

## Cabinet

**Tuesday, 4 February 2025 at 5.15 pm  
Phoenix Chamber, Phoenix House, Tiverton**

**Next ordinary meeting  
Tuesday, 4 March 2025 at 5.15 pm**

**Please Note:** This meeting will take place at Phoenix House and members of the public and press are able to attend via Teams. 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.

**The meeting will be hybrid and an audio recording made and published on the website after the meeting.**

[To join the meeting online, click here](#)

Meeting ID: 313 263 471 547

Passcode: 8P2hbo

## Membership

Cllr L Taylor	Leader of the Council
Cllr S J Clist	Cabinet Member for Housing, Assets and Property and Deputy Leader
Cllr J Lock	Cabinet Member for People, Development and Deputy Leader
Cllr N Bradshaw	Cabinet Member for Environment and Climate Change
Cllr J Buczkowski	Cabinet Member for Governance, Finance and Risk
Cllr G Duchesne	Cabinet Member for Parish and Community Engagement
Cllr S Keable	Cabinet Member for Planning and Economic Regeneration
Cllr J Wright	Cabinet Member for Service Delivery and Continuous Improvement
Cllr D Wulff	Cabinet Member for Quality of Living, Equalities and Public Health

# 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.
3. **Declarations of Interest under the Code of Conduct**  
To record any interests on agenda matters.
4. **Minutes of the Previous Meeting on the 7 January 2025 (Pages 7 - 20)**  
To consider whether to approve the minutes as a correct record of the meeting held on the 7 January 2025.
5. **2025/2026 Budget (Pages 21 - 148)**  
  
To receive a report from the deputy chief executive (S151) Officer and the Head of Finance, Property and Climate Resilience on the 2025/2026 Budget including Capital Strategy & Capital Programme, Treasury Management Strategy and the Budget Book.
6. **Business Rates Tax Base (Pages 149 - 158)**  
To receive a report from the Deputy Chief Executive (S151) Officer and the Head of Finance, Property and Climate Resilience on the Business Rates Tax Base.
7. **Regulation of Investigatory Powers Act- Annual Report (RIPA) (Pages 159 - 178)**  
To receive a report from the Director of Legal, People and Governance (Monitoring Officer) on the Regulation of Investigatory Powers Act- Annual Report (RIPA).
8. **Halberton- Car Parking Spaces revision to off street parking order (Pages 179 - 188)**  
To receive a report from the Head of People, Performance and Waste and the Environment and Enforcement Manager on the Halberton car parking spaces revision to off street parking order.
9. **Update on the future EPR (Extended Producer Responsibility for Packaging) (Pages 189 - 196)**  
To receive a report from the Head of People, Performance and Waste and the Operations Manager for Street Scene and Open Spaces on the update on the future Extending Producer Responsibility.

10. **Devon Housing Commission Report** (*Pages 197 - 228*)  
To receive a report from the Head of Housing and Health on the Devon Housing Commissioning Report.
11. **Notification of Key Decisions** (*Pages 229 - 244*)  
To note the contents of the Forward Plan.

## **Guidance notes for meetings of Mid Devon District Council**

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 Teams.

If the Council experience technology difficulties at a committee meeting the Chairman may make the decision to continue the meeting 'in-person' only to conclude the business on the agenda.

### **1. Inspection of Papers**

Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at [Committee@middevon.gov.uk](mailto:Committee@middevon.gov.uk)

They can also be accessed via the council's website [Click Here](#)

Printed agendas can also be viewed in reception at the Council offices at Phoenix House, Phoenix Lane, Tiverton, EX16 6PP.

### **2. Members' Code of Conduct requirements**

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership.

The Code of Conduct can be [viewed here](#):

### **3. Minutes of the Meeting**

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting. Minutes of meetings are not verbatim.

### **4. Public Question Time**

Residents, electors or business rate payers of the District wishing to raise a question and/or statement under public question time are asked to provide their written questions to the Democratic Services team by 5pm three clear working days before the meeting to ensure that a response can be provided at the meeting. You will be invited to ask your question and or statement at the meeting and will receive the answer prior to, or as part of, the debate on that item. Alternatively, if you are content to receive an answer after the item has been debated, you can register to speak by emailing your full name to [Committee@middevon.gov.uk](mailto:Committee@middevon.gov.uk) by no later than 4pm on the day before the meeting. You will be invited to speak at the meeting and will receive a written response within 10 clear working days following the meeting.

Notification in this way will ensure the meeting runs as smoothly as possible

## **5. Meeting Etiquette for participants**

- Only speak when invited to do so by the Chair.
- If you're referring to a specific page, mention the page number.

For those joining the meeting virtually:

- Mute your microphone when you are not talking.
- Switch off your camera if you are not speaking.
- Speak clearly (if you are not using camera then please state your name)
- Switch off your camera and microphone after you have spoken.
- There is a facility in Microsoft Teams under the ellipsis button called "turn on live captions" which provides subtitles on the screen.

## **6. Exclusion of Press & Public**

When considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act. If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask participants to leave the meeting when any exempt or confidential information is about to be discussed. They will be invited to return as soon as the meeting returns to open session.

## **7. Recording of meetings**

All media, including radio and TV journalists, and members of the public may attend Council, Cabinet, PDG and Committee meetings (apart from items Media and Social Media Policy - 2023 page 22 where the public is excluded) you can view our Media and Social Media Policy [here](#). They may record, film or use social media before, during or after the meeting, so long as this does not distract from or interfere unduly with the smooth running of the meeting. Anyone proposing to film during the meeting is requested to make this known to the Chairman in advance. The Council also makes audio recordings of meetings which are published on our website [Browse Meetings, 2024 - MIDDEVON.GOV.UK](#).

## **8. Fire Drill Procedure**

If you hear the fire alarm you should leave the building by the marked fire exits, follow the direction signs and assemble at the master point outside the entrance. Do not use the lifts or the main staircase. You must wait there until directed otherwise by a senior officer. If anybody present is likely to need assistance in exiting the building in the event of an emergency, please ensure you have let a member of Democratic Services know before the meeting begins and arrangements will be made should an emergency occur.

## **9. WIFI**

An open, publicly available Wi-Fi network is normally available for meetings held in the Phoenix Chambers at Phoenix House.

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**MINUTES** of a **MEETING** of the **CABINET** held on 7 January 2025 at 5.15 pm

**Present  
Councillors**

L Taylor, S J Clist, N Bradshaw,  
J Buczkowski, G Duchesne, S Keable,  
J Wright and D Wulff

**Apologies  
Councillor**

J Lock

**Also Present  
Councillors**

D Broom and M Jenkins

**Also Present  
Officer(s):**

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Maria De Leiburne (Director of Legal, People & Governance (Monitoring Officer)), Richard Marsh (Director of Place & Economy), Matthew Page (Head of People, Performance & Waste), Jason Ball (Climate and Sustainability Specialist), Darren Beer (Operations Manager for Street Scene), Paul Deal (Head of Finance, Property & Climate Resilience), Keith Ashton (Operations Manager for Corporate Property and Commercial Assets), Tim Powell (Corporate Projects Officer) and Laura Woon (Democratic Services Manager)

**Councillors  
Online**

E Buczkowski, M Farrell, A Glover, C Harrower and  
R Roberts

**Officers Online**

Lisa Lewis (Head of Digital Transformation and Customer Engagement)

## 111. **APOLOGIES**

Apology were received from Cllr J Lock (online)

## 112. **PUBLIC QUESTION TIME 06:00:02**

**Nick Quinn**

Appendix 3 for this Budget Update shows the increased 2025 fees and charges for the use of the Leisure Facilities.

The Budget Update recommendation 2 was that Cabinet 'Notes' the fees and charges shown in appendix 3 – including the Leisure Facilities charges.

Previous decisions had stated that increases were to be based on the National Retail Price Increase (RPI) percentage, set every September, with any additional increase over this level to be fully justified. The September 2024 RPI inflation figure was 2.7%.

It was obvious, from a simple examination of the Leisure Fees and Charges now published, that this RPI increase had been surpassed in most cases - with a general rate increase of approximately 5%.

A more serious point arising from the published prices was that, despite previous statements and assurances, Junior and Concession users were being heavily targeted again, with massive increases of between 20% to over 50%, in one instance.

No justification for the above inflation increase in these Leisure Fees and Charges, or the targeting of Junior and Concessionary users, had been made public.

**Question 1:**

Would the appropriate Cabinet Member please explain why the Leisure Fees and Charges were being increased so much more for Junior and Concession user sessions, than Standard users?

**Response from the Cabinet Member for Service Delivery and Continuous Improvement:**

The leisure fees saw a varying degree of increase across the many activities offered. This was a result of moving to a standardised 20% discount on the full price. In addition to making a standard 20% discount on pay as you go fees, and a 25% discount on membership fees, the £15pa cost of the concessionary card had been removed.

Pay as you go (PAYG) customers generally speaking, used the facilities once per week, often far less. This £15pa reduction therefore had a significant impact on reducing the overall cost of attending activities, and removed the barrier to entry. For those using the facilities twice per week or more, membership at 25% discount may be more beneficial. The Council were of course always keen to encourage frequent participation to improve overall health and wellbeing.

In relation to juniors and concessionary charges specifically, it was worth noting that whilst some fees saw an increase last year some remained static and this year the higher increases were against those that saw no increase over the last two years. There were in fact some concessionary charges that had come down such as Junior Racquet sports which had seen a decrease in cost, or remained static for a second year in a row, in relation to badminton, tennis, pickle ball and table tennis. Junior non concession badminton saw a 7% increase over the last 2 years. This was in addition to the 100% reduction in the cost of the concessionary pay as you go card which previously cost £7.50 every 6 months. Our junior concession price for a swim saw an increase to £3.00, 50p below that of other local authorities and reflective of the increasing cost of running swimming pools.



The Council had undertaken benchmarking against our competitors and other local authorities and were proud to continue delivering our exceptional services at lower cost than those around us.

Membership was at its highest ever, the price increases had been well received by customers and the growth in membership take up, and PAYG participation continues.

**Question 2:**

I ask that Cabinet does not just 'Note' the 2025 Leisure Fees and Charges, shown in Appendix 3, but that Cabinet ask the appropriate Policy Development Group (PDG) to provide a public justification for the high level of rises that had been introduced for using these facilities.

**Response from the Cabinet Member for Service Delivery and Continuous Improvement:**

The information contained in the report was debated and agreed at the Service Delivery and Continuous Improvement PDG and Cabinet. It was commercially sensitive and therefore went into part 2.

The Council had received no other negative feedback regarding the increases and had received positive comments about the removal of the £15pa concessionary card cost.

**113. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (12:41)**

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

Cllr L Taylor referred to item 5 and confirmed that he had a membership for Mid Devon Leisure Centre

**114. MINUTES OF THE PREVIOUS MEETING (13:05)**

The minutes of the previous meeting held on 10 December 2024 were **APPROVED** as a correct record and **SIGNED** by the Leader.

**115. 2025/26 BUDGET UPDATE (13:27)**

The Cabinet had before it a report \* from the Deputy Chief Executive (S151) presenting the 2025/2026 draft Budget Report.

The Cabinet Member for Governance, Finance and Risk outlined the contents of the report with particular reference to the following:

- The main change for the General Fund reflected the announcement of the Provisional Funding Settlement, which gave proposed allocations for key grant funding streams. There were more changes in grants for 2025/26 than this Council had seen in recent years, reflecting the views of a new Government.

In some cases, this Council had lost funding, most notably through the cessation of the Rural Services Delivery Grant, however, this was partially offset by an increase in the Funding Floor. Overall the grant element of the Council's settlement was reduced by £297k year-on-year.

- In addition to the settlement, a number of other announcements were made that had financial consequences. This included the calculation mechanism for the changes in Employers National Insurance Contributions. The initial indication was that the funding was only likely to cover about a third of the additional costs.
- There was better news for Homelessness Funding which indicated an additional £270k for 2025/26.
- There was also the long awaited announcement on Extended Producer Responsibility funding where the minimum allocation would be £927k for 2025/26. This funding would then be subsumed into future year's settlements. There was a knock-on impact on recycling credits that was not yet clear. It should also be noted that this was the final year of the Devon Waste Shared Saving Agreement.
- Other proposed changes to the 2025/26 Budget: Housing Revenue Account recharges had increased by £35k based on 2025/26 salary costs, and a further £150k increase was recommended for Leisure Income.
- The Housing Revenue Account budget previously projected a shortfall of £515k. Following a detailed review there had been a number of adjustments resulting in a proposed balanced budget.
- The other element of this report related to the proposed Fees and Charges for 2025/26. Appendix 2 was to approve the proposed fees, appendix 3 included fees for noting as they were either previously specifically agreed, or were being increased by inflation under previous broad approvals.

Discussion took place with regards to:

- The Building Development charges had increased significantly. £870 for a loft conversion was high.
- The operation of Joint Building control in partnership with North Devon and in competition with the private sector.
- The difficulties with budgeting each year, the budget was fair for the services that the Council provided.
- The refurbishment of Culm Valley Leisure Centre the equipment available, including squash court was to high standards.

**RESOLVED** that:

1. To note and approve the revised position.
2. To approve and note the comprehensive Fees & Charges included in Appendices 2 and 3.

(Proposed by Cllr J Buczkowski and seconded by Cllr S Clist)

**Reason for Decision:**

None directly arising from this report, although there was a legal obligation to balance the budget. There were legal implications arising from any future consequential decisions to change service provision, but those would be assessed at the time.

Note: \* Report previously circulated.

#### 116. **AWARD CONTRACT FOR CHP PLANT/ BATTERY STORAGE AT EXE VALLEY (20.30)**

Cabinet had before it a report \* from the Head of Finance, Property & Climate Resilience on the Award of contract to supply, install and commission new Combined Heat and Power (CHP) plant and battery energy storage system (BESS) at Exe Valley Leisure Centre (EVLC) entirely grant funded by Sport England.

The Cabinet Member for Housing, Assets and Property and Deputy Leader outlined the contents of the report with particular reference to the following:

- The installation of a replacement Combined Heat and Power (CHP) unit and new Battery Storage System at Exe Valley Leisure Centre. The bid included all aspects of the design, implementation and maintenance for the next 10 years.
- After the formal process, only one supplier returned a bid that maximised the benefits from the £376k Sports England funding that the Council successfully bid for, in the required timescales. A further £61k contribution was required from the Council, delivering excellent value for money investment, with full payback expected in comfortably less than one year.
- As with the Air Source and Ground Source heat pumps already installed at the centre, the use of a gas turbine continued to use exciting technology to deliver significant cost savings and provided greater resilience to those new forms of energy generation, even when the national supply was down. In the future, it could be possible that the CHP could run on hydrogen alone. The battery storage would capture excess energy produced which would allow it to be used when required.

**RESOLVED** that:

1. The decision to award this one off contract for supply, installation and commissioning of a CHP and BESS to Pure World Energy the only supplier of the Capstone gas turbine CHP in the UK be **APPROVED**.
2. To authorise the MDDC funding element of £61K in support of this project.

(Proposed by Cllr S Clist and seconded by Cllr J Wright)

**Reason for Decision:**

This new CHP would be replacing an existing currently unserviceable CHP and was an upgrade to the 20-year-old plant which would provide increased efficiencies and savings for the centre at minimal direct cost. Return on the investment for MDDC would take only 8/9 months.

Note: \* Report previously circulated.

#### 117. **CCTV POLICY AND CODE OF PRACTICE (23:58)**

Cabinet had before it a report \* from the Head of Finance, Property & Climate Resilience on the CCTV Policy and Code of Practice.

The Cabinet Member for Quality of Living, Equalities and Public Health outlined the contents of the report with particular reference to the following:

- There were various purposes for the Council to use Surveillance Camera Systems (SCS) that included deterring crime and anti-social behaviour, assisting with the detection of crime, improving public safety and perceived fear of crime and occasionally covert operations as directed by the Police.
- Those devices were held in a number of locations where services were delivered from, including Phoenix House, leisure centres, car parks and the Council's depots. There were also systems covering town centres with the Tiverton system being monitored through a partnership arrangement with Exeter City Council.
- There was a raft of legislation covering the use of such security systems include Data Protection, General Data Protection Regulation (GDPR), Freedom of Information (Fol) and Human Rights. The Codes of Practice captured that legislation and guided the council in the use of the systems.
- Both the Policy and Codes of Practice had been fully reviewed by an external consultant, the Council's in-house Legal Team and the Data Protection Officer. The Operations Manager for Corporate Property and Commercial Assets was the Single Point of Contact (SPOC), who was responsible for the operation of the various systems.
- Following support from the Community, People and Equalities Policy Development Group (PDG), approval was sought for the adoption of the updated Policy and Codes of Practice.

Discussion took place regards to:

- What the retention period was that the CCTV captured.

**RESOLVED** that:

1. The Surveillance and CCTV Policy (Annex A), Code of Practice for Surveillance Camera Systems operated by Mid Devon District Council (Annex B), Code of Practice for operation and management of Body Worn Video Cameras (Annex C) and Code of Practice for management and operation of CCTV on Street Scene Vehicles (Annex D) be **APPROVED** as recommended by the Community, People and Equalities Policy Development Group.
2. That delegated authority was granted to the Head of Finance, Property and Climate Resilience to make minor amendments to the Surveillance and CCTV Policy and Codes of Practice as required by changes to legislation, formal guidance or local operational considerations as recommended by the Community, People and Equalities Policy Development Group.

(Proposed by Cllr D Wulff and seconded by Cllr J Buczkowski)

**Reason for Decision:**

There were various pieces of legislation that must be adhered to when considering the continued use of SCS, including the Data Protection Act 2018, UK General Data

Protection Regulation (GDPR), the Regulation of Investigatory Powers Act 2000 (RIPA), and the Surveillance Commissioner's Surveillance Camera Code of Practice and Human Rights considerations.

Note: \* Report previously circulated.

## 118. **INFORMATION SECURITY AND INFORMATION SECURITY INCIDENT POLICIES (27:56)**

The Cabinet had before it a report \* from the Head of Digital Transformation and Customer Engagement.

The Cabinet Member for Quality of Living, Equalities and Public Health outlined the contents of the report with particular reference to the following:

- The Information Security practices were last reviewed three years ago. While noting that the Council IT network continued to meet the Public Sector Network compliance standards and underwent annual testing, it was crucial to ensure the Council policies remained aligned with current job roles, legislative updates, and best practices, could proactively manage the Council's security and had a robust response if something went wrong.
- The updates to both the Information Security and Information Security Incident policies were shown highlighted in the document pack and summarised in 2.3 and 2.4 of the report.
- Job roles and responsibilities had been clarified and updated to reflect current staff titles and organisational structure.
- Clearer guidelines and processes had been added to assist staff in managing incidents, handling media, and protecting assets.
- Improvements to guidance on reporting and managing information security incidents, including handling theft, loss, or inappropriate disclosures, had been incorporated.
- These refinements improved clarity and ensured the Council workforce had the necessary guidance to maintain and respond to information security effectively.
- The contributions of the IT & Information Governance Board, established since the last review. This multidisciplinary team included key personnel such as the Deputy Chief Executive as the Senior Risk Information Officer (SIRO), the Head of Digital Transformation and Customer Engagement, and other key stakeholders. There was a vital role in ensuring those updates were comprehensive and pragmatic.
- The financial, legal and risk assessments at the end of the report. There was a phrase "Failure to protect information security could lead to significant data loss and fines" against each one. This language reflected the seriousness of Information Security to this Council, and was reflected on the Corporate Risk Register.

Discussion took place regards to:

- Discussions about the Risk Register in relation to home working was not a formal requirement and should this be considered as using equipment at home?

- Hardware, Software and Mobile App - should the Policy cover this in greater detail?
- No mention of AI in the Policy should the Council be encouraging use of this and have protection in place for staff?
- The review period of two years, as this came up in the Risk Register should this be 1 year?

**RESOLVED** that:

1. That the revised Information Security and Information Security Incident policies be **APPROVED**.
2. That the Head of Digital Transformation & Customer Engagement be given delegated authority to make minor amendments to current MDDC Information Security and Information Security Incident policies as required by legislative changes, formal guidance or local operational considerations in consultation with the IT & Information Governance board be **APPROVED**.

(Proposed by Cllr D Wulff and seconded by Cllr G DuChesne)

**Reason for Decision:**

Failure to protect information security, whether physical assets or data could lead to significant data loss and fines by regulatory bodies and reputational damage to the Council.

Note: \* Report previously circulated.

**119. MEETING MANAGEMENT**

The Chair **MOVED** that he would be bring forward the following Agenda Items:-

- (i) 12– Waste and Recycling Option

**120. WASTE AND RECYCLING OPTIONS (37:44)**

Cabinet had before it a report \* from the Head of People, Performance and Waste and the Operations Manager for Street Scene and Open Spaces regarding the Waste and Recycling options.

The Cabinet Member for Service Delivery and Continuous Improvements outlined the contents of the report with particular reference to the following:

- The Council’s future plans for how they aimed to build on the current Waste and Recycling activity in the future. Discussions had taken place in earnest since the start of the Service Delivery and Continuous Improvement Policy Development Group (PDG) in June 2024. This included proposals to carry out pilots of two new initiatives to trial pots and pans collections as well as disposable nappies in the first half of 2025 and to consider charging house builders for bins and containers to be provided to new properties in 2025/2026.

- The paper also provided updates on several other initiatives and items of interest discussed in the PDG including coffee pods, blister packs, soft plastics and other items so those discussions were kept live whilst officers examined the immediate pilot priorities that would commence in February 2025 with the trial of pots and pans collections. Whilst a trial of collecting disposable nappies would only mean a £3-4K charge for the Council, a permanent implementation of this scheme would likely see a cost of around £280K.
- One additional piece of good news which was not to hand when the paper was published 10 days ago. Members would remember that before Parliament was dissolved before the July general election that the previous Government had published “Simpler Recycling reforms” (in draft format) which suggested that fortnightly residual collections may be made mandatory across the country.
- He was delighted to announce that following many conversations and writing various correspondence, including a joint letter which Mid Devon led on the behalf of eight other authorities across the country, the Council would be able to keep its three weekly bin collection scheme. Since this had come into play the Council had been one of the highest improving authorities across the country for its recycling rate and reduction in residual tonnage, and would now look forward to seeing the authority break into the top 5% nationally in the years to come (and hopefully sooner rather than later).
- In recent weeks the Council had received a provisional estimate on their projected Extender Producer Responsibility (EPR) award for 2025/26 and a further paper would come to Cabinet on this matter at February’s Cabinet meeting.

Discussion took place regards to:

- The great news on a trial to collect unusable metal pots and pans from an area in the District.
- Positive to see those valuable trials in this area and a step forward for the Council.
- The opportunity to recycle more on the door steps for residents.
- Discussion took place with what would be the process and the opportunity to continue after the trial had ended.
- Would the nappy waste collection include sanitary products, incontinence and puppy training pads?
- Members thanked officers for the continuation of the work that had been completed in regards to the waste collection.

**RESOLVED** that:

1. To review the contents of this report.
2. Make recommendations regarding trialling and introducing the following practices in the District:
  - a. Begin a nappy waste collection trial with 150-200 properties in April 2025 for three months.
  - b. Begin a trial to collect unusable metal pots and pans from an area in the District for a period of three months.
  - c. A further review to charge new house builders/owners for new bins and containers to each property.

(Proposed by Cllr J Wright and seconded by Cllr L Taylor)

**Reason for Decision:**

Under Section 46 of the Environmental Protection Act, Waste Collection Authorities may by means of notice specify how householders present their waste for collection. There would be legal requirements to adhere to legislation around Simpler Recycling once it had been clarified by Government.

Note: \* Report previously circulated.

**121. INVESTMENT IN COMMUNITY LAND TRUST PROJECTS USING DEVOLUTION FUNDING (1:01)**

Cabinet had before it a report \* from the Director of Place and Economy on the Investment in Community Land Trust projects using devolution funding.

The Cabinet Member for Housing, Assets and Property Services outlined the contents of the report with particular reference to the following:

- As part of the Devon Devolution Deal, £8m of funding had been made available to support a range of important initiatives within the region with a particular focus on projects which could quickly deliver additional homes, green jobs or economic outputs and which may otherwise stall or be delayed. Owing to a short timetable for utilisation of this funding, projects had to be capable of commitment within this financial year – i.e. by 31<sup>st</sup> March 2025.
- Within Mid Devon, two housing based projects were identified which could benefit from grant funding to quickly deliver outputs: a Care Leaver Housing scheme and a scheme to support Community Land Trust projects. This report was focused on the Community Land Trust scheme and the detail relating to how grant funding (£350k) was intended to be utilised.
- The funding, £350,000, was a relatively modest amount, but would be transformative in allowing Community Land Trust schemes to progress where they otherwise may stall. The expected beneficiaries of this funding were Chawleigh and Thorverton. Investment in those initiatives would benefit those communities, but would also support the District Council in realising the Council's ambitions to ensure a diverse range of housing was delivered within this district to meet the needs of the Council residents.

Discussion took place regards to:

- As the beneficiaries Thorverton and Chawleigh were being considered would others be considered if they were rapidly produced as there was a 3 month period?
- Members welcomed the news on the project in Thorverton.

**RESOLVED** that:

1. The use of Devolution funding (£350k) to support the delivery of identified Community Land Trust projects within Mid Devon be **APPROVED**.



2. Grants delegated authority to the Director of Place and Economy, in conjunction with the Cabinet Member for Housing, Assets and Property Services to enter into Grant Agreements with Devon County Council (as accountable body) and the relevant organisations associated with the CLT projects in order to enable spend of the grant funding and the delivery of associated outputs within the requisite timetables.

(Proposed by Cllr S Clist and seconded by Cllr S Keable)

**Reason for Decision:**

As set out above; legal agreements would need to be entered into in order to support the securing of grant funding by Mid Devon and to support onward transition to the CLT projects. The Agreements would set out the legal responsibilities between the respective bodies.

Note: \* Report previously circulated.

Note:\*\* Cllr N Bradshaw abstained from voting due to leaving the room during the discussion.

**122. WILLAND NEIGHBOURHOOD PLAN - DECISION ON EXAMINER'S REPORT (1:08)**

Cabinet had before it a report \* from the Director of Place and Economy on the Willand Neighbourhood Plan including the decisions on the examiner's report.

The Cabinet Member for Planning and Economic Regeneration outlined the contents of the report with particular reference to the following:

- There were currently four adopted Neighbourhood Plans in Mid Devon. Those covered the parishes of Tiverton, Cullompton, Crediton and Silverton. There were also Neighbourhood Plans that were being prepared for other parishes in the district, including Newton St Cyres, Lapford and Willand. Neighbourhood Plans would provide communities with an opportunity to have a greater say on what developments could and could not take place in their local areas. The preparation of Neighbourhood Plans was subject to a formal plan making process and a number of key stages. Those key stages required technical support and several decisions to be taken by the Council.
- Willand Parish Council had been preparing a Neighbourhood Plan following the designation of the neighbourhood area in June 2023. The neighbourhood area covered the parish of Willand. The preparation of the Neighbourhood Plan had included consultation on a pre-submission draft plan in the summer of 2023 and consultation on a regulation 16 publication plan in March / April 2024. The Neighbourhood Plan had since been examined by an independent Examiner and Mid Devon District Council received the final Examiner's report on 6 August 2024.
- The Planning, Environment and Sustainability Policy Development Group (PDG) met on 26 November 2024 and had agreed that the Willand Neighbourhood Plan with the Examiner's recommended modifications and also factual corrections should proceed to a local referendum. This formed the basis for the recommendations that were before the Cabinet that evening.

- There was now a need for the Council to reach a decision whether the Willand Neighbourhood Plan with the Examiner's recommended modifications and also factual corrections be agreed, and that the plan proceeded to a Local Referendum.

Should the Cabinet agree with those recommendations then once that decision came into effect, a Decision Statement would be published and a Local Referendum would be arranged in accordance with the relevant regulation requirements. A date for a Local Referendum had been arranged for Thursday 27 February 2025. Following the Local Referendum, if more than 50% of those persons voting, voted 'yes' then the Neighbourhood Plan would come into force as part of the Statutory Development Plan for the Willand area – alongside the adopted Mid Devon Local Plan and the adopted Devon Minerals and Waste Plans. The Neighbourhood Plan must be 'made' within eight weeks of the Local Referendum, which would be through its formal adoption by the Council following consideration by this Cabinet when it met again on 1 April 2025.

Discussion took place regards to:

- Clarification on voting in the referendum and whether it required 50% to be approved.
- Members thanked the Officers for their work on the Neighbourhood Plan.

**RESOLVED** that:

1. The Examiner's modifications (Table 3) and the factual corrections (Table 2) be **AGREED**, and that subject to those modifications the Willand Neighbourhood Plan was determined to meet the Basic Conditions (as defined in the Town and Country Planning Act 1990 Schedule 4B) and other legislative requirements;
2. The Decision Statement attached at Appendix 2 be **APPROVED** to be published on the Council's website;
3. The Willand Neighbourhood Plan (at Appendix 3) as modified with the Examiner's modifications and factual corrections, proceed to a Local Referendum based on the boundary of the Willand Neighbourhood Area as recommended by the Examiner.

(Proposed by Cllr S Keable and seconded by Cllr J Buczkowski)

**Reason for Decision:**

The process leading to the adoption of a Neighbourhood Plan had financial implications. The costs of support in terms of advice and technical support, examination and referendum must be met by Mid Devon District Council.

Note: \* Report previously circulated.

**123. GREEN ENTERPRISE GRANTS (1:18)**

Cabinet had before it a report \* from the Head of Finance, Property & Climate Resilience on the Green Enterprise grants.

The Cabinet Member for Environment and Climate Change outlined the contents of the report with particular reference to the following:

- This proposal was the next phase of the successful Green Enterprise Grants scheme. This extended an existing initiative, using Council funds to build on the current success in enabling green investment by local businesses.
- The scheme, was aimed at Small and Medium Sized Enterprises, offered small grants ranging between £500 - £5,000, that fitted perfectly with the recent much larger grants from the Green Impact Fund offered through our Devon and Torbay Devolution Deal. That was rapidly snapped up by applicants, so the Council were confident there would be demand.
- With Cabinets approval, Officers would start to develop and promote the next phase of the Green Enterprise Grants, aiming for the scheme to go live by 1 April 2025, with all funds spent delivering environmental friendly projects by 31 March 2026.

Discussion took place regards to:

- The opportunity of bringing a report back mid-term on the progress.
- The grant allocation and how many business had expressed an interest and the projects that they were wanting help with.
- Whether the minimum of £500 within the grant was set by the Council?
- The smaller independent business that may be under the minimum requirement would the Council support those in the future.
- The impact of the smaller grants for businesses.
- If Agricultural and horticultural businesses came forward with a scheme would this be considered?

**RESOLVED** that:

1. That Cabinet instructed the Economic Development Team and the Climate and Sustainability Specialist to develop the next phase of the Green Enterprise Grant Scheme, in consultation with the Head of Service for Finance, Property and Climate Resilience as recommended by the Planning, Environment and Sustainability Policy Development Group.

(Proposed by Cllr N Bradshaw and seconded by Cllr S Keable)

**Reason for Decision:**

Any grant scheme would be subject to the current law around operational requirements and standards in public service. There were no legal implications associated with this proposal.

Note: \* Report previously circulated.

## 124. NOTIFICATION OF KEY DECISIONS

The Cabinet had before it, and **NOTED**, the Notification of Key Decisions \*.

Note: \* Key Decisions report previously circulated.

(The meeting ended at 18:45pm)

**LEADER**



**Report for: Cabinet**

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Date of Meeting:	4 February 2025
Subject:	2025/26 Budget
Cabinet Member:	James Buczkowski – Cabinet Member for Governance, Finance & Risk
Responsible Officer:	Andrew Jarrett – Deputy Chief Executive (S151)
Exempt:	N/a
Wards Affected:	All
Enclosures:	Appendix 1 – Capital Strategy & Capital Programme Appendix 2 – Treasury Management Strategy Appendix 3 – Budget Book

**Section 1 – Summary and Recommendation(s)**

This report proposes the 2025/26 Capital Strategy and Capital programme, the 2025/26 Treasury Management Strategy and the 2025/26 Revenue Budgets for the General Fund and Housing Revenue Account in line with the Corporate Plan priorities, within existing financial resources and without materially reducing service delivery.

**Recommendation(s):**

**Cabinet are asked to recommend that Council agree the following:**

**Capital Strategy and 2025/26 – 2029-30 Capital Programme:**

1. That the proposed 2025/26 Capital Strategy is approved – Appendix 1;
2. That a Capital Programme consisting of new and existing projects totalling £135,569k with a profiled spend forming a Deliverable Capital Programme for 2025/26 of £41,614k is approved – Annexes 1a, 1b and 2 to Appendix 1). (*note this is inclusive of forecast slippage as at Quarter 3 from the existing Capital Programme and will be finalised and formal approval sought as part of 2025/26 Outturn report*);

3. Note the updated Capital MTFP's for the General Fund and Housing Revenue Account covering the years 2026/27 to 2029/30.

#### **Treasury Management Strategy:**

4. The proposed Treasury Management Strategy and Annual Investment Strategy for 2025/26, including the prudential indicators for the next 3 years and the Minimum Revenue Provision Statement (Appendix 2).

#### **2025/26 Revenue Budget:**

5. A Council Tax Requirement of £7,348,850 calculated using a Council Tax of £239.12 for a Band D property, an increase of £6.96 or 2.99% from 2024/25 and a Tax Base of 30,732.91, 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 12 November 2024;
6. The overall budgeted Net Cost of Services within the General Fund of £15,356,730 for 2025/26 is approved as detailed within Appendix 3 (p2 – 40) and inclusive of the proposed balancing adjustments included within Table 1 in paragraph 3.1;
7. All of the transfers to and from Earmarked Reserves as detailed in Appendix 3 (p41);
8. The HRA budget for 2025/26 as detailed within Appendix 3 (p42 – 51), with total income of £16,058,310, less direct costs of £12,939,410 with internal charges of £2,050,250 and capital financing of £1,068,650 balancing the budget;
9. That work on strategic planning for delivering a balanced budget for 2026/27 and beyond is commenced immediately

## **Section 2 – Report**

### **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. To mitigate these austerity measures, the Council has already secured and delivered significant savings for over more than a decade in order to "balance the books" and maintain service delivery.
- 1.2. The Council has a legal requirement to set a balance budget and needs to ensure its overall costs are affordable i.e. they can be funded through income and planned short-term use of reserves. Members therefore need to take the necessary decisions and actions to manage net spending within affordable limits.

- 1.3. Throughout the budget process Scrutiny Committee and the PDGs have been kept informed and have considered various options during the drafting of the proposed 2025/26 Budget.
- 1.4. This report provides the proposed balanced budgets for the General Fund, Housing Revenue Account and Capital Programme and recommends the Band D Council Tax charge for 2025/26. It also includes the underlying strategies for Capital and Treasury Management as appendices.

## **2. 2025/26 – 2029/30 Budget Process**

- 2.1. Leadership Team, Corporate Managers and the Finance Team have been involved in discussions to identify Capital Investment proposals, Revenue pressures and secure savings, without reducing service delivery as far as possible. However it is now a more difficult challenge year-on-year and therefore, looking to the future, a new more strategic process will be required to match service provision to available funding.
- 2.2. Throughout the autumn, various budget options have been formulated and considered by Senior Management through a series of “Star Chambers” led by the Deputy Chief Exec (S151) and senior service managers, which then formed the discussions at the five Policy Development Groups, Cabinet and Scrutiny Committee.
- 2.3. The January Cabinet report provided an update on the impact of the Local Government Funding Settlement and some wider announcements such as the change to National Insurance costs for employers and the introduction of the Extended Producer Responsibility (EPR) for packaging scheme.
- 2.4. This report proposes the 2025/26 – 2029/30 Capital Programme in line with the attached Capital Strategy (see Appendix 1), shows the treasury implications of that Capital Programme, following the conditions set by the Treasury Management Strategy (see Appendix 2) and proposes a balanced budget for 2025/26 for both the General Fund and the Housing Revenue Account.

