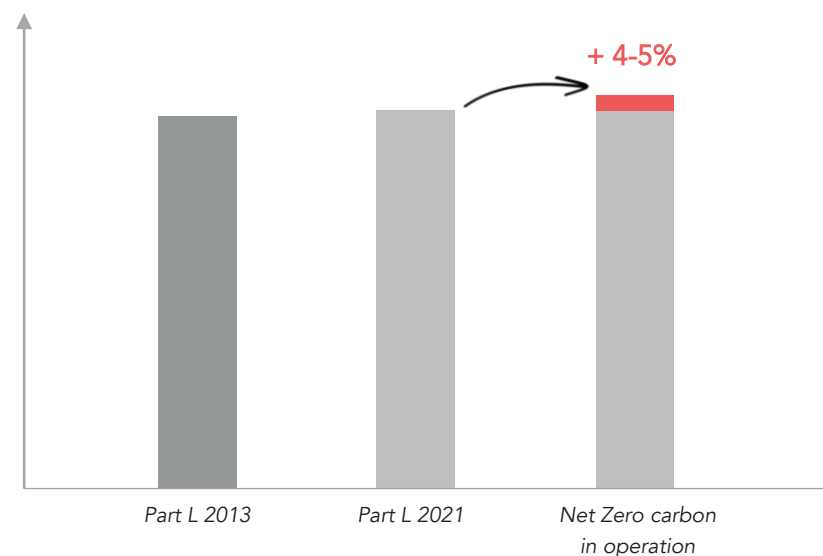
## Significant cost savings for the residents

Using the same typologies as examples, a Net Zero carbon home is expected to lead to residents' energy bills which will be approximately 35-40% lower than compared to a Part L 2021 house.

For blocks of flats, an even greater level of reduction in energy costs appears to be possible, approximately 50%.



Estimated cost premium for a typical **new terrace house**



Estimated cost premium for a typical **new block of flats**



## Don't do this! (new build)



The intention of this toolkit is to provide clear guidance on what you should do when designing and building a Net Zero carbon building. This page summarises some of the "Don'ts" ...

### Don't be misled by technologies and environmental schemes

When looking to build sustainable and low energy buildings, there are plenty of distractions. Many products, systems and technologies are suggested to be silver bullets in helping achieve Net Zero carbon buildings. Unfortunately, when put under scrutiny, many products or strategies do not achieve the desired outcome.

Additionally environmental assessment schemes for new homes are generally not sufficient to help the building achieve Net Zero carbon: a specific ambition is required.

### Avoiding business as usual

There is an emerging consensus in the construction industry on how to achieve Net Zero operational carbon. For example, there are several key energy efficiency, heating and ventilation principles which need to be adopted which have been discussed in earlier sections. Taking a business as usual approach to construction is not sufficient because many traditional ways of heating and ventilating homes are not aligned with a Net Zero objective.



*Do not install gas boilers. (Source: Worcester)*



*Do not install open fireplaces. (Source: Lytton)*



*Do not install extract only ventilation systems. (Source: Ventaxia)*



*Do not install domestic wind turbines. (Source: Suzlon energy Limited)*



*Do not rely on trickle vents to provide ventilation. MVHR should be adopted. (Source: Greenwood)*



*Do not install double glazed windows: prefer triple glazed windows. (Source: Classic window Replacement)*



## Considering the wider sustainability picture

Beyond energy, there are many design decisions that affect a home's impact on the environment and carbon emissions. Below are some things to consider and signposts to additional information.

The Home Quality Mark (HQM) is a certification scheme designed by the Building Research Establishment (BRE). There is a strong focus on sustainability, and the guides are available to download for free. They can be used to guide design decisions whether or not a developer decides to proceed with certification.

## Choosing a site

There are many questions to consider when choosing a site:

- Is there an existing building that could be refurbished instead of demolished?
- What are the transport links like? Will occupants be dependant on using a car? (CO<sub>2</sub> emissions from local car use can represent a large proportion of a household carbon footprint).
- What biodiversity does the site support and how can the new development contribute to achieving biodiversity net gains over and above policy and legislative requirements and to creating new green infrastructure?

## Facilitating sustainable transport

- Consider supplying properties with electric vehicle charging points – either shared or individual.
- Convenient and secure cycle storage is effective in encouraging journeys by bike – how can they be integrated into the design?
- Does the home support effective homeworking? Are there sufficient plug sockets and internet connectivity sockets? Should a home office be considered?

## Resources

[One Planet Living](#)

[Home Quality Mark](#)

## Transport

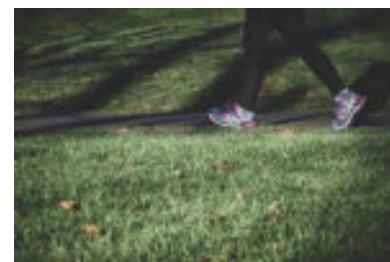
[Cycle Stores](#)

## Ecology and biodiversity

[Wildlife Trust: Homes for people and wildlife](#)

[Biodiversity Enhancement in New Housing Developments](#)

[Building with Nature](#)



# Beyond energy



## Supporting ecology and biodiversity

We are in an ecological emergency as well as a climate emergency, both of which are inextricably linked. Supporting and enhancing biodiversity and green infrastructure will benefit occupants, the wider community and economy with improvements to health, better water management, reductions in pollution etc as well as being of value to species and habitats.

## Using water efficiently

It is little known that demand for water is projected to outstrip supply in future years. Therefore installing water efficient fittings is very important in new homes. It can also save energy and costs related to heating water. The AECB water standards provide guidance on water efficiency for all fittings.

## Reducing flood risk through Sustainable Urban Drainage (SuDS)

Changes to our climate are predicted to result in increased rainfall and greater risk of flooding. Integrating SuDS into a development can greatly improve the site's ability to capture, absorb and effectively retain water as part of a comprehensive and multifunctional green infrastructure design. This can reduce surface water run-off and support local drainage networks to function effectively, to reduce the risk of flooding.

## Creating a healthy environment

Our homes should support health and wellbeing. Consider how the materials you use can have a beneficial effect. For example, volatile organic compound (VOCs) can cause short term irritation for some, or even long term health problems. Ventilation and good indoor air quality are also discussed in this toolkit.

## Resources



## Water

- [\*AECB Water Standards\*](#)
- [\*Watersafe Information for Developers:\*](#)
  - [\*Developing Water Efficient Homes\*](#)

## Sustainable Urban Drainage

- [\*CIRIA Guidance\*](#)
- [\*Devon County Council SUDS Guidance\*](#)

Surface water should be managed in accordance with guidance considered suitable at the time a planning application is being submitted.

## Healthy environment

- [\*Good Homes Alliance: Healthy Homes\*](#)

## Case studies for new build



### Ultra low energy design is fast becoming the new normal

The energy efficiency of new homes is increasing year on year. Many self builders and developers are choosing to go beyond building regulations for energy efficiency because it makes sense. Not only can low energy building be cheaper to run, they can be easier and cheaper to maintain and crucially, will not need further expensive retrofit in the future.

### Beautiful and efficient homes

Lark Rise in the Chiltern Hills is certified to Passivhaus Plus standards. It is entirely electric, and generates 2.5 times as much energy as it consumes in a year. Careful optimised design has meant that it has a mostly glazed facade, minimal heat demand and stable temperatures over summer months.

### Passivhaus/Ultra-low energy can be delivered at scale

Developers are building Passivhaus at scale. Example developments include Hastoe's development of 14 units – a mixture of houses and flats at Wimbish, Essex. The development is certified to Passivhaus standards, and average heating costs for the houses are £130/year. The development is operating as designed, and has effectively eliminated the 'performance gap'. Other examples include Springfield Meadows in Oxfordshire, Goldsmith Street in Norwich, Agar Grove in Camden and many other developments across the Country. Like Wimbish, they have an energy consumption of approximately less than half of that of a typical home.



**Lark Rise, Chiltern Hills.**

*Passivhaus Plus certified.*

*(Source: Bere:architects)*



**Springfield Meadows**

*(Source: Greencore construction with Bioregional)*



**Wimbish**

*Passivhaus certified.*

*(Source: Hastoe Housing Association)*

## Other typologies beyond housing (e.g. schools, offices, etc.)



Other building types tend to vary more widely than housing, making it more difficult to reliably determine generic forms, energy use or occupancy models. However, the RIBA, LETI, the UKGBC and other organisations have published relevant guidance on performance targets for space heating demand, total energy use and renewable generation. They are summarised below.

### Schools

- Space heating demand of 15-20 kWh/m<sup>2</sup><sub>GIA</sub>/year
- Total energy consumption of 65 kWh/m<sup>2</sup><sub>GIA</sub>/year or less
- Solar electricity generation that exceeds metered energy use on site

### Hotels

- Space heating and cooling demand of less than 30 kWh/m<sup>2</sup><sub>GIA</sub>/year
- Total energy consumption of 55 kWh/m<sup>2</sup><sub>GIA</sub>/year or less
- Solar electricity generation of at least 120 kWh/m<sup>2</sup><sub>GIA</sub>/year

### Offices

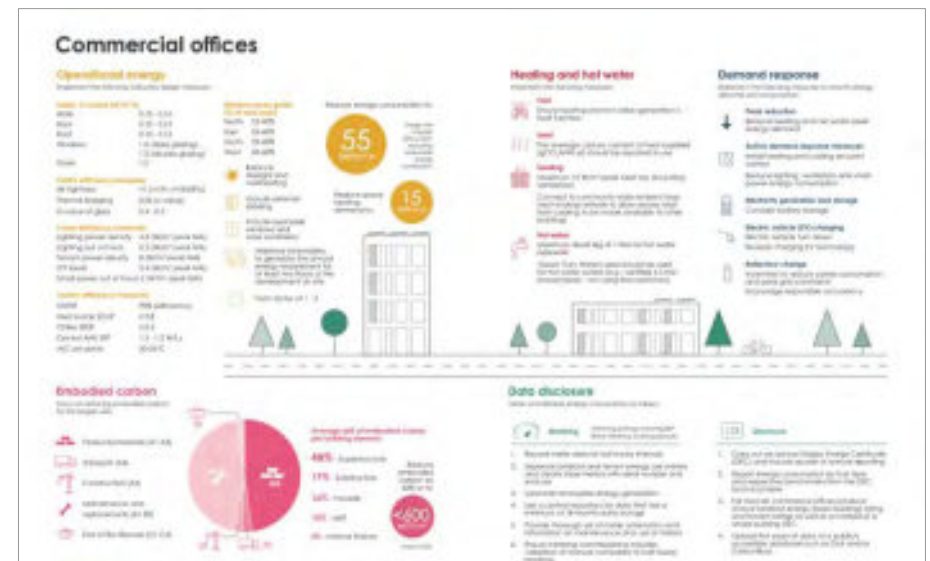
- Space heating and cooling demand of less than 15 kWh/m<sup>2</sup><sub>GIA</sub>/year
- Total energy consumption of 55 kWh/m<sup>2</sup><sub>GIA</sub>/year or less
- Solar electricity generation of at least 120 kWh/m<sup>2</sup><sub>GIA</sub>/year

### Light Industrial

- Space heating and cooling demand of 15-30 kWh/m<sup>2</sup><sub>GIA</sub>/year
- Total energy consumption of around 55 kWh/m<sup>2</sup><sub>GIA</sub>/year excluding specialist processes.
- Solar electricity generation of at least 180 kWh/m<sup>2</sup><sub>GIA</sub>/year



Harris Academy Sutton: a large secondary school built to Passivhaus standards (© Architype)



The LETI Climate Emergency Design Guide provides guidance on non-domestic buildings



## Retrofit

Putting our existing homes on track towards Net Zero is a challenge but it can be done. This section explains how. The list of subjects it covers can be found on the following page.





Why?	KPIs and recipes	Carbon pathway	Retrofit map	Staged retrofit	Key retrofit risks	Retrofit and conservation	Extensions
40	41	42	43	44	45	46	47
Low carbon heat	Replacing windows	Insulating walls	Insulating floors and roofs	Thermal bridges	Junctions		
48	49	51	52	53	54		
Airtightness	Ventilation	Domestic Hot Water	Retrofitting solar PVs	Demand flexibility			
55	56	57	58	59			
Retrofit costs	Embodied carbon	Terrace house retrofit					
60	61	62					
Don'ts	Case studies						
64	65						

# Why? Key reasons and benefits of a low carbon retrofit



## Existing buildings are the real challenge

England currently has some 25 million homes. All of those will have to have some form of retrofit by 2050 while, in that time, we will have only built another six million homes. This means that 80% of the homes that will be present in 2050 have already been built. If we are to successfully decarbonise housing, retrofitting is where the real challenge lies: we need to increase their energy efficiency, change their gas or oil heating system for a low carbon heat system (e.g. heat pump) and generate more renewable energy on their roofs.

## Reducing fuel bills alongside carbon emissions

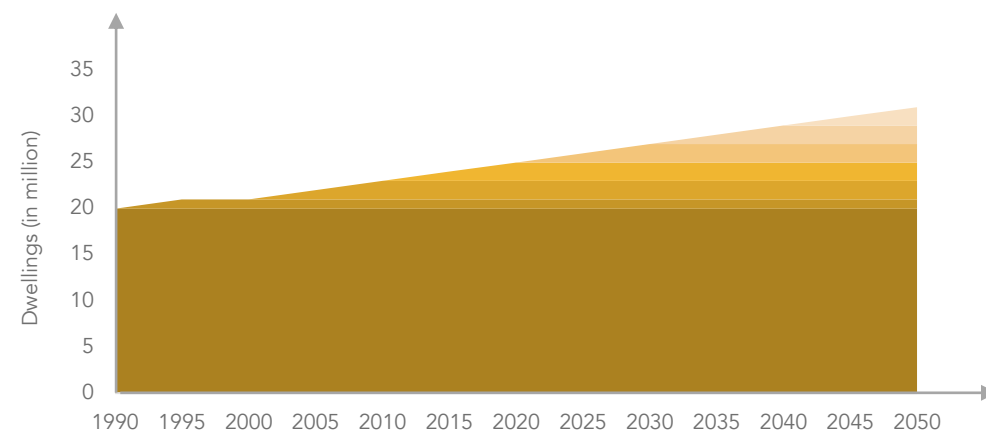
Whilst decarbonising homes is important to mitigate climate change, it is not the only reason to retrofit. In 2018, one in ten households in England were considered to be in fuel poverty. There is, unsurprisingly, a strong correlation between inefficient homes and fuel poverty with 88% of all fuel poor households living in properties with a Band D EPC or below. We can deliver lower bills as well as lower carbon emissions<sup>1</sup>.

## Health and wellbeing

Improving the energy efficiency of a home is also likely to increase thermal comfort (both in summer and in winter) and improve indoor air quality through better ventilation. This will have a positive impact on everybody, but especially small children, the elderly and those with respiratory conditions. The International Energy Agency (IEA) and the OECD suggest health improvements might account for 75% of the overall value of improving the energy efficiency of buildings<sup>2</sup>.

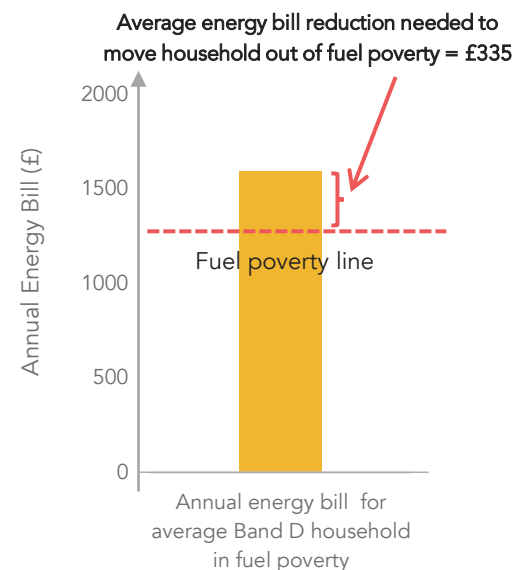
<sup>1</sup> The average Band D annual energy bill is £1600 and the average reduction needed to bring these households out of fuel poverty is £335

<sup>2</sup> Separately, the BRE have estimated that poor quality housing costs the NHS £1.4 billion in avoidable treatments.



■ Pre-1990 ■ 1990-2000 ■ 2000-2010 ■ 2010-2020 ■ 2020-2030 ■ 2030-2040 ■ 2040-2050

England Housing Stock – 1990 to 2050 (Millions of dwellings)



Fuel poverty, health and wellbeing are all positive benefits of retrofit (Source: BRE)



# Energy targets and Key Performance Indicators (KPIs) for retrofit



## Setting the right brief and targets is key

To achieve the most energy efficient outcome it is important that the brief and targets reflect this ambition from the start. A strong brief provides tangible guidance on how targets can be achieved. Best practice KPIs for retrofit housing are listed in the adjacent table and all KPIs must be met for a home to be Net Zero carbon.

## Getting the right team

The success of the retrofit approach relies on the coordination of a shared vision. Therefore getting the right team on board at the right time is critical. The early appointment of an energy consultant with specialism in ultra low energy design and retrofit is recommended.

Workshops at briefing stage can be used to establish the long term retrofit plan and ensure the wider consultant team are clear on the targets and objectives.

## Consider energy modelling

Analysis of the design through energy modelling will ensure that the KPIs are met in practice. This involves the early appointment of an energy or retrofit consultant to steer the design from concept stage and carry out modelling using accurate tools such as the Passivhaus Planning Package (PHPP).

## Without energy modelling

Using energy modelling is always the recommended route to ensure accuracy, however it is possible to target best practice by setting the right specification and design requirements as part of the project brief. Refer to the 'How it all comes together' for retrofit of a terrace house (including the case of a terrace house in a conservation area). The LETI Retrofit Guide can also be used for further guidance ([www.leti.london](http://www.leti.london)).



Ultra low energy homes



Energy use and efficient heating



Renewable energy



Retrofit housing

Space heating demand  
50 kWh/m<sup>2</sup>/yr

\*on average (range of 20-120 kWh/m<sup>2</sup>/yr)

Energy Use Intensity  
50 kWh/m<sup>2</sup>/yr

\*on average

Electricity generation intensity  
120 kWh/m<sup>2</sup><sub>fp</sub>/yr

m<sup>2</sup><sub>fp</sub> : m<sup>2</sup> building footprint



PAS 2035

Retrofit guidance  
(see next page)



TM59

Overheating modelling  
for compliance



AECB

Good practice  
water standard



KPIs in-use

Collect data for  
the first 5 years

*PAS 2035 guidance should be followed on publicly funded retrofit projects.*

# The 'whole house' approach and PAS 2035



## The importance of a 'whole house' approach

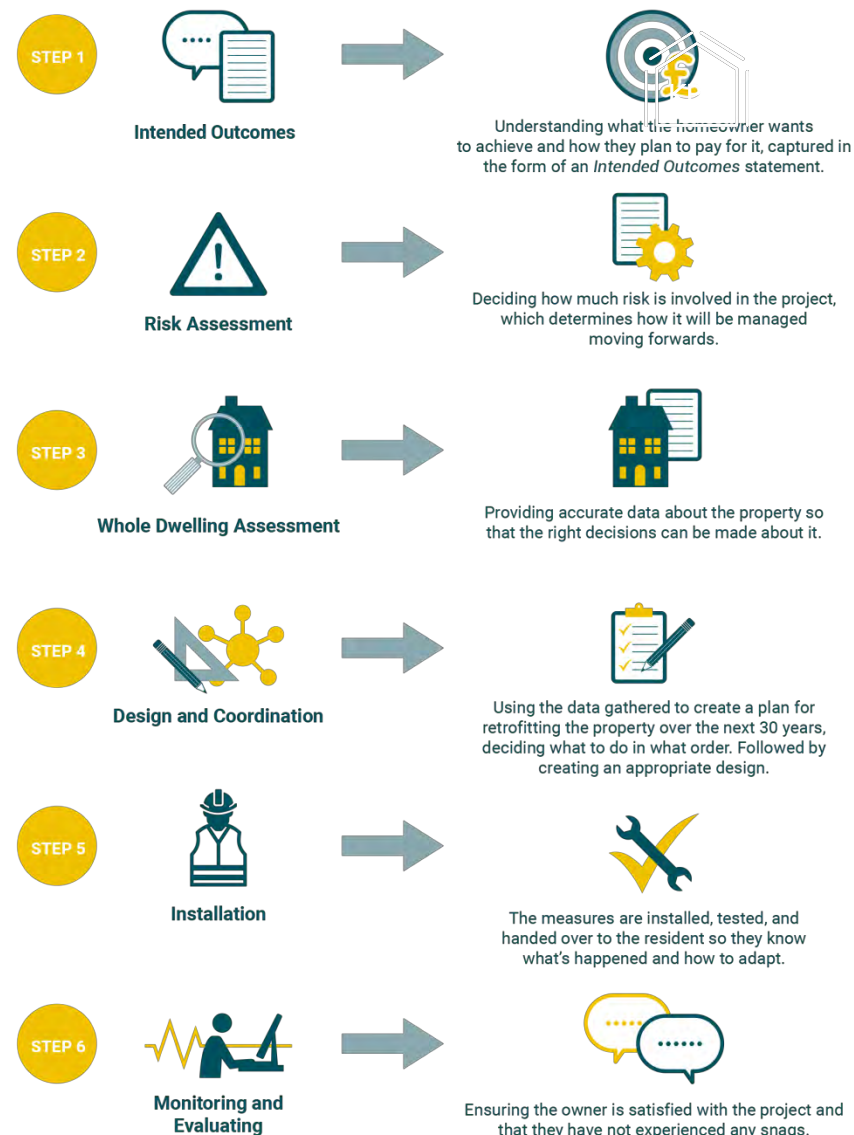
Successful retrofit relies on a structured process including adequate assessment, design, installation and monitoring to feed back into future work. These principles as well as the idea of whole house thinking and the role of retrofit coordinators have fed into the creation of PAS (Publicly Available Specification) 2035 the UK's first retrofit standard. This helps to deliver quality and manage risks associated with retrofit. It aims to ensure clients and homeowners get value for their investment. PAS 2035 follows two core principles:

1. A **'fabric first'** approach to reduce the heat demand of a building as much as possible and to ensure newly airtight homes are well ventilated and avoid issues with damp and humidity.

A **'whole house approach to retrofit'** to ensure retrofit plans for homes consider improvements to the fabric, services and renewable energy generation in a coherent way to minimise both risks and carbon emissions.

## Who is a Retrofit Coordinator?

PAS 2035 requires an accredited Retrofit Coordinator to be appointed who will take responsibility for demonstrating compliance with the PAS 2035 standard. This is a relatively new role and different projects require input from different retrofit specialist depending on the risk category. The Retrofit Coordinator identifies whether the project falls into a low, medium or high-risk category and advises on appropriate steps to minimise risk. For more information, please refer [here](#).



PAS 2035 recommends 6 steps to follow on a quality assured retrofit project

# Changing a home's carbon dioxide pathway



## How does a home produce carbon?

The vast majority (85%) of homes in the UK get their heating and hot water from a gas boiler and many other homes use other fossil fuels (e.g. oil). All the other energy uses in the home are drawn from the electricity grid. The emissions from the gas boiler are emitted on-site whilst the emissions associated with electricity use are emitted in a power station. Ten years ago, electricity was about 2.5 times more carbon intensive than gas, but things have changed a lot since then.

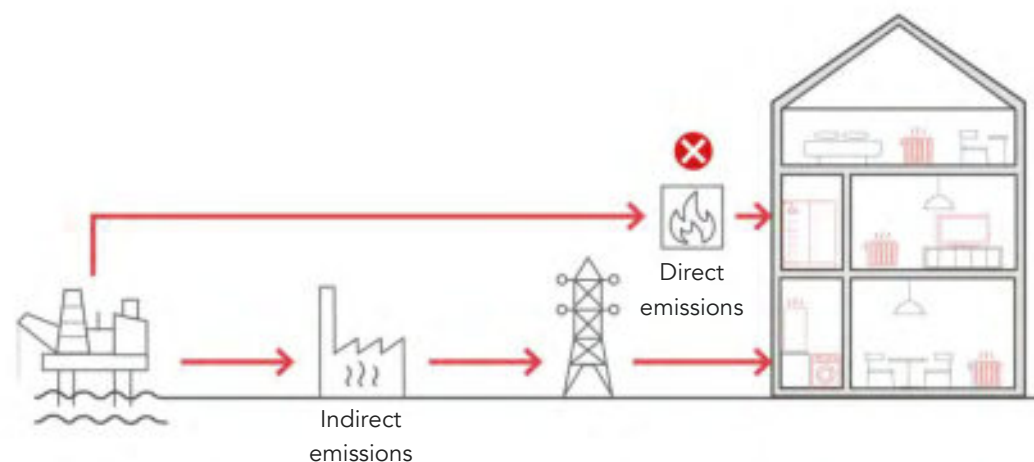
## What has changed?

Over the past ten years, coal-fired power stations have been retired and the amount of renewable energy that feeds into our electricity grid has increased significantly. This means that the carbon intensity of our electricity has now dropped and is now about 30% lower than gas. As we add more renewables to our grid in the coming years, this will continue to drop until we approach a zero carbon grid.

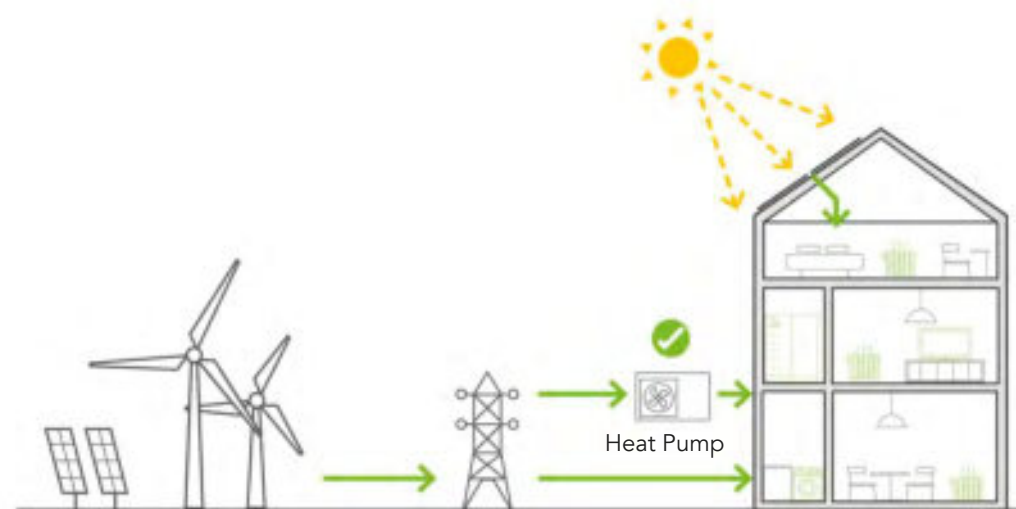
In contrast, a gas boiler installed today, will continue to emit carbon at the same rate until it is decommissioned – which could be another 25 years. This means that it has become a priority to move our homes away from gas to an electric-based system for heating and hot water.

## Where do heat pumps fit?

Heat pumps will be discussed in more detail later, but they offer an excellent way of transitioning to electricity whilst reducing the load on the grid as they extract additional energy from the surrounding air or ground. Both the Government and the UK Climate Change Committee agree that they will form a major part of our future heating systems.



How most homes use energy now



How most homes should use energy now and in the future

# Mapping to journey towards Net Zero



Each house or flat is different. They will have a different starting and final positions on the adjacent 'Retrofit Map' but ultimately, by 2050 (or earlier) all homes must be moved to one of the green squares.

The adjacent **Retrofit Map** could also be used to identify the buildings which should be most urgently retrofitted (in **red**) as they will be consuming most of the carbon budgets. Other factors (e.g. maintenance schedules, replacement opportunities, resident's appetite) may also influence the prioritisation.

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## Use of fossil fuels

Not compatible with Net Zero.  
The heating system must be changed.

## Low carbon heat but risk of high energy costs

A change of heating system may not be required but fabric, ventilation and system should be improved

## Low carbon heat and sufficient level of energy efficiency

Compatible with Net Zero

## FABRIC AND VENTILATION

High carbon — HEAT DECARBONISATION —> Low carbon

	Individual or communal gas boiler	Direct electrical heating	Low carbon heat network <sup>1</sup>	Heat pump system <sup>2</sup>
Heating demand <40 kWh/m <sup>2</sup> .yr				
Heating demand <100 kWh/m <sup>2</sup> .yr				
Heating demand <150 kWh/m <sup>2</sup> .yr				
Heating demand >150 kWh/m <sup>2</sup> .yr				

Low energy  
↑  
High energy

<sup>1</sup> A heat network would qualify as 'low carbon heat network' for the purpose of this Retrofit Map only if it would have a lower carbon content of heat (per kWh delivered) than direct electric heating. Any system using fossil fuels and/or with high distribution losses is unlikely to qualify.

<sup>2</sup> Could be an individual or building level heat pump with low distribution losses.



# A long term whole house renovation plan for a phased retrofit



## An ambitious objective

The objective of a retrofit project should be to achieve Net Zero carbon by 2050 (or earlier). This means that:

- The home's energy efficiency is improved
- A low carbon heating system is installed
- Renewable energy is installed on-site
- The home is made smart ready

A whole house renovation plan is a useful tool to prepare and provides a pragmatic and coherent way to deliver this ambition.

## Phasing improvements as part of coherent whole house plan

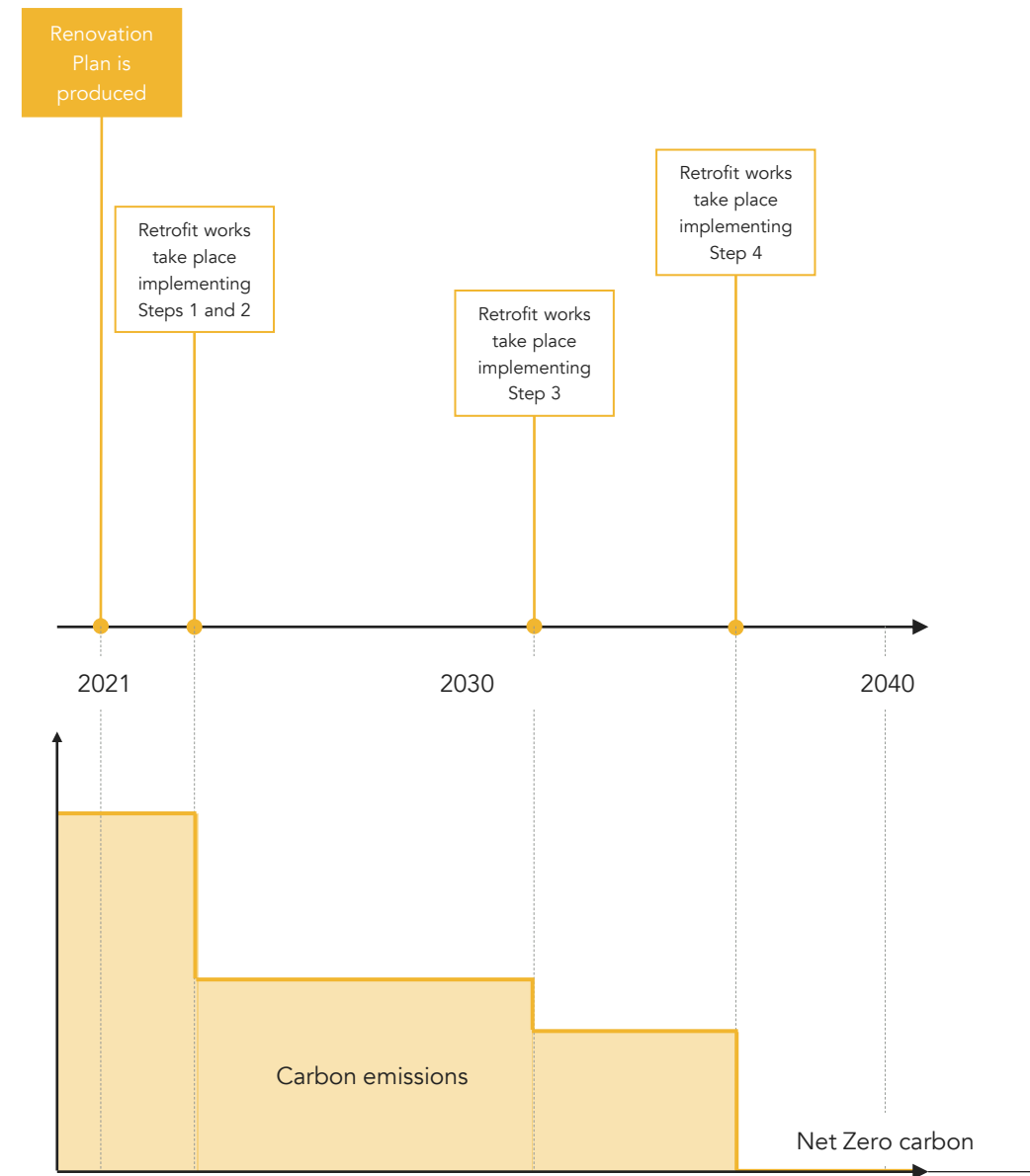
Page 277  
It may not be possible to implement all retrofit measures at once, but it is important to plan ahead so that packages of work are coherent and complementary. The preparation of a whole house plan is recommended to help in that planning.

This page shows how the measures can form part of a strategy for improvements. It would help landlord and residents to progressively save carbon and energy costs and avoid undertaking measures that conflict with planned future improvements.

## A digital logbook

Alongside the whole house renovation plan, a building digital logbook can be developed to gather and retain all relevant information about the building.

Together, they form the **Building Renovation Passport**.



Note: the expected decarbonisation of the grid is not represented for simplicity but will also contribute to the reduction of carbon emissions over time.

# Key retrofit risks and how to mitigate them



## It's all about moisture ...

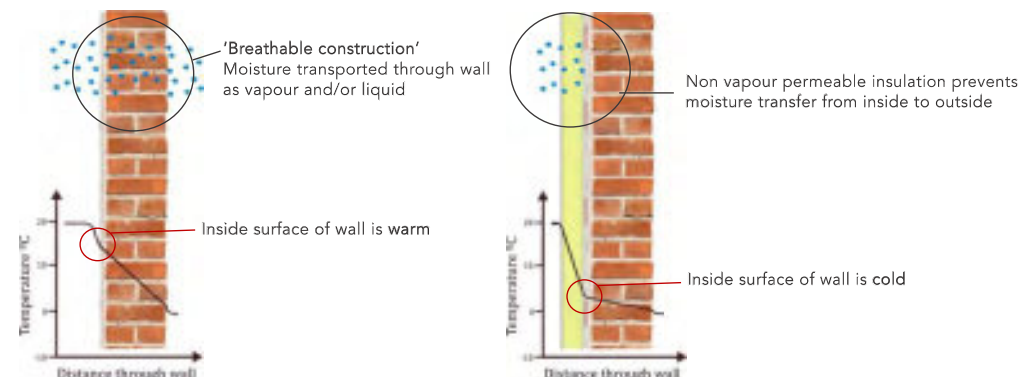
Our homes need to remain structurally sound, free from damp, mould and rot. Regrettably, many existing homes already suffer from excessive cold, damp, mould and condensation. A poorly planned and executed retrofit could actually make this worse. It is very important to understand this risk to mitigate and avoid it.

It may not be obvious, but our homes are constantly dealing with moisture. They are keeping out the rain and stopping the damp rising up from the ground. They are also dealing with the significant amounts of moisture that we generate inside the home from cooking, washing and breathing. Finally, if the building fabric does somehow get wet, they are designed to ensure that it will dry out without long-term damage. Interfere with any of these mechanisms, and we could end up causing damage to the health of both the building and its occupants.

## Clear principles can address this risk

The risks of retrofit are well understood and can be overcome with sensible design and well-executed construction. Some key rules are:

- **No insulation without ventilation.** As you add insulation you are also likely to increase airtightness. This means less air moving through the building. You can counter this with opening windows and extract fans, but ideally by fitting a whole-house ventilation system like Mechanical Ventilation with Heat Recovery (MVHR).
- **External insulation is best.** Internal insulation means your external walls become cold and there is therefore a risk of condensation if the warm internal air reaches a cold surface. So, external insulation is preferred, but if internal insulation cannot be avoided, vapour open insulation (such as wood fibre) should be used. It is chemically fixed to the inside surface thus reducing the risk of condensation.



The risk of condensation with internal insulation



Installation of wood fibre insulation boards internally  
(Sources Back to Earth & ASBP)



# What about heritage buildings and conservation areas?



Low carbon retrofit of heritage and traditional construction buildings in conservation areas is necessary and possible. There are a growing number of examples which show it can be done, and the PAS retrofit framework provides a suitable methodology.

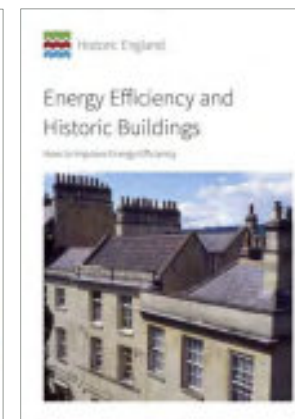
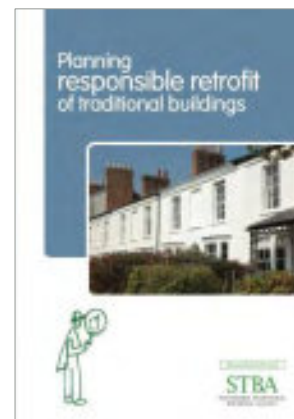
## Environmental and heritage conservation can go hand in hand

Heritage conservation is often given as an excuse to not improve energy efficiency and reduce carbon emissions. Proposals for those measures are sometimes refused by Local Planning Authorities particularly where they are not well thought through and do not form part of a whole building approach and therefore could cause damage to the structure of the building.

However, in addition to offering significant potential for carbon reductions, well-planned retrofit programmes can also contribute to conservation by incorporating maintenance and repair, and offering a new lease of life to buildings. They limit the risk of under-heating by occupants worried about energy bills, and associated risks of fabric degradation. By being more comfortable, buildings are also more likely to remain valuable and well looked after in the future.

## Identifying relevant solutions for the context

Upgrading or installing replacement double/triple glazed windows (subject to planning officer support) can reduce heat loss by up to 40%. Recent advances in window technology such as evacuated glazing offer the possibility of recreating traditional window forms but with only a fraction of the heat loss. Emerging products such as insulating plasters also offer the opportunity to insulate walls in a sensitive manner. For Listed Buildings, check first with your local authority Conservation Officer whether Listed Building Consent is needed for what is proposed (and how to apply).



There is a growing library of resources for responsible retrofit of traditional and historic buildings, including the above Sustainable Traditional Buildings Alliance (STBA) and Historic England guidance



Recent examples of exemplar retrofits with heritage considerations: Grade I listed Trinity Student Halls in Cambridge (left, source: Max Fordham), and Grade II early Victorian home in Clapham, London (right, source: Arboreal). Both include the application of internal insulation, with attention to moisture movement and monitoring of interstitial moisture level.

## An extension should trigger the improvement of the home (especially low carbon heat)



### Grasping the opportunity

When considering the lifetime of a house, there are not many times when major improvements can be made. An extension is a fantastic opportunity to make a significant step towards Net Zero carbon and not locking in poor/high carbon decisions.

### What to consider

When considering the scope and costs of extending a home, the following opportunities should be considered:

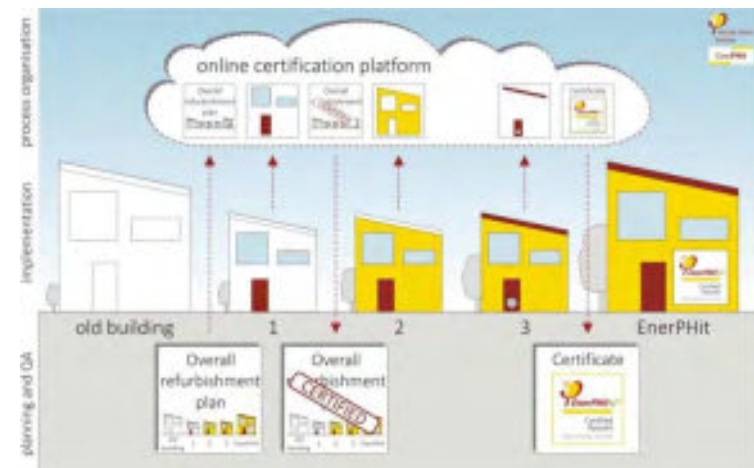
1. Upgrading the heating system, and replacing the gas boiler with a heat pump.
2. Replacing existing windows with double or triple glazed windows
3. Upgrading the existing external fabric of the existing building (including both insulation and airtightness).
4. Installing Mechanical Ventilation with Heat Recovery (MVHR)
5. Installing solar PV panels to generate electricity

### Staged retrofit – piece by piece

It is possible to undertake a staged retrofit when extending a home. A very useful resource and robust methodology is the EnerPHit Retrofit Plan. This scheme helps create a plan for taking a staged retrofit process, where the measures to improve the building fabric are put to a timeline. This allows the extension to be built and improvements to be made over time, and not just in a single phase. This can be an attractive and practical approach as often the capital costs of undertaking an extension and undertaking a major refurbishment all at once may not be affordable.



EnerPHit retrofit project with extension (Source: Passivhaus Plus)



EnerPHit staged retrofit improvement plan process (Source: PHI)



# What are the low carbon heating options?



## Heat pumps are the best option

The electricity grid has decarbonised and will continue to decarbonise, thus most likely low carbon heat source is using electricity. This is done most efficiently, and has lower running costs when using heat pumps. There are various types of systems available including, air-to-air and air-to-water heat pumps, ground source heat pumps, exhaust air heat pumps, heat pumps integrated into a domestic hot water store, and shoebox water-to-water heat pumps connected to an ambient loop. Hot water storage is required when using heat pumps.

## What other options are available?

Direct electric heating, for example through panel radiators will become low carbon in the future, as the grid continues to decarbonise. However direct electric heating can lead to very high heating bills.

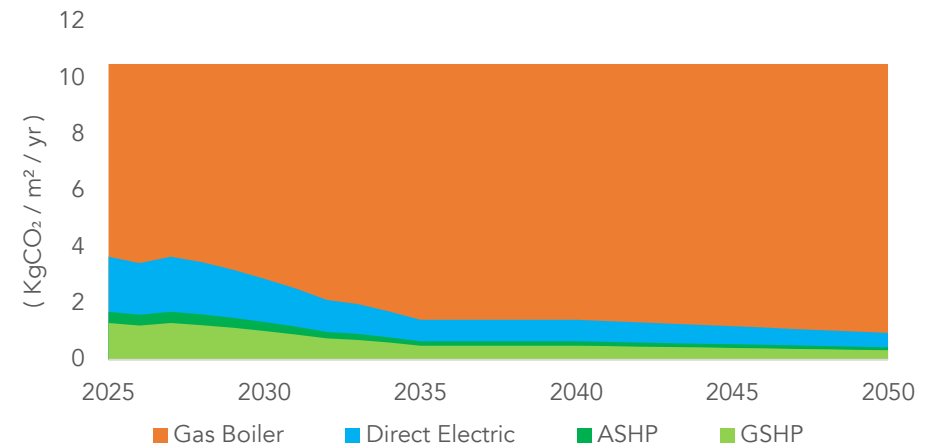
Hydrogen is very unlikely to be a solution for the majority of homes.

'Green' hydrogen from renewable power electrolysis is truly zero emissions. However, the UK gas supply industry advocates 'Blue' hydrogen manufactured from methane with carbon capture of its high emissions using yet to be proven at scale carbon capture and storage technology. Thus it is yet to be proven that hydrogen at scale is in fact low carbon and of an acceptable price.

Using woodburning stoves causes problems with air quality and involves burning raw materials, which should be avoided.

## Is my home ready for low carbon heat?

If your home does not have a reasonable level of energy efficiency, particularly if it is a large house, using a heat pump can be quite expensive. In those cases, it is recommended to improve the fabric and airtightness, potentially over time.



This graph compares carbon emission associated with various heating systems over for a typical home. Emissions from a gas boiler stay constant, whereas emissions from direct electric systems and heat pumps reduce over time due to grid decarbonisation. Heat pumps have lower emissions than direct electric systems purely because they are more efficient.