## **3. Capital Strategy and 2025/26 Capital Programme (Appendix 1)**

- 3.1. The Capital Strategy is a key document for the Council and forms part of the Council's integrated financial planning processes which includes the setting of the Capital and Revenue budgets, Business Plan and Council Tax for the year ahead, consideration of the Medium-Term Financial Plans and production of a Treasury Management Strategy.

- 3.2. 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. Full detail on this matter is included within Appendix 1.
- 3.3. **Annex 1a and 1b** shows the proposed 2025/26 Capital Programme for the General Fund. For new projects full project approval is requested at project inception, for 2025/26 this amounts to £2,629k. This is then profiled by spending managers as their best estimate of when spending will take place to form the Deliverable Budget of £856k. This is then added to the spend forecast against existing approvals of £10,946k in 2025/26 to give an overall Deliverable Budget for the General Fund of £11,802k. A further £32,481k spend is forecast in future years.
- 3.4. **Annex 2** shows the proposed 2025/26 Capital Programme for the Housing Revenue Account. Approval is requested for a revised 2025/26 amounting to £87,618k. The spend profile gives a Deliverable Budget of £29,812k, with the remaining £57,806k forecast in future years.
- 3.5. A summary of the Capital Programme funding is included in **Annex 3**.
- 3.6. The majority of the funding required to support the 2025/26 programme is assumed to come from Capital Grant (£16,262k) or from assumed borrowing (£19,216k). 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.
- 3.7. 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.

#### **4. 2025/26 Treasury Management Strategy and Annual Investment Strategy (Appendix 2)**

- 4.1. The Treasury Management Strategy ensures that the cash flow associated with both capital and revenue transactions is adequately planned, with cash being available when it is needed. The Annual Investment Strategy oversees the investment of surplus monies, ensuring risks are minimised in line with the adoption of Security, Liquidity, Yield (SLY) principles.
- 4.2. These strategies manage longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This involves arranging long or short-term loans, or using longer-term cash flow surpluses to meet Council risk or cost objectives.



- 4.3. The Treasury Management Strategy contains the Prudential Code Indicators that are designed to assist members' overview and confirm capital expenditure plans. They include, amongst others, the Capital Financing Requirement (CFR) which shows the total historic outstanding capital expenditure that has not yet been paid for from either revenue or capital resources, along with the Authorised Borrowing Limit and Operational Boundary that set maximum thresholds for external borrowing.
- 4.4. It also includes the Minimum Revenue Provision (MRP) policy, which sets how residual capital expenditure is charged to revenue over time. The broad aim is to ensure that the debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
- 4.5. Both are required to be approved by Full Council.

## **5. 2025/26 General Fund Budget – Revised Position**

- 5.1. The Revenue Budget for both the General Fund and the Housing Revenue Account include the associated funding consequences of the Capital Programme, in line with the parameters set out in the Treasury Management Strategy and Annual Investment Strategy.
- 5.2. In September, the General Fund (GF) indicated a budget deficit of £1,196k in 2025/26 rising to £3,995k by 2028/29, based upon a number of key assumptions (e.g. changes for Government funding mechanisms, inflation rates, pay award, Council Tax level, use of balances/reserves).
- 5.3. An initial round of savings options were identified totalling £1,836k and presented to the various Policy Development Groups on route to October Cabinet. Following approval of the green and amber rated options, the deficit reduced to £431k, subject to further development of some of the options.
- 5.4. Following further detailed challenge and review of each service area through a Star Chamber process, further savings were agreed reducing the deficit to £191k in December. This increased to £450k following the announcement of the Local Government Finance Settlement and wider announcements including changes in Employer National Insurance and Extended Producer Responsibility (EPR) for packaging.
- 5.5. The proposals contained in this report mitigate the remaining £450k and result in a balanced budget for the General Fund (see Appendix 3, p2 - 41). The following table shows the recommended actions necessary to move towards a balanced position:

Table 1 – Reconciliation of proposed balancing adjustments

Movements	Amount £k
<b>Budget Shortfall presented to January Cabinet</b>	<b>450</b>
Additional Business Rates Growth	(419)
Additional Interest Yield following latest movement in the market	(31)
<b>Proposed Budget for 2025/26</b>	<b>0</b>

5.6. As outlined within the January report, work to finalise the Business Rates forecast was underway. This has prudently increased the forecast income by £419k due to growth in the underlying taxbase, the increase in the multiplier and the finalisation of the 2017 appeals list. The Business Rates smoothing reserve has also be updated to reflect the current position. Further detail is provided on this in the separate NNDR1 agenda item for this committee.

5.6.1. The remaining adjustment has been included within the interest yield on investment balances, where interest rates are falling slower than originally forecast.

5.7. In summary, the proposed 2025/26 Budget includes the following key elements:

- Provision for an extra £100k towards the delivery of our Net Zero Carbon commitment;
- An additional officer resource in planning enforcement;
- Five new apprenticeship roles;
- Significant increase in leisure income due to growing membership levels;

In addition, it also mitigates the financial implications of the following:

- The ongoing lateness of the financial settlement, coupled with Devolution / Local Government Reform (LGR) announcement in same week impacting on decision making;
- The continuation of short term (one-year only) funding announcements;
- A cash frozen financial settlement, contrary to the Government's claim of every council receiving a 3.2% real terms increase;
- District councils continue to have lowest referendum limit for Council Tax;
- The political decision to remove Rural Services Delivery Grant and Services Grant without any warning or plausible explanation;
- The likely lack of full compensation for changes in National Insurance despite assurances it would be fully funded;
- The long awaited announcement on Extended Produce Responsibility (EPR) funding, but for one-year only;

5.8. It should be noted that outside of the Local Government Finance Settlement (LGFS) there are a couple of key matters:

#### 5.8.1. National Insurance – Increased Employer Contributions.

Within the Autumn Budget, the Chancellor announced increases to the rate of National Insurance contributions (NICs) paid by employers. The primary rate of secondary Class 1 NICs will increase by 1.2% to 15% (from 13.8%) effective 6 April 2025. Importantly, the Class 1 NICs secondary threshold, at which employers start to pay NICs, will also be reduced to £5,000 (from £9,100) per year. This change will take effect from 6 April 2025 and last until 5 April 2028. Thereafter, the secondary Class 1 NICs threshold will be increased annually in line with the Consumer Price Index (CPI).

The financial implication of this for Mid Devon District Council has been calculated at £466k, split across the General Fund (£369k) and Housing Revenue Account (£97k). Various assurances have been given that the impact of this change would be fully compensated through grant funding.

As part of the LGFS, the Government announced that £515 million of new funding will be provided to support councils with the costs associated with the increase in employer National Insurance Contributions (NICs). Individual allocations will be based on 2023/24 Revenue Outturn data and published at the final settlement.

A methodology note was published as part of the Provisional Settlement. Using that, we have calculated that Mid Devon District Council are forecast to receive £123k, barely a quarter of the total cost incurred. Furthermore, the methodology only uses data relevant to the General Fund. It is currently indicated that Government are not providing funding to the HRA.

#### 5.8.2. Extended Producer Responsibility (EPR) for packaging

Again, within the Autumn Budget, the Government confirmed 2025/26 will be the first year of the Extended Producer Responsibility for Packaging scheme. Beyond the settlement, the extra funding announced includes a guarantee that local authorities in England will receive at least £1.1 billion in total in 2025/26, with each local authority guaranteed at least the level of income indicated in provisional local payment figures which were sent to Chief Executives on 28 November.

For Mid Devon District Council, this funding is £927k.

These payments are excluded from councils' Core Spending Power in 2025/26 and will not be factored into any payments councils receive from the funding floor in 2025/26. However, from 2026/27, this funding will roll into general funding and form part of the LGFS and Core Spending Power.

This funding has been earmarked and will help fund the investment in the waste depot required from changes in Environment Agency regulations, and to ensure the service is fit for the future.

### 5.8.3. Changes in Business Rates Reliefs

The Government have made a number of adjustments to the Business Rates Scheme that in some cases will materially alter the amount of rates due. These are outside of the Council's control and in the main the Council receives no financial benefit from the change, as the Government provides authorities with compensation for nationally set policies. The main changes are:

- Retail Hospitality and Leisure Relief is being reduced from 75% to 40% from April 2025.
- Primary legislation has been changed so that Private Schools no-longer qualify for Charity Relief.
- The restriction preventing Councils from making a decision to award Discretionary Relief more than 6 months after the end of the relevant financial year has been removed.

## **6. Transfers To and (From) Earmarked Reserves**

6.1. 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).

6.2. Appendix 3 (p41) shows in detail which amounts are being contributed to, or drawn down from, various earmarked reserves in 2025/26. This totals a net increase in Earmarked Reserves of £462k, largely related to the earmarking of the EPR funding.

6.3. It is proposed to transfer £2,225k into earmarked reserves to help mitigate future pressures. This includes:

- £1,003k into various Sinking Funds relating to property, plant and equipment maintenance, and Vehicle replacement and repairs;
- £927k into the Waste Services reserve earmarking the EPR funding that will support the works to the waste depot to meet the EA Regulations and made it fit for the future;
- £120k into the Statutory Development Plan;
- £200k into the Homelessness reserve;
- £50k into a Business Systems Migration reserve; and
- £25k into Elections.

- 6.4. It is also proposed to drawdown £1,763k to fund expenditure in 2025/26, this includes:
- £381k utilisation of Sinking Funds and Maintenance budgets supporting the investment in our assets;
  - £804k utilisation of vehicle reserves supporting the investment in our vehicle fleet;
  - £200k utilisation of the Business Rates Smoothing Reserve;
  - £125k utilisation of New Homes Bonus (supporting Business Development and Strategic Grants)
  - £153k supporting the Statutory Development Plan; and
  - £100k towards the one off costs forecast with services.
- 6.5. In January 2019 Cabinet amended the minimum level of general reserves required to be maintained at £2m. This value has been determined through an assessment of the risks faced to form a weighted average of the value required. This level continues to be prudent due to the resilience offered by the level of Earmarked Reserves which the Council holds for specific projects.
- 6.6. If the 2024/25 Outturn position does continue as forecast, the General Fund Reserve balance will increase further above the current agreed minimum level of £2,000k. The S151 will review this position at year end and may recommend that any excess is reallocated to bolster earmarked reserves, or be made available for a specific purpose.
- 6.7. No draw on General Reserves is required to support the 2025/26 Budget.

## **7. Requirements for Council Tax Setting**

- 7.1. In recent years the Government (via the MHCLG) has become far more prescriptive with regard to acceptable levels of Council Tax 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 confirmed within the Autumn Statement was again set at a maximum of the greater of 3% or £5 for the 2025/26 budget year.
- 7.2. Although lobbying continues from the sector to increase this “cap” to £14, inline with that allowed by Police Authorities, 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.

- 7.3. The Council Tax income included in the proposed budget includes a £6.96 (2.99%) increase. This equates to a Band D charge of £239.12 (a 1% variation to our Council Tax changes the income generated by approximately c£74k).
- 7.4. The Levelling-Up and Regeneration Act 2023 also amends the Local Government Finance Act 1992 to give billing authorities the discretion to charge additional council tax of up to 100% on dwellings which are occupied periodically, substantially furnished and where no one is resident for council tax purposes, i.e. second homes.
- 7.5. The decision was originally taken in February 2023, and was reaffirmed in December 2023 following the delay to the regulations and will take effect from 1 April 2025. There are currently 181 properties on our council tax records classified as a second home and would fall under Section 73 of the Act. From 1 April 2025, the estimated additional yield from the premium would be c£450k of which the Council's share would be approximately c£50k. The additional money raised by the second homes premium will be invested back into housing related activity that addresses housing challenges including to acquire additional properties to provide suitable short-term accommodation, to support people with complex needs access housing, and the provision of specialist accommodation with supported facilities for care leavers or youth homelessness more broadly, in common with other councils across Devon.

## **8. Housing Revenue Account**

- 8.1. The HRA is a ring-fenced account within Mid Devon's financial accounting system. This means that a balanced budget must be set each year including all income and expenditure pertinent to the Council's landlord function and excluding all other income and expenditure (since this would be captured as part of the General Fund budget).
- 8.2. 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. In addition, the Council uses specific software to help develop its 30-year Business Plan, which ensures detailed calculations support the budget process; albeit based on a wide range of assumptions given the timeframe involved.
- 8.3. Initially, the HRA budget deficit reported to Cabinet in December forecast a shortfall of £515k for 2025/26, rising to £5,370k by 2029/30. The January Cabinet report proposed a balanced budget for the HRA (see Appendix 3, P42 - 51). The main proposals for the 2025/26 budget can be summarised as follows:

### Expenditure:

- An update to the base budget to reflect the additional cost of the higher National Insurance Contribution;
- An assumed pay award for 2025/26 equivalent to 3%;
- A net reduction in the capital financing costs arising from a lower borrowing requirement for the ambitious Housing Development Programme;
- A reduction in the funding of the maintenance programme based on current volumes of delivery; and
- A draw from the long term reserve to support further investment in the housing stock.

### Income

- An inflationary increase of 2.7% on existing rents in line with the Governments cap for 2025/26, while continuing to freeze Garage rents and Garage plot ground rents;
- The implication of correcting the Rent Calculation error has been included;
- A decrease in interest yields on balances held; and
- A reduced contribution into the Bad Debt provision based on latest forecasts.

- 8.4. 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 (and land availability), not the access to borrowing.
- 8.5. Changes in legislation on Right-to-Buy means that it is now unlikely that properties will be sold, which protects our existing stock and existing rental income. Previously, c.16 houses were sold each year, which reduces the one-off capital receipts that were previously used to fund investment in new stock.
- 8.6. Similarly, we forecast that we will have a number of void properties during the year. We have a prudent forecast of c.70 voids across the year in line with previous years to reflect the financial implications on tenants of the Cost of Living Crisis. This is broadly in line with the forecast Council Tax collection rate of c.97.5%.
- 8.7. The final budget summary for the 2025/26 HRA is shown in Appendix 3 (p42 – 51). It will continue to provide for an enhanced housing service which will allow for more capital investment and additions to our existing stock.

8.8. As with the General Fund, it is prudent to maintain the HRA reserve balance at £2,000k. The implications of correcting the Rent Calculation error are expected to be funded from these reserves, meaning that the starting a robust, affordable, plan to replenish the reserve will be required. At the start of 2024/25, other HRA reserves totalled £21,330k. This included £13,943k in the Housing Maintenance Fund (HMF); £746k in the Renewable Energy Fund (REF), £394k in Major Repairs Reserve, and £189k in a Decarbonisation Reserve. It is intended that any expenditure funded from the REF monies be used on renewable energy schemes. The balance is largely the creation of a reserve to smooth the repayment of the PWLB loan used to originally buy the stock in 2013.

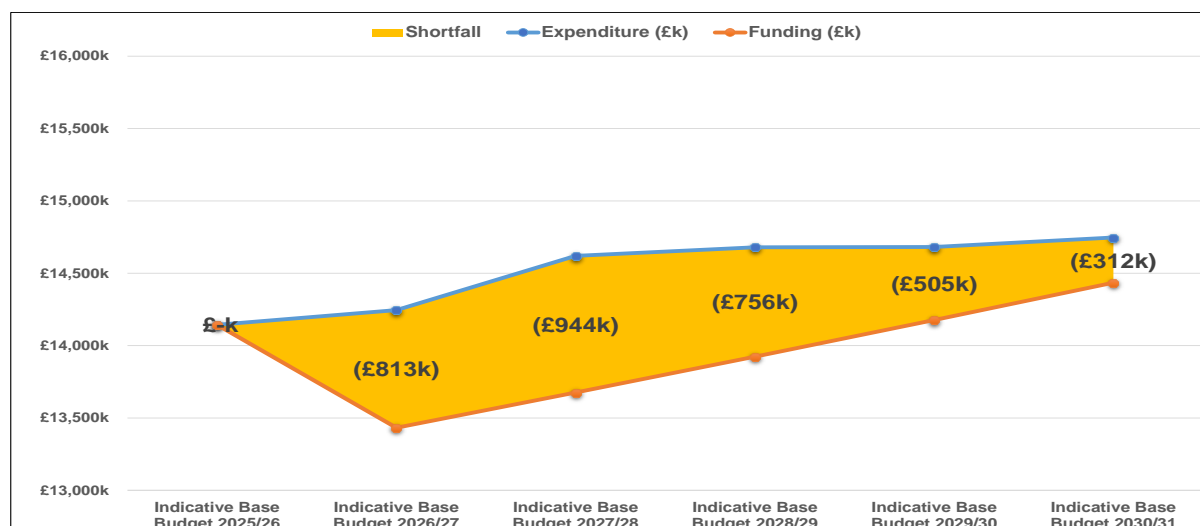
## 9. Updated MTFP position

### 9.1. General Fund

9.1.1. The new General Fund MTFP summary position is shown in the table below. It shows a cumulative shortfall of £3,330k over the new five year MTFP which remains to be addressed.

*Table 2 – Future Medium Term Financial Plan – General Fund*

	2026/27	2027/28	2028/29	2029/30	2030/31
	£k	£k	£k	£k	£k
<b>Annual Surplus / Deficit</b>	813	944	756	505	312
<b>Cumulative Surplus/Deficit</b>	<b>813</b>	<b>1,757</b>	<b>2,513</b>	<b>3,018</b>	<b>3,330</b>



9.1.2. This forecast position also makes a number of prudent assumptions, including:

- Future Government Grant allocations fall by 20% in 2026/27 then remain static for the rest of the MTFP period;
- A partial loss of historic growth in business rates above the baseline, on reset of the business rates system in 2026/27;



- No Business Rates pooling income, which would probably not continue after a reset of the system;
- The reduction in Council Tax referendum principles back to previous levels (£5 or 2%) from 2026/27;
- Pay Award and general inflation in line with assumptions reverting back to “normal” levels from 2026/27 and across the remaining MTFP timeframe;
- Interest yields fall back from 2025/26 in line with inflation assumptions reverting back to “normal” levels across the MTFP timeframe, and amount invested falls reflecting reserves being used to deliver capital projects;
- Capital Financing requirements increase as capacity for internal borrowing reduces over time.

9.1.3. The Government have announced they intend to reform funding for the sector from 2026/27, therefore there remains no clarity on future funding levels. The same level of uncertainty will be facing all local authorities across the country.

9.1.4. Due to the increasing pressures on our budgets and the continuing reduction in our Central Government funding, more pressure is placed upon local taxation and local income generation through fees and charges. The Council will need to assess its overall corporate priorities and where it allocates future budgets, it will also need to consider:

- Statutory vs Discretionary service provision;
- Resident priorities – as per the recent consultation undertaken;
- How it can work more closely with Towns/Parishes;
- Continue to consider any partnership possibilities;
- Review Treasury options;
- Maximise all income possibilities;
- Consider the impact of funding changes: Fair Funding Review; NNDR baseline reset; changes to NHB;
- The need to create investable propositions for our carbon reduction ambitions.

9.1.5. 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.

9.1.6. 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.

9.1.7. It is clear 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. The Government appear committed to providing this from 2026/27, although previous experience shows the contents may not be any less palatable.

## 9.2. Housing Revenue Account

9.2.1. The HRA MTFP summary position is shown in the table below. It shows a cumulative shortfall of £4,680k over the five-year 2025/26 – 2029/30 MTFP which remains to be addressed.

*Table 2 – Future Medium Term Financial Plan – Housing Revenue Account*

	2025/26	2026/27	2027/28	2028/29	2029/30
	£k	£k	£k	£k	£k
<b>Annual Surplus / Deficit</b>	0	603	1,136	1,432	1,508
<b>Cumulative Surplus/Deficit</b>	<b>0</b>	<b>603</b>	<b>1,739</b>	<b>3,171</b>	<b>4,680</b>

9.2.2. The underlying assumptions for Pay Awards and inflationary rises are consistent with the General Fund. The higher inflation continues to put pressure on contractor costs and materials. Increased funding provision will need to be assessed for current and emerging legislative requirements, however the main financial pressure for the HRA comes from the ambition to increase the housing stock. If interest rates fall, it is likely that the pressure will ease, but will still need to be carefully managed. In addition, successfully achieving the maximum funding possible from the various government grant routes will minimise the level of local contribution, thereby limiting our borrowing requirement.

## 9.3. Capital Programme

9.4. There is investment of £93,955k planned within the 2026/27 – 2029/30 Capital Programme. These projections are likely to alter, as we get closer to those years as greater information becomes available. Therefore, only the Capital Programme for 2025/26 is proposed for approval; the indicative future years are only for information and noting.

9.5. 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 associated capital financing costs within the Revenue Budgets. These projects will be further refined over time and will be subject to sufficient funding being available.

## 10. Conclusion

- 10.1. The General Fund budget has been set against a backdrop of over a decade of cuts to Public Sector funding, a global pandemic, a once in a generation Cost of Living Crisis, and the closure of the Council's subsidiary housing company. However, the proposed balanced budget protects service delivery at current levels. This has been achieved through savings that minimise any impact on service delivery as far as possible. However, further ongoing budget savings options will need to be identified to mitigate the underlying budget shortfall across the remainder of this MTFP.
- 10.2. Significant uncertainty remains for the future funding of Local Government, with wholesale reform indicated for 2026/27. We continue to forecast future budgets without great clarity from government. Therefore our projections will need to be revised as and when any clarity is provided, which could be on a drip fed basis through the coming year.
- 10.3. The capital MTFP is subject to the Council receiving sufficient grant funding and a robust business case being developed for each project. 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.
- 10.4. 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.
- 10.5. Cabinet are asked to agree and recommended the contents of this report for approval by Council on 19 February 2025, in particular the 2025/26 Capital Strategy and Capital programme, the 2025/26 Treasury Management Strategy and the 2025/26 Revenue Budgets for the General Fund and Housing Revenue Account.
- 10.6. With the announcement regarding devolution and local government reorganisation made in the same week as the funding settlement, the council are clearly entering a period of uncertainty and will need to react to this fluid situation with regard to future budget setting, medium term investment evaluation and strategic service delivery decisions.

## **Financial Implications**

This report proposes the 2025/26 Capital Strategy and Capital programme, the 2025/26 Treasury Management Strategy and the 2025/26 Revenue Budgets for the General Fund and Housing Revenue Account in line with the Corporate Plan priorities within existing financial resources without materially reducing service delivery. The Local Government Finance Act requires a balanced budget to be set by Tuesday 11 March 2025.

## **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.

## **Impact on Climate Change**

The allocation of resources will impact upon the Council’s ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years. However, some provision has already been included in the base budget and further investment is included within the Capital Programme, however this will be dependent upon full options appraisals and levels of Grant funding available.

## **Equalities 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.

## **Relationship to Corporate Plan**

The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council’s ongoing Corporate Plan priorities.

### **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** 21/01/2025

Agreed by or on behalf of the Section 151

**Date:** Andrew Jarrett

**Statutory Officer:** 21/01/2025

Agreed on behalf of the Monitoring Officer

**Date:** Maria De Leiburne

**Chief Officer:** 21/01/2025

Agreed by or on behalf of the Chief Executive/Corporate Director

**Date:** Stephen Walford

**Performance and risk:** 21/01/2025

Agreed on behalf of the Corporate Performance & Improvement Manager

**Date:** Dr Stephen Carr

**Cabinet member notified:** Yes

### **Section 4 - Contact Details and Background Papers**

**Contact:** Andrew Jarrett – Deputy Chief Executive (S151)

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**Contact:** Paul Deal – Corporate Manager for Finance, Property and Climate Change

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Telephone: 01884 234254

#### **Background papers:**

- 2025/26 – 2029/30 Medium Term Financial Plan update (September Cabinet)
- 2025/26 – 2029/30 Medium Term Financial Plan update (October Cabinet)
- 2025/26 Council Tax Taxbase (November Cabinet)
- 2025/26 Draft Budget (December Cabinet)
- 2025/26 Draft Budget (January Cabinet)
- 2025/26 NNDR1 – (February Cabinet – this meeting agenda)

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## **2025/26 Capital Strategy**

### 1.0 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.

## 2.0 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.

## 3.0 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.

#### 4.0 Capital Expenditure and Financing

4.1 Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing asset that is needed to provide services. Assets can be tangible or intangible assets and yield benefits to the Council generally for a period of more than one year e.g. land, buildings, vehicles. This contrasts with revenue expenditure which is spending on the day-to-day running costs of services such as employee costs and supplies and services. 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 latest Accounts 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. 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 2025/26, the General Fund is requesting approval of new capital expenditure of £2,629k for new projects due to start in 2025/26, of which £856k is forecast to be spent in 2025/26. In addition, new projects due to start in 2026/27 or beyond sum to £1,895k with a spend profile as shown in **Annex 1a**.

4.5 Expenditure within prior year approvals totalling £45,428k that has slipped in timescale or was originally planned for 2025/26 will also be incurred during 2025/26. Approval is sought to adjust some of these projects by a net value of £4,185k to update the projects to the latest forecasts. This leads to estimated expenditure of £10,946k in 2025/26 (see **Annex 1b**). Spend in future years against these existing projects sums to £32,481k as currently projected. These could well alter further before they come forward for approval.

4.6 Combined, the spend profile associated with the new and existing projects, is forecast at £11,802k within 2025/26 which forms the Deliverable Budget for the year.

4.7 Similarly, for the Housing Revenue Account, expenditure within prior year approvals totalling £75,812k that has slipped in timescale or was originally planned for 2025/26 will also be incurred during 2025/26. Approval is sought to adjust some of these projects by a net value of minus £30,239k to update the projects to the latest forecasts. This includes redirecting significant funding from projects previously considered which are deemed no longer viable, releasing funding to partially fund £53,603k additional budget requested. The estimated spend profile is £29,812k in 2025/26 (see **Annex 2**).

4.8 HRA spend in future years against these projects sums to £57,806k as currently projected. These could well alter further before they come forward for approval.

4.9 It can be summarised as follows:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure*

Capital Expenditure £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund Projects	11,092	10,273	11,802	16,622	15,120
HRA Projects <sup>1</sup>	16,653	12,785	29,812	11,662	5,605
Loans to Subsidiary Company*	2,686	0	0	0	0
<b>Total</b>	<b>30,431</b>	<b>23,058</b>	<b>41,614</b>	<b>28,284</b>	<b>20,725</b>

*\*This figure is gross loans and excludes repayments and working capital loans (which are treated as Revenue)*

4.10 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).

4.11 Borrowing may be internal or external:

4.11.1 **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.

4.11.2 **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.

4.12 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.

4.13 The planned financing of the expenditure in Table 1 above is as follows:

*Table 2: Capital financing*

Financing of Capital Expenditure £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
<b>Estimates of Capital Expenditure (Table 1)</b>	<b>30,431</b>	<b>23,058</b>	<b>41,614</b>	<b>28,284</b>	<b>20,725</b>
Less:					
Capital receipts	(4,445)	(1,250)	(2,092)	(1,153)	(787)
Capital grants	(3,757)	(8,971)	(16,262)	(16,355)	(14,383)
Capital reserves	0	0	0	0	0
Revenue	(5,885)	(3,847)	(4,044)	(3,556)	(3,235)
<b>Net financing need for the year</b>	<b>16,344</b>	<b>8,990</b>	<b>19,216</b>	<b>7,220</b>	<b>2,320</b>

4.14 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.

4.15 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 included within Appendix 2. Planned MRP is as follows:

*Table 3: Planned MRP payments*

Planned MRP Payments £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	1,217	1,040	1,099	1,327	1,371
Housing Revenue Account	991	1,026	1,159	1,508	1,673
<b>Total</b>	<b>2,208</b>	<b>2,066</b>	<b>2,258</b>	<b>2,835</b>	<b>3,044</b>

4.16 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. Based on the above figures for expenditure and financing, the Council's estimated CFR is expected to increase by £13,828k during 2025/26, rise further in 2027/28 before falling slightly in 2028/29 as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

Capital Financing Requirement £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund Services	16,252	18,920	19,443	20,019	18,917
Council Housing (HRA)	45,982	49,183	62,488	66,237	66,552
Loans to Subsidiary Company*	0	0	0	0	0
<b>Total CFR</b>	<b>62,234</b>	<b>68,103</b>	<b>81,931</b>	<b>86,256</b>	<b>85,469</b>
<b>Movement in CFR</b>	<b>-2,359</b>	<b>5,869</b>	<b>13,828</b>	<b>4,325</b>	<b>-787</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.

## 5.0 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 2025 the Council is forecast to have £29,398k of borrowing (excluding finance leases) at an average interest rate of 2.91% and £11,441k of short term treasury investments earning interest at an average rate of 5.07%.
- 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 5%) and long-term fixed rate loans where the future cost is known but higher (currently around 6% from PWLB<sup>2</sup>).
- 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.

<sup>2</sup> As at the time of drafting this report – 26 January 2024

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

Gross Debt and The Capital Financing Requirement £000	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
Debt (including Leases)	33,390	33,442	48,985	52,445	50,817
Capital Financing Requirement (CFR)	62,234	68,103	81,931	86,256	85,469
<b>Under / (Over) Borrowing</b>	<b>28,844</b>	<b>34,661</b>	<b>32,946</b>	<b>33,811</b>	<b>34,652</b>

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 2025/26 through to 2027/28.

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	2023/24	2024/25	2025/26	2026/27	2027/28
	Limit	Limit	Limit	Limit	Limit
Authorised Limit	73,000	79,000	92,000	97,000	95,000
Operational Boundary	64,000	70,000	83,000	88,000	86,000

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>:

<sup>3</sup> As at the 31 March of the appropriate year

Table 7: Treasury Management investments

Treasury Management Investments £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate
Short-Term Investments	16,015	11,441	10,000
Long-Term Investments	5,000	5,000	5,000
<b>Total</b>	<b>21,015</b>	<b>16,441</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.
- 6.0 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, 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 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.
- 6.4 The Council also has commercial activities in retail properties, which expose it to normal commercial risks. The over-arching ethos behind these activities is economic regeneration and retention of premises within the town centre rather than the income stream.
- 6.5 **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.

## 7.0 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, and is due to be updated in 2025. 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 limited Capital Receipts in 2025/26 due to the changes in legislation surrounding the sale of Council Houses through the 'Right to Buy' scheme.

## 8.0 Debt Liabilities

8.1 In addition to debt of £48,985k in 2025/26 detailed in Table 5 above, the Council is committed to making future payments to cover its pension fund deficit (valued at £10,166k in March 2024).

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.

## 9.0 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 8: Prudential Indicator: Proportion of financing costs to net revenue stream*

<b>Proportion of Financing Costs to Net Revenue Stream</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>%</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
General Fund	-2.85%	3.75%	5.09%	8.79%	9.30%
Housing Revenue Account	10.18%	9.72%	11.74%	16.68%	17.85%

*\*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 may 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. .

#### 10.0 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) and Corporate Manager for Finance, Property and Climate Resilience are both qualified accountants with c30 years' of experience. In addition, the Council employs six finance staff who hold one or more of the following qualifications 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 2025/26 Capital Programme and 2025/26 – 2029/30 Capital Medium Term Financial Plan (CMTFP)

### 11.0 The 2025/26 Capital Programme

- 11.1 The 2025/26 Capital Programme includes significant investment into Council House building projects and future years indicative programmes include 'spend to save' projects improving the energy efficiency of our property estate that will only be undertaken if the Council is successful in securing sufficient external funding and is accompanied by a robust business case that demonstrates an acceptable payback.
- 11.2 There is also projected slippage relating to the 2024/25 Deliverable Programme that will roll into the 2025/26 Capital Programme. The approval of final figures will be sought as part of the Outturn Report to either add to the 2025/26 Capital Programme or relevant year of the Capital MTFP.
- 11.3 **Annex 1a and 1b** shows the proposed 2025/26 Capital Programme for the General Fund. Full project approval is requested at project inception, for 2025/26 this amounts to £2,629k. This is then profiled by spending managers as their best estimate of when spending will take place to form the Deliverable Budget of £856k. Spend forecast against existing approvals is £10,946k in 2025/26, with a further £32,481k forecast in future years. The deliverable budget informs our Treasury Management activities.
- 11.4 **Annex 2** shows the proposed 2025/26 Capital Programme for the Housing Revenue Account. Approval is requested for a revised 2025/26 amounting to £87,618k. The spend profile gives a Deliverable Budget of £29,812k. A further £57,806k forecast in future years.
- 11.5 All forecasts have been reviewed and 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 2025/26 is proposed for approval; the indicative future years are only for information and noting.
- 11.6 General Fund Investment.
- 11.6.1 Further investment to enable the Council to update its infrastructure and improve our carbon footprint is included. Within the investment in our Leisure Service, there are a number of upgrades of equipment to maintain a competitive service offering.

11.6.2 Following approval for the Cullompton Relief Road, funding has been secured to cover the estimated cost of this project. This is a significant achievement and is by far the largest project included within the capital programme.

11.6.3 Investment is also planned for the Waste Depot to enable it to meet new Environment Agency regulations as well as be fit for the future. 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.

11.6.4 Following revisions in the reporting requirements, leasing is also included within the Capital Programme as it is a form of debt financing. The Council has a programme of replacing vehicles with new leased vehicles as they reach the end of the economic life. Wherever possible, this is through the provision of an electric vehicle. Similarly, some of our buildings and infrastructure is leased, such as the waste depot.

#### 11.7 Housing Revenue Account Investment

11.7.1 A number of projects to enhance the quality of our existing housing stock costing c£3m per annum are undertaken each year through the planned maintenance scheme. In 2025/26, 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.

11.7.2 Significant investment 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.

11.7.3 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 2025/26 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.

#### 12.0 Funding the Capital Programme

12.1 The 2025/26 Capital Programme is fully funded by a combination of :

Table 9: 2025/26 Capital Programme Funding (based on deliverable programme)

Funding Sources	Funding 2025/26 £000's
Funding from Revenue EMR's	4,044
Funding from Government Grants	16,262
Usable Capital Receipts	2,092
Borrowing (including Lease finance)	19,216
<b>General Fund Subtotals</b>	<b>41,614</b>

- 12.2 Changes in legislation on Right-to-Buy means that it is now unlikely that properties will be sold, which protects our existing stock and existing rental income. Previously, c.16 houses were sold each year, which reduces the one-off capital receipts that were previously used to fund investment in new stock.
- 12.3 The works programme identified to maintain our existing council house stock will be funded mainly from the Major Repairs Reserve (MRR). The balance of available monies will remain in the MRR in order to deal with future additional spend that has been identified by the stock condition survey.
- 12.4 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.
- 13.0 Council Borrowing
- 13.1 Prudential borrowing has been estimated for 2025/26 at £19,216k, this will be used to fund General Fund schemes amounting to £4,752k and HRA schemes amounting to £14,464k. 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. 2026/27 to 2029/30 amounting to £31,091k; of this £3,451k will be used to deliver General Fund projects and £27,640k 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.

#### 14.0 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.

## 2025/26 Treasury Management Strategy

### 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 latest 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 2025/26

2.3.1 The strategy for 2025/26 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 – now Ministry of Housing, Communities and Local Government [MHCLG]) MRP Guidance, the CIPFA Treasury Management Code and DLUHC (now MHCLG) 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 are being reviewed 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 Democratic 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 2025/26 – 2027/28

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 2025/26 Capital Programme of £41,614k.

#### *Prudential Indicator: Estimates of Capital Expenditure*

Capital Expenditure £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	11,092	10,273	11,802	16,622	15,120
HRA	16,653	12,785	29,812	11,662	5,605
Loans to Subsidiary Company *	2,686	0	0	0	0
<b>Total</b>	<b>30,431</b>	<b>23,058</b>	<b>41,614</b>	<b>28,284</b>	<b>20,725</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 financing need shown in the table below excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

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

Financing of Capital Expenditure £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
<b>Estimates of Capital Expenditure (Table 1)</b>	<b>30,431</b>	<b>23,058</b>	<b>41,614</b>	<b>28,284</b>	<b>20,725</b>
Less:					
Capital receipts	(4,445)	(1,250)	(2,092)	(1,153)	(787)
Capital grants	(3,757)	(8,971)	(16,262)	(16,355)	(14,383)
Capital reserves	0	0	0	0	0
Revenue	(5,885)	(3,847)	(4,044)	(3,556)	(3,235)
<b>Net financing need for the year</b>	<b>16,344</b>	<b>8,990</b>	<b>19,216</b>	<b>7,220</b>	<b>2,320</b>

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

Loans to Subsidiary Company £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Capital Expenditure	2,686	0	0	0	0
Financing costs	0	0	0	0	0
<b>Net financing need for the year</b>	<b>2,686</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Percentage of total net financing need %	16.4%	0.0%	0.0%	0.0%	0.0%

The financing costs are zero as all lending has been funded through internal borrowing. There is no expenditure shown in the current or future years as the company has now been closed.

### 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 £4.044m 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	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
CFR - General Fund	16,252	18,920	19,443	20,019	18,917
CFR - Housing	45,982	49,183	62,488	66,237	66,552
<b>Total CFR</b>	<b>62,234</b>	<b>68,103</b>	<b>81,931</b>	<b>86,256</b>	<b>85,469</b>
<b>Movement in CFR*</b>	<b>-2,359</b>	<b>5,869</b>	<b>13,828</b>	<b>4,325</b>	<b>-787</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. Although there was lending to 3 Rivers Developments Ltd during 2023/24 shown in the previous table at 3.2.4, all lending was cleared in full at the end of 2023/24 and so no balances exist within the CFR for any of the years reported.*

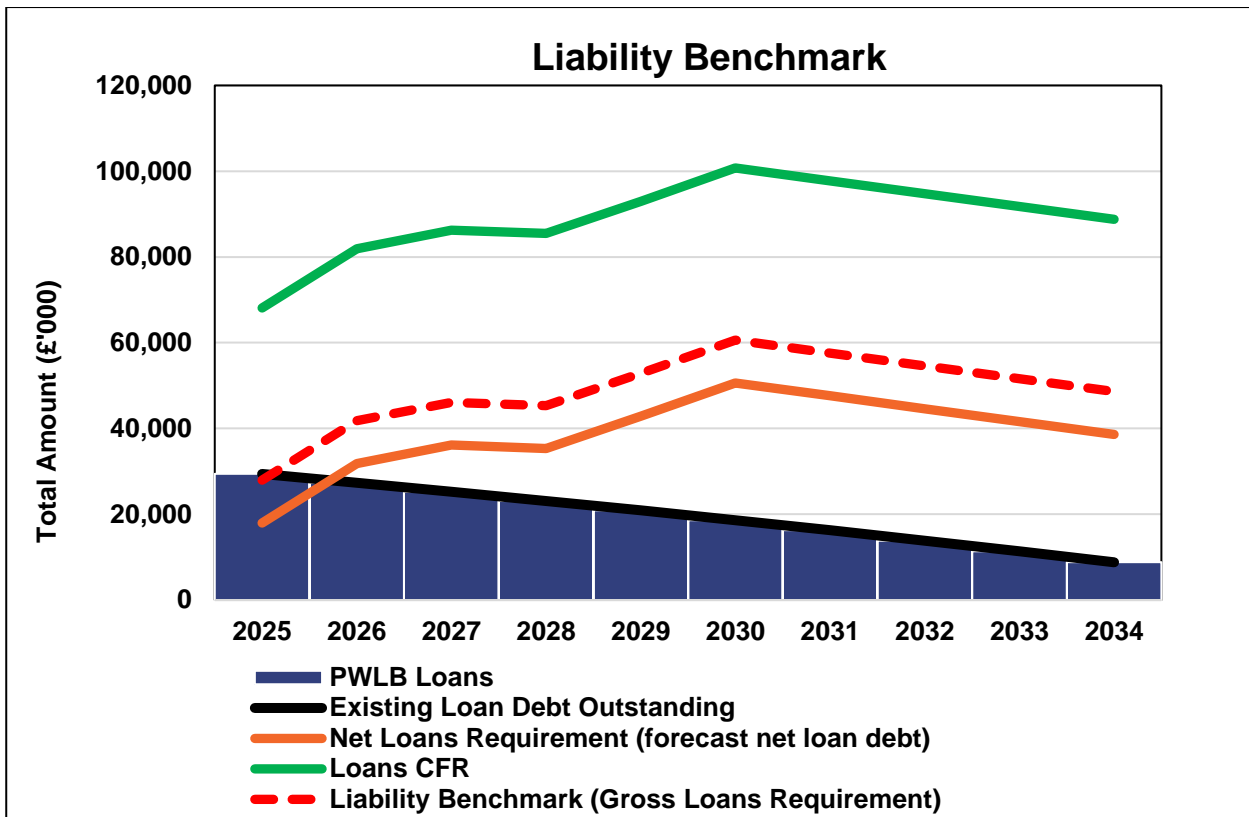
3.4 **Liability Benchmark**

3.4.1 The Authority is required to estimate and measure the Liability Benchmark (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 2025 to March 2034 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 £40m.

## 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 2024 and the position as at 31 December 2024 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	Actual	Actual	Current	Current
	31/03/2024	31/03/2024	31/12/2024	31/12/2024
Treasury Investments	£000	%	£000	%
Banks	4,015	19%	6,657	23%
Building Societies	0	0%	0	0%
Local Authorities	12,000	57%	17,000	59%
DMADF (H.M.Treasury)	0	0%	0	0%
Other Public Bodies	0	0%	0	0%
<b>Total Managed In-House</b>	<b>16,015</b>	<b>76%</b>	<b>23,657</b>	<b>83%</b>
Property Funds	5,000	24%	5,000	17%
<b>Total Managed Externally</b>	<b>5,000</b>	<b>24%</b>	<b>5,000</b>	<b>17%</b>
<b>Total Treasury Investments</b>	<b>21,015</b>	<b>100%</b>	<b>28,657</b>	<b>100%</b>
<b>Treasury External Borrowing</b>				
Local Authorities	0	0%	0	0%
PWLB	31,373	100%	30,393	100%
<b>Total External Borrowing</b>	<b>31,373</b>	<b>100%</b>	<b>30,393</b>	<b>100%</b>
<b>Net Treasury Investments / (Borrowing)</b>	<b>-10,358</b>		<b>-1,736</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</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>£000</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Debt at 1 April	33,310	31,373	29,398	45,366	48,273
Expected Change in Debt	-1,937	-1,975	15,967	2,908	-2,154
Other Long-Term Liabilities (OLTL)	1,981	2,017	4,044	3,620	4,171
Expected Change in OLTL	36	2,027	-424	551	527
<b>Actual Gross Debt at 31 March</b>	<b>33,390</b>	<b>33,442</b>	<b>48,985</b>	<b>52,445</b>	<b>50,817</b>
<b>The Capital Financing Requirement</b>	<b>62,234</b>	<b>68,103</b>	<b>81,931</b>	<b>86,256</b>	<b>85,469</b>
<b>Under / (Over) Borrowing</b>	<b>28,844</b>	<b>34,661</b>	<b>32,946</b>	<b>33,811</b>	<b>34,652</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 2025/26 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</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
<b>£000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Debt	65,000	79,000	83,000	81,000
Other long term liabilities	5,000	4,000	5,000	5,000
<b>Total</b>	<b>70,000</b>	<b>83,000</b>	<b>88,000</b>	<b>86,000</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*

<b>Authorised limit £000</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
Debt	70,000	84,000	88,000	86,000
Other long term liabilities	9,000	8,000	9,000	9,000
<b>Total</b>	<b>79,000</b>	<b>92,000</b>	<b>97,000</b>	<b>95,000</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 11 November 2024.

Interest Rates	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Bank Rate View	4.75%	4.50%	4.25%	4.00%	4.00%	3.75%	3.75%	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%
5yr PWLB Rate	5.00%	4.90%	4.80%	4.60%	4.50%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	4.00%	3.90%
10yr PWLB Rate	5.30%	5.10%	5.00%	4.80%	4.80%	4.70%	4.50%	4.50%	4.40%	4.30%	4.20%	4.20%	4.10%
25yr PWLB Rate	5.60%	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.60%	4.50%	4.50%
50yr PWLB Rate	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.60%	4.50%	4.40%	4.30%	4.30%

4.4.2 Although CPI inflation dropped below the Bank of England’s 2% target in September 2024 to 1.7%, it quickly jumped back above the 2% target the following month and is expected to remain there throughout 2025. To prevent CPI increasing too far beyond 2%, it is now expected that the MPC won’t cut Bank Rate quite as quickly as previously forecast, with just 2 or 3 cuts looking likely during 2025.

4.4.3 A more thorough economic outlook provided by our Treasury Advisors is detailed in **Annex 2b and 2c**.

#### 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 2025/26, it is recommended that the Council continues to utilise internal borrowing until a point where additional funds are required to maintain cash flow liquidity, when external borrowing options will then be considered. 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 2025/26 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. There is also a temporary HRA rate set at gilts + 40 basis points, which is currently available until March 2026. Despite these discounted rates, there are more competitive rates available elsewhere for some durations, and so consideration will still need to be given to sourcing funding from the following sources:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate for some durations)
- 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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Municipal Bond Agency	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Local Authorities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Banks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Finance Leases	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

### 5.0 Annual Investment Strategy

#### 5.1 Investment policy – management of risk

5.1.1 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (a separate report).

5.1.2 The Council’s investment policy has regard to the following:

- MHCLG’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 MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

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 **Annex 2d** 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, 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. This override was since extended to 31 March 2025, but it currently appears unlikely to be extended again.
- 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 **Annex 2d** 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. Nonetheless, 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 **Annex 2e**. 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 Annual 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 have grown over the last 3 years following the increases to Bank Rate, and appear to have peaked during 2023/24 when financial markets started to forecast in potential cuts to Bank Rate. Returns on short term investments hit £1,191k in 2023/24 and are expected to fall back to £954k in 2024/25, and a further reduction to £842k has been estimated in 2025/26.

5.4.3 Retaining cash balances (short term investments + current account) 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. Although there is currently not much difference between interest rates currently available from PWLB and rates available for short term investments, taking out new PWLB loans would expose the Council to high rates of interest for the duration of those loans. With interest rates expected to come down over the next couple of years, maximising internal borrowing is still the most prudent approach.

5.4.4 Cash balances have reduced during 2024/25, and will reduce further in 2025/26, so 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 continue reducing over the next two years from the current rate of 4.75%.

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	%
2025/26	4.10%
2026/27	3.70%
2027/28	3.50%
2028/29	3.50%
Later years	3.50%

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	2025/26 (£m)	2026/27 (£m)	2027/28 (£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.** Following the soft closure of 3 Rivers Developments Limited at the end of 2023/24, the only non-financial investment held by the Council is

a loan balance held with Redland Primary Care for the development of the NHS hub in Crediton. This is being repaid in instalments over 27 years.

- 5.7.3 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 19 February.

## ANNEX 2A

### 1.0 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2025/26 – 2027/28

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.

%	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	-2.85%	3.75%	5.09%	8.79%	9.30%
HRA	10.18%	9.72%	11.74%	16.68%	17.85%

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 has been amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of the CFR from its calculation, unless by an exception set out in statute.

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

The MRP Guidance 2024 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 2024/25 will not be subject to a MRP charge until 2025/26.

### **1.4 MRP Overpayments**

Under the MRP Guidance, charges made in excess of the statutory MRP can be made and are known as voluntary revenue provision (VRP). VRP can 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 2024, the total VRP overpayments were £0m.



## ANNEX 2B – Provided by Link Group (MDDC’s Treasury Advisor)

### 2.0 INTEREST RATE FORECASTS 2025-2027

#### Link Group Interest Rate View

Interest Rates	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Bank Rate View	4.75%	4.50%	4.25%	4.00%	4.00%	3.75%	3.75%	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%
5yr PWLB Rate	5.00%	4.90%	4.80%	4.60%	4.50%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	4.00%	3.90%
10yr PWLB Rate	5.30%	5.10%	5.00%	4.80%	4.80%	4.70%	4.50%	4.50%	4.40%	4.30%	4.20%	4.20%	4.10%
25yr PWLB Rate	5.60%	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.60%	4.50%	4.50%
50yr PWLB Rate	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.60%	4.50%	4.40%	4.30%	4.30%

Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, we have significantly revised our central forecasts for the first time since May. In summary, our Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

If we reflect on the 30 October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.

The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government’s policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.

Our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank’s Quarterly Monetary Policy Reports (February, May, August and November).

Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation’s stickiness, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.

Regarding our PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.

So far, we have made little mention of the US President election. Nonetheless, Donald Trump's victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts and an expansion of the current US budget deficit. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East and Asia.

Our revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps).

### Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below:

PWLB debt	Current borrowing rate as at 11.11.24 p.m.	Target borrowing rate now (end of Q3 2026)	Target borrowing rate previous (end of Q3 2026)
5 years	5.02%	4.30%	3.90%
10 years	5.23%	4.50%	4.10%
25 years	5.66%	4.90%	4.40%
50 years	5.42%	4.70%	4.20%

**Borrowing advice:** Our long-term (beyond 10 years) forecast for Bank Rate has been increased to 3.25% (from 3%). As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

## **ANNEX 2C – Provided by Link Group (MDDC’s Treasury Advisor)**

### **ECONOMIC BACKGROUND**

The third quarter of 2024 (July to September) saw:

- GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
- CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
- Core CPI inflation increasing from 3.3% in July to 3.6% in August;
- The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
- 10-year gilt yields falling to 4.0% in September.

Over the aforementioned period, the economy’s stagnation in June and July pointed more to a mild slowdown in UK GDP growth than a sudden drop back into a recession. However, in the interim period, to 12 December, arguably the biggest impact on the economy’s performance has been the negative market sentiment in respect of the fallout from the Chancellor’s Budget on 30 October.

If we reflect on the 30 October Budget, our central case is that those policy announcements will prove to be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be elevated at 2.7% y/y (Q4 2025) before dropping back to sub-2% in 2027. Nonetheless, since the Budget, the October inflation print has shown the CPI measure of inflation bouncing up to 2.3% y/y with the prospect that it will be close to 3% by the end of the year before falling back slowly through 2025. The RPI measure has also increased significantly to 3.4% y/y.

How high inflation goes will primarily be determined by several key factors. First amongst those is that the major investment in the public sector, according to the Bank of England, will lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government’s policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises in the June 2025 Spending Review (pushed back from the end of March), and a tepid GDP performance.

Regarding having a sufficiently large pool of flexible and healthy workers, the initial outlook does not look bright. Research from Capital Economics has alluded to an increase of some 500,000 construction workers being needed to provide any chance of the Government hitting its target of 300,000 new homes being built in each of the next five years (234,000 net additional dwellings in England in 2022/23). But the last time such an increase was needed, and construction employment is currently at a nine-year low, it took 12 years to get there (1996 to 2008). Also note, as of October 2024, job vacancies in the construction sector were still higher than at any time in the 20 years preceding the pandemic.

Currently, it also seems likely that net inward migration is set to fall, so there is likely to be a smaller pool of migrant workers available who, in the past, have filled the requirement for construction worker demand. The Government plans to heavily promote training schemes, particularly to the one million 16- to 24-year-olds who are neither in education nor work. But it is arguable as to whether the employee shortfall can be made up from this source in the requisite time, even if more do enter the workforce.

Against, this backdrop, there may be a near-term boost to inflation caused by a wave of public sector cash chasing the same construction providers over the course of the next year or so, whilst wages remain higher than the Bank currently forecasts because of general labour shortages, including in social care where Government accepts there is a 150,000 shortfall at present.

Unemployment stands at a low 4.3% (September), whilst wages are rising at 4.3% y/y (including bonuses) and 4.8% (excluding bonuses). The Bank would ideally like to see further wage moderation to underpin any further gradual relaxing of monetary policy. Indeed, over the next six months, the market is currently only pricing in Bank Rate reductions in February and May – which would see Bank Rate fall to 4.25% - but further cuts, thereafter, are highly likely to be even more data-dependent.

If we focus on borrowing, a term we are likely to hear throughout 2025 is “bond vigilante”. Essentially, this represents a generic term for when the market is ill at ease with the level of government borrowing and demands a higher return for holding debt issuance. In the UK, we do not need to go back too far to recall the negative market reaction to the Truss/Kwarteng budget of 2022. But long-term borrowing rates have already gradually moved back to those levels since their recent low point in the middle of September 2024. Of course, the UK is not alone in this respect. Concerns prevail as to what the size of the budget deficit will be in the US, following the election of Donald Trump as President, and in France there are on-going struggles to form a government to address a large budget deficit problem too. Throw into the mix the uncertain outcome to German elections, and there is plenty of bond investor concern to be seen.

Staying with the US, Donald Trump’s victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks continue to abound in Europe, the Middle East and Asia.

In the past month, the US Core CPI measure of inflation has indicated that inflation is still a concern (3.3% y/y, 0.3% m/m), as has the November Producer Prices Data (up 3.0 y/y v a market estimate of 2.6% y/y, 0.4% m/m v an estimate of 0.2% m/m) albeit probably insufficient to deter the FOMC from cutting US rates a further 0.25% at its December meeting. However, with Trump’s inauguration as President being held on 20 January, further rate reductions and their timing will very much be determined by his policy announcements and their implications for both inflation and Treasury issuance.

Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank’s August rate cut signalled the start of its loosening cycle. More recently, however, 10 year gilt yields have spiked back up to 4.35%.

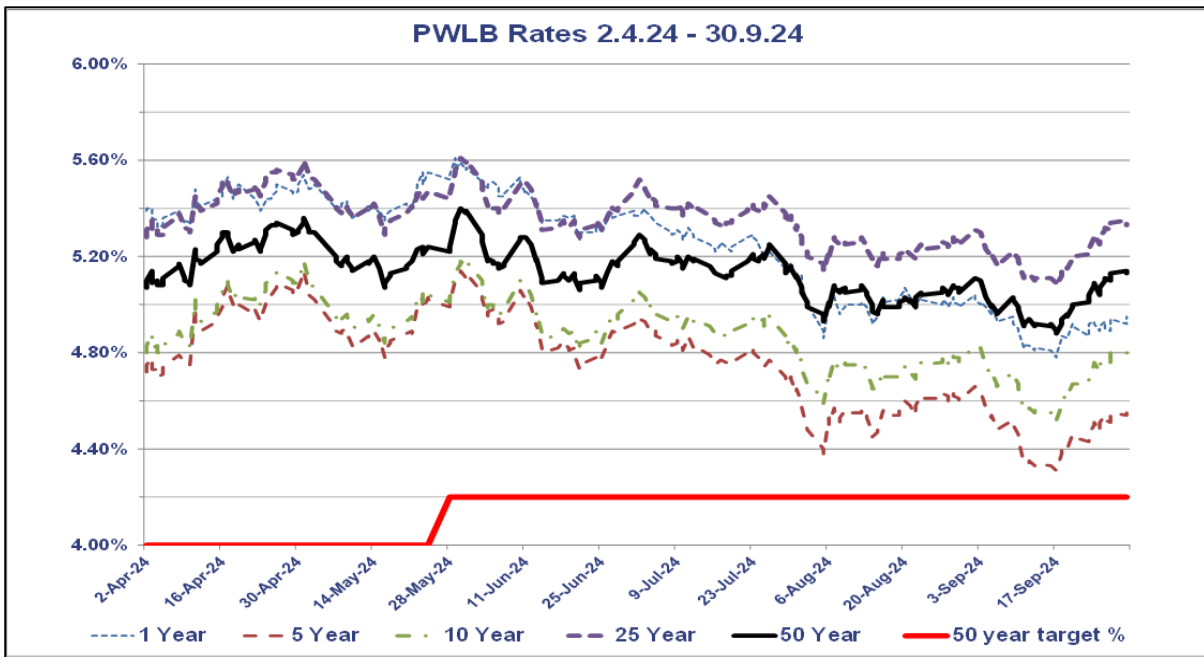
The FTSE 100 reached a peak of 8,380 in the third quarter of 2024 (currently 8.304), but its performance is firmly in the shade of the US S&P500, which has breached the 6,000 threshold on several occasions recently, delivering returns upwards of 25% y/y. The catalyst for any further rally (or not) is likely to be the breadth of AI’s impact on business growth and performance.

### MPC meetings: 9 May, 20 June, 1 August, 19 September, 7 November 2024

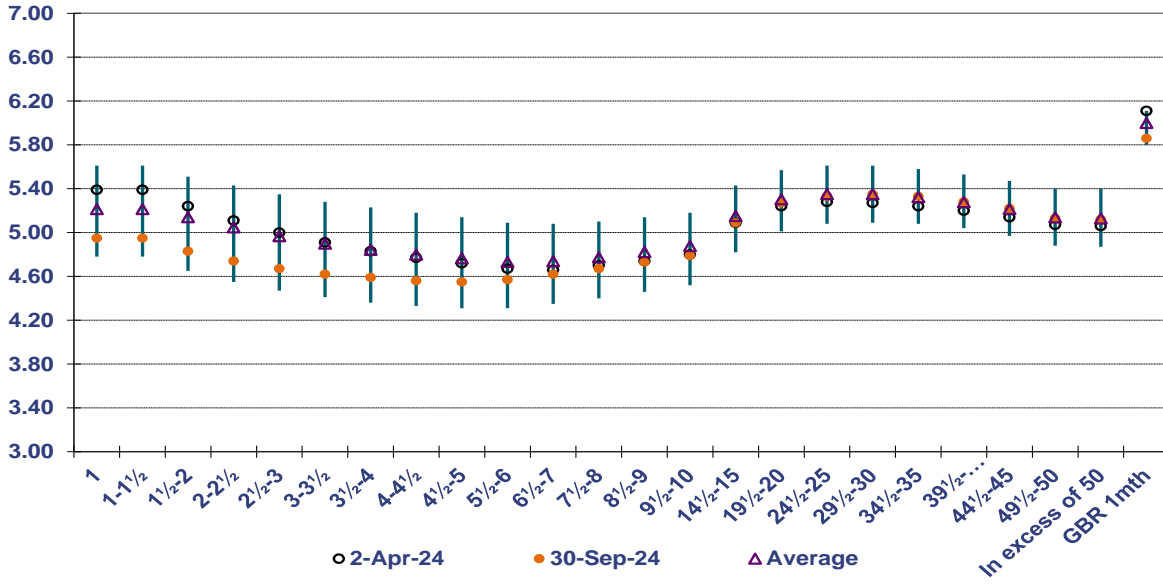
- On 9 May, the Bank of England’s Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20<sup>th</sup> June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey’s tone with its emphasis on “gradual” reductions over time.
- Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- On 7 November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut but the language used by the MPC emphasised “gradual” reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.

### PWLB RATES 02/04/2024 – 30/09/2024



PWLB Certainty Rate Variations 2.4.24 to 30.9.24



HIGH/LOW/AVERAGE PWLB RATES FOR 02/04/2024 – 30/09/2024

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>02/04/2024</b>	5.39%	4.72%	4.80%	5.28%	5.07%
<b>30/09/2024</b>	4.95%	4.55%	4.79%	5.33%	5.13%
<b>Low</b>	4.78%	4.31%	4.52%	5.08%	4.88%
<b>Low date</b>	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
<b>High</b>	5.61%	5.14%	5.18%	5.61%	5.40%
<b>High date</b>	29/05/2024	01/05/2024	01/05/2024	01/05/2024	01/05/2024
<b>Average</b>	5.21%	4.76%	4.88%	5.35%	5.14%
<b>Spread</b>	0.83%	0.83%	0.66%	0.53%	0.52%

## ANNEX 2D

### 3.0 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

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

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

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

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

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

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.



## **ANNEX 2E**

### **4.0 APPROVED COUNTRIES FOR INVESTMENTS**

#### AAA

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

The sovereign ratings shown above are at 25 November 2024 from Link Group.

## **ANNEX 2F**

### **5.0 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:**

- Head of Finance, Property and Climate Resilience (Deputy S151)

## ANNEX 2G

### 6.0 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.*

# BUDGET BOOK 2025/26

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2025/26 GENERAL FUND REVENUE ACCOUNT BUDGET SUMMARY

Direct Costs Detail	2024/25 Annual Budget £	2025/26 Proposed Budget £	Increase / (Decrease) £	Increase / (Decrease) %
Cabinet	6,071,200	6,793,960	722,760	11.9%
Community, People & Equalities	1,236,342	1,317,900	81,558	6.6%
Economy & Assets	1,630,844	1,535,820	(95,024)	(5.8%)
Planning, Environment & Sustainability	1,028,033	1,212,320	184,287	17.9%
Service Delivery & Continuous Improvement	5,446,656	4,366,730	(1,079,926)	(19.8%)
Homes	401,760	130,000	(271,760)	(67.6%)
<b>Net Direct Services Costs</b>	<b>15,814,835</b>	<b>15,356,730</b>	<b>(458,105)</b>	<b>(2.9%)</b>
Net Recharge to HRA	(1,957,080)	(2,050,250)	(93,170)	(4.8%)
Capital Financing	812,700	856,890	44,190	5.4%
<b>Net Service Costs</b>	<b>(1,144,380)</b>	<b>(1,143,641)</b>	<b>739</b>	<b>-0.1%</b>
Net Interest Cost / (Receivable)	(707,264)	(480,950)	226,314	10.7%
Transfers To / (From) Earmarked Reserves	(840,619)	461,880	1,302,499	154.9%
<b>Net Budget Requirement</b>	<b>13,122,572</b>	<b>14,144,300</b>	<b>1,021,728</b>	<b>7.8%</b>
Business Rates	(4,373,851)	(5,079,330)	(705,479)	-16.1%
Council Tax	(7,016,360)	(7,472,010)	(455,650)	-6.5%
Un-Ringfenced Grant Funding	(1,732,361)	(1,592,960)	139,401	8.0%
<b>Total Funding</b>	<b>(13,122,572)</b>	<b>(14,144,300)</b>	<b>(1,021,728)</b>	<b>7.8%</b>
<b>Annual Shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>

Category	2024/25 Annual Budget £	2025/26 Proposed Budget £	Increase / (Decrease) £	Increase / (Decrease) %
Employees	17,446,408	18,761,100	1,314,692	7.5%
Premises	4,131,648	4,036,400	(95,248)	(2.3%)
Transport	1,295,691	1,293,660	(2,031)	(0.2%)
Supplies & Services	19,492,427	20,036,100	543,673	2.8%
Recharges	(1,957,080)	(2,050,250)	(93,170)	(4.8%)
Capital	812,700	856,890	44,190	5.4%
Income	(40,381,175)	(43,395,780)	(3,014,605)	(7.5%)
Movement To / (From) Reserves	(840,619)	461,880	1,302,499	154.9%
	<b>0</b>	<b>0</b>	<b>0</b>	

2025/26 GENERAL FUND REVENUE ACCOUNT BUDGET DETAIL  
POLICY DEVELOPMENT GROUP - MOVEMENT BY SERVICE UNIT

Service Unit	Direct Costs Detail	2024/25 Agreed Budget £	2025/26 Proposed Budget £	Increase / (Decrease) £	Increase / (Decrease) %
<b>Cabinet</b>					
SCM01	Leadership Team	590,066	652,400	62,334	10.6%
SCM02	Corporate Functions	156,860	179,610	22,750	14.5%
SCM03	Corporate Fees	177,000	259,920	82,920	46.8%
SCM06	Pension Backfunding	660,210	683,820	23,610	3.6%
SFP01	Accountancy Services	552,210	554,120	1,910	0.3%
SFP02	Internal Audit	98,550	83,550	(15,000)	-15.2%
SFP03	Procurement	152,330	157,070	4,740	3.1%
SFP04	Purchase Ledger	59,665	66,630	6,965	11.7%
SFP05	Sales Ledger	59,010	61,780	2,770	4.7%
SHR01	Human Resources	533,660	554,230	20,570	3.9%
SHR02	MDDC Staff Training	15,000	10,000	(5,000)	-33.3%
SHR03	Payroll	62,710	69,190	6,480	10.3%
SIT01	IT Gazetteer Management	89,270	84,610	(4,660)	-5.2%
SIT03	IT Information Technology	1,175,880	1,483,300	307,420	26.1%
SLD01	Electoral Registration	200,450	205,450	5,000	2.5%
SLD02	Democratic Rep And Management	562,475	596,430	33,955	6.0%
SLD04	Legal Services	333,434	384,330	50,896	15.3%
SRB01	Collection Of Council Tax	560,670	658,380	97,710	17.4%
SRB02	Collection Of Business Rates	(83,000)	(74,200)	8,800	10.6%
SRB06	Debt Recovery	114,750	123,340	8,590	7.5%
<b>TOTAL CABINET PDG</b>		<b>6,071,200</b>	<b>6,793,960</b>	<b>722,760</b>	<b>11.9%</b>
<b>Community, People &amp; Equalities PDG</b>					
SCD01	Community Development	120,225	120,230	5	0.0%
SES01	Emergency Planning	52,010	55,250	3,240	6.2%
SES03	Community Safety - C.C.T.V.	42,730	42,730	0	0.0%
SES04	Public Health	3,750	3,750	0	0.0%
SES16	Public Health Staff Unit	728,280	800,820	72,540	10.0%
SES17	Community Safety	2,500	3,570	1,070	42.8%
SES18	Food Safety	(18,034)	(18,830)	(796)	-4.4%
SES21	Licensing	48,760	42,000	(6,760)	-13.9%
SES23	Pollution Reduction	1,350	3,350	2,000	148.1%
SPS07	Public Transport	(25,259)	(25,260)	(1)	0.0%
SRB03	Housing Benefit Admin & Fraud	217,030	227,290	10,260	4.7%
SRB04	Housing Benefit Subsidy	63,000	63,000	0	0.0%
<b>TOTAL COMMUNITY, PEOPLE &amp; EQUALITIES PDG</b>		<b>1,236,342</b>	<b>1,317,900</b>	<b>81,558</b>	<b>6.6%</b>
<b>Economy &amp; Assets PDG</b>					
SCD02	Pannier Market	70,413	45,950	(24,463)	-34.7%
SCP01	Parking Services	(732,427)	(801,090)	(68,663)	-9.4%
SPS01	Asset Management	539,720	538,380	(1,340)	-0.2%
SPS05	Administration Buildings	313,830	280,370	(33,460)	-10.7%
SPS06	MDDC Depots	511,478	574,000	62,522	12.2%
SPS09	Property Services Staff Unit	832,500	846,850	14,350	1.7%
SPS11	Public Conveniences	19,920	24,550	4,630	23.2%
SPS12	GF Properties Shops/Flats	(303,620)	(329,630)	(26,010)	-8.6%
SPR06	Economic Development	379,030	356,440	(22,590)	-6.0%
<b>TOTAL ECONOMY &amp; ASSETS PDG</b>		<b>1,630,844</b>	<b>1,535,820</b>	<b>(95,024)</b>	<b>-5.8%</b>
<b>Planning, Environment &amp; Sustainability PDG</b>					
SPR01	Building Regulations	(6,120)	39,590	45,710	746.9%
SPR02	Planning Enforcement	105,611	177,480	71,869	68.1%
SPR03	Development Control	283,130	244,990	(38,140)	-13.5%
SPR04	Local Land Charges	(38,880)	(15,640)	23,240	59.8%
SPR09	Forward Planning	300,670	305,010	4,340	1.4%
SPR11	Regional Planning	180,000	153,000	(27,000)	-15.0%
SPS03	Flood Defence And Land Drainage	26,032	26,030	(2)	0.0%
SPS04	Street Naming & Numbering	6,970	9,110	2,140	30.7%
SPS13	Climate Change	170,620	272,750	102,130	59.9%
<b>TOTAL PLANNING, ENVIRONMENT &amp; SUSTAINABILITY PDG</b>		<b>1,028,033</b>	<b>1,212,320</b>	<b>184,287</b>	<b>17.9%</b>

2025/26 GENERAL FUND REVENUE ACCOUNT BUDGET DETAIL  
POLICY DEVELOPMENT GROUP - MOVEMENT BY SERVICE UNIT

Service Unit	Direct Costs Detail	2024/25 Agreed Budget £	2025/26 Proposed Budget £	Increase / (Decrease) £	Increase / (Decrease) %
	<b>Service Delivery &amp; Continuous Improvement PDG</b>				
SCS20	Customer Services Admin	20,700	20,700	0	0.0%
SCS22	Customer First	794,420	819,770	25,350	3.2%
SES02	Cemeteries	(126,548)	(97,860)	28,688	22.7%
SES05	Open Spaces	260,331	201,520	(58,811)	-22.6%
SES24	Environmental Enforcement	149,739	187,690	37,951	25.3%
SGM01	Grounds Maintenance	564,189	556,850	(7,339)	-1.3%
SRS01	Recreation And Sport	983,303	907,940	(75,363)	-7.7%
SWS01	Street Cleansing	576,632	616,440	39,808	6.9%
SWS02	Waste Collection	310,100	133,360	(176,740)	-57.0%
SWS03	Recycling	1,535,780	606,490	(929,290)	-60.5%
SWS04	Waste Management	378,010	413,830	35,820	9.5%
	<b>TOTAL SERVICE IMPROVEMENT &amp; CONTINUOUS IMPROVEMENT PDG</b>	<b>5,446,656</b>	<b>4,366,730</b>	<b>(1,079,926)</b>	<b>-19.8%</b>
	<b>Homes PDG</b>				
SES15	Private Sector Housing Grants	9,225	9,550	325	3.5%
SHG03	Homelessness Accommodation	491,870	127,510	(364,360)	-74.1%
SHG05	Community Alarms	(99,335)	(7,060)	92,275	92.9%
	<b>TOTAL HOMES PDG</b>	<b>401,760</b>	<b>130,000</b>	<b>(271,760)</b>	<b>-67.6%</b>
	<b>Net Direct Services Costs</b>	<b>15,814,835</b>	<b>15,356,730</b>	<b>(458,105)</b>	<b>-2.9%</b>
	Net Recharge to HRA	(1,957,080)	(2,050,250)	(93,170)	-4.8%
	Capital Financing	812,700	856,890	44,190	5.4%
	<b>Net Service Costs</b>	<b>14,670,455</b>	<b>14,163,370</b>	<b>(507,085)</b>	<b>-3.5%</b>
SIE06	Interest Receivable	(1,058,774)	(776,470)	282,304	26.7%
SIE03	Interest Costs	351,510	295,520	(55,990)	-15.9%
SIE24	Transfers To / (From) Earmarked Reserves	(840,619)	461,880	1,302,499	154.9%
	<b>Net Budget Requirement</b>	<b>13,122,572</b>	<b>14,144,300</b>	<b>1,021,728</b>	<b>7.8%</b>
SIE11	Business Rates	(4,373,851)	(5,079,330)	(705,479)	-16.1%
SIE08	Council Tax	(7,016,360)	(7,472,010)	(455,650)	-6.5%
SIE10	Un-Ringfenced Grant Funding	(1,732,361)	(1,592,960)	139,401	8.0%
	<b>Total Funding</b>	<b>(13,122,572)</b>	<b>(14,144,300)</b>	<b>(1,021,728)</b>	<b>-7.8%</b>
	<b>Annual Shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>	



**CABINET 2025/26 Service Unit Budgets**

**SCM01 Leadership Team**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	486,899	589,366	651,700	62,334
3000	Transport	1,074	500	500	0
4000	Cost Of Goods And Services	4,302	200	200	0
7000	Income	0	0	0	0
	<b>TOTAL</b>	<b>492,275</b>	<b>590,066</b>	<b>652,400</b>	<b>62,334</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CM100	Leadership Team	652,400
	<b>TOTAL</b>	<b>652,400</b>

**Major cost increases**

Inflationary increase on salaries and transfer of Monitoring Officer to Leadership Team

**Major cost decreases and changes in income**

No major budget movement

**SCM02 Corporate Functions**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	154,044	156,750	175,510	18,760
3000	Transport	31	0	0	0
4000	Cost Of Goods And Services	3,001	100	4,100	4,000
7000	Income	(3,400)	0	0	0
	<b>TOTAL</b>	<b>153,676</b>	<b>156,850</b>	<b>179,610</b>	<b>22,760</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CM205	Performance And Improvement	78,300
CM210	Data Protection	101,310
	<b>TOTAL</b>	<b>179,610</b>

**Major cost increases**

Inflationary increase on salaries, National Insurance increase and staff training

**Major cost decreases and changes in income**

No major budget movement

**SCM03 Corporate Fees**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	56,929	(166,390)	(86,390)	80,000
3000	Transport	36	0	0	0
4000	Cost Of Goods And Services	2,058,980	343,400	346,310	2,910
7000	Income	(300,205)	0	0	0
	<b>TOTAL</b>	<b>1,815,741</b>	<b>177,010</b>	<b>259,920</b>	<b>82,910</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CM300	Corporate Fees	259,920
CM340	Unison	0
CM350	Housing Commission	0
	<b>TOTAL</b>	<b>259,920</b>

**Major cost increases**

Addition of 5 apprentices £150k

**Major cost decreases and changes in income**

Vacancy savings target increased by £70k (to £282k) as a result of the Workforce Review Group's efforts, which included delayed recruitment and a robust challenge process.