	System	Carbon Emission Reduction	Running Cost	Capital Cost	Air Quality Neutral	Ease of Use & Maintenance
Best ↓ Worst	Ground source heat pump	✓✓	✓✓	✗	✓	✓
	Air source heat pump	✓	✓	~	✓	✓
	Direct electricity	~	~	~	✓	
	Biomass/ wood burning stove	~	~	~	✗	✗
	Hydrogen	✗	?	?	✓	✓

The table compares various low carbon heating options across different criteria

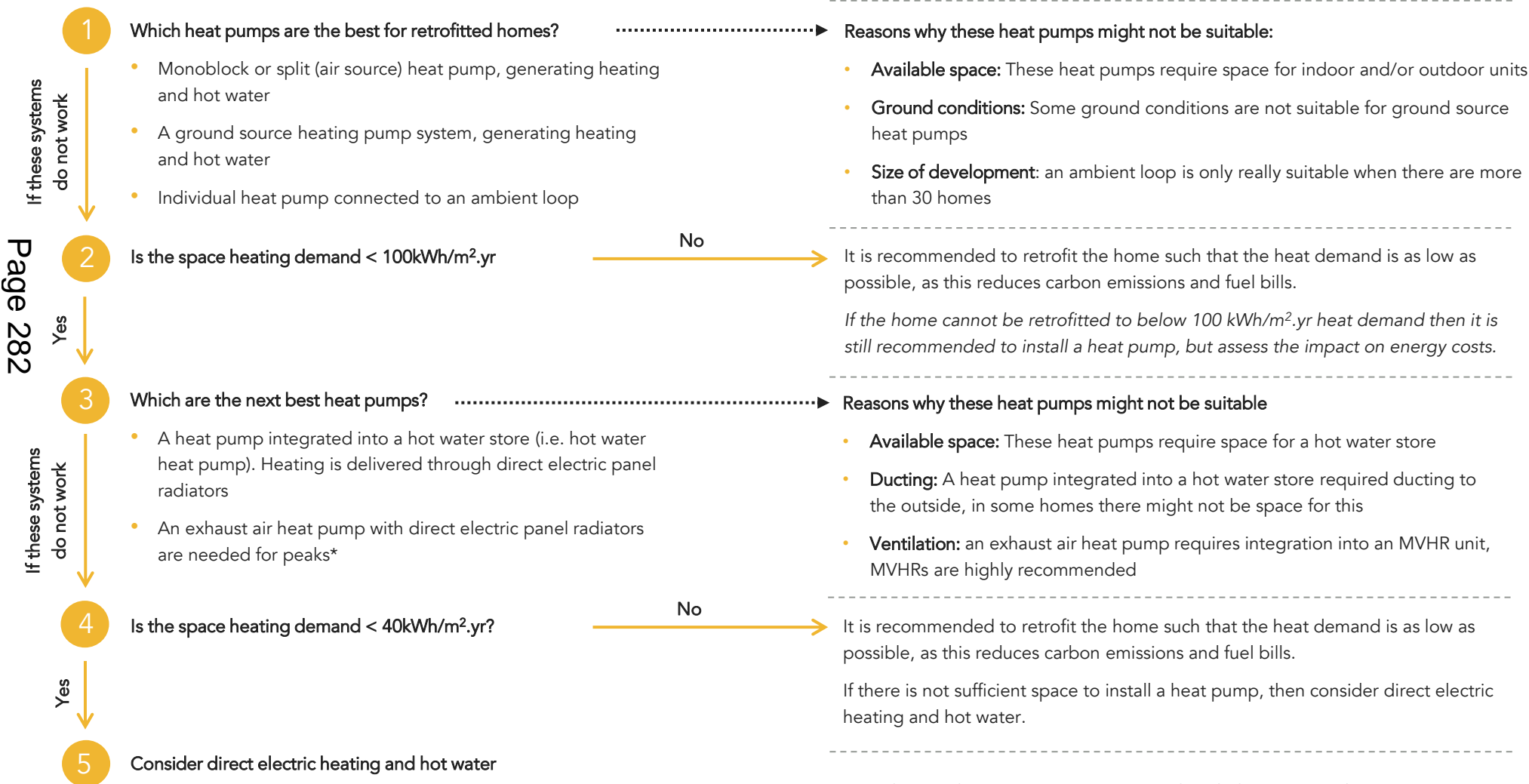
Key	✓✓	✓	~	?	✗
	Very Good	Good	Neutral / Dependant	Unknown	Bad

# Which heat pump is best for me?



There are various types of heat pump options available for retrofitted homes. This page outlines which heat pumps are available and which to choose.

Most homes with a heat demand below 100kWh/m<sup>2</sup>.year will be suitable for a heat pump, unless there is not sufficient space. At the higher end of this criteria larger radiator sizes or underfloor heating may be required.



\*An exhaust air heat pump (compact unit) combined a heat pump and a MVHR. Some products can only meet the heat demand in smaller dwellings and/or this with a space heating <15kWh/m<sup>2</sup>.year,

## Why windows should be upgraded



Windows can lose more than ten times more heat compared to a well insulated external wall. Unless the current windows have been installed recently, it is very important to ensure that windows are replaced with high performing triple glazed windows (with a whole unit U-value calculated ( $U_w$  value) of less than  $1.0 \text{ W/m}^2\text{K}$ ).

### Detailing the window replacement

Where possible, the window should be replaced in line with the insulation layer of the external wall to continue the thermal line of the dwelling. The connection of the window to the external wall needs to be carefully considered as this is a weak spot thermally. It needs to be designed so that the risk of condensation between the external wall and window is reduced. A specialist consultant who can undertake thermal bridge modelling may need to be consulted for project specific guidance. The use of low conductivity cavity closers and products like compactofoam can be a good way to reduce thermal bridging, and reduce the risk of condensation.

### Airtightness

When installing the windows, care should be given to the junction between the window frame and the airtightness layer of the external wall. High performance airtightness tape should be used to limit infiltration as the connection between windows and external walls can be leaky if not properly installed.

### Exceptions

Replacement windows may not always be appropriate in the context of a listed building, or some older buildings in conservation areas, and other methods of improving the energy efficiency of the existing windows may need to be considered as part of a more holistic 'whole house approach' (e.g. draught proofing or secondary glazing).



Photo of triple glazed aluclad timber window  
(Source: Internorm)

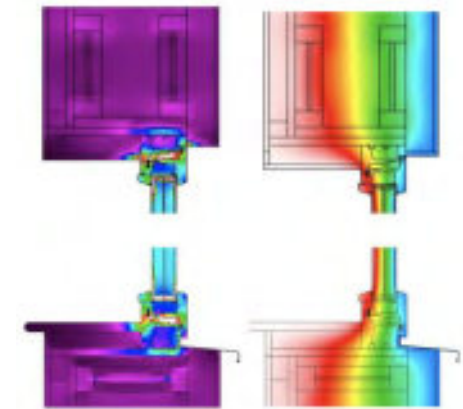


Photo of thermal bridge calculation of window install (Source: Warm)



Replacement triple glazed windows  
(Source: Internorm)



Photo of window install in Enerphit retrofit  
(Source: Passive House Plus)

# Insulating walls



## Insulating externally or internally?

From a heat loss perspective, it is better to externally insulate as this allows the insulation to wrap around the building continuously and avoids the need to address weak points and junctions e.g. around floor joists. However, it will mostly come down to what is practical on the specific site: how much space there is available; the aesthetics preferences; whether the building has conservation or planning constraints that prevent external insulation; the level of disruption the installation will have to occupants; and the relative installation cost.

## External insulation

External wall insulation is a good solution. It is very effective thermally, does not reduce internal space and generally enables residents to stay in the property when insulation is being fitted. The external appearance of a building will be affected, and roof eaves may require extending. Insulation can be easily covered in render but brick slips, pebbledash and cladding are also possible.

## Internal insulation

Use breathable materials internally e.g. wood fibre insulation, hemp lime insulation. Avoid using non-breathable materials internally e.g. rigid insulation. Even though this can achieve a good thermal performance and is often cheaper, it can increase the condensation risk and make detailing around junctions more complicated. Consider the combustibility of insulation, natural products are likely to be combustible but can be used safely in the right application. Where space is limited internally consider using thin products such as aerogel insulation. Consider installing service voids for electrics to run outside of the insulation line.

External Insulation Approach



Hybrid Approach



Internal Insulation Approach



In some circumstances, it may be beneficial to consider a hybrid approach e.g. internal insulation at the front to retain the architectural features of the front façade and external insulation at the rear. This maximises the insulation gains of using external insulation where it has less of a visual impact.



Externally insulated  
Brick Cavity

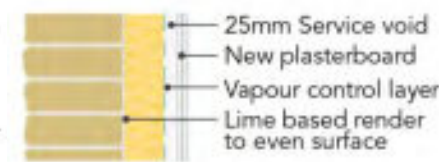


Internally insulated  
Brick Cavity

N.B. If considering cavity fill insulation ensures measures have been made to prevent condensation



Externally insulated  
Stone Wall



Internally insulated  
Stone Wall

# Insulating floors and roofs



## Consider floor-to-ceiling heights

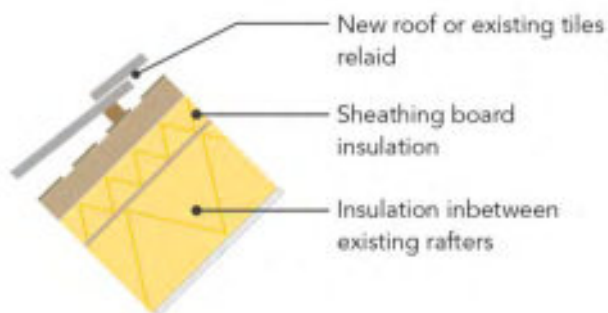
When insulating floors or ceilings be sure to check the floor to ceiling height. Insulating floors may require raising the floor level, so ensure you have considered the impacts e.g. steps at the entrances, door heights and consistent staircases levels.

## Extending eaves over external wall insulation

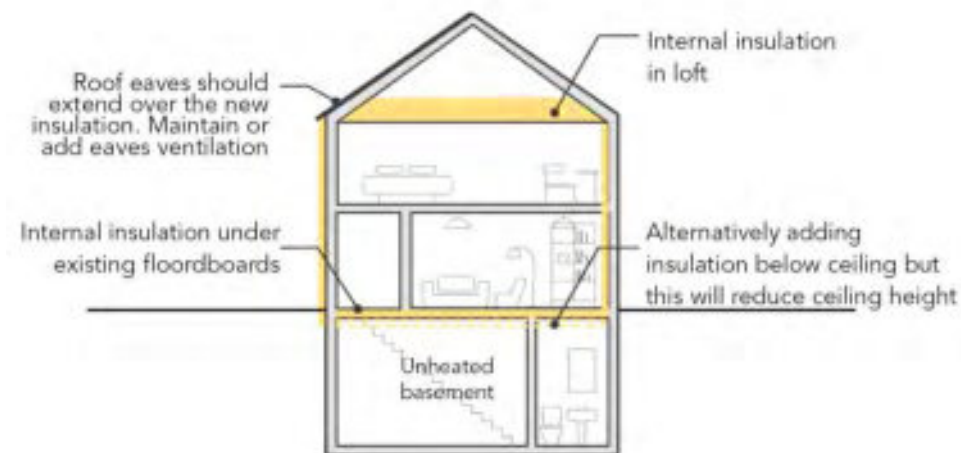
Where external wall insulation meets the roof consider extending eaves to cover the additional wall thickness. Also be sure to maintain or add ventilation at the eaves.

## Insulating roofs

If you have an unheated attic space the simplest approach is to insulate the floor in the loft. Ideally relocate existing water services and tanks in the roof void or insulate them if not possible. If you require a heated and habitable loft, add insulation between rafters and apply insulated sheathing board over the rafters as shown in rafter detail below. Plasterboard can be fixed to the underside of the insulation. Consider fabric improvements in conjunction with any loft extension works.



Rafter insulation detail





# Introduction to thermal bridges



## Thermal bridges

A thermal bridge, or cold bridge, is a piece of material through which heat flows easily, relative to adjacent materials. For example, a concrete lintel that interrupts the wall insulation layer would be considered a thermal bridge. Thermal bridges should be avoided as they increase heat loss, and can cause cold spots that lead to condensation and decrease comfort for home occupants.

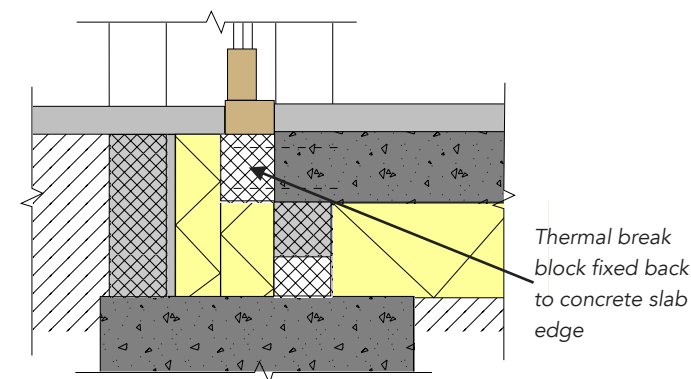
## Identifying thermal bridges

A good approach to retrofit is to sketch out a cross section drawing of the building. Clearly identify materials that keep heat in, such as insulation, doors, and windows. Ideally, these should all connect together without insulation depth reducing by more than a third. Different materials should be butt jointed, or overlap, ideally for a distance equivalent to the thickness of the insulating element.

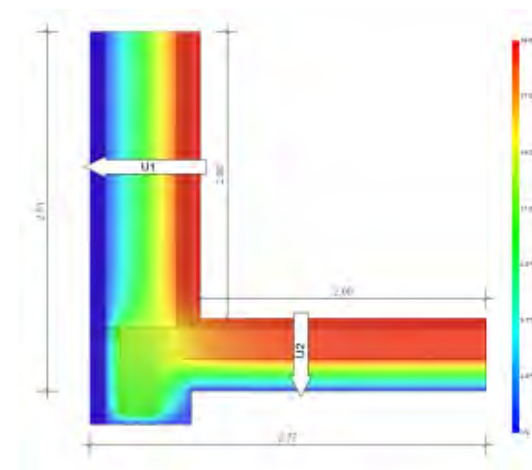
## Tackling thermal bridges

There are many off-the shelf products available to avoid thermal bridging. Learn about these and use them where possible. Examples include thermally broken lintels, foam glass blocks, high density EPS foam, and specialist structural thermal breaks that can be cast into concrete, or used to fasten steelwork together.

In retrofit, there will be thermal bridges that cannot be avoided. In these cases, aim to increase the distance that heat must flow to escape the structure. For example, an insulation downstand or skirt could be applied around the external wall to ground floor junction of a building to reduce heat flow. Consider using thin pieces of higher performing insulation such as phenolic board or aerogel where depth is constrained.



Sketch out key junctions and ensure there is a continuous line of insulation that runs around the building. Try to ensure the insulation depth does not reduce by more than a third around any junction, and ensure window and door frames are in line with insulation.



Consider commissioning thermal bridge modelling for particularly challenging junctions to inform your strategy. Small changes to the position and type of material used in construction can have a big affect on the heat flow, a model will help to show this.



## Consider junctions carefully

Junctions which pose a weak point for heat loss, i.e. a thermal bridge, should be considered on a case by case basis. Key examples of such junctions are outlined below. Special care should be taken to reduce the condensation risk posed at each junction. We strongly recommend engaging an architect or consultant who is able to produce a risk assessment and help design out condensation risk.

### 1 Roof eaves with external wall insulation

The space between the external wall insulation and roof insulation is a weak point for heat loss. This can be compensated by providing a strip of internal insulation at ceiling level.

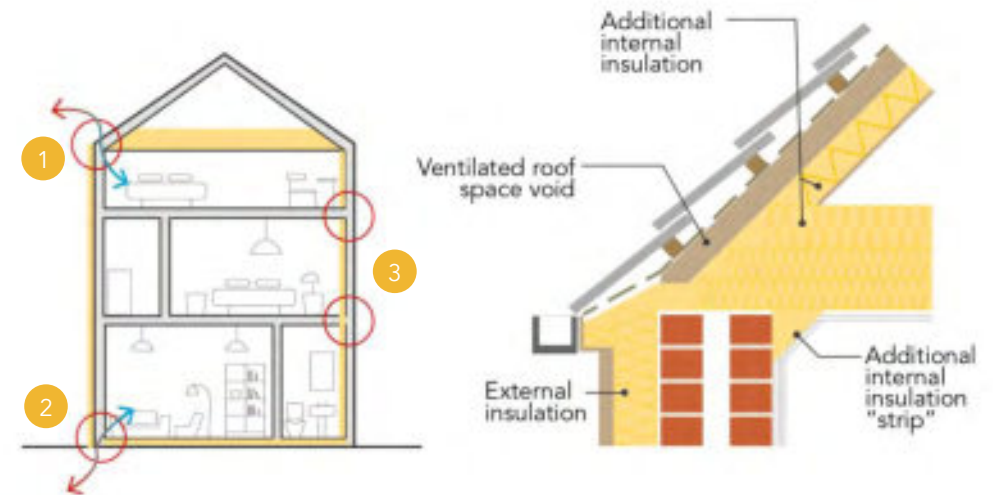
### 2 Foot of the façade with external wall insulation

Avoid creating weak points for heat loss at the foot of the façade between external insulation and ground floor. Insulating externally down the wall below ground level as far as possible and provide some internal wall insulation up to counter top level.

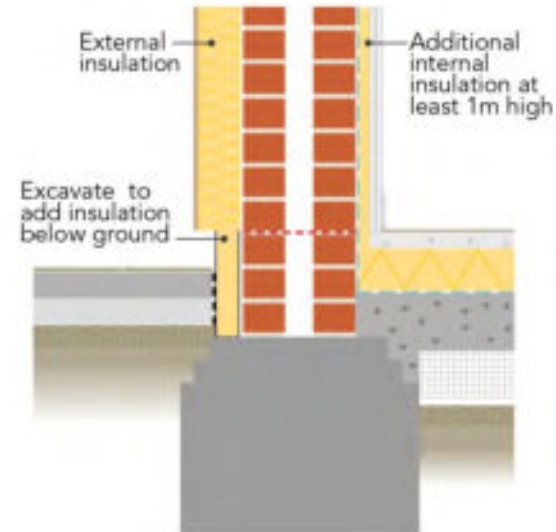
### 3 Joist ends with internal wall insulation

When applying internal insulation it is important to protect joist ends against thermal bridging and condensation risk:

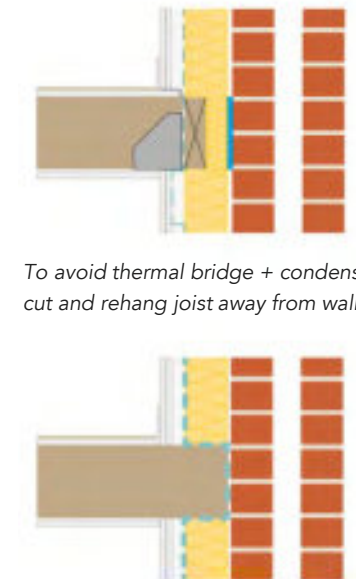
- The most effective approach is to cut and rehang joists away from the external wall e.g. support them on hangers or by a beam between party walls. This allows for a narrow cavity of insulation to be inserted between the façade and end of joist.
- When insulating behind the joists is not possible, consider hanging the joists or wrapping the breather membrane around the end of the joist to prevent the build up of condensation.



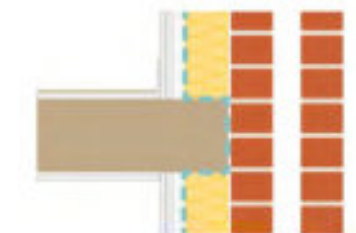
Detail for roof eaves and 'internal strip of insulation'



Measures to avoid thermal bridge at the foot of the façade



To avoid thermal bridge + condensation cut and rehang joist away from wall



To avoid condensation risk wrap joist (or add hanger)

Source: Levitt Bernstein



## The importance of airtightness

The airtightness of existing homes varies hugely, however it is recommended that retrofit work targets a value of between 0.5 and 3m<sup>3</sup>/h/m<sup>2</sup>, depending on the depth of retrofit and project limitations.

## Start with a plan, investigate, then update the plan

Building airtight starts with a well thought through airtightness and ventilation strategy. Existing buildings conceal many secrets however, so expect to update the plan once you start stripping out the building. A key consideration in retrofit is managing moisture risk and minimising risk of warm humid indoor air coming into contact with cold surfaces.

## Use the right products

Retrofits will use similar products to new build projects. Consider ordering a range of tapes, primers, membranes and parge coats in advance to test on parts of the building. It may be necessary to combine traditional building practices with modern airtightness products. Consider this carefully and contact manufacturers for advice if necessary.

## Stick to the plan on site

Retrofit can be a bit chaotic, so ensuring the airtightness strategy is implemented properly is even more important than for new build. Expect setbacks and be ready to adapt your approach as necessary.

## Test, then test again

Plan for at least two air tests. The first test should be completed as soon as the building is weathertight and while joints between different components in the airtight layer are still accessible so leaks can be repaired if necessary.



*Achieving airtightness is possible in retrofit, but it is often necessary to strip back to the basic structure and perform basic repair work before methodically applying airtightness products and principles. Always consider risk of moisture and condensation. (Source: Eightpans)*



*Applying airtightness tape to joist ends is a common measure required to achieve good airtightness in existing buildings. Large gaps may need filling with mortar first, and remember to apply a suitable primer. (Source: Ecomerchant)*



# Retrofitting a ventilation system



## Why is it important?

Existing buildings in the UK are generally leaky and naturally ventilated, leading to discomfort and large energy demands. Insulation, airtightness and new windows are often considered important but they generally should not be done without the retrofit of a controlled ventilation system. A mechanical ventilation and heat recovery (MVHR) system is often the best solution.

## Mechanical Ventilation with Heat Recovery

The most efficient way to provide ventilation, is through a MVHR system. The equipment circulates air in a dwelling using a small fan, whilst recovering the heat from inside so it is not lost.

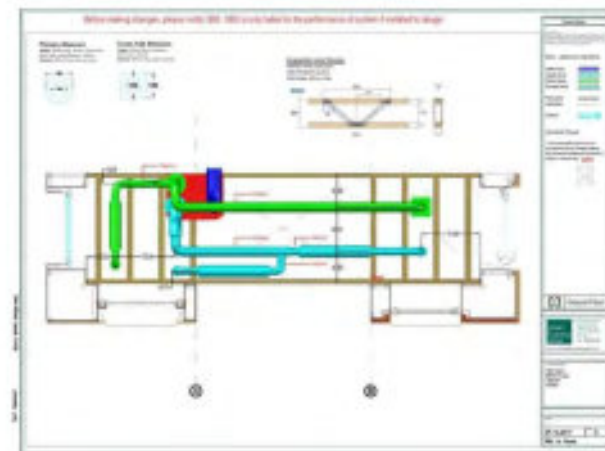
## Designing and selecting the correct MVHR system

You will need a building services engineer and/or experienced subcontractor and/or a MVHR manufacturer/supplier to calculate the fresh air required, and design the MVHR system for your dwelling.

The MVHR unit should be sized and the system designed according to some specific requirements of the home and to achieve acoustic requirements. It is important to plan the space required for the MVHR unit and the associated ductwork and silencers. Rigid, insulated ductwork should be adopted where necessary. The MVHR unit should preferably be a Passivhaus Certified Unit.

## Installing and commissioning the system

Historically the installation and commissioning of MVHR systems has been poor. To ensure the system works as planned, the system must be properly tested to ensure it is balanced, delivers the designed fresh air required and does not generate noise beyond what is expected.



MVHR system design for an existing dwelling (Source: Green building store)



Image of Zehnder MVHR unit being retrofitted into an existing house  
(Source: Bow Tie Construction)



Flow rate measurement: image of MVHR system being commissioned  
(Source: Fourwalls)



## Reduce overall water consumption

Water efficiency is about reducing our use of mains water and the effect our homes have on water resources.

## Reduce hot water to reduce energy use

In very low energy buildings, the energy required for hot water can exceed the amount of energy required for space heating. Therefore optimisation of hot water systems is essential to ensure energy use remains low.

### What can you do?

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#### Reduce flow rates

- The AECB water standards (opposite) provide clear guidance on sensible flow rates for showers and taps in low energy buildings.

#### Reduce distribution Losses

- All pipework must be insulated.

#### Insulate to minimise losses from hot water tanks

- The standby losses of hot water tanks are highly variable, and can have a significant impact on overall energy use. Target a hot water tank heat loss of less than 1 kWh/day equivalent to 0.75 W/K

#### Install waste water heat recovery systems in shower drains

- A simple technology that recovers heat from hot water as it is drained. Vertical systems can recover up to 60% of heat with more common horizontal ones recovering 25-40%.

#### Consider water recycling

- This is the process of treating waste water and reusing it, it can be used for large portions of potable water use.

Appliance / Fitting	AECB Good Practice Fittings Standard
Showers	6 to 8 l/min measured at installation. Mixer to have separate control of flow and temperature although this can be achieved with a single lever with 2 degrees of freedom (lift to increase flow, rotate to alter temperature). All mixers to have clear indication of hot and cold, and with hot tap or lever position to the left where relevant.
Basin taps	4 to 6 l/min measured at installation (per pillar tap or per mixer outlet). All mixers to have clear indication of hot and cold with hot tap or lever position to the left.
Kitchen sink taps	6 to 8 l/min measured at installation. All mixers to have clear indication of hot and cold with hot tap or lever position to the left.
WCs	≤ 6 l full flush when flushed with the water supply connected. All domestic installations to be dual flush. All valve-flush (as opposed to siphon mechanism). WCs to be fitted with an easily accessible, quarter turn isolating valve with a hand-operated lever. Where a valve-flush WC is installed, the Home User Guide must include information on testing for leaks and subsequent repair.
Baths	≤ 180 litres measured to the centre line of overflow without allowing for the displacement of a person. Note that some product catalogues subtract the volume of an average bather. A shower must also be available. If this is over the bath then it must be suitable for stand-up showering with a suitable screen or curtain.
Showers	6 to 8 l/min measured at installation. Mixer to have separate control of flow and temperature although this can be achieved with a single lever with 2 degrees of freedom (lift to increase flow, rotate to alter temperature). All mixers to have clear indication of hot and cold, and with hot tap or lever position to the left where relevant.

Refer to the full [AECB document](#) for more information.



# Retrofitting solar PVs



## Where to start

Contacting a local MCS certified solar installer is a great first step to retrofitting a solar Photovoltaic (PV) system. They can assess your property, provide information on solar panels and inverters, and provide a quotation indicating how much energy the system will generate. Quotations typically also include financial analysis such as annual savings and simple payback period. Prices can vary substantially between installers though, so obtain several quotes.

## Planning work

Unless you live in a bungalow, scaffold will typically need to be erected to install solar panels. Consider whether this could provide opportunities to carry out other retrofit work such as wall insulation, replacing windows, or tackling a thermal bridge between your wall and roof insulation. Standard solar scaffolds may not include working decks on intermediate floors, so if you do plan to do other work discuss it with your installer.

## Getting up and running

Once your system is installed, you will need to get registered for the Smart Export Guarantee to receive payments for exported solar energy. Check [Solar Energy UK's](#) league table to find an energy supplier offering a competitive rate. Most schemes require an MCS certificate from the solar PV installer and a smart meter or export meter that can record the amount of energy you are supplying to the electricity grid.



Over a million homes in the UK already have solar panels, many of which have been retrofitted. Notify your building's insurance provider if you are having solar panels fitted to ensure they are covered and your policy remains valid. (Source: Alamy Stock Photo)



Products and processes have been specifically developed to securely fit panels to existing roofs. Example shows a stainless steel roof hook being mounted to a slate roof. (Source: Schletter installation video)

# Smart controls and demand response



## Intuitive and flexible energy use

Demand response or energy flexibility refers to the ability of a system to reduce or increase energy consumption for a period of time in response to an external driver (e.g. energy price change, grid signal). Energy storage allows these systems to consume, retain and release energy as required in response to specific energy demands. Smart controls respond to these external drivers and demands to manage our systems.

## Maximise renewables and stabilise the grid

These measures can help maximise the utilisation of on-site renewables and help stabilise demand on the grid. Moreover it will help to decarbonise the grid: when renewable electricity generation is low, demand response measures reduce the load on the grid, reducing the amount of peak gas plant that must be switched on to meet the grid demand.



Smart controls and demand response measures in the home (Source: SMA Solar UK)

## What can you do?

### Peak reduction

- Use passive measures and efficient systems to reduce heating, cooling and hot water peaks.

### Active demand response measures

- These measures reduce the electricity consumption for a certain period.
- Install heating and cooling set point control with increased comfort bands, controlled with smart thermostats or home energy management systems.
- Integrate thermal storage of heat into communal or individuals system within a building.
- Reduce lighting ventilation and small power energy consumption.

### Electricity generation and storage

- Use products that can generate electricity and feed into the grid, or power the building.
- Consider solar PV to water heat storage or battery storage.

### Electric Vehicle (EV) charging

- It is generally accepted that there will be a large increase in electric vehicles, so it is essential to implement demand response to ensure grid stability.
- Charge EVs only when needed and allow the supplier to cut the charging short during peak times.
- Install 'Vehicle to Grid' technology which allows the battery of the EV to be used to supply the building during grid peak periods.

### Behaviour change

- Raise awareness of how people use electricity and the impacts.
- Consider incentives to reduce peak demand.
- Encourage responsible occupancy.

### Microgrids

- Consider being part of a small semi-isolated energy network, separate from the national grid.

## Indicative costs of retrofit



### How much does it cost to retrofit and what are the results?

Retrofit costs depend hugely on the baseline building's characteristics and condition. A rough guide for an average semi-detached home is £5-15k for a shallow retrofit which, if starting with a poor baseline, could save around 30% in carbon emissions, through to £45-55k for a deep retrofit which would include significantly improving the building fabric, changing the heating system to a heat pump and fitting roof mounted solar PVs. This level of retrofit could achieve an 80-90% reduction in carbon emissions – particularly in the future as the heat pump makes use of a lower carbon grid.

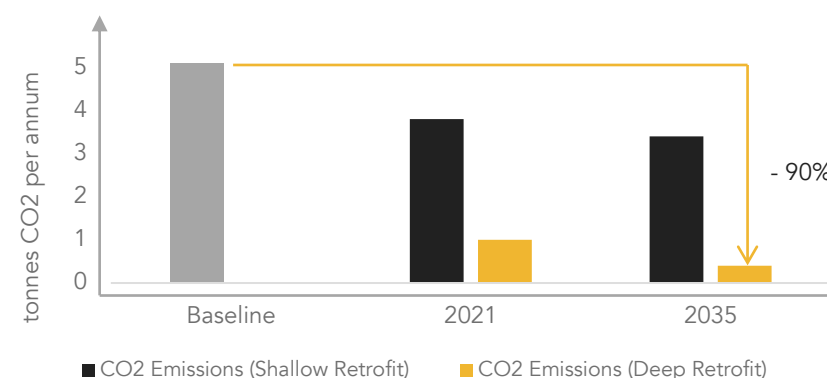
### Seeing retrofit as an additional cost to maintenance?

It is important to consider whether a measure is best undertaken as part of a planned or required maintenance activity. For example, re-rendering a wall would be an ideal time to apply external insulation and would mean the actual extra costs are just the insulation material and labour to secure the insulation to the wall.

### And don't forget the co-benefits

Improved comfort, health and lower fuel bills are all valuable and important outcomes of retrofit. Prioritising measures using these different criteria is likely to produce a different order of priority for retrofit. For example, health and wellbeing is probably most improved by a Mechanical Ventilation with Heat Recovery (MVHR) system as this will dramatically improve indoor air quality and comfort. On the other hand, in most solid-walled dwellings, external wall insulation will offer the greatest net energy savings, and so the most significant reduction in fuel bills, despite being relatively expensive.

Measure	Shallow	Deep
Fit 100% low energy lighting	£ 20	£ 20
Increase hot water tank insulation by 50mm	£ 50	£ 50
Loft Insulation - add 400mm	£ 500	£ 500
Fit new time and temperature control on heating system	£ 150	£ 150
Improved draught proofing	£ 150	
100% draught proofing - improve airtightness		£ 2,000
Cavity Wall Insulation - 50mm	£ 600	£ 600
Floor Insulation - between & below suspended timber		£ 1,500
Insulate all heating and hot water pipework		£ 500
Fit Mechanical Ventilation and Heat Recovery (MVHR)		£ 7,000
Main Heating - High Efficiency Condensing Gas Boiler	£ 3,800	
Main Heating - Air Source Heat Pump and new HW tank		£ 9,000
Half Glazed Doors - Double Glazed (16mm argon)	£ 1,500	
Half Glazed Doors - Triple Glazed, High Performance		£ 2,000
External Wall Insulation - 160mm Expanded Polystyrene		£11,000
Double Glazing (16mm Argon Filled, Low E)	£ 7,000	
Triple Glazing (16mm Argon Filled, Low E)		£ 8,400
Photovoltaic Panels, 3kWp array, (21m <sup>2</sup> area)		£ 6,500
Miscellaneous and enabling works	£ 1,000	£ 5,000



CO<sub>2</sub> reductions for an unrenovated 90m<sup>2</sup> semi-detached dwelling



# Embodied carbon



Embodied carbon is the carbon emissions associated with the extraction and processing of materials, energy use in the factories and transport associated with the products used in the retrofit. It includes emissions associated with disassembly and disposal of these products at end of life as well as the construction of the building and repair, replacement and maintenance. It also includes the demolition and disassembly of the building at the end of its life. Low embodied carbon design is not inherently more expensive or more complex, it just requires awareness and good design.

## What can you do?

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### Use re-used or reclaimed materials

Prioritise materials that are reused or reclaimed and that are durable. If not available use materials with a high recycled content.

### Use natural materials

Use natural materials where possible. Insulation choice is a good opportunity to reduce embodied carbon.

### 3 Lean design

**Finishes:** Use self-finishing internal surfaces.

**Building Services:** Target passive measures such as improved fabric to reduce the amount of services needed. Reduce the need for long duct runs, specify low Global Warming Potential (GWP) refrigerant (max. 150) and ensure low leakage rate.

### 5 Encourage EPDs

Ask manufacturers for Environmental Product Declarations (EPD) and compare the impacts between products in accordance with BS EN 15804 (2019).

### 6 Easy maintenance and use

Consider maintenance & access requirements, maintained equipment will last longer.

### 7 Design for disassembly

Consider disassembly to allow for reuse at the end of life of the building, this is key to creating a circular economy. Create material passports for elements of the building to improve the ability of disassembled elements to be reused.



Sheep wool insulation  
(Source: Thermafleece)



Cellulose- made from recycled paper  
(Source: Eco Spray Insulation)

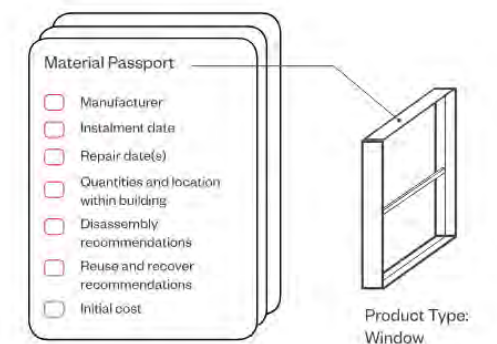


Cork insulation (Source: Corkribas)



Hemp insulation  
(Source: Unyte Hemp)

Some insulating materials like straw bale, hempcrete, and wool store (sequester) carbon and have negative emissions



Create material passports for products: A material passport provides identification of materials, components and technical characteristics with guidance for deconstruction and applicability of re-use. In this way the building becomes a material bank for future use.

# How it comes together - Retrofit of a typical terrace house



## Design checklist

### ✓ Heating System

Replacing the heating system e.g. adding a heat pump can significantly improve efficiency

### ✓ Mechanical Ventilation

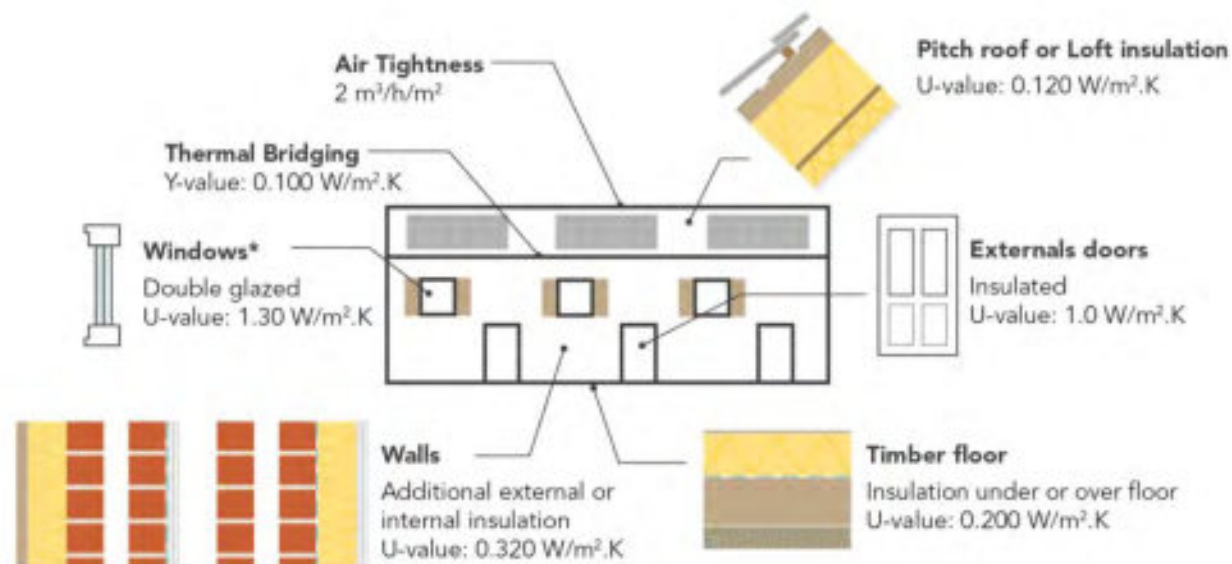
MVHR 90% efficiency  
≤2m duct length from unit to external all

### ✓ Airtightness

An extremely airtight building fabric of 2 m<sup>3</sup>/h/m<sup>2</sup> at 50 Pa.

### ✓ Improve fabric efficiency

Add insulation externally or internally to improve fabric efficiency



## Performance

As the Energy Use Intensity (EUI) is the same as the electricity generated on site that means that the building is net zero carbon.

- Typical terrace house built to building regulations
- New zero carbon terrace house



## How it comes together - Retrofit of a terrace house in a conservation area



### Working with constraints

A retrofit of building within a conservation area or with other heritage constraints can be challenging. It is therefore important to weigh up the options and “do the most where you can”. It should be noted that these constraints do not apply to the majority of the houses in the U.K. and only a select few. It is advisable to bring on board a heritage consultant early to understand the constraint and work together to find appropriate solutions.

### Consider a hybrid approach

Consideration to the placement of additional insulation to work with the building's aesthetics using a combination of internal and external insulation. For example, if a building has a decorative frontage which contributes to character of the street, it may be better to use internal insulation on this façade. Whereas the rear of the property may be seen as less significant and therefore external insulation could be applied here.

### Breathable materials

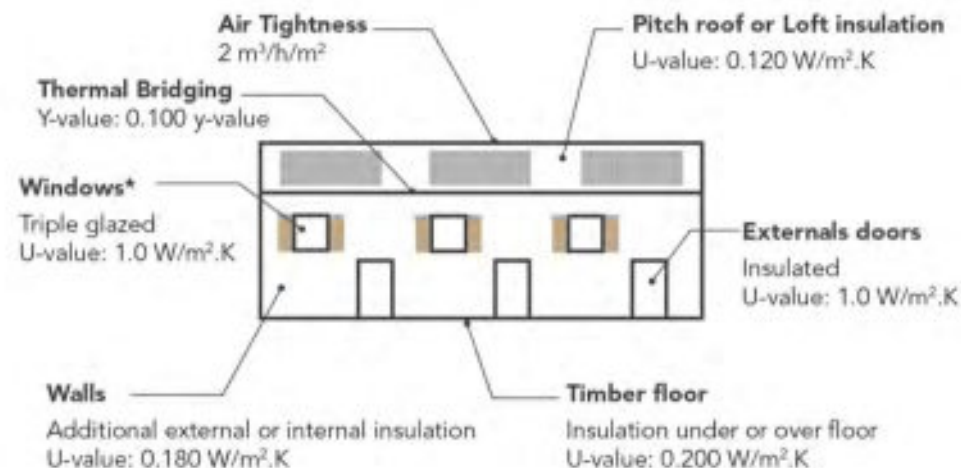
In older stone wall construction that are more prone to damp, consider natural breathable materials (hydrophobic insulation) such as hempcrete which will not trap moisture.

### Finding opportunities for renewables

Consider placement of solar panels on non prominent roofs that do not impact any constrained aesthetics. Also consider the orientation of solar panels to ensure they working efficiently i.e. avoid placing on shaded and north facing roofs.



Diagram illustrating a hybrid retrofit approach with internal and external insulation.



Recommended U-values to target net zero carbon for a constrained property.



## Don't do this! (retrofit)



The intention of this toolkit is to provide clear guidance on what you should do when retrofitting a building to be Net Zero carbon. This page summarises some of the "Don'ts"...

### Don't be misled by technologies and environmental schemes

When looking to build sustainable and low energy buildings, there are plenty of distractions. Many products, systems and technologies are suggested to be silver bullets in helping achieve Net Zero carbon buildings. Unfortunately, when put under scrutiny, many products or strategies do not achieve the desired outcome.

Additionally environmental schemes for existing homes may not all by themselves help the building achieve Net Zero carbon.

### Avoiding business as usual

There is an emerging consensus in the construction industry on how to achieve Net Zero operational carbon. For example, there are several key energy efficiency, heating and ventilation principles which need to be adopted which have been discussed in earlier sections. Taking a business as usual approach to construction is not sufficient because many traditional ways of heating and ventilating homes are not aligned with a Net Zero objective.

### Do not forget about the risk of moisture and condensation

One of the major risks associated with low energy and Net Zero carbon retrofit is creating areas where moisture condenses leading to mould growth. This typically happens when applying wall insulation, or where thermal bridges (e.g. around windows) are not treated to reduce the risk of condensation. It is extremely important to not forget about moisture as part of the retrofit process, and specialist advice should be sought to advise in order to mitigate this risk.



*Do not replace the gas boiler. Heat pumps should be considered*



*Do not leave open fireplaces.*



*Do not install extract only ventilation systems. MVHR should be adopted.*



*Do not install domestic wind turbines.*



*Do not rely on trickle vents to provide ventilation. MVHR should be adopted.*



*Do not install double glazing windows. Install triple glazed windows.*

## Case studies for retrofit



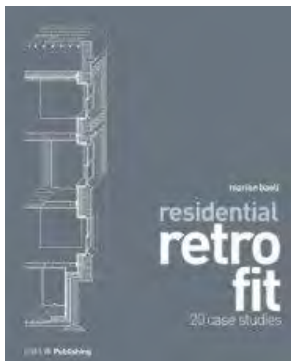
### There are many examples

A lot of examples of successful retrofits are now available. The adjacent images illustrate different typologies and examples but there are many more.

### Key lessons learnt

Successful retrofit relies on a structured process including adequate assessment, design, installation and monitoring as set out within the Publicly Available Specification (PAS) 2035. It is underpinned by the idea of a retrofit coordinator who will help lead the process from start to finish.

Opinion has varied on how far to go over the last 30 years. Schemes like the Green Deal did not set an end goal or a metric but used 'pay back rules' which tended to undermine whole house thinking and quality. Consensus is now emerging that whole house plans are an appropriate way to take into account the specific characteristics of a house while providing a flexible path to the end goal for homeowners and landlords. For example this would enable them to coordinate retrofit with their ongoing maintenance/extension and other life plans.



*It can be done: the Technology Strategy Board "Retrofit for the Future" programme, undertaken over 10 years ago, delivered 80% carbon reductions on 37 pilot homes.*

*This included 11 pre-1919 homes which demonstrated that heritage sensitive retrofit measures can deliver the scale of carbon reduction we need to see happening more.*

*(© Marion Baeli, Paul Davis and Partners)*



**Shepard's Barn, County Durham**  
(Source: LEAP Architects)



**Passmore Street, London** (Source: Grosvenor Britain and Ireland)



**Emley Close, Manchester**  
(Source: 2e Architects)



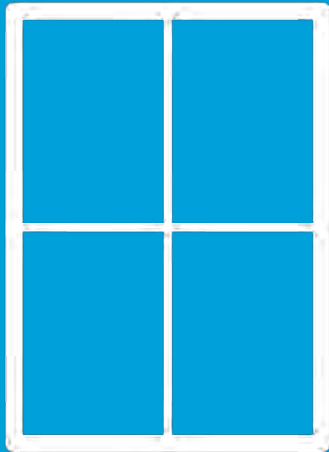
**Wilmcote House, Plymouth**  
(Source: ECD Architects)



**Grove Road, London**  
(Source: Bere Architects)



**Akerman Road, London**  
(Source: 15-40 Architecture)



# Products

Achieving Net Zero on new and existing homes also relies on good quality products.

This section explains the level of performance to require from products which will help to reduce energy use and generate renewable energy.

## Window types

Window performance will vary greatly and is not always immediately apparent from their external appearance – or even price.

### Key selection criteria

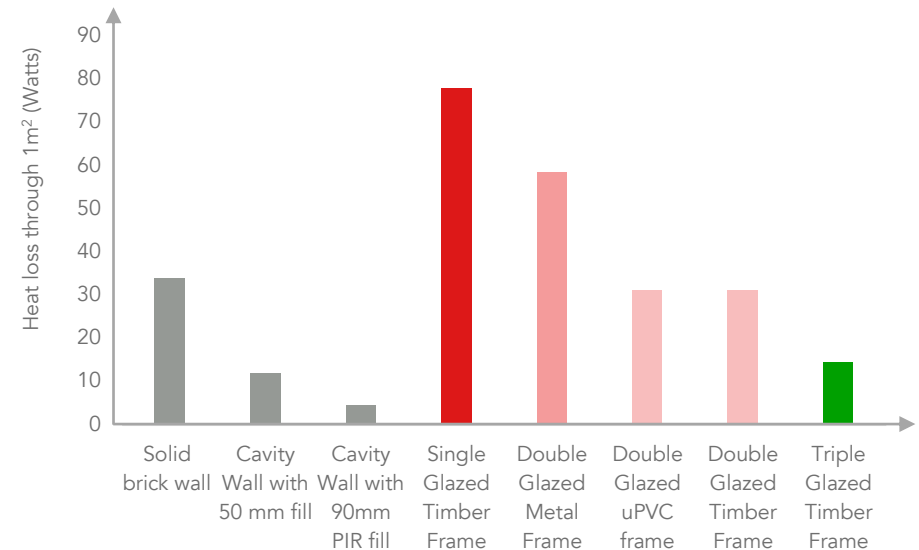
**Glazing U-value** - This is an indication of the ability of the glazing itself to retain heat. For double glazing, this should be 1.3 W/m<sup>2</sup>K or lower. For triple glazing you should expect 0.6 W/m<sup>2</sup>K or lower.

**Frame type** - The frame is an important part of the window's thermal performance. Generally, it is best to avoid metal frames unless they have a dedicated thermal break. Timber frames offer good levels of performance and are a good option in most cases and can be clad in aluminium if required. If you can find out the frame U-value, it should be ideally less than 1.6 W/m<sup>2</sup>K.

**Whole window U-value** - Sometimes, manufacturers do not provide a separate glazing and frame U-value and will only provide a U-value for the whole window. If this is the case, aim for <1.4 W/m<sup>2</sup>K for double glazed and <0.85 W/m<sup>2</sup>K for triple glazed.

**Window design** - For most types of frame, the frame performance will be worse than the glazing performance. This means that we should try and minimise the amount of frame – including mullions and transoms – to make the window as efficient as possible. This will also improve the amount of daylight entering the building.