**SCM06 Pension Backfunding**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	635,704	660,210	683,820	23,610
4000	Cost Of Goods And Services	0	0	0	0
	<b>TOTAL</b>	<b>635,704</b>	<b>660,210</b>	<b>683,820</b>	<b>23,610</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CM600	Pension Backfunding	683,820
	<b>TOTAL</b>	<b>683,820</b>

**Major cost increases**

Pension Backfunding increase in line with actuarial valuation

**Major cost decreases and changes in income**

No major budget movement

### **SFP01 Accountancy Services**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	393,162	483,830	484,970	1,140
3000	Transport	371	0	0	0
4000	Cost Of Goods And Services	37,673	68,380	69,150	770
7000	Income	0	0	0	0
	<b>TOTAL</b>	<b>431,206</b>	<b>552,210</b>	<b>554,120</b>	<b>1,910</b>

Cost Centre	Cost Centre Name	2025/26 Budget
FP100	Accountancy Services	554,120
	<b>TOTAL</b>	<b>554,120</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SFP02 Internal Audit**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	0	0	0	0
4000	Cost Of Goods And Services	94,000	98,550	83,550	(15,000)
	<b>TOTAL</b>	<b>94,000</b>	<b>98,550</b>	<b>83,550</b>	<b>(15,000)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
FP200	Internal Audit	83,550
	<b>TOTAL</b>	<b>83,550</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

Reduction in the scope of internal audit agreed in 2024/25

### **SFP03 Procurement**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	74,941	105,230	122,960	17,730
4000	Cost Of Goods And Services	46,193	47,100	34,110	(12,990)
7000	Income	(2,072)	0	0	0
	<b>TOTAL</b>	<b>119,062</b>	<b>152,330</b>	<b>157,070</b>	<b>4,740</b>

Cost Centre	Cost Centre Name	2025/26 Budget
FP300	Procurement	157,070
	<b>TOTAL</b>	<b>157,070</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SFP04 Purchase Ledger**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	52,775	56,360	59,130	2,770
4000	Cost Of Goods And Services	6,800	3,305	7,500	4,195
	<b>TOTAL</b>	<b>59,575</b>	<b>59,665</b>	<b>66,630</b>	<b>6,965</b>

Cost Centre	Cost Centre Name	2025/26 Budget
FP400	Purchase Ledger	66,630
	<b>TOTAL</b>	<b>66,630</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SFP05 Sales Ledger**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	52,728	56,360	59,130	2,770
4000	Cost Of Goods And Services	2,175	2,650	2,650	0
	<b>TOTAL</b>	<b>54,903</b>	<b>59,010</b>	<b>61,780</b>	<b>2,770</b>

Cost Centre	Cost Centre Name	2025/26 Budget
FP500	Sales Ledger	61,780
	<b>TOTAL</b>	<b>61,780</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SHR01 Human Resources**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	372,166	474,990	486,250	11,260
3000	Transport	1,605	1,900	1,900	0
4000	Cost Of Goods And Services	69,996	66,770	76,080	9,310
7000	Income	(8,882)	(10,000)	(10,000)	0
	<b>TOTAL</b>	<b>434,884</b>	<b>533,660</b>	<b>554,230</b>	<b>20,570</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HR100	Human Resources	499,720
HR600	Health & Safety Officer	54,510
	<b>TOTAL</b>	<b>554,230</b>

#### **Major cost increases**

No major budget movement

#### **Major cost decreases and changes in income**

No major budget movement

### **SHR02 MDDC Staff Training**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	12,581	15,000	10,000	(5,000)
4000	Cost Of Goods And Services	0	0	0	0
7000	Income	(4,500)	0	0	0
	<b>TOTAL</b>	<b>8,081</b>	<b>15,000</b>	<b>10,000</b>	<b>(5,000)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HR200	Staff Development Training	10,000
	<b>TOTAL</b>	<b>10,000</b>

#### **Major cost increases**

No major budget movement

#### **Major cost decreases and changes in income**

No major budget movement

### **SHR03 Payroll**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	42,693	62,710	69,190	6,480
	<b>TOTAL</b>	<b>42,693</b>	<b>62,710</b>	<b>69,190</b>	<b>6,480</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HR300	Payroll	69,190
	<b>TOTAL</b>	<b>69,190</b>

#### **Major cost increases**

No major budget movement

#### **Major cost decreases and changes in income**

No major budget movement

## **SIT01 IT Gazetteer Management**

<b>Group</b>	<b>Description</b>	<b>2023/24 Actuals</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>Movement</b>
1000	Employees	74,442	83,090	73,870	(9,220)
4000	Cost Of Goods And Services	685	6,180	10,740	4,560
7000	Income	(2,571)	0	0	0
	<b>TOTAL</b>	<b>72,556</b>	<b>89,270</b>	<b>84,610</b>	<b>(4,660)</b>

<b>Cost Centre</b>	<b>Cost Centre Name</b>	<b>2025/26 Budget</b>
IT100	Gazetteer Management	84,610
	<b>TOTAL</b>	<b>84,610</b>

### **Major cost increases**

No major budget movement

### **Major cost decreases and changes in income**

No major budget movement

### **SIT03 IT Information Technology**

<b>Group</b>	<b>Description</b>	<b>2023/24 Actuals</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>Movement</b>
1000	Employees	495,513	522,440	658,260	135,820
3000	Transport	92	500	500	0
4000	Cost Of Goods And Services	528,842	652,940	824,540	171,600
7000	Income	(1,267)	0	0	0
	<b>TOTAL</b>	<b>1,023,180</b>	<b>1,175,880</b>	<b>1,483,300</b>	<b>307,420</b>

<b>Cost Centre</b>	<b>Cost Centre Name</b>	<b>2025/26 Budget</b>
IT300	Central Telephones	40,000
IT400	I.T. Network & Hardware	146,470
IT500	I.T. Software Support & Maint.	448,090
IT600	I.T. Staff Unit	447,420
IT700	Cyber Security	140,910
IT800	Mddc Printing	10,000
IT900	Digital Services	250,410
	<b>TOTAL</b>	<b>1,483,300</b>

#### **Major cost increases**

Inflationary increase on salaries, National Insurance increase and additional 2 FTE  
40k Microsoft office increase, 50k cyber monitoring service, 30k PCI compliance and 50k  
consultancy on a call off basis

#### **Major cost decreases and changes in income**

No major budget movement



**SLD01 Electoral Registration**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	121,865	129,270	139,320	10,050
3000	Transport	0	300	300	0
4000	Cost Of Goods And Services	81,066	73,380	68,330	(5,050)
7000	Income	(20,583)	(2,500)	(2,500)	0
	<b>TOTAL</b>	<b>182,349</b>	<b>200,450</b>	<b>205,450</b>	<b>5,000</b>

Cost Centre	Cost Centre Name	2025/26 Budget
LD100	Electoral Registration	205,450
	<b>TOTAL</b>	<b>205,450</b>

**Major cost increases**

No major budget movement

**Major cost decreases and changes in income**

No major budget movement

**SLD02 Democratic Rep And Management**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	156,875	176,480	199,340	22,860
3000	Transport	7,126	10,000	10,000	0
4000	Cost Of Goods And Services	355,957	375,995	387,090	11,095
7000	Income	0	0	0	0
	<b>TOTAL</b>	<b>519,958</b>	<b>562,475</b>	<b>596,430</b>	<b>33,955</b>

Cost Centre	Cost Centre Name	2025/26 Budget
LD300	Democratic Rep & Management	395,970
LD400	Committee Services	200,460
	<b>TOTAL</b>	<b>596,430</b>

**Major cost increases**

Inflationary increase on salaries, National Insurance increase

**Major cost decreases and changes in income**

No major budget movement

**SLD04 Legal Services**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	295,041	324,684	389,340	64,656
3000	Transport	53	100	100	0
4000	Cost Of Goods And Services	38,793	42,650	30,890	(11,760)
7000	Income	(45,979)	(34,000)	(36,000)	(2,000)
	<b>TOTAL</b>	<b>287,909</b>	<b>333,434</b>	<b>384,330</b>	<b>50,896</b>

Cost Centre	Cost Centre Name	2025/26 Budget
LD600	Legal Services	384,330
	<b>TOTAL</b>	<b>384,330</b>

**Major cost increases**

Inflationary increase on salaries, National Insurance increase and additional post

**Major cost decreases and changes in income**

Reduction in subscriptions

**SRB01 Collection Of Council Tax**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	515,983	542,080	609,730	67,650
3000	Transport	3,184	3,460	3,940	480
4000	Cost Of Goods And Services	252,306	138,130	162,710	24,580
7000	Income	(278,282)	(123,000)	(118,000)	5,000
	<b>TOTAL</b>	<b>493,191</b>	<b>560,670</b>	<b>658,380</b>	<b>97,710</b>

Cost Centre	Cost Centre Name	2025/26 Budget
RB100	Collection Of Council Tax	658,380
	<b>TOTAL</b>	<b>658,380</b>

**Major cost increases**

Inflationary increase in salaries and National Insurance increase.  
 Reallocation of CMT salary.  
 Software costs for Govtech webcapture

**Major cost decreases and changes in income**

No major budget movement

## **SRB02 Collection Of Business Rates**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	0	0	0	0
4000	Cost Of Goods And Services	50,612	40,500	50,800	10,300
7000	Income	(124,253)	(123,500)	(125,000)	(1,500)
	<b>TOTAL</b>	<b>(73,641)</b>	<b>(83,000)</b>	<b>(74,200)</b>	<b>8,800</b>

Cost Centre	Cost Centre Name	2025/26 Budget
RB200	Collection Of Business Rates	(74,200)
	<b>TOTAL</b>	<b>(74,200)</b>

### **Major cost increases**

No major budget movement

### **Major cost decreases and changes in income**

No major budget movement

## **SRB06 Debt Recovery**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	127,021	111,680	120,440	8,760
4000	Cost Of Goods And Services	2,308	3,070	2,900	(170)
7000	Income	(24,446)	0	0	0
	<b>TOTAL</b>	<b>104,883</b>	<b>114,750</b>	<b>123,340</b>	<b>8,590</b>

Cost Centre	Cost Centre Name	2025/26 Budget
RB600	Corporate Debt Team	123,340
	<b>TOTAL</b>	<b>123,340</b>

### **Major cost increases**

No major budget movement

### **Major cost decreases and changes in income**

No major budget movement

## COMMUNITY, PEOPLE & EQUALITIES PDG 2025/26 Service Unit Budgets

### SCD01 Community Development

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	138,500	120,225	120,230	5
	<b>TOTAL</b>	<b>138,500</b>	<b>120,225</b>	<b>120,230</b>	<b>5</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CD200	Community Development	120,230
	<b>TOTAL</b>	<b>120,230</b>

#### Major cost increases

No budget movement

#### Major cost decreases and changes in income

No budget movement

### SES01 Emergency Planning

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	28,911	44,510	47,650	3,140
3000	Transport	31	0	0	0
4000	Cost Of Goods And Services	8,134	7,500	7,600	100
	<b>TOTAL</b>	<b>37,076</b>	<b>52,010</b>	<b>55,250</b>	<b>3,240</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PH500	Emergency Planning	55,250
	<b>TOTAL</b>	<b>55,250</b>

#### Major cost increases

No major budget movements

#### Major cost decreases and changes in income

No major budget movements

### **SES03 Community Safety - C.C.T.V.**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	0	0	0	0
2000	Premises	440	20,000	20,000	0
4000	Cost Of Goods And Services	35,867	35,830	35,830	0
7000	Income	0	(13,100)	(13,100)	0
	<b>TOTAL</b>	<b>36,307</b>	<b>42,730</b>	<b>42,730</b>	<b>0</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS200	Cctv Initiatives	42,730
	<b>TOTAL</b>	<b>42,730</b>

#### **Major cost increases**

No budget movement

#### **Major cost decreases and changes in income**

No budget movement

### **SES04 Public Health**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
2000	Premises	0	0	0	0
4000	Cost Of Goods And Services	5,014	5,000	5,000	0
7000	Income	(791)	(1,250)	(1,250)	0
	<b>TOTAL</b>	<b>4,223</b>	<b>3,750</b>	<b>3,750</b>	<b>0</b>

Cost Centre	Cost Centre Name	2025/26 Budget
EE360	Dog Warden	3,750
	<b>TOTAL</b>	<b>3,750</b>

#### **Major cost increases**

No budget movement

#### **Major cost decreases and changes in income**

No budget movement

### **SES16 Public Health Staff Units/Recharges**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	699,975	714,090	789,750	75,660
3000	Transport	3,885	5,000	4,000	(1,000)
4000	Cost Of Goods And Services	13,069	14,690	12,570	(2,120)
7000	Income	(115,113)	(5,500)	(5,500)	0
	<b>TOTAL</b>	<b>601,815</b>	<b>728,280</b>	<b>800,820</b>	<b>72,540</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PH733	Public Health Staff Unit	800,820
	<b>TOTAL</b>	<b>800,820</b>

#### **Major cost increases**

Salary increase due to approved restructure which included 2 new posts

#### **Major cost decreases and changes in income**

No major budget movements

### **SES17 Community Safety**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	2,804	2,500	3,570	1,070
	<b>TOTAL</b>	<b>2,804</b>	<b>2,500</b>	<b>3,570</b>	<b>1,070</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PH250	Community Safety Partnership	3,570
	<b>TOTAL</b>	<b>3,570</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No budget for income

## **SES18 Food Safety**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	0	0	0	0
2000	Premises	4,400	0	0	0
4000	Cost Of Goods And Services	9,949	13,466	13,170	(296)
7000	Income	(34,173)	(31,500)	(32,000)	(500)
	<b>TOTAL</b>	<b>(19,824)</b>	<b>(18,034)</b>	<b>(18,830)</b>	<b>(796)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PH260	Food Protection	(1,900)
PH270	Asbestos/Water Quality	(16,930)
	<b>TOTAL</b>	<b>(18,830)</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

No major budget movements

## **SES21 Licensing**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	137,145	175,640	180,980	5,340
3000	Transport	485	500	500	0
4000	Cost Of Goods And Services	22,378	38,495	26,400	(12,095)
7000	Income	(165,117)	(165,875)	(165,880)	(5)
	<b>TOTAL</b>	<b>(5,109)</b>	<b>48,760</b>	<b>42,000</b>	<b>(6,760)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PH550	Licensing	(142,050)
PH740	Licensing Unit	184,050
	<b>TOTAL</b>	<b>42,000</b>

### **Major cost increases**

Reduction in computer software costs

### **Major cost decreases and changes in income**

No major budget movement

## **SES23 Pollution Reduction**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	18,278	11,380	13,380	2,000
7000	Income	(7,896)	(10,030)	(10,030)	0
	<b>TOTAL</b>	<b>10,382</b>	<b>1,350</b>	<b>3,350</b>	<b>2,000</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PH660	Control Of Pollution	13,380
PH670	Local Air Pollution	(10,030)
	<b>TOTAL</b>	<b>3,350</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

No major budget movements

## **SPS07 Public Transport**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
2000	Premises	2,409	3,891	3,890	(1)
7000	Income	(17,890)	(29,150)	(29,150)	0
	<b>TOTAL</b>	<b>(15,480)</b>	<b>(25,259)</b>	<b>(25,260)</b>	<b>(1)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS880	Bus Station Maintenance	(25,260)
	<b>TOTAL</b>	<b>(25,260)</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

No major budget movements



### **SRB03 Housing Benefit Admin & Fraud**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	277,613	314,230	322,690	8,460
4000	Cost Of Goods And Services	607,173	84,890	95,600	10,710
7000	Income	(732,026)	(182,090)	(191,000)	(8,910)
	<b>TOTAL</b>	<b>152,760</b>	<b>217,030</b>	<b>227,290</b>	<b>10,260</b>

Cost Centre	Cost Centre Name	2025/26 Budget
RB300	Housing Benefit Admin	219,790
RB340	Local Welfare Assist Scheme	7,500
RB900	Economic Vuln&Financial H/Ship	0
	<b>TOTAL</b>	<b>227,290</b>

#### **Major cost increases**

No major budget movement

#### **Major cost decreases and changes in income**

No major budget movement

### **SRB04 Housing Benefit Subsidy**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	10,982,804	11,640,000	11,640,000	0
7000	Income	(11,019,456)	(11,577,000)	(11,577,000)	0
	<b>TOTAL</b>	<b>(36,652)</b>	<b>63,000</b>	<b>63,000</b>	<b>0</b>

Cost Centre	Cost Centre Name	2025/26 Budget
RB400	Housing Rent Allowances	63,000
	<b>TOTAL</b>	<b>63,000</b>

#### **Major cost increases**

No budget movement

#### **Major cost decreases and changes in income**

No budget movement

## **ECONOMY & ASSETS PDG 2025/26 Service Unit Budgets**

### **SCD02 Pannier Market**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	90,162	102,730	79,670	(23,060)
2000	Premises	70,432	60,403	58,970	(1,433)
4000	Cost Of Goods And Services	13,658	20,460	20,490	30
7000	Income	(92,715)	(113,180)	(113,180)	0
	<b>TOTAL</b>	<b>81,537</b>	<b>70,413</b>	<b>45,950</b>	<b>(24,463)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CD300	Tiverton Pannier Market	45,950
CD305	Market - Electric Nights	0
CD400	Crediton Market Square	0
	<b>TOTAL</b>	<b>45,950</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

Restructure of Market staffing has resulted in a saving

### **SCP01 Parking Services**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
2000	Premises	213,820	261,253	252,960	(8,293)
3000	Transport	0	0	0	0
4000	Cost Of Goods And Services	111,044	108,780	98,410	(10,370)
7000	Income	(999,519)	(1,102,460)	(1,152,460)	(50,000)
	<b>TOTAL</b>	<b>(674,655)</b>	<b>(732,427)</b>	<b>(801,090)</b>	<b>(68,663)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CP520	Multi-Storey Car Park	(123,260)
CP530	Amenity Car Parks	13,820
CP540	Paying Car Parks	(691,650)
	<b>TOTAL</b>	<b>(801,090)</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

Reduction in P&D income collection and software

Increased income budgets for P&D and Off-street parking - based on 2024/25 vend levels

## **SPS01 Asset Management**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
2000	Premises	29,619	505,620	503,900	(1,720)
4000	Cost Of Goods And Services	26,265	34,100	34,480	380
7000	Income	(4,633)	0	0	0
	<b>TOTAL</b>	<b>51,252</b>	<b>539,720</b>	<b>538,380</b>	<b>(1,340)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS140	3 Rivers Development	0
PS150	Surplus Sites For Disposal	0
PS160	Asset Management	538,380
	<b>TOTAL</b>	<b>538,380</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

No major budget movements

## **SPS05 Administration Buildings**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	0	0	0	0
2000	Premises	394,780	426,840	391,740	(35,100)
4000	Cost Of Goods And Services	21,981	29,110	30,750	1,640
7000	Income	(89,703)	(142,120)	(142,120)	0
	<b>TOTAL</b>	<b>327,058</b>	<b>313,830</b>	<b>280,370</b>	<b>(33,460)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS810	Phoenix House	280,370
PS811	Dcc - P/House Sublet	0
PS820	Dcc Library	0
PS840	Crediton Office Building	0
	<b>TOTAL</b>	<b>280,370</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

Budget reduction on utility costs

### **SPS06 MDDC Depots**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
2000	Premises	425,727	537,258	599,600	62,342
4000	Cost Of Goods And Services	29,973	29,220	29,400	180
7000	Income	(57,647)	(55,000)	(55,000)	0
	<b>TOTAL</b>	<b>398,053</b>	<b>511,478</b>	<b>574,000</b>	<b>62,522</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS850	Old Road Depot	131,200
WS770	Unit 3 Carlu Close	442,800
	<b>TOTAL</b>	<b>574,000</b>

#### **Major cost increases**

Increased rental costs for Carlu due to additional capacity requirements for EA Regulations and expansion of the service

#### **Major cost decreases and changes in income**

No major budget movements

### **SPS09 Property Services Staff Unit**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	649,158	794,830	800,430	5,600
2000	Premises	0	0	0	0
3000	Transport	31,894	27,760	30,410	2,650
4000	Cost Of Goods And Services	17,884	9,910	16,010	6,100
7000	Income	(7,115)	0	0	0
	<b>TOTAL</b>	<b>691,820</b>	<b>832,500</b>	<b>846,850</b>	<b>14,350</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS700	Contract Services - P-Health	0
PS960	Caretaking Services	163,010
PS980	Property Services Staff Unit	683,840
	<b>TOTAL</b>	<b>846,850</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

## **SPS11 Public Conveniences**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
2000	Premises	29,910	33,220	33,010	(210)
4000	Cost Of Goods And Services	3,433	1,730	1,740	10
7000	Income	(7,638)	(15,030)	(10,200)	4,830
	<b>TOTAL</b>	<b>25,705</b>	<b>19,920</b>	<b>24,550</b>	<b>4,630</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS350	Public Conveniences	24,550
	<b>TOTAL</b>	<b>24,550</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

No major budget movements

## **SPS12 GF Properties Shops/Flats**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	0	0	0	0
2000	Premises	130,442	206,950	194,550	(12,400)
4000	Cost Of Goods And Services	25,592	5,665	20,700	15,035
7000	Income	(543,969)	(516,235)	(544,880)	(28,645)
	<b>TOTAL</b>	<b>(387,936)</b>	<b>(303,620)</b>	<b>(329,630)</b>	<b>(26,010)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS890	10 Phoenix Lane	(11,990)
PS990	30-38 Fore Street	(96,430)
PS991	Industrial Units	(129,220)
PS992	Market Walk	(49,280)
PS993	Lowman Green Unit	(16,110)
PS995	Coggans Well	(20,440)
PS996	Market Walk Service Charges	0
PS997	Phoenix Lane Former Pc	0
PS998	Residential Letting	(6,160)
	<b>TOTAL</b>	<b>(329,630)</b>

### **Major cost increases**

Budget set for management of Market Walk

### **Major cost decreases and changes in income**

Reduction in Project maintenance costs to off-set budget pressure for management of Market Walk

Increase rental income from Market Walk lease renewals and income from residential letting

## **SPR06 Economic Development**

<b>Group</b>	<b>Description</b>	<b>2023/24 Actuals</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>Movement</b>
1000	Employees	281,035	296,230	273,560	(22,670)
3000	Transport	871	500	500	0
4000	Cost Of Goods And Services	1,465,339	82,300	82,380	80
7000	Income	(1,153,000)	0	0	0
	<b>TOTAL</b>	<b>594,245</b>	<b>379,030</b>	<b>356,440</b>	<b>(22,590)</b>

<b>Cost Centre</b>	<b>Cost Centre Name</b>	<b>2025/26 Budget</b>
PR400	Business Development	356,440
PR402	Cullompton Haz	0
PR403	Shared Prosperity Fund	0
PR404	Cullompton Relief Road	0
PR420	Tiv Town Centre Regen Proj	0
	<b>TOTAL</b>	<b>356,440</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

Salary saving due to the removal of vacant posts

## **PLANNING, ENVIRONMENT & SUSTAINABILITY PDG 2025/26 Service Unit Budgets**

### **SPR01 Building Regulations**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	183,041	195,000	262,480	67,480
3000	Transport	8,107	11,500	11,500	0
4000	Cost Of Goods And Services	14,923	8,250	16,120	7,870
7000	Income	(193,163)	(220,870)	(250,510)	(29,640)
	<b>TOTAL</b>	<b>12,908</b>	<b>(6,120)</b>	<b>39,590</b>	<b>45,710</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PR100	Building Regulations	38,690
PR900	Dangerous Buildings And Trees	900
	<b>TOTAL</b>	<b>39,590</b>

#### **Major cost increases**

Addition of a trainee post  
Budget set to accommodate for agency expenses

#### **Major cost decreases and changes in income**

Removal of 2 posts from budgeted salaries  
Increased Fees & Charges

### **SPR02 Planning Enforcement**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	107,991	95,730	167,900	72,170
3000	Transport	9	1,000	1,000	0
4000	Cost Of Goods And Services	1,079	8,881	8,580	(301)
	<b>TOTAL</b>	<b>109,080</b>	<b>105,611</b>	<b>177,480</b>	<b>71,869</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PR110	Enforcement	177,480
	<b>TOTAL</b>	<b>177,480</b>

#### **Major cost increases**

Salary increase is due to additional post of Senior Planning Enforcement Officer

#### **Major cost decreases and changes in income**

No major budget movements

### **SPR03 Development Control**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	1,064,585	1,237,300	1,194,470	(42,830)
2000	Premises	0	0	0	0
3000	Transport	6,800	6,900	6,900	0
4000	Cost Of Goods And Services	822,142	121,930	101,620	(20,310)
7000	Income	(1,054,739)	(1,083,000)	(1,058,000)	25,000
	<b>TOTAL</b>	<b>838,788</b>	<b>283,130</b>	<b>244,990</b>	<b>(38,140)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PR200	Development Management	177,410
PR220	Tiverton Eue	0
PR225	Garden Village Project	67,580
PR227	J28 Feasibility	0
	<b>TOTAL</b>	<b>244,990</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

Salary savings are from the removal of some vacant posts

Reduction in advertising & software budget

Reduction in Planning fees & charges partially offset by national fee increases

### **SPR04 Local Land Charges**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	51,762	56,620	61,000	4,380
4000	Cost Of Goods And Services	20,484	24,500	24,580	80
7000	Income	(158,422)	(120,000)	(101,220)	18,780
	<b>TOTAL</b>	<b>(86,176)</b>	<b>(38,880)</b>	<b>(15,640)</b>	<b>23,240</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PR210	Local Land Charges	(15,640)
PR820	Assets Of Community Value	0
	<b>TOTAL</b>	<b>(15,640)</b>

#### **Major cost increases**

Reduction in the income budget to align with forecasted income levels

#### **Major cost decreases and changes in income**

No major budget movements



### **SPR09 Forward Planning**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	238,944	256,270	260,510	4,240
3000	Transport	24	300	300	0
4000	Cost Of Goods And Services	72,054	44,100	44,200	100
7000	Income	(29,900)	0	0	0
	<b>TOTAL</b>	<b>281,123</b>	<b>300,670</b>	<b>305,010</b>	<b>4,340</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PR600	Forward Planning Unit	305,010
	<b>TOTAL</b>	<b>305,010</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SPR11 Regional Planning**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	72,273	180,000	153,000	(27,000)
	<b>TOTAL</b>	<b>72,273</b>	<b>180,000</b>	<b>153,000</b>	<b>(27,000)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PR810	Statutory Development Plan	153,000
	<b>TOTAL</b>	<b>153,000</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

Reduction in Development plan costs

### **SPS03 Flood Defence And Land Drainage**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
2000	Premises	27,886	25,900	25,900	0
4000	Cost Of Goods And Services	112	132	130	(2)
	<b>TOTAL</b>	<b>27,998</b>	<b>26,032</b>	<b>26,030</b>	<b>(2)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS400	Flood Defence And Land Drain	26,030
	<b>TOTAL</b>	<b>26,030</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SPS04 Street Naming & Numbering**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	4,868	5,600	8,040	2,440
2000	Premises	9,327	1,840	1,840	0
4000	Cost Of Goods And Services	299	1,130	1,130	0
7000	Income	(2,126)	(1,600)	(1,900)	(300)
	<b>TOTAL</b>	<b>12,367</b>	<b>6,970</b>	<b>9,110</b>	<b>2,140</b>

Cost Centre	Cost Centre Name	2025/26 Budget
PS600	Street Naming & Numbering	9,110
	<b>TOTAL</b>	<b>9,110</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

## **SPS13 Climate Change**

<b>Group</b>	<b>Description</b>	<b>2023/24 Actuals</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>Movement</b>
1000	Employees	54,894	59,500	61,750	2,250
4000	Cost Of Goods And Services	8,660	111,120	211,000	99,880
	<b>TOTAL</b>	<b>63,554</b>	<b>170,620</b>	<b>272,750</b>	<b>102,130</b>

<b>Cost Centre</b>	<b>Cost Centre Name</b>	<b>2025/26 Budget</b>
PS950	Climate Change	272,750
	<b>TOTAL</b>	<b>272,750</b>

### **Major cost increases**

£100k increase in budget to push for further progress towards Net Zero

### **Major cost decreases and changes in income**

No major budget movements

**SERVICE DELIVERY & CONTINUOUS IMPROVEMENT 2025/26 Service Unit Budgets**

**SCS20 Customer Services Admin**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	20,414	20,700	20,700	0
	<b>TOTAL</b>	<b>20,414</b>	<b>20,700</b>	<b>20,700</b>	<b>0</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CS900	Central Photocopying	3,100
CS902	Central Postage	17,600
	<b>TOTAL</b>	<b>20,700</b>

**Major cost increases**

No budget movement

**Major cost decreases and changes in income**

No budget movement

**SCS22 Customer First**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	689,120	773,930	798,800	24,870
3000	Transport	0	0	0	0
4000	Cost Of Goods And Services	18,827	20,490	20,970	480
7000	Income	(1,473)	0	0	0
	<b>TOTAL</b>	<b>706,473</b>	<b>794,420</b>	<b>819,770</b>	<b>25,350</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CS200	Communications	124,430
CS930	Customer First Management	207,830
CS932	Customer First	487,510
	<b>TOTAL</b>	<b>819,770</b>

**Major cost increases**

Inflationary increase on salaries and impact of 19k National Insurance increase

**Major cost decreases and changes in income**

No budget movement

## **SES02 Cemeteries**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	24,632	26,810	28,530	1,720
2000	Premises	95,907	23,552	23,150	(402)
4000	Cost Of Goods And Services	8,521	8,940	8,770	(170)
7000	Income	(148,873)	(185,850)	(158,310)	27,540
	<b>TOTAL</b>	<b>(19,814)</b>	<b>(126,548)</b>	<b>(97,860)</b>	<b>28,688</b>

Cost Centre	Cost Centre Name	2025/26 Budget
CB100	Cemeteries	(118,830)
CB101	Cemetery Lodge	(7,560)
CB110	Bereavement Services	28,530
	<b>TOTAL</b>	<b>(97,860)</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

Reduction in income from Internments & Exclusive Burial Rights

## **SES05 Open Spaces**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	14,101	16,910	17,590	680
2000	Premises	138,105	277,421	278,570	1,149
3000	Transport	982	3,140	3,360	220
4000	Cost Of Goods And Services	5,386	4,210	3,350	(860)
7000	Income	(41,463)	(41,350)	(101,350)	(60,000)
	<b>TOTAL</b>	<b>117,111</b>	<b>260,331</b>	<b>201,520</b>	<b>(58,811)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
ES450	Parks & Open Spaces	0
OS450	Parks & Open Spaces	113,040
OS455	Amory Park Recreation	66,260
OS460	Play Areas	22,220
	<b>TOTAL</b>	<b>201,520</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

Additional income from Town & Parish contributions - conversations still ongoing and unlikely to delivery £60k saving fully in 2025/26

## **SES24 Environmental Enforcement**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	124,872	139,440	175,630	36,190
3000	Transport	14,161	10,070	10,760	690
4000	Cost Of Goods And Services	4,902	3,229	4,300	1,071
7000	Income	(12,020)	(3,000)	(3,000)	0
	<b>TOTAL</b>	<b>131,916</b>	<b>149,739</b>	<b>187,690</b>	<b>37,951</b>

Cost Centre	Cost Centre Name	2025/26 Budget
EE730	Environmental Enforcement	187,690
	<b>TOTAL</b>	<b>187,690</b>

### **Major cost increases**

Inflationary increase on salaries, National Insurance increase and additional 0.6 FTE

### **Major cost decreases and changes in income**

No major budget movement

## **SGM01 Grounds Maintenance**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	470,472	526,800	519,000	(7,800)
2000	Premises	0	0	0	0
3000	Transport	135,119	93,509	92,340	(1,169)
4000	Cost Of Goods And Services	21,376	19,680	13,810	(5,870)
7000	Income	(110,969)	(75,800)	(68,300)	7,500
	<b>TOTAL</b>	<b>515,998</b>	<b>564,189</b>	<b>556,850</b>	<b>(7,339)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
GM960	Grounds Maintenance	556,850
	<b>TOTAL</b>	<b>556,850</b>

### **Major cost increases**

No major budget movement

### **Major cost decreases and changes in income**

Reduction in establishment by 1 FTE

## **SRS01 Recreation And Sport**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	2,384,185	2,491,983	2,788,870	296,887
2000	Premises	1,327,278	1,612,550	1,561,800	(50,750)
3000	Transport	4,997	6,400	6,400	0
4000	Cost Of Goods And Services	294,196	291,950	282,840	(9,110)
7000	Income	(3,323,517)	(3,419,580)	(3,731,970)	(312,390)
	<b>TOTAL</b>	<b>687,139</b>	<b>983,303</b>	<b>907,940</b>	<b>(75,363)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
RS100	Leis Facilities Maint & Equip	468,920
RS110	Leisure Management & Admin	99,480
RS140	Exe Valley Leisure Centre	41,850
RS150	Lords Meadow Leisure Centre	240,830
RS155	Leisure Land Rents	(13,820)
RS160	Culm Valley Sports Centre	70,680
	<b>TOTAL</b>	<b>907,940</b>

### **Major cost increases**

Salary increases, implementation of new staffing structure and increase in National Insurance Contributions  
Removal of Vacancy Target

### **Major cost decreases and changes in income**

Reduction in utility costs across all 3 Leisure Centres  
Increase in membership income

## **SWS01 Street Cleansing**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	392,563	485,230	518,370	33,140
2000	Premises	0	0	0	0
3000	Transport	100,296	112,872	116,650	3,778
4000	Cost Of Goods And Services	31,965	19,530	22,420	2,890
7000	Income	(52,193)	(41,000)	(41,000)	0
	<b>TOTAL</b>	<b>472,632</b>	<b>576,632</b>	<b>616,440</b>	<b>39,808</b>

Cost Centre	Cost Centre Name	2025/26 Budget
WS650	Street Cleansing	616,440
	<b>TOTAL</b>	<b>616,440</b>

### **Major cost increases**

Inflationary increase on salaries and 10.5k National Insurance increase

### **Major cost decreases and changes in income**

No major budget movement

## **SWS02 Waste Collection**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	1,332,208	1,491,600	1,555,590	63,990
2000	Premises	0	0	0	0
3000	Transport	561,371	518,580	507,050	(11,530)
4000	Cost Of Goods And Services	648,929	656,120	765,220	109,100
7000	Income	(2,385,934)	(2,356,200)	(2,694,500)	(338,300)
	<b>TOTAL</b>	<b>156,574</b>	<b>310,100</b>	<b>133,360</b>	<b>(176,740)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
WS700	Refuse Collection	247,690
WS705	Three Weekly Refuse Collection	0
WS710	Trade Waste Collection	(114,330)
	<b>TOTAL</b>	<b>133,360</b>

### **Major cost increases**

Inflationary increase on salaries and 33k National Insurance increase  
Increase in waste disposal charges for Trade Waste

### **Major cost decreases and changes in income**

Increased income - 185k pEPR income, 50k DCC Shared Savings Scheme.  
100k inflationary increase and growth from garden waste, bulky waste and Trade Waste



### **SWS03 Recycling**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	1,608,943	1,829,720	1,916,650	86,930
2000	Premises	0	0	0	0
3000	Transport	429,352	472,200	477,850	5,650
4000	Cost Of Goods And Services	184,889	156,360	176,090	19,730
7000	Income	(1,019,930)	(922,500)	(1,964,100)	(1,041,600)
	<b>TOTAL</b>	<b>1,203,253</b>	<b>1,535,780</b>	<b>606,490</b>	<b>(929,290)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
WS725	Kerbside Recycling	606,490
	<b>TOTAL</b>	<b>606,490</b>

#### **Major cost increases**

Inflationary increase on salaries and 40k National Insurance increase

#### **Major cost decreases and changes in income**

740k pEPR income. Additional 200k income from recycle. 100k additional income from recycling credits

### **SWS04 Waste Management**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	345,987	363,110	384,590	21,480
3000	Transport	653	1,000	1,000	0
4000	Cost Of Goods And Services	7,498	13,900	28,240	14,340
7000	Income	(4,989)	0	0	0
	<b>TOTAL</b>	<b>349,148</b>	<b>378,010</b>	<b>413,830</b>	<b>35,820</b>

Cost Centre	Cost Centre Name	2025/26 Budget
FM100	Fleet Management	58,220
WS750	Waste Management Staff Unit	355,610
	<b>TOTAL</b>	<b>413,830</b>

#### **Major cost increases**

Inflationary increase on salaries and 7k National Insurance increase

#### **Major cost decreases and changes in income**

No major budget movement

## HOMES PDG 2025/26 Service Unit Budgets

### SES15 Private Sector Housing Grants

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	10,204	11,825	13,620	1,795
7000	Income	(279,402)	(2,600)	(4,070)	(1,470)
	<b>TOTAL</b>	<b>(269,198)</b>	<b>9,225</b>	<b>9,550</b>	<b>325</b>

Cost Centre	Cost Centre Name	2025/26 Budget
ES349	Private Sector Hsg Team Rechar	0
ES354	Private Sector Housing Team	0
PH354	Private Sector Housing Team	9,550
	<b>TOTAL</b>	<b>9,550</b>

#### Major cost increases

No major budget movements

#### Major cost decreases and changes in income

No major budget movements

## **SHG03 Homelessness Accommodation**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	454,459	533,650	602,950	69,300
2000	Premises	164,631	134,950	86,520	(48,430)
3000	Transport	3,738	5,200	3,400	(1,800)
4000	Cost Of Goods And Services	705,779	612,310	528,680	(83,630)
7000	Income	(1,053,051)	(794,240)	(1,094,040)	(299,800)
	<b>TOTAL</b>	<b>275,556</b>	<b>491,870</b>	<b>127,510</b>	<b>(364,360)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HG320	Housing & Homelessness Advice	0
HG373	Housing Options Staff	0
HG376	Ivor Macey House Project	0
PH320	Housing & Homelessness Advice	(316,270)
PH321	Care Leavers/Young People	0
PH325	Homes For Ukraine	0
PH345	Rough Sleeping Initiative	(95,240)
PH349	Domestic Abuse Duty	0
PH373	Housing Options Staff	585,780
PH376	Ivor Macey House	2,950
PH377 - PH388	Housing Lettings	(49,710)
	<b>TOTAL</b>	<b>127,510</b>

### **Major cost increases**

Restructure of the Housing Options Team has resulted in higher salary costs which is to be off-set by the additional Homelessness Prevention Grant

### **Major cost decreases and changes in income**

Savings within the Premises budget is due to the removal of the project maintenance budget as not required in 2025/26

Reduction in the Homelessness Temp B&B budget due to the provision of our recently purchased properties for Homelessness

Increase in income from the Homelessness Prevention Grant

## **SHG05 Community Alarms**

<b>Group</b>	<b>Description</b>	<b>2023/24 Actuals</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>Movement</b>
1000	Employees	31,526	34,805	37,080	2,275
3000	Transport	1,698	2,500	2,500	0
4000	Cost Of Goods And Services	47,650	60,000	120,000	60,000
7000	Income	(156,373)	(196,640)	(166,640)	30,000
	<b>TOTAL</b>	<b>(75,499)</b>	<b>(99,335)</b>	<b>(7,060)</b>	<b>92,275</b>

<b>Cost Centre</b>	<b>Cost Centre Name</b>	<b>2025/26 Budget</b>
HG350	Community Alarms	(7,060)
	<b>TOTAL</b>	<b>(7,060)</b>

### **Major cost increases**

Increase in Care Alarm equipment costs due to digital upgrade

### **Major cost decreases and changes in income**

Reduction in Care Alarm income due to reduced service uptake

**2025/26 Transfers To / (From) Earmarked Reserves**

**2025/26 BUDGETS**

**Transfers To Earmarked Reserves**

SERVICE	EMR		Total
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	669,600
GM/WS	EQ760	STREET SCENE SMALL PLANT	22,420
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	100,000
New	New	TEMPORARY HOUSING SINKING FUND	20,000
New	New	EXTENDED PRODUCER RESPONSIBILTY (EPR)	927,000
New	New	HOMELESSNESS GRANT	100,000
IT200	EQ749	BUSINESS SYSTEMS MIGRATION	50,000
<b>TOTAL</b>			<b><u>2,224,720</u></b>

**2025/26 BUDGETS**

**Transfers (From) Earmarked Reserves**

SERVICE	EMR	Description	TOTAL
CD200	EQ653	COMMUNITY GRANTS	(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	(6,508)
EQ644	EQ644	DEV CONT WINSWOOD CREDITION	(3,080)
EQ756	EQ756	FLEET CONTRACT FUND	(803,679)
IE440	EQ659	NNDR SMOOTHING RESERVE	(200,000)
PR600	EQ821	NEIGHBOURHOOD PLANNING	(10,000)
OS450	EQ837	PROPERTY MAINT RESERVE	(349,201)
PR400	EQ653	BUSINESS DEVELOPMENT	(80,000)
PR810	EQ728	STATUTORY DEVELOPMENT PLAN	(153,000)
	EQ660	RELEASING EARMARKED RESERVES NO LONGER REQUIRED	(100,002)
<b>TOTAL</b>			<b><u>(1,762,840)</u></b>

**Net Transfer To / (From) Earmarked Reserves**

**461,880**

## Housing Revenue Account - Service Summary

Code	Best Value Unit	Base Budget 2024/2025	Proposed Budget 2025/2026	Movement	%
	<b>Income</b>				
SHO01	Dwelling Rents Income	(14,640,680)	(15,075,680)	(435,000)	-2.97%
SHO04	Non Dwelling Rents Income	(534,350)	(494,920)	39,430	7.38%
SHO07	Leaseholders' Charge For Services	(29,000)	(36,210)	(7,210)	-24.86%
SHO08	Contributions Towards Expenditure	(216,500)	(125,500)	91,000	42.03%
SHO10	H.R.A. Investment Income	(573,830)	(320,000)	253,830	44.23%
SHO11	Misc. Income	(6,000)	(6,000)	0	0.00%
		<b>(16,000,360)</b>	<b>(16,058,310)</b>	<b>(57,950)</b>	<b>-0.36%</b>
	<b>Services</b>				
SHO13A	Repairs & Maintenance	5,358,800	5,489,090	130,290	2.43%
SHO17A	Housing & Tenancy Services	2,152,250	2,448,320	296,070	13.76%
		<b>7,511,050</b>	<b>7,937,410</b>	<b>426,360</b>	<b>5.68%</b>
	<b>Accounting entries 'below the line'</b>				
SHO19	Policy And Management	0	0	0	
SHO29	Bad Debt Provision	300,000	150,000	(150,000)	-50.00%
SHO30	Share Of Corporate And Democratic Costs	166,870	177,590	10,720	6.42%
SHO32	H.R.A. Interest Payable	1,222,310	1,083,280	(139,030)	-11.37%
SHO34	H.R.A. Transfers To/From EMR	1,294,950	864,110	(430,840)	-33.27%
SHO37	Capital Receipts Reserve Adjustment	(20,800)	(20,800)	0	0.00%
SHO38	Major Repairs Allowance	2,635,000	2,892,700	257,700	9.78%
SHO45	Renewable Energy Transactions	(152,500)	(144,880)	7,620	5.00%
	<b>TOTAL</b>	<b>5,445,830</b>	<b>5,002,000</b>	<b>(443,830)</b>	<b>-8.15%</b>

Code	Best Value Unit	Base Budget 2024/2025	Proposed Budget 2025/2026	Movement	%
1000	Employees	4,217,650	4,578,730	361,080	8.56%
2000	Premises	483,100	561,430	78,330	16.21%
3000	Transport	291,930	287,530	(4,400)	-1.51%
4000	Cost Of Goods And Services	8,140,100	7,871,000	(269,100)	-3.31%
7000	Income	(16,176,260)	(16,417,590)	(241,330)	-1.49%
	<b>TOTAL</b>	<b>(3,043,480)</b>	<b>(3,118,900)</b>	<b>(75,420)</b>	<b>-2.48%</b>

Code	Best Value Unit	Base Budget 2024/2025	Proposed Budget 2025/2026	Movement	%
5000	Recharges	1,957,080	2,050,250	93,170	4.76%
6000	Capital Charges	1,086,400	1,068,650	(17,750)	-1.63%
	<b>TOTAL</b>	<b>3,043,480</b>	<b>3,118,900</b>	<b>75,420</b>	<b>2.48%</b>

	<b>GRAND TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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## 2025/26 Service Unit Budgets - Housing Revenue Account

### SHO01 Dwelling Rents Income

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	27,669	70,000	70,000	0
7000	Income	(12,112,715)	(14,710,680)	(15,145,680)	(435,000)
	<b>TOTAL</b>	<b>(12,085,046)</b>	<b>(14,640,680)</b>	<b>(15,075,680)</b>	<b>(435,000)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO700	Genl Needs Housing Rents	(15,075,680)
	<b>TOTAL</b>	<b>(15,075,680)</b>

#### Major cost increases

No major budget movements

#### Major cost decreases and changes in income

Increase in rental income due to CPI uplift and increase in number of homes to let (St. Georges), but reduced by correction of overcharged rents following rent error

### SHO04 Non Dwelling Rents Income

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	257	1,600	1,600	0
7000	Income	(506,454)	(535,950)	(496,520)	39,430
	<b>TOTAL</b>	<b>(506,197)</b>	<b>(534,350)</b>	<b>(494,920)</b>	<b>39,430</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO760	Car Parking Income	(4,250)
HO770	Garage Income	(351,870)
HO780	Ground Rent Income	(15,060)
HO790	Shop Income	(109,000)
HO795	Leased Accommodation	(10,990)
HO800	Land Licence	(3,750)
	<b>TOTAL</b>	<b>(494,920)</b>

#### Major cost increases

No major budget movements

#### Major cost decreases and changes in income

Continued decline in take-up of garages combined with no rental increase due to stock condition

### **SHO07 Leaseholders' Charge For Services**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
7000	Income	(26,612)	(29,000)	(36,210)	(7,210)
	<b>TOTAL</b>	<b>(26,612)</b>	<b>(29,000)</b>	<b>(36,210)</b>	<b>(7,210)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO870	Leaseholders' Service Charges	(36,210)
	<b>TOTAL</b>	<b>(36,210)</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SHO08 Contributions Towards Expenditure**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	10,396	15,000	15,000	0
7000	Income	(240,192)	(231,500)	(140,500)	91,000
	<b>TOTAL</b>	<b>(229,796)</b>	<b>(216,500)</b>	<b>(125,500)</b>	<b>91,000</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO885	Contributions Towards Exp	(14,500)
HO890	Rechargeable Repairs Income	(111,000)
	<b>TOTAL</b>	<b>(125,500)</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

Reduction in internal income budget in line with current year actuals



### **SHO10 H.R.A. Investment Income**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
7000	Income	(597,732)	(573,830)	(320,000)	253,830
	<b>TOTAL</b>	<b>(597,732)</b>	<b>(573,830)</b>	<b>(320,000)</b>	<b>253,830</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO930	Investm'T Income - Capital Bal	(320,000)
	<b>TOTAL</b>	<b>(320,000)</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

Investment income reduced due to lower forecast cash balances

### **SHO11 Misc. Income**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	4	0	0	0
7000	Income	(787,273)	(6,000)	(6,000)	0
	<b>TOTAL</b>	<b>(787,269)</b>	<b>(6,000)</b>	<b>(6,000)</b>	<b>0</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO696	Capital Grants And Contributio	0
HO960	Sundry Income Incl. Wayleaves	(6,000)
	<b>TOTAL</b>	<b>(6,000)</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

## **SHO13A Repairs & Maintenance**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	2,031,832	2,754,780	2,866,470	111,690
2000	Premises	71,189	88,390	99,320	10,930
3000	Transport	251,716	283,880	279,480	(4,400)
4000	Cost Of Goods And Services	2,582,454	2,390,250	2,443,320	53,070
7000	Income	(280,541)	(158,500)	(199,500)	(41,000)
	<b>TOTAL</b>	<b>4,656,650</b>	<b>5,358,800</b>	<b>5,489,090</b>	<b>130,290</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO120	Disabled Adaptations	924,190
HO130	Planned & Cyclical Maintenance	1,441,930
HO132	Standby	1,200
HO137	Estate Caretaking	0
HO140	Voids Maintenance	1,300,170
HO145	Housing Vehicles	242,460
HO150	Responsive Repairs	1,819,640
HO155	Repairs - Transfers Of Costs	(2,048,500)
HO160	Stores	62,320
HO212	Redevelopment Works	0
HO310	Repairs Management	1,305,860
HO312	Planned Maintenance Team	439,820
HO325	Housing Business Support	0
	<b>TOTAL</b>	<b>5,489,090</b>

### **Major cost increases**

Inflationary increase on salaries and impact of National Insurance increase  
Above RPI inflation on building materials

### **Major cost decreases and changes in income**

Net increase in internal income supporting projects within the Capital Programme

## **SHO17A Housing & Tenancy Services**

<b>Group</b>	<b>Description</b>	<b>2023/24 Actuals</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>Movement</b>
1000	Employees	1,062,763	1,296,000	1,534,670	238,670
2000	Premises	347,311	394,710	462,110	67,400
3000	Transport	6,758	8,050	8,050	0
4000	Cost Of Goods And Services	332,134	483,490	473,490	(10,000)
7000	Income	(57,185)	(30,000)	(30,000)	0
	<b>TOTAL</b>	<b>1,691,780</b>	<b>2,152,250</b>	<b>2,448,320</b>	<b>296,070</b>

<b>Cost Centre</b>	<b>Cost Centre Name</b>	<b>2025/26 Budget</b>
HO200	A.S.B.	7,500
HO210	Estate Management	384,160
HO215	Utility Costs Void Properties	105,950
HO220	General Tenancy	762,100
HO250	H.R.A. Shops	23,800
HO260	Leasehold Management	0
HO270	Lettings & Waiting Lists	5,500
HO280	Tenant Involvement	167,910
HO300	Other Admin Costs	46,900
HO320	Housing Services Management	355,140
HO330	H.R.A. Strategy	90,000
HO332	Development Training	12,000
HO350	Finance And Performance	426,360
HO370	Rent Collection & Accounting	34,400
HO380	Income Collection	14,300
HO390	Sale Of Council Houses	3,000
HO400	Warden Service Expenditure	9,300
	<b>TOTAL</b>	<b>2,448,320</b>

### **Major cost increases**

Inflationary increase on salaries and impact of National Insurance increase  
Increases in council tax and utilities on void properties

### **Major cost decreases and changes in income**

No major budget movements

### **SHO29 Bad Debt Provision**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
7000	Income	142,163	300,000	150,000	(150,000)
	<b>TOTAL</b>	<b>142,163</b>	<b>300,000</b>	<b>150,000</b>	<b>(150,000)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO610	Bad Debt Provision Movement	150,000
	<b>TOTAL</b>	<b>150,000</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

Reduction in provision in line with current year actuals

### **SHO30 Share Of Corporate and Democratic Costs**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
1000	Employees	171,302	166,870	177,590	10,720
	<b>TOTAL</b>	<b>171,302</b>	<b>166,870</b>	<b>177,590</b>	<b>10,720</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO620	Share Of Corp And Dem	177,590
	<b>TOTAL</b>	<b>177,590</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SHO32 H.R.A. Interest Payable**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	1,045,308	1,222,310	1,083,280	(139,030)
	<b>TOTAL</b>	<b>1,045,308</b>	<b>1,222,310</b>	<b>1,083,280</b>	<b>(139,030)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO640	H.R.A. Interest Payable	1,083,280
	<b>TOTAL</b>	<b>1,083,280</b>

#### **Major cost increases**

Reduction in interest payable on PWLB loans

#### **Major cost decreases and changes in income**

No major budget movements

### **SHO34 H.R.A. Transfers To/From EMR**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	1,707,122	1,294,950	864,110	(430,840)
7000	Income	(2,567,569)	0	0	0
	<b>TOTAL</b>	<b>(860,447)</b>	<b>1,294,950</b>	<b>864,110</b>	<b>(430,840)</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO698	Hra Trf To/From Emr	864,110
	<b>TOTAL</b>	<b>864,110</b>

#### **Major cost increases**

Drawdown from reserves required to support expenditure

#### **Major cost decreases and changes in income**

No major budget movements

### **SHO37 Capital Receipts Reserves Adjustment**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
7000	Income	(13,000)	(20,800)	(20,800)	0
	<b>TOTAL</b>	<b>(13,000)</b>	<b>(20,800)</b>	<b>(20,800)</b>	<b>0</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO688	Admin Costs On Disposal Of Nca	(20,800)
	<b>TOTAL</b>	<b>(20,800)</b>

#### **Major cost increases**

No major budget movements

#### **Major cost decreases and changes in income**

No major budget movements

### **SHO38 Major Repairs Allowance**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
4000	Cost Of Goods And Services	2,831,118	2,635,000	2,892,700	257,700
	<b>TOTAL</b>	<b>2,831,118</b>	<b>2,635,000</b>	<b>2,892,700</b>	<b>257,700</b>

Cost Centre	Cost Centre Name	2025/26 Budget
HO690	Trf To/From Major Repairs Res	2,892,700
	<b>TOTAL</b>	<b>2,892,700</b>

#### **Major cost increases**

Increase in depreciation (MRA) due to increased housing stock and building materials inflation

#### **Major cost decreases and changes in income**

No major budget movements

## **SHO45 Renewable Energy Transactions**

<b>Group</b>	<b>Description</b>	<b>2023/24 Actuals</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>Movement</b>
4000	Cost Of Goods And Services	23,150	27,500	27,500	0
7000	Income	(247,102)	(180,000)	(172,380)	7,620
	<b>TOTAL</b>	<b>(223,952)</b>	<b>(152,500)</b>	<b>(144,880)</b>	<b>7,620</b>

<b>Cost Centre</b>	<b>Cost Centre Name</b>	<b>2025/26 Budget</b>
HO295	Solar Panel Scheme Expenditure	27,500
HO962	Solar Panel Scheme Income	(172,380)
	<b>TOTAL</b>	<b>(144,880)</b>

### **Major cost increases**

No major budget movements

### **Major cost decreases and changes in income**

No major budget movements

NEW Bids 2025/26 - 2029/30 Capital Programme

Annex 1a

Area	Sub Area	Project Title	Total Project Budget Approval					Spend Profile for NEW Indicative Capital Programme								
			2025/26	2026/27	2027/28	2028/29	2029/30	Total	2025/26	2026/27	2027/28	2028/29	2029/30	eyond 2029.	Total	
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
<b>General Fund</b>																
Leisure	Lords Meadow Leisure Centre	Extension to building on land of skate park at Lords Meadow	600						600	30	470	100				600
Leisure	Leisure - Other	Pool Pods - Submersible platforms for disabled	70						70	70						70
Other MDDC Buildings	Phoenix House	Phoenix House - CCTV Replacement	65						65	65	-	-	-	-		65
Other MDDC Buildings	MDDC Depots	Baler conveyor replacement	150						150	150	-	-	-	-		150
Other	Parks & Play Areas	Open Space Infrastructure (incl Play Areas)	300						300	100	100	100	-	-		300
Other	Parks & Play Areas	Upgrade Park Lighting	100						100	100	-	-	-	-		100
Private Sector Housing	Private Sector Housing	Capitalised staff resource to deliver Private Sector Housing Grants	740						740	148	148	148	148	148		740
Private Sector Housing	Private Sector Housing	Survey costs to deliver the Private Sector Housing Grants	100						100	20	20	20	20	20		100
Other	Other Projects	Lendology Loans	250						250	50	50	50	50	50		250
Other MDDC Buildings	Public Conveniences	Newcombes Meadow Toilet Block	100						100	50	50	-	-	-		100
Other	Other Projects	Tiverton Public Realm Enhancement Project	74						74	43	31	-	-	-		74
Other	Other Projects	Crediton Public Realm Enhancement	80						80	30	50	-	-	-		80
Leisure	Exe Valley Leisure Centre	Soft Play at Exe Valley Leisure Centre	-	500	-	-	-		500	-	30	170	300	-	-	500
Leisure	Exe Valley Leisure Centre	Fitness Studio renewal of equipment	-	300	-	-	-		300		300	-	-	-	-	300
Leisure	Lords Meadow Leisure Centre	Fitness Studio renewal of equipment	-	-	200	-	-		200			200	-	-	-	200
Leisure	Culm Valley Leisure Centre	Fitness Studio renewal of equipment	-	-	-	200	-		200				200	-	-	200
Other MDDC Buildings	MDDC Depots	Baler Floor (to be replaced every 5 yrs)	-	-	-	-	30		30	-	-	-	-	30	-	30
Other	General Car Parks	Replace Car Park paying machines in the District	-	-	-	-	85		85	-	-	-	-	85	-	85
Other	ICT Projects	Network Switch/ Firewall/ Wifi Refresh (ALL Sites)	-	-	-	125	125		250	-	-	-	125	125	-	250
Other	ICT Projects	Server & Storage Hardware Refresh	-	-	-	-	250		250	-	-	-	-	250	-	250
Other	Other Projects	Tiverton Pannier Market - new stalls and storage	-	-	80	-	-		80	-	-	80	-	-	-	80
<b>General Fund Subtotals</b>			<b>2,629</b>	<b>800</b>	<b>280</b>	<b>325</b>	<b>490</b>		<b>4,524</b>	<b>856</b>	<b>1,249</b>	<b>868</b>	<b>843</b>	<b>708</b>	<b>-</b>	<b>4,524</b>



**ANNEX 1B - EXISTING 2024/25 - 2028/29 Capital Programme - UPDATED**

Area	Project Title	Project Spend in	Existing Budgeted	Less 2024/25	Add Adjustment to	REVISED Capital	Spend Profile for Remaining Indicative Capital Programme					
		Prior Years	Capital Programme	Outturn Forecast as	Previous Capital	Programme 2025/26 -	2025/26	2026/27	2027/28	2028/29	2029/30	Total
		£000's	£000's	at Qtr 3	Programme	2029/30	£000's	£000's	£000's	£000's	£000's	£000's
<b>General Fund</b>												
Leisure	Reception infrastructure	-	160	32	-	128	128	-	-	-	-	128
Leisure	CVSC - Remodelling of Ground Floor	-	204	-	-	204	30	174	-	-	-	204
Leisure	All leisure sites replacement management/site access system (Hardware Element)	-	200	95	-	105	105	-	-	-	-	105
Other MDDC Buildings	Building Mgmt System for Heating Control	-	103	3	-	100	100	-	-	-	-	100
Other MDDC Buildings	Depot Design & Build - Waste & Recycling	-	3,750	250	-	3,500	3,500	-	-	-	-	3,500
HIF	CA719 Cullompton Town Centre Relief Road (HIF)	1,568	29,757	3,100	2,643	29,300	4,000	12,600	12,700	-	-	29,300
Other	West Exe South - Remodelling - additional parking spaces	-	90	-	-	90	90	-	-	-	-	90
Other	Open Space Infrastructure (incl Play Areas)	-	35	-	-	35	35	-	-	-	-	35
Other	Server farm expansion/upgrades & UPS replacements	-	682	187	395	100	70	-	30	-	-	100
Other	Land drainage flood defence schemes - St Marys Hemyock	-	50	-	-	50	50	-	-	-	-	50
Other	Land drainage flood defence schemes - Ashleigh Park Bampton	-	87	-	-	87	87	-	-	-	-	87
Leisure	Wetside resin floor replacement	-	90	-	53	143	143	-	-	-	-	143
Leisure	Wetside resin floor replacement	-	90	-	38	52	52	-	-	-	-	52
Leisure	Replacement skate park (poss relocation)	-	350	-	-	350	200	150	-	-	-	350
Other MDDC Buildings	MSCP - Solar carport and additional security	-	600	-	-	600	600	-	-	-	-	600
Other MDDC Buildings	Market Walk - Solar Panels	-	200	-	-	200	200	-	-	-	-	200
Other MDDC Buildings	Cooling options Air Handling Unit	-	150	-	-	150	150	-	-	-	-	150
Other MDDC Buildings	Diesel Tank	-	65	3	-	62	62	-	-	-	-	62
Private Sector Housing	DFG and other private sector grants	-	3,000	806	806	3,000	600	600	600	600	600	3,000
Other	LED upgrade	-	65	-	-	65	65	-	-	-	-	65
Other	LED lighting replacement	-	20	-	-	20	20	-	-	-	-	20
Other	Becks Square resurfacing & lining	-	30	-	-	30	30	-	-	-	-	30
Other	Widen Riverside Path	-	20	-	-	20	20	-	-	-	-	20
Other	Fencing end of life	-	125	-	-	125	125	-	-	-	-	125
Other	Rubber floor tile replacements	-	100	-	-	100	100	-	-	-	-	100
Other	Laptop/Desktop Refresh	-	500	79	199	620	100	140	120	120	140	620
Other	PDA's for cabs - Recycling, Trade and Ground Maintenance	-	150	150	60	60	60	-	-	-	-	60
Other	Vehicle leasing - Caretaking Services	-	30	27	30	33	33	-	-	-	-	33
Other	Vehicle leasing - Street Cleansing	-	410	162	400	648	135	192	-	105	216	648
Other	Vehicle leasing - Refuse	-	1,655	914	167	908	-	729	125	54	-	908
Other	Vehicle leasing - Trade Waste	-	330	207	120	243	-	243	-	-	-	243
Other	Vehicle leasing - Recycling	-	390	161	46	275	56	85	37	35	62	275
Leisure	EVLC - Building Fabric - Insulation improvements	-	260	-	-	260	-	260	-	-	-	260
Other	Tiverton Market Paving - Permanent Solution	-	200	-	-	200	-	200	-	-	-	200
Leisure	LMLC - Building Fabric -Insulation improvements	-	200	-	-	200	-	-	200	-	-	200
Leisure	CVSC-Building Fabric -Insulation improvements	-	200	-	-	200	-	-	200	-	-	200
Other MDDC Buildings	MDDC commercial property building fabric improvements	-	240	-	-	240	-	-	240	-	-	240
Leisure	Exe Valley Capital Works	-	200	-	-	200	-	-	-	100	100	200
Leisure	Lords Meadow Capital Works	-	200	-	-	200	-	-	-	100	100	200
Leisure	Culm Valley Capital Works	-	200	-	-	200	-	-	-	100	100	200
Other	Audio/Video replacement for Phoenix House	119	140	10	40	170	-	-	-	170	-	170
Other	Vehicle leasing - Grounds Maintenance	-	100	-	54	154	-	-	-	90	64	154
<b>General Fund Subtotals</b>		<b>1,687</b>	<b>45,428</b>	<b>6,186</b>	<b>4,185</b>	<b>43,427</b>	<b>10,946</b>	<b>15,373</b>	<b>14,252</b>	<b>1,474</b>	<b>1,382</b>	<b>43,427</b>

ANNEX 2 - UPDATED HRA Capital Programme - 2025/26 - 2029/30

Area	Project Title	Project Spend in	Existing Budgeted	Less 2024/25	Add Adjustment to	REVISED Capital	Spend Profile for NEW Indicative Capital Programme					
		Prior Years	Capital Programme	Outturn Forecast	Previous Capital	Programme	2025/26	2026/27	2027/28	2028/29	2029/30	Total
		£000's	2024/25 - 2028/29	as at Qtr 3	Programme	2025/26 - 2029/30	£000's	£000's	£000's	£000's	£000's	£000's
<b>HRA</b>												
HRA Projects	Replacement roofing to HRA properties		3,000	600	-	2,400	600	450	450	450	450	2,400
HRA Projects	Major Structural Works		1,350	250	300	1,400	260	270	280	290	300	1,400
HRA Projects	Old Road Depot Relocation		50	-	400	450	50	100	100	100	100	450
HRA Projects	Sewerage Treatment Works - Washfield		25	-	-	25	25	-	-	-	-	25
HRA Projects	Modernisation of HRA garages		450	140	140	450	150	150	150	-	-	450
HRA Projects	Modernisation works to HRA properties		1,185	275	160	750	150	150	150	150	150	750
HRA Projects	Fire safety works to HRA properties and communal areas		130	50	130	210	50	50	40	40	30	210
HRA Projects	Replacement UPVC Windows and doors to HRA properties		2,000	400	725	2,325	450	475	500	500	400	2,325
HRA Projects	New Heating to HRA properties		2,075	415	690	2,350	450	460	470	480	490	2,350
HRA Projects	Renewables		1,250	250	250	1,250	250	250	250	250	250	1,250
HRA Projects	Major Adaptations to HRA properties		1,600	310	335	1,625	315	320	325	330	335	1,625
HRA Projects	Void Capital Works		750	140	165	775	145	150	155	160	165	775
HRA Projects	Double Glazed Unit Replacement		100	20	20	100	20	20	20	20	20	100
HRA Projects	Responsive capital works		600	100	40	460	100	100	90	90	80	460
Other	Vehicle leasing - Housing		550	-	880	1,430	160	-	1,012	38	220	1,430
Other	RTB Buy backs		-	-	5,000	5,000	1,000	1,000	1,000	1,000	1,000	5,000
HRA Projects	Project 4	-	210	-	90	300	-	300	-	-	-	300
HRA Projects	Project 51 - Honiton Road, Cullompton	13	387	9	15	393	393	-	-	-	-	393
HRA Projects	Project 52 - Exon Buildings, Cullompton	6	214	6	84	292	292	-	-	-	-	292
HRA Projects	Project 53	-	230	-	70	300	23	277	-	-	-	300
HRA Projects	Project 5	-	220	-	35	255	22	233	-	-	-	255
HRA Projects	Project 41 - Fir Close, Willand	111	140	40	85	185	185	-	-	-	-	185
HRA Projects	Project 15 - School Close, Bampton	422	4,478	2,185	1,496	3,789	3,789	-	-	-	-	3,789
HRA Projects	Project 18 - Eastlands, Hemyock	140	960	1,060	939	839	839	-	-	-	-	839
HRA Projects	Project 10 - Holly/Sycamore Road, Tiverton	329	1,871	1,371	1,431	1,931	1,931	-	-	-	-	1,931
HRA Projects	Project 14 - Crofts, Sandford	165	835	1,303	468	-	-	-	-	-	-	-
HRA Projects	Project 9 - Beech Road, Tiverton (1)	547	753	1,459	1,315	609	609	-	-	-	-	609
HRA Projects	Project 11 - College Green, Uffculme	413	1,488	56	652	780	780	-	-	-	-	780
HRA Projects	Project 3 - Wordland Cross, C Fitzpaine	-	1,500	-	600	2,100	2,100	-	-	-	-	2,100
HRA Projects	Project 25 - Watery Lane, Tiverton	160	2,440	60	526	2,906	2,906	-	-	-	-	2,906
HRA Projects	Project 8	371	2,230	17	1,371	3,584	1,595	1,989	-	-	-	3,584
HRA Projects	Project 37 - Somerlea, Willand	270	1,530	154	1,125	2,501	2,501	-	-	-	-	2,501
HRA Projects	Project 33	162	1,139	36	339	764	764	-	-	-	-	764
HRA Projects	Project 22 - Beech Road, Tiverton (2)	-	2,800	430	1,399	3,769	3,769	-	-	-	-	3,769
HRA Projects	Project 54	-	200	5	75	270	270	-	-	-	-	270
HRA Projects	Project 55	-	200	-	305	505	-	45	460	-	-	505
HRA Projects	Project 56	-	200	-	73	273	-	273	-	-	-	273
HRA Projects	Project 57	-	200	-	100	300	-	-	-	-	300	300
HRA Projects	Project 23	-	4,100	388	3,757	7,469	2,869	4,600	-	-	-	7,469
HRA Projects	Project 12	-	1,600	-	699	901	-	-	50	851	-	901
HRA Projects	Project 58	-	200	-	100	300	-	-	-	-	300	300
HRA Projects	Project 59	-	200	-	100	300	-	-	-	-	300	300
HRA Projects	Project 35	-	1,700	-	697	1,003	-	-	103	900	-	1,003
HRA Projects	HRA Development Strategy	-	-	-	30,000	30,000	-	-	-	15,000	15,000	30,000
HRA Projects	Project 24	-	1,100	-	1,100	-	-	-	-	-	-	-
HRA Projects	Project 1	7	38	-	38	-	-	-	-	-	-	-
HRA Projects	Project 29	62	1,038	30	1,008	-	-	-	-	-	-	-
HRA Projects	Project 28	-	1,100	-	1,100	-	-	-	-	-	-	-
HRA Projects	Project 36	-	1,700	-	1,700	-	-	-	-	-	-	-
HRA Projects	Project 20	363	16,497	-	16,497	-	-	-	-	-	-	-
HRA Projects	Project 26	-	1,200	-	1,200	-	-	-	-	-	-	-
HRA Projects	Project 27	-	1,700	-	1,700	-	-	-	-	-	-	-
HRA Projects	Project 16	-	1,000	-	1,000	-	-	-	-	-	-	-
HRA Projects	Project 30	-	1,100	-	1,100	-	-	-	-	-	-	-
HRA Projects	Project 31	-	1,100	-	1,100	-	-	-	-	-	-	-
HRA Projects	Project 13	-	1,100	-	1,100	-	-	-	-	-	-	-
<b>HRA Subtotals</b>		<b>3,541</b>	<b>75,812</b>	<b>11,559</b>	<b>23,364</b>	<b>87,618</b>	<b>29,812</b>	<b>11,662</b>	<b>5,605</b>	<b>20,649</b>	<b>19,890</b>	<b>87,618</b>