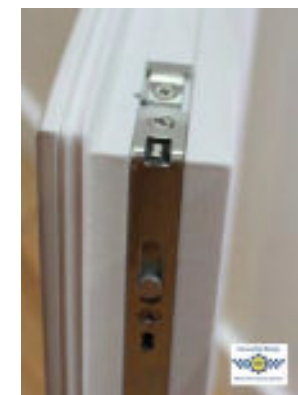
**Airtightness** - The way in which the window's closing mechanism works, combined with the design of the opening sash sections will influence how good the window will be at keeping out draughts. Look for a multi-point mechanism with two separate seals – this will help with security as well as airtightness. Ask if the window has an air-permeability test rating – if it does, it should be Class 4.



Heat loss through 1m<sup>2</sup> of various wall and window types (with 0°C external temperature)



Triple glazed opening sash – timber frame with aluminium cladding and two seals  
(Source: Internorm)



Multi-point locking mechanism  
(Source: Sashed)

This page summarises some of the key selection criteria when reviewing which doors to purchase.

## Key selection criteria

**U-value** – This describes the thermal performance of the door product. Consideration should be made to the U-value of the whole door unit. A U-value of 1.0 W/m<sup>2</sup>K should be used as a guideline.

**Glazed doors** – If the door is glazed, then the glazing properties need to be considered. The g-value as well as the U-value needs to be considered as these impact energy performance and solar gains.

**Airtightness rating** – The airtightness rating of the doorset systems should be reviewed, and high performance systems specified.

**Embodied carbon** – The amount of carbon dioxide equivalent emissions generated in the production and manufacture of the door unit material should be considered.

**Security** – Consideration should be made to the security ratings when selecting the doors.



Performance ULTRA insulated timber door (Source: Green building store)



Triple glazed timber doors (Source: Green building store)



Triple glazed balcony door (Source: Internorm)



Garage Door (Source: Hormann LPU67 Thermo M)

## Find High Performance Door Products

The [Passive House Institute Component database](#) is a fantastic way of searching for high performing door products.



# Insulation materials



There are many types of insulation products which are appropriate based on their application. Insulation, and the systems used to support them are key to achieving low U-values. The following considerations should be made when selecting Insulation:

## Key selection criteria

**Area for use** – Where will the insulation be used (e.g. external wall, roof, floor).

**Thermal conductivity** – How much heat the material conducts. The lower the conductivity, the better performing the product.

**Moisture and air permeability** – Some insulation products allow water vapor and/or air to pass through them, and some don't. It is important to understand their hygroscopic properties, particularly when retrofitting a pre-1919 building.

**Thickness** – The thickness should be considered to ensure it achieves the required U-value and aligns with building setting out. For external walls, it is important to ensure that the products used to support insulation are available in the length required.

**Physical properties** – Insulation can be rigid or not, and there are advantages to both. Consideration should be made for insulation installation on site and methods of construction.

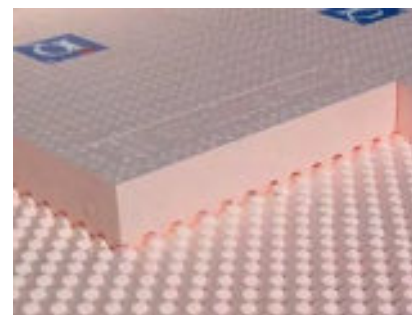
**Fire rating** – The building regulations associated with fire rating and insulation should be consulted to ensure safe and compliant products are used in the correct areas.

**Compressive strength** – Some insulation may require a degree of compressive strength, and this should be considered (usually floors).

**Embodied carbon** – The amount of carbon dioxide equivalent emissions generated when producing the insulation material should be considered.



Dritherm mineral wool insulation (Source: Knauf)



Insulating foundations (Source: Isoquick)



Structural insulating material (Source: Foamglas Perinsul)

## Finding High Performance Insulation Products

The [Passive House Institute Component database](#) is a fantastic way of searching for high performing insulation products.

## Main building elements

The main building elements that form the airtight layer are the floors, walls, roof, windows/rooflights and doors.

Concrete surfaces such as a floor or roof slab can usually be considered airtight. Masonry walls built from blockwork are not airtight, but can be made so with a suitable parge coat and wet plaster. Timber framed structures such as walls and roofs can use airtight OSB boards or specialised airtight membranes to create an airtight building element.

## Connections

Most connections between airtight elements of the building are made airtight through the use of specialist airtight tapes. These are designed and manufactured to last for many decades and should never be substituted for other construction tapes. Many different versions are available for different applications, for example fleece backed tapes that can be plastered over, double sided tapes for window frames, tapes for below ground use. Certain surfaces require application of a primer before taping, so make sure you know where these are on your project. Some sealants are also available for situations where tapes are not suitable.

## Services

Building services such as cables, pipes and ducts can be sealed with airtightness tapes, or specialised grommets that come in a range of sizes and styles. While grommets are more expensive, they can reduce the amount of labour required to achieve airtight service entries.



Large airtight surfaces within buildings are typically created from airtight OSB, parge coat and wet plaster applied over blockwork, concrete castings, or specialised airtight membranes. Do not use cheap polythene membranes, as these are fragile and lack the rigidity to tape without creases that cause leaks. (Source: Pro Clima)



Components of the airtight layer are primarily connected together with tapes. Appropriate primers should be applied to certain surfaces before taping to ensure adhesion. Airtightness grommets and specialised long-life sealants are also available to assist with more specialist junctions in construction. (Sources: Pro Clima, Siga)

## Ventilation units



### Mechanical Ventilation with Heat Recovery (MVHR)

There are many MVHR units available on the market. In practice, a building services engineer or professional will often be involved in helping you to select an appropriate unit. Key selection criteria to consider are:

**Air volume flow rate (litres per second)** – This must be high enough to meet requirements in Part F of the building regulations, and to mitigate overheating risk.

**Pressure drop (pascals)** – This is how much pressure the MVHR can overcome and will influence your ductwork design.

**Noise rating (dB)** – This needs to be low enough at the design duty not to cause a nuisance. In a utility space NR35-40 may be appropriate, however if it is near living space or sleep accommodation NR25 or lower should be targeted.

**Size** – MVHR units come in varying sizes and shapes, some are more suited to cupboard installation and some are longer and flatter suited to a ceiling void. A key consideration for size is selecting a unit to suit the space available that allows for the filter to be easily changed.

**Specific Fan Power (Watts per litre per second)** – This is critical to the energy efficiency of the ventilation system. A value of 0.9 or lower is recommended.

**Heat recovery efficiency (%)** – This defines how much heat can be recovered from the exhaust air. For best practice a minimum of 90% efficient should be targeted.

**Summer bypass** – This automatically bypasses the heat exchanger so heat is not recovered when using the ventilation unit for cooling.

**Certification** – Choose an MVHR unit that is Passivhaus certified to ensure quality and performance



A range of Passivhaus certified MVHR units are available in both wall and ceiling mounted designs. The performance of Passivhaus certified units has been independently verified, which can be a good indication that a manufacturer is motivated to demonstrate the energy performance of their product. (Sources: Paul Heat Recovery, Zehnder, Brink)



Pre-insulated MVHR ducting is available from a range of manufacturers in both rectangular and round format. These systems can simplify duct installation between the MVHR unit and outdoor air terminals, improving energy efficiency. Combined intake/exhaust terminals are also available, which often help to minimise duct length, also increasing efficiency. (Sources: Domus Ventilation, Paul Heat Recovery)



# Waste Water Heat Recovery Systems



## Waste water heat recovery systems recoup heat

Waste water heat recovery (WWHR) systems recover heat from shower or bath water as it is drained, this is used to warm the incoming mains water. The systems are very simple, and typically come in two forms, vertical or horizontal.

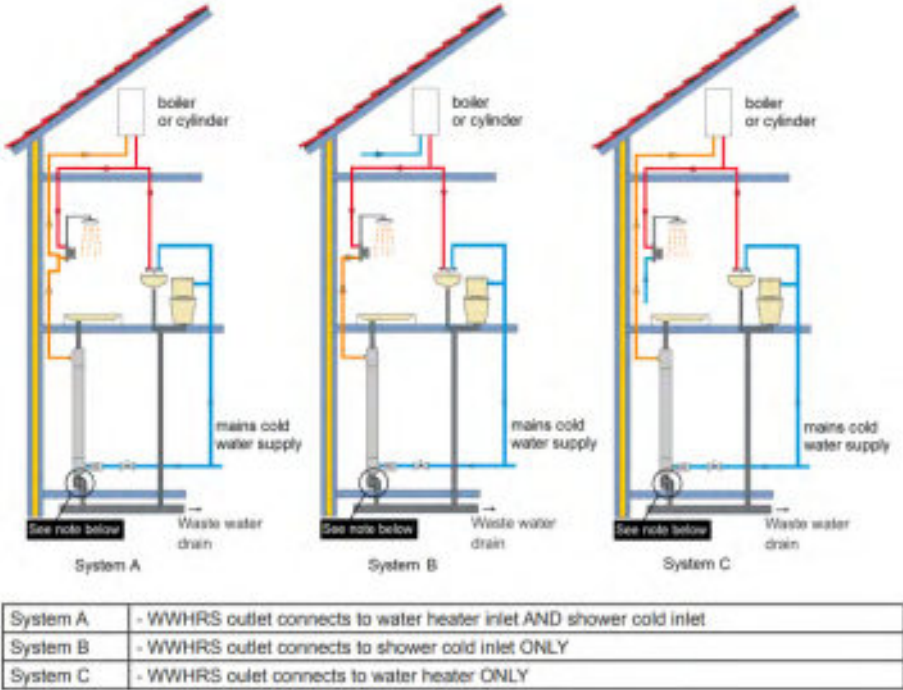
## WWHR systems can be included in retrofit

Although WWHR units are far easier to install for new housing, this does not mean they cannot be installed as part of retrofit. As long as there is access to the pipework serving the shower and suitable pipework lengths, a unit can be installed.

## Key selection criteria

**Efficiency of recovery unit (%)** – This represents the percentage of heat recovered by the MVHR system compared to actual heat required for the shower. The efficiency is greater for showers with lower flow rates. For vertical units, target greater than 55% and for vertical units, target greater than 25%.

**Other key considerations during selection and installation** include shower flow rates, pipework connection sizes for the mains water and waste water, and water pressure. Manufacturer guides will provide acceptable ranges and details for their products.



A diagram of installation configurations for waste water heat recovery.

(Source: HeatraeSadia)

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## Selecting the right heat pump

Sizing a heat pump is never simple. There is no one-size-fits-all as the heating demands of every property and family is unique. To get air source and ground source heat pump size right, the following things should be considered.

- Type/size of property
- Level of insulation/heat loss
- Size of radiators/underfloor heating
- Desired indoor temperature
- Seasonal outdoor/ground temperatures in your area

## Key selection criteria

**Maximum heating capacity (kW)** - Heat pumps are given output ratings in kilowatts (kW) which represent how powerful a heat pump is. For heat pumps, bigger is not always better though: they should be sized according to the peak heating demand. Max heating capacity tends to range from 4 kW and 16 kW.

**Minimum heating capacity (kW)** - The minimum capacity of the system selected is as important as the maximum. A good heat pump has adequate turn-down to perform well during low-load conditions as well as peak conditions

**Coefficient of Performance, CoP** – The efficiency of a heat pump is expressed as ratio of the heat energy produced to input electrical energy. For example, if a heat pump produces 4 kWh of usable heat for a home and requires 1 kWh of electricity to do so, it has a COP of 4.

**Seasonal Coefficient of Performance, SCoP** - This is an average coefficient of performance taken across the entire heating system, and the main metric used to define the performance of a heat pump.

## Maximising heat pump efficiency

The efficiency of heat pumps increase as the temperature difference between the heat source and system temperatures. To increase efficiency consider:

**Lower system temperatures** - Whereas radiators typically require a minimum water flow temperature of 45-55°C, underfloor heating can operate as low as 25-35°C. Lower system temperatures also mean lower losses in conversion, storage and distribution of heat.

**Heat source** - The temperature of the ground is roughly 10–13°C all year round, so a ground source heat pump remains consistently efficient, unaffected by seasonal changes. An air source heat pump on the other hand is subject to fluctuating air temperatures. In the colder months, when there is the greatest demand for heating, they are at their least efficient.

## Maintenance and warranty

When correctly installed, heat pumps should require little maintenance and last for at least 20-30 years. If something does go wrong, it can lose efficiency fast, but this underperformance should be noticeable. Most heat pumps come with a 5-10 year warranty on parts and labour.

	Heat Pump Type	Standard CoP	Best Practice CoP
Heat Pump - Space Heating	ASHP	2.50	3.50
	Closed GSHP		4.50
	Open GSHP		5.50
Heat Pump - Domestic Hot Water	ASHP	2.0	2.50
	Closed GSHP		2.50
	Open GSHP		3.00



# Air source heat pumps (ASHPs)



## Efficient and fossil fuel free

Air source heat pumps (ASHPs) absorb heat from the outside air, from temperatures as low as  $-15^{\circ}\text{C}$ , to provide space heating and hot water. They run on electricity but are far more efficient at generating heat than conventional systems and therefore require less energy. Unlike gas and oil boilers, heat pumps tend to deliver heat at lower temperatures over much longer periods.

## The two main types

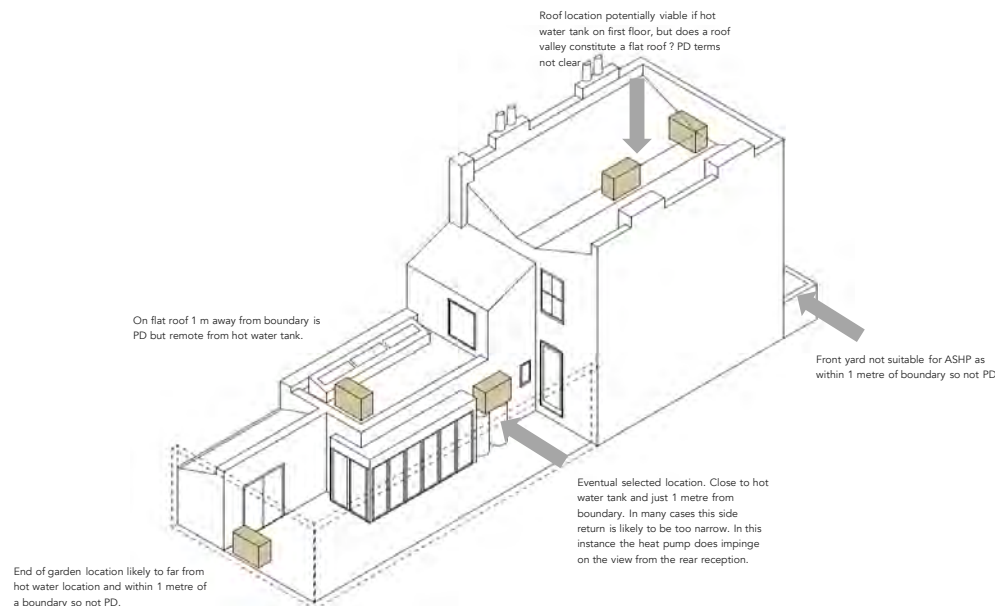
Air-to-water heat pumps are the most common and can be used with a wet central heating system. Because of the lower temperatures they work well with underfloor heating or larger radiators. Air-to-air heat pumps provide warm air directly to a room. They will not provide you with hot water as well.

## Heat pumps need a home, and you may need planning permission

You will need a place outside the home where the external unit can be fitted to a wall or placed on the ground, with plenty of space around it for air flow. The external unit is often connected to an internal unit containing circulation pumps and hot water, which is usually larger than the average boiler. Although they might not take up much space, heat pumps may be visible. If permitted development rights cannot be used, a planning application may be required with a noise report.

## Potential fuel bill savings

Installing a typical system costs around £5,000 to £11,000. It will most likely reduce fuel bills if replacing a conventional electric heating system, but you are unlikely to save much on your heating bills if you are switching from mains gas, unless other energy efficiency and fabric improvements are made.



Potential locations identified by the architect for a terrace house

(Source: Prewett Bizley Architects)

## Benefits

- 1 It could lower fuel bills if replacing conventional electric heating
- 2 It could provide an income through the UK government's Renewable Heat Incentive (only applies to air-to-water heat pumps)
- 3 Fossil fuel free and highly efficient therefore will reduce carbon emissions
- 4 It can provide hot water as well as space heating
- 5 It can be easier to install than a ground source heat pump

# Ground source heat pumps (GSHPs)



## Efficient and fossil fuel free

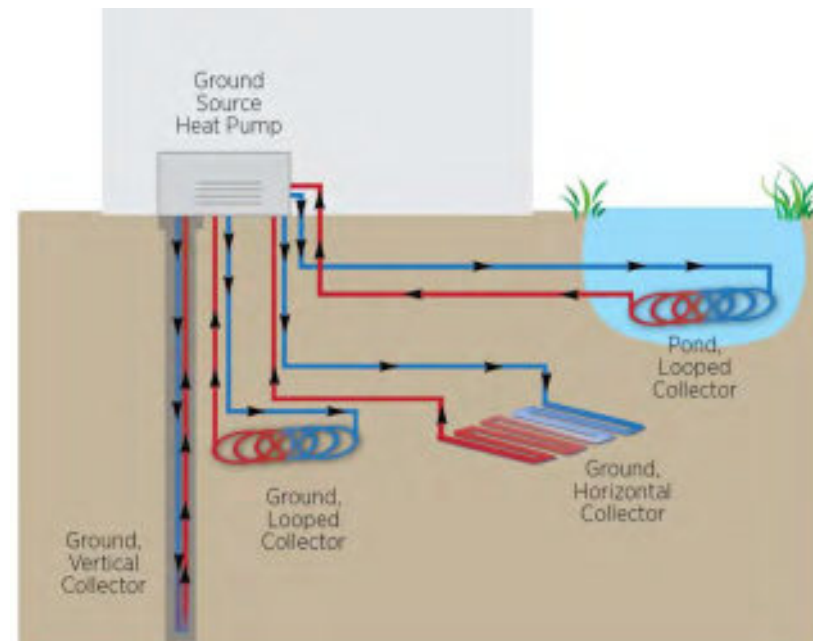
Ground source heat pumps (GSHPs) use a buried ground loop to extract heat from the ground which is then passed through a heat exchanger into the heat pump. This heat can be used to serve radiators, underfloor heating, warm air systems and hot water. Heat pumps run on electricity, but the heat they extract from the ground is renewed naturally. They are far more efficient at generating heat than conventional systems and therefore require less energy.

## Space is required for the ground loop

The length of the ground loop required depends on the amount of heat needed. If there is enough space, the loop can be laid horizontally in a trench. Where there is not room to do this, you can drill vertical boreholes, typically between 90m and 160m deep, but this requires specialist machinery and may increase the cost of installation.

## Costs versus benefits

To install a typical system costs around £14,000 to £19,000. It will most likely reduce fuel bills if replacing a conventional electric heating system, but you are less likely to save much on your heating bills if you are switching from mains gas, unless other energy efficiency improvements are made. If the system is part of a new development, combining the installation with other building work can reduce the cost of installing the system.



Different types of ground loop can serve the heat pump depending on the space available.  
(Source: Kete-RVS)

## Benefits

- 1 It could lower fuel bills if replacing conventional electric heating
- 2 Could provide an income through a UK government incentive?
- 3 Fossil fuel free and highly efficient will reduce carbon emissions
- 4 It can provide hot water as well as space heating
- 5 Minimal maintenance required

# Domestic appliances



## White goods

The main energy consuming appliances to consider are dishwashers, clothes washers, clothes dryers, refrigerators, freezers and cookers. When purchasing from new, energy labels should be available. Compare these to best practice performance on the Top Ten UK site below, and choose the most efficient appliance that meets your needs. If purchasing second hand appliances, energy labels can often be found by searching the model number of the appliance.

## Consumer electronics

The energy consumption of consumer electronic devices is usually quite low. Possible exceptions include devices that produce heat, such as coffee makers with keep hot functions.

## Audio visual

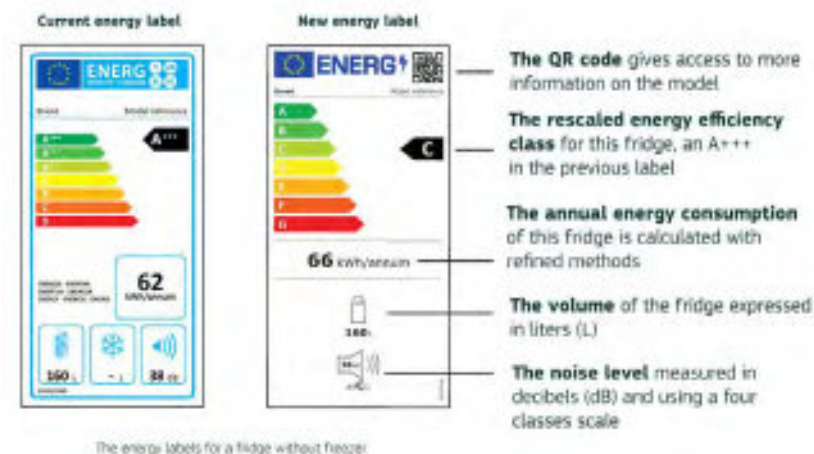
Most new televisions and stereos are relatively energy efficient, however energy labels are available, so follow the same advice as for selecting white goods. Games consoles have powerful processors that can use reasonable amounts of energy, so should be turned off when not in use.

## Standby consumption

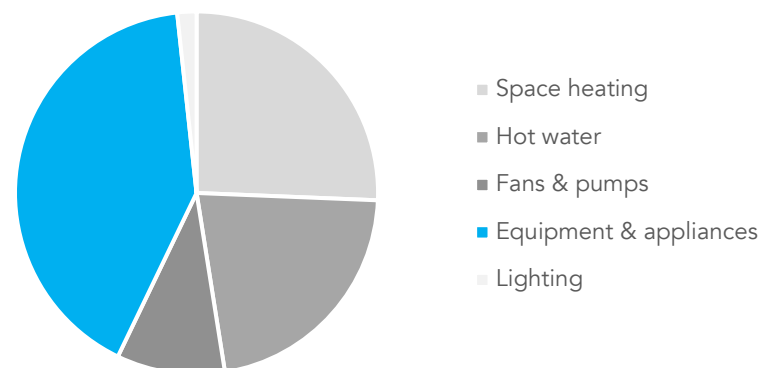
While electricity use in standby mode (also known as vampire load, or phantom consumption) used to be a significant concern, a series of increasingly stringent EU regulations over the past decade have effectively reduced it to negligible levels.

## Resources

[The Energy Saving Trust's 'Top Ten'](#) is an excellent resource that lists the most efficient appliances currently available on the market.



Most appliances for sale in the UK will continue to carry EU energy labels. These were rescaled in Spring 2021 to adopt the original A to G system, ending the use of A\* or higher ratings. Under the new scale, there are few A-rated appliances currently on the market – this is intentional, to allow room for future improvements to efficiency.



Electricity used by equipment and appliances is likely to be the largest end use of electricity in many net zero energy homes, so it is important to choose the most energy efficient appliances you can. Data based on energy modelling for a net zero energy new build home.



## Solar photovoltaic (PV) panels



### Solar PV panels

Modern solar PV panels are a simple, mature and reliable technology. Most solar PV panels currently manufactured are based on wafers of monocrystalline silicon. Outdated polycrystalline technology is still available and should be avoided. Choose a panel with a 25 or 30 year linear power output warranty.

Sizes vary, but 1,730mm x 1,040mm is typical. Expect a power output of 360 Watts per panel, though up to 400 Watts or more is possible. It does not usually cost much more to specify a higher power panel, so this is often a good option to consider, particularly if you plan on using a heat pump or electric vehicle in the future.

Solar tiles are available, however standard format solar panels dominate the market for good reason. If you decide to install solar tiles, choose a company with a track record that will be around in the future to provide spare parts and support if required.

### Inverters

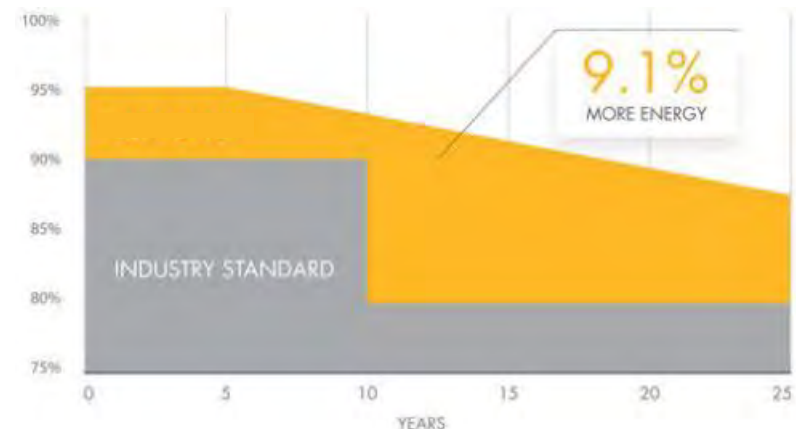
The inverter in a solar PV system conditions the electricity generated by the solar panels so it is safe to use in your home. Traditional systems used a single large inverter, however small 'microinverters' that mount behind each panel offer numerous benefits. They cost a little more than a single larger inverter, but can increase energy output up to 15% and are very reliable, with 25 year warranties available.

### Batteries

In many cases, batteries cost more to buy and operate than they will ever save you, though there are exceptions. Batteries also increase the complexity and embodied carbon of a solar PV system. Consider smart thermostats, solar hot water diverters and solar EV charging to increase self consumption of solar electricity.



Specify monocrystalline silicon solar panels and microinverters for best long-term performance. Image shows a generic solar panel and an Enphase IQ7 microinverter. (Source: Enphase Energy)



Power output warranties lasting 25 to 30 years are standard for solar photovoltaic panels. Look for a panel with a linear (rather than stepped) performance warranty for increased lifetime energy production. (Source: SunPower)



# How to Specify

Delivering homes that will perform well in reality (and not just on paper) relies on a quality assured construction or retrofit process.

This section provides guidance on how to specify key elements.

# Approach to deliver Net Zero carbon buildings



## Decide on your targets

From the very start of the project, you should be clear about the targets that you are aiming for. For both new build and retrofit, this should be expressed in Energy Use Intensity (EUI) and Space Heating Demand. Both of these should be modelled early on to see how your project matches up. Space Heating Demand is an excellent proxy for the fabric efficiency of the building. It will tell you how far you have gone down the fabric first approach. Exemplar values for homes are 15 kWh/m<sup>2</sup>.year for new build and 25 kWh/m<sup>2</sup>.year for retrofit, although retrofits can be challenging and a target of 50 kWh/m<sup>2</sup>.year would be a significant achievement in most cases.

## Page 812 whatever it takes to move to electrical heating and hot water

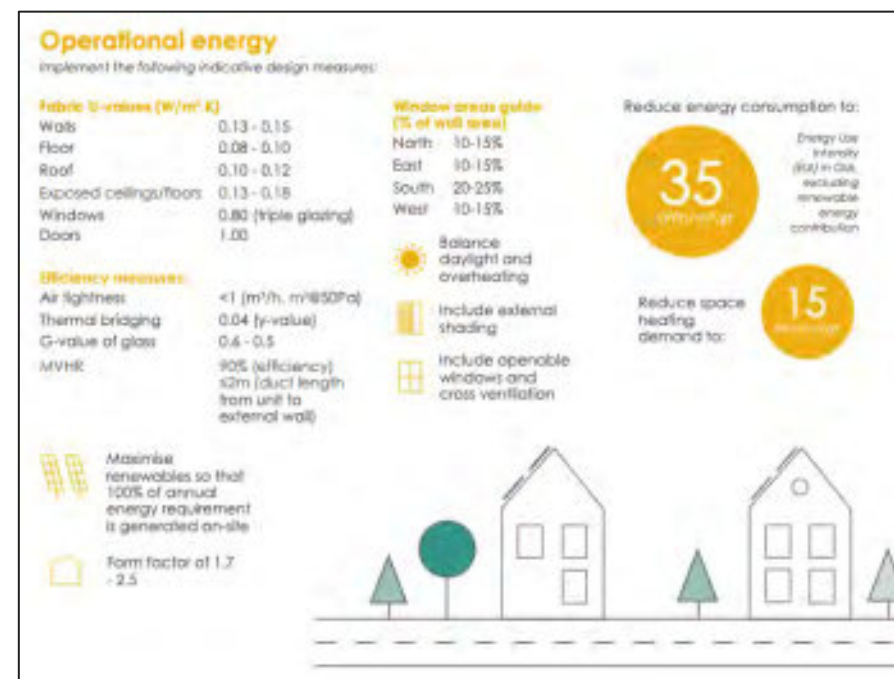
This guide has made it clear that fundamental to achieving Net Zero carbon homes is transitioning to electrical based heating and hot water capitalise on grid decarbonisation. To avoid high running costs, this is best achieved by fitting heat pumps. Thus, make sure you design your fabric, heating and hot water strategy around the basic premise of a heat pump. For retrofit, even if you can not fit one straight away, put enabling measures in place so one can be fitted in the future.

## Build the team's knowledge

Much of what goes in to a Net Zero homes, it not necessarily part of normal building practice. It is important to get the whole team on board from the designers, right through to the site team. Arrange regular tool box talks so that everyone understands the key principles that are being targeted like airtightness and eliminating thermal bridging.

## Measure the results

How do you know it has worked? It is now cheap and easy to monitor energy use so put this in place as part of the project so you can see how it performs and, if necessary, make some improvements next time.



LETI Targets for new-build dwellings (Source: LETI Climate Emergency Design Guide)



The AECB Retrofit standard sets a space heating demand target of 50kWh/m<sup>2</sup>.year



# Finding competent contractors



## There is no substitute for experience

When looking for suitable contractors, find out if they have completed any low energy or Net Zero projects. Ideally, they will have completed a project which has been quality assured or certified in some way. A Passivhaus certified project (new build or retrofit), AECB self-certification with independent verification, or a self-declared LETI Pioneer project would all be good indicators. Failing that, any project which has good post-occupancy monitoring data showing its actual performance is also a good sign.

## National schemes

PAS2035 sets out a framework for the design and management to ensure the safe and effective implementation of energy efficiency measures. PAS2030 set out the standards that must be achieved in installing these energy efficient measures. If you are embarking on anything more than a very minor retrofit, then it would be advisable to ensure that your design team includes a qualified Retrofit Coordinator who has met the requirements of PAS2035 and that your contractor has achieved PAS2030 certification.

## Other trade bodies

For specific retrofit elements, there are also other trade bodies which you can ask whether your provider is registered with:

- [Cavity Insulation Guarantee Agency](#)
- [Solid Wall Insulation Guarantee Agency](#)
- [Microgeneration Certification Scheme \(MCS\) - for heat pump and Solar PV installations](#)
- [Trustmark](#)

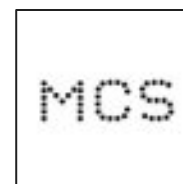


PAS 2035:2019  
The Design Process



PAS 2030:2019  
The Installation Process

PAS2030 and PAS2035



Agencies and schemes which protect consumers and require certain standards

# Specifying airtightness requirements



This section summarises the requirements during construction in order to ensure that the airtightness target can be achieved.

## Managing the airtightness risk

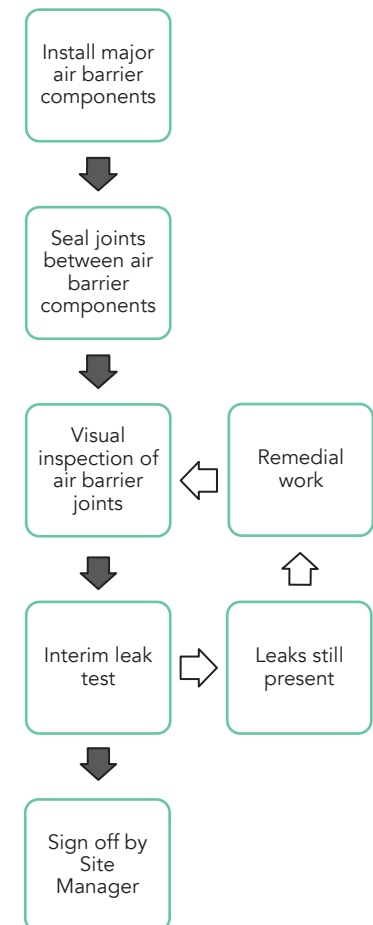
It is possible to robustly manage the risk of achieving the airtightness requirement on site. The contractor should take responsibility for delivering the airtightness and propose a robust strategy. A programme including interim leak tests, proposed materials and proposed responsibility will be required as a minimum. Early testing gives reassurance that the quality of construction is on course to meet the target, and allows any quality issues to be easily and cost effectively found and rectified. Leaving these issues to the end of the project is a far more risky and potentially costly approach and may lead to failing to meet the airtightness target.

## The importance of interim leak testing

A phased leak testing strategy is recommended. Each dwelling should be tested for air leaks before the air barrier is covered or closed up.

- ✓ All air barrier parts should be installed and open to visual inspection.
- ✓ Using a blower door fan to negatively pressure areas undergoing internal investigation or positively pressurise areas for external investigation.
- ✓ Carrying out investigation on the air barrier side of the construction (internal for most of the building.)
- ✓ Using thermographic camera equipment, smoke pens, or feeling the joints to identify any air leaks.
- ✓ Remedying any leaks.

A section should be deemed to pass the leakage test when no leaks in the external fabric can be detected with reasonable effort.



*Recommended airtightness process: visual inspection, leak finding and interim air testing are all required before the final air test*

# Commissioning of heat pumps and MVHR systems



## Heat pumps

The commissioning of a heat pump is very similar to the commissioning of a boiler.

- Ensure the system is watertight – complete a standard test, first with pressurised air, then with water.
- Ensure the fuel source is safe – in this case check the electrical test certificate is in place.
- Ensure the unit is functioning correctly – check the flow volume and temperature (ideally at varying external air temperatures)
- Ensure the water pressure is inline with manufacturers recommendations.

Ensure the user is trained – make sure any alarms are being generated correctly and that the user understands what protocols to follow for each alarm option.

## MVHR systems

The following items should be checked on MVHR units

- Check filters are clean
- Inspect ductwork for any air leaks and seal where appropriate.
- Check that the ductwork is clean at the terminals
- Set the fan speed and balance the supply and extract flow rates
- Ensure the supply and extract rates to each grille are operating at the design air flow
- If there is a boost function make sure that this works correctly
- Ensure the user understands how to use and maintain the MVHR



**Examples of Passivhaus certified MVHR units.**

(Sources: Paul Heat Recovery, Zehnder, Brink Climate Systems, Vallox, Airflow Developments)

# Building performance delivery schemes



This page summarises several operational energy standards which would help achieve the levels of energy efficiency and construction quality required to deliver Net Zero carbon buildings.

## New build standards

[Passivhaus Classic, Plus and Premium](#) - These schemes are facilitated by a designer and third party certifier to ensure the design and construction achieve best practice levels of energy efficiency and renewable energy generation (for Plus and Premium).

[PHI low energy building standard](#) - Similar to Passivhaus, this standard has slightly reduced energy efficiency targets.

[Building Energy Performance Improvement Toolkit \(BEPIT\)](#) - This scheme provides a practical framework through each stage of the project in order to deliver energy efficiency measures on site.

## Retrofit standards

[EnerPHit](#) - Similar to Passivhaus, this scheme helps deliver exceptional levels of energy efficiency through deep retrofit and refurbishment.

[AECB Low Energy Retrofit Standard](#) - This standard is primarily focused on improving the building fabric but low carbon heat also needs to be considered.

[Energiesprong](#) - A model for retrofitting several homes at once. The up front costs of this scheme are financed through a payback based on savings to the tenants bills and an additional 'comfort charge'.

[PAS 2035](#) - This code of practice published in 2019 seeks to provide quality assurance for retrofit. It focuses on the process, not the target(s).

## New build standards



## Retrofit standards



Standards summarised on this page help achieve the space heating and energy consumption levels of performance required to achieve net zero carbon buildings.

Some standards also address low carbon heat and renewable energy generation but they focus primarily on energy efficiency. Embodied carbon is not addressed by the above schemes and would require separate consideration

# Building regulations and planning approval



## When you need building regulations approval

Most building work (whether refurbishment, retrofit or new build) will need building regulations approval. Building Regulations is mostly concerned with ensuring homes are safe to live in.

In most cases your builder or tradesperson will be responsible for ensuring building regulations approval is obtained. However, you should check this at the beginning and be clear who is liaising with the building control body. The ultimate responsibility lies with the building owner, and fines may be issued where approval is not obtained.

You will need to use a building control body to check and approve work before, during and after construction. This can be through a local authority building control service (LABC) or through a private approved inspector. In some cases tradespeople can self certify, if they are registered with a competent persons scheme.

## When you need planning

If you are altering the appearance or function of your building or site you may need to apply for planning permission from your local authority. This will be required if you want to:

- build a new home
- build an extension above a certain size
- change the use of an existing building for residential use.

To find out if you need planning permission, and how to apply for it, contact your local planning authority (LPA) through your local council.

## Sources of information

The Planning Portal website and the Local Authority Building Control websites are both excellent sources of information on planning permission and building regulations approval.

	Building regulations approval	Planning permission
Objective:	To ensure the safety and health of people in or about those buildings.	To control the impact the development will have on the general environment.
Concerned with:	<ul style="list-style-type: none"><li>• Structure</li><li>• Fire safety</li><li>• Electrical safety</li><li>• Access</li><li>• Ventilation</li><li>• Energy efficiency</li></ul>	<ul style="list-style-type: none"><li>• Appearance</li><li>• Impact on neighbouring properties</li><li>• Landscaping</li><li>• Highways access</li></ul>
Through	<ul style="list-style-type: none"><li>• A building control body (through local authority or privately).</li><li>• Competent persons scheme for some small works (e.g. repairs, replacement or maintenance).</li></ul>	<ul style="list-style-type: none"><li>• Local Authority planning department.</li></ul>
Find out more	<ul style="list-style-type: none"><li>- <a href="#">Planning Portal</a></li><li>- <a href="#">Mid Devon District Council</a></li><li>- <a href="#">Local Authority Building Control</a></li></ul>	

*The difference between building regulations approval and planning permission*



Always check with your local authority whether you need either planning permission or building regulations approval.



Are your tradespeople registered with the competent persons scheme?



Check “right to light” laws when building, which are not included in the planning permission process, but a legal right of neighbouring properties.





## Communicating this to customers and clients



### The industry is on a path to Net Zero carbon

We are in a climate emergency and it is important that we communicate this effectively to customers and clients to ensure immediate action is taken to meet our Net Zero carbon target. In 2019 the UK Government amended the Climate Change Act to adopt the recommendations of the Committee on Climate Change, and adopted a target for achieving net zero emissions by 2050. Delivering Net Zero carbon homes is an attainable target which can be achieved today and in recent years this has been clearly mapped out.

### The future of housing

The Committee on Climate Change (CCC) report 'UK housing – fit for the future?' highlights the need to build new buildings with 'ultra low' levels of energy use. It makes a specific reference to space heating demand and recommends a maximum of 15-20 kWh/m<sup>2</sup>.yr for new dwellings. Currently new domestic buildings can have a heating demand ranging anywhere from 40-120 kWh/m<sup>2</sup>.yr. Buildings provide a significant opportunity for reducing emissions without impacting the quality of experience for those that use them. Targeting good practice design, such as Passivhaus for new homes, and well considered retrofit strategy will also ensure high construction quality and minimise defects on site.

### Affordable and clean energy for residents

The transition to Net Zero carbon housing will also improve energy bills for residents, as well as local air quality. Moving away from fossil fuels and switching to low carbon heating is a necessary part of meeting Net Zero carbon.



The UK Government has committed to Net Zero emissions by 2050. Many regions and organisations are being put under pressure to improve on this. Over 1400 local jurisdictions, including Oxford, have declared a climate emergency.



Extinction rebellion and School Strikes for Climate protests showing strong public support for response to the Climate Emergency and action today. Greta Thunberg and the Schools strike movement have inspired the next generation of citizens Worldwide.

(Sources: Participedia, The Guardian)

# The importance of maintenance – Keep operating at Net Zero carbon



In order for a building to operate at Net Zero it needs to be maintained properly, particularly in the following areas.

## MVHR

MVHR needs to be installed in an accessible location as filters need to be cleaned/changed every 3-6 months so that it operates efficiently.

## Heat Pumps

Immersion heater should only be used as a back up to heat the water in the hot water store and only manually switched on if the heat pump is not working. If the Immersion heater is an automatic back up (might be the case for Exhaust air heat pump) – use of this Immersion heater should be closely monitored to make sure that it is not turned on more than it should be.

## Airtightness layer

There is a continuous airtightness barrier around the building. It is important that this barrier is not broken, otherwise the airtightness of the building will get worse. Key watchpoints;

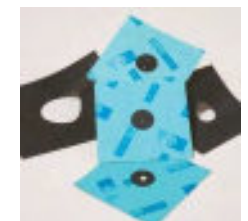
- Drilling into the wall – know where the airtightness layer in the building avoid damaging it by drilling through / perforating it.
- New penetrations for equipment such as washing machines, should be installed with airtightness grommets so that the water pipes do not increase the air permeability.

## Solar PV

Every few months it is good to check the generation meter, to make sure that the panels are generating electricity and there is no fault. It is also important to clean the Solar PV panels every year, to make sure that they are operating as efficiently as they can.



MVHR filters are easy to remove and clean, clean filters improve energy efficiency.  
(Sources: Vent Axia, Nuaire,)



Airtightness grommets need to be used so that service penetrations do not increase air permeability  
(Source: Pro Clima)



PV panels need to be cleaned at least once per year.  
(Sources: EasyAcc, Amethyst Cleaning)

# Checklist for new build: design and construction





# What to do when? Checklist for design and construction



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RIBA Stage 2 - Concept Design		✓
Optimise building orientation to balance solar gain and increase south facing roof area. Design roof to maximise density of renewables.		
Calculate and report the building form factor for design options.		
Arrange embodied carbon workshops with design team to target lean design principles and reduce big tickets items e.g. structure.		
Identify design team members to carry out embodied carbon assessment. Carry out multiple embodied carbon calculations of key elements to demonstrate low carbon design choices.		
Mark-up insulation line on all plans and sections. Mark unheated external areas on plans.		
Allow sufficient wall construction thickness for all insulated walls, roofs and floors.		
Mark window openings for providing natural ventilation for summer comfort.		
Identify a location for the MVHR next to an external wall.		
Carry out preliminary overheating risk assessment using the Good Homes Alliance overheating checklist.		
Carry out initial PHPP model.		
For projects using Passivhaus certification this is a good time to consider an appointment.		

MVHR: Mechanical Ventilation with Heat Recovery

PHPP: Passivhaus Planning Package

*This design checklist provides a list of key actions that should be carried out at each work stage to meet the KPI targets for new homes.*

*This should be shared with the design team to check off after each stage is complete.*

RIBA Stage 3 - Spatial Coordination		✓
Review mark-up of insulation line on all plans and sections and carry out initial U-value calculations.		
Carry out heating options appraisal including a low carbon option.		
Hold a thermal bridge workshop. Include the structural engineer for review of columns, masonry support etc.		
Provide MVHR layout including duct distribution and measurement of intake and exhaust duct lengths to external walls for sample dwellings.		
Carry out full embodied carbon assessment of whole building and compare against embodied carbon target. Implement reductions where necessary.		
MEP consultant to review embodied carbon impact of services and reduce the amount of kit where possible. Use CIBSE TM65 embodied carbon in building services to assess impact.		
Carry out PHPP modelling alongside SAP calculations. List all model assumptions including U-values, thermal bridges and system specifications etc.		
Carry out overheating assessment and eliminate overheating through passive strategies where possible (TM59). Ensure all element assumptions match PHPP and SAP models.		
Calculate electricity generation intensity of PV arrays and review against KPI.		
Define airtightness strategy and identify airtightness line on plans and sections.		
Measure heating and hot water pipe lengths for sample dwellings. Minimise distribution or standing losses.		
Demonstrate distribution losses have been calculated and reduced.		
Prepare RIBA Stage 3 report and include predicted operational cost to tenant.		

# What to do when? Checklist for design and construction



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RIBA Stage 3+ - Early Technical Design (and tender)		✓
	Detail build-ups of all external elements including thickness and conductivity of all materials.	
	Detailed U-value calculations (including masonry support system, etc.).	
	Identification of all thermal bridge junction types (e.g. parapet A, parapet B).	
	Thermal bridge calculations for a selection of the most important junctions.	
	Definition of airtightness testing requirements for contractor.	
	Include requirements for Environmental Product Declarations (EPD) in the tender. Make EPDs obligatory for structural materials, primary façade and any other major materials.	
	Include KPI requirements in the tender.	
	Agree scope of Post-Occupancy Evaluation in tender. Identify level of participation from contractor and design team.	
RIBA Stage 4 - Technical Design (in addition to Stage 3+)		✓
	Develop junction details for window and doors.	
	Review airtightness line on each drawing and identification of airtightness requirements for service penetrations.	
	Carry out a thermal bridge workshop to review thermal bridge lengths and calculate Psi-values for all junctions.	
	Review MVHR layout including duct distribution and measurement of length of intake and exhaust ducts for all homes.	
	Measure heating and hot water pipe lengths for all communal areas and homes.	
	Carry out embodied carbon assessment of whole building using accurate Bills of Quantities.	
	Specify high performing PV panels.	

RIBA Stage 5 - Manufacturing and Construction		✓
	Run an introduction to ultra-low energy construction workshop on-site.	
	Encourage site manager and team training on construction quality requirements covering insulation and airtightness.	
	Prepare toolbox talk information for site team inductions on low energy construction quality.	
	Review alternative materials or products proposed by the contractor. Ensure substitutions do not compromise the thermal performance or embodied carbon target.	
	Carry out regular construction quality assurance site visits and reports (depending on the size of the scheme – at least six) in tandem with regular visits.	
	Develop site quality tracker, assess against KPIs and update regularly.	
	Require leak finding airtightness tests at first fix and second airtightness test pre-completion.	
	Witness commissioning of MVHR systems and heating system.	
	Carry out predicted in-use energy model of each building leading to the final 'as built' PHPP model.	
	Consider recalculating embodied carbon using 'as built' information.	
RIBA Stage 6 - Handover		✓
	Provide building and operational information to residents in the form of site inductions and simple building user guides and instructions (e.g. sticker on MVHR for filter replacement).	
	Consider embodied carbon as part of the replacement and maintenance strategy and include in the O&M manual.	
	Carry out post-occupancy evaluation during first 5 years of use and verify KPIs have been met.	
	Lessons learnt project review with design team.	
	Publicly report KPIs.	