2025/26 - 2029/30 Capital Programme - FUNDING SUMMARY

Annex 3

Funding Type	Funding Description	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	2029/30 £000's	Total £000's
<b>GENERAL FUND</b>							
<b>NEW Capital Projects</b>							
Revenue	RCCO - From Revenue EMR's - Leisure	100	800	470	500	-	1,870
Revenue	RCCO - From Revenue EMR's - Other	108	31	80	-	85	304
Revenue	RCCO - From Revenue EMR's - Waste Infrastructure EMR	150	-	-	-	30	180
Revenue	RCCO - From Revenue EMR's - ICT	-	-	-	125	375	500
Revenue	S106 (Revenue) Contributions	180	200	100	-	-	480
Capital Receipt	Usable Capital Receipts	-	-	-	-	-	-
Capital Grants	Salix Funding or Equivalent - to be identified	-	-	-	-	-	-
Capital Grants	Govt Grant (DCLG passported from DCC)	168	168	168	168	168	840
Capital Grants	Govt Grants - Levelling - up Funding	-	-	-	-	-	-
Capital Grants	HIF Funding	-	-	-	-	-	-
Capital Grants	DCC Funding - HIF Project	-	-	-	-	-	-
Borrowing	GF - Lease Finance	-	-	-	-	-	-
Borrowing	Borrowing 3 Yrs	50	50	50	50	50	250
Borrowing	Borrowing 5 Yrs	100	-	-	-	-	100
Borrowing	Borrowing 10 Yrs	-	-	-	-	-	-
Borrowing	Borrowing 25 Yrs	-	-	-	-	-	-
Borrowing	Borrowing 50 Yrs	-	-	-	-	-	-
<b>NEW General Fund Projects Subtotal</b>		<b>856</b>	<b>1,249</b>	<b>868</b>	<b>843</b>	<b>708</b>	<b>4,524</b>
<b>Existing Capital Projects</b>							
Revenue	RCCO - From Revenue EMR's - Waste Infrastructure EMR	62	-	-	-	-	62
Revenue	RCCO - From Revenue EMR's - Other	307	-	30	-	-	337
Revenue	RCCO - From Revenue EMR's - ICT	-	-	-	-	-	-
Revenue	RCCO - From Revenue EMR's - Capital	237	-	-	-	-	237
Revenue	RCCO - From Revenue EMR's - Leisure	200	-	-	300	300	800
Revenue	New Homes Bonus	-	-	-	-	-	-
Revenue	S106 (Revenue) Contributions	50	-	-	-	-	50
Capital Receipt	Usable Capital Receipts	88	-	-	-	-	88
Capital Grants	Salix Funding or Equivalent - to be identified	800	260	640	-	-	1,700
Capital Grants	Govt Grant (DCLG passported from DCC)	600	600	600	600	600	3,000
Capital Grants	Govt Grants - Levelling - up Funding	-	-	-	-	-	-
Capital Grants	HIF Funding	4,000	12,600	12,700	-	-	29,300
Capital Grants	DCC Funding - HIF Project	-	-	-	-	-	-
Borrowing	GF - Lease Finance	224	1,249	162	284	342	2,261
Borrowing	Borrowing 3 Yrs	160	140	120	290	140	850
Borrowing	Borrowing 5 Yrs	250	-	-	-	-	250
Borrowing	Borrowing 10 Yrs	348	524	-	-	-	872
Borrowing	Borrowing 25 Yrs	100	-	-	-	-	100
Borrowing	Borrowing 50 Yrs	3,520	-	-	-	-	3,520
<b>EXISTING General Fund Projects Subtotal</b>		<b>10,946</b>	<b>15,373</b>	<b>14,252</b>	<b>1,474</b>	<b>1,382</b>	<b>43,427</b>
<b>GENERAL FUND Grand Total</b>		<b>11,802</b>	<b>16,622</b>	<b>15,120</b>	<b>2,317</b>	<b>2,090</b>	<b>47,951</b>
<b>HOUSING REVENUE ACCOUNT</b>							
Revenue	MRA Reserve	2,375	2,275	2,305	2,180	2,085	11,220
Revenue	RCCO - From HRA Revenue EMR's - Renewable Energy	250	250	250	250	250	1,250
Revenue	RCCO - From HRA Revenue EMR's - Other	25	-	-	-	-	25
Revenue	RCCO - From HRA Revenue EMR's - Afford Rents	-	-	-	-	224	224
Capital Receipt	Usable Capital Receipts	1,395	320	387	870	335	3,307
Capital Receipt	Right To Buy Receipts	609	833	400	400	760	3,002
Capital Grants	LAHF3	157	-	-	-	-	157
Capital Grants	Affordable Homes Programme, BLRF2	3,179	-	-	-	-	3,179
Capital Grants	Affordable Homes Programme	6,296	2,636	41	6,360	6,000	21,333
Capital Grants	Government Grants - Homes England Funding	468	18	204	340	-	1,030
Capital Grants	Capital Grants Unapplied - S106 Afford Housing	167	73	-	-	-	240
Capital Grants	One Public Estate Funding	427	-	30	90	-	547
Borrowing	HRA - Lease Finance	210	100	1,112	138	320	1,880
Borrowing	Borrowing 50 Yrs	14,254	5,157	876	10,021	9,916	40,224
<b>Housing Revenue Account Subtotal</b>		<b>29,812</b>	<b>11,662</b>	<b>5,605</b>	<b>20,649</b>	<b>19,890</b>	<b>87,618</b>
<b>GRAND TOTAL</b>		<b>41,614</b>	<b>28,284</b>	<b>20,725</b>	<b>22,966</b>	<b>21,980</b>	<b>135,569</b>

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**NEW Bids 2025/26 - 2029/30 Capital Programme**

Annex 1a

Area	Sub Area	Project Title	Total Project Budget Approval					Spend Profile for NEW Indicative Capital Programme								
			2025/26	2026/27	2027/28	2028/29	2029/30	Total	2025/26	2026/27	2027/28	2028/29	2029/30	eyond 2029.	Total	
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
<b>General Fund</b>																
Leisure	Lords Meadow Leisure Centre	Extension to building on land of skate park at Lords Meadow	600						<b>600</b>	30	470	100				<b>600</b>
Leisure	Leisure - Other	Pool Pods - Submersible platforms for disabled	70						<b>70</b>	70						<b>70</b>
Other MDDC Buildings	Phoenix House	Phoenix House - CCTV Replacement	65						<b>65</b>	65	-	-	-	-		<b>65</b>
Other MDDC Buildings	MDDC Depots	Baler conveyor replacement	150						<b>150</b>	150	-	-	-	-		<b>150</b>
Other	Parks & Play Areas	Open Space Infrastructure (incl Play Areas)	300						<b>300</b>	100	100	100	-	-		<b>300</b>
Other	Parks & Play Areas	Upgrade Park Lighting	100						<b>100</b>	100	-	-	-	-		<b>100</b>
Private Sector Housing	Private Sector Housing	Capitalised staff resource to deliver Private Sector Housing Grants	740						<b>740</b>	148	148	148	148	148		<b>740</b>
Private Sector Housing	Private Sector Housing	Survey costs to deliver the Private Sector Housing Grants	100						<b>100</b>	20	20	20	20	20		<b>100</b>
Other	Other Projects	Lendology Loans	250						<b>250</b>	50	50	50	50	50		<b>250</b>
Other MDDC Buildings	Public Conveniences	Newcombes Meadow Toilet Block	100						<b>100</b>	50	50	-	-	-		<b>100</b>
Other	Other Projects	Tiverton Public Realm Enhancement Project	74						<b>74</b>	43	31	-	-	-		<b>74</b>
Other	Other Projects	Crediton Public Realm Enhancement	80						<b>80</b>	30	50	-	-	-		<b>80</b>
Leisure	Exe Valley Leisure Centre	Soft Play at Exe Valley Leisure Centre	-	500	-	-	-		<b>500</b>	-	30	170	300	-	-	<b>500</b>
Leisure	Exe Valley Leisure Centre	Fitness Studio renewal of equipment	-	300	-	-	-		<b>300</b>		300	-	-	-	-	<b>300</b>
Leisure	Lords Meadow Leisure Centre	Fitness Studio renewal of equipment	-	-	200	-	-		<b>200</b>			200	-	-	-	<b>200</b>
Leisure	Culm Valley Leisure Centre	Fitness Studio renewal of equipment	-	-	-	200	-		<b>200</b>				200	-	-	<b>200</b>
Other MDDC Buildings	MDDC Depots	Baler Floor (to be replaced every 5 yrs)	-	-	-	-	30		<b>30</b>	-	-	-	-	30	-	<b>30</b>
Other	General Car Parks	Replace Car Park paying machines in the District	-	-	-	-	85		<b>85</b>	-	-	-	-	85	-	<b>85</b>
Other	ICT Projects	Network Switch/ Firewall/ Wifi Refresh (ALL Sites)	-	-	-	125	125		<b>250</b>	-	-	-	125	125	-	<b>250</b>
Other	ICT Projects	Server & Storage Hardware Refresh	-	-	-	-	250		<b>250</b>	-	-	-	-	250	-	<b>250</b>
Other	Other Projects	Tiverton Pannier Market - new stalls and storage	-	-	80	-	-		<b>80</b>	-	-	80	-	-	-	<b>80</b>
<b>General Fund Subtotals</b>			<b>2,629</b>	<b>800</b>	<b>280</b>	<b>325</b>	<b>490</b>		<b>4,524</b>	<b>856</b>	<b>1,249</b>	<b>868</b>	<b>843</b>	<b>708</b>	<b>-</b>	<b>4,524</b>

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**ANNEX 1B - EXISTING 2024/25 - 2028/29 Capital Programme - UPDATED**

Area	Project Title	Project Spend in	Existing Budgeted	Less 2024/25	Add Adjustment to	REVISED Capital	Spend Profile for Remaining Indicative Capital Programme					
		Prior Years	Capital Programme	Outturn Forecast as	Previous Capital	Programme 2025/26 -	2025/26	2026/27	2027/28	2028/29	2029/30	Total
		£000's	£000's	at Qtr 3	Programme	2029/30	£000's	£000's	£000's	£000's	£000's	£000's
<b>General Fund</b>												
Leisure	Reception infrastructure	-	160	32	-	128	128	-	-	-	-	128
Leisure	CVSC - Remodelling of Ground Floor	-	204	-	-	204	30	174	-	-	-	204
Leisure	All leisure sites replacement management/site access system (Hardware Element)	-	200	95	-	105	105	-	-	-	-	105
Other MDDC Buildings	Building Mgmt System for Heating Control	-	103	3	-	100	100	-	-	-	-	100
Other MDDC Buildings	Depot Design & Build - Waste & Recycling	-	3,750	250	-	3,500	3,500	-	-	-	-	3,500
HIF	CA719 Cullompton Town Centre Relief Road (HIF)	1,568	29,757	3,100	2,643	29,300	4,000	12,600	12,700	-	-	29,300
Other	West Exe South - Remodelling - additional parking spaces	-	90	-	-	90	90	-	-	-	-	90
Other	Open Space Infrastructure (incl Play Areas)	-	35	-	-	35	35	-	-	-	-	35
Other	Server farm expansion/upgrades & UPS replacements	-	682	187	395	100	70	-	30	-	-	100
Other	Land drainage flood defence schemes - St Marys Hemyock	-	50	-	-	50	50	-	-	-	-	50
Other	Land drainage flood defence schemes - Ashleigh Park Bampton	-	87	-	-	87	87	-	-	-	-	87
Leisure	Wetside resin floor replacement	-	90	-	53	143	143	-	-	-	-	143
Leisure	Wetside resin floor replacement	-	90	-	38	52	52	-	-	-	-	52
Leisure	Replacement skate park (poss relocation)	-	350	-	-	350	200	150	-	-	-	350
Other MDDC Buildings	MSCP - Solar carport and additional security	-	600	-	-	600	600	-	-	-	-	600
Other MDDC Buildings	Market Walk - Solar Panels	-	200	-	-	200	200	-	-	-	-	200
Other MDDC Buildings	Cooling options Air Handling Unit	-	150	-	-	150	150	-	-	-	-	150
Other MDDC Buildings	Diesel Tank	-	65	3	-	62	62	-	-	-	-	62
Private Sector Housing	DFG and other private sector grants	-	3,000	806	806	3,000	600	600	600	600	600	3,000
Other	LED upgrade	-	65	-	-	65	65	-	-	-	-	65
Other	LED lighting replacement	-	20	-	-	20	20	-	-	-	-	20
Other	Becks Square resurfacing & lining	-	30	-	-	30	30	-	-	-	-	30
Other	Widen Riverside Path	-	20	-	-	20	20	-	-	-	-	20
Other	Fencing end of life	-	125	-	-	125	125	-	-	-	-	125
Other	Rubber floor tile replacements	-	100	-	-	100	100	-	-	-	-	100
Other	Laptop/Desktop Refresh	-	500	79	199	620	100	140	120	120	140	620
Other	PDA's for cabs - Recycling, Trade and Ground Maintenance	-	150	150	60	60	60	-	-	-	-	60
Other	Vehicle leasing - Caretaking Services	-	30	27	30	33	33	-	-	-	-	33
Other	Vehicle leasing - Street Cleansing	-	410	162	400	648	135	192	-	105	216	648
Other	Vehicle leasing - Refuse	-	1,655	914	167	908	-	729	125	54	-	908
Other	Vehicle leasing - Trade Waste	-	330	207	120	243	-	243	-	-	-	243
Other	Vehicle leasing - Recycling	-	390	161	46	275	56	85	37	35	62	275
Leisure	EVLC - Building Fabric - Insulation improvements	-	260	-	-	260	-	260	-	-	-	260
Other	Tiverton Market Paving - Permanent Solution	-	200	-	-	200	-	200	-	-	-	200
Leisure	LMLC - Building Fabric -Insulation improvements	-	200	-	-	200	-	-	200	-	-	200
Leisure	CVSC-Building Fabric -Insulation improvements	-	200	-	-	200	-	-	200	-	-	200
Other MDDC Buildings	MDDC commercial property building fabric improvements	-	240	-	-	240	-	-	240	-	-	240
Leisure	Exe Valley Capital Works	-	200	-	-	200	-	-	-	100	100	200
Leisure	Lords Meadow Capital Works	-	200	-	-	200	-	-	-	100	100	200
Leisure	Culm Valley Capital Works	-	200	-	-	200	-	-	-	100	100	200
Other	Audio/Video replacement for Phoenix House	119	140	10	40	170	-	-	-	170	-	170
Other	Vehicle leasing - Grounds Maintenance	-	100	-	54	154	-	-	-	90	64	154
<b>General Fund Subtotals</b>		<b>1,687</b>	<b>45,428</b>	<b>6,186</b>	<b>4,185</b>	<b>43,427</b>	<b>10,946</b>	<b>15,373</b>	<b>14,252</b>	<b>1,474</b>	<b>1,382</b>	<b>43,427</b>

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ANNEX 2 - UPDATED HRA Capital Programme - 2025/26 - 2029/30

Area	Project Title	Project Spend in Prior Years	Existing Budgeted Capital Programme 2024/25 - 2028/29	Less 2024/25 Outturn Forecast as at Qtr 3	Add Adjustment to Previous Capital Programme	REVISED Capital Programme 2025/26 - 2029/30	Spend Profile for NEW Indicative Capital Programme					
		£000's	£000's	£000's	£000's	£000's	2025/26	2026/27	2027/28	2028/29	2029/30	Total
							£000's	£000's	£000's	£000's	£000's	£000's
<b>HRA</b>												
HRA Projects	Replacement roofing to HRA properties		3,000	600	-	2,400	600	450	450	450	450	2,400
HRA Projects	Major Structural Works		1,350	250	300	1,400	260	270	280	290	300	1,400
HRA Projects	Old Road Depot Relocation		50	-	400	450	50	100	100	100	100	450
HRA Projects	Sewerage Treatment Works - Washfield		25	-	-	25	25	-	-	-	-	25
HRA Projects	Modernisation of HRA garages		450	140	140	450	150	150	150	-	-	450
HRA Projects	Modernisation works to HRA properties		1,185	275	160	750	150	150	150	150	150	750
HRA Projects	Fire safety works to HRA properties and communal areas		130	50	130	210	50	50	40	40	30	210
HRA Projects	Replacement UPVC Windows and doors to HRA properties		2,000	400	725	2,325	450	475	500	500	400	2,325
HRA Projects	New Heating to HRA properties		2,075	415	690	2,350	450	460	470	480	490	2,350
HRA Projects	Renewables		1,250	250	250	1,250	250	250	250	250	250	1,250
HRA Projects	Major Adaptations to HRA properties		1,600	310	335	1,625	315	320	325	330	335	1,625
HRA Projects	Void Capital Works		750	140	165	775	145	150	155	160	165	775
HRA Projects	Double Glazed Unit Replacement		100	20	20	100	20	20	20	20	20	100
HRA Projects	Responsive capital works		600	100	40	460	100	100	90	90	80	460
Other	Vehicle leasing - Housing		550	-	880	1,430	160	-	1,012	38	220	1,430
Other	RTB Buy backs		-	-	5,000	5,000	1,000	1,000	1,000	1,000	1,000	5,000
HRA Projects	Project 4	-	210	-	90	300	-	300	-	-	-	300
HRA Projects	Project 51 - Honiton Road, Cullompton	13	387	9	15	393	393	-	-	-	-	393
HRA Projects	Project 52 - Exon Buildings, Cullompton	6	214	6	84	292	292	-	-	-	-	292
HRA Projects	Project 53	-	230	-	70	300	23	277	-	-	-	300
HRA Projects	Project 5	-	220	-	35	255	22	233	-	-	-	255
HRA Projects	Project 41 - Fir Close, Willand	111	140	40	85	185	185	-	-	-	-	185
HRA Projects	Project 15 - School Close, Bampton	422	4,478	2,185	1,496	3,789	3,789	-	-	-	-	3,789
HRA Projects	Project 18 - Eastlands, Hemyock	140	960	1,060	939	839	839	-	-	-	-	839
HRA Projects	Project 10 - Holly/Sycamore Road, Tiverton	329	1,871	1,371	1,431	1,931	1,931	-	-	-	-	1,931
HRA Projects	Project 14 - Crofts, Sandford	165	835	1,303	468	-	-	-	-	-	-	-
HRA Projects	Project 9 - Beech Road, Tiverton (1)	547	753	1,459	1,315	609	609	-	-	-	-	609
HRA Projects	Project 11 - College Green, Uffculme	413	1,488	56	652	780	780	-	-	-	-	780
HRA Projects	Project 3 - Wordland Cross, C Fitzpaire	-	1,500	-	600	2,100	2,100	-	-	-	-	2,100
HRA Projects	Project 25 - Watery Lane, Tiverton	160	2,440	60	526	2,906	2,906	-	-	-	-	2,906
HRA Projects	Project 8	371	2,230	17	1,371	3,584	1,595	1,989	-	-	-	3,584
HRA Projects	Project 37 - Somerlea, Willand	270	1,530	154	1,125	2,501	2,501	-	-	-	-	2,501
HRA Projects	Project 33	162	1,139	36	339	764	764	-	-	-	-	764
HRA Projects	Project 22 - Beech Road, Tiverton (2)	-	2,800	430	1,399	3,769	3,769	-	-	-	-	3,769
HRA Projects	Project 54	-	200	5	75	270	270	-	-	-	-	270
HRA Projects	Project 55	-	200	-	305	505	-	45	460	-	-	505
HRA Projects	Project 56	-	200	-	73	273	-	273	-	-	-	273
HRA Projects	Project 57	-	200	-	100	300	-	-	-	-	300	300
HRA Projects	Project 23	-	4,100	388	3,757	7,469	2,869	4,600	-	-	-	7,469
HRA Projects	Project 12	-	1,600	-	699	901	-	-	50	851	-	901
HRA Projects	Project 58	-	200	-	100	300	-	-	-	-	300	300
HRA Projects	Project 59	-	200	-	100	300	-	-	-	-	300	300
HRA Projects	Project 35	-	1,700	-	697	1,003	-	-	103	900	-	1,003
HRA Projects	HRA Development Strategy	-	-	-	30,000	30,000	-	-	-	15,000	15,000	30,000
HRA Projects	Project 24	-	1,100	-	1,100	-	-	-	-	-	-	-
HRA Projects	Project 1	7	38	-	38	-	-	-	-	-	-	-
HRA Projects	Project 29	62	1,038	30	1,008	-	-	-	-	-	-	-
HRA Projects	Project 28	-	1,100	-	1,100	-	-	-	-	-	-	-
HRA Projects	Project 36	-	1,700	-	1,700	-	-	-	-	-	-	-
HRA Projects	Project 20	363	16,497	-	16,497	-	-	-	-	-	-	-
HRA Projects	Project 26	-	1,200	-	1,200	-	-	-	-	-	-	-
HRA Projects	Project 27	-	1,700	-	1,700	-	-	-	-	-	-	-
HRA Projects	Project 16	-	1,000	-	1,000	-	-	-	-	-	-	-
HRA Projects	Project 30	-	1,100	-	1,100	-	-	-	-	-	-	-
HRA Projects	Project 31	-	1,100	-	1,100	-	-	-	-	-	-	-
HRA Projects	Project 13	-	1,100	-	1,100	-	-	-	-	-	-	-
<b>HRA Subtotals</b>		<b>3,541</b>	<b>75,812</b>	<b>11,559</b>	<b>23,364</b>	<b>87,618</b>	<b>29,812</b>	<b>11,662</b>	<b>5,605</b>	<b>20,649</b>	<b>19,890</b>	<b>87,618</b>

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2025/26 - 2029/30 Capital Programme - FUNDING SUMMARY

Annex 3

Funding Type	Funding Description	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's	2029/30 £000's	Total £000's
<b>GENERAL FUND</b>							
<b>NEW Capital Projects</b>							
Revenue	RCCO - From Revenue EMR's - Leisure	100	800	470	500	-	1,870
Revenue	RCCO - From Revenue EMR's - Other	108	31	80	-	85	304
Revenue	RCCO - From Revenue EMR's - Waste Infrastructure EMR	150	-	-	-	30	180
Revenue	RCCO - From Revenue EMR's - ICT	-	-	-	125	375	500
Revenue	S106 (Revenue) Contributions	180	200	100	-	-	480
Capital Receipt	Usable Capital Receipts	-	-	-	-	-	-
Capital Grants	Salix Funding or Equivalent - to be identified	-	-	-	-	-	-
Capital Grants	Govt Grant (DCLG passported from DCC)	168	168	168	168	168	840
Capital Grants	Govt Grants - Levelling - up Funding	-	-	-	-	-	-
Capital Grants	HIF Funding	-	-	-	-	-	-
Capital Grants	DCC Funding - HIF Project	-	-	-	-	-	-
Borrowing	GF - Lease Finance	-	-	-	-	-	-
Borrowing	Borrowing 3 Yrs	50	50	50	50	50	250
Borrowing	Borrowing 5 Yrs	100	-	-	-	-	100
Borrowing	Borrowing 10 Yrs	-	-	-	-	-	-
Borrowing	Borrowing 25 Yrs	-	-	-	-	-	-
Borrowing	Borrowing 50 Yrs	-	-	-	-	-	-
<b>NEW General Fund Projects Subtotal</b>		<b>856</b>	<b>1,249</b>	<b>868</b>	<b>843</b>	<b>708</b>	<b>4,524</b>
<b>Existing Capital Projects</b>							
Revenue	RCCO - From Revenue EMR's - Waste Infrastructure EMR	62	-	-	-	-	62
Revenue	RCCO - From Revenue EMR's - Other	307	-	30	-	-	337
Revenue	RCCO - From Revenue EMR's - ICT	-	-	-	-	-	-
Revenue	RCCO - From Revenue EMR's - Capital	237	-	-	-	-	237
Revenue	RCCO - From Revenue EMR's - Leisure	200	-	-	300	300	800
Revenue	New Homes Bonus	-	-	-	-	-	-
Revenue	S106 (Revenue) Contributions	50	-	-	-	-	50
Capital Receipt	Usable Capital Receipts	88	-	-	-	-	88
Capital Grants	Salix Funding or Equivalent - to be identified	800	260	640	-	-	1,700
Capital Grants	Govt Grant (DCLG passported from DCC)	600	600	600	600	600	3,000
Capital Grants	Govt Grants - Levelling - up Funding	-	-	-	-	-	-
Capital Grants	HIF Funding	4,000	12,600	12,700	-	-	29,300
Capital Grants	DCC Funding - HIF Project	-	-	-	-	-	-
Borrowing	GF - Lease Finance	224	1,249	162	284	342	2,261
Borrowing	Borrowing 3 Yrs	160	140	120	290	140	850
Borrowing	Borrowing 5 Yrs	250	-	-	-	-	250
Borrowing	Borrowing 10 Yrs	348	524	-	-	-	872
Borrowing	Borrowing 25 Yrs	100	-	-	-	-	100
Borrowing	Borrowing 50 Yrs	3,520	-	-	-	-	3,520
<b>EXISTING General Fund Projects Subtotal</b>		<b>10,946</b>	<b>15,373</b>	<b>14,252</b>	<b>1,474</b>	<b>1,382</b>	<b>43,427</b>
<b>GENERAL FUND Grand Total</b>		<b>11,802</b>	<b>16,622</b>	<b>15,120</b>	<b>2,317</b>	<b>2,090</b>	<b>47,951</b>
<b>HOUSING REVENUE ACCOUNT</b>							
Revenue	MRA Reserve	2,375	2,275	2,305	2,180	2,085	11,220
Revenue	RCCO - From HRA Revenue EMR's - Renewable Energy	250	250	250	250	250	1,250
Revenue	RCCO - From HRA Revenue EMR's - Other	25	-	-	-	-	25
Revenue	RCCO - From HRA Revenue EMR's - Afford Rents	-	-	-	-	224	224
Capital Receipt	Usable Capital Receipts	1,395	320	387	870	335	3,307
Capital Receipt	Right To Buy Receipts	609	833	400	400	760	3,002
Capital Grants	LAHF3	157	-	-	-	-	157
Capital Grants	Affordable Homes Programme, BLRF2	3,179	-	-	-	-	3,179
Capital Grants	Affordable Homes Programme	6,296	2,636	41	6,360	6,000	21,333
Capital Grants	Government Grants - Homes England Funding	468	18	204	340	-	1,030
Capital Grants	Capital Grants Unapplied - S106 Afford Housing	167	73	-	-	-	240
Capital Grants	One Public Estate Funding	427	-	30	90	-	547
Borrowing	HRA - Lease Finance	210	100	1,112	138	320	1,880
Borrowing	Borrowing 50 Yrs	14,254	5,157	876	10,021	9,916	40,224
<b>Housing Revenue Account Subtotal</b>		<b>29,812</b>	<b>11,662</b>	<b>5,605</b>	<b>20,649</b>	<b>19,890</b>	<b>87,618</b>
<b>GRAND TOTAL</b>		<b>41,614</b>	<b>28,284</b>	<b>20,725</b>	<b>22,966</b>	<b>21,980</b>	<b>135,569</b>

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**Report for: Cabinet**

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Date of Meeting:	4 February 2025
Subject:	NNDR 1 for 2025/26
Cabinet Member:	Cllr James Buczkowski
Responsible Officer:	Andrew Jarrett - Deputy Chief Executive (S151)
Exempt:	N/a
Wards Affected:	All
Enclosures:	NNDR1

**Section 1 – Summary and Recommendation(s)**

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 2025/26 from business rates).

To ensure that the Council meets its statutory deadline for notifying Precepting Authorities and the Government by 31 January 2025 of their appropriate shares in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013, following approval by Council.

**Recommendation(s):**

Cabinet are asked to recommend to Council the following:

- 1. That the calculation of the NNDR1 net yield of £19,854,365 from 3,562 Business Rated properties is noted and approved for 2025/26;**
- 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.
4. That Members agree to Mid Devon re-joining the Devon Business Rates Pool for 2025/26.

## Section 2 – Report

### 1.0 Introduction

- 1.1 Councils must submit a return known as the NNDR1 form to the Ministry of Housing, Communities, and Local Government (MHCLG). 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.

### 2.0 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 support 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 wishes to remain in the pool for 2025/26 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 2025/26 year. The net collectable debit is then split proportionally in accordance with the provisions of the Local Government Finance Settlement issued in December 2024 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
- 3.0 S31 Grant Reliefs (funded reliefs)
- 3.1 The Government provides grants to Councils under Section 31 (S31) of the Local Government Act 2003 (LGA 2003) for a wide range of purposes. Within the Business Rates service area, S31 grants are provided to recompense the Council for a range of reliefs, including the Small Business Rates Relief Retail, Hospitality and Leisure Relief as examples.
- 3.2 Part 2 of the NNDR1 calculates that MDDC is due £1,875,267 in S31 Grant in 2025/26 across the various reliefs applied. This reduction from 2024/25's relief of £2,739,142; is largely due to the Government's announcement to reduce the relief available to Retail, Hospitality and Leisure properties in 2025/26 from a rate of 75% to 40%.
- 4.0 2025/26 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 £7,845,727 (less Tariff and Levy). MDDC

gets £123,908 as a cost of collecting the years' business rates and will continue to retain the income from renewable energy schemes of £282,259 in 2025/26.

- 4.2 Prudent forecasts 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.
  
- 5.0 Changes being introduced for 2025/26
  - 5.1 Retail Hospitality and Leisure Relief is being reduced from 75% to 40% from April 2025. We will be contacting those businesses impacted by this change when the annual bills are issued in March 2025.
  - 5.2 Primary legislation has been changed so that Private Schools no-longer qualify for Charity Relief. The Section 151 Officer has already advised those that will lose relief from 01/04/2025.
  - 5.3 The restriction preventing Councils from making a decision to award Discretionary Relief more than 6 months after the end of the relevant financial year has been removed. We have revised our Discretionary Relief Policy to reflect this change; we will now exercise this where the Relief applied for is funded via Section 31 grants will go beyond the year in which the claim is made by one further year; where Section 31 grant is not payable the relief will only be applied to the year in which the application is made
  
- 6.0 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 2025/26.

### **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.

It should be noted that due to changes in reliefs collection of Business Rates is likely to be challenging in 2025/26.

### **Legal Implications**

This is a statutory function and is a legal requirement. The Council must set its budget annually based on the Council 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.

## **Impact on Climate Change**

No climate change issues identified for this report.

## **Equalities Impact Assessment**

No equality issues identified for this report.

## **Relationship to Corporate Plan**

This report sets out the estimated net business rates for 2025/26; 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 2025/26 General Fund Revenue budget.

## **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** Andrew Jarrett

Agreed by or on behalf of the Section 151 Officer

**Date:** 23 January 2025

**Statutory Officer:** Maria De Leiburne

Agreed on behalf of the Monitoring Officer

**Date:** 23 January 2025

**Chief Officer:** Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

**Date:** 23 January 2025

**Cabinet member notified:** (yes)

## **Section 4 - Contact Details and Background Papers**

Contact: Andrew Jarrett, Deputy Chief Executive (S151)

Email: [ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk)

Telephone: 01884 234242

Contact: Dean Emery: Head of Revenues Benefits & Leisure  
Email: [demery@middevon.gov.uk](mailto:demery@middevon.gov.uk)  
Telephone: 01884 234328

**Background papers:** NNDR1

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1  
2025-26**

Please e-mail with certification to: [nldr.statistics@communities.gov.uk](mailto:nldr.statistics@communities.gov.uk) by no later than 31 January 2025.

**All figures must be entered in whole £**

If you are content with your answers please return this form to MHCLG as soon as possible

Select your local authority's name from this list:

Medway UA
Milton
Merton
Mid Devon
Mid Suffolk
Mid Sussex

Authority Name  
E-code  
Local authority contact name  
Local authority contact number  
Local authority e-mail address  
Certifier e-mail address  
Certifier role

Mid Devon
E1133
Ms Fiona Keyes
01884 234329
<a href="mailto:fkeyes@middevon.gov.uk">fkeyes@middevon.gov.uk</a>
<a href="mailto:ajarrett@middevon.gov.uk">ajarrett@middevon.gov.uk</a>
Section 151 Officer - Director/Head of finance

Ver 1.2

**PART 1A: NON-DOMESTIC RATING INCOME**

This section of the form uses entries from other parts to calculate the forecast net business rates income for the authority in 2025-26. Note that you still need to enter data for line 5 and line 9a, but otherwise it is all calculated. Also please note that Parts 1B and 1C are below.

**COLLECTABLE RATES (See Note A)**

1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments

£  
**19,854,365**

**FOR INFORMATION: Breakdown of Collectable Rates**

Gross rates payable in year **28,741,621** Part 2, Line 5

Cost of mandatory relief **-6,313,906** Part 2, Line 19 + Part 2,  
Cost of discretionary relief **-1,966,246** Part 2, Line 36 + Part 2,

**TRANSITIONAL PROTECTION PAYMENTS**

2. Sums due to the authority

**292,104**

Cost of transitional arrangements **-292,104** Part 2, Line 8

3. Sums due from the authority

**0**

Cost of accounting adjustments for losses on collection **-65,000** Part 3, Line 2

**COST OF COLLECTION (See Note B)**

4. Cost of collection formula

**123,908**

Cost of accounting adjustments for addition to appeals provision **-250,000** Part 3, Line 3

5. Legal costs

**0**

**Collectable Rates** **19,854,365** Part 1, Line 1

6. Allowance for cost of collection

**123,908**

**SPECIAL AUTHORITY DEDUCTIONS**

7. City of London Offset : Not applicable for your authority

**0**

**DISREGARDED AMOUNTS**

8. Amounts retained in respect of Designated Areas

**0**

9. Amounts retained in respect of Renewable Energy Schemes (See Note C)

**408,244**

*of which:*

9a. sums retained by billing authority

**282,259**

9b. sums retained by major precepting authority

**125,985**

10. Amounts retained in respect of Shale Oil and Gas Sites Schemes (See Note D)

**0**

**NON-DOMESTIC RATING INCOME**

11. Line 1 plus line 2, minus lines 3, 6 to 9 and 10

**19,614,317**

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**  
**2025-26**

Please e-mail with certification to: [nldr.statistics@communities.gov.uk](mailto:nldr.statistics@communities.gov.uk) by no later than 31 January 2025.