## MDDC 'Net Zero Housing Assessment Tool'

### Background

Mid Devon District Council (MDDC) developed a tool with the University of Exeter to assess the costs and climate impacts of various "low carbon" standards for new housing developments. The project was funded through the Local Government Association's Housing Advisers Programme and will be available to other local authorities.

### How the Tool Works

The tool calculates carbon performance (based on regulated emissions from Part L of the Building Regulations, and embodied carbon if selected) of four dwelling typologies: detached, attached, 1 bed flats and 2 bed flats for a range of fabric and building services specifications. The tool then sizes the required PV array to meet Part L, and any further improvements that have been stipulated. It then establishes the cost uplift to achieve performance standards compared to the lowest cost means of meeting the minimum requirements of the Building Regulations.

A full description of the model and calculations can be found in report CEE ID 1009 "The Development of a 'Low Carbon Affordable Housing Development Framework Assessment Tool' for New Development in Mid Devon", March 2022. The model is a high level tool that makes a number of assumptions and is NOT intended as a substitute for detailed SAP calculations.

### How to Use the Tool

#### The Input Sheet

On the input sheet all yellow boxes are required inputs, and orange boxes are voluntary inputs. **Specific guidance for completion of each input is given on the Input sheet.**

In summary, these inputs are:

#### Development Description

# Year of development: The tool assumes a development is delivered in a single year.

# Number of dwellings: This is the total number of dwellings in the development.

# Build mix: This is the % breakdown for each of the four dwelling types. These percentages must sum to 100%.

# Height of buildings with flats: Where there are flats, the height in storeys of buildings containing flats must be entered.

#### Operational Standards:

# Building Regulations Minimum Standard: The baseline operational performance standard is taken to be Part L of the day which is established from the build year and includes a 1 year transitional period. In other words, buildings prior to 2026 are assumed to be under Part L 2021, and from 2026 the Future Home Standard (FHS).

# Fabric standard: It is possible to set a minimum fabric standard expressed in kWh/m<sup>2</sup> per year up to 15 kWh/m<sup>2</sup>.year (Passivhaus standard).

# Gas connection: It is possible to ban connection to the gas network. Even if gas is allowed, it is assumed that after 20 years all dwellings with gas boilers are replaced with heat pumps.

# Carbon standard: It is possible to set improvement beyond Part L of the day as either 10%, 20%, 30%, 40%, 50%, or 100% (net zero) improvements for regulated emissions.

#### Embodied Standards:

# Embodied standard: It is possible to set the required embodied carbon standard on an A++ to G rating (which relate to kgCO<sub>2</sub>e/m<sup>2</sup> benchmarks).

#### The Output Sheet

The output sheet includes details of the specification selected by the tool to meet the input objectives for each of the four dwelling types, as well as operational and embodied carbon performance, cost uplifts, and lifecycle costs including fuel costs and the cost of carbon. Guidance for interpreting the results are given in the Output sheet.

[Go to INPUT](#)

[Go to OUTPUT](#)

Go to COVER

Go to OUTPUT

INPUT Sheet

Enter information to describe the proposed development. All yellow boxes need to be filled in. The orange boxes are optional if "bespoke" was chosen for the "Fabric Standard" input box.

Development Description

Year of development

Total number of dwellings

% as detached

% as attached

% as 1 bed flat

% as 2 bed flat

Build mix check

Height of buildings with flats

2026

1000

20%

60%

10%

10%

OK

2

Guidance/Instructions

Enter the start year of the development. This is used to choose the version of Part L to use, as well as assumptions about building technologies.

Enter the total number of dwellings to be assessed in the scheme.

Enter the percentage of the development that is detached. For example, for a 500 dwelling development with 100 detached dwellings, enter 20%.

Enter the percentage of the development that is attached. For these purposes attached means a house that is semi-detached or terraced.

Enter the percentage of the development that is 1 bed flat. This should be based on number of dwellings rather than buildings, for example a development of 200 dwellings including a building containin 20 x 1 bed flats enter 10%.

Enter the percentage of the development that is 2 bed flat. The percentage is worked out in a similar way for 1 bed flats above. If there are any 3 bed flats (or larger), include them here.

If the four percentage values above do not add up to 100%, then an error will be shown here until this is remedied.

If there are any flats, enter the average height of buildings containing flats across the development. A value of between 2 and 6 can be entered.

Operational Standards

Building Regulations Minimum Standard

Fabric Standard

Gas requirement?

Carbon standard

FHS

No specific fabric standard

Gas Possible

Reduce Part L regulated: 30%

Optional Bespoke Specification

This section only needs to be completed IF "Bespoke" has been chosen from the "Fabric Standard" input above.

Walls: Exposed

Walls: Semi-exposed

Floors

Roof

Doors

Windows

Air Permeability

Ventilation

Ventilation heat recovery eff.

Heat Source

Waste Water Heat Recovery

0.18

0.21

0.13

0.13

1

1.4

5

Natural Ventilation

0%

ASHP

None

Note: The calculations consider regulated emissions only, and not undergulated or in-use performance issues.

Note: The analysis is based on a number of housing archetypes with fixed geometry and façade design. It may be possible to improve (or perform worse than!) on the calculated values by optimising form, orientation and façade design.

Note: Options do not include district heating which would need to be assessed on a site by site basis if there is a suitable low carbon heat source nearby

Note: In this model there is no link between MVHR efficiency and price of MVHR unit.

Embodied Carbon

Target embodied carbon standard

E

A minimum embodied carbon standard for the development can be specified here from the drop-down list. These are based on the LETI benchmark A to G values shown below. The analysis includes "upfront" (i.e. up to the construction) and "embodied" (i.e. also including lifetime maintenance and disposal). Embodied carbon can be ignored in the analysis by choosing "Exclude embodied from analysis" here. It should be noted that the analysis does NOT include any cost implications for embodied carbon standards, as there is insufficient reference information.

Go to OUTPUT

Once all the above Inputs have been completed, please go to the Outputs to view the results.

Embodied Carbon Benchmarks from LETI

Upfront Carbon, A1-5 (exc. sequestration)

Band	Residential
A++	<100
A+	<200
A	<300
B	<400
C	<500
D	<675
E	<850
F	<1000
G	<1200

Embodied Carbon, A1-5, B1-5, C1-4 (inc. sequestration)

Band	Residential
A++	<150
A+	<300
A	<450
B	<625
C	<800
D	<1000
E	<1200
F	<1400
G	<1600

All values in kgCO<sub>2</sub>e/m<sup>2</sup> (GIA)



OUTPUT Sheet

<a href="#">Go to COVER</a>	<a href="#">Go to INPUT</a>
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Hover over each Result Table Title (red marker) to see guidance on interpreting the results

MODEL OPTIMISED SPECIFICATION

Measure	Detached	Attached	1 Bed Flat	2 Bed Flat
Number of Dwellings	200	600	100	100
Scenario Name	Notional Building C&B	Notional Building C&B	35 kWh/m2.year	35 kWh/m2.year
Heating System	ASHP	ASHP	ASHP	ASHP
Ventilation strategy	Natural Ventilation	Natural Ventilation	Natural Ventilation	Natural Ventilation
Walls: Exposed W/m².K	0.18	0.18	0.18	0.18
Walls: Semi-exposed W/m².K	N/A	N/A	0.21	0.21
Floors W/m².K	0.13	0.13	0.15	0.15
Roof W/m².K	0.13	0.13	0.11	0.11
Doors W/m².K	1	1	1.4	1.4
Windows W/m².K	1.4	1.4	1.4	1.2
Air Permeability @	5	5	4	5
PV Size kWp	1.2	0.9	0.9	1.1

GREENHOUSE GAS EMISSIONS

Absolute Emissions

Dwelling Type	Embodied Upfront tCO2e	Embodied In-Use tCO2e	Embodied End of Life tCO2e	Operational lifetime tCO2e	Total Lifetime tCO2e
Detached	19907	3789	4408	220	28324
Attached	43044	8192	9532	476	61244
1 Bed Flat	4250	809	941	32	6032
2 Bed Flat	5959	1134	1319	57	8469
TOTAL	73160	13924	16201	786	104070

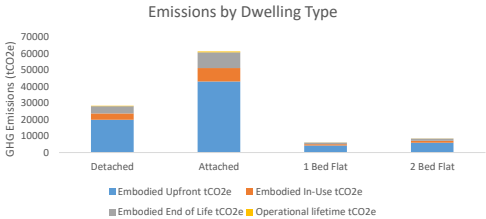
% Emissions

Dwelling Type	Embodied Upfront tCO2e	Embodied In-Use tCO2e	Embodied End of Life tCO2e	Operational lifetime tCO2e	Total Lifetime tCO2e
Detached	19%	4%	4%	0%	27%
Attached	41%	8%	9%	0%	59%
1 Bed Flat	4%	1%	1%	0%	6%
2 Bed Flat	6%	1%	1%	0%	8%
TOTAL	70%	13%	16%	1%	100%

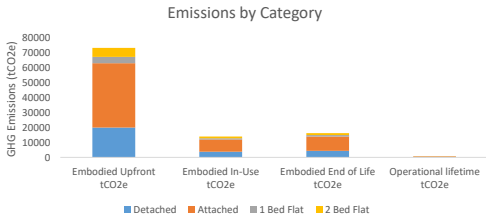
COST OUTPUTS

Dwelling Type	Development Additional Cost over Minimum	Av. Dwelling Additional Cost over Minimum	Discounted energy cost 30 years	Discounted energy cost 60 years	Discounted carbon cost 60 years
Detached	£ 130,056	£ 650	£ 2,024,567	£ 2,847,720	£ 890,983
Attached	£ 281,214	£ 469	£ 4,389,694	£ 6,174,466	£ 1,926,531
1 Bed Flat	£ 46,869	£ 469	£ 366,656	£ 515,732	£ 189,583
2 Bed Flat	£ 115,978	£ 1,160	£ 602,689	£ 847,731	£ 266,337
TOTAL	£ 574,117	£ 574	£ 7,383,606	£ 10,385,648	£ 3,273,434

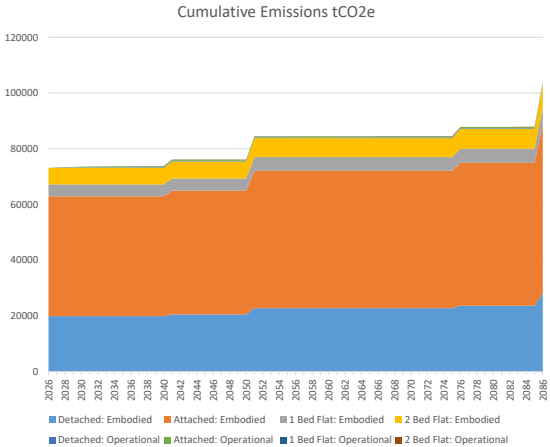
Graph Notes



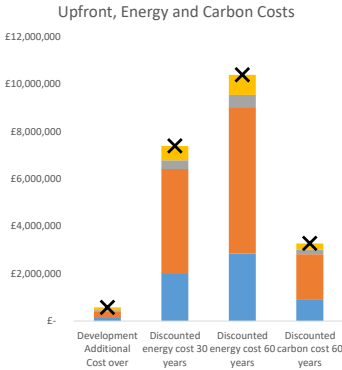
Graph Notes



Graph Notes



Graph Notes



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# **Non-Statutory Interim Climate Change Planning Policy Statement: Climate Emergency**

## **Statement of Public Participation**

**January 2023**

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## 1. Introduction

- 1.1 In September 2022, Mid Devon District Council (MDDC) approved a draft non-statutory interim policy statement on planning for the climate emergency for public consultation (hereafter referred to as the 'Planning Policy Statement').
- 1.2 The 'Planning Policy Statement' is intended to supplement relevant policies within the adopted Local Plan, where these are relevant to adapting to, and mitigating the impacts of, climate change through development in Mid Devon. It draws from current good practice, and relevant legislation and statutory provisions issued since the adopted Local Plan was prepared.
- 1.3 The 'Planning Policy Statement' will be applicable to all applications for the development and use of land and buildings in Mid Devon (outside the Dartmoor National Park) that are submitted to the Council for determination. Exemptions to the use of the 'Policy Statement' will include development that is subject to 'permitted development rights' where there is no need to apply for planning permission.

## 2. Statutory Duties

- 2.1 This Statement of Public Participation demonstrates how the Council has satisfied public engagement obligations in the local planning process. These are set out in the Statement of Community Involvement (SCI) adopted by the Council in August 2020.
- 2.2 The statement sets out:
  - The persons and organisations consulted by MDDC during the preparation of the 'Planning Policy Statement';
  - The comments received (in full / verbatim) raised by those persons or organisations; and
  - How those comments have been addressed in the 'Planning Policy Statement'.

## 3. Consultation and Engagement

- 3.1 The 'Planning Policy Statement' was published for consultation on Monday 24<sup>th</sup> October 2022, and was open for eight weeks, closing at 23:59hrs on Friday 16<sup>th</sup> November 2022. The consultation was promoted through a variety of methods, in compliance with the Council's Statement of Community Involvement; these are outlined below.
- 3.2 All consultees on the Council's Plan Mid Devon mailing list, as of Thursday 20<sup>th</sup> October 2022, were notified via post or email, and invited to make representations. The list includes relevant specific and general consultation bodies, parish and town councils within Mid Devon, residents or other persons carrying on business in the area who have requested to be kept informed. Lists of key consultees can be found within Appendix 1.
- 3.3 The following methods were used to notify consultees:
  - Letter or email to every person and organisation who appeared on the Plan Mid Devon database, as set out in Section 3.2 and Appendix 1
  - Information was made available on the Council website, which included a link to an online survey <https://www.middevon.gov.uk/residents/planning-policy/interim-climate-change-statement/>

- Information was made available on the Sustainable Mid Devon website <https://sustainablemiddevon.org.uk/events-and-news/climate-emergency-planning-policy-statement-consultation/>
- Press release
- 3 notification posts were made on Twitter (911 impressions, 28 engagements)
- 2 notification posts were made on Facebook (1,751 impressions, 66 engagements)
- 1 notification post was made on Nextdoor (5,254 impressions)
- Full documents were available to view at Mid Devon District Council, Phoenix House (main office) and all public libraries within the Mid Devon District (including the mobile library)
- Agents Forum held via Zoom on 4<sup>th</sup> November 2022, with 300 invitations issued via email

#### 3.4 Consultation responses were invited:

- Through the use of an online survey
- By email directed to [fplan@middevon.gov.uk](mailto:fplan@middevon.gov.uk)
- By letter, sent to the Council's Phoenix House offices in Tiverton

## 4. Representations and Responses

- 4.1 A total of 18 separate individuals and organisations made representations, but not all participants completed every section of the survey. Questions 1 and 2 of the survey requested the name and address of the respondent and as such, answers have not been disclosed within this summary. The personal views of respondents were noted but a response to these has not been prepared. Representations received outside of the published consultation period do not form part of this summary.
- 4.2 Responses to points raised within each representation are addressed in turn within *Table 1*. A record of duly made representations has been published online.

## 5. Amendments to the Draft 'Planning Policy Statement'

The Council has considered all consultation responses received to the Non-Statutory Interim Planning Policy Statement: Climate Emergency. Amendments made to the 'Planning Policy Statement' which are also set out in the table below are expressed either in the conventional form of ~~striketrough~~ for deletions and underlining for additions of text, or by specifying the modification in words in *italics*.

**Table 1. Representations and Responses to the Draft Non-Statutory Interim Planning Policy Statement: Climate Emergency Consultation**

Page 331

No.	Organisation / Individual	Issues Raised	How these issues have been addressed						
01	Devon County Council	<p>Devon County Council welcomes the policy statement and would like to make the following comments relating to climate change, transportation, and flood risk.</p> <p><b>Climate Change</b></p> <p>DCC has reviewed the policy statement in comparison to the actions set out within the Devon Carbon Plan. Comments are provided in the table below.</p> <table><tr><th>Devon Carbon Plan Action</th><th>Comments</th></tr><tr><td>Development plans to demonstrate how they will shape places in ways that contribute to radical reductions in greenhouse gas emissions as a primary planning objective, including drawing on the principles of 20-minute neighbourhoods and One Planet Development.</td><td>CP2.2 states that local facilities should be accessible through walking/cycling within 800m of new developments. This goes further than the 20-minute neighbourhood principle. Whilst not explicitly mentioned, the checklist does a good job at beginning to bring focus onto the principles of One Planet Development.</td></tr><tr><td>Appraise the potential for low carbon heat networks in new development to make best use of existing heat producers</td><td>May be potential to address this within the Policy Statement.</td></tr></table>	Devon Carbon Plan Action	Comments	Development plans to demonstrate how they will shape places in ways that contribute to radical reductions in greenhouse gas emissions as a primary planning objective, including drawing on the principles of 20-minute neighbourhoods and One Planet Development.	CP2.2 states that local facilities should be accessible through walking/cycling within 800m of new developments. This goes further than the 20-minute neighbourhood principle. Whilst not explicitly mentioned, the checklist does a good job at beginning to bring focus onto the principles of One Planet Development.	Appraise the potential for low carbon heat networks in new development to make best use of existing heat producers	May be potential to address this within the Policy Statement.	<p>Support noted.</p> <p>Objective CP.3.3 'Using cleaner energy' has been revised to include the measure: <b><u>Inclusion of low carbon heat networks</u></b></p>
Devon Carbon Plan Action	Comments								
Development plans to demonstrate how they will shape places in ways that contribute to radical reductions in greenhouse gas emissions as a primary planning objective, including drawing on the principles of 20-minute neighbourhoods and One Planet Development.	CP2.2 states that local facilities should be accessible through walking/cycling within 800m of new developments. This goes further than the 20-minute neighbourhood principle. Whilst not explicitly mentioned, the checklist does a good job at beginning to bring focus onto the principles of One Planet Development.								
Appraise the potential for low carbon heat networks in new development to make best use of existing heat producers	May be potential to address this within the Policy Statement.								

	Planning authorities to ensure vegetation, and the necessary arrangements for maintenance, is included within new development to aid building energy efficiency	CP4 and CP6 address this issue. Potential to enhance this by ensuring the necessary arrangements for maintenance into the future are considered.	<p>Paragraph 4.88 of Policy DM26 'Green infrastructure in major development' of the adopted Local Plan 2013-2033, justification states that 'Development incorporating green infrastructure will be required to submit management and maintenance details for the proposed green infrastructure'. From November 2023, new development will be required to provide a minimum 10% net gain in biodiversity, for which a minimum 30-year management plan will need to be submitted. In the interim, the Council strongly encourages applicants to deliver 10% or more where feasible to do so.</p> <p>Noted, no action required.</p> <p>Noted, no action required.</p> <p>Support noted.</p> <p>The measure about road surfaces in Objective CP.3.2 'Using energy more efficiently' has been amended as follows:  <del>Low carbon road surface options which are unlikely to be adopted by Devon County Council, e.g.</del>  <b><u>For roads which are unlikely to be adopted by Devon County Council, low carbon road surface options should be considered:</u></b></p>
	Local Plans to ensure new developments are designed with filtered permeability to promote sustainable travel.	CP2.2 Permeability and Walkability in the proposed checklist addresses this issue.	
	Local Plans to require mobility hubs for new developments of appropriate size.	CP2.3 Integrated Active Travel in the proposed checklist addresses this issue.	
	Local Plan reviews to implement zero-carbon buildings in operation and set embodied carbon targets as soon as possible where viable.	<p>The Net-Zero Carbon Toolkit and the Net Zero Housing Assessment Tool make excellent progress at implementing this issue.</p> <p>We note that on page 21 it is suggested that Devon County Council will not accept low temperature asphalt or permeable paving. Yet Devon County Council routinely uses low temperature asphalt so that will</p>	

		be accepted and should be encouraged.	<ul style="list-style-type: none"> <li>• Primary and secondary roads: low temperature asphalt</li> <li>• Tertiary roads: permeable paving</li> </ul>
	<p><b>Transportation</b></p> <p>DCC fully supports the promotion of walking and cycling facilities in new developments. It would be beneficial for the document to make reference to the LTN1/20 cycle design guidance which suggests all routes should be: coherent, direct, safe, comfortable and attractive. Active Travel England will be a statutory consultee for larger planning applications going forward and if the cycle routes don't meet this criteria they may object. DCC also notes that if additional government funding is required for any walking and cycling routes, it must meet this guidance to secure funding.</p> <p>The best way to reduce carbon emissions for transport is to remove the need to travel. Therefore, making sure new developments have access to existing facilities by walking and cycling routes will be vital. Stating that facilities should be within 800m of the development is encouraged, however MDDC may want to consider defining what facilities this includes.</p> <p><b>Flood Risk</b></p> <p>DCC welcomes the inclusion of SuDS within the checklist, however advises that 'natural watercourses' should be removed from the SuDS section of the checklist to ensure that this is not misinterpreted as using a watercourse to store water (which may not be appropriate).</p>		<p>A reference to LTN1/20 cycle design guidance has been added to CP.2.4 'Cycling':</p> <p><b><u>See LTN1/20 for cycle design guidance:</u></b>  <b><u><a href="https://www.gov.uk/government/publications/cycle-infrastructure-design-ltn-120">https://www.gov.uk/government/publications/cycle-infrastructure-design-ltn-120</a></u></b></p> <p>The measure about off-road cycle routes under Objective CP.2.4 'Cycling' has been amended as follows:  Green corridors, off-road cycle routes, <b><u>home zones, quiet lanes</u></b>, and public rights of way</p> <p>Policy S1 'Sustainable development priorities' of the adopted Local Plan 2013-2033, supports reducing the need to travel through the creation of sustainable communities with access to social, educational, recreational and cultural facilities and services. Key facilities that should be within 800m of new development can be defined through the preparation of the new Local Plan (Plan Mid Devon). These may include facilities such as shops, community buildings, healthcare services, infant and primary schools.</p> <p>The following changes have been made to page 35 of the Net Zero Carbon Toolkit:</p> <ul style="list-style-type: none"> <li>• <b><u>Devon County Council SuDS Guidance</u></b>  <b><u><a href="https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/">https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/</a></u></b></li> </ul>

	<p>MDDC might want to consider adding further information to the toolkit. SuDS can be multifunctional, so it could be explored whether there are additional benefits of SuDS other than flood risk management. In addition, MDDC may also wish to assess whether SuDS should be planted and designed differently dependent on the location within the district. For example, an ecologist might want to encourage wetlands and ponds within areas known to have Great Crested Newts.</p>	<p><b><u>Surface water should be managed in accordance with guidance considered suitable at the time a planning application is being submitted.</u></b></p> <ul style="list-style-type: none"> <li>Reducing flood risk through Sustainable Urban Drainage (SuDS) Changes to our climate are predicted to result in increased rainfall and greater risk of flooding. Integrating SuDS into a development can greatly improve the site's ability to capture, absorb and effectively retain water as part of a comprehensive <b><u>and multifunctional</u></b> green infrastructure design. This <b><u>can</u></b> reduce surface water run-off and support local drainage networks to function effectively, to <b><i>reduce</i></b> the risk of flooding.</li> </ul> <p>The measures in Objective CP.5.1 'Sustainable urban drainage systems (SuDS)' have been amended as follows:</p> <ul style="list-style-type: none"> <li>SuDS such as rain gardens, swales, <del>natural water courses</del>, communal soakaways, filter strips, retention and detention basins</li> <li><b><u>Are there opportunities for making SuDS features multifunctional, e.g. incorporating play areas within dry detention basins, improving water quality, or linking with water reuse systems?</u></b></li> <li><b><u>Can you demonstrate how habitat creation could be included within SuDS features, and how this links to local ecology priorities?</u></b></li> </ul>
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		<p>Living Walls and Green Roofs can be used for regulating temperatures within and around buildings. MDDC may also want to highlight that SuDS can treat surface water as well as manage surface water.</p> <p>MDDC may wish to include a section on reusing rainfall within the document. Rainfall could be treated before being used or it could be stored and used with no treatment (e.g. water butts).</p> <p>The document may benefit from a note that surface water should be managed in accordance with guidance considered suitable at the time of a planning application being submitted. Current guidance is available at: <a href="https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/">https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/</a></p>	<p>The measure in Objective 4.3 'Green infrastructure' has been amended as follows: Green and blue infrastructure in private outdoor space, e.g. trees, hedgerows, hedges, green/brown/blue roofs, vertical climbers, <b>living walls</b>, water features and landscaping</p> <p>Rainfall reuse is covered within CP.5.2 'Water efficiency and rainwater harvesting (ways to reduce demand on water utilities)' as 'Rainwater collection and reuse systems'.</p> <p>A reference to surface water management guidance has been added to Objective CP.5.3 'Reducing the risk of flooding' <b><u>See Devon County Council's SuDS guidance</u></b> <b><u><a href="https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/">https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/</a></u></b></p>
02	Forestry Commission	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Respondent skipped this question.</p> <p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Throughout this consultation there is a mention of woodland and trees. We need to follow the principles of 'right tree, right place' that naturally complements the existing landscape character, meets the objectives of the project and is resilient to climate change and current and future pests and diseases. We need to ensure that any woodland that is created is done so in line with the UK Forestry Standards (UKFS). This is the reference standard for sustainable forest management in the UK and sets</p>	<p>No action required.</p> <p>Objective CP.6.2 'Creating and enhancing biodiversity' has been revised to include the measure: <b><u>Planting of trees should respect the principle of 'the right tree, in the right place, and for the right reason'. This principle should be adapted for all landscaping proposals</u></b></p>

	<p>out the approach to sustainable forest management, defines standards and requirements, and provides a basis for regulation and monitoring. You can view it here <a href="https://www.gov.uk/government/publications/the-uk-forestry-standard">https://www.gov.uk/government/publications/the-uk-forestry-standard</a></p> <p><b>Q5 Planning Applications Checklist Climate Principle 1:Sustainable development</b> Respondent skipped this question.</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b> Respondent skipped this question.</p> <p><b>Q7 Planning Applications Checklist Climate Principle3: Improving energy efficiency</b> 3.1 Where it states the use of vegetation for shade this could be 'vegetation and trees'. Trees are extremely good for shading and general protection of a development. Not only could the trees be planted to cool homes, cars and gardens, but they can also keep the surrounding infrastructure such as pavements and roads cool.</p> <p><b>Q8 Planning Applications Checklist Climate Principal 4: Adapting to higher temperatures</b> Respondent skipped this question.</p> <p><b>Q9 Planning Applications Checklist Climate Principle5: Mitigating floodrisk, and water resource resilience</b> 5.3 In this section it is worth mentioning tree planting to reduce rainfall flow and runoff. The tree canopy of leaves, branches and trunks slows down the rain before it hits the ground simply by getting in the way, this is called interception. The interception of rainfall by trees can spread the</p>	<p>No action required.</p> <p>No action required.</p> <p>The measure “Use of vegetation for shade in summer” in Objective CP.3.1 ‘Minimising energy consumption’ has been amended to include a reference to trees as follows : Use of <b><u>trees and</u></b> vegetation for shade in summer.</p> <p>No action required.</p> <p>The measure in Objective CP.5.3 ‘Reducing the risk of flooding’ has been amended to the following: <b><u>Inclusion of Nature-based solutions, riparian or flood tolerant tree and vegetation planting, natural vegetation of</u></b></p>
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	<p>effect of a rainstorm over a longer time period. This allows some of the water (studies suggest up to 30%) to evaporate back into the atmosphere directly from the canopy without ever reaching the ground. Trees could also help prevent run-off up to 80% in urban areas compared with asphalt.</p> <p>Tree planting could be used directly by the scheme to reduce runoff or if the development is at the bottom of a catchment prone to flooding, trees/woodland could be planted upstream to reduce the risk whether it be through woodland creation on the floodplain, or on steep valley sides or riparian trees. This could all help to reduce the speed and amount of runoff, reducing the risk of flooding. You can find some helpful information here;  <a href="https://www.forestresearch.gov.uk/publications/designing-and-managing-forests-and-woodlands-to-reduce-flood-risk/">https://www.forestresearch.gov.uk/publications/designing-and-managing-forests-and-woodlands-to-reduce-flood-risk/</a></p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b></p> <p>6.1 Well designed and managed woodlands protect soil and can act as a trap or sink for contaminants. Riparian woodland in particular acts as a buffer and intercepts sediments, nutrients and pesticides that may be draining from neighbouring land. This may help in achieving nutrient neutrality in those areas with high nitrates or phosphates.</p> <p>Protection of existing trees has been included but it is specifically ancient woodland and veteran trees that need to be protected. If there are any ancient woodland or veteran trees on or near a proposed development site then Natural England and Forestry Commission should be contacted for advice. Ancient woodland takes hundreds of years to establish and is defined as an irreplaceable habitat. Ancient and veteran trees can be individual trees or groups of trees within wood pastures, historic</p>	<p><b><u>habitats, e.g. green/brown/blue roofs, communal basins and or ponds, green spaces within blocks, and/or green verges to retain rainfall and reduce surface water runoff</u></b></p> <p>Guidance noted.</p> <p>Two measures in Objective CP.6.1 'Protecting existing Natural Capital and biodiversity' have been amended as follows:</p> <ul style="list-style-type: none"> <li>• Avoidance and mitigation measures, <b><u>e.g. nature based solutions or mechanical filtration systems</u></b>, for <b><u>other</u></b> pollution of <b><u>other</u></b> landscapes, soils, ecosystems, and water. <b><u>These could be from chemicals or activities</u></b> such as nitrates, transport, agriculture or industrial emissions</li> <li>• Protection of existing trees (<b><u>with particular regard to ancient trees and woodland, and veteran trees</u></b>), <b><u>mature</u></b> hedges and hedgerows during site preparation, demolition and/or construction works (for ecological value, carbon sequestration and amenity value). <b><u>A minimum 5-metre buffer zone should be preserved</u></b></li> </ul>
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	<p>parkland, hedgerows, orchards, parks or other areas. They are often found outside ancient woodlands. They are also irreplaceable habitats.</p> <p>The National Planning Policy Framework states that: development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland and ancient or veteran trees) should be refused, unless there are wholly exceptional reasons and a suitable compensation strategy exists. The Forestry Commission is a non-statutory consultee on any development affecting or within 500m of ancient woodland. More information can be found here <a href="https://www.gov.uk/guidance/planning-applications-affectingtrees-and-woodland">https://www.gov.uk/guidance/planning-applications-affectingtrees-and-woodland</a></p> <p>6.3 Linear woodland could be used to support green infrastructure, and this could be linked to sustainable transport such as cycling lanes. The linear woodland could run the length of the cycle path connecting habitats and increasing biodiversity, providing shading and weather protection and also reducing the amount of rainfall due to interception explained previously.</p> <p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Throughout the tool various materials including timber and wood have been referenced. Using wood for infrastructure is a great way of locking up carbon as 50% of the dry weight of wood is carbon. It can also be used as a sustainable building material and a great substitute for energy-intensive materials such as concrete and steel. Timber requires less processing than many other materials and is a great way to absorb carbon as the timber establishes. We import much of our wood for development from abroad as far as the USA and the carbon footprint of shipping and delivering this wood is extremely high. If we could start to grow local</p>	<p><b><u>between development and retained hedgerows, which should not be utilised as residential boundary treatments</u></b></p> <p>Guidance noted. Policy DM28 'Other protected sites' of the adopted Local Plan 2013-2033 seeks to protect an area of more than 8 sq.km of ancient trees and ancient woodland in Mid Devon from adverse impacts from development.</p> <p>Noted. Objective CP.2.4 'Cycling' includes a reference to 'green corridors', which implies a linear form but does not specify the surrounding plant material.</p> <p>National planning policy requires that the economic and other benefits of trees and woodland should be recognised in planning policies and within decision-making.</p> <p>Policy S1 'Sustainable development priorities' of the adopted Local Plan 2013-2033 expects all development to be energy efficient and to support a low carbon future.</p>
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03	Historic England	<p>The importance, and urgency, of encouraging an appropriate planning response to our climate emergency as articulated in your statement is acknowledged.</p>	

	<p>From a heritage perspective, in addition you may wish to emphasise the value of retaining, repairing, reusing, refurbishing and retrofitting existing buildings in helping to meet the Government's net zero carbon target, taking into account their embodied carbon.</p> <p>Historic England believes that energy efficiency, sustainable technology and reducing carbon emissions are compatible with the conservation of our heritage and indeed <a href="#">research</a> has indicated that we can reduce the carbon emissions of historic buildings by over 60% by 2050 if we take a whole of life carbon approach.</p> <p>To help we offer information and advice on many related topics including renewable energy generation, energy efficiency and historic buildings and traditional homes, energy performance regulations, to advise on how this can be undertaken while minimising negative impacts on the historic environment. Thank you for referring to several of these publications.</p> <p>In the section of the Toolkit relating to the potential permissions, it may be helpful to mention Listed Building Consent and perhaps how proposals need to be considered.</p>	<p>Objective CP.3.1 'Minimising energy consumption' makes reference to the 'incorporation of existing structures into new development' and that 'opportunities for repurposed buildings and structures [should be] prioritised over new construction'</p> <p>Noted. Two measures under Objective CP.3.1 'Minimising energy consumption', which relate to reclaiming and repurposing materials and structures have been updated to include the following guidance:</p> <p><b><u>*For development proposals affecting Historic Buildings, relevant guidance has been prepared by Historic England:</u></b></p> <p><a href="#">Retrofit and Energy Efficiency in Historic Buildings   Historic England</a></p> <p><b><u>This guidance includes "Energy Efficiency and Traditional Homes" (July 2020), "Energy Efficiency and Historic Buildings: How to Improve Energy Efficiency" and other links and resources</u></b></p> <p>Page 47 of the Net Zero Carbon Toolkit has been amended as follows: Upgrading or installing replacement double/triple glazed windows (subject to planning officer support) can reduce heat loss by up to 40%. Recent advances in window technology such as evacuated glazing offer the possibility of recreating traditional window forms but with only a fraction of the heat loss. <del>This technique can in some cases be applied to listed buildings.</del> Emerging products such as insulating plasters also offer the opportunity to insulate walls in a</p>
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			sensitive manner. <b><u>For Listed Buildings, check first with your local authority Conservation Officer whether Listed Building Consent is needed for what is proposed (and how to apply).</u></b>
04	Natural England	<p>Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.</p> <p>Natural England welcomes development of the policy statement and the Council's commitment to ensure climate change is addressed in planning decisions. Innovation on measures to combat and adapt to climate change is an ever evolving and fast-moving field.</p> <p>We therefore commend the Council's positive approach to address this complex issue. Our comments on the emerging guidance put forward in the consultation document are set out below.</p> <p><b>Planning Applications Checklist</b></p> <p>Natural England is pleased to note that the checklist demonstrates awareness that the natural environment can play a vital role in mitigating the climate crisis and achieving net zero, as healthy ecosystems can take up and store a significant amount of carbon in soils, sediments and vegetation.</p> <p>Natural England also welcomes that the adaptation measures identified in the checklist recognise the value of nature-based solutions for delivering multifunctional benefits to people and wildlife – through the protection and enhancement of tree cover; the provision of sustainable drainage features and natural flood management; the provision of net gains for biodiversity; and the provision of green infrastructure features.</p>	<p>Support noted.</p> <p>A new measure has been included under Objective CP.6.1 'Protecting existing Natural Capital and biodiversity': <b><u>Protection of soil from erosion and compaction, inappropriate planting*, avoidance of unnecessary digging or mixing of soils, or surface sealing (for carbon and water storage, as a biodiversity reservoir, and as a buffer against pollution)</u></b></p> <p><b>* Reference:</b>  <a href="https://www.gov.uk/government/publications/decision-support-framework-for-peatland-protection-the-establishment-of-new-woodland-and-re-establishment-of-existing-woodland-on-peatland-in-england">https://www.gov.uk/government/publications/decision-support-framework-for-peatland-protection-the-establishment-of-new-woodland-and-re-establishment-of-existing-woodland-on-peatland-in-england</a></p>

	<p>Natural England has the following comments to make and advice to give on the content of the checklist which we hope will be of use to you as you finalise the policy statement:</p> <ul style="list-style-type: none"> <li>- Objective 6.1 includes measures to support the protection of existing trees, hedges, and hedgerows, and Objective 6.2 requires the restoration of or planting of new trees, hedges, and hedgerows. Whilst tree planting offers one of the biggest opportunities for carbon storage and sequestration there are many other habitats that also contribute. The <a href="#">Carbon Storage by Habitat</a> report provides detailed information on carbon storage and sequestration by different habitat type.</li> <li>- Soil is an essential natural capital asset that provides important ecosystem services, including as a store for carbon and water, as a reservoir of biodiversity and as a buffer against pollution. Objective 6.1 would be strengthened if it included a requirement to protect soils.</li> <li>- Objective 6.3 identifies the creation of pocket parks as a measure for consideration, it is also important to consider the protection and enhancement of existing green spaces.</li> <li>- Natural England, with the Forestry Commission and Forest Research, have published <a href="#">guidance</a> for the protection of peat that provides a decision framework for landowners on where (and where not) to establish woodland.</li> <li>- The <a href="#">Natural Capital Atlas Mapping Indicators</a> for Devon maps the state of our natural capital in terms of its quantity, quality and location, which can be useful when considering the availability of ecosystem services for climate regulation.</li> <li>- The <a href="#">Climate Change Adaptation Manual</a> provides extensive information</li> </ul>	<p>A new objective (CP.6.4 'Carbon storage') has been included under Principle CP.6 'Resilience of natural systems and resources':</p> <p><b>CP.6.4 Carbon Storage</b>  <b><u>Landscaping proposals to consider different habitat types for carbon storage and sequestration.</u></b>  <b><u>Reference: Natural England (2021) Carbon Storage and Sequestration by Habitat</u></b>  <b><u><a href="http://publications.naturalengland.org.uk/publication/5419124441481216">http://publications.naturalengland.org.uk/publication/5419124441481216</a></u></b>  <b><u>Environmental Benefits from Nature Tool</u></b>  <b><u><a href="http://publications.naturalengland.org.uk/publication/6414097026646016">http://publications.naturalengland.org.uk/publication/6414097026646016</a></u></b></p> <p>A new measure has been included under Objective CP.6.3 'Nature recovery and wildlife networks':  <b><u>Creation of ecological networks throughout the development for the benefit of both nature and the community</u></b></p> <p>A measure in Objective CP.6.3 has been amended as follows:  <del>Proximity to n</del><b><u>Nature recovery areas and networks should be identified, protected and enhanced</u></b></p> <p>Measures in Objective CP.6.2 'Creating and enhancing biodiversity' have been amended as follows:</p> <ul style="list-style-type: none"> <li>• Planting of <del>native or non-intrusive species for pollinators and other insects</del> <b><u>a diversity of native species, or species which are proven to attract wildlife</u></b></li> <li>• <del>Inclusion of one or more:</del> <b><u>One or more: bird boxes, bat boxes/bricks per dwelling or employment unit. Additional features such as</u></b> amphibian kerbs, hibernacula, hedgehog</li> </ul>
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	<p>on climate change adaptation for the natural environment. It includes the Landscape Scale Climate Change Assessment Method that can help people through an assessment of the impacts and vulnerabilities of their natural environment features and the adaptation they can plan. There are sections on habitats, species, green infrastructure, access and recreation and geology and geomorphology.</p> <p>- Natural England is developing a tool that can measure the multi-functional benefits of green spaces within developments. The <a href="#">Environmental Benefits from Nature Tool (Beta Test Version)</a> can be used on a site to calculate Carbon storage based on habitats present. The Tool is also still in development but is designed as a voluntary add-on to the Biodiversity Metric Tool.</p> <p>The tool has been developed by Natural England and the University of Oxford in partnership with Defra, the Forestry Commission and the Environment Agency to support Government's 25 Year Environment Plan commitment to expand net gain approaches to include wider Natural Capital benefits such as flood protection, recreation and improved water and air quality.</p> <p>- Natural England is also developing the <a href="#">Green Infrastructure Framework – Principles and Standards for England</a> to support the greening of our towns and cities. The Framework is a commitment from the Government's 25 Year Environment Plan and will help local planning authorities to assess the quality of green infrastructure in new developments. At present the GI Principles and the Mapping Tool are available but following the launch of the full GI Framework later in the year LPAs will also have access to the GI Standards, the GI Design Guide, and a selection of case studies and process journeys.</p>	<p>holes/highways, wildlife-friendly/accessible ponds or other water features <b><u>should also be incorporated into development</u></b></p> <p>Two new measures have been included under Objective CP.5.1 'Sustainable urban drainage systems (SuDS)' as follows:</p> <ul style="list-style-type: none"> <li>• <b><u>Can you demonstrate how habitat creation could be included within SuDS features, and how this links to local ecology priorities?</u></b></li> <li>• <b><u>Are there opportunities for making SuDS features multifunctional, e.g. incorporating play areas within dry detention basins, improving water quality, or linking with water reuse systems?</u></b></li> </ul> <p>A new measure has been included under Objective CP.6.3 'Nature recovery and wildlife networks': <b><u>Protection or enhancement of existing green space</u></b></p> <p>A new objective (CP.6.4 'Carbon storage') has been included under Principle CP.6 'Resilience of natural systems and resources': <b>CP.6.4 Carbon storage</b> <b><u>Landscaping proposals to consider different habitat types for carbon storage and sequestration</u></b> <b><u>Reference: Natural England (2021) Carbon Storage and Sequestration by Habitat</u></b> <b><u><a href="http://publications.naturalengland.org.uk/publication/5419124441481216">http://publications.naturalengland.org.uk/publication/5419124441481216</a></u></b> <b><u>Environmental Benefits from Nature Tool</u></b> <b><u><a href="http://publications.naturalengland.org.uk/publication/6414097026646016">http://publications.naturalengland.org.uk/publication/6414097026646016</a></u></b></p>
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			Guidance noted.
05	National Highways	<p>As you may be aware we are responsible for operating, maintaining and improving the Strategic Road Network (SRN), which at Cullompton includes Junction 28 of the M5 approximately 800m north east of the town centre. It is on the basis of these responsibilities that the following comments have been made.</p> <p>The Interim Planning Policy Statement is relevant to development and use of land and buildings in Mid Devon in relation to climate change considerations, and applicants should have regard to its principles and objectives and evidence how these have been considered and used in planning applications. The Interim Statement is supported by a Climate Emergency – Planning Applications Checklist for all development proposals, a Net Zero Carbon Toolkit and the MDDC Net Zero Housing Assessment Tool.</p> <p>Principle CP.2 ‘Increasing accessibility, reducing the need to travel, and efficient movement of goods’ of the Planning Applications Checklist sets out measures to support the creation sustainable and connected places that reduce the need to travel and seek to change travel behaviours especially for shorter trips. National Highways strongly supports measures which aim to enhance and promote sustainable transport opportunities and ensure that places are well connected to reduce the reliance on the private car. This in turn supports the SRN in fulfilling its strategic function of enabling the long distance movement of people and goods and makes a significant contribution to enabling and sustaining economic growth, prosperity and productivity, while also contributing to wider sustainability objectives and improved accessibility to key economic and social services.</p>	Support noted.