**All figures must be entered in whole £**

If you are content with your answers please return this form to MHCLG as soon as possible

Local Authority : Mid Devon

**PART 1B: PAYMENTS**

**This page is for information only; please do not amend any of the figures**

The payments to be made, during the course of 2025-26 to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
  - ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
  - iii) transferred by the billing authority from its Collection Fund to its General Fund,
- are set out below

	Column 1 Central Government	Column 2 Mid Devon	Column 3 Devon County Council	Column 4 Devon and Somerset Fire Authority	Column 5 Total
	£	£	£	£	£
<b>Retained NDR shares</b>					
12. % of non-domestic rating income to be allocated to each authority in 2025-26	50%	40%	9%	1%	100%
<b>Non-Domestic Rating Income for 2025-26</b>					
13. Non-domestic rating income from rates retention scheme	9,807,158	7,845,727	1,765,289	196,143	19,614,317
14. (less) deductions from central share	0				0
15. <b>TOTAL:</b>	9,807,158	7,845,727	1,765,289	196,143	19,614,317
<b>Other Income for 2025-26</b>					
16. add: cost of collection allowance		123,908			123,908
17. add: amounts retained in respect of Designated Areas		0			0
18. add: amounts retained in respect of renewable energy schemes		282,259	125,985		408,244
19. add: amounts retained in respect of Shale oil and gas sites schemes		0	0	0	0
20. add: qualifying relief in Designated Areas		0	0	0	0
21. add: City of London Offset		0			0
22. add: in respect of Port of Bristol hereditament		0			0
<b>Estimated Surplus/Deficit on Collection Fund</b>					
23. Surplus/Deficit at end of 2024-25 (+ve = surplus, -ve = deficit)	-34,272	-27,417	-6,169	-685	-68,543
<b>TOTAL FOR THE YEAR</b>					
24. Total amount due to authorities	9,772,887	8,224,477	1,885,105	195,458	20,077,926

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**  
**2025-26**

Please e-mail with certification to: [nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk) by no later than 31 January 2025.

**All figures must be entered in whole £**

If you are content with your answers please return this form to MHCLG as soon as possible

Local Authority : Mid Devon

**PART 1C: SECTION 31 GRANT (See Note E)**

**This page is for information only; please do not amend any of the figures**

*Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 to 2016 and 2022 to 2023 Autumn Statements, 2020 and 2021 spending reviews, and 2017 (March and November), 2018 (October), 2021 (October) and 2024 (October) Budgets.*

	Column 2	Column 3	Column 4	Column 5
	Mid Devon	Devon County Council	Devon and Somerset Fire Authority	Total
	£	£	£	£
<b>Multiplier Cap</b>				
25. Cost of cap on, and freeing of, small and standard (formerly supplementary) business rates multipliers - Loss of net rates income	1,675,198	389,747	40,431	2,105,376
26. Cost of cap on, and freeing of, small and standard (formerly supplementary) business rates multipliers - Uprating to grants in respect of Section 31 funded reliefs	496,185	111,642	12,405	620,232
27. Total compensation for cost of cap on, and freeing of, small and standard (formerly supplementary) business rates multipliers	2,171,383	501,389	52,836	2,725,608
<b>Small Business Rate Relief</b>				
28. Cost of doubling SBRR & threshold changes for 2025-26	1,153,866	259,620	28,847	1,442,333
28a. Additional compensation for loss of supplementary multiplier income	41,010	9,227	1,025	51,262
29. Cost to authorities of maintaining relief on "first" property	0	0	0	0
<b>Rural Rate Relief</b>				
30. Cost to authorities of providing 100% rural rate relief	7,339	1,652	184	9,175
<b>Supporting Small Business Scheme</b>				
31. Cost to authorities of providing relief	166,506	37,464	4,163	208,133
<b>Designated Areas qualifying relief in 100% business rates retention areas</b>				
32. Cost to authorities of providing relief	0	0	0	0
<b>Public lavatories relief</b>				
33. Cost to authorities of providing relief	2,781	625	69	3,475
<b>Retail, Hospitality and Leisure relief</b>				
34. Cost to authorities of providing relief	583,601	131,310	14,590	729,501
<b>Freeports relief</b>				
35. Cost to authorities of providing relief	0	0	0	0
<b>Investment Zones relief</b>				
36. Cost to authorities of providing relief	0	0	0	0
<b>Low-carbon heat networks relief</b>				
37. Cost to authorities of providing relief	0	0	0	0
<b>Improvement relief</b>				
38. Cost to authorities of providing relief	4,995	1,124	125	6,244
<b>Film Studio relief</b>				
39. Cost to authorities of providing relief	0	0	0	0
<b>TOTAL FOR THE YEAR</b>				
40. Amount of Section 31 grant due to authorities to compensate for reliefs	4,131,481	942,411	101,839	5,175,731

**NB** To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 41, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 40)

This completed Excel form should be e-mailed to [nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk) and any relevant precepting authorities by the Chief Financial / Section 151 Officer. The email should include the officer's electronic signature and the following statement:

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

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**Report for: Cabinet**

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Date of Meeting:	4 February 2025
<b>Subject:</b>	<b>Regulation of Investigatory Powers Act</b>
Cabinet Member:	Cllr Wulff, Cabinet Member for Quality of Living, Equalities and Public Health
Responsible Officer:	Maria de Leburne, Director of Legal, People & Governance (Monitoring Officer)
Exempt:	There are no exemptions within the documents
Wards Affected:	All
Enclosures:	Appendix 1 - RIPA Policy

## **Section 1 – Summary and Recommendation(s)**

To update Members on RIPA following receipt of the Investigatory Powers Commissioner’s Office (IPCO) Audit and in accordance with IPCOs recommendation that the Policy is presented to members annually.

### **Recommendation(s):**

**That the Cabinet notes that:**

- (a) The Council’s policy for ensuring compliance with Regulation of Investigatory Powers Act 2000 (RIPA) is appropriate and shall remain as currently drafted;**
- (b) The Council has not used its powers under RIPA since March 2014.**

## **Section 2 – Report**

### **1.0 Background**

- 1.1 Everyone has a fundamental right to privacy. This right is contained in Article 8 of the European Convention on Human Rights enshrined in the Human Rights Act 1998 (HRA 1998): “Everyone has the right to respect for his private and family life, his home and his correspondence”.

- 1.2. This means, for example, a right not to be watched, have your mail opened or have your personal space invaded including by a public authority. Accordingly, a local authority is required to respect the private and family life of each citizen, their homes and correspondence. However, this right is qualified such that it can be interfered with where it is necessary and proportionate and carried out in accordance with the law. If these requirements are not met and an investigation undertaken that interfered with these rights then it would be unlawful interference.
- 1.3 The Regulation of Investigatory Powers Act 2000 (RIPA) is one such law that permits interference – it details ways in which public bodies can lawfully carry out investigations when there is a wish to use surveillance techniques. For local authorities these comprise:
- Directed surveillance (covert surveillance of individuals outside of residential premises and vehicles);
  - Covert human intelligence sources (CHIS) (such as the deployment of undercover officers); and
  - The acquisition and disclosure of communications data (such as telephone billing information or subscriber details)
- 1.4 Where a local authority carries out overt investigation (e.g. enforcement officers on patrol, signposted CCTV cameras in normal use) then this does not fall within the scope of RIPA. Equally, obtaining information that is not private information about an individual but which is obtained without someone's immediate knowledge is in most cases not caught (e.g. including recording noise levels from outside a property where the occupier has been warned this will happen if the noise continues or Food Safety or Health and Safety inspections).
- 1.5 The general guiding principle is that if surveillance is overt, or is not obtaining private information it does not need to follow RIPA requirements. Where there is directed surveillance or use of a covert human intelligence source then the requirements of RIPA must be followed.
- 1.6 Following criticism of local authorities' use of covert surveillance powers additional safeguards were put in place including:
- The need to obtain magistrate approval
  - Only be used to investigate offences which attract sentences of six months or more or relate to the underage sale of alcohol or tobacco.
- 1.7 The Council's RIPA Policy as currently published is attached as Appendix 1. As it provides and as is appropriate, the Council's policy is to not use these covert surveillance powers save where absolutely necessary and the procedure is set out for what should be done where it is felt that it is necessary, including requiring the authority of named Authorised Officers.



1.8 Adopting this practice has not been to the detriment of carrying out the Council's functions and the Council has not used these powers of surveillance since 2014, providing an annual nil return to the IPCO, which requests statistics of how these powers are being used by public authorities across the country.

## **2.0 The Council and RIPA in the last 12 months**

2.1 The Council has not used its RIPA surveillance powers in the last 12 months. The last time such powers were used dates back to 2014.

2.2 In August 2024, the Investigatory Powers Commissioner's Office (IPCO) conducted its 3 year review/inspection of the Council. The inspector appointed by the IPCO conducted a "remote" inspection. The Investigatory Powers Commissioner's Office in a letter dated the 9 August 2024 informed the Chief Executive of the results of the inspection. It was stated the inspector was satisfied that the information provided offered the required assurance that ongoing compliance with RIPA 2000 and the Investigatory Powers Act 2016 will be maintained. He also stated that MDDC appears to be in a strong compliance position. He did make one observation that the code outlines the requirement for elected members to review the authority's use and set the policy annually.

2.3 In the light of the inspector's comment the RIPA policy is attached at Appendix 1. The Inspector did not require any amendments to this policy. This was previously amended following the last audit and approved at the 8 March 2022 Cabinet meeting.

2.4 On 15 December 2021, the Council arranged RIPA training for officers, and in particular for front-line practitioners. The training was provided by an experienced external trainer in RIPA and was well attended. The training included social media surveillance. Further training is currently being arranged for front-line practitioners, and this will be cascaded down to their teams. Training of wider staff is also being considered at present and is likely to be appropriate to avoid inadvertently carrying out directed or other form of covert surveillance in breach of the Procedures in place.

**Financial Implications:** None directly arising from this report.

**Legal Implications:** The use of RIPA powers is heavily regulated and scrutinised by the Investigatory Powers Commissioner's Office ("IPCO"). The legislation, combined with Codes of Conduct, sets the framework for the use of RIPA powers. Statutory guidance requires the Council to review the use of RIPA and the RIPA policy annually.

**Risk Assessment:** There are no risks directly arising from this report. The Council has the necessary policy and procedures in place with appropriate training have been given to officers.

**Impact on Climate Change:** None.

**Equalities Impact Assessment:** None directly arising from this report, but human rights, including equalities matters, are central to RIPA.

**Relationship to Corporate Plan:** None.

### **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** Andrew Jarrett  
Agreed by or on behalf of the Section 151 Officer  
**Date:** 21/1/25

**Statutory Officer:** Maria De Leiburne  
Agreed on behalf of the Monitoring Officer  
**Date:** 21/1/25

**Chief Officer:** Stephen Walford  
Agreed by or on behalf of the Chief Executive/Corporate Director  
**Date:** 21/1/25

**Performance and risk:** Stephen Carr  
Agreed on behalf of the Corporate Performance & Improvement Manager  
**Date:** 20 November 2024

**Cabinet member notified:** Yes

### **Section 4 - Contact Details and Background Papers**

Maria de Leiburne, Director of Legal, People & Governance (Monitoring Officer)  
Email: mdeleburne@middevon.gov.uk

**Background papers:**

None

## MID DEVON DISTRICT COUNCIL

### **POLICY ON THE USE OF COVERT INVESTIGATION TECHNIQUES (Application of the Regulation of Investigative Powers Act (RIPA) 2000)**

#### **1.0 INTRODUCTION**

1.1 The Regulation of Investigatory Powers Act 2000 (hereafter referred to as 'the Act' or 'RIPA') regulates the use of covert investigative techniques by public authorities. It provides for the application for, and granting of, lawful authorisations for those surveillance techniques covered by the Act.

1.2 The European Convention on Human Rights (ECHR) is enshrined in UK law through the Human Rights Act 1998.

Article 8 of the ECHR provides a right to private and family life. This is not an absolute right; it may be infringed in certain circumstances. The RIPA is designed to provide a statutory regulatory framework, which will meet the requirements of the European Convention on Human Rights.

#### **2.0 PURPOSE**

The purpose of this policy is to ensure that the Council complies with the requirements of RIPA (and the overarching human rights and freedoms) - and that appropriate authorisations are given for covert surveillance, the use of covert human intelligence sources and, even rarer still, the acquisition and disclosure of communications data.

#### **3.0 ASSOCIATED DOCUMENTS**

##### **3.1 Background documents**

Report to the Council's Policy and Development Committee –15.02.01

##### **3.2 Statutes and Statutory Instruments**

- (a) Regulation of Investigatory Powers Act 2000
- (b) Human Rights Act 1998
- (c) Police and Criminal Evidence Act 1984
- (d) Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010
- (e) Protection of Freedoms Act 2012
- (f) Investigatory Powers Act 2016
- (g) General Data Protection Regulations (GDPR)
- (h) Data Protection Act 2018

##### **3.3 Guidance**

- (a) Explanatory Notes to RIPA
- (b) Code of Practice for covert surveillance and property interference
- (c) Code of Practice for the use of covert human intelligence sources

All Codes of Practice are currently available on the Home Office Web Site <https://www.gov.uk/government/collections/ripa-codes>

## 4.0 SCOPE

4.1 The Act provides a regime of primary legislation and Codes of Practice, which divide covert investigation techniques into categories distinguished (to an extent) by the degree of intrusion involved. This procedure applies to all investigation and surveillance that require an authorisation under RIPA.

4.2 This policy document relates to the **use of directed surveillance** and **covert human intelligence sources (CHIS)**. It does not cover the acquisition and disclosure of Communications Data (CD) as this engages an entirely separate procedure under The Investigatory Powers Act 2016 (IPA) which governs how law enforcement agencies use the investigatory powers available to them, in relation to the lawful acquisition of CD. Independent Authorisation for the acquisition of CD is through the new Office for Communications Data Authorisations (OCDA). All applications for CD must be made via an Accredited Officer known as a Single Point of Contact (SPoC) who has passed a Home Office approved course. All Councils must use the National Anti-Fraud Network (NAFN) as their SPoC. All applications to access CD will be made through NAFN via their online application service. The introduction of OCDA means the acquisition of CD by Council officers no longer requires judicial approval.

Guidance must be sought from Legal Services before any decision is taken to seek authority for the acquisition of CD.

4.3 This policy does not cover intrusive surveillance, because local authorities are not allowed to do this. Intrusive surveillance is the covert (i.e. secret) surveillance of anything taking place:

- in residential premises or
- a private car and
- involves the presence of an individual on the premises, or in the vehicle, or
- is carried out by means of a surveillance device.

4.3 RIPA sets out the purposes for which directed surveillance and CHIS may be used, and who should authorise the use.

Authorisation under RIPA gives lawful authority for the use of covert methods of obtaining information, provided there is compliance with the statutory requirements and procedures. Obtaining an authorisation will ensure that the action is carried out in accordance with law and subject to stringent safeguards against abuse. It will also make the action less vulnerable to challenge under the Human Rights Act 1998.

4.4 For district councils, RIPA does not allow directed surveillance or CHIS at all, except for the purpose of preventing or detecting crime or preventing disorder. For example, this means that you cannot carry out these covert activities prior to the service of a statutory notice, unless you believe an offence

- may have been committed,
- may be about to be committed, or
- there could be public disorder.

The only option in any other cases will be to carry out overt – open, non-secretive – surveillance.

4.5 Services likely to conduct investigations covered by RIPA are Planning, Environmental Health, Housing and Audit, however, any officer of the Council (if he or she conducts an investigation using methods or techniques covered RIPA) is required to seek the necessary authorisation, provided always that the purpose of the investigation is one which RIPA says can justify covert surveillance – see 4.4 above.

## 5.0 ACTIVITY REQUIRING AUTHORISATION

5.1 The following types of activity will require authorisation:

- directed surveillance
- the conduct and use of a CHIS

5.2 Directed surveillance is, in essence, any activity undertaken covertly for the purpose of a specific investigation, in such a way that is likely to result in obtaining information about a person's private life.

5.3 A covert human intelligence source (CHIS) is effectively, an inside informant or undercover officer, (i.e. someone who develops or maintains their relationship with the surveillance target), having the covert purpose of obtaining or accessing information, for the investigator.

## 6.0 APPLYING FOR AUTHORISATIONS

6.1 Subject to the provisions of paragraphs 6.3 and 8.7 the Directors are Authorising Officers for the Council.

In the absence of an Authorising Officer, applications for authorisation should be submitted to Chief Executive, who also has the delegated authority to issue authorisations in relation to any service of the Council.

Authorising Officers may authorise for any service within the Council.

6.2 Any officer intending to use directed surveillance or a CHIS must apply for authorisation from an Authorising Officer by completing the appropriate application form as set out at **Appendix DS/1 or CHIS/1**.

6.3 Special care needs to be taken with **confidential personal information**. This is information held in confidence, relating to the physical or mental health or spiritual counselling concerning an individual (whether living or dead) who can be identified from it.

Such information, which can include both oral and written communications, is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of confidentiality contained in existing legislation. Examples might include consultations between a health professional and a patient, or information from a patient's medical records. This also includes legally privileged material, journalistic materials and information given to a Member of Parliament.

Owing to the very sensitive nature of this type of information authorisations potentially involving confidential personal information must always be made by the **Chief Executive** or in his/her absence the person who is formally nominated to act on behalf of the Chief Executive.

6.4 When completing the application, always include a full account of the steps to be taken in the investigation, which require authorisation.

## 7.0 GRANTING OF AUTHORISATIONS FOR DIRECTED SURVEILLANCE

7.1 Section 28 of RIPA provides that *'a person shall not grant authorisation for directed surveillance unless he believes that the authorisation is:*

*(a) necessary for the purpose of preventing or detecting crime, or of preventing disorder involving a crime; and*

*the authorised surveillance is proportionate to what is sought to be achieved by it. '*

There is a **crime** threshold to be reached, i.e. the criminal offence:

- is or would be punishable (whether on summary conviction or on indictment) by a maximum term of at least 6 months of imprisonment, or
- it arises from the underage sale of alcohol, tobacco, or nicotine inhaling products.

### Authorising Officer

7.2 The Authorising Officer, in determining whether the surveillance is proportionate, will give particular consideration to any collateral intrusion on, or interference with, the privacy of persons other than the subject(s) of the surveillance.

Such consideration of proportionality must involve:

- **balancing** the size and scope of the proposed activity against the gravity and extent of the perceived crime or harm;
- **explaining** how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- **considering** whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the information sought;
- **evidencing**, as far as reasonably practicable, what other methods had been considered and why they were not implemented, or have been implemented unsuccessfully.

The Home Office Code of Practice on Covert Surveillance and Property Interference has the following to say on the issue of proportionality:

*"4.5 if the activities are deemed necessary on...the statutory grounds, the person granting the authorisation... must also believe that they are proportionate to what is sought to be achieved by carrying them out. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative and operational terms.*

*4.6 The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected*

*benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate.*

*No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.”*

### 7.3 Authorisations must be given in writing.

It is possible that Authorising Officers may face cross-examination in court about the authorisation sometime after it is granted, and memories fade. It is therefore important that a full written record of what they are being asked to authorise, appears on the application form. If in doubt, Authorising Officers should ask for more detail.

### 7.4 Authorising Officers should not be responsible for authorising their own activities.

### 7.5 All RIPA authorisations must be approved by a Magistrate before an authorisation becomes effective and directed surveillance is undertaken, or a CHIS deployed. .

### 7.6 **Duration of Authorisations and Reviews**

An authorisation in writing ceases to have effect at the end of a period of 3 months beginning with the day on which it took effect, e.g. an authorisation starting 1<sup>st</sup> January would come to an end on 31<sup>st</sup> March.

Regular reviews of authorisations should be undertaken. The results of the review should be recorded on **Appendix DS/2** and a copy filed on the central record of authorisations. If the surveillance provides access to confidential information or involves collateral intrusion, more frequent reviews will be required. The authorising officer should determine at the time of giving the initial authorisation, how often a review should take place (and this may also be subsequently reviewed).

### 7.7 **Renewals**

#### 7.7.1 While an authorisation is still in force, the Authorising Officer can renew it if he considers this necessary for the purpose for which the authorisation was originally given. The authorisation will be renewed in writing for a further period, beginning with the day when the authorisation would have expired, but for the renewal, and can be for a period up to 3 months.

#### 7.7.2 Applications requesting renewal of an authorisation are to be made on the appropriate form as set out at **Appendix DS/3** and submitted to the Authorising Officer.

The renewal must be granted before the original authorisation ceases to have effect.

#### 7.7.3 Applications for renewal will record whether it is the first renewal; and if not, every occasion on which the authorisation has previously been renewed. Applications must also detail:

- the significant changes to the information in the initial authorisation
- the reasons why it is necessary to continue with the surveillance

- the content and value to the investigation or operation, of the information so far obtained by the surveillance
- The results of regular reviews of the investigation or operation.

7.7.4 When a directed surveillance authorisation requires renewal, the renewal must be approved by a magistrates' court in the same manner as an initial authorisation.

## 7.8 Cancellations

The person who granted or last renewed the authorisation (or other person with Authority under this policy) **MUST** cancel it if he is satisfied that the directed surveillance no longer meets the criteria for authorisation.

Requests for cancellation will be made on the appropriate form as set out at **Appendix DS/4** and submitted to the Authorising Officer for authorisation of the cancellation. All directed surveillance cancellations must include directions for the management and storage of any surveillance product.

## 8.0 GRANTING OF AUTHORISATION FOR THE CONDUCT AND USE OF COVERT HUMAN INTELLIGENCE SOURCES (CHIS)

8.1 The same requirements of necessity and proportionality exist for the granting of these authorisations as with directed surveillance.

8.2 Additionally, the Authorising Officer shall not grant an authorisation unless he /she believes that arrangements exist which satisfy the following requirements:

- there will at all times be an officer with day to day responsibility for dealing with the source and the source's security and welfare
- there will at all times be an officer who will have general oversight of the use made of the source
- there will at all times be an officer with responsibility for maintaining a record of the information supplied by the source
- records which disclose the identity of the source will not be available to persons except to the extent that there is a need for access to them to be made available

8.3 Similarly, before authorising the use or conduct of the source, the Authorising Officer must be satisfied that the conduct/use is proportionate to what the use or conduct of the source seeks to achieve, taking into account the likely degree of intrusion into the privacy of those potentially effected, and for the privacy of persons other than those who are directly the subjects of the operation or investigation.

Measures should be taken, wherever practicable, to avoid unnecessary intrusion into the lives of those not directly connected with the operation.

8.4 Particular care is required where people would expect a high degree of privacy, or where, as a consequence of the authorisation, 'confidential material' is likely to be obtained.



- 8.5 Consideration is also required to be given to any adverse impact on community confidence that may result from the use or conduct of a source or information, obtained from that source.
- 8.6 Additionally, the Authorising Officer should make an assessment of any risk to a source, in carrying out the conduct in the proposed authorisation.
- 8.7 Authorisation for the use of a CHIS must be given in writing.

Only the Chief Executive (or in his/her absence the person who is formally nominated to act as the Chief Executive) may authorise the use of a juvenile or vulnerable CHIS.

- 8.8 Ideally, the Authorising Officers should not be responsible for authorising their own activities e.g. those in which they themselves are to act as a source, or in tasking a source. However, it is recognised that this will not always be possible, especially in the case of small departments. Authorisations must be approved by a Magistrate (see paragraph 7.5).

The Solicitor employed by the Council will arrange the appointment before the Magistrate(s) and explain the procedure to the Authorising Officer. The Solicitor employed by the Council and the Authorising Officer will be required to attend before the Magistrate(s) to seek the Magistrate's approval to the authorisation.

- 8.9 An application for authorisation for the use or conduct of a CHIS will be made on the appropriate form, as set out at **Appendix CHIS/1** and must record:

- Details of the purpose for which the source will be tasked, or deployed.
- The reasons why the authorisation is necessary in the particular case and the grounds on which authorisation is sought (e.g. for the purpose of preventing or detecting crime or disorder).
- Where a specific investigation or operation is involved, details of that investigation or operation.
- Details of what the source would be tasked to do.
- Details of potential collateral intrusion and why the intrusion is justified.
- Details of any confidential material that might be obtained as a consequence of the authorisation.
- The reasons why the authorisation is considered proportionate to what it seeks to achieve.
- The level of authorisation required.
- A subsequent record of whether authorisation was given or refused by whom and the time and date.

#### 8.10 **Duration of Authorisations**

A written authorisation, unless renewed, will cease to have effect at the end of a period of twelve months beginning with the day on which it took effect except in the case of a juvenile CHIS which has a duration of 4 months . Oral authorisations will, unless renewed, last 72 hours.

#### 8.11 Renewals

As with authorisations for directed surveillance, authorisations for the conduct and use of CHIS can be renewed, the same criteria applying. However before an Authorising Officer renews an authorisation, he must be satisfied that a review has been carried out of the use of a CHIS and that the results of the review have been considered.

Applications for renewal must be made on the appropriate form as set out at **Appendix CHIS/3** and submitted to the Authorising Officer. However, an application for renewal should not be made until shortly before the authorisation period is coming to an end.

8.12 An authorisation may be renewed more than once – provided it continues to meet the criteria for authorisation.

8.13 When CHIS authorisation requires renewal, the renewal must be approved by a magistrates' court in the same manner as an initial authorisation

#### 8.13 Reviews

Regular reviews of authorisations should be undertaken. The results of the review should be recorded on **Appendix CHIS/2** and a copy filed on the central record of authorisations.

If the surveillance provides access to confidential information, or involves collateral intrusion, frequent reviews will be required. The Authorising Officer should determine how often a review should take place.

8.14 Before an Authorising Officer renews an authorisation he must be satisfied that a review has been carried out of:

- The use made of the source during the period authorised
- The tasks given to the source
- The information obtained from the use or conduct of the source

8.15 If the Authorising Officer is satisfied that the criteria necessary for the initial authorisation continue to be met, he may renew it in writing as required.

When CHIS authorisation requires renewal, the renewal must be approved by a magistrates' court in the same manner as an initial authorisation

#### 8.16 Cancellations

The officer who granted or renewed the authorisation **MUST** cancel it if he/she is satisfied that

- the use or conduct of the source no longer satisfies the criteria for authorisation, or

- that the arrangements for the source's case no longer exist

8.17 Requests for cancellation will be made on the appropriate form, as set out at **Appendix CHIS/4** and submitted to the Authorising Officer for authorisation of the cancellation.

All CHIS cancellations must include directions for the management and storage of any surveillance product.

#### 8.18 **Management Responsibility**

The day to day contact between the Council and the source is to be conducted by the handler, who will usually be an officer below the rank of the Authorising Officer.

No vulnerable person or young person under the age of 18 should be used as a source.

#### 8.19 **Security and Welfare**

Account must be taken of the security and welfare of the source. The Authorising Officer, prior to granting authorisation, should ensure that an assessment is carried out to determine the risk to the source of any task and the likely consequences should the target know the role of the CHIS.

#### 8.20 **Confidential Material**

Where the likely consequence of the directed surveillance or conduct of a source would be for any person to acquire knowledge of confidential material, the deployment of a source should be subject to special authorisation. In these cases, the proposed course of conduct must be referred to the Head of Paid Service or (in his absence) a Director for a decision as to whether authorisation may be granted.

#### 8.21 **Monitoring of personal information online**

The study of an individual's on-line presence may engage privacy considerations requiring RIPA authorisation. The attached annex gives guidance on the monitoring of information online, such as social media.

### 9.0 **MAINTENANCE OF RECORDS**

9.1 Each Service shall keep in a dedicated place

- a record of all authorisations sought
- a record of authorisations granted and refused
- applications for the granting, renewal and cancellation of authorisations

9.2 The records will be confidential and will be retained for a period of 3 years from the ending of the authorisation.

9.3 Each Authorising Officer shall send original copies of all applications/authorisations, reviews, renewals and cancellations to the RIPA Co-ordinating Officer, who will maintain a central record of all authorisations. The report will include details of the level of compliance with the requirements for authorisation.

9.4 Authorising Officers will ensure compliance with the appropriate data protection requirements and any relevant codes of practice produced by individual authorities in the handling and storage of material.

9.5 Where material is obtained by surveillance which is:

- wholly unrelated to a criminal or other investigation, or
- to the person subject of the surveillance, and
- there is no reason to believe it will be relevant to future civil or criminal proceeding

it should be destroyed immediately. The decision to retain or destroy material will be taken by the relevant Authorising Officer.

#### 10.0 **AWARENESS OF THE CONTENTS OF THE ACT AND TRAINING**

It shall be the responsibility of each Service Manager, or an Authorised Officer for that service, to ensure that all staff involved or likely to be involved in investigations, are adequately trained so as to be aware of the requirements and implications of the Act.

It shall be the responsibility of the Senior Responsible Officer with the assistance of the RIPA Co-ordinating Officer to ensure that all relevant officers have received appropriate training and are aware of the requirements and implications of the Act.

#### 11.0 **SENIOR RESPONSIBLE OFFICER AND RIPA CO-ORDINATING OFFICER**

The Monitoring Officer is the Senior Responsible Officer for the Council whose role is:

- (i) to be responsible for RIPA training throughout the Council;
- (ii) to ensure that all Authorising Officers are of an appropriate standard; and
- (iii) to be responsible for raising RIPA awareness throughout the Council.

The Senior Responsible Officer will nominate a suitable officer employed by the Council as the RIPA Co-ordinating Officer, whose role is:

- (i) to collate all original applications and authorisations, reviews, renewals and cancellations;
- (ii) to keep the Central Record of Authorisations; and
- (iii) to notify the Leader of the Council of the receipt of authorisations from Authorising Officers.

#### 12.0 **MEMBER INVOLVEMENT**

Cabinet will consider reports from the IPCO. The Cabinet should also consider reports on the use of the powers under the Act on a regular basis, which shall be at least every year, to ensure that it is being used consistently with this policy. Members of the Council will not however be involved in making decisions on specific authorisations.

#### Inventory of Surveillance Equipment held by MDDC

None as at 1 December 2020

### Standard Operating Procedure for use of Surveillance Equipment

The Equipment should be stored, when not in use, in a locked cabinet under the control of the Senior Responsible Officer.

Any Officer of the Council considering using the Equipment for covert surveillance in a public place must make a written request to the Senior Responsible Officer or the RIPA Co-Ordinating Officer, who will consider and decide whether the proposed use of the Equipment is appropriate, bearing in mind the provisions of RIPA and the associated codes of practice.

Any Officer who uses the Equipment to record digital images may only view such images once captured, and shall not download them on to a computer or other electronic storage facility unless this is first agreed by the Senior Responsible Officer and/or the RIPA Co-ordinating Officer.

**Mid Devon District Council**

**Annex 1 to the Council's RIPA Policy**

**Open Source Internet Research (OSIR) and RIPA**

**Background**

The internet enables access to a vast amount of information which can be useful to the Council in carrying out its statutory functions as well as engaging with the public.

Open Source Internet Research (OSIR) is the name given to viewing, collecting processing, and analysing publicly available personal information stored on the internet, including on Social Media. Social Media in this Annex means social networking websites such as Twitter, Facebook, YouTube, online communities, and blogs.

This Annex to the Council's RIPA Policy covers the use of OSIR in investigations. Advice should be taken from HR should an investigation involve a member of staff. Where officers are carrying out OSIR they must be aware of the Council's RIPA Policy and the information contained in this annex.

Using OSIR raises the issue of whether RIPA authorisation must be obtained. This policy indicates when RIPA authorisation should be obtained.

If RIPA authorisation is required the Council's RIPA policy must be complied with.

**1.0. Open Source Internet Research (OSIR)**

- 1.1 OSIR is the collection, evaluation and analysis of materials from sources available to the public, whether on payment or otherwise, to use as intelligence or evidence, within investigations.
- 1.2. OSIR is a powerful tool against crime. MDDC needs to ensure that any collection of information from the internet for an enforcement purpose is conducted in such a way that the integrity of any evidence gained is maintained.
- 1.3. MDDC staff must consider whether their evidence or intelligence gathering is likely to interfere with a person's right to respect for their family life (Human Rights Act 1998 - Article 8) and, if so obtain appropriate authorisation under the RIPA for their research. Where RIPA does not apply, a privacy impact statement may still be required.

**2. General principles**

- 2.1. Online communication via the internet has become the preferred method of communication between individuals, within social groups or indeed with anyone in the world with internet access.
- 2.2. Such communication may involve web sites, social networks (e.g. Facebook), chat rooms, information networks (e.g. twitter) and/or web based electronic mail.
- 2.3. Just because other people may also be able to see it, does not necessarily mean that a person has no expectation of privacy in relation to information posted on the

internet. Think of it as similar to a private conversation between diners in a restaurant – you would not expect other diners to listen too closely or to make recordings.

- 2.4. Online research and investigative techniques capable of interfering with a person's Article 8 rights should be used only when necessary and proportionate.

### 3.0 Categories of OSIR

This Annex focuses on four broad categories of OSIR, to give an indication when RIPA authorisation is required.

#### Category 1

Category 1 is viewing publicly available postings, or websites where the person viewing does not have to

- register a profile,
- answer a question, or
- enter correspondence

in order to view the posts, e.g. a trader's website.

There must be a low expectation of privacy and no RIPA authorisation would normally be required to view or record these pages. However, repeated visits over time, which amount to monitoring an individual's on-line presence, will require RIPA authorisation.

How a person runs his/her business can be private information even if they do so in the public domain.

No monitoring of a person's online presence can take place without RIPA authorisation. The exception to this is where prior notification is given to the person that the Council is monitoring that person's online presence; this would then be overt monitoring and would not require RIPA authorisation.

All visits to such websites for the purposes of any investigations must be recorded and be available for inspection by the Senior Responsible Officer and/or the Co-ordinating Officer - see Part 12 of the RIPA Policy for more details about these roles.

Guidance approved by the Senior Responsible Officer on record keeping of viewings will be distributed by the Co-ordinating Officer and must be adhered to.

Using test purchases in an investigation does not necessarily trigger the need for RIPA authorisation but in each case advice must be sought beforehand from the Co-ordinating Officer

## Category 2

Category 2 is viewing postings on social networks where the viewer has to register a profile, but there is not otherwise a restriction on access. This would include Facebook where there is no need to be accepted as a “friend” to view. E.g. a trader has a “shop window” on Facebook advertising business and products

There are differences between this and Category 1.

The person who posts information or runs such a website may reasonably expect viewers to work within the terms and conditions of the website. Viewings using a fictitious identity, or a “covert account” require RIPA authorisation. No such viewings may take place without RIPA authorisation. Viewing conducted in an overt manner do not require RIPA authorisation.

Viewings can be conducted in an overt manner via an account profile which uses the officer’s correct name and email address (which should be a middevon.gov.uk).

All viewings for investigations, regardless of whether RIPA authorised or not, will need to be recorded and available for inspection by the Senior Responsible Officer and/or the Co-ordinating Officer.

Guidance approved by the Senior Responsible Officer on record keeping of viewings will be distributed by the Co-ordinating Officer and must be adhered to.

## Category 3

Category 3 is viewing postings on social networks which require a “friend” or similar status to view.

Viewings using a covert account or fictitious identity will require RIPA authorisation. No such viewings may take place without RIPA authorisation.

Viewing conducted by using the officer’s correct name and email address (which should be a middevon.gov.uk) to acquire “friend status” may still require a RIPA authorisation.

Officers will need to be sure that their access is being granted as a representative of the Council.

If officers are not sure that access is being granted to the officer as a representative of the Council, then RIPA authorisation **must** be obtained before such viewings take place.

All viewings for investigations, regardless of whether RIPA authorised or not, will need to be recorded and available for inspection by the Senior Responsible Officer and/or the Co-ordinating Officer.

Guidance approved by the Senior Responsible Officer on record keeping of viewings will be distributed by the Co-ordinating Officer and must be adhered to.



## **Category 4**

Category 4 is the use of sophisticated OSIR tools and techniques including active search, reverse engineering and/or tools or filters, etc., to obtain information on an individual on the wider web. The use of such tools is likely to involve monitoring an individual and RIPA authorisation **must** be obtained before use

### **Covert Facebook accounts and similar covert social media accounts**

Use of such covert accounts requires RIPA authorisation. Even with RIPA authorisation, use of such covert accounts may be judged to be unlawful because the companies' terms and conditions do not allow such covert accounts.

RIPA authorisation is not in itself sufficient to legally permit breaching a company's terms and conditions. Advice must be sought from the Co-ordinating Officer.

### **Procedures/instructions**

Senior managers may issue instructions and procedure notes to provide further safeguards in using OSIR

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**Report for: Cabinet**

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Date of Meeting:	4 February 2025
<b>Subject:</b>	<b>Mid Devon Off Street Parking Places Order</b>
Cabinet Member:	Cllr James Buczkowski- Cabinet Member for Finance
Responsible Officer:	Luke Howard, Environment and Enforcement Manager  Matthew Page, Head of People, Performance and Waste
Exempt:	N/A
Wards Affected:	All
Enclosures:	<b>Appendix 1</b> – Plan of The Orchard, Halberton <b>Appendix 2</b> – Plan of Carpenter Close, Tiverton

## Section 1 – Summary and Recommendation(s)

To amend the Mid Devon (Off Street Parking Places) Order 2016 (the “OSPPO”) as set out in this report.

### Recommendation(s):

**That the Cabinet, after considering this report, makes the following resolutions:-**

- 1. On being satisfied that the statutory grounds for amending and varying the OSPPO are met, as detailed in the Report, to authorise Officers to commence statutory consultation for the following proposed amendments to the OSPPO:**
  - To incorporate as appropriate references to up to date legislative regulations including The Civil Enforcement of Road Traffic Contraventions (Approved Devices, Charging Guidelines and General Provisions) (England) Regulations 2022. The Civil Enforcement of Road Traffic Contraventions (Representations and Appeals) (England) Regulations 2022.**

- To incorporate within the OSPPO, 5 parking spaces known as 'The Orchard' in Halberton for the purpose of permit only parking.
- To amend the OSPPO to incorporate the access roads within Carpenter Close, Tiverton to be subject to a restriction in the OSPPO of no parking
- For the OSPPO to include new provisions relating to electric vehicles and electric vehicle parking bays. The OSPPO will provide that only electric vehicles can park in an electric vehicle parking bay in order to recharge using the electric charging point provided the electric vehicle meets the following definition of an electric vehicle “ *“Electric Vehicle” means an Electric Vehicle or plugin hybrid a Vehicle that is powered entirely or partially by electricity and is capable of being recharged from an Electric Charging Point or external electric power source. The Electric Vehicle must be licensed as private or private/light goods and not exceeding 2500kg in weight or 2 metres in height.”*”
- The wording of the OSPPO to be amended to allow for electronic payment of parking fees along the lines of using the definition below :-

*“ “Electronic Payment” means a cashless parking payment method of charges for use in a Parking Place where facilities at that Parking Place allow payment by telephone or electronic means, allowing Vehicles of such classes, in such positions, on such days, during such hours and for such period as are specified at each Parking Place and specified in the Schedule of Parking Places to be parked for the period of time for which Electronic Payment has been made. A transaction fee (convenience charge) may be incurred in addition to the scale of current charges as specified on site and specified in the Schedule , for the use of this Electronic Payment method.”*

2. Delegated Authority to be granted to the Director of Legal, HR & Governance (Monitoring Officer) to draft the order amending the OSPPO above including making such minor amendments as believe to go out to consultation.
3. In the event that there are no material objections to the proposed amendments and variations as determined by the Operations Manager for Street Scene and Open Spaces, in consultation with the Cabinet Member for Service Delivery and Continuous Improvement, to grant delegated authority to the Director of Legal, HR & Governance

**(Monitoring Officer) to make the order amending the OSPPO as recommended in the Report.**

## **Section 2 – Report**

### **1.0 Introduction**

- 1.1 The OSPPO was created in 2016. It was amended on 10 February 2020 to incorporate relevant changes and has not been amended since that date.
- 1.2 The OSPPO is a legal document for Mid Devon District Council to exercise its powers under Section 32, 35 and part IV of the schedule of the Road Traffic Regulation Act 1984 (RTRA 1984). Recent legislative regulation changes also include The Civil Enforcement of Road Traffic Contraventions (Approved Devices, Charging Guidelines and General Provisions) (England) Regulations 2022. The Civil Enforcement of Road Traffic Contraventions (Representations and Appeals) (England) Regulations 2022.
- 1.3 The OSPPO provides the legal framework for the Council to undertake parking services. These include but are not limited to, pay and display parking, permits and enforcement. The order also defines schedules of parking and prohibits certain activities within car parks and classes of vehicle.
- 1.4 Failure to comply with the regulations and schedules set out within the OSPPO may result in a penalty charge notice being issued to a vehicle. For which a charge of £50 or £70 is payable depending on the contravention committed, discounted by 50% if paid within 14 days of the contravention.
- 1.5 Following a Cabinet report submitted on 12 November 2024 by the S151 and Deputy Chief Executive it was agreed that 5 spaces at the location known as The Orchard, Halberton be established for the purpose of permit parking. It is considered the new arrangements will mitigate some of the parking challenges in that area. A copy of the plan for this land is at Appendix 1 of this report.
- 1.6 At the last amendment of this OSPPO in February 2020, the access roads for access and egress into Carpenters Close, Tiverton were not included within the order. Following several issues of vehicles utilising parking on these access roads, it is requested these be included on the plan to prevent vehicles from parking at this location with the exception of emergency vehicles. A copy of the plan for this land is at Appendix 2 of this report

## **2.0 Reasons for recommendations**

- 2.1 In order to incorporate the agreed recommendations of the Cabinet decision made on 12 November 2024, the OSPPO requires inclusion of the location known as The Orchard, Halberton.
- 2.2 To satisfy the statutory requirements, a public consultation must be held in respect of the recommendations contained within this report and the recommendations previously agreed by this Cabinet on 12 November 2024.
- 2.3 Wording and regulation changes recommended reflect legislative change and inclusion of definitions in relation to Electric Vehicles and their respective bays.
- 2.4 The recommendations for public consultation enable the Council to update the OSPPO to accurately reflect changes that have occurred since its last amendment in 2020.

## **3.0 Conclusion**

- 3.1 The Council is obliged to consult with the public on proposed amendments in the OSPPO as per RTRA 1984 guidance.
- 3.3 The Council must publish the text of the proposed order varying the OSPPO, and publicise the proposal within each car park location and within the local press. It is proposed that Delegated Authority be granted to the Director of Legal, HR & Governance (Monitoring Officer) to draft the text including making such minor amendments as they think to go out to consultation.

## **Financial Implications**

Whilst a consequence of enforcement may be issuance of a Penalty Charge Notice (PCN), income generation is not a reason for the proposed amendments of the OSPPO.

## **Legal Implications**

The OSPPO is designed to accurately reflect the Councils parking service and is a legal require that allows the Council to provide such services.

## **Risk Assessment**

The Council is at risk of not being able to enforce parking contraventions within new locations and in respect of electric vehicle parking, which could result in reputational damage for not taking appropriate action against offenders.

## **Impact on Climate Change**

An OSPPO is designed to provide parking for motor vehicles away from the public highway. This in turn allows the expeditious movement of traffic on public highways, thus reducing emissions from vehicles driving around seeking a space. The recommendations also actively look to encourage electric vehicles to utilise the Council car parks for purposes of charging, further working towards the Council aims of net zero.

## **Equalities Impact Assessment**

It is not perceived the recommendations contained within this report will have any such impact.

## **Relationship to Corporate Plan**

The Parking Service is a frontline service, which works throughout the District ensuring Mid Devon communities have appropriate parking for their needs. The service operates to encourage turnover of space and allow greater footfall and fairness for all wishing to utilise the Councils car parks.

## **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** Andrew Jarrett  
Agreed by or on behalf of the Section 151 Officer  
**Date:** 27 January 2025

**Statutory Officer:** Maria de Leburne  
Agreed on behalf of the Monitoring Officer  
**Date:** 27 January 2025

**Chief Officer:** Stephen Walford  
Agreed by or on behalf of the Chief Executive/Corporate Director  
**Date:** 25 January 2025

**Performance and risk:**  
Agreed on behalf of the Corporate Performance & Improvement Manager  
**Date:**

**Cabinet member notified:** (yes/no)

## **Section 4 - Contact Details and Background Papers**

**Contact:** Luke Howard, Environment and Enforcement Manager  
Email: lhoward@middevon.gov.uk

Telephone: 01884 255255

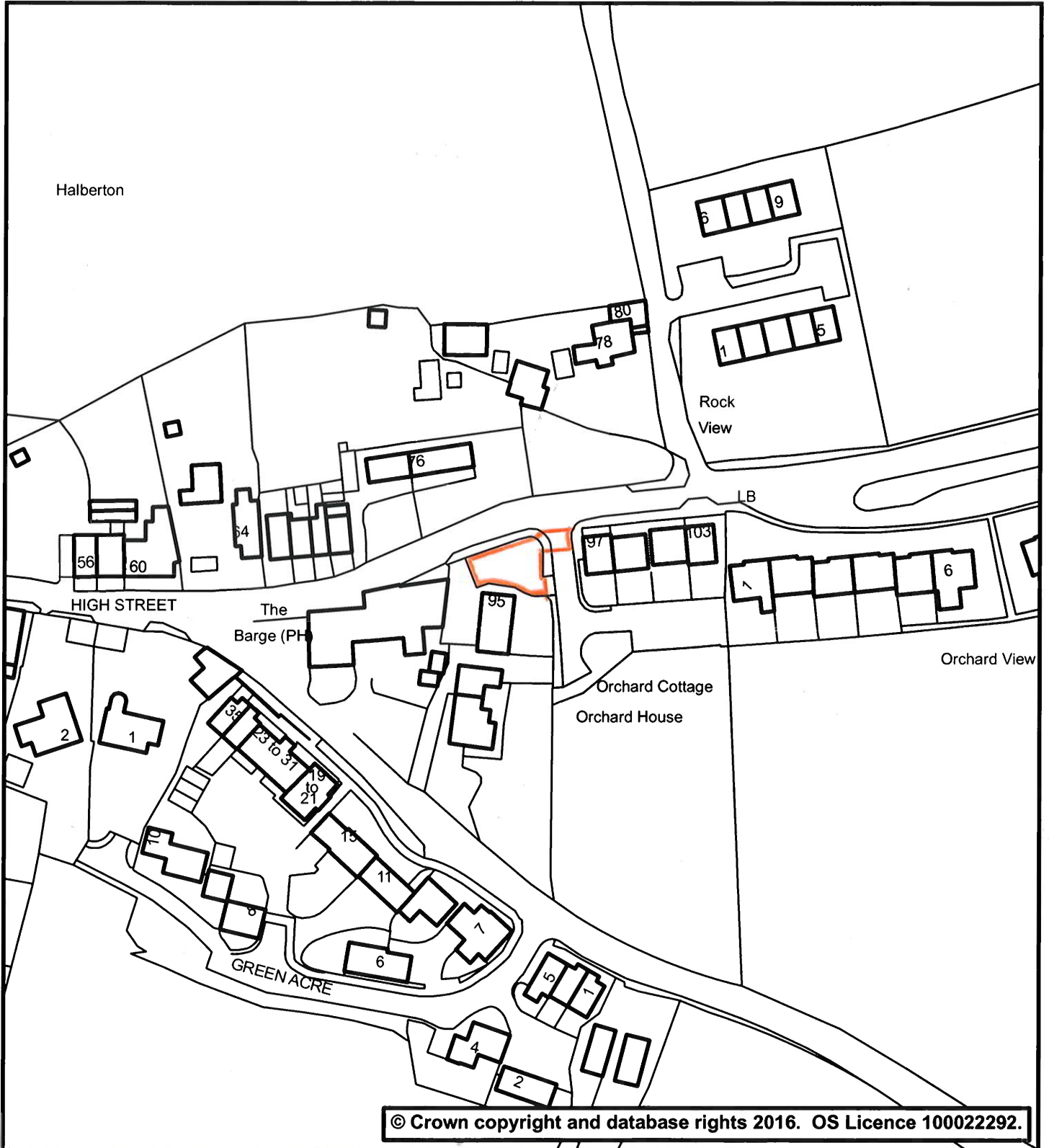
**Background papers:** None





Phoenix House  
Phoenix Lane, Tiverton EX16 6PP

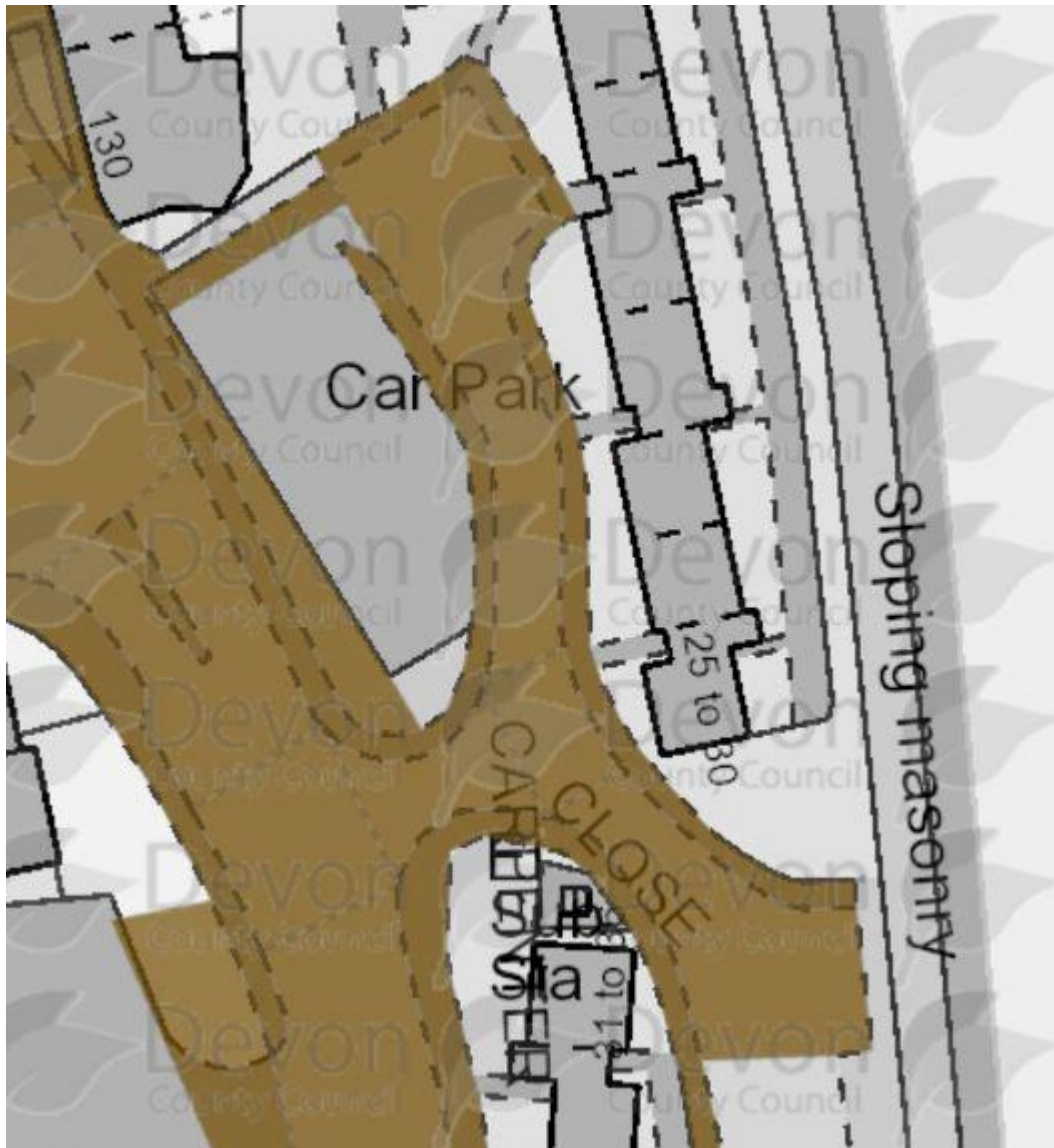
Tel: 01884 255255 Website: [www.middevon.gov.uk](http://www.middevon.gov.uk)



<b>High Street Halberton</b>	
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Appendix 2- Carpenter Close Plan



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**Report for: Cabinet**

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Date of Meeting:	04 February 2025
<b>Subject:</b>	<b>Extended Producer Responsibility</b>
Cabinet Member:	Cllr Josh Wright, Cabinet Member for Service Delivery and Continuous Improvement
Responsible Officer:	Darren Beer, Operations Manager – Street Scene and Open Spaces  Matthew Page, Head of People, Performance and Waste
Exempt:	N/A
Wards Affected:	All – District Wide
Enclosures:	None

## Section 1 – Summary and Recommendation(s)

This report considers the following:

- The estimated payment the Council will receive in 2025-26 with regards Extended Producer Responsibility (EPR).
- Information regarding the Collection and Packaging Reforms and in particular the implementation and management of the EPR scheme

### Recommendation(s):

1. To note the contents of this report.

## Section 2 – Report

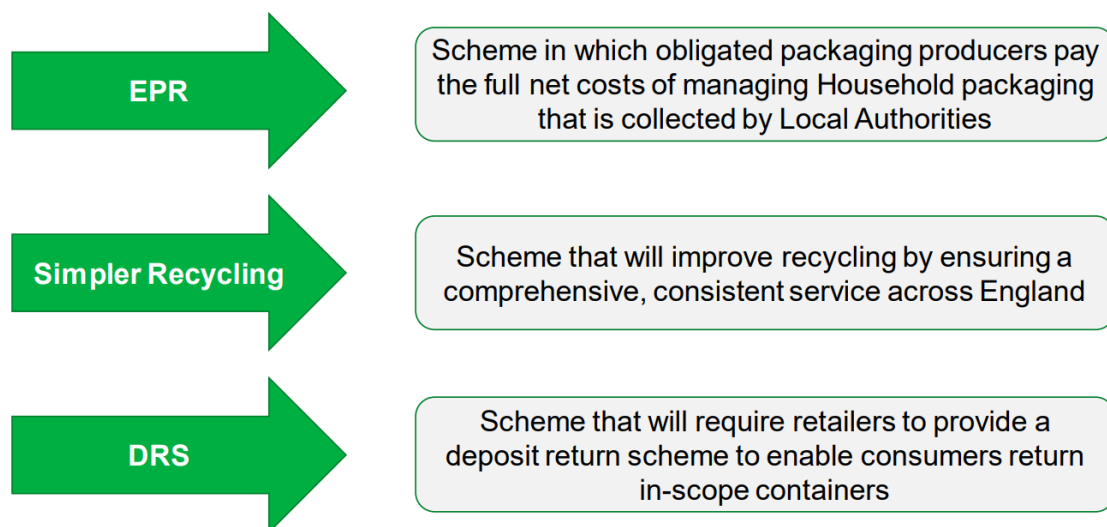
### 1.0 Introduction

- 1.1 Legislation in the Environment Act (2021) will enable waste reforms such as Extended Producer Responsibility (which ensures producers pay the full costs of packaging in waste for both collection and disposal), a Deposit Return Scheme for single use drink containers and Simpler Recycling

guidance, which will aim to boost recycling rates in households and businesses. These reforms are collectively known as The Collection and Packaging Reforms

- 1.2 The Collection and Packaging Reforms comprises:
- Extended Producer Responsibility (EPR), which is designed to introduce more recyclable packaging into the system
  - Simpler Recycling, which is designed to increase recycling through Local Authority waste collections
  - A Deposit Return Scheme (DRS), which is designed to recycle plastic bottles and other drinks containers)

Figure 1:



- 1.3 Government notified Local Authorities (LAs) of the indicative payment that will be received in November 2025 for the financial year 2025-26 in an email to LAs in November 2024. The figure provided for Mid Devon has been calculated to be £927k. This new funding has only been agreed on a one year only basis and thereafter will be subsumed in to the considerations of a more aggregated multi-year settlement from 2026-27 onwards. Clearly this makes any medium term utilisation of these additional funds more complicated.

## 2.0 How packaging EPR affects Local Authorities

- 2.1 From 1 April 2025, LAs will be compensated by packaging producers for the costs of efficiently and effectively managing household packaging waste collected from households or deposited at Household Waste Recycling Centres (HWRCs).
- 2.2 Payments will be made to LAs through a new payment mechanism, which councils will be updated on in due course.

- 2.3 The Scheme Administrator (appointed by Defra) is responsible for calculating producer fees and local authority payments.
- 2.4 The size of the payment from year two onwards will depend upon an assessment of the LAs effectiveness and efficiency.
- 2.5 Ground litter, commercial waste collections and packaging in street bins will be excluded in year one.

### **3.0 EPR Payments**

- 3.1 The packaging costs and performance model calculates the 'basic payment amount' to be paid to individual LAs for the necessary costs incurred for the collection, handling, treatment and disposal of Household Packaging Waste. This amount is net of income from the sale of recyclate as part of the Efficient and Effective service, which includes administration and communications.
- 3.2 The basic payment amount will only cover the cost of the packaging element of the waste stream for eight high-level packaging material types (primary packaging categories, namely glass, aluminium, steel, paper or board, plastic, wood, fibre-based composite materials and other materials).
- 3.3 The payment received under this scheme will be calculated using a percentage of the total cost of providing the waste service. It will be based upon a percentage of the tonnes of packaging collected in dry mixed recycling e.g. plastic and cans, a percentage of the residual waste that contains packaging as well as a very small amount of packaging that is still collected in food waste. From this, the packaging percentage of the total waste can be calculated and this can then be used in the calculation for the estimated reimbursement.
- 3.4 The payment is calculated using the Local Authority Packaging Cost and Performance model (LAPCAP) and considers the following factors in determining the estimated net efficient costs for the local authority:
- The frequency, pattern and type of collections of household packaging waste undertake
  - The population density
  - The type and accessibility of dwellings
  - The levels of deprivation
  - Government policies and the regulatory requirements affecting waste management to which the authority is subject

- 3.5 Authorities are grouped by finding their nearest neighbours for each of the variables listed below. LAs are placed in one of ten groups with other LAs that share the most similarities across the factors for both kerbside residual and recycle collections, which are:
- Collection frequency
  - Rurality (% urban)
  - Proportion of flats
  - Deprivation
  - Country
  - Local Authority Type
  - Proportion of communal collections
  - Tonnes collected per household
  - The collection scheme (recycling only)
- 3.6 For dry recycling the Council has been placed in Group D1 along with South Hams as the only other Devon LA. The majority of Devon LAs (North Devon District Council, Teignbridge District Council, Torridge District Council and West Devon Borough Council) have been placed in Group D6.
- 3.7 For residual LA groups the Council has been placed in Group R4 along with all Devon LAs except Exeter City Council.
- 3.8 Although recycling credits have been netted off against the payment the Council will receive from government, recycling credits for both packaging recycling and non-package recycling will be provided by Devon County Council (Waste Disposal Authority) as presently happens. To clarify Devon County Council will be paid the recycling credits to enable them to reimburse the Council for these household packaging waste management costs.
- 3.9 The Council will still be able to gain income for opt-in chargeable garden waste collections.
- 3.10 The Shared Savings Scheme with Devon County Council will cease as planned at the end of the 2025-26 financial year.

#### **4.0 Efficiency and Effectiveness**

- 4.1 Producers will cover the costs of efficient and effective LA management of household packaging waste.
- 4.2 An efficient service is defined in the forthcoming statutory instruments as one where costs are kept as low as reasonably possible, considering:
- The nature of the service provided; and
  - Any other factors specific to the LA (or its area), which are likely to affect costs.
- 4.3 For year 1, collections efficiency will be based on the grouping of different LAs based on the characteristics listed in paragraph 3.5.



- 4.4 An effective service is not defined in the forthcoming statutory instruments, but the Scheme Administrator is likely to assess effectiveness as a minimum in relation to the quantity of packaging waste collected and sent for recycling.
- 4.5 The following factors for an effective service may be considered:
- The household packaging waste likely to be managed in an assessment year;
  - The proportion of recycled packaging waste;
  - Specific factors for each LA that could impact performance;
  - Government policies and regulatory requirements on waste management in any part of the UK;
  - Waste management services in comparable LAs; and
  - How much household packaging waste a comparable authority would be able to manage in a year if it was following good practice (local, national or international)
- 4.6 At the latest, by 1 April 2028, effectiveness assessments must commence. Once effective assessments are under way, less effective LAs may be subject to payment deductions, but:
- not in the first year of EPR, and
  - only after improvement actions have been proposed and sufficient time has been allowed for impacts, and
  - only if there has been insufficient improvement against the metrics set out in relation to the improvement actions

## **5.0 Conclusion**

- 5.1 The information is for guidance only as the actual payment amount will be provided in April 2025 and payments to LAs will begin in November 2025 for 2025-26 financial year.
- 5.2 The Council have completed a survey response to Defra querying the provisional notice of assessment, which will enable Defra to provide clarity on the methodology and payment values prior to any updates to the estimates provided.
- 5.3 Government have also suggested that any shortfalls in payments in the first year will be met by the Treasury Department.

### **Financial Implications**

It should be noted that an increase in recycling tonnages for each material will increase our recycling credits for that material.

### **Legal Implications**

Under Section 46 of the Environmental Protection Act Waste Collection Authorities may by means of notice specify how householders present their waste for collection. There will legal requirements to adhere to legislation around Simpler Recycling.

### **Risk Assessment**

In the event that any future changes are mandated by government a register of risks would need to be compiled in advance of those proposed service changes. There are potential risks, including impacts on; carbon emissions, the carbon footprint, operational costs and other resources required (from containers to personnel).

### **Impact on Climate Change**

An increase in recycling would further enable the Council to reduce its carbon footprint and hit its carbon net zero commitment. Recycling is one of the most 'mainstream' concepts of addressing overarching sustainability goals, therefore it is vital to make sure that the council is maximising the effectiveness of both its scheme design, but also its operational implementation.

### **Equalities Impact Assessment**

The service will continue to provide assisted collections according to the current policy; considerations for residents residing in HMOs, flats and properties with no outside space will be included in any proposed project plan. The service would review the lessons learnt and best practice from recent changes along with a review of other councils who have successfully implemented strategic changes to their waste collections operations.

### **Relationship to Corporate Plan**

This report identifies with the Service Delivery and Continuous Improvement section of the Corporate Plan for 2024-2028, and in particular 5.2 – *We will increase our recycling services, enabling our communities to achieve even higher levels of recycling.* Supporting and enabling customers to recycle and reduce residual waste contributes to Mid Devon District Councils' commitment to the Devon Climate Emergency.

### **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** Andrew Jarrett

Agreed by or on behalf of the Section 151

**Date:** 23 January 2025

**Statutory Officer:** Maria de Leburne

Agreed on behalf of the Monitoring Officer

**Date:** 23 January 2025

**Chief Officer:** Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

**Date:** 23 January 2025

**Performance and risk:** Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

**Date:** 20 November 2024

**Cabinet member notified:** yes

#### **Section 4 - Contact Details and Background Papers**

**Contact:** Darren Beer, Operations Manager – Street Scene and Open Spaces

Email: [dbeer@middevon.gov.uk](mailto:dbeer@middevon.gov.uk)

Telephone: 01884 255255

**Background papers:** None

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**Report for:** CABINET

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Date of Meeting: 04 February 2025

Subject: **DEVON HOUSING COMMISSION REPORT**

Cabinet Member: Councillor Simon Clist, Cabinet Member for Housing, Assets and Property

Responsible Officer: Simon Newcombe, Head of Housing and Health

Exempt: None

Wards Affected: All

Enclosures: Annex A – Presentation to Homes PDG 19 November 2025

## **Section 1 – Summary and Recommendations**

The Devon Housing Commission Report published in July 2024 provides a comprehensive analysis of the housing challenges faced in Devon.

The report highlights issues creating a current housing crisis within the County including; affordability, lack of adequate social housing and the growing demand for rental properties with reduction in supply. It emphasises the need for sustainable development, the role of local authorities in addressing these challenges and the importance of balancing housing supply with environmental and community needs. The report offers recommendations including increasing affordable housing options, improving planning processes and better support for community-led housing.

At the September 2024 meeting of the Homes PDG, the Head of Housing and Health provided a short presentation summarising the 7 key findings of the commission alongside some local context in terms of the current Mid Devon position.

It was requested that the presentation be circulated to the Group after the meeting and that the Devon Housing Commission Report be brought back to the next meeting for further discussion and debate with potential for the Group to make recommendations

into Cabinet if they wish to do so. Accordingly, it was arranged for the November 2024 Homes PDG to receive a broader presentation on the commission report. This was provided by Matt Dodd of Exeter University (Head of the Commission). The University presentation is attached in Annex A. The PDG subsequently recommended that the Devon Housing Commission report and recommendations be taken into account in the review of the MDDC Housing Strategy due in 2025. This recommendation is therefore carried forward below.

#### **Recommendation:**

- 1. That Cabinet agree that the recommendations of the Devon Housing Commission Report (July 2024) are taken into account in an update of the MDDC Housing Strategy due in 2025.**

### **Section 2 – Report**

#### **1 Introduction**

- 1.1 The Devon Housing Commission ('the Commission') was established by the Devon Housing Taskforce and undertook its work between May 2023 and July 2024
- 1.2 The Commission covered the administrative regions of Devon County Council and Torbay Council plus the eight Devon district councils. It therefore did not include Plymouth.
- 1.3 The participating Local Authorities and the University of Exeter funded the Commission which was also hosted by the University.
- 1.4 The work of the Commission was broad ranging:
  - Held 6 sessions with Commissioners across Devon in rural urban and coastal communities
  - Site visits including large developments, small rural Community Land Trusts, Local Authority funded affordable housing and extra care schemes
  - Held a seminar for major landowners in Devon
  - Online Call for Evidence with 509 responses from individuals and organisations
  - Worked with government agencies to gather and analyse data
  - Received evidence from across the housing and local authority sector
  - Built a cross-Devon picture of the housing situation for the first time
- 1.4 As a result of its work, the Commission developed a number of headline findings and a set of recommendations for national and local bodies which are summarised below. These are explored in more detail within the Annex A presentation.
- 1.5 The Commission report can be viewed in full at <2024EI047-Devon-Housing-Commission-Final-Report-v8.pdf>

## **2**    **Headline findings**

2.1    As set out within the presentation, the headline findings of the Commission are:

- Devon population is older than England and is getting older faster
- Devon has an increasing population which is due to internal migration
- People leave when they are young and arrive when they are in late middle age
- Devon's homes are some of the most under-occupied in the country
- They are also some of the poorest quality – twice as many non-decent homes as a proportion than England
- There are fewer affordable homes in Devon than England - 1/2 the proportion in some areas
- Second homes are growing at the same rate as new build homes
- Affordable housing in rural areas has fallen over recent years
- The delivery of new homes in Devon is growing, but the proportion of these that are affordable homes is falling
- The number of bids per home on Devon Home Choice has doubled since 2019/20

2.2    The Commission report recommendations are divided between Government, Local Authorities and Other Bodies.

### **Government**

- Homes England - work closely with Devon and develop rural and coastal housing strategies
- Local Authority Housing Fund - renewed and increased flexibility on temporary accommodation
- Supporting the Renter Reform Bill
- Funding for Rural Housing Enablers
- Support for being more robust on planning
- Infrastructure
- Holiday lets and short-term lets – introduces planning class and supports LAs to limit
- Decent Homes

### **Local Authorities**

- Ensuring Housing Enabling is at the heart of Local Authorities
- Act on holiday lets/second homes
- Ensuring the right type of homes are built –using the local plan process
- Encouraging Rural Exception Sites and Community Land Trusts (CLTs)
- Temporary accommodation – acquisition and remodelling

### **Other Bodies**

- Homes England - work closely with Devon and develop rural and coastal housing strategies
- Housing Associations - communicate on disposals strategies
- Regulator of Social Housing - develop a charter on disposals

- ICB/Public Health - formalise data gathering and sharing on housing and health - make sure health and housing are in each other's strategies
- Promote and encourage construction skills and retrofit/green skills
- Landowners and housing authorities working together

### **3 Current position and next steps**

- 3.1 As outlined at the September Homes PDG, MDDC are well placed through its current Housing Strategy (2021-25) and the new Corporate Plan in aligning our housing policy and initiatives with a number of the Commission recommendations.
- 3.2 Particular examples of this alignment include; the current Local Plan and Rural Exception Sites Policy DM6 which encourages the delivery of affordable and low-cost housing in rural areas, joint work with the Chawleigh and Thorverton CLTs, in-house dedicated Housing Enabling Officer, increased delivery of social housing at type and location of need through the 5-year/500 unit HRA development programme and our ongoing acquisition of temporary accommodation.
- 3.3 Furthermore, MDDC have recently participated alongside District colleagues, University of Exeter and Homes England in a kick-off meeting to develop a shared, Devon and Torbay Strategic Housing Pipeline. This work strongly aligns with our forward review of the housing land supply position including the HRA development programme.
- 3.4 The Strategic Housing Pipeline work is currently at site collation stage with the Council having submitted a range of potential sites that are either within our control as HRA or General Fund land, are in private ownership and 'stuck' for some reason, and; where we know there is CLT/self-build or other interest and a possible barrier to delivery. Next steps are to meet with the Head of the Commission and Homes England to understand our key sites and take this forward into the overall county-level pipeline.
- 3.5 Notwithstanding current uncertainty around the Devon devolution deal and the work of a combined authority, this pipeline should align with the development of a Devon-wide Housing Strategy which informs our local strategic policy approach. Naturally, this will bring together and take into account the Commission report findings.

### **4 Recommendations**

- 4.1 In the context of the above, the following recommendation is made:
  1. That Cabinet agree that the recommendations of the Devon Housing Commission Report (July 2024) are taken into account in an update of the MDDC Housing Strategy due in 2025.



## **Financial Implications**

None directly arising from the report. Clearly the forward scoping and delivery of new affordable housing alongside the introduction of a Devon-wide and MDDC Housing Strategy in the near future may have significant financial implications which will need to be understood at the appropriate stage.

## **Legal Implications**

None directly arising from the report. The Commission report has no formal, legal status however the report was launched in the Houses of Parliament.

## **Risk Assessment**

The work to develop a new MDDC and Devon-wide Housing Strategy with a focus on the key recommendations of the Commission represents further opportunity to address and mitigate the current housing crisis within our locality. In turn, as this moves forward this work will be reflected in Corporate Risk 12 – Housing Crisis.

## **Impact on Climate Change**

None directly arising from the report.

## **Equalities Impact Assessment**

Not applicable.

## **Relationship to Corporate Plan**

Homes are a priority for the Council within the current Corporate Plan and this includes delivering new affordable and social homes annually, improving and maintaining the existing stock to the highest standards.

## **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** Andrew Jarrett

Agreed by or on behalf of the Section 151 Officer

**Date:** 21 January 2025

**Statutory Officer:** Maria de Leburne

Agreed on behalf of the Monitoring Officer

**Date:** 21 January 2025

**Chief Officer:** Richard Marsh

Agreed by or on behalf of the Corporate Director

**Date:** 20<sup>th</sup> January 2025

**Cabinet member notified:** Yes

## **Section 4 - Contact Details and Background Papers**

**Contact:** Simon Newcombe, Head of Housing and Health

Email: [snewcombe@middevon.gov.uk](mailto:snewcombe