		<p>This strategic function is unlikely to change and we therefore need to ensure, and where necessary safeguard our network so that it continues to be fit for purpose now and into the future. Whilst recognising the value of sustainable transport measures, these do not negate the need for, or importance of, highways schemes that may be identified as necessary to enable planned growth to come forward or address existing safety or capacity constraints.</p>	
06	Holcombe Rogus Parish Council	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Holcombe Rogus Parish Council welcomes the interim policy statement. The purpose and intention of this interim planning policy statement demonstrates the leadership required in the climate emergency and supports the endeavor for Devon Council to reach net zero 2030.</p> <p>HPRC would welcome clarity that this is applicable to all applications for development, and not just major developments noted in section 4.1</p> <p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>this list is comprehensive and meets all expectations</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b></p> <p>Welcome this principle. No further comment</p>	<p>Noted.</p> <p>The 'Planning Policy Statement' applies to all scales and types of development, except the small area of the district which falls within Dartmoor National Park, or development that is subject to 'permitted development rights' where there is no requirement to apply for planning permission.</p> <p>Support noted.</p> <p>Support noted.</p>

	<p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b> Welcome this principle. No further comment</p> <p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b> Welcome this principle and ask that for section 3.2 that Mid Devon provide guidance as the expected operational standards of the development and an indicative limit of lifecycle emissions associated with development.</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b> welcome this principle, no further comments</p> <p><b>Q9 Planning Applications Checklist Climate Principle 5: Mitigating flood risk, and water resource resilience</b> Welcome this principle, no further comments</p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b> Welcome this principle, no further comments</p> <p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> This is an excellent resource, no further comment.</p> <p><b>Q12 Comments on Mid Devon Net Zero Housing Assessment Tool (If you are responding to specific sections or paragraphs of the</b></p>	<p>Support noted.</p> <p>An outline of the operational standards that development is expected to comply with is set out within the 'How to Use the Tool' section of the MDDC Net Zero Housing Assessment Tool's cover sheet. It is not currently possible to set a limit on the lifecycle emissions associated with development, as this would introduce new planning policy, which could potentially conflict with the adopted policies within the current Local Plan.</p> <p>Support noted.</p> <p>Support noted.</p> <p>Support noted.</p> <p>Support noted.</p>
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07	Tiverton Civic Society	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> This sets out the targets clearly</p> <p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> A very thorough and useful guide for those submitting applications, applicants for planning permission being expected to have regard to the principles and objectives</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b> A key principle, well covered throughout the policies</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b> Very thorough. It is important that new developments are close to, and can easily access, the main town centre services, including shops and schools. Tiverton is certainly not following this principle with new housing stretched out too far in an easterly direction along the Halberton road</p>	<p>Support noted.</p> <p>Support noted.</p> <p>Support noted.</p> <p>Noted.</p>

	<p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b> A very thorough checklist of principles</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b> Very brief, but includes some useful principles. As we found this summer, ample shade from mature trees is very important.</p> <p><b>Q9 Planning Applications Checklist Climate Principle 5: Mitigating flood risk, and water resource resilience</b> Good. It is very important that contamination from runoff, particularly from farmland, is carefully managed.</p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b> Well covered</p> <p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> As this statement says, new houses continue to emit far too much carbon, and 'we need to do much better'. This toolkit sets out clearly many ways in which this improvement can be achieved</p> <p><b>Q12 Comments on Mid Devon Net Zero Housing Assessment Tool (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Excellent, if somewhat academic, and in need of clarification.</p>	<p>Support noted.</p> <p>No action required.</p> <p>Support noted.</p> <p>Support noted.</p> <p>Support noted.</p>
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08	Individual	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Overall a very fine document containing a lot of honourable 'climate related' policy references and good intentions.</p> <p>Issue relating directly to the Statement: 2.7 Why are there exemptions to the 'Statement' for developments subject to 'permitted development rights'?</p> <p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Respondent skipped this question</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b></p> <p>Respondent skipped this question</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b></p>	<p>Support noted.</p> <p>'Permitted development rights' relate to certain types of development which the Government has made exempt from needing to apply for planning permission. The 'Planning Policy Statement' applies to all scales and types of development, except development that is subject to 'permitted development rights', or is within the small area of the district which falls within Dartmoor National Park.</p> <p>No action required.</p> <p>No action required.</p>

	<p>Respondent skipped this question</p> <p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b></p> <p>Respondent skipped this question</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b></p> <p>Respondent skipped this question</p> <p><b>Q9 Planning Applications Checklist Climate Principle 5: Mitigating flood risk, and water resource resilience</b></p> <p>Respondent skipped this question</p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b></p> <p>Respondent skipped this question</p> <p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Respondent skipped this question</p> <p><b>Q12 Comments on Mid Devon Net Zero Housing Assessment Tool (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Respondent skipped this question</p> <p><b>Q13 General Comments</b></p>	<p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p>
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		<p>From personal experience, important policies such as for example the NPPF 2021 as included within the statement have been 'overlooked' in past applications by the MD Planning Committee. And conditions as applied to granted permissions do not seem get properly enforced by the seemingly under-resourced Enforcement Department.</p> <p>So I am concerned how much of all the 'good stuff' contained within the 'Statement' will materialise 'on the ground'?</p> <p>I also have concerns about how much of the 'statement' can be implemented by MDDC and not overruled by national 'political' planning policies?</p>	<p>The climate emergency is increasingly recognised nationally as a significant material consideration in decision-making and appeals. Applicants for planning permission will be expected to have regard to the principles and objectives contained in the 'Planning Policy Statement's' 'Climate Emergency – Planning Applications Checklist' (hereafter referred to as the 'Checklist'), and to show how these have been considered and used in preparing planning applications submitted to the Council for determination. This will be achieved through making the Checklist a new local requirement for the validation of all planning applications submitted to the Council for determination, and this will be amendment made to form "4 – Application for Planning Permission". The Council's preferred approach to demonstrate compliance with the relevant policies in the adopted development plan will be through the completion of the Checklist. The completion of the Checklist will also be the Council's preferred format for Carbon Reduction Statements for major development, as a way to clarify key climate and sustainability points. The information provided on completed Checklists will be proportionate in relation to the nature and scale of development that is proposed.</p> <p>The Checklist provides a way to identify how development proposals satisfy relevant policies in the adopted development plan. Where development takes place that is not in accordance with approved plans for a planning application, enforcement action can be taken by the Council.</p> <p>The Non-Statutory Interim Planning Policy Statement: Climate Emergency has been prepared by the Council having</p>
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			regard to current national planning policy and relevant legislation, which is explained in its section 3.
09	Individual	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>I would prefer this to be stronger in wording: there should be no new build planning approved (residential or commercial) without comprehensive energy efficiency including solar power, water collection and recycling and so on.</p>	<p>Objective CP.3.1 ‘Minimising energy consumption’ advocates the use of on-site or locally sourced materials, and incorporation of existing structures into new development.</p> <p>Policy DM1 ‘Sustainable development principles’ of the adopted Local Plan 2013-2033, states that new development must be designed with external spaces for recycling.</p> <p>New development must comply with the national Building Regulations, which have been updated in 2021 and which are subject to review.</p> <p>Part G of the Building Regulations sets out the requirements for rainwater harvesting and greywater recycling “as a means for reducing water consumption to achieve higher water efficiency performance levels.”</p> <p>The most recent changes to the Building Regulations include uplifts to Part L ‘Conservation of fuel and power’ and the introduction of Part O ‘Overheating in new residential buildings’.</p> <p>Part L of the Building Regulations strongly encourages developers to aspire towards zero carbon, setting out that all new homes should provide an uplift in thermal efficiency (against 2013 Building Regulations) of at least 30%, with a minimum 40% of the building footprint accommodating roof mounted solar photovoltaic panels. For non-residential buildings, a 31% reduction of baseline emissions is required.</p>



		<p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist</b>  <b>(If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b>  Respondent skipped this question</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b>  Respondent skipped this question</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b>  Respondent skipped this question</p> <p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b>  Respondent skipped this question</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b>  Respondent skipped this question</p>	<p>Part O of the Building Regulations seeks to ensure that new homes are designed to reduce overheating through minimising solar gain and removing excess heat. This is to be achieved through restricting the amount of glazing allowed in a single room, in combination with consideration of cross-ventilation and orientation.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p>
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			<p>Council for determination, and this will be amendment made to form “4 – Application for Planning Permission”. The Council’s preferred approach to demonstrate compliance with the relevant policies in the adopted development plan will be through the completion of the Checklist. The completion of the Checklist will also be the Council’s preferred format for Carbon Reduction Statements for major development, as a way to clarify key climate and sustainability points. The information provided on completed Checklists will be proportionate in relation to the nature and scale of development that is proposed.</p> <p>The Checklist provides a way to identify how development proposals satisfy relevant policies in the adopted development plan. Where development takes place that is not in accordance with approved plans for a planning application, enforcement action can be taken by the Council.</p> <p>The Non-Statutory Interim Planning Policy Statement: Climate Emergency has been prepared by the Council having regard to current national planning policy and relevant legislation, which is explained in its section 3.</p> <p>Although currently not a requirement, applicants for the development of new homes will be encouraged to make use of the Net Zero Carbon Toolkit and Net Zero Housing Assessment Tool in the preparation of planning proposals.</p>
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			Some measures listed within the Checklist relate to the Building Regulations, with which development must also comply.
10	Individual	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Respondent skipped this question</p> <p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Respondent skipped this question</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b> Respondent skipped this question</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b> Respondent skipped this question</p> <p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b> Respondent skipped this question</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b> Respondent skipped this question</p>	<p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p>

		<p><b>Q9 Planning Applications Checklist Climate Principle 5: Mitigating flood risk, and water resource resilience</b> Respondent skipped this question</p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b> Respondent skipped this question</p> <p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Respondent skipped this question</p> <p><b>Q12 Comments on Mid Devon Net Zero Housing Assessment Tool (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Respondent skipped this question</p> <p><b>Q13 General Comments</b> Projects should offer a net gain</p>	<p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>No action required.</p> <p>From November 2023, new development will be required to provide a minimum 10% net gain in biodiversity. In the interim, the Council encourages applicants to deliver 10% or more where feasible to do so.</p>
11	Individual	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Respondent skipped this question</p>	<p>No action required.</p>

	<p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist</b>  <b>(If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b>  All worthy and important topics to be addressed that have not been addressed up to this point even though the underlying knowledge and technology has been available</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b>  There is an urgent need for sustainable development - right development in the right place for the correct people - more council houses should be built in each development fund from the developers profits</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b>  Each new development should be viewed in conjunction with the current infra- structure - should be encouraging less car use and more affordable public transport, Cycle and walking routes along safe routes should be included. Aging population should also be catered for.</p> <p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b>  Insulation!</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b>  Again insulation and correct use of ventilation and window sizes.</p> <p><b>Q9 Planning Applications Checklist Climate Principle 5: Mitigating flood risk, and water resource resilience</b></p>	<p>No action required.</p> <p>Noted.</p> <p>Applications for development are routinely assessed in relation to existing infrastructure, in accordance with Policies S1 and S8 of the adopted Local Plan 2013-2033, which are set out below.</p> <p>Policy S1 'Sustainable development priorities' states that 'All development will be expected to support the creation of sustainable communities by ... promoting sustainable transport by delivering, reducing the need to travel by car, integrating public transport and other forms of sustainable travel such as walking and cycling, and providing safe environments'</p>
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	<p>Both very important - too many developments have been given permission to build on flood plains which will only be made worse by climate change. Water run off has not been given the importance it should have been! Infra-structure and sewage systems - not coping now: can they cope with more houses?</p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b></p> <p>Also very important - too many developers have claimed to "increase biodiversity" in their plans - ploughed up land, destroyed hedgerows and trees, covered vast swathes with concrete then planted a few saplings - I despair!!</p> <p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Respondent skipped this question</p> <p><b>Q12 Comments on Mid Devon Net Zero Housing Assessment Tool (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Respondent skipped this question</p> <p><b>Q13 General Comments</b></p> <p>A sound, well- thought documents and toolkits - my comments are "why have you not done this before? Knowledge and technologies have been around for ages - i taught it in the 80s and it wasn't news then!!</p> <p>Another important question "how is it going to be enforced? Will the planning officers make all these important topics and say what has been</p>	<p>Policy S8 'Infrastructure' states that 'The Council will work with providers and developers to ensure that new development is served by necessary infrastructure in a predictable, timely and effective fashion. Development and transport planning will be coordinated to improve accessibility for the whole community and promote the use of sustainable modes of transport. The Council will set out key infrastructure and facility requirements for new development in an Infrastructure Plan, taking account of existing provision and cumulative impact of new development' and that 'Planning permission will be granted only where the impact of development is not considered to be severe. Where severe impacts that are attributable to the development are considered likely, including as a consequence of cumulative impacts, they must be subject to satisfactory mitigation having regard to the latest infrastructure plan.'</p> <p>Paragraph 2.29 of the justification text for Policy S3 'Housing', states that "the Building Regulations will also ensure that new housing meets certain requirements for adaptability and an ageing population."</p> <p>The demographics and needs of local residents will be taken into account during the plan-making stage of the new Local Plan (Plan Mid Devon), and will underpin new policies.</p> <p>New development must comply with the national Building Regulations, which have been updated in 2021 and which are subject to review. The most recent changes include an uplift to Part L 'Conservation of fuel and power', and the</p>
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		<p>met and what has not and then the Planning Committee just pass it anyway? (as happens now with the planning framework document)</p>	<p>introduction of Part O 'Overheating in new residential buildings'.</p> <p>Part L sets out the regulations for insulation use and standards and strongly encourages developers to aspire towards zero carbon, setting out that all new homes should provide an uplift in thermal efficiency (against 2013 Building Regulations) of at least 30%. For non-residential buildings, a 31% reduction of baseline emissions is required.</p> <p>Part O of the Building Regulations seeks to ensure that new homes are designed to reduce overheating through minimising solar gain and removing excess heat. This is to be achieved through restricting the amount of glazing allowed in a single room, in combination with consideration of cross-ventilation and orientation.</p> <p>The Net Zero Housing and Assessment Tool calculates the potential carbon performance and embodied carbon performance of four common housing types (detached, attached, 1- and 2-bed properties). The tool allows different methods of ventilation to be selected, and takes into account the thermal transfer of building components such as windows, walls, roofs and doors. Different operational standards can be selected to compare the costs and climate impacts of new development.</p> <p>The Net Zero Carbon Toolkit demonstrates a range of design and construction methods for delivering net zero residential development, which includes guidance on windows, interior ventilation, and insulation. The guidance also takes into</p>
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			account embodied carbon and operational energy requirements.
12	Individual	<p>I would like to congratulate the Council on its plans to tackle climate change and improve air quality. The proposals are very comprehensive and carefully thought out - all credit to everyone who has contributed to the document.</p> <p>I am particularly pleased to see section CP.3.3: CP.3.3 Using cleaner energy Renewable energy generation and supply, including on-site where feasible Infrastructure to connect renewable energy systems to the grid (distribution network operator may need to assess) Battery storage or flexibility systems such as V2G (vehicle to grid) We are a group of six and have formed a community company called Heart of Devon Community Energy.</p> <p>We hope to install a 2MW wind turbine in Mid Devon provided we can gain planning permission in the near future. If successful, it should make a substantial contribution to the Council's net zero targets and the improvement in air quality.</p>	Support noted.
13	Devon County Council – Flood and Coastal Risk Management – Environment Group	<p>It's great to see SuDS included within the checklist. I think 'natural watercourses' should be removed from the SuDS section of the checklist though as I worry that this could misinterpreted as using a watercourse to store water (which might not be appropriate).</p> <p>Mid Devon might want to consider adding further information to the toolkit. SuDS can be multifunctional, so you might want to explore whether there are additional benefits of SuDS other than flood risk management.</p> <p>Mid Devon may wish to assess whether SuDS should be planted and</p>	<p>Objective CP.5.1 'Sustainable urban drainage systems (SuDS)' has been amended as follows: SuDS such as rain gardens, swales, <del>natural water courses</del>, communal soakaways, filter strips, retention and detention basins</p> <p>A new measure has been included under Objective CP.5.1 'Sustainable urban drainage systems (SuDS)': <b><u>Are there opportunities for making SuDS features multifunctional, e.g. incorporating play areas within dry</u></b></p>

	<p>designed differently dependant on where in the district you are. For example, an ecologist might want to encourage wetlands and ponds within areas known to have Great Crested Newts.</p> <p>Living Walls and Green Roofs can be used for regulating temperatures within and around buildings.</p> <p>SuDS can treat surface water as well as manage surface water. Mid Devon might want to highlight this.</p> <p>Does Mid Devon want to include a bit on reusing rainfall within the document? Rainfall could be treated before being used or it could be stored and used with no treatment (e.g. water butts).</p> <p>You might want to note that surface water should be managed in accordance with guidance considered suitable at the time of a planning application being submitted.  <a href="https://www.devon.gov.uk/suds-guidance">SuDS guidance - Flood Risk Management (devon.gov.uk)</a></p> <p>I would suggest rewording the paragraph in the toolkit to something like the following:</p> <p>This <i>can</i> reduce surface water run-off and support local drainage networks to function effectively. <i>If surface water is managed in accordance with greenfield conditions, then flood risk should not increase downstream.</i></p>	<p><b><u>detention basins, improving water quality, or linking with water reuse systems?</u></b></p> <p>A new measure has been included under Objective CP.5.1 'Sustainable urban drainage systems (SuDS)':  <b><u>Can you demonstrate how habitat creation could be included within SuDS features, and how this links to local ecology priorities?</u></b></p> <p>Objective 4.3 'Green infrastructure' has been amended as follows:  Green and blue infrastructure in private outdoor space, e.g. trees, hedgerows, hedges, green/brown/:blue roofs, vertical climbers, <b><u>living walls</u></b>, water features and landscaping</p> <p>Reuse of rainfall is covered within CP.5.2 'Water efficiency and rainwater harvesting (ways to reduce demand on water utilities)' as 'Rainwater collection and reuse systems'.</p> <p>A new measure has been included under Reference added to Objective CP.5.3 'Reducing the risk of flooding'  <b><u>See Devon County Council's SuDS guidance: <a href="https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/">https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/</a></u></b></p> <p>The Net Zero Carbon Toolkit has been amended as follows:  This <del>will</del><b>can</b> reduce surface water run-off and support local drainage networks to function effectively.</p> <p>The following changes have been made to page 35 of the Net Zero Carbon Toolkit:</p>
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		<p>I have changed will to can, as surface water will only reduce if the water can be drained into the ground (not always viable). If not, then the surface water volume will increase due to the impermeable areas reducing the potential infiltration at the site.</p> <p>I have put the last sentence in, as flood risk might not be reduced, but it shouldn't be increased.</p> <p>A colleague of mine in the Environment Group mentioned that biodiversity should be included. I see that a section has been included within the toolkit.</p>	<ul style="list-style-type: none"> <li>• <b>Devon County Council SUDS Guidance</b> <a href="https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/">https://www.devon.gov.uk/floodriskmanagement/planning-and-development/suds-guidance/</a> <b><u>Surface water should be managed in accordance with guidance considered suitable at the time a planning application is being submitted.</u></b></li> <li>• Reducing flood risk through Sustainable Urban Drainage (SuDS) Changes to our climate are predicted to result in increased rainfall and greater risk of flooding. Integrating SuDS into a development can greatly improve the site's ability to capture, absorb and effectively retain water as part of a comprehensive <b><u>and multifunctional</u></b> green infrastructure design. This <b><u>can</u></b> reduce surface water run-off and support local drainage networks to function effectively, to <b><i>reduce</i></b> the risk of flooding.</li> </ul> <p>No action required.</p>
14	Individual	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b> Respondent skipped this question</p> <p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p>	<p>No action required.</p>

	<p>Respondent skipped this question</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b> Don't build on flood plains</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b> Stop the government shutting GP surgeries, hospitals and there departments. The banks and post office closing branches etc. Not that you can of course.</p> <p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b> Use project managers to oversee grant schemes rather than rigid rules and certified builders that mostly only set up to do grant work. The good builders don't take on this nonsense as they are too busy. I have much much more to add on the failure of Green Deal etc but not enough room.</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b> Why is there never any reference yo the Specific Heat Capacity of insulation, just the thermal performance? Please look it up and highlight this in future. Check out cork and wood fibre for good examples.</p> <p><b>Q9 Planning Applications Checklist Climate Principle 5: Mitigating flood risk, and water resource resilience</b> Respondent skipped this question</p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b></p>	<p>No action required.</p> <p>Noted. National planning policy requires that inappropriate development in areas at risk of flooding should be avoided.</p> <p>Planning policy can help protect local services. The Council will work with the NHS to help coordinate the provision of healthcare facilities to meet needs arising through new development.</p> <p>Grant schemes are not within the scope of the Non-Statutory Interim Planning Policy Statement: Climate Emergency, which is intended to provide guidance for to assist applicants in submitting planning applications for determination, and to help inform decisions made on those.</p> <p>Energy efficiency standards in buildings are set through the national Building Regulations and which for the basis for the Non-Statutory Interim Planning Policy Statement: Climate Emergency and the 'Climate Emergency - Planning Applications Checklist'.</p> <p>While not explicitly referred to within the 'Planning Policy Statement', the Specific Heat Capacity of insulation would need to be considered to comply with Part L of the Building Regulations.</p>
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		<p>Respondent skipped this question</p> <p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Respondent skipped this question</p> <p><b>Q12 Comments on Mid Devon Net Zero Housing Assessment Tool (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>It would be helpful to have this for existing individual homes. I have a 17c cob and stone house with many extensions with various materials over the years. How can embodied energy be assessed for the 20k cob dwellings in Devon?</p> <p><b>Q13 General Comments</b></p> <p>Respondent skipped this question</p>	<p>CP.3.2 'Using energy more efficiently' which includes a measure for development to employ 'a higher level of fabric standards/insulation than required by the Building Regulations'</p> <p>No action required.</p> <p>It would be difficult to calculate the embodied energy of existing dwellings, due to the wide range of materials, construction methods, and distances involved in moving materials to site. However, research has shown that in terms of the whole lifecycle of cob buildings, the carbon and embodied energy associated with cob is appreciably lower than that of other conventional building materials. Reference: Loftness, V, Harries, K, Hameen, E, and Ben Alon, L. (2017). 'Integrating Earthen Building Materials and Methods into Mainstream Housing Projects throughout Design, Construction, and Commissioning Stages'.</p> <p>No action required.</p>
15	Individual	<p>I welcome the fact that MDDC are engaging with the climate emergency and in a strategic policy led way. You are somewhat late in tackling this but it is better to be late rather than not to attend at all so I certainly support the approach.</p> <p>What I have not seen within the statement is any particular reference to contribution that the natural environment and its protection during development can have both on reducing carbon loss but also securing</p>	<p>Support noted.</p> <p>A new measure has been included under Objective CP.6.1 'Protecting existing Natural Capital and biodiversity':</p>

	<p>carbon for the long term and meeting some of the carbon efficiencies desired by design.</p> <p>A greater emphasis on protection soils and existing vegetation, especially trees, could be a vital addition to overall ‘toolkit’ that ensures a development achieves or exceeds net zero.</p> <p>Current policy in relation to the retention and protection of existing landscape features during development is weak as far as I can see and in my direct experience locally, this is further exacerbated by a weak policy on the provision and maintenance of long term ‘landscape’ planning that can deliver so much in terms of climate change mitigation, carbon sequestration and energy efficiency.</p> <p>I therefore broadly support the development of the Climate PPS however I strongly recommend it includes and integrates components that properly value existing carbon sinks in terms of soil, biodiversity and vegetation, especially trees – that in doing so it encourages short and long term protection of these carbon assets. Furthermore that value is placed on the development, implementation and maintenance of landscape / green infrastructure that will help to both offset carbon expenditure but more importantly can provide both provide eco-system benefits, energy efficiencies and potentially carbon asset gain.</p> <p>Please find attached† a useful design document published by the trees and design action group (TDAG) that illustrates some of what I am proposing.</p> <p>† <a href="#">First Steps in Trees and New Developments</a></p>	<p><b><u>Protection of soil from erosion and compaction, inappropriate planting*, avoidance of unnecessary digging or mixing of soils, or surface sealing (for carbon and water storage, as a biodiversity reservoir, and as a buffer against pollution)</u></b></p> <p><b><u>* Reference:</u></b>  <a href="https://www.gov.uk/government/publications/decision-support-framework-for-peatland-protection-the-establishment-of-new-woodland-and-re-establishment-of-existing-woodland-on-peatland-in-england">https://www.gov.uk/government/publications/decision-support-framework-for-peatland-protection-the-establishment-of-new-woodland-and-re-establishment-of-existing-woodland-on-peatland-in-england</a></p> <p>A new objective (CP.6.4 ‘Carbon storage’) has been included under Principle CP.6 ‘Resilience of natural systems and resources’:</p> <p><b>CP.6.4 Carbon Storage</b>  <b><u>Landscaping proposals to consider different habitat types for carbon storage and sequestration</u></b>  <b><u>Reference: Natural England (2021) Carbon Storage and Sequestration by Habitat</u></b>  <a href="http://publications.naturalengland.org.uk/publication/5419124441481216">http://publications.naturalengland.org.uk/publication/5419124441481216</a>  <b><u>Environmental Benefits from Nature Tool</u></b>  <a href="http://publications.naturalengland.org.uk/publication/6414097026646016">http://publications.naturalengland.org.uk/publication/6414097026646016</a></p> <p>Carbon sequestration is also referred to within Objective CP.6.2 ‘Creating and enhancing biodiversity’:  Restoration or new planting of hedges, hedgerows and trees (for habitat value and carbon sequestration, ecological and amenity value)</p>
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			<p>A measure under Objective CP.6.1 'Protecting existing Natural Capital and biodiversity' has been amended as follows:</p> <p>Protection of existing trees <b><u>(with particular regard to ancient trees and woodland, and veteran trees), mature</u></b> hedges and hedgerows during site preparation, demolition and/or construction works (for ecological value, carbon sequestration and amenity value). <b><u>A minimum 5-metre buffer zone should be preserved between development and retained hedgerows, which should not be utilised as residential boundary treatments</u></b></p> <p>Policy S1 'Sustainable development priorities' of the adopted Local Plan 2013-2033, states that 'All development will be expected to support the creation of sustainable communities by ... minimising impacts on biodiversity and geodiversity by recognising the wider benefits of ecosystems, delivering natural environment objectives, providing a net gain in biodiversity'</p> <p>The supporting text of Policy DM26 'Green infrastructure in major development' of the adopted Local Plan 2013-2033, states that 'Development incorporating green infrastructure will be required to submit management and maintenance details for the proposed green infrastructure'.</p> <p>A new measure has been included under Objective CP.6.3 'Nature recovery and wildlife networks':  <b><u>Protection or enhancement of existing green space</u></b></p> <p>From November 2023, new development will be required to provide a minimum 10% net gain in biodiversity, for which a</p>
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			<p>minimum 30-year management plan will need to be submitted. In the interim, the Council encourages applicants to deliver 10% or more where feasible to do so.</p> <p>A measure in Objective CP.5.3 'Reducing the risk of flooding' has been amended to the following and includes reference to ecosystem services:</p> <p><b><u>Inclusion of Nature-based solutions, riparian or flood tolerant tree and vegetation planting, natural vegetation of habitats, e.g. green/brown/blue roofs, communal basins and or ponds, green spaces within blocks, and/or green verges to retain rainfall and reduce surface water runoff</u></b></p> <p>A new measure has been included under CP.4.3 'Green infrastructure':</p> <p><b><u>Relationship between vegetation, building, distance, and aspect to regulate internal temperatures</u></b></p>
16	Individual	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>There is no climate emergency, the document is climate cult insanity. There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p>	<p>The comments made are noted. However, these are personal views, which do not reflect the prevailing legislative context at international and national levels in response to climate change and the need for action to be taken to move to a net zero carbon future. This legislative context is detailed in section 3 of the Non-Statutory Interim Planning Policy Statement: Climate Emergency.</p>



	<p>There is no climate emergency, the document is climate cult insanity. There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b> Insane</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b> Abject nonsense.</p> <p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b> Climate cultism</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b> More likely to be colder, but don't let the truth (or science) get in the way of a good story</p> <p><b>Q9 Planning Applications Checklist Climate Principle 5: Mitigating flood risk, and water resource resilience</b> You made a complete mess over the last 50 years, I don't expect any improvement</p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b> Climate cult nonsense</p>	
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		<p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>There is no climate emergency, the document is climate cult insanity. There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q12 Comments on Mid Devon Net Zero Housing Assessment Tool (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>Climate cult nonsense</p> <p><b>Q13 General Comments</b></p> <p>Their is no climate emergency, just climate cultism and a delinquent, manipulated, Swedish teenager, dictating how our country is run.</p>	
17	Individual	<p><b>Q3 Comments on Planning Policy Statement (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>There is no climate emergency, stop this woke, climate cult, nonsense. There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q4 Comments on Climate Emergency - Planning Applications Checklist (If you are responding to specific sections or paragraphs of the</b></p>	<p>The comments made are noted. However, these are personal views, which do not reflect the prevailing legislative context at international and national levels in response to climate change and the need for action to be taken to move to a net zero carbon future. This legislative context is detailed in section 3 of the Non-Statutory Interim Planning Policy Statement: Climate Emergency.</p>

	<p><b>consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q5 Planning Applications Checklist Climate Principle 1: Sustainable development</b></p> <p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q6 Planning Applications Checklist Climate Principle 2: Increasing accessibility, reducing the need to travel, and efficient movement of goods</b></p> <p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q7 Planning Applications Checklist Climate Principle 3: Improving energy efficiency</b></p> <p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q8 Planning Applications Checklist Climate Principle 4: Adapting to higher temperatures</b></p>	
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	<p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q9 Planning Applications Checklist Climate Principle 5: Mitigating flood risk, and water resource resilience</b></p> <p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q10 Planning Applications Checklist Climate Principle 6: Resilience of natural systems and resources</b></p> <p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q11 Comments on Mid Devon Net Zero Carbon Toolkit (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p> <p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q12 Comments on Mid Devon Net Zero Housing Assessment Tool (If you are responding to specific sections or paragraphs of the consultation documents, please support us by indicating which sections these are in your response)</b></p>	
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		<p>There is no policy as ill-thought out, as ineffective, as madcap or as unnecessarily punitive as net-zero. It is literally destroying lives. Man made climate change is the greatest scientific fraud in history. Even if it were true, only China &amp; India could make any meaningful difference.</p> <p><b>Q13 General Comments</b></p> <p>There is no climate emergency, stop this insane nonsense</p>	
18	Individual	<p>Section 3.1 of the 'Non-Statutory Interim Climate Change Planning Policy Statement' states: 'The Council has set an ambitious target to achieve net zero by 2030.....' This policy was set with no accompanying costing (and still is unless things have changed since Councillor Slade's email to me).</p> <p>Such a commitment, whilst entirely laudable, is financially reckless (as, in a different context, Liz Truss demonstrated recently). There can be no public mandate for this target without a costing; it commits the Council to write a blank cheque in these tough economic times.</p> <p>This might suggest I am denying the existence of the global climate emergency. Far from it! The UN is now saying that global warming has already happened and is inevitable (as explained in the attachment). I believe Extinction Rebellion's diagnosis understates the gravity of the situation but- like government and councils- their cure is ill thought through (and tactics dubious).</p> <p>Importantly, the emergency is global, not local to Mid Devon, and requires global solution. Any money designed to counter the emergency - needs to be spent globally, not nationally, not locally, not just in making the council carbon neutral. It needs to be spent in the places/ projects that will have the greatest impact per pound spent not in local sub-optimisations. Otherwise there is a gross waste of money- which is particularly unwise in these tough economic times.</p>	<p>The comments made are noted. However, these are personal views, which do not reflect the prevailing legislative context at international and national levels in response to climate change and the need for action to be taken to move to a net zero carbon future. This legislative context is detailed in section 3 of the Non-Statutory Interim Planning Policy Statement: Climate Emergency.</p> <p>The transition towards a net zero carbon economy will require the implementation of new technologies and practices which will have their associated costs. Such costs will need to be weighed up in relation to the disbenefits and associated costs of not taking action to address the climate emergency and extreme weather events. The Council is continuously reviewing and identifying what cost benefits and other implications are involved and how to address them.</p>

		<p>For example, a solar panel installed in India or China would reduce carbon emissions by roughly three times more than one in Northern Europe!</p> <p>The Government's recent admission that 'decarbonising' public buildings will cost up to £50 billion (at a time of severe financial stress) is money that could also be spent to much greater effect in combatting the problem at a global level. So could MDDC's (unlimited) spending on carbon neutrality.</p> <p>MDDC has already invested in a raft of measures which were economic and reduced the Council's carbon emissions; any remaining projects are therefore expensive (per unit of carbon emission saved)- more expensive than other carbon-reducing options within its area, within the country, within the world.</p> <p>Furthermore, money earmarked in response to the emergency is, as the UN is pointing out, is needing to be increasingly spent in mitigating its impact rather than trying to avoid it by reducing carbon emissions.</p> <p>Meeting the MDCC carbon neutral target will thus spend money very inefficiently in combatting climate change. I propose that the policy be fundamentally reviewed to make better use of council taxpayers money.</p> <p>Much of the rest of the document- settling guidelines for good practice in energy conservation- is entirely reasonable as long as this is just pulling together advice from expert sources rather than reinventing the wheel to create an individual MDDC set of recommendations. Probably this is best done once for all local authorities rather than locally</p>	
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		<p>*For example, the cost of a unit of solar electricity in Northern Europe is about \$50/kwh. In India and China it is about \$30 and \$25 or less in Africa. A colossal difference each time a council thinks of installing- solar panels. But the difference is, in fact, much greater than just this cost. In Europe, the solar would displace gas- the marginal fuel for electricity. In India and China it would displace coal. 1kwh of electricity produced from coal emits 1 ½ times as much CO2 as gas.</p>	
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## Appendix 1: Key Consultees

In addition to the following consultees, Mid Devon's district Councillors and one hundred and forty-two individuals who were registered on the Council's Plan Mid Devon mailing list at the start of the Issues Consultation, were invited to make representations.

### Specific Consultation Bodies

#### Duty to Cooperate



Civil Aviation Authority  
 Dartmoor National Park Authority  
 Devon County Council  
 East Devon District Council  
 Environment Agency  
 Exeter City Council  
 Exmoor National Park Authority  
 Highways England  
 Historic England  
 Homes England  
 Marine Management Organisation  
 Mendip District Council  
 Natural England  
 NHS Devon Clinical Commissioning Group

NHS England Local Area Team  
 North Devon District Council  
 Office of Rail and Road  
 Plymouth City Council  
 Sedgemoor District Council  
 Somerset County Council  
 Somerset West and Taunton District  
 South Hams District Council  
 South Somerset District Council  
 Teignbridge District Council  
 Torbay Council  
 Torridge District Council  
 West Devon Borough Council

#### Other Statutory

Advisory Council for the Education of Romany  
 & other Travellers  
 Blackdown Hills AONB Partnership  
 Coal Authority  
 CPRE Devon  
 Devon County Council - Services for Children  
 (Disability Information & Support)  
 Devon & Somerset Fire and Rescue Service  
 Devon and Cornwall Constabulary  
 Devon Association of Local Councils  
 Devon Countryside Access Forum  
 Devon Local Nature Partnership  
 Devon Partnership NHS Trust  
 Devon Wildlife Trust  
 Diocese of Exeter, Church of England  
 Equality & Human Rights Commission  
 Federation of Small Businesses  
 Forestry Commission  
 Her Majesty's Prison & Probation Service

House of Commons  
 London Gypsy Traveller Unit  
 National Grid  
 National Trust  
 Network Rail  
 NHS Northern, Eastern and Western Devon  
 Clinical Commissioning Group  
 NHS Property Services Ltd  
 Office of Rail Regulation  
 Regulator of Social Housing  
 Royal Devon and Exeter NHS Foundation Trust  
 South West Water  
 Sport England  
 The Woodland Trust  
 Torbay and South Devon NHS Foundation  
 Trust  
 UK Power Networks  
 Vodafone Corporate Communications  
 Western Power Distribution

## Mid Devon Town and Parish Councils

Bampton Parish Council  
Bickleigh Parish Council  
Borden Gate Parish Council  
Bow Parish Council  
Bradninch Parish Council  
Brushford Parish Council  
Burlescombe Parish Council †  
Butterleigh Parish Council  
Cadbury Parish Council  
Cadeleigh Parish Council  
Chawleigh Parish Council  
Cheriton Bishop Parish Council  
Cheriton Fitzpaine Parish Council  
Clannaborough Parish Council †  
Clayhidon Parish Council  
Coldridge Parish Council  
Colebrooke Parish Council  
Coplestone Parish Council  
Crediton Hamlets Parish Council  
Crediton Town Council  
Cruwys Morchard Parish Council  
Cullompton Town Council  
Culmstock Parish Council  
Down St Mary Parish Council  
Eggesford Parish Council  
Halberton Parish Council  
Hemyock Parish Council  
Hittisleigh Parish Council  
Holcombe Rogus Parish Council  
Kennerleigh Parish Council

Kentisbeare Parish Council  
Lapford Parish Council  
Loxbeare Parish Council †  
Morchard Bishop Parish Council  
Morebath Parish Council  
Newton St Cyres Parish Council  
Nymet Rowland Parish Council  
Oakford Parish Council  
Poughill Parish Council  
Puddington Parish Council  
Sampford Peverell Parish Council  
Sandford Parish Council  
Shobrooke Parish Council  
Silverton Parish Council  
Stockleigh English Parish Council  
Stockleigh Pomeroy Parish Council  
Stoodleigh Parish Council  
Templeton Parish Council  
Thelbridge Parish Council  
Thorverton Parish Council  
Tiverton Town Council  
Uffculme Parish Council  
Uplowman Parish Council  
Upton Hellion Parish Council  
Washfield Parish Council  
Washford Pyne Parish Council  
Wembworthy Parish Council  
Willand Parish Council  
Woolfardisworthy Parish Council  
Zeal Monochorum Parish Council

† omitted as clerk's post vacant at time of issue

## General Consultation Bodies

AgeUK Mid Devon	Montagu Evans
Carter Jonas	Nexus Planning
Collier Planning	Paul Green Planning
Crediton Town Team	PCL Planning Ltd
Devon Communities Together	Randell Burton Architects
Devon Ramblers Association	Regen SW
DiAS Devon Information, Advice and Support	Richard Stagg Rural Surveyors
EDable Architecture	Rull Hamlet Association
Four Villages Environmental Group	Savills
Grand Western Canal Advisory Committee	SSA Planning Limited
Greenslade Taylor Hunt	Sustainable Bradninch
Hallam Land Management Limited	Sustainable Crediton
Heart of South West LEP	Sustainable Tiverton
Hele Conservation Society	Tetlow King Planning
Home Builders Federation	The Gardens Trust
Involve Voluntary Action in Mid Devon	Tilia Homes
Jackson-Stops	Tiverton & District Community Transport Association (incl. Mid Devon Shopmobility)
Jacobs	Uffculme Green Team
McMurdo Land Planning & Development Ltd	Waddeton Park Ltd
Mid Devon Mobility	

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## CABINET

7 March 2023

### Capital Strategy 2023/24 & Capital Programme 2023/24 – 2027/28

**Cabinet Member** Cllr Barry Warren, Leader and Cabinet Member for Finance & Environment

**Responsible Officer** Andrew Jarrett, Deputy Chief Executive (S151)

**Reason for Report:** To agree the proposed 2023/24 Capital Strategy and to seek approval of the 2023/24 Capital Programme and note the indicative Capital Programmes for 2024/25 to 2027/28.

#### **RECOMMENDATIONS: That Cabinet recommend to Full Council:**

1. That the proposed 2023/24 Capital Strategy is approved.
2. To approve in principal the current estimated amounts of Slippage of £6,201k from the 2022/23 Deliverable Capital Programme and £33,231k of 2022/23 Capital Programme expenditure profiled over the life of the MTFP. This will be finalised and formal approval sought as part of 2022/23 Outturn report.
3. The overall Capital Programme for projects commencing in 2023/24 of £98,375k be approved and the indicative Capital Programmes across the four remaining years of this Medium Term Financial Plan covering 2024/25 to 2027/28 be noted.
4. To approve the 2023/24 Deliverable Budget based on the forecast spend profile of £64,826, this will include elements of amounts detailed in recommendations 2 & 3 above and will form the budget to monitor against in 2023/24, subject to any changes referred to in recommendation 2 at Outturn.

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

**Financial Implications:** Good financial management and administration underpins the entire strategy. The Capital Strategy sets the boundaries in which the Council's capital and treasury management functions operate. The Capital Programme submitted for 2023/24 of £98,375k is fully funded. It does, however, include £46,170k 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:** Authorities are required by regulation to prepare a Capital Strategy for each financial year that needs to be approved by 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. 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 2023/24 have been projected at a prudent level of £1,324k 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 Council has committed to a net zero carbon policy by 2030. Any major asset replacements/upgrades will consider the environmental impact in relation to carbon footprint.

## **The Capital Strategy 2023/24**

### **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:

- 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 Plant, Property and Equipment (PPE) 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 leaving no ongoing 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 a 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, or loans and grants to other bodies enabling them to buy/build assets. The Council has 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 are produced each year. The Audit Committee have approved the latest draft Accounts subject to some minor outstanding queries. The Accounts for the year 2021/22 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 consider the Capital Programme and the funding thereof and can make



recommendations to Cabinet and are able to. The final Capital Programme is then presented to Cabinet in February who recommend it to Full Council for approval the same month each year.

- 4.4. In 2023/24, the Council is requesting approval of new capital expenditure of £98,375k for projects due to start in 2023/24 as well as estimated £39,432k of expenditure approved in prior years that has slipped in timescale or was planned for future years. These projects have an expenditure profile within 2023/24 of £64,826k which forms the Deliverable Budget for the year (as detailed in Appendices 1 & 2). It can be summarised as follows:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure*

Capital Expenditure £000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund Projects	3,836	5,224	17,084	23,992	2,855
HRA Projects <sup>1</sup>	4,196	7,446	21,634	32,574	26,705
Loans to Subsidiary Company*	3,591	9,282	26,108	11,162	14,138
<b>Total</b>	<b>11,623</b>	<b>21,952</b>	<b>64,826</b>	<b>67,728</b>	<b>43,698</b>

\*This figure is gross loans and excludes repayments and working capital loans (which are treated as Revenue)

- 4.5. A summary of the projects included in the 2023/24 Capital Programme are included in paragraphs 11.5 and 11.7 below.
- 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 investment 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 cash flow 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.

<sup>1</sup> 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.

4.9. The planned financing of the expenditure in Table 1 above is as follows:

*Table 2: Capital financing*

<b>Financing of Capital Expenditure £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
Capital receipts	1,484	1,190	1,575	2,426	1,587
Capital grants	1,367	4,934	15,023	29,652	11,016
Capital reserves	0	0	0	0	0
Revenue Contributions	2,889	4,733	4,934	5,661	2,927
Borrowing	5,883	11,095	43,294	29,989	28,168
<b>Total</b>	<b>11,623</b>	<b>21,952</b>	<b>64,826</b>	<b>67,728</b>	<b>43,698</b>

4.10. Debt is only a temporary source of finance, as loans and leases must be repaid and 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*

<b>Planned MRP Payments £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
General Fund	671	689	703	898	970
Housing Revenue Account	962	976	1,010	1,196	1,309
<b>Total</b>	<b>1,633</b>	<b>1,665</b>	<b>1,713</b>	<b>2,094</b>	<b>2,279</b>

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 / loan repayments and capital receipts used to replace debt. The CFR is expected to increase by £25,814k during 2023/24. This increase mainly consists of £10,114k relating to projects undertaken by 3 Rivers Developments Ltd, £4,315k relating to General Fund projects associated with the Cullompton Relief Road and strategic land acquisition and £9,884k 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

Capital Financing Requirement £000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund Services	10,162	9,877	14,223	19,411	18,856
Council Housing (HRA)	39,603	40,580	51,934	64,400	76,626
Loans to Subsidiary Company*	11,363	20,522	30,636	15,622	14,138
<b>Total CFR</b>	<b>61,128</b>	<b>70,979</b>	<b>96,793</b>	<b>99,433</b>	<b>109,620</b>

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

This table is cumulative including existing and future borrowing. This is reduced as and when repayments are scheduled.

- 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 previously consulted on this matter to enforce MRP to be applicable on loans to third parties, despite the regulations around “assets under construction”. As yet, no formal outcome of the consultation had been announced, therefore if formally implemented, it is assumed this will apply from 2024/25 at the earliest.

## 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 2023 the Council is forecast to have £33,310k of borrowing (excluding finance leases) at an average interest rate of 2.91% and £20,000k treasury investments earning interest at an average rate of 3.63%.
- 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 (up to 1 year, mainly through other Local Authorities - currently available at around 4%) and long-term fixed rate loans where the future cost is known but higher (currently around 4.5% from PWLB<sup>2</sup>).

<sup>2</sup> As at the time of drafting this report – 26 January 2023

- 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.

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

Gross Debt and The Capital Financing Requirement £000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt (including Leases)	37,423	35,625	45,910	50,222	59,656
Capital Financing Requirement (CFR)	61,128	70,979	96,793	99,433	109,620

- 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 2023/24 through to 2025/26.
- 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 £000	2022/23 Limit	2023/24 Limit	2024/25 Limit	2025/26 Limit
Authorised Limit	81,000	107,000	110,000	119,000
Operational Boundary	72,000	98,000	101,000	110,000

- 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 (SLY Principle), 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 follows<sup>3</sup>:

*Table 7: Treasury Management investments*

<b>Treasury Management Investments £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>
Short-Term Investments	36,832	20,000	10,000
Long-Term Investments	5,000	5,000	5,000
<b>Total</b>	<b>41,832</b>	<b>25,000</b>	<b>15,000</b>

- 5.9. **Governance:** Decisions on Treasury Management investment and borrowing are made daily and are therefore delegated to the S151 (Deputy Chief Executive) and finance 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 Commercial and Economic Development Purposes**

- 6.1. The Council makes investments to assist local public services, including making loans to other public sector bodies 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 other 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. 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.
- 6.4. 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

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<sup>3</sup> As at the 31 March of the appropriate year

develop land and commercial income generating projects and charge interest on loans at a commercial rate.

- 6.5. The Council also has commercial activities in retail properties, which expose it to normal commercial risks. The over-arching ethos behind these activities is economic regeneration and retention of premises within the town centre rather than the income stream.
- 6.6. **Governance:** Decisions on commercial investments are made by the S151 (Deputy Chief Executive) in conjunction with the Leadership Team, 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 asset purchases will therefore also be approved alongside the capital programme.

## 7. Asset Management

- 7.1. In order to ensure the Council is allocating its resources in the most effective way, an Asset Management Plan (AMP) is maintained. 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.
- 7.2. The latest version of the AMP was considered and approved by Cabinet on 4 March 2021. It can be found here:  
  
<https://www.middevon.gov.uk/media/353719/supplement-revised-format-for-asset-management-and-capital-strategy-plan-04032021-v1.pdf>
- 7.3. The AMP enables the Council to consider the best use of its assets by identifying those that require investment in planned maintenance; those that it 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.
- 7.4. **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. The Council expects to receive £1,324k of Capital Receipts in 2023/24 (net of Government Pooling); these are associated with the sale of Council Houses through the 'Right to Buy' scheme. Capital Receipts are summarised in the table below:

Table 8: Capital Receipts

Capital Receipts £000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Asset Sales	2,519	1,163	1,324	1,324	1,324

## 8. Liabilities

- 8.1. In addition to debt of £45,910k in 2023/24 detailed in Table 5 above, the Council is committed to making future payments to cover its pension fund deficit (valued at £69,572k in 2021/22).
- 8.2. **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.

## 9. Revenue Budget Implications

- 9.1. 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	2021/22	2022/23	2023/24	2024/25	2025/26
%	Actual	Estimate	Estimate	Estimate	Estimate
General Fund	0.95%	-3.55%	-4.89%	-3.14%	-3.45%
Housing Revenue Account	15.06%	12.56%	12.59%	15.63%	17.16%

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

- 9.2. **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 S151 (Deputy Chief Executive) is satisfied that the Council has adequate means of financing and repaying any required borrowing and therefore the proposed Capital Programme is prudent, affordable and sustainable. .



## **10. Knowledge and Skills**

- 10.1. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the S151 (Deputy Chief Executive) is a qualified accountant with 18 years' of experience and the Corporate Manager for Property, Leisure and 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.
- 10.2. To support those staff, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Link Group 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.

## **The Capital Programme 2023/24 and Capital Medium Term Financial Plan (CMTFP)**

## **11. The Capital Programme 2023/24**

- 11.1. The 2023/24 programme includes significant new 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.
- 11.2. There is also projected slippage detailed on the appendices from 2022/23, relating to the 2022/23 Deliverable Programme currently estimated to be £6,201k that will roll into the 2023/24 Capital Programme. In addition there is £33,231k within the 2022/23 Capital Programme with spend profiled over future years. Both these are detailed in recommendation 2 and are estimates at this stage. The approval of final figures will be sought as part of the Outturn Report to either add to the 2023/24 Capital Programme or relevant year of the CMTFP.
- 11.3. Full project approval is now requested at project inception, for 2023/24 this amounts to £98,375k. This is then profiled by spending managers as their best estimate of when spending will take place to form the Deliverable Budget of £64,826k. This gives a better indication of what is deliverable each year and will better inform our Treasury Management activities.
- 11.4. **Appendix 1** shows the proposed 2023/24 Capital Programme, which totals £98,375k. The Deliverable Budget includes the proportion of expected spend within the 2023/24 Capital Programme and the estimated slippage and profiled



spend of the 2022/23 Capital Budget forecast to be spent in 2023/24. This is the value that will be monitored against in-year.

11.5. **Appendix 2** shows the detailed schemes in the General Fund and the HRA that reflect the spending aspirations summarised in **Appendix 1** and the table below:

*Table 10: 2023/24 Capital Programme (based on project inception)*

<b>General Fund Projects</b>	<b>Expenditure 2023/24 £000's</b>
Leisure Schemes	622
Leisure - Climate Change/Net Zero	396
Phoenix House	133
Cullompton Relief Road	18,030
Private Sector Housing	525
ICT Projects	460
Other General Fund Development Projects	12,196
<b>General Fund Subtotals</b>	<b>32,362</b>
<b>HRA Projects</b>	<b>Expenditure 2023/24 £000's</b>
Existing Housing Stock	2,990
Housing Schemes (1:4:1 Projects)	5,066
Housing Development Schemes (HE)	42,200
Other HRA Projects	15,757
<b>HRA Subtotals</b>	<b>66,013</b>
<b>Grand Totals</b>	<b>98,375</b>

11.6. **Appendices 1 and 2** also show the updated indicative Capital Programme for the remaining years within this CMTFP, 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 2023/24 is proposed for approval; the indicative future years are only for information and noting.

11.7. General Fund Investment.

11.7.1. Within the investment in our Leisure Service, there are a number of projects ranging from investment in new equipment to maintain a competitive service offering; together with improvement to disabled toilet facilities that is reliant on external grant. A spend to save project is also included to improve self-service access for the customer and reduce future staffing requirements. There is also a project at Culm Valley Sports Centre 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 this bid, with a contribution also from MDDC.

- 11.7.2. There is an assumption included in respect of the Cullompton Relief Road. Currently, funding has been secured to cover the initial projected estimated cost of this project. 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 on 19/01/23 and currently other forms of funding are actively being sought to enable this project to be delivered.
- 11.7.3. Further investment within our ICT assets is required to enable the Council to update its infrastructure, including upgrading servers and audio-visual equipment within Phoenix House. In addition, the planned refresh of staff laptops and associated devices will continue. This will be completed in a phased roll out to ensure that the cost is spread over a number of years.
- 11.7.4. 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, therefore avoiding or delaying the need for them to enter the health care system.
- 11.7.5. The Capital Programme for 2023/24 includes further 3 Rivers Projects in line with their draft Business Plan. This is in addition to the slippage to projects approved in prior years. Cabinet will give further consideration to the Business Plan after this report has been published.
- 11.8. Housing Revenue Account Investment
- 11.8.1. A number of projects to enhance the quality of our existing housing stock (a programme of £2,990k) are undertaken each year through the planned maintenance scheme. In 2023/24, 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.
- 11.8.2. Significant new investment of £47,266k is planned to deliver new housing within the district predominantly 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 and One Public Estate Funding; although a substantial element of the cost remains with the Council. In total, £21,624k is assumed to be secured from 1-4-1 receipts or external grant funding, leaving £23,718k to be funded by borrowing and the remaining £1,924k from existing reserves. The investment in Other HRA projects includes the development of Post Hill in Tiverton.
- 11.9. A significant amount of work was undertaken when producing the Council's Capital Medium Term Financial Plan (CMTFP) during the year, which helped to scope the size and funding of the 2023/24 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

## 12. Funding the Capital Programme

12.1. The 2023/24 Capital Programme is fully funded by a combination of:

*Table 11: 2023/24 Capital Programme Funding (based on project inception)*

<b>General Fund Projects - Funding Sources</b>	<b>Funding 2023/24 £000's</b>
Funding from Revenue EMR's	465
Funding from Government Grants	18,973
Usable Capital Receipts	229
Borrowing	12,695
<b>General Fund Subtotals</b>	<b>32,362</b>
<b>HRA Projects - Funding Sources</b>	<b>Funding 2023/24 £000's</b>
S106 (Revenue) Contributions	1,000
MRA Reserve	2,435
Funding from Revenue EMR's	475
Funding from Government Grants	26,005
Usable Capital Receipts	1,004
UCR 1:4:1 Replacement Homes	1,619
Borrowing	33,475
<b>HRA Subtotals</b>	<b>66,013</b>
<b>Grand Totals</b>	<b>98,375</b>

12.2. The projected level of usable capital receipts (this includes unringfenced useable capital receipts and capital receipts ringfenced for 1:4:1 replacement homes) available for 2023/24 is £1,324k. All other previously generated capital receipts have been used to balance the subsequent years of the MTFP. This only enables a small number of Council funded schemes to be incorporated into the Capital Programme. The figures assumed for receipts from the sale of assets have been calculated prudently and therefore if any additional receipts are generated, the Council could reduce the need for external borrowing, or return to some of the projects which could not be funded in the first instance and consider their inclusion. Any decision to increase the Capital Programme (subject to constraints within the financial rules) would require Full Council approval and be linked to the Corporate Plan priorities.

12.3. 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). The balance is retained by the Authority as a useable capital receipt, which can be used to support our Capital Programme.

- 12.4. The programme of £2,990k identified to maintain our existing council house stock will be funded mainly from the Major Repairs Reserve (MMR). The balance of available monies will remain in the MMR in order to deal with future additional spend that has been identified by the stock condition survey.
- 12.5. The Council continues 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.

### **13. Council Borrowing**

- 13.1. Prudential borrowing has been estimated for 2023/24 at £46,170k, this will be used to fund General Fund schemes amounting to £12,695k and HRA schemes amounting to £33,475k. 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. The use of internal borrowing will be applied wherever possible.
- 13.2. New Borrowing is also envisaged across the remainder of this MTFP i.e. 2024-25 to 2027-28 amounting to £56,217k (excluding those projects being rolled forward from the already approved 2022/23 Capital Programme); of this £47,645k will be used to deliver General Fund projects and £8,572k to deliver HRA projects.
- 13.3. 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. This is 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.

### **14. Conclusion**

- 14.1. As previously mentioned, the Capital Programme for the next five 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.
- 14.2. 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, or loans and grants to other bodies enabling them to buy/build assets.

14.3. Funding for this programme includes 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.

14.4. The Treasury Management Strategy Statement details the approach that the Council will take in 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:** November and January Cabinet and PDG's  
(MTFP, Budget Draft and Budget Update reports)  
and Capital Bid Submissions

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## Appendix 1

Capital Expenditure Summary		To be rolled f/wd from 22/23		Total Project Costs for Approval						Grand Total	Spend Profile						
Area	Sub Area	Forecast Slippage from 22/23 to 2023/24 £000's	Forecast Budget from 22/23 to be spent over life of MTFP £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Total £000's		2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Beyond 2028/29 £000's	Total £000's
Leisure	Exe Valley Leisure Centre	-	-	83	250	-	-	-	333	333	83	250	-	-	-	-	333
Leisure	Lords Meadow Leisure Centre	40	80	243	-	-	200	-	443	563	363	-	-	200	-	-	563
Leisure	Culm Valley Sports Centre	-	404	96	360	-	-	-	456	860	96	764	-	-	-	-	860
Leisure	Leisure - Other	-	-	200	-	-	-	-	200	200	200	-	-	-	-	-	200
Leisure	Leisure - Climate Change/Net Zero	-	-	396	-	260	400	-	1,056	1,056	396	-	260	400	-	-	1,056
Other MDDC Buildings	Other - Climate Change/Net Zero	10	1,200	-	815	-	240	-	1,055	2,265	10	2,015	-	240	-	-	2,265
Other MDDC Buildings	Phoenix House	20	30	133	-	150	-	-	283	333	183	-	150	-	-	-	333
Other MDDC Buildings	MDDC Depots	-	1,250	-	3,500	-	-	-	3,500	4,750	1,000	3,750	-	-	-	-	4,750
Other MDDC Buildings	MDDC Shops/Industrial Units	150	537	-	-	-	-	-	-	687	257	430	-	-	-	-	687
Other MDDC Buildings	Public Conveniences	-	-	-	285	-	-	-	285	285	-	100	185	-	-	-	285
HIF	HIF Schemes	3,608	8,008	18,030	-	-	-	-	18,030	29,646	13,105	15,041	1,500	-	-	-	29,646
Private Sector Housing	Private Sector Housing	-	-	525	550	575	600	625	2,875	2,875	525	550	575	600	625	-	2,875
Other	General Car Parks	20	60	-	-	-	-	-	-	80	80	-	-	-	-	-	80
Other	Parks & Play Areas	35	-	-	-	-	-	-	-	35	35	-	-	-	-	-	35
Other	ICT Projects	184	-	460	150	185	160	540	1,495	1,679	644	150	185	160	540	-	1,679
Other	Other Projects	40	179	-	830	-	-	-	830	1,049	107	942	-	-	-	-	1,049
Other GF Development Projects	Other General Fund Development Projects	1,116	12,796	12,196	11,162	14,138	9,304	7,953	54,753	68,665	26,108	11,162	14,138	9,304	7,953	-	68,665
<b>General Fund Subtotals</b>		<b>5,223</b>	<b>24,544</b>	<b>32,362</b>	<b>17,902</b>	<b>15,308</b>	<b>10,904</b>	<b>9,118</b>	<b>85,594</b>	<b>115,361</b>	<b>43,192</b>	<b>35,154</b>	<b>16,993</b>	<b>10,904</b>	<b>9,118</b>	-	<b>115,361</b>
HRA Projects	Existing Housing Stock	175	-	2,990	3,035	2,860	2,885	2,770	14,540	14,715	3,165	3,035	2,860	2,885	2,770	-	14,715
HRA Projects	Housing Schemes (1:4:1 Projects)	35	271	5,066	1,700	2,500	400	-	9,666	9,972	2,429	3,113	1,780	2,290	360	-	9,972
HRA Projects	Housing Development Schemes (HE)	393	4,073	42,200	4,400	10,700	-	-	57,300	61,766	13,226	17,720	13,110	17,710	-	-	61,766
HRA Projects	Other HRA Projects	375	4,343	15,757	-	-	-	-	15,757	20,475	2,814	8,706	8,955	-	-	-	20,475
<b>HRA Subtotals</b>		<b>978</b>	<b>8,687</b>	<b>66,013</b>	<b>9,135</b>	<b>16,060</b>	<b>3,285</b>	<b>2,770</b>	<b>97,263</b>	<b>106,928</b>	<b>21,634</b>	<b>32,574</b>	<b>26,705</b>	<b>22,885</b>	<b>3,130</b>	-	<b>106,928</b>
<b>Grand Totals</b>		<b>6,201</b>	<b>33,231</b>	<b>98,375</b>	<b>27,037</b>	<b>31,368</b>	<b>14,189</b>	<b>11,888</b>	<b>182,857</b>	<b>222,289</b>	<b>64,826</b>	<b>67,728</b>	<b>43,698</b>	<b>33,789</b>	<b>12,248</b>	-	<b>222,289</b>

Capital Funding Summary		To be rolled f/wd from 22/23		Total Funding						Grand Total £000's	Funding Profile						
Funding Type	Funding Description	Forecast Slippage from 22/23 to be C/fwd to 2023/24 £000's	Forecast Budget from 22/23 to be spent over life of MTFP £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Total £000's		2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Beyond 2028/29 £000's	Total £000's
Revenue	RCCO - From Revenue EMR's - Other	-	67	-	-	-	-	-	-	67	67	-	-	-	-	-	67
Revenue	RCCO - From Revenue EMR's - Econ Development	10	60	-	-	-	-	-	-	70	10	60	-	-	-	-	70
Revenue	RCCO - From Revenue EMR's - ICT	110	-	435	-	25	-	30	490	600	545	-	25	-	30	-	600
Revenue	RCCO - From Revenue EMR's - Capital	40	50	30	30	-	-	-	60	150	72	78	-	-	-	-	150
Revenue	RCCO - From Revenue EMR's - Waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue	Infrastructure EMR	-	250	-	1,000	-	-	-	1,000	1,250	-	1,250	-	-	-	-	1,250
Revenue	New Homes Bonus	211	782	-	-	-	-	-	-	993	338	655	-	-	-	-	993
Capital Grants	Capital Grants Unapplied - DCC	20	-	-	215	-	-	-	215	235	20	215	-	-	-	-	235
Capital Grants	Govt Grant (DCLG passported from DCC)	-	-	525	550	575	600	625	2,875	2,875	525	550	575	600	625	-	2,875
Capital Grants	DCC Funding - HIF Project	-	153	1,347	-	-	-	-	1,347	1,500	153	-	1,347	-	-	-	1,500
Capital Grants	Salix Round 3b Funding	-	-	265	-	-	-	-	265	265	265	-	-	-	-	-	265
Capital Grants	HIF Funding	1,712	-	5,144	-	-	-	-	5,144	6,856	3,201	3,655	-	-	-	-	6,856
Capital Grants	Govt Grants - Levelling - up Funding	1,896	4,540	11,539	-	-	-	-	11,539	17,975	6,436	11,386	153	-	-	-	17,975
Capital Grants	Salix Funding or Equivalent	-	-	-	815	260	640	-	1,715	1,715	-	815	260	640	-	-	1,715
Capital Grants	DLUHC - Changing Places Fund bid	-	-	153	-	-	-	-	153	153	153	-	-	-	-	-	153
Capital Receipts	Usable Capital Receipts	108	83	229	150	-	72	-	451	642	407	163	-	72	-	-	642
Borrowing	Borrowing 3 Yrs	1,116	12,796	12,221	11,462	14,298	9,464	8,463	55,908	69,820	26,133	11,462	14,298	9,464	8,463	-	69,820
Borrowing	Borrowing 5 Yrs	-	-	103	-	150	-	-	253	253	103	-	150	-	-	-	253
Borrowing	Borrowing 10 Yrs	-	3,315	371	895	-	128	-	1,394	4,709	3,686	895	-	128	-	-	4,709
Borrowing	Borrowing 25 Yrs	-	1,448	-	-	-	-	-	-	1,448	78	1,370	-	-	-	-	1,448
Borrowing	Borrowing 50 Yrs	-	1,000	-	2,785	-	-	-	2,785	3,785	1,000	2,600	185	-	-	-	3,785
<b>General Fund Subtotals</b>		<b>5,223</b>	<b>24,544</b>	<b>32,362</b>	<b>17,902</b>	<b>15,308</b>	<b>10,904</b>	<b>9,118</b>	<b>85,594</b>	<b>115,361</b>	<b>43,192</b>	<b>35,154</b>	<b>16,993</b>	<b>10,904</b>	<b>9,118</b>	<b>-</b>	<b>115,361</b>
Revenue	S106 (Revenue) Contributions	-	-	1,000	-	-	-	-	1,000	1,000	200	800	-	-	-	-	1,000
Revenue	MRA Reserve	175	-	2,435	2,475	2,295	2,315	2,195	11,715	11,890	2,610	2,475	2,295	2,315	2,195	-	11,890
Revenue	RCCO - From HRA Revenue EMR's - Other	25	-	-	-	-	-	-	-	25	25	-	-	-	-	-	25
Revenue	RCCO - From HRA Revenue EMR's - Renewable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue	Energy	-	-	250	250	250	250	250	1,250	1,250	250	250	250	250	250	-	1,250
Revenue	RCCO - From HRA Revenue EMR's - Afford Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue	Surplus	148	-	225	225	225	224	-	899	1,047	373	93	357	24	200	-	1,047
Revenue	RCCO - From HRA Revenue EMR's - HMF	384	60	-	-	-	-	-	-	444	444	-	-	-	-	-	444
Capital Grants	Capital Grants Unapplied - S106 Afford Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	Government Grants - Homes England Funding	52	1,818	22,720	1,080	4,815	-	-	28,615	30,485	4,030	9,986	8,501	7,968	-	-	30,485
Capital Receipts	Usable Capital Receipts	43	-	1,004	1,009	1,015	320	325	3,673	3,716	550	1,024	891	926	325	-	3,716
Capital Receipts	UCR 1:4:1 Replacement Homes	14	156	1,619	680	1,000	160	-	3,459	3,629	618	1,239	696	916	160	-	3,629
Capital Grants	One Public Estate Funding	-	-	3,285	180	1,140	-	-	4,605	4,605	240	3,045	180	1,140	-	-	4,605
Borrowing	Borrowing 25 Yrs	50	-	-	-	-	-	-	-	50	50	-	-	-	-	-	50
Borrowing	Borrowing 50 Yrs	87	6,653	33,475	3,236	5,320	16	-	42,047	48,787	12,244	13,662	13,535	9,346	-	-	48,787
<b>HRA Subtotals</b>		<b>978</b>	<b>8,687</b>	<b>66,013</b>	<b>9,135</b>	<b>16,060</b>	<b>3,285</b>	<b>2,770</b>	<b>97,263</b>	<b>106,928</b>	<b>21,634</b>	<b>32,574</b>	<b>26,705</b>	<b>22,885</b>	<b>3,130</b>	<b>-</b>	<b>106,928</b>
<b>Grand Totals</b>		<b>6,201</b>	<b>33,231</b>	<b>98,375</b>	<b>27,037</b>	<b>31,368</b>	<b>14,189</b>	<b>11,888</b>	<b>182,857</b>	<b>222,289</b>	<b>64,826</b>	<b>67,728</b>	<b>43,698</b>	<b>33,789</b>	<b>12,248</b>	<b>-</b>	<b>222,289</b>



# Appendix 2

			To be rolled f/wd from 22/23		Total Project Costs for Approval							Spend Profile							
Area	Sub Area	Project Title	Forecast	Forecast							Grand Total							Beyond	Total
			Slippage from	Budget from	2023/24	2024/25	2025/26	2026/27	2027/28	Total		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		
			22/23 to be	22/23 to be															
			C/fwd to	spent over life															
			2023/24	of MTFP															
			£000's	£000's															
General Fund																			
Leisure	Lords Meadow Leisure Centre	Reception infrastructure	40	80	40	-	-	-	-	-	40	160	160	-	-	-	-	160	
Leisure	Culm Valley Sports Centre	CVSC - Remodelling of Ground Floor	-	174	-	-	-	-	-	-	174	-	174	-	-	-	-	174	
Leisure	Culm Valley Sports Centre	CVSC - Sports Hall Ceiling asset review	-	230	-	-	-	-	-	-	230	-	230	-	-	-	-	230	
Other MDDC Buildings	Other - Climate Change/Net Zero	Hydromills Electricity generation Project - Tiverton Weir	10	1,200	-	-	-	-	-	-	1,210	10	1,200	-	-	-	-	1,210	
Other MDDC Buildings	Phoenix House	Etarmis - Security Swipe - (linked to security project)	20	30	30	-	-	-	-	-	30	80	80	-	-	-	-	80	
Other MDDC Buildings	MDDC Depots	Land acquisition for operational needs	-	1,000	-	-	-	-	-	-	1,000	1,000	-	-	-	-	-	1,000	
Other MDDC Buildings	MDDC Depots	Depot Design & Build - Waste & Recycling	-	250	-	-	-	-	-	-	250	-	250	-	-	-	-	250	
Other MDDC Buildings	MDDC Shops/Industrial Units	Market Walk Unit 17 - remodelling options	60	430	-	-	-	-	-	-	490	60	430	-	-	-	-	490	
Other MDDC Buildings	MDDC Shops/Industrial Units	36 & 38 Fore Street including Flat above structure & cosmetic works	90	107	-	-	-	-	-	-	197	197	-	-	-	-	-	197	
HIF	HIF Schemes	CA719 Cullompton Town Centre Relief Road (HIF)	3,608	8,008	18,030	-	-	-	-	-	18,030	29,646	13,105	15,041	1,500	-	-	29,646	
		West Exe South - Remodelling - additional parking spaces	20	60	-	-	-	-	-	-	80	80	-	-	-	-	-	80	
Other	General Car Parks	Open Space Infrastructure (incl Play Areas)	35	-	-	-	-	-	-	-	35	35	-	-	-	-	-	35	
Other	Parks & Play Areas	Server farm expansion/upgrades	74	-	-	-	-	-	-	-	74	74	-	-	-	-	-	74	
Other	ICT Projects	Secure WIFI Replacement	60	-	-	-	-	-	-	-	60	60	-	-	-	-	-	60	
		Network Switch/Firewall Refresh (all sites except P/House)	50	-	-	-	-	-	-	-	50	50	-	-	-	-	-	50	
Other	ICT Projects	Fire Dampeners - Corporate sites	20	-	-	-	-	-	-	-	20	20	-	-	-	-	-	20	
Other	Other Projects	Land drainage flood defence schemes - St Marys Hemyock	-	50	-	-	-	-	-	-	50	-	50	-	-	-	-	50	
		Land drainage flood defence schemes - Ashleigh Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	Other Projects	Bampton	20	67	-	-	-	-	-	-	87	87	-	-	-	-	-	87	
Other	Other Projects	Cemetery Lodge - Structural solution for damp	-	62	-	-	-	-	-	-	62	-	62	-	-	-	-	62	
Other GF Development P	Other General Fund Development Projects	3 Rivers Schemes - Funding envelope	1,116	12,796	12,196	11,162	14,138	9,304	7,953	54,753	68,665	26,108	11,162	14,138	9,304	7,953	-	68,665	
Leisure	Exe Valley Leisure Centre	Spin bikes	-	-	32	-	-	-	-	32	32	32	-	-	-	-	-	32	
Leisure	Exe Valley Leisure Centre	Leisure - Improved Disabled Toilet facilities	-	-	51	-	-	-	-	51	51	51	-	-	-	-	-	51	
Leisure	Lords Meadow Leisure Centre	Fitness Studio renewal of equipment	-	-	125	-	-	-	-	125	125	125	-	-	-	-	-	125	
Leisure	Lords Meadow Leisure Centre	Spin bikes including environment improvements	-	-	32	-	-	-	-	32	32	32	-	-	-	-	-	32	
Leisure	Lords Meadow Leisure Centre	Leisure - Improved Disabled Toilet facilities	-	-	46	-	-	-	-	46	46	46	-	-	-	-	-	46	
Leisure	Culm Valley Sports Centre	Spin Bikes	-	-	40	-	-	-	-	40	40	40	-	-	-	-	-	40	
Leisure	Culm Valley Sports Centre	Leisure - Improved Disabled Toilet facilities	-	-	56	-	-	-	-	56	56	56	-	-	-	-	-	56	
		All leisure sites replacement management/site access system (Hardware Element)	-	-	200	-	-	-	-	200	200	200	-	-	-	-	-	200	
Leisure	Leisure - Climate Change/Net Zero	CVSC -Phase 3B Salix funding energy saving	-	-	396	-	-	-	-	396	396	396	-	-	-	-	-	396	
Other MDDC Buildings	Phoenix House	Building Mgmt System for Heating Control	-	-	103	-	-	-	-	103	103	103	-	-	-	-	-	103	
Private Sector Housing	Private Sector Housing	DFG and other private sector grants	-	-	525	550	575	600	625	2,875	2,875	525	550	575	600	625	-	2,875	
Other	ICT Projects	Server hardware/software Citrix Replacement	-	-	50	-	-	-	60	110	110	50	-	-	-	60	-	110	
Other	ICT Projects	VM/Storage Area Network	-	-	120	-	-	-	140	260	260	120	-	-	-	140	-	260	
Other	ICT Projects	UPS Replacements	-	-	20	-	25	-	30	75	75	20	-	25	-	30	-	75	
Other	ICT Projects	Laptop/Desktop Refresh	-	-	150	150	160	160	170	790	790	150	150	160	160	170	-	790	
Other	ICT Projects	Audio/Video replacement for Phoenix House	-	-	120	-	-	-	140	260	260	120	-	-	-	140	-	260	
Leisure	Exe Valley Leisure Centre	ATP replacement (50% share with DCC)	-	-	-	220	-	-	-	220	220	-	220	-	-	-	-	220	
Leisure	Exe Valley Leisure Centre	CHP -Replacement future energy saving project	-	-	-	30	-	-	-	30	30	-	30	-	-	-	-	30	
Leisure	Culm Valley Sports Centre	ATP replacement (50% share with DCC)	-	-	-	210	-	-	-	210	210	-	210	-	-	-	-	210	
Leisure	Culm Valley Sports Centre	Fitness Studio renewal of equipment	-	-	-	150	-	-	-	150	150	-	150	-	-	-	-	150	
Other MDDC Buildings	Other - Climate Change/Net Zero	All Fleet - Vehicle live monitoring for CO2 emissions	-	-	-	115	-	-	-	115	115	-	115	-	-	-	-	115	
Other MDDC Buildings	Other - Climate Change/Net Zero	Phoenix House - Air Source Heat pumps & ducting	-	-	-	450	-	-	-	450	450	-	450	-	-	-	-	450	
Other MDDC Buildings	Other - Climate Change/Net Zero	MSCP -Solar carport and additional security	-	-	-	170	-	-	-	170	170	-	170	-	-	-	-	170	
Other MDDC Buildings	Other - Climate Change/Net Zero	MSCP Additional electric car charging points	-	-	-	80	-	-	-	80	80	-	80	-	-	-	-	80	
Other MDDC Buildings	MDDC Depots	Depot Build - Waste & Recycling	-	-	-	3,500	-	-	-	3,500	3,500	-	3,500	-	-	-	-	3,500	
		Phoenix Lane Toilets - new construction in fresh position - funding options to be pursued	-	-	-	125	-	-	-	125	125	-	50	75	-	-	-	125	
Other MDDC Buildings	Public Conveniences	Westexx Rec Toilets - Replacement	-	-	-	160	-	-	-	160	160	-	50	110	-	-	-	160	
Other	Other Projects	Tiverton Market Paving - Permanent Solution	-	-	-	200	-	-	-	200	200	-	200	-	-	-	-	200	
Other	Other Projects	Baler	-	-	-	480	-	-	-	480	480	-	480	-	-	-	-	480	
Other	Other Projects	PDA's for cabs	-	-	-	150	-	-	-	150	150	-	150	-	-	-	-	150	
Leisure	Leisure - Climate Change/Net Zero	EVLC - Building Fabric - Insulation improvements	-	-	-	-	260	-	-	260	260	-	-	260	-	-	-	260	
Other MDDC Buildings	Phoenix House	Cooling options Air Handling Unit	-	-	-	-	150	-	-	150	150	-	-	150	-	-	-	150	
Leisure	Lords Meadow Leisure Centre	ATP replacement (no dual use)	-	-	-	-	-	200	-	200	200	-	-	-	-	200	-	200	
Leisure	Leisure - Climate Change/Net Zero	LMLC -Building Fabric -Insulation improvements	-	-	-	-	-	200	-	200	200	-	-	-	-	200	-	200	
Leisure	Leisure - Climate Change/Net Zero	CVSC-Building Fabric -Insulation improvements	-	-	-	-	-	200	-	200	200	-	-	-	-	200	-	200	
Other MDDC Buildings	Other - Climate Change/Net Zero	MDDC commercial property building fabric improvements	-	-	-	-	240	-	-	240	240	-	-	-	-	240	-	240	
General Fund Subtotals			5,223	24,544	32,362	17,902	15,308	10,904	9,118	85,594	115,361	43,192	35,154	16,993	10,904	9,118	-	115,361	

			To be rolled f/wd from 22/23		Total Project Costs for Approval						Spend Profile							
Area	Sub Area	Project Title	Forecast Slippage from 22/23 to be C/wd to	Forecast Budget from 22/23 to be spent over life of MTFP	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Total £000's	Grand Total £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Beyond 2028/29 £000's	Total £000's
			2023/24 £000's	£000's														
HRA			175	-	860	905	730	755	780	4,030	4,205	1,035	905	730	755	780	-	4,205
HRA Projects	Existing Housing Stock	Decent Homes	-	16	189	-	-	-	-	189	205	205	-	-	-	-	-	205
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 4	35	-	10	-	-	-	-	10	45	45	-	-	-	-	-	45
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 3	-	105	1,387	-	-	-	-	1,387	1,492	1,492	-	-	-	-	-	1,492
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 29	-	150	950	-	-	-	-	950	1,100	1,100	110	990	-	-	-	1,110
HRA Projects	Housing Development Schemes (HE)	Project 15	16	515	4,210	-	-	-	-	4,210	4,741	4,741	-	-	-	-	-	4,741
HRA Projects	Housing Development Schemes (HE)	Project 18	4	851	200	-	-	-	-	200	1,055	1,055	-	-	-	-	-	1,055
HRA Projects	Housing Development Schemes (HE)	Project 10	10	118	1,505	-	-	-	-	1,505	1,633	1,633	-	-	-	-	-	1,633
HRA Projects	Housing Development Schemes (HE)	Project 14	9	751	200	-	-	-	-	200	960	960	-	-	-	-	-	960
HRA Projects	Housing Development Schemes (HE)	Project 9	6	122	1,105	-	-	-	-	1,105	1,233	1,233	-	-	-	-	-	1,233
HRA Projects	Housing Development Schemes (HE)	Project 11	10	1,416	400	-	-	-	-	400	1,826	1,826	-	-	-	-	-	1,826
HRA Projects	Housing Development Schemes (HE)	Project 8	60	300	2,240	-	-	-	-	2,240	2,600	60	2,540	-	-	-	-	2,600
HRA Projects	Housing Development Schemes (HE)	Modular Housing - Shapland Place, Tiverton	278	-	-	-	-	-	-	-	278	278	-	-	-	-	-	278
HRA Projects	Other HRA Projects	Post Hill, Tiverton	-	4,243	15,757	-	-	-	-	15,757	20,000	2,339	8,706	8,955	-	-	-	20,000
HRA Projects	Other HRA Projects	Garages Block - Redevelopment	300	-	-	-	-	-	-	-	300	300	-	-	-	-	-	300
		Old Road Depot remodelling options - forecast																
HRA Projects	Other HRA Projects	expenditure to maintain operations	50	-	-	-	-	-	-	-	50	50	-	-	-	-	-	50
HRA Projects	Other HRA Projects	Queensway (Beech Road) Tiverton (3 units)	-	100	-	-	-	-	-	-	100	100	-	-	-	-	-	100
HRA Projects	Other HRA Projects	Sewerage Treatment Works - Washfield	25	-	-	-	-	-	-	-	25	25	-	-	-	-	-	25
HRA Projects	Existing Housing Stock	Garage Mods	-	-	150	150	150	150	-	600	600	150	150	150	150	-	-	600
HRA Projects	Existing Housing Stock	Roofing	-	-	600	600	600	600	600	3,000	3,000	600	600	600	600	600	-	3,000
HRA Projects	Existing Housing Stock	Fire Safety	-	-	50	40	30	20	20	160	160	50	40	30	20	20	-	160
HRA Projects	Existing Housing Stock	Window/Doors	-	-	400	400	400	400	400	2,000	2,000	400	400	400	400	400	-	2,000
HRA Projects	Existing Housing Stock	Heating	-	-	375	380	385	390	395	1,925	1,925	375	380	385	390	395	-	1,925
HRA Projects	Existing Housing Stock	Renewables	-	-	250	250	250	250	250	1,250	1,250	250	250	250	250	250	-	1,250
HRA Projects	Existing Housing Stock	Adaptations	-	-	305	310	315	320	325	1,575	1,575	305	310	315	320	325	-	1,575
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 7	-	-	220	-	-	-	-	220	220	220	-	-	-	-	-	220
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 41	-	-	140	-	-	-	-	140	140	140	-	-	-	-	-	140
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 28	-	-	1,100	-	-	-	-	1,100	1,100	110	990	-	-	-	-	1,100
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 51	-	-	400	-	-	-	-	400	400	40	360	-	-	-	-	400
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 52	-	-	220	-	-	-	-	220	220	22	198	-	-	-	-	220
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 53	-	-	230	-	-	-	-	230	230	23	207	-	-	-	-	230
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 5	-	-	220	-	-	-	-	220	220	22	198	-	-	-	-	220
HRA Projects	Housing Development Schemes (HE)	Project 25	-	-	2,600	-	-	-	-	2,600	2,600	260	2,340	-	-	-	-	2,600
HRA Projects	Housing Development Schemes (HE)	Project 37	-	-	1,800	-	-	-	-	1,800	1,800	180	1,620	-	-	-	-	1,800
HRA Projects	Housing Development Schemes (HE)	Project 33	-	-	1,300	-	-	-	-	1,300	1,300	130	1,170	-	-	-	-	1,300
HRA Projects	Housing Development Schemes (HE)	Project 36	-	-	1,700	-	-	-	-	1,700	1,700	170	1,530	-	-	-	-	1,700
HRA Projects	Housing Development Schemes (HE)	Project 20	-	-	24,940	-	-	-	-	24,940	24,940	700	8,080	8,080	8,080	-	-	24,940
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 27	-	-	-	1,700	-	-	-	1,700	1,700	-	170	1,530	-	-	-	1,700
HRA Projects	Housing Development Schemes (HE)	Project 26	-	-	-	1,200	-	-	-	1,200	1,200	-	120	1,080	-	-	-	1,200
HRA Projects	Housing Development Schemes (HE)	Project 22	-	-	-	2,800	-	-	-	2,800	2,800	-	280	2,520	-	-	-	2,800
HRA Projects	Housing Development Schemes (HE)	Project 54	-	-	-	200	-	-	-	200	200	-	20	180	-	-	-	200
HRA Projects	Housing Development Schemes (HE)	Project 55	-	-	-	200	-	-	-	200	200	-	20	180	-	-	-	200
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 16	-	-	-	-	1,000	-	-	1,000	1,000	-	-	100	900	-	-	1,000
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 56	-	-	-	-	200	-	-	200	200	-	-	20	180	-	-	200
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 57	-	-	-	-	200	-	-	200	200	-	-	20	180	-	-	200
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 30	-	-	-	-	1,100	-	-	1,100	1,100	-	-	110	990	-	-	1,100
HRA Projects	Housing Development Schemes (HE)	Project 23	-	-	-	-	4,100	-	-	4,100	4,100	-	-	410	3,690	-	-	4,100
HRA Projects	Housing Development Schemes (HE)	Project 24	-	-	-	-	1,100	-	-	1,100	1,100	-	-	110	990	-	-	1,100
HRA Projects	Housing Development Schemes (HE)	Project 12	-	-	-	-	1,600	-	-	1,600	1,600	-	-	160	1,440	-	-	1,600
HRA Projects	Housing Development Schemes (HE)	Project 35	-	-	-	-	1,700	-	-	1,700	1,700	-	-	170	1,530	-	-	1,700
HRA Projects	Housing Development Schemes (HE)	Project 31	-	-	-	-	1,100	-	-	1,100	1,100	-	-	110	990	-	-	1,100
HRA Projects	Housing Development Schemes (HE)	Project 13	-	-	-	-	1,100	-	-	1,100	1,100	-	-	110	990	-	-	1,100
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 58	-	-	-	-	-	200	-	200	200	-	-	-	20	180	-	200
HRA Projects	Housing Schemes (1:4:1 Projects)	Project 59	-	-	-	-	-	200	-	200	200	-	-	-	20	180	-	200
HRA Subtotals			978	8,687	66,013	9,135	16,060	3,285	2,770	97,263	106,928	21,634	32,574	26,705	22,885	3,130	-	106,928
Grand Totals			6,201	33,231	98,375	27,037	31,368	14,189	11,888	182,857	222,289	64,826	67,728	43,698	33,789	12,248	-	222,289

**Cabinet**  
**07 March 2023**

**Treasury Management Strategy Statement**  
**Minimum Revenue Provision Policy Statement and Annual Investment Strategy**  
**2023/24**

**Cabinet Member:** Cllr Barry Warren, Leader and Cabinet Member for Finance & Environment

**Responsible Officer:** Andrew Jarrett, S151 (Deputy Chief Executive)

**Reason for Report:** To agree the proposed Treasury Management Strategy and Annual Investment Strategy for 2023/24.

**RECOMMENDATION(S):**

**That Cabinet recommends to Full Council that the proposed Treasury Management Strategy and Annual Investment Strategy for 2023/24, 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."*
- 1.6 In the recent Devon Audit Partnership audit (December 2022), a Substantial Assurance opinion was given, meaning the Council has "a sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited".

## 2.0 Reporting requirements

### 2.1 Treasury Strategy

2.1.1 The CIPFA 2021 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. In addition, members will receive quarterly treasury updates as part of the financial monitoring.

**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 2023/24

2.3.1 The strategy for 2023/24 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 Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, Department for Levelling Up, Housing and Communities (DLUHC – this was formerly the Ministry of Housing, Communities and Local Government [MHCLG]) MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

## 2.4 Training

2.4.1 The CIPFA Treasury Management 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.

2.4.2 Furthermore, the Code states that all organisations are expected to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

2.4.3 The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

2.4.4 As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified;
- Prepare tailored learning plans for treasury management officers and board/council members;
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation); and
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.

- 2.4.5 In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.
- 2.4.6 Training requirements of members will be reviewed in 2023/24 following the district election in May and training will be arranged as required.
- 2.4.7 The training needs of treasury management officers are periodically reviewed.
- 2.4.8 A formal record of the training received by officers central to the Treasury function will be maintained by the S151 (Deputy Chief Executive). Similarly, a formal record of the treasury management/capital finance training received by members will be maintained by the Member Services Manager.

## **2.5 Treasury management consultants**

- 2.5.1 The Council uses Link Group 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 2023/24 – 2025/26**

- 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 and financing**

- 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 2023/24 Capital Programme of £64,826k, (£58,625k new projects plus the projected slippage from prior years £6,201k).



*Prudential Indicator: Estimates of Capital Expenditure*

<b>Capital Expenditure £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
General Fund	3,836	5,224	17,084	23,992	2,855
HRA	4,196	7,446	21,634	32,574	26,705
Loans to Subsidiary Company *	3,591	9,282	26,108	11,162	14,138
<b>Total</b>	<b>11,623</b>	<b>21,952</b>	<b>64,826</b>	<b>67,728</b>	<b>43,698</b>

*\* 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.*

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

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.

<b>Financing of capital expenditure £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
Capital Receipts	1,484	1,190	1,575	2,426	1,587
Capital Grants	1,367	4,934	15,023	29,652	11,016
Capital Reserves	0	0	0	0	0
Revenue	2,889	4,733	4,934	5,661	2,927
<b>Net financing need for the year</b>	<b>5,883</b>	<b>11,095</b>	<b>43,294</b>	<b>29,989</b>	<b>28,168</b>

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

<b>Loans to Subsidiary Company £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
Capital Expenditure	3,591	9,282	26,108	11,162	14,138
Financing Costs	0	0	0	0	0
<b>Net financing need for the year</b>	<b>3,591</b>	<b>9,282</b>	<b>26,108</b>	<b>11,162</b>	<b>14,138</b>
Percentage of total net financing need %	61.0%	83.7%	60.3%	37.2%	50.2%

The financing costs are zero as, to date, all lending has been funded through internal borrowing. This is forecast to be possible in the years 2023/24 – 2025/26.



### 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 £2.314m 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 £000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
CFR – General Fund	10,162	9,877	14,223	19,411	18,856
CFR – Housing	39,603	40,580	51,934	64,400	76,626
CFR – Loans to Subsidiary Company	11,363	20,522	30,636	15,622	14,138
<b>Total CFR</b>	<b>61,128</b>	<b>70,979</b>	<b>96,793</b>	<b>99,433</b>	<b>109,620</b>
<b>Movement in CFR*</b>	<b>3,282</b>	<b>9,851</b>	<b>25,814</b>	<b>2,640</b>	<b>10,187</b>

*\*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 cumulative, so increases and decreases for scheduled loans to, and repayments from, 3 Rivers Developments Ltd.*

### 3.4 Liability Benchmark

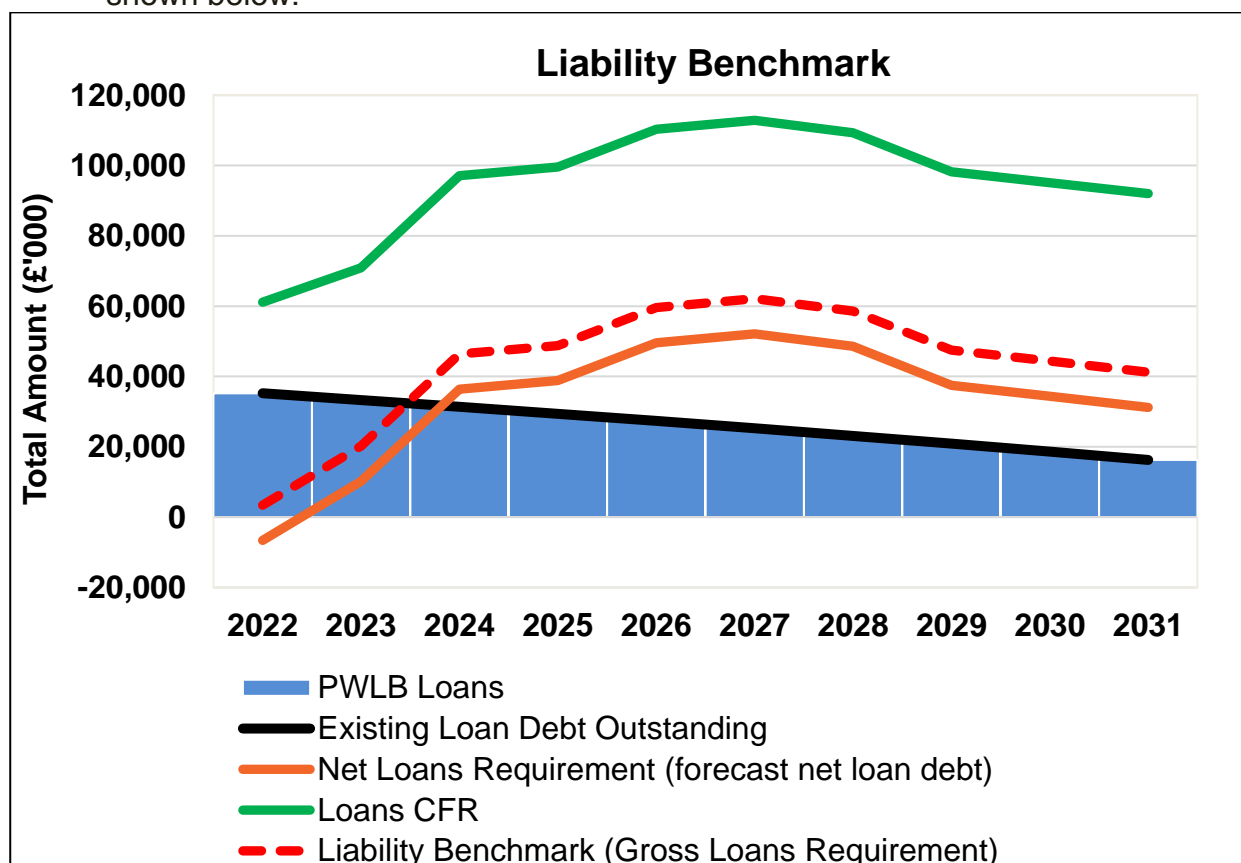
3.4.1 A third and new Prudential Indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

3.4.2 There are four components to the LB:

- 1 **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
- 2 **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

- 3 **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- 4 **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus a short-term liquidity allowance.

3.4.3 The Council's Liability Benchmark for years ending March 2022 to March 2031 is shown below:



3.4.4 The chart can be interpreted as follows:

- The liability benchmark (red dashed line) is the Council's need for external borrowing.
- Where the liability benchmark exceeds the existing loans (black line) then there is a need for new borrowing. Where the liability benchmark is below the existing loans then the Council is holding surplus cash that will be put into short-term investments.
- The area between the liability benchmark and net loans requirement (orange line) shows the cash required to manage the Council's day-to-day cash flow need, which is estimated to be £10m.
- The area between the loans CFR (green line) and liability benchmark shows the potential for internal borrowing, which currently stands at circa £50m.

## 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. This 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 2022 and the position as at 31 December 2022 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	Actual	Actual	Current	Current
	31/03/2022	31/03/2022	31/12/2022	31/12/2022
Treasury Investments	£000	%	£000	%
Banks	17,832	43%	17,479	45%
Building Societies	4,000	10%	0	0%
Local Authorities	15,000	36%	11,000	28%
DMADF (H.M.Treasury)	0	0%	5,500	14%
Other Public Bodies	0	0%	0	0%
<b>Total Managed In-House</b>	<b>36,832</b>	<b>88%</b>	<b>33,979</b>	<b>87%</b>
Property Funds	5,000	12%	5,000	13%
<b>Total Managed Externally</b>	<b>5,000</b>	<b>12%</b>	<b>5,000</b>	<b>13%</b>
<b>Total Treasury Investments</b>	<b>41,832</b>	<b>100%</b>	<b>38,979</b>	<b>100%</b>
<b>Treasury External Borrowing</b>				
Local Authorities	0	0%	0	0%
PWLB	35,234	100%	34,279	100%
<b>Total External Borrowing</b>	<b>35,234</b>	<b>100%</b>	<b>34,279</b>	<b>100%</b>
<b>Net Treasury Investments / (Borrowing)</b>	<b>6,598</b>		<b>4,700</b>	

- 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.

<b>External Debt £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
Debt at 1 April	37,104	35,234	33,310	43,873	47,898
Expected Change in Debt	-1,870	-1,924	10,563	4,025	9,967
Other Long-Term Liabilities (OLTL)	2,436	2,190	2,314	2,037	2,323
Expected Change in OLTL	-247	125	-277	287	-532
<b>Actual Gross Debt at 31 March</b>	<b>37,423</b>	<b>35,625</b>	<b>45,910</b>	<b>50,222</b>	<b>59,656</b>
<b>Capital Financing Requirement</b>	<b>61,128</b>	<b>70,979</b>	<b>96,793</b>	<b>99,433</b>	<b>109,620</b>
<b>Under / (Over) Borrowing</b>	<b>23,705</b>	<b>35,354</b>	<b>50,883</b>	<b>49,211</b>	<b>49,964</b>

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 2023/24 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 S151 (Deputy Chief Executive) 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. This is the CFR, split between debt and other long term liabilities (leases) and rounded up to the nearest million.

#### *Prudential Indicator: Operational Boundary*

<b>Operational boundary £000</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>
Debt	69,000	95,000	98,000	108,000
Other long term liabilities	3,000	3,000	3,000	2,000
<b>Total</b>	<b>72,000</b>	<b>98,000</b>	<b>101,000</b>	<b>110,000</b>

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 authorised limit is set at the CFR plus £5m for debt and £4m for other long term

liabilities, to cover exceptional circumstances and borrowing ahead of need to secure interest rates.

#### 4.3.4 The Council is asked to approve the following authorised limit:

##### *Prudential Indicator: Authorised Limit*

Authorised Limit £000	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt	74,000	100,000	103,000	113,000
Other long term liabilities	7,000	7,000	7,000	6,000
<b>Total</b>	<b>81,000</b>	<b>107,000</b>	<b>110,000</b>	<b>119,000</b>

#### 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 as at 19 December 2022.

Interest Rates	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24	Jun 24	Sep 24	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25
Bank Rate View	3.50%	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%	3.25%	3.00%	2.75%	2.50%	2.50%
5yr PWLB Rate	4.20%	4.20%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.20%	3.10%
10yr PWLB Rate	4.30%	4.40%	4.40%	4.30%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.30%
25yr PWLB Rate	4.60%	4.60%	4.60%	4.50%	4.40%	4.20%	4.10%	4.00%	3.90%	3.70%	3.60%	3.50%	3.50%
50yr PWLB Rate	4.30%	4.30%	4.30%	4.20%	4.10%	3.90%	3.80%	3.70%	3.60%	3.50%	3.30%	3.20%	3.20%

4.4.2 Over the last 12 months, the Bank of England has made a series of increases to Bank Rate in an attempt to tame inflation. CPI looks to have peaked at 11.1% in Q4 2022 and currently sits at 10.5%, yet further increases to Bank Rate are expected in the coming months to help bring this down further. The current Bank Rate is 3.5% and most forecasts, including that of Link Group, expect this to reach a peak of 4.5% around May of this year before falling again once inflationary pressures reach an acceptable level, perhaps as early as Q1 2024.

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 2023/24, 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 lower than the cost of borrowing 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 2023/24 treasury operations. The S151 (Deputy Chief Executive) 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, 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 financing is required. The level of borrowing will stay within the above 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 DLUHC 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 2021 (“the Code”); and
- CIPFA Treasury Management Guidance Notes 2021

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 then 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.) It has not yet been determined whether a further extension to the override will be agreed by Government.
- 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 S151 (Deputy Chief Executive) 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
<b>The Council's bank* (currently NatWest)</b>	F1	£5m + balance of grant funds	n/a	n/a
<b>Banks 1 (good credit quality)</b>	F1	£5m	£5m	2yr
<b>Banks 2 (Council's banker if not meeting Banks 1)</b>	F2/F3	£5m (call account)	£5m (call account)	1 day
<b>DMADF</b>	UK sovereign rating	unlimited	unlimited	unlimited
<b>Local authorities &amp; other public bodies</b>	N/A	unlimited	unlimited	unlimited
<b>Building Societies</b>	F1	£5m	£5m	2yr
<b>Money Market Funds - CNAV</b>	AAAmmf/AAA	£2m	£2m	liquid
<b>Money Market Funds - LVNAV</b>	AAAmmf/AAA	£2m	£2m	liquid
<b>Money Market Funds - VNAV</b>	AAAmmf/AAA	£2m	£2m	liquid

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

The above table 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, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt

rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

### 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. These returns remained historically low for two years after interest rates plummeted at the start of the Covid-19 pandemic in Q4 2019/20, however increases to interest rates over the last 12 months have seen returns on short term investments rebound from £54k in 2021/22 to a forecast £534k in 2022/23.

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 where necessary. Interest rates currently available from PWLB are around 50 basis points (0.50%) higher than rates available for short term investments, and so maximising internal borrowing 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 2023/24, 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 Bank Rate to reach 4.5% in Q2 2023.

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 are as follows:

Year	%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Later years	2.80%

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	2023/24 (£m)	2024/25 (£m)	2025/26 (£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 30<sup>th</sup> 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, with individual Business Cases reviewed and approved by Cabinet on any development over £1m.
- 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 22 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 2023/24 – 2025/26

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.

%	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund	0.95%	-3.55%	-4.89%	-3.14%	-3.45%
HRA	15.06%	12.56%	12.59%	15.63%	17.16%

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.

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 expected to be repaid in full, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. Where it becomes probable that a loan will not be repaid in full, MRP will be charged in accordance with the Expected Credit Loss (ECL) model outlined in IFRS 9.

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 (VRP) 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 2022, the total VRP overpayments were £0m.



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

### 2.0 INTEREST RATE FORECASTS 2023-2025

#### Link Group Interest Rate View

Interest Rates	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24	Jun 24	Sep 24	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25
Bank Rate View	3.50%	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%	3.25%	3.00%	2.75%	2.50%	2.50%
5yr PWLB Rate	4.20%	4.20%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.20%	3.10%
10yr PWLB Rate	4.30%	4.40%	4.40%	4.30%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.30%
25yr PWLB Rate	4.60%	4.60%	4.60%	4.50%	4.40%	4.20%	4.10%	4.00%	3.90%	3.70%	3.60%	3.50%	3.50%
50yr PWLB Rate	4.30%	4.30%	4.30%	4.20%	4.10%	3.90%	3.80%	3.70%	3.60%	3.50%	3.30%	3.20%	3.20%

The central forecast for interest rates was updated on 19 December and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. Bank Rate stands at 3.5% currently but is expected to reach a peak of 4.5% in H1 2023.

Further down the road, it is anticipated that the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started and will focus on the short, medium and longer end of the curve in equal measure, now that the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy are firmly in the rear-view mirror.

In the upcoming months, forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

#### PWLB RATES

- The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%.
- The markets are seen as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

**The balance of risks to the UK economy: -**

- The overall balance of risks to economic growth in the UK is to the downside.

**Downside risks to current forecasts for UK gilt yields and PWLB rates include: -**

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next year to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **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.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

**Upside risks to current forecasts for UK gilt yields and PWLB rates: -**

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate.
- **The Government** acts too quickly to cut taxes and/or increases expenditure in light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly and pull gilt yields up higher than currently forecast.
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields consequently.

**Borrowing advice:** The long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are currently above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

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

### 3.0 ECONOMIC BACKGROUND

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extraordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
<b>Bank Rate</b>	3.5%	2.0%	4.25%-4.50%
<b>GDP</b>	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
<b>Inflation</b>	10.7%y/y (Nov)	10.1%y/y (Nov)	7.1%y/y (Nov)
<b>Unemployment Rate</b>	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

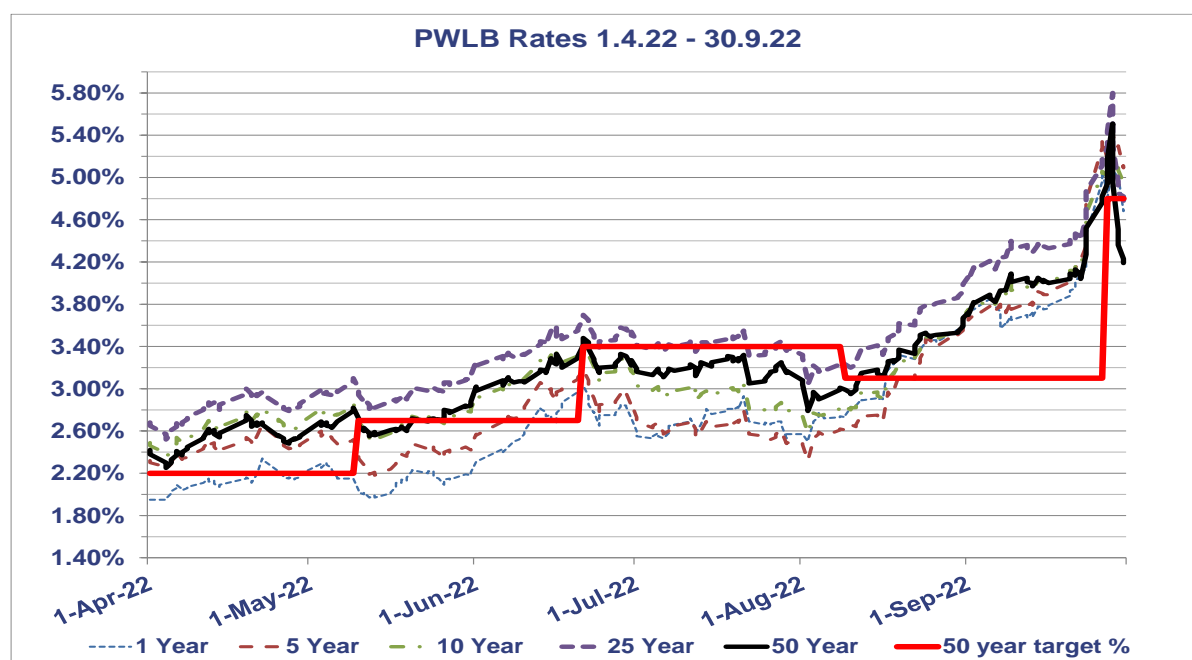
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being

replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17<sup>th</sup> November gave rise to a net £55bn fiscal tightening, although much of the “heavy lifting” has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have almost completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.22. Notwithstanding the £’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28<sup>th</sup> September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.95%	2.18%	2.36%	2.52%	2.25%
<b>Date</b>	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
<b>High</b>	5.11%	5.44%	5.35%	5.80%	5.51%
<b>Date</b>	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
<b>Average</b>	2.81%	2.92%	3.13%	3.44%	3.17%
<b>Spread</b>	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

## **CENTRAL BANK CONCERNS – DECEMBER 2022**

In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

## 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
<b>DMADF – UK Government</b>	N/A	100%	Any
<b>UK Government gilts</b>	UK sovereign rating	100%	Any
<b>UK Government Treasury bills</b>	UK sovereign rating	100%	Any
<b>Money Market Funds CNAV</b>	AAAmmf/AAA	£2m	Liquid
<b>Money Market Funds LNNAV</b>	AAAmmf/AAA	£2m	Liquid
<b>Money Market Funds VNAV</b>	AAAmmf/AAA	£2m	Liquid
<b>Local authorities</b>	N/A	100%	Any
<b>Term deposits with banks and building societies</b>	F1 (Fitch) / £1bn asset base for building societies	£5m	2 Years
<b>Term deposits with Non-UK banks and building societies</b>	Sovereign Fitch rating of AAA	£3m	1 Year
<b>Gilt funds</b>	UK sovereign rating	100%	Any
<b>Property funds</b>	LA Property Fund	£5m	Ongoing

In addition to the minimum credit criteria outlined in the above table, all term deposits with banks and building societies will be subject to the maximum recommended duration set out by Link Group.

**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.

**Environmental, Social and Governance (ESG) factors.** Following changes to the CIPFA Treasury Management Code 2021, the Council is required to consider ESG factors as part of its investment policy. This is a new and evolving area within the short-term financial markets, so the impact on investment decisions will be limited for the coming year.

**Governance** is by far the most important part of ESG when considering treasury investments, as this is most likely to impact on the financial performance of an entity and its ability to repay deposits. Governance issues already play a role in the selection of acceptable investment counterparties, as any banks or building societies with significant governance concerns are unlikely to achieve the high credit ratings required for the Council to deposit funds.

**Environmental and Social** factors have less of an impact when considering short-term investments. This is because investments specifically for environmental or social gain are typically longer term and inherently more risky, which isn't aligned with the Security, Liquidity and Yield (SLY) principle the Council currently follows. Only the larger banks and building societies are able to achieve the credit ratings required by the Council, all of which are likely to have environmental and social aims broadly aligned with that of the Council, so further consideration of these factors are currently unlikely to influence the Council's investment decisions.

Further work on ESG is required by the financial markets before the Council can incorporate this into its investment policy. Trying to do this too early could result in artificially limiting potential counterparty options, thus decreasing diversification and increasing financial risk. This could then lead to the need to widen credit criteria to find more counterparties, again increasing financial risk beyond what is considered prudent and acceptable. Members will be updated on any significant advances by the financial markets that could allow the formulation of ESG criteria to include in the Council's investment policy.

## APPENDIX 5

### 5.0 APPROVED COUNTRIES FOR INVESTMENTS

#### AAA

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

The sovereign ratings shown above are at 19 December 2022 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 S151 (Deputy Chief Executive) 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.*

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**Cabinet**  
**07 February 2023**

## **2023/24 Budget**

**Cabinet Member:** Cllr Bob Deed, Leader and Cabinet Member for Finance  
**Responsible Officer:** Andrew Jarrett, Deputy Chief Executive (S151)

**Reason for Report:** This report provides the proposed budgets for the General Fund and the Housing Revenue Account for the year 2023/24 and recommends the Band D Council Tax charge for 2023/24.

### **RECOMMENDATIONS:**

**Cabinet are asked to recommend to Council the following:**

1. **A Council Tax Requirement of £6,724,350 calculated using a Council Tax of £225.40 for a Band D property, an increase of £6.56 or 2.99% from 2022/23 and a Tax Base of 29,832.98, 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 3 January 2023;**
2. **The overall budgeted Cost of Services within the General Fund of £16,720,364 for 2023/24 is approved as detailed across Appendices 1 – 2 and inclusive of the adjustments included within Table 1 in paragraph 5.1;**
3. **The 2023/24 budget requires no transfer from the General Fund Balance and a further temporary transfer of £57,657 from the New Homes Bonus EMR in order to balance and agree all of the transfers to and from Earmarked Reserves as detailed in Appendix 3;**
4. **HRA budget for 2023/24 be approved – Appendix 4;**
5. **HRA fees/charges are approved based on the attached Appendix 5;**
6. **Work on strategic planning for delivering a balanced budget for 2024/25 is commenced immediately.**

**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 2023/24 without materially 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. All Policy Development Group meetings have considered and

made decisions based on summary feedback from the recently completed resident's survey.

**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. Adding to this pressure, the financial impacts of Covid-19 continue to disrupt service delivery and reduce fee income and now the Cost of Living Crisis significantly adds to our costs and is likely to increase demand for services.
- 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 the 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 fundamentally 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. This needs to begin as soon as possible to give time for options to be identified and implemented.
- 1.4. On 1 November 2022, the report to Cabinet advised that the General Fund (GF) forecast a budget deficit of £2,111k in 2023/24 rising to over £5,219k 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 levels, use of balances/reserves, etc.). Following a detailed review, particularly of fees and charges income, the 2023/24 deficit had reduced to £960k as reported to Cabinet on 30 November 2022. Within the 3 January Cabinet report, this has further reduced to £905k through additional service efficiencies.
- 1.5. During the January suite of Policy Development Group (PDG) meetings, further options largely around vacancy management were discussed with a view to achieving a savings target to balance the 2023/24 Budget. In addition, the PDG's were asked to identify what they viewed as the highest priority services, and those of a lower priority where additional savings could be considered.
- 1.6. This report shows the progress made towards balancing the 2023/24 General Fund Budget and recommends the associated Band D Council Tax charge for 2023/24 and summarises the Capital Programme and Housing Revenue Account for the year 2023/24.

## **2. January PDGs and Cabinet – Budget Update**

2.1. Policy Development Group (PDG) and Scrutiny Committee meetings in January received an update on the latest budget shortfall position, which, as stated in paragraph 1.4, had reduced to £905k due to minor service efficiencies following a further review.

2.2. Throughout the budget process Scrutiny Committee and the PDGs have been kept informed and have considered various options during the drafting of the proposed 2023/24 Budget. During their January meetings, Scrutiny and the individual PDGs were asked to determine what they viewed as the highest priority services, and those of a lower priority where additional savings could be considered to help reduce the budget deficit. The following recommendations were made:

2.2.1. Environment Policy Development Group agreed:

- The Weed Team should not be reinstated;
- Waste Collection/Recycling/Open Spaces should be protected from budget and service provision reductions;
- Property Service Staff Unit and Administration Buildings could be considered for budget and service provision reductions.

2.2.2. Economy Policy Development Group agreed:

- The Economic Development team be considered a high priority service area which should be protected and recognised as generating income for the Council at a high ratio (relative to the cost of the service).

2.2.3. Homes Policy Development Group

Although no formal recommendations were made, the committee were comfortable to:

- To promote the Piper Alarm scheme to increase the customer base for this important service to the community;
- To support the HRA budget as set out.

In addition, the committee were keen to explore opportunities to generate additional income through the Repairs and Maintenance Team and through the redevelopment of garages into dwellings.

2.2.4. Community Policy Development Group agreed:

- That a vacancy factor should be set for Leisure services, as long as this does not impact on health and safety or income generation;
- That planned maintenance could be reduced, as long as this does not impact on health and safety;
- That community safety should be considered a high priority service area which should be protected;
- That Public Health should be considered a high priority service area which should be protected.

2.2.5. Scrutiny Committee agreed:

- Officers provide a report on a system of vacancy control that is transparent and inclusive of Members and the Scrutiny Committee. To include the projected targets for vacancy control and how it might be implemented;

- Officers to provide a report on the future funding of the Leisure Centres including the possibility of an inclusive budgeting exercise involving the electorate on the future funding of the leisure centres.

In addition, the committee reinforced the recommendation from Environment PDG regarding not reinstating the Weed Team.

### **3. Key Assumptions for the 2023/24 Budget**

- 3.1. Members and Officers have carefully scrutinised all existing budgets and the service risks associated with delivering them. It has also examined all material income sources, especially discretionary fees and charges which have been increased, where applicable, to reflect the additional cost pressures faced.
- 3.2. In such rapidly and frequently changing circumstances (not to mention unprecedented), assumptions soon become superseded by events. Many of the original assumptions included within the original MTFP report on 1 November 2022 have now been replaced with actual numbers, such as the Financial Settlement. However, those related to inflation largely remain, for example the Pay Award will not be agreed prior to setting the Budget and fuel/commodity prices will fluctuate throughout the year. In respect of the Pay Award, the assumption has been updated to 5.5% (from 3%) based on the latest information available. This should be broadly sufficient for a flat cash increase similar to the 2022/23 uplift.
- 3.3. It is also difficult to assess levels of demand for services with continuing recovery from Covid-19, but likely implications arising from the Cost of Living Crisis, for example increases in benefits claimants but possibly reductions in planning applications. Therefore careful monitoring of service demands will need to be undertaken to ensure the organisation flexes to meet demand. This could have an impact on costs, i.e. agency costs to meet short term peaks, but may also offer opportunities to deliver savings through vacancy management and reductions in energy consumption.
- 3.4. 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 2023/24 Budget. More volatile budgets are subject to sensitivity analysis and a reasonably prudent assessment is made.
- 3.5. 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).
- 3.6. 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 utilising 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.

- 3.7. In January 2019 Cabinet amended the minimum level of general reserves required to be maintained at £2m. Although this level continues to be prudent due to the resilience offered by the level of Earmarked Reserves which the Council holds for specific projects, the potential implications of the 2022/23 outturn forecast may require this level to be reviewed. Furthermore, Government are highlighting the level of local authority reserves and advising that they should be used to mitigate the impact of the Cost of Living Crisis.
- 3.8. 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, it is imperative that they are maintained at the highest level possible.

#### **4. Requirements for Council Tax Setting**

- 4.1. In recent years the Government (via the DLUHC) has become far more prescriptive with regard to acceptable levels of Council Tax increases. 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 Autumn Statement and confirmed within the Settlement was set at a maximum of the greater of 3% or £5 for the 2023/24 budget year.
- 4.2. Although lobbying continues from the sector to increase this “cap” to £10, 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.
- 4.3. The Council Tax income included in the proposed budget includes a £6.56 (2.99%) increase. This equates to a Band D charge of £225.40 (a 1% variation to our Council Tax changes the income generated by approximately £65k).

#### **5. General Fund Budget 2023/24**

- 5.1. The proposals contained in this report result in a balanced budget for the General Fund (see **Appendices 1 and 2**). The forecast budget deficit last reported to Cabinet stood at £905k. The following table shows the recommended actions necessary to move towards a balanced position.

*Table 1 – Reconciliation of proposed balancing adjustments*

<b>Movements</b>	<b>Amount £k</b>
<b>Budget Shortfall presented to January Cabinet, PDG's / Scrutiny</b>	<b>905</b>
Implications of the Finance Settlement and other Government Grants	7
Additional Business Rates Growth / Revaluation – net of contributions to EMR	(205)
Introduction of vacancy management targets – Supported by PDGs / Scrutiny	(400)
Further refinement of the Planned Maintenance budget – Supported by Community PDG	(250)
Further Service savings (in lieu of contributions from Town/Parish Councils):	
Grounds Maintenance – reduction in grass cutting	(66)
A review of Paddling Pools – leading to possible mothballing	(70)
Refinement of Service Budgets (assumptions for Fuel, 3-Weekly Recycling)	(86)
Net Refinement of Salary Budgets (including the increase to 5.5% pay award)	+ 281
Finalisation of the recharges to HRA	(12)
Contribution to Planning Appeals EMR	+ 100
Further increase in the Council Tax in-year collection surplus	(25)
Refinement of Contributions from Reserves	(121)
<b>Current Budget Shortfall for 2023/24 (see 5.8)</b>	<b>58</b>
Temporary transfer from New Homes Bonus EMR	<b>(58)</b>

- 5.2. Members have previously been provided with a summary of the Finance Settlement implications. Further analysis and subsequent grant announcements have further improved the position from the £180k gain indicated within the previous summary.
- 5.3. The significant element of this settlement gain relates to Business Rates. The Business Rates NNDR1 return 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. In addition, as highlighted previously to Cabinet, following the recent national Business Rates Revaluation exercise, the Rateable Value of many local businesses has increased. This is mainly because we have a higher proportion of industrial category companies, as opposed to Retail or Office based companies whose Rateable Values have reduced. 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 our Business Rates Smoothing Reserve to mitigate these risks.
- 5.4. The vacancy factor has been considered by all PDG's and Scrutiny. Although not ideal, Members understood the need for this and the potential implication for service delivery during 2023/24. Scrutiny requested regular progress updates against this target which will be provided.
- 5.5. Further short-term reductions to scheduled maintenance has been identified. This is where maintenance is due, but following a review of the assets it has been deemed low risk to delay that maintenance. There is no health and safety risk with this reduction, and all assets will continue to be monitored to ensure that works can be undertake if the need is identified.

- 5.6. As previously outlined, the Council has approached the Town and Parish Councils for additional financial support. Although there is on-going dialogue, it appears that no additional funding has been agreed. Therefore, Environment PDG considered some specific service reductions in relation to reducing the number of Grass Cuts per annum, and a review of paddling pools, which could result in them being mothballed if insufficient funds are available to maintain them adequately. The PDG did not endorse these ideas, but due to the scale of the budget shortfall, it is proposed these savings are approved.
- 5.7. Despite further analysis work and discussions with Members and Budget Holders, and a number of other further savings options identified by officers, it was not possible to identify the full £905k ongoing savings target set.
- 5.8. Therefore the remaining budget shortfall has been reduced on a one-off basis in the very short term by the use of reserves. To set a balanced budget, that continues to provide the current level of service provision wherever possible, will require an additional use of £58k from the New Homes Bonus Earmarked Reserve.
- 5.9. Members should note that the Final Settlement will not be announced until after publication of this report (indeed possibly after Cabinet have met). Any additional funding announced will reduce the need to draw further from the New Homes Bonus reserve. With the demise of this as an ongoing funding source, the Council has started planning for a balanced budget without drawing on this historic funding source.

## **6. Future Funding Concerns/Cost Pressures**

- 6.1. 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 (budget related summary previously circulated);
  - 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;
  - The need to create investable propositions for our carbon reduction ambitions.
- 6.2. 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.

- 6.3. 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.
- 6.4. 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.
- 6.5. The NHB grant monies have been considered at risk for some time. It's possible that a further one-off allocation could be announced for 2024/25. It remains unclear what will happen to the funding associated with the current scheme. While we do not yet know what any new scheme may 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.
- 6.6. As such, it's important to highlight how much New Homes Bonus is being used to help fund our General Fund and Capital Budgets in 2023/24. A total of £1,700k is being used to contribute towards various one-off General Fund projects, including:
  - £364k one-off annual grant for 2023/24
  - £218k towards the Cullompton HAZ from the existing EMR;
  - £80k towards Business Development from the existing EMR;
  - £45k to the Grand Western Canal from the existing EMR; and
  - £993k to support the existing Capital Programme from the existing EMR.

As stated in para 5.8 above, to close the budget gap, it is recommended that this be increased by a further £58k, as referred to in **Recommendation 3** of this report.

- 6.7. It 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. Overall General Fund (GF) position at 31 March 2023

- 7.1. Recent verbal updates, and the detailed report included alongside this Cabinet report, indicate the in-year budget position is trending towards a substantial overspend. This largely relates to the Pay Award, which significantly exceeded the assumed 2% uplift. Similarly, the increases in energy and fuel costs also dwarf the assumed budget increases. If the Outturn position does continue as forecast, the General Fund Reserve balance will reduce below the current agreed minimum level of £2,000k. The S151 will review this position at year end and may recommend an alteration to that minimum balance, or the release of Earmarked Reserves to bolster the General Reserve back to that recommended minimum level. Therefore, no draw on General Reserves is recommended to support the 2023/24 Budget.

## 8. Transfers To and (From) Earmarked Reserves

- 8.1. **Appendix 3** shows in detail which amounts are being contributed to, or drawn down from, various earmarked reserves in 2023/24.
- 8.2. It is proposed to transfer £1,598k into earmarked reserves to help mitigate future pressures. This includes:
- £1,161k into various Sinking Funds relating to property, plant and equipment maintenance, and Vehicle replacement and repairs;
  - £137k into Business Rates Smoothing;
  - £120k into the Statutory Development Plan;
  - £100k into a Planning Appeals reserve;
  - £50k into a Business Systems Migration reserve; and
  - £25k into District Elections.
- 8.3. It is also proposed to drawdown £3,266k to fund expenditure in 2023/24, this includes:
- £965k utilisation of Sinking Funds and Maintenance budgets supporting the investment in our assets;
  - £478k utilisation of vehicle reserves supporting the investment in our vehicle fleet;
  - £358k of funds to cover prior year deficits on the Collection Fund;
  - £343k utilisation of New Homes Bonus (as outlined within para 6.6)
  - £270k supporting the Statutory Development Plan;
  - £205k towards the delivery of the Cullompton HAZ;
  - £182k towards the cost of the Homes for Ukraine Scheme;
  - £125k towards the cost of the District Election and Member development;
  - £122k supporting the development of the Garden Village; and
  - £116k towards the one off costs forecast with services
  - £80k released back to the General Fund.

This gives a net reduction in Earmarked Reserves of £1,667k, prior to the proposed £58k balance adjustment through NHB.

## 9. Housing Revenue Account Budget 2023/24

- 9.1. 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.
- 9.2. 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.
- 9.3. 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.
- 9.4. 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.
- 9.5. The main proposals for the 2023/24 budget can be summarised as follows:

#### Expenditure:

- An update to the base budget to reflect the additional cost of the higher than expected pay award for 2022/23;
- An assumed pay award for 2023/24 equivalent to 5.5%;
- An Increase in the Pension Contribution rate of 2.4% to 19.0%;
- Increased energy costs of c180% and fuel costs of c40%, along with a significant increase in waste disposal costs;
- The increased financing costs associated with the ambitious development programme.

#### Income

- A below inflation increase of 7% is proposed on existing rents in line with the Governments cap for 2023/24;
  - Garage rents and Garage plot ground rents to be frozen, remaining unchanged at £10.71 per week and £275 per annum respectively.
  - Increased interest yields on balances held.
- 9.6. The overall rental income was materially affected by the Governments previous policy to reduce Rents by 1% each year for four consecutive years. Although the current policy is to enable rents to be increased by 1% above inflation, the Government have capped this to 7% given the current level of inflation. A more detailed analysis of the proposed rent increase can be found in **Appendix 5** that shows that the average housing rent will increase to £89.88 on a 52 week basis.
  - 9.7. Current legislation on Right to Buy means that we're likely to sell several properties in future years. We estimate, based on historic data that 16 will be sold next year.
  - 9.8. Similarly, we forecast that we will have a number of void properties during the year. We have a prudent forecast of 70 voids across the year in line with previous years to reflect the financial implications on tenants of the Cost of Living

Crisis (this was previously increased to reflect the move to Universal Credit and Covid-19). This is broadly in line with the forecast Council Tax collection rate of 96.5%. Combined, these reductions affect our ability to fund property maintenance and development as well as servicing any existing or new debt.

- 9.9. Budget continues to be included to address legislation post Grenfell and to undertake further Fire Risk remedial action. However, significant further investment will be required to further contribute to the decarbonisation of the Housing Estate and achieve Net Zero by 2030.
- 9.10. It has been deemed as prudent to maintain the HRA reserve balance at £2,000k and it is expected to remain so throughout 2023/24. At the start of 2022/23, other HRA reserves totalled £21,233k. This included £15,863k in the Housing Maintenance Fund (HMF); £814k in the Renewable Energy Fund (REF) and £255k in Major Repairs Reserve. It is intended that any expenditure funded from the REF monies be used on renewable energy schemes.
- 9.11. The final budget summary for the 2023/24 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.
- 9.12. 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. Budget at assumed interest rates of circa 5% 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.

## **10. Capital Programme 2023/24**

- 10.1. Full detail on this matter is included within in a separate agenda item on this meeting.
- 10.2. In summary, it shows that the 2023/24 programme includes projects expected to start in 2023/24 totalling £98,375k. In addition, there is £39,432 rolling forward from the current programme. The nature of capital projects means that they span more than one year, therefore, within this overall approval, £64,826k is expected as the Deliverable Budget for 2023/24.
- 10.3. The Deliverable Budget includes a significant investment in Housing, either through the HRA Housing delivery programme (£15,655k) or through 3 Rivers (£26,108k – subject to approval of a Business Plan). 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.
- 10.4. In addition, plans continue with the HIF projects in Cullompton at a cost of £13,105k. The latest Levelling-Up bid was again rejected, therefore the associated funding 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.

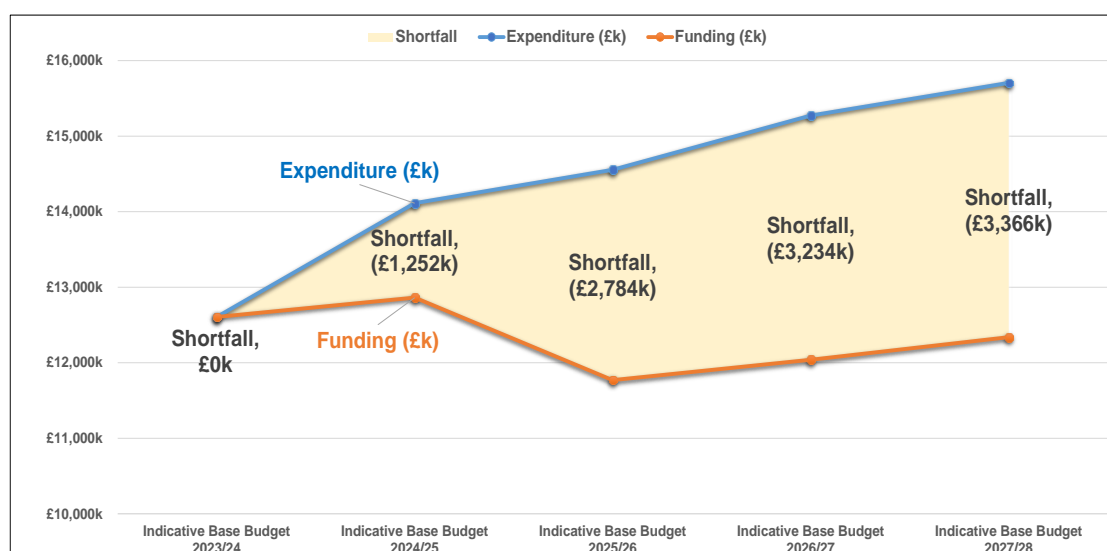
- 10.5. The most significant funding source required to support the 2023/24 programme is the £43,294k of assumed borrowing from the Public Works Loan Board (PWLb). The associated capital financing costs are included within the relevant GF or HRA budget. However, it should be recognised that wherever possible, the Council will continue to maximise its usage of internal borrowing to minimise the financing costs.
- 10.6. The future year's Capital Programme shows increased investment in improving the energy efficiency of our property estate and the continuation of investment to increase the HRA Housing stock. The overall borrowing requirement rises 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.

## 11. Updated MTFP position

- 11.1. The new General Fund MTFP summary position is shown in the table below. It shows a cumulative shortfall of £3,366k over the remaining four-years of this MTFP which remains to be addressed.

Table 2 – Future Medium Term Financial Plan – General Fund

	2024/25	2025/26	2026/27	2027/28
	£k	£k	£k	£k
Annual Surplus / Deficit	1,252	1,532	450	132
<b>Cumulative Surplus/Deficit</b>	<b>1,252</b>	<b>2,784</b>	<b>3,234</b>	<b>3,366</b>



- 11.2. The underlying budget shortfall falls largely in 2024/25 due to a reduced assumption of Earmarked Reserves supporting expenditure, and in 2025/26 due to the expectation of the implementation of the long overdue funding reforms. The latter years are forecast to be broadly more manageable.
- 11.3. 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 from 2025/26;
  - A loss of historic growth in business rates above the baseline, on reset of the business rates system in 2025/26;



- No collection fund surplus or deficit from Council Tax or Business Rates until 2025/26;
- No Business Rates pooling income, 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 grant funding continuing post 2025/26 other than the Rural Services Delivery Grant;
- The reduction in Council Tax referendum principles back to previous levels (£5 or 2%) from 2025/26;
- Pay Award and general inflation in line with assumptions reverting back to “normal” levels across the MTFP timeframe.

11.4. The same level of uncertainty will be facing all local authorities across the country.

## **12. Conclusion**

### **General Fund**

- 12.1. The General Fund budget has been set against a backdrop of over a decade of cuts to Public Sector funding, a global pandemic and now a once in a generation Cost of Living Crisis. 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 and that the vacancy management savings can be managed to minimise any impact on service delivery. However, further ongoing budget savings options will need to be identified to mitigate the underlying budget shortfall across the remainder of this MTFP.
- 12.2. 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 due in 2025/26.

### **HRA**

- 12.3. The HRA budget for 2023/24 continues to address a number of important factors, such as the Post Grenfell and Fire Risk Assessment requirements and a marked increase in the overall number of units through significant investment. These investments continue across the whole 5-year MTFP period.
- 12.4. Rents are proposed to increase by 7% 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.
- 12.5. This report has set out a proposed balanced budget for the HRA for 2023/24, with appendices attached showing the following:

Appendix 4 – The overall makeup of the budget at summary level

Appendix 5 – The proposed rent and fees and charges for 2023/24

- 12.6. Similarly to the General Fund, the longer term position for the HRA shows the funding shortfall although not to the same degree. Along with 2023/24, 2024/25 is indicatively balanced with relatively small shortfalls in years 2025/26 to 2027/28, as follows:

*Table 3 – Future Medium Term Financial Plan – HRA*

	2024/25	2025/26	2026/27	2027/28
	£k	£k	£k	£k
Annual Surplus / Deficit	0	62	193	212
<b>Cumulative Surplus/Deficit</b>	<b>0</b>	<b>62</b>	<b>255</b>	<b>468</b>

- 12.7. Work continues to refine the position in order to balance the budget for the years ahead.

### **Capital Programme**

- 12.8. The Capital Programme for 2023/24 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, are subject to the Council receiving sufficient grant funding and a robust business case.
- 12.9. 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.£97m (see Treasury Management Strategy included elsewhere on this agenda), although wherever possible, this will be mitigated through maximising the use of internal borrowing. The Revenue MTFP includes the associated financing implications.
- 12.10. 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**

- 12.11. 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.
- 12.12. Cabinet are asked to agree the contents of this report and recommended its approval by Council in February 2023.

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**Circulation of the Report:**

Leadership Team, Cabinet

**Background Papers:**

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

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## Appendix 1

The Table below gives an overall summary of the Council's General Fund MTFP position (which includes a wide range of assumptions).

### MTFP General Fund Summary

2022/23 £'000		Notes	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
14,785	<b>Net Direct Cost of Services</b>		16,720	15,356	15,918	16,416	16,973
(1,715)	Net recharge to HRA	1	(1,872)	(1,926)	(1,963)	(2,001)	(2,040)
687	Provision for Repayment of Borrowing	2	703	929	1,039	1,150	1,146
<b>13,757</b>	<b>Net Service Costs</b>		<b>16,720</b>	<b>15,356</b>	<b>15,918</b>	<b>16,416</b>	<b>16,973</b>
(993)	Net Interest Payable / (Receipts)	3	(1,532)	(1,365)	(1,585)	(1,745)	(1,745)
153	Finance Lease Interest Payable		180	200	126	116	106
(2,677)	Net Transfers to / (from) Earmarked Reserves	4	(1,594)	918	1,019	1,338	1,264
<b>10,240</b>	<b>Total Budget Requirement</b>		<b>12,606</b>	<b>14,113</b>	<b>14,554</b>	<b>15,274</b>	<b>15,704</b>
	<b>Funded By:</b>						
(1,855)	Retained Business Rates	5	(4,319)	(4,360)	(3,997)	(4,040)	(4,106)
0	Revenue Support Grant	6	(98)	(98)	0	0	0
(99)	Lower Tier Services Grant	6	0	0	0	0	0
(490)	Rural Services Delivery Grant	6	(490)	(490)	(490)	(490)	(490)
(719)	New Homes Bonus	6	(395)	(395)	0	0	0
(153)	2022/23 Services Grant	6	(86)	(86)	0	0	0
0	Funding Guarantee	6	(469)	(469)	0	0	0
(6,925)	Council Tax–MDDC	7	(6,749)	(6,963)	(7,284)	(7,510)	(7,742)
<b>(10,240)</b>	<b>Total Funding</b>		<b>(12,606)</b>	<b>(12,862)</b>	<b>(11,770)</b>	<b>(12,040)</b>	<b>(12,338)</b>
<b>0</b>	<b>Annual Shortfall – Increase / (Decrease)</b>		<b>0</b>	<b>1,252</b>	<b>1,532</b>	<b>450</b>	<b>132</b>
<b>0</b>	<b>Cumulative Shortfall</b>		<b>0</b>	<b>1,252</b>	<b>2,784</b>	<b>3,234</b>	<b>3,366</b>

#### Notes:

1. Recharges have been calculated based upon the updated salary budgets.
2. The Provision for Repayment of Borrowing incorporates the financial implications of the proposed Capital Programme shown in Appendix 4.
3. The increase in Net Interest Costs / (Receipts) reflects the increase in interest rates and a prudent assumption of the interest earned from 3 Rivers Developments Ltd in line with the Business Plan. At present, no new external borrowing is forecast, which lowers the previous assumption in Interest Payable.
4. Net Transfers to / (from) Earmarked Reserves reflects planned contributions to, or drawdowns from reserves, including the balancing contribution of £58k from New Homes Bonus. The 2023/24 value includes the final drawdown from the Business Rates and Council Tax Smoothing Reserves to offset the loss caused by Covid-19 reliefs being applied (see Note 4).
5. The Retained Business Rates income has increased in 2023/24 due to growth and the revaluation. Income drops in 2025/26 to reflect the potential changes the Government might implement to the Business Rates Retention Scheme. These include Re-Baselining and Resource Equalisation.

6. The Government announced the Provisional Local Government Finance Settlement for 2023/24. It includes a funding guarantee that all Councils receive a 3% increase in “Core Spending” before taking into account any increases to Council Tax. The Council will received Revenue Support Grant again due to two other grants being transferred into the overall settlement consideration.
7. Council Tax income is forecast assuming Band D charge increases in line with the 3% referendum limit and the agreed Taxbase.

## Appendix 2 - Detailed Budget Movements by Service

Service Unit		2022/23 Annual Budget £	MTFP Adjustment £	Round 1 Detailed Update £	Round 2 Detailed Update £	Provisional 2023/24 Budget £	Increase / (Decrease) £ %	
Direct Costs Detail								
	Cabinet							
SCM01	Leadership Team	534,019	1,152,454	(1,107,880)	12,780	591,373	57,354	10.7%
SCM02	Corporate Functions	108,465	40,028	26,964	4,130	179,587	71,122	65.6%
SCM03	Corporate Fees	258,730	200,065	(93,055)	(300,000)	65,740	(192,990)	(74.6%)
SCM06	Pension Backfunding	801,480	100,000	(254,906)	-	646,574	(154,906)	(19.3%)
SES01	Emergency Planning	7,500	-	-	-	7,500	0	0.0%
SFP01	Accountancy Services	478,460	128	39,044	10,960	528,592	50,132	10.5%
SFP02	Internal Audit	97,480	-	(2,720)	-	94,760	(2,720)	(2.8%)
SFP03	Procurement	101,340	24	7,480	1,480	110,324	8,984	8.9%
SFP04	Purchase Ledger	48,460	19	5,755	1,210	55,444	6,984	14.4%
SFP05	Sales Ledger	47,330	19	5,810	1,210	54,369	7,039	14.9%
SHR01	Human Resources	497,080	114	(49,780)	9,180	456,594	(40,486)	(8.1%)
SHR02	MDDC Staff Training	25,000	-	(5,000)	-	20,000	(5,000)	(20.0%)
SHR03	Payroll	40,960	13	2,100	1,060	44,133	3,173	7.7%
SHR04	Learning And Development	53,430	13	7,575	1,170	62,188	8,758	16.4%
SIT01	IT Gazetteer Management	76,400	26	4,840	1,880	83,146	6,746	8.8%
SIT03	IT Information Technology	1,260,750	(44,811)	(14,502)	14,970	1,216,407	(44,343)	(3.5%)
SLD01	Electoral Registration	218,278	52	131,732	2,870	352,932	134,654	61.7%
SLD02	Democratic Rep And Management	544,662	31,373	15,886	3,990	595,911	51,249	9.4%
SLD04	Legal Services	419,661	97	42,339	(43,250)	418,847	(814)	(0.2%)
SPR01	Building Regulations	17,390	166	17,761	(26,392)	8,925	(8,465)	(48.7%)
SPR04	Local Land Charges	(24,561)	24	(19,266)	1,297	(42,506)	(17,945)	73.1%
SRB01	Collection Of Council Tax	382,270	35,380	59,957	76,010	553,617	171,347	44.8%
SRB02	Collection Of Business Rates	(98,870)	-	11,660	-	(87,210)	11,660	(11.8%)
SRB03	Housing Benefit Admin & Fraud	180,920	89	29,480	10,540	221,029	40,109	22.2%
SRB04	Housing Benefit Subsidy	65,000	-	-	-	65,000	0	0.0%
SRB06	Debt Recovery	78,680	47	14,490	3,500	96,717	18,037	22.9%
TOTAL CABINET PDG		6,220,314	1,515,320	(1,124,236)	(211,405)	6,399,993	179,679	2.9%
	Community PDG							
SCD01	Community Development	138,500	-	-	-	138,500	0	0.0%
SCS20	Customer Services Admin	23,720	-	(5,490)	-	18,230	(5,490)	(23.1%)
SCS22	Customer First	725,598	506	28,700	16,609	771,413	45,815	6.3%
SES03	Community Safety - C.C.T.V.	16,390	5	41,390	-	57,785	41,395	252.6%
SES04	Public Health	3,990	-	(500)	-	3,490	(500)	(12.5%)
SES11	Pool Cars	1,884	967	(1,712)	(520)	619	(1,265)	(67.1%)
SES16	Public Health Staff Units/Recharges	792,330	32,192	(10,688)	18,040	831,874	39,544	5.0%
SES17	Community Safety	6,070	-	(2,200)	-	3,870	(2,200)	(36.2%)
SES18	Food Safety	(25,340)	6	10,500	-	(14,834)	10,506	(41.5%)
SES21	Licensing	24,030	61	(959)	4,010	27,142	3,112	13.0%
SES22	Pest Control	2,500	-	(1,500)	-	1,000	(1,500)	(60.0%)
SES23	Pollution Reduction	7,250	-	6,020	-	13,270	6,020	83.0%
SPR02	Enforcement	92,800	93	7,677	2,250	102,820	10,020	10.8%
SPR03	Development Control	587,570	(252,605)	117,104	27,476	479,545	(108,025)	(18.4%)
SPR09	Forward Planning	306,890	(84,578)	91,590	6,560	320,462	13,572	4.4%
SPR11	Regional Planning	234,760	31,740	3,000	-	269,500	34,740	14.8%
SRS01	Recreation And Sport	903,485	(25,935)	830,151	(305,985)	1,401,716	498,231	55.1%
TOTAL COMMUNITY PDG		3,842,427	(297,548)	1,113,083	(231,560)	4,426,402	583,975	15.2%
	Economy PDG							
SCD02	Economic Development	70,320	12,135	(5,494)	2,300	79,261	8,941	12.7%
SCP01	Parking Services	(489,680)	(105,475)	(70,355)	-	(665,510)	(175,830)	35.9%
SPR06	Economic Development	706,700	(150,495)	286,392	9,040	851,637	144,937	20.5%
SPS12	GF Properties Shops/Flats	(306,890)	2,178	112,762	-	(191,950)	114,940	(37.5%)
TOTAL ECONOMY PDG		(19,550)	(241,657)	323,305	11,340	73,438	92,988	(475.6%)

## Appendix 2 - Detailed Budget Movements by Service

Service Unit		2022/23 Annual Budget £	MTFP Adjustment £	Round 1 Detailed Update £	Round 2 Detailed Update £	Provisional 2023/24 Budget £	Increase / (Decrease) £ %	
Direct Costs Detail								
	Environment PDG							
SES02	Cemeteries	(67,230)	1,701	33,160	130	(32,239)	34,991	(52.0%)
SES05	Open Spaces	180,190	3,162	211,947	(69,920)	325,379	145,189	80.6%
SGM01	Grounds Maintenance	559,523	14,808	27,665	(56,720)	545,276	(14,247)	(2.5%)
SPS01	Asset Management	188,310	15,343	(5,980)	1,390	199,063	10,753	5.7%
SPS03	Flood Defence And Land Drain	26,020	12	-	-	26,032	12	0.0%
SPS04	Street Naming & Numbering	8,070	2	(1,430)	81	6,723	(1,347)	(16.7%)
SPS05	Administration Buildings	425,140	89,103	139,162	-	653,405	228,265	53.7%
SPS06	MDDC Depots	499,720	35,316	(43,934)	-	491,102	(8,618)	(1.7%)
SPS07	Public Transport	(6,110)	1	(17,320)	-	(23,429)	(17,319)	283.5%
SPS09	Property Services Staff Unit	734,650	6,729	34,092	5,842	781,313	46,663	6.4%
SPS11	Public Conveniences	41,330	(27,725)	20,345	-	33,950	(7,380)	(17.9%)
SWS01	Street Cleansing	472,798	17,510	48,405	6,550	545,263	72,465	15.3%
SWS02	Waste Collection	435,192	134,846	100,246	13,760	684,044	248,852	57.2%
SWS03	Recycling	620,030	43,875	215,994	(24,730)	855,169	235,139	37.9%
SWS04	Waste Management	377,770	104	3,362	9,000	390,236	12,466	3.3%
TOTAL ENVIRONMENT PDG		4,495,403	334,787	765,714	(114,617)	5,481,287	985,884	21.9%
	Homes PDG							
SES15	Private Sector Housing Grants	(1,490)	-	(1,670)	-	(3,160)	(1,670)	112.1%
SHG03	Homelessness Accommodation	269,192	6,917	61,271	5,025	342,405	73,213	27.2%
TOTAL HOMES PDG		267,702	6,917	59,601	5,025	339,245	71,543	26.7%
Net Direct Services Costs		14,806,296	1,317,819	1,137,467	(541,217)	16,720,365	1,914,069	12.9%
5000	Net Recharge to HRA	(1,714,560)	(85,728)	(71,942)	(11,580)	(1,883,810)	(169,250)	9.9%
6000	Capital Financing	686,660	(224)	16,828	-	703,264	16,604	2.4%
Net Service Costs		13,778,396	1,231,867	1,082,353	(552,797)	15,539,819	1,761,423	12.8%
SIE03/6	Net Interest Costs /(Receipts)	(992,613)	(12,500)	(526,734)	-	(1,531,847)	(539,234)	54.3%
4115	Finance Lease Interest Payable	152,600	12,500	15,260	-	180,360	27,760	18.2%
4694	Transfers TO Earmarked Reserves	1,759,064	(629,764)	16,510	579,692	1,725,502	(33,562)	(1.9%)
7709	Transfers (FROM) Earmarked Reserves	(2,758,647)	1,342,917	(1,465,074)	(426,710)	(3,307,514)	(548,867)	19.9%
Net Budget Requirement		11,938,800	1,945,020	(877,685)	(399,815)	12,606,320	667,520	5.6%
SIE11	Business Rates	(3,532,190)	(26,000)	(324,000)	(436,770)	(4,318,960)	(786,770)	22.3%
SIE08	Council Tax	(6,945,960)	192,430	(4,820)	9,320	(6,749,030)	196,930	(2.8%)
SIE10	Un-Ringfenced Grant Funding	(1,460,650)	-	-	(77,680)	(1,538,330)	(77,680)	5.3%
Total Funding		(11,938,800)	166,430	(328,820)	(505,130)	(12,606,320)	(667,520)	5.6%
Annual Shortfall		0	2,111,450	(1,206,505)	(904,945)	0	0	0.0%



## 2023/24 BUDGETS

## Transfers To Earmarked Reserves

SERVICE	EMR		Total
IE440	EQ659	NNDR SMOOTHING EMR	136,770
PS990	EQ685	FORE STREET MAINT S.FUND	5,000
PS992	EQ685	MARKET WALK MAINT S.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	120,000
EQ756	EQ756	FLEET CONTRACT FUND	639,600
GM/WS	EQ760	STREET SCENE SMALL PLANT	19,010
EQ761	EQ761	RECYCLING PLANT SFUND	30,000
EQ763	EQ763	RECYCLING MAINT 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
PS980	EQ837	PROPERTY MAINTENANCE	311,580
PR100	EQ775	BUILDING CONTROL	5,420
PR200	EQ774	PLANNING LEGAL EXPENSE RESERVE	100,000
IT200	EQ749	BUSINESS SYSTEMS MIGRATION	50,000
<b>TOTAL</b>			<b>1,598,080</b>

## 2023/24 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)
CP530	EQ707	RESURFACING AMENITY CAR PARKS	(21,000)
CP540	EQ708	RESURFACING P&D & PERMIT CAR PARKS	(26,000)
EQ756	EQ756	FLEET CONTRACT FUND	(477,920)
RS100	EQ764	LEISURE MAINT SINKING FUND	(321,000)
CB100	EQ766	CEMETERY MAINT SINKING FUND	(80,000)
OS455	EQ767	PARK & OPEN SPACES MAINT SINKING FUND	(97,000)
PS991	EQ771	INDUSTRIAL UNIT SPECIFIC MAINT	(41,900)
IE420	EQ777	C/TAX SMOOTHING EMR	(62,401)
IE440	EQ659	NNDR RESERVE	(295,105)
PR225	EQ824	GARDEN VILLAGE PROJECT	(121,865)
PS810	EQ827	PHOENIX HOUSE MAINT	(144,000)
PS810	EQ828	PHOENIX HOUSE AIR CON	(6,400)
PS850	EQ829	OLD ROAD DEPOT	(35,000)
OS450	EQ837	PROPERTY MAINT RESERVE	(183,000)
PR400	EQ653	BUSINESS DEVELOPMENT	(80,000)
PR402	EQ653	CULLOMPTON HAZ	(218,143)
PR402	EQ652	CULLOMPTON HAZ	(199,633)
PR402	EQ722	CULLOMPTON HAZ	(5,098)
PR810	EQ728	STATUTORY DEVELOPMENT PLAN	(269,500)
PR400	EQ722	BUSINESS DEVELOPMENT	(51,640)
RB100/RB600	EQ787	NNDR NEW BURDENS	(16,950)
IT900	EQ655	IT PROJECT MANAGER	(46,863)
OS455	ER005	AMORY PARK	(10,000)
LD201	EQ720	DISTRICT ELECTIONS	(100,000)
LD300	EQ721	ELECTED MEMBERS TRAINING	(10,000)
LD201	EQ721	DISTRICT ELECTIONS	(15,000)
PH733/PH373	NEW CODE	HOMES FOR UKRAINE	(182,280)
	EQ660	Releasing of Reserves to fund the 2023/24 GF Budget	(80,722)
<b>TOTAL</b>			<b>(3,265,520)</b>

Net Transfer To / (From) Earmarked Reserves

(1,667,440)

## Proposed Transfer (From) NHB Reserve to Balance remaining deficit on 2023/24 Budget

	EQ653	NHB to fund the GF Deficit	(57,657)
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## Housing Revenue Account - by service

Code	Service Unit	Base Budget 2022/2023	Movement	Budget 2023/2024
		£	£	£
	<b>Income</b>			
SHO01	Dwelling Rents Income	(12,673,660)	(882,780)	(13,556,440)
SHO04	Non Dwelling Rents Income	(488,360)	790	(487,570)
SHO07	Leaseholders' Charges For Services	(29,000)	0	(29,000)
SHO08	Contributions Towards Expenditure	(80,920)	(109,580)	(190,500)
SHO10	H.R.A. Investment Income	(25,000)	(375,000)	(400,000)
SHO11	Miscellaneous Income	(7,000)	1,000	(6,000)
			0	
	<b>Services</b>		0	
SHO13A	Repairs & Maintenance	3,825,733	364,597	4,190,330
SHO17A	Housing & Tenancy Services	1,730,707	359,253	2,089,960
	<b>Accounting entries 'below the line'</b>		0	
SHO29	Bad Debt Provision	150,000	150,000	300,000
SHO30	Share Of Corp And Dem	173,900	(12,730)	161,170
SHO32	H.R.A. Interest Payable	1,077,320	154,960	1,232,280
SHO34	H.R.A. Trf To/From Emr	1,311,720	135,910	1,447,630
SHO37	Capital Receipts Reserve Adjustment	(20,800)	0	(20,800)
SHO38	Major Repairs Allowance	2,465,000	70,000	2,535,000
SHO45	Renewable Energy Transactions	(105,000)	(55,000)	(160,000)
	<b>Total</b>	<b>(2,695,360)</b>	<b>(198,580)</b>	<b>(2,893,940)</b>

## Subjective analysis

Code	Best Value Unit	Base Budget 2022/2023	Movement	Draft Budget 2023/2024
1000	Employees	3,323,740	382,630	3,706,370
2000	Premises	267,900	179,440	447,340
3000	Transport	240,040	23,730	263,770
4000	Cost Of Goods And Services	6,929,300	630,190	7,559,490
7000	Income	(13,456,340)	(1,414,570)	(14,870,910)
	<b>Total</b>	<b>(2,695,360)</b>	<b>(198,580)</b>	<b>(2,893,940)</b>

Code	Best Value Unit	Base Budget 2021/2022	Movement	Draft Budget 2022/2023
5000	Internal Recharges	1,714,560	169,250	1,883,810
6000	Capital Charges	980,800	29,330	1,010,130
	<b>Total</b>	<b>2,695,360</b>	<b>198,580</b>	<b>2,893,940</b>
	<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Notes:**

SHO01	Income assumption is a 7% increase for 2023/24. The increase is not 7% in real terms as the assumed Void and RTBs impact this.
SHO08	Forecast increase in rechargeable works by Building Services
SHO10	Returns on invested cash balances forecast to rise based on increased interest rates  <b>Salary</b> inflation assumed at 5.5% for 2023/24, additionally the pay award for 2022/23 was above the original forecast of 2%. Net of increased DLO works (a reduction to the salary base) £454k has been built on to the base salary budget
SHO13A	<b>Waste/disposal</b> charges anticipated to increase significantly next year therefore have provided an additional £111k to fund this  <b>Contractor/materials</b> spend-provided an additional £70k to the budget, this may need to be revised further  <b>Vehicle</b> costs-fuel inflation and a slight increase in the fleet lease charge £30k additional requirement <b>Salary</b> inflation assumed at 5.5% for 2023/24, additionally the pay award for 2022/23 was above the original forecast of 2% therefore £144k has been built into the 2023/24 budget
SHO17A	<b>Utilities</b> spend-due to the uncertainty around energy costs an additional £54k has been provided for  <b>Development Programme</b> provision has been made for decant costs that may arise from in-year projects, £100k, additionally an increased budget for council tax charges on Housing properties that are temporarily void or held as part of the build programme, £85k  As per the MTFP an additional £150k has been budgeted for in terms of bad/doubtful debts this is a provision to take account of the current cost of living pressures and to ensure the HRA is in a position to cope with any potential impact
SHO29	
SHO32	Forecast interest costs on future build programme (see Capital MTFP for details)
SHO34	Contributions to reserves: £50k towards vehicle cost sinking fund, £854k to the Loan deficit reserve, £160k to the Renewables reserve, £149k to the Affordable Rent Surplus reserve Based on the current budget forecast, a contribution to the Housing Maintenance reserve of £234k would be allowable
SHO38	This expenditure is budgeted in line with the planned Works Programme for the next year
SHO45	Expenditure forecast has been refined for 2023/24 therefore an increased contribution to the Renewable Energy reserve will be possible

## HRA Rent Budget 2023/24

Description	Average rent (52 week basis) £	Average properties 2023/24	Annual rent total £	Void level	Annual rent total (less voids)
Social rent (in use)	89.81	2,861	<b>13,362,770</b>	2.45%	13,035,860
Affordable rent properties	129.43	90	<b>605,732</b>	4.44%	578,810
<b>TOTAL</b>		<b>2,951</b>	<b>13,968,502</b>		<b>13,614,670</b>
Rent written off					(70,000)
Write-offs recovered					1,000
HO700 budget					<b>13,545,670</b>
Affordable rent surplus					<b>149,130</b>

## HRA: Proposed Fees and Charges 2023/24

	<u>2022/23</u>	<u>Increase</u>	<u>Increase %</u>	<u>2023/24</u>
Garage rents per week (52 week basis)	£10.71	£0.00	0.00%	£10.71
It should be noted that council tenants receive a discount of £1.85 per week on any garage rent				
Garage ground rents (Annual charge)	£275	£0	0.00%	£275
(charges shown exclude any applicable VAT)				

**MDDC Formula Rent on average (52 weeks)**                      £83.99                      **£89.88**

## General Fund: (Community Alarms) Proposed Fees and Charges 2023/24

	<u>2022/23</u>	<u>Increase</u>	<u>Increase %</u>	<u>2023/24</u>
Private Clients (weekly charge)	£3.47	£0.17	4.90%	£3.64
Housing tenants (weekly charge) (applies to existing tenants formerly under sheltered housing)	£3.05	£0.15	4.92%	£3.20
Installation charge (new clients)	£30.00	£10.00	33.33%	£40.00
(charges shown exclude any applicable VAT)				

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**Cabinet**  
**07 March 2023**

## **2023/24 Budget**

**Cabinet Member:** Cllr Barry Warren, Leader and Cabinet Member for Finance & Environment

**Responsible Officer:** Andrew Jarrett, Deputy Chief Executive (S151)

**Reason for Report:** This report provides the proposed budgets for the revised General Fund and the Housing Revenue Account for the year 2023/24 and recommends the Band D Council Tax charge for 2023/24.

### **RECOMMENDATIONS:**

**Cabinet are asked to recommend to Council the following:**

1. **A Council Tax Requirement of £6,724,350 calculated using a Council Tax of £225.40 for a Band D property, an increase of £6.56 or 2.99% from 2022/23 and a Tax Base of 29,832.98, 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 3 January 2023;**
2. **The overall budgeted Cost of Services within the General Fund of ~~£16,720,364~~ £16,830,364 for 2023/24 is approved as detailed across Appendices 1 – 2 and inclusive of the adjustments included within Table 1 in paragraph Error! Reference source not found. of the Cabinet Report for 7 February 2023;**
3. **The 2023/24 budget requires no transfer from the General Fund Balance and a further temporary transfer of £57,657 from the New Homes Bonus EMR in order to balance and agree all of the transfers to and from Earmarked Reserves as detailed in Appendix 3;**
4. **HRA budget for 2023/24 be approved – Appendix 4;**
5. **HRA fees/charges are approved based on the attached Appendix 5;**
6. **Work on strategic planning for delivering a balanced budget for 2024/25 is commenced immediately. This work will need to include provision to replenish the General Fund Balance and re-examine the overarching level of Reserves that is required.**

**Additional recommendations arising from Full Council, 22 February 2023:**

7. **Cabinet are asked to agree the inclusion within the budget the implications of the recommendations from Full Council as outlined in Section 2.1;**
8. **Cabinet agree to temporarily reduce the minimum level of General Reserves by £610k from its existing level (c.£2.2m) in order to balance the 2023/24 Budget and agree to identify a plan to replenish back to the £2m recommended minimum balance, as referenced in Section 2.3.**

**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 2023/24 without materially reducing service delivery. The Local Government Finance Act requires a balanced budget to be set by Friday 10 March 2023.

**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. All Policy Development Group meetings have considered and made decisions based on summary feedback from the recently completed resident’s survey.

**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. Full Council at its meeting on the 22 February 2023 decided not to approve the budget recommended by Cabinet on the 7 February 2023.
  - 1.2. At the aforementioned meeting of Full Council it was agreed that General Fund budget should not include the level of car parking charges previously agreed or the financial implications of the 3<sup>rd</sup> Business Plan and 2 associated business cases provided by 3 Rivers Development Limited.
  - 1.3. Also at this meeting revisions were agreed to the level of Member Allowances.
- 
- 2.1. The original draft 2023/24 General Budget recommended to Full Council on the 22 February 2023 required a temporary transfer of £58k from the New Homes Bonus Reserve. As a direct consequence of the decisions made at this aforementioned Full Council meeting the budget will need to be adjusted as follows:
    - **To resolve the recommendations made by Full Council (to not accept any of the 3 company business plans or the associated 2 business cases submitted by 3 Rivers Developments Ltd, but to fund to completion the development projects at St. Georges Court, Tiverton and Bampton;**



- To reduce the Member Allowances budget by £40k based on the amended scheme agreed by Full Council;
- To reduce the Car Parking budget by £120k based on the initial recommendation made by the Economy PDG – which was based on increasing most fees/charges by price inflation. The Cabinet also needs to consider the likely implementation date and implications thereof;
- To include a provisional sum of £30k for the Council to commission an external review of 3Rivers in order to assist its decision making – this review will need to be clear on Member's requirements for the scope, options, timetable and advice that is being required.

2.2. Due to the extremely tight timetable to make these final budget adjustments, it is fundamentally impractical to offer any other budget solution except utilising our General Fund Balances/Reserves.

2.3. Therefore, in order to set a balanced budget the Council will need to agree a temporary reduction of £610k from its current General Fund Balance which will need to have a plan as to how and over what period it will be replenished back to the £2.0m figure that was agreed at Full Council on the 22 February 2023 within the Council Tax Resolution paper. This will form part of the Medium Term Financial Plan exercise which will come back to Cabinet for consideration in October 2023.

2.4. Revised Appendices 1 and 2 are provided showing where the above adjustments are included.

### 3. Conclusion

3.1. Cabinet are asked to agree the contents of this report and recommended its approval by Council in March 2023.

**Contact for more information:** Andrew Jarrett, Deputy Chief Executive (S151)  
01884 234242 ([ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk))

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**Circulation of the Report:** Leadership Team, Cabinet

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

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The Table below gives an overall summary of the Council's General Fund MTFP position (which includes a wide range of assumptions).

### MTFP General Fund Summary

2022/23 £'000		Notes	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
14,785	Net Direct Cost of Services – <b>Revised</b>	(A)	16,720 16,830	15,356 15,436	15,918 15,998	16,416 16,496	16,973 17,053
(1,715)	Net recharge to HRA	1	(1,872)	(1,926)	(1,963)	(2,001)	(2,040)
687	Provision for Repayment of Borrowing	2	703	929	1,039	1,150	1,146
13,757	<b>Net Service Costs – Revised</b>		15,540 15,661	14,348 14,439	14,982 15,074	15,553 15,644	16,069 16,160
(993)	Net Interest Payable / (Receipts) – <b>Revised</b>	3 (B)	(1,532) (1,032)	(1,365) (865)	(1,585) (1,085)	(1,745) (1,245)	(1,745) (1,245)
153	Finance Lease Interest Payable		180	200	126	116	106
(2,677)	Net Transfers to / (from) Earmarked Reserves	4	(1,594)	918	1,019	1,338	1,264
0	<b>Transfer (from) General Reserves</b>	(C)	(610)	0	0	0	0
10,240	<b>Total Budget Requirement – Revised</b>		12,606	14,113 14,693	14,554 15,134	15,274 15,854	15,704 16,284
	<b>Funded By:</b>						
(1,855)	Retained Business Rates	5	(4,319)	(4,360)	(3,997)	(4,040)	(4,106)
0	Revenue Support Grant	6	(98)	(98)	0	0	0
(99)	Lower Tier Services Grant	6	0	0	0	0	0
(490)	Rural Services Delivery Grant	6	(490)	(490)	(490)	(490)	(490)
(719)	New Homes Bonus	6	(395)	(395)	0	0	0
(153)	2022/23 Services Grant	6	(86)	(86)	0	0	0
0	Funding Guarantee	6	(469)	(469)	0	0	0
(6,925)	Council Tax–MDDC	7	(6,749)	(6,963)	(7,284)	(7,510)	(7,742)
(10,240)	<b>Total Funding</b>		(12,606)	(12,862)	(11,770)	(12,040)	(12,338)
0	<b>Annual Shortfall – Increase / (Decrease) – Revised</b>		0	1,252 1,832	1,532	450	132
0	<b>Cumulative Shortfall – Revised</b>		0	1,252 1,832	2,784 3,364	3,234 3,814	3,366 3,946

### REVISIONS following recommendations from Full Council (22 February 2023):

- (A) Car Parking revenue has been reduced by £120k in 2023/24 (on-going), Member's Allowances has been reduced by £40k (on-going) and £30k provision has been included for the external review of 3Rivers Developments Ltd (one-off).
- (B) Interest Receivable has been reduced by £500k in 2023/24 (on-going).
- (C) Transfers FROM General Reserves has increase by £610k in 2023/24. This is reversed in 2024/25 to reflect the replenishment of Reserves. A total of £1,400k of interest related to 3Rivers is included across the future MTFP (£382k in 2024/25, £416k in 2025/26, £301k in 2026/27 and £301k in 2027/28).

### Notes:

- Recharges have been calculated based upon the updated salary budgets.
- The Provision for Repayment of Borrowing incorporates the financial implications of the proposed Capital Programme shown in Appendix 4.

3. The increase in Net Interest Costs / (Receipts) reflects the increase in interest rates and ~~a prudent assumption of the interest earned from 3 Rivers Developments Ltd in line with the Business Plan.~~ At present, no new external borrowing is forecast, which lowers the previous assumption in Interest Payable.
4. Net Transfers to / (from) Earmarked Reserves reflects planned contributions to, or drawdowns from reserves, including the balancing contribution of £58k from New Homes Bonus. The 2023/24 value includes the final drawdown from the Business Rates and Council Tax Smoothing Reserves to offset the loss caused by Covid-19 reliefs being applied (see Note 4).
5. The Retained Business Rates income has increased in 2023/24 due to growth and the revaluation. Income drops in 2025/26 to reflect the potential changes the Government might implement to the Business Rates Retention Scheme. These include Re-Baselining and Resource Equalisation.
6. The Government announced the Provisional Local Government Finance Settlement for 2023/24. It includes a funding guarantee that all Councils receive a 3% increase in "Core Spending" before taking into account any increases to Council Tax. The Council will receive Revenue Support Grant again due to two other grants being transferred into the overall settlement consideration.
7. Council Tax income is forecast assuming Band D charge increases in line with the 3% referendum limit and the agreed Taxbase.

## Appendix 2 - Detailed Budget Movements by Service

Service Unit		2022/23 Annual Budget £	MTFP Adjustment £	Round 1 Detailed Update £	Round 2 Detailed Update £	Provisional 2023/24 Budget £	Increase / (Decrease) £ %	
	Cabinet							
SCM01	Leadership Team	534,019	1,152,454	(1,107,880)	12,780	591,373	57,354	10.7%
SCM02	Corporate Functions	108,465	40,028	26,964	4,130	179,587	71,122	65.6%
SCM03	Corporate Fees	258,730	200,065	(93,055)	(270,000)	95,740	(162,990)	(63.0%)
SCM06	Pension Backfunding	801,480	100,000	(254,906)	-	646,574	(154,906)	(19.3%)
SES01	Emergency Planning	7,500	-	-	-	7,500	0	0.0%
SFP01	Accountancy Services	478,460	128	39,044	10,960	528,592	50,132	10.5%
SFP02	Internal Audit	97,480	-	(2,720)	-	94,760	(2,720)	(2.8%)
SFP03	Procurement	101,340	24	7,480	1,480	110,324	8,984	8.9%
SFP04	Purchase Ledger	48,460	19	5,755	1,210	55,444	6,984	14.4%
SFP05	Sales Ledger	47,330	19	5,810	1,210	54,369	7,039	14.9%
SHR01	Human Resources	497,080	114	(49,780)	9,180	456,594	(40,486)	(8.1%)
SHR02	MDDC Staff Training	25,000	-	(5,000)	-	20,000	(5,000)	(20.0%)
SHR03	Payroll	40,960	13	2,100	1,060	44,133	3,173	7.7%
SHR04	Learning And Development	53,430	13	7,575	1,170	62,188	8,758	16.4%
SIT01	IT Gazetteer Management	76,400	26	4,840	1,880	83,146	6,746	8.8%
SIT03	IT Information Technology	1,260,750	(44,811)	(14,502)	14,970	1,216,407	(44,343)	(3.5%)
SLD01	Electoral Registration	218,278	52	131,732	2,870	352,932	134,654	61.7%
SLD02	Democratic Rep And Management	544,662	31,373	15,886	(36,010)	555,911	11,249	2.1%
SLD04	Legal Services	419,661	97	42,339	(43,250)	418,847	(814)	(0.2%)
SPR01	Building Regulations	17,390	166	17,761	(26,392)	8,925	(8,465)	(48.7%)
SPR04	Local Land Charges	(24,561)	24	(19,266)	1,297	(42,506)	(17,945)	73.1%
SRB01	Collection Of Council Tax	382,270	35,380	59,957	76,010	553,617	171,347	44.8%
SRB02	Collection Of Business Rates	(98,870)	-	11,660	-	(87,210)	11,660	(11.8%)
SRB03	Housing Benefit Admin & Fraud	180,920	89	29,480	10,540	221,029	40,109	22.2%
SRB04	Housing Benefit Subsidy	65,000	-	-	-	65,000	0	0.0%
SRB06	Debt Recovery	78,680	47	14,490	3,500	96,717	18,037	22.9%
TOTAL CABINET PDG		6,220,314	1,515,320	(1,124,236)	(221,405)	6,389,993	169,679	2.7%
	Community PDG							
SCD01	Community Development	138,500	-	-	-	138,500	0	0.0%
SCS20	Customer Services Admin	23,720	-	(5,490)	-	18,230	(5,490)	(23.1%)
SCS22	Customer First	725,598	506	28,700	16,609	771,413	45,815	6.3%
SES03	Community Safety - C.C.T.V.	16,390	5	41,390	-	57,785	41,395	252.6%
SES04	Public Health	3,990	-	(500)	-	3,490	(500)	(12.5%)
SES11	Pool Cars	1,884	967	(1,712)	(520)	619	(1,265)	(67.1%)
SES16	Public Health Staff Units/Recharges	792,330	32,192	(10,688)	18,040	831,874	39,544	5.0%
SES17	Community Safety	6,070	-	(2,200)	-	3,870	(2,200)	(36.2%)
SES18	Food Safety	(25,340)	6	10,500	-	(14,834)	10,506	(41.5%)
SES21	Licensing	24,030	61	(959)	4,010	27,142	3,112	13.0%
SES22	Pest Control	2,500	-	(1,500)	-	1,000	(1,500)	(60.0%)
SES23	Pollution Reduction	7,250	-	6,020	-	13,270	6,020	83.0%
SPR02	Enforcement	92,800	93	7,677	2,250	102,820	10,020	10.8%
SPR03	Development Control	587,570	(252,605)	117,104	27,476	479,545	(108,025)	(18.4%)
SPR09	Forward Planning	306,890	(84,578)	91,590	6,560	320,462	13,572	4.4%
SPR11	Regional Planning	234,760	31,740	3,000	-	269,500	34,740	14.8%
SRS01	Recreation And Sport	903,485	(25,935)	830,151	(305,985)	1,401,716	498,231	55.1%
TOTAL COMMUNITY PDG		3,842,427	(297,548)	1,113,083	(231,560)	4,426,402	583,975	15.2%
	Economy PDG							
SCD02	Economic Development	70,320	12,135	(5,494)	2,300	79,261	8,941	12.7%
SCP01	Parking Services	(489,680)	(105,475)	(70,355)	120,000	(545,510)	(55,830)	11.4%
SPR06	Economic Development	706,700	(150,495)	286,392	9,040	851,637	144,937	20.5%
SPS12	GF Properties Shops/Flats	(306,890)	2,178	112,762	-	(191,950)	114,940	(37.5%)
TOTAL ECONOMY PDG		(19,550)	(241,657)	323,305	131,340	193,438	212,988	(1,089.5%)

## Appendix 2 - Detailed Budget Movements by Service

Service Unit		2022/23 Annual Budget £	MTFP Adjustment £	Round 1 Detailed Update £	Round 2 Detailed Update £	Provisional 2023/24 Budget £	Increase / (Decrease) £ %	
Direct Costs Detail								
	Environment PDG							
SES02	Cemeteries	(67,230)	1,701	33,160	130	(32,239)	34,991	(52.0%)
SES05	Open Spaces	180,190	3,162	211,947	(69,920)	325,379	145,189	80.6%
SGM01	Grounds Maintenance	559,523	14,808	27,665	(56,720)	545,276	(14,247)	(2.5%)
SPS01	Asset Management	188,310	15,343	(5,980)	1,390	199,063	10,753	5.7%
SPS03	Flood Defence And Land Drain	26,020	12	-	-	26,032	12	0.0%
SPS04	Street Naming & Numbering	8,070	2	(1,430)	81	6,723	(1,347)	(16.7%)
SPS05	Administration Buildings	425,140	89,103	139,162	-	653,405	228,265	53.7%
SPS06	MDDC Depots	499,720	35,316	(43,934)	-	491,102	(8,618)	(1.7%)
SPS07	Public Transport	(6,110)	1	(17,320)	-	(23,429)	(17,319)	283.5%
SPS09	Property Services Staff Unit	734,650	6,729	34,092	5,842	781,313	46,663	6.4%
SPS11	Public Conveniences	41,330	(27,725)	20,345	-	33,950	(7,380)	(17.9%)
SWS01	Street Cleansing	472,798	17,510	48,405	6,550	545,263	72,465	15.3%
SWS02	Waste Collection	435,192	134,846	100,246	13,760	684,044	248,852	57.2%
SWS03	Recycling	620,030	43,875	215,994	(24,730)	855,169	235,139	37.9%
SWS04	Waste Management	377,770	104	3,362	9,000	390,236	12,466	3.3%
TOTAL ENVIRONMENT PDG		4,495,403	334,787	765,714	(114,617)	5,481,287	985,884	21.9%
	Homes PDG							
SES15	Private Sector Housing Grants	(1,490)	-	(1,670)	-	(3,160)	(1,670)	112.1%
SHG03	Homelessness Accommodation	269,192	6,917	61,271	5,025	342,405	73,213	27.2%
TOTAL HOMES PDG		267,702	6,917	59,601	5,025	339,245	71,543	26.7%
Net Direct Services Costs		14,806,296	1,317,819	1,137,467	(431,217)	16,830,365	2,024,069	13.7%
5000	Net Recharge to HRA	(1,714,560)	(85,728)	(71,942)	(11,580)	(1,883,810)	(169,250)	9.9%
6000	Capital Financing	686,660	(224)	16,828	-	703,264	16,604	2.4%
Net Service Costs		13,778,396	1,231,867	1,082,353	(442,797)	15,649,819	1,871,423	13.6%
SIE03/6	Net Interest Costs /(Receipts)	(992,613)	(12,500)	(526,734)	500,000	(1,031,847)	(39,234)	4.0%
4115	Finance Lease Interest Payable	152,600	12,500	15,260	-	180,360	27,760	18.2%
4694	Transfers TO Earmarked Reserves	1,759,064	(629,764)	16,510	579,692	1,725,502	(33,562)	(1.9%)
7709	Transfers (FROM) Earmarked Reserves	(2,758,647)	1,342,917	(1,465,074)	(426,710)	(3,307,514)	(548,867)	19.9%
0	Transfers (FROM) General Reserves	-	-	-	(610,000)	(610,000)	(610,000)	0.0%
Net Budget Requirement		11,938,800	1,945,020	(877,685)	(399,815)	12,606,320	667,520	5.6%
SIE11	Business Rates	(3,532,190)	(26,000)	(324,000)	(436,770)	(4,318,960)	(786,770)	22.3%
SIE08	Council Tax	(6,945,960)	192,430	(4,820)	9,320	(6,749,030)	196,930	(2.8%)
SIE10	Un-Ringfenced Grant Funding	(1,460,650)	-	-	(77,680)	(1,538,330)	(77,680)	5.3%
Total Funding		(11,938,800)	166,430	(328,820)	(505,130)	(12,606,320)	(667,520)	5.6%
Annual Shortfall		0	2,111,450	(1,206,505)	(904,945)	0	0	0.0%

## CABINET

7 March 2023

### NNDR 1 for 2023/24

**Cabinet Member:** Cllr Barry Warren, Leader and Cabinet Member for Finance & Environment

**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 2023/24 from business rates). There is a statutory deadline for notifying Precepting Authorities and the Government by 31 January 2023 of their appropriate shares in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013 Regulation 2(b). The Government return has been submitted and Preceptors informed of the estimated income.

### RECOMMENDATIONS:

1. That the calculation of the NNDR1 net yield of £16,921,552 from 3,519 Business Rated properties is noted for 2023/24;
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 under section 47.

**Relationship to Corporate Plan:** This report sets out the estimated net business rates for 2023/24; 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 2023/24 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. Although no resolution is required as with Council Tax Charges.

**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 2023/24 to maximise the amount of Business Rates it can retain.

2.7. This report details the calculations necessary to determine the estimated debit the Council is expected to collect in business rates for the 2023/24 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 new 2023 Valuation list takes effect from 1st April 2023. By law rateable values need to be reviewed every 3 years, it was 5 years. Then table at 2.9 helps illustrate some of the movements in the list.

2.9.

<b>List</b>	<b>Rateable Value (RV)</b>
2023 Draft List Rateable Value 09/01/2023	£52,776,105
2017 List as at 04/01/2023	£46,827,209
<b>Gross RV Increase</b>	<b>£5,948,896</b>
<b>% Gross RV Increase</b>	<b>12.70%</b>

<b>MDDC Property Estimate Gross RV</b>	<b>Gross RV</b>
2017 List	£1,393,465
2023 List	£1,485,855
<b>Increase</b>	<b>£92,390</b>

<b>Top 15 RV Movement</b>	<b>Gross RV</b>
2017 List	£8,254,000
2023 List	<b>£9,040,000</b>
<b>Increase</b>	<b>£786,000</b>

### 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 such as, including the Small Business Rate Relief, Retail, Hospitality and Leisure schemes, Supporting Small Business Relief, Public Toilets and Rural Rate (50%) top up.

- 3.2. Part 2, line 45 (fund reliefs) of the NNDR1 is estimated to be £2,753,762, S31 will be applied to pay back the cost at MDDC share (40%). This is largely due to the Government's announcement to continue the relief available to Retail, Hospitality and Leisure businesses in 2023/24 at a rate of 75%. Other reliefs apply.

#### **4. 2023/24 Forecast Yield**

- 4.1. The Council is notionally able to keep 40% of the total business rates it collects and this would generate an estimated £6,768,621 (less Tariff and Levy). MDDC gets £120,580 as a cost of collecting the years' business rates and will continue to retain the estimated income from renewable energy schemes of £254,906 in 2023/24.
- 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. Changes being introduced for 2023/24**

- 5.1. A new Supporting Small Business Scheme is being introduced with effect from the 1<sup>st</sup> April 2023 whereby increases in charge due to loss or reduction of either Small Business Rate Relief or Rural Rate Relief will be capped at £600 annually. Those on SSBR whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund Small Business Rate relief while they are eligible for 2023 SSBR.
- 5.2. There will be no downward Transitional Relief for properties that have had a reduction in rateable value; they will receive the full benefit of the reduction. Additional New Burdens funding will be available 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 2023/24.

**Contact for more information:** Andrew Jarrett, Deputy Chief Executive (S151)  
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**Circulation of the Report:** Leadership Team, Cabinet

**Background Papers:** NNDR1

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**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2023-24**

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.1

**Local Authority : Mid Devon**

**PART 4: ESTIMATED COLLECTION FUND BALANCE**

This section estimates the collection fund closing balance for the current year (*not* the forecast year otherwise referred to in this form). Please refer to guidance notes for details. Note that you can edit the blue-bordered cells, but you will be asked to provide a comment explaining why they are changed from the prepopulated figures.

**OPENING BALANCE**

1. Opening Balance (From Collection Fund Statement)

£

£

**-4,347,784**

**BUSINESS RATES CREDITS AND CHARGES**

2. Business rates credited and charged to the Collection Fund in 2022-23 (enter as +ve)

**14,619,476**

3. Sums written off in excess of the allowance for non-collection (enter as -ve)

**-1**

4. Changes to the allowance for non-collection

**-90,240**

5. Amounts charged against the provision for alteration of lists and appeals following RV list changes (enter as +ve)

**181,345**

6. Changes to the provision for alteration of lists and appeals

**-181,345**

**7. Total business rates credits and charges (Total lines 2 to 6)**

**14,529,234**

**OTHER RATES RETENTION SCHEME CREDITS (enter as +ve)**

8. Transitional protection payments received, or to be received in 2022-23

**0**

9. Transfers/payments to the Collection Fund for end-year reconciliations

**0**

10. Transfers/payments into the Collection Fund in 2022-23 in respect of a previous year's deficit

**4,145,706**

**11. Total Other Credits (Total lines 8 to 10)**

**4,145,706**

**OTHER RATES RETENTION SCHEME CHARGES (enter as -ve)**

12. Transitional protection payments made, or to be made, in 2022-23

**-15,591**

13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2022-23

**-7,199,343**

14. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2022-23

**-1,439,869**

15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2022-23

**-5,759,474**

16. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2022-23

**-324,656**

17. Transfers/payments from the Collection Fund for end-year reconciliations

**-36,043**

18. Transfers/payments made from the Collection Fund in 2022-23 in respect of a previous year's surplus

**0**

**19. Total Other Charges (Total lines 12 to 18)**

**-14,774,976**

**ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2022-23 - Surplus (positive), Deficit (Negative)**

£

20. Opening balance plus total credits, less total charges (Total lines 1, 7, 11,19)

**-447,820**

**APPORTIONMENT OF ESTIMATED SURPLUS / DEFICIT (See Note N)**

	Column 1 Central Government	Column 2 Mid Devon	Column 3 Devon County Council
21. % for distribution of prior year surplus/deficit (i.e. 2021-22)	<b>50%</b>	<b>40%</b>	<b>9%</b>
22. Total prior year surplus (+)/deficit (-)	<b>-101,039</b>	<b>-80,831</b>	<b>-18,187</b>
of which:			
22a. Amount deferred in respect of estimated 2020-21 surplus-deficit	<b>-190,026</b>	<b>-152,020</b>	<b>-34,205</b>
22b. Amount in respect of 2021-22	<b>88,987</b>	<b>71,189</b>	<b>16,018</b>
23. % for distribution of in-year surplus/deficit (i.e. 2022-23)	<b>50%</b>	<b>40%</b>	<b>9%</b>
24. In year surplus (+)/deficit (-)	<b>-122,871</b>	<b>-98,297</b>	<b>-22,117</b>
<b>25. Total (total lines 22 and 24)</b>	<b>-223,910</b>	<b>-179,128</b>	<b>-40,304</b>

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# MID DEVON DISTRICT COUNCIL – NOTIFICATION OF KEY DECISIONS

March 2023

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)
<b>Voids Management Policy</b> A review of the Voids Management Policy	Homes Policy Development Group  Cabinet	17 Jan 2023  7 Mar 2023	Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing Tel: 01884 244615	Cabinet Member for Housing and Property Services (Councillor Ashley Wilce)	
<b>Schedule of Meetings 2023 - 2024</b> To consider the Schedule of Meetings for 2023/24	Cabinet  Council	7 Feb 2023  26 Apr 2023	District Solicitor and Monitoring Officer	Cabinet Member for the Working Environment and Support Services (Councillor Nikki Woollatt)	Open
<b>Cullompton Town Centre Masterplan and Delivery Plan SPD</b> To consider the masterplan	Cabinet  Council	7 Feb 2023  26 Apr 2023	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery Tel: 01884 234398	Cabinet Member for Planning and Economic Regeneration (Councillor Graeme Barnell)	Open

<b>Title of report and summary of decision</b>	<b>Decision Taker</b>	<b>Date of Decision</b>	<b>Officer contact</b>	<b>Cabinet Member</b>	<b>Intention to consider report in private session and the reason(s)</b>
<b>East Cullompton (Culm Garden Village) Masterplan SPD</b>	Cabinet Council	7 Feb 2023 26 Apr 2023	Richard Marsh, Director of Place	Cabinet Member for Planning and Economic Regeneration (Councillor Graeme Barnell)	Open
<b>Pay Policy</b> To consider the Pay Policy	Cabinet Council	7 Feb 2023 26 Apr 2023	Matthew Page, Corporate Manager for People, Governance and Waste	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	Open
<b>Policy Framework</b> To consider the Policy Framework	Cabinet Council	7 Feb 2023 26 Apr 2023	Stephen Walford, Chief Executive Tel: 01884 234201	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	Open
<b>Establishment</b> To receive the annual review of the Establishment	Cabinet Scrutiny Committee Council	7 Feb 2023 20 Feb 2023 26 Apr 2023	Matthew Page, Corporate Manager for People, Governance and Waste	Cabinet Member for the Working Environment and Support Services (Councillor Nikki Woollatt)	Open
<b>National Non Domestic Rates</b>	Cabinet	7 Mar 2023	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	Open



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<b>Title of report and summary of decision</b>	<b>Decision Taker</b>	<b>Date of Decision</b>	<b>Officer contact</b>	<b>Cabinet Member</b>	<b>Intention to consider report in private session and the reason(s)</b>
<b>2023/24 Capital Strategy and Capital Programme</b>	Cabinet	7 Mar 2023	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	Open
<b>2023/24 Treasury Management Strategy</b>	Cabinet	7 Mar 2023	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	Open
<b>2023/24 Budget</b>	Cabinet	7 Mar 2023	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	Open
<b>Revised 2023/24 Budget</b>	Cabinet	7 Mar 2023	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	Open
<b>Local Authority Housing Fund</b>	Cabinet	7 Mar 2023	Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing Tel: 01884 244615	Cabinet Member for Housing and Property Services Councillor Ashley Wilce	

<b>Title of report and summary of decision</b>	<b>Decision Taker</b>	<b>Date of Decision</b>	<b>Officer contact</b>	<b>Cabinet Member</b>	<b>Intention to consider report in private session and the reason(s)</b>
<b>Cullompton Town Centre Relief Road</b>	Cabinet	7 Mar 2023	Richard Marsh, Director of Place	Cabinet Member for Planning and Economic Regeneration (Councillor Graeme Barnell)	Open
<b>Resident Survey Results</b>	Cabinet	7 Mar 2023	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	
<b>Meeting Housing Needs SPD</b> to recommend a draft for consultation to the Cabinet	Cabinet	7 Mar 2023	Director of Place	Cabinet Member for Housing and Property Services (Councillor Ashley Wilce)	Open
<b>draft Non-Statutory Interim Planning Policy Statement: Climate Emergency (post consultation)</b>	Cabinet	7 Mar 2023	Tristan Peat, Forward Planning Team Leader		
<b>Car Parking</b>	Economy Policy Development Group  Cabinet	16 Mar 2023  4 Apr 2023	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	

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)
<b>Enforcement Policy</b> To receive a review of the Enforcement Policy if required	Community Policy Development Group  Cabinet	28 Mar 2023  4 Apr 2023	Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing Tel: 01884 244615	Cabinet Member for Community Well Being (Councillor Dennis Knowles)	Open
<b>Housing Strategy update and annual review</b> To consider a review of the strategy.	Homes Policy Development Group  Cabinet	21 Mar 2023  4 Apr 2023	Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing Tel: 01884 244615	Cabinet Member for Housing and Property Services (Councillor Ashley Wilce)	Open
<b>Asbestos Management Plan</b> To consider a revised plan.	Homes Policy Development Group  Cabinet	21 Mar 2023  4 Apr 2023	Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing Tel: 01884 244615	Cabinet Member for Housing and Property Services (Councillor Ashley Wilce)	Open
<b>Town and Parish Charter</b> To approve a draft Town and Parish Charter for consultation.	Community Policy Development Group  Cabinet	28 Mar 2023  4 Apr 2023	Maria De Leiburne, District Solicitor and Monitoring Officer	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)
<b>Provision of Cleaning Services 2023 – 2026, Award report</b>	Cabinet	4 Apr 2023	Mike Lowman, Building Services Operations Manager	Cabinet Member for Housing and Property Services (Councillor Ashley Wilce)	
<b>Supply of PVC-u Windows, Doors and Shower Panels 2023 – 2026, Award report</b>	Cabinet	4 Apr 2023	Mike Lowman, Building Services Operations Manager	Cabinet Member for Housing and Property Services (Councillor Ashley Wilce)	
<b>Post Hill Tiverton–Tender results and project award for 70 Council homes</b> To consider the outcome of the tender process.	Cabinet  Council	4 Apr 2023  26 Apr 2023	Andrew Busby, Corporate Manager for Property, Leisure and Climate Change Tel: 01884 234948	Cabinet Member for Housing and Property Services (Councillor Ashley Wilce)	Part exempt
<b>Air Quality SPD</b>	Cabinet	4 Apr 2023	Tristan Peat, Forward Planning Team Leader		Open
<b>Crediton NHS Hub Phase 2</b> To consider a funding request.	Cabinet	4 Apr 2023	Andrew Jarrett, Deputy Chief Executive (S151) Tel: 01884 234242	Leader of the Council and Cabinet Member for Finance & Environment Councillor Barry Warren	Part exempt

<b>Title of report and summary of decision</b>	<b>Decision Taker</b>	<b>Date of Decision</b>	<b>Officer contact</b>	<b>Cabinet Member</b>	<b>Intention to consider report in private session and the reason(s)</b>
<b>Tiverton EUE Area B masterplan</b>	Cabinet	4 Apr 2023	Richard Marsh, Director of Place	Cabinet Member for Planning and Economic Regeneration (Councillor Graeme Barnell)	Open
<b>Meeting Housing Needs SPD</b> To approve the draft SPD for consultation.	Cabinet	4 Apr 2023	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Housing and Property Services (Councillor Ashley Wilce)	Open
<b>5106 Governance</b>	Cabinet	4 Apr 2023	Joanna Williams, Planning Obligations Monitoring Officer		Open

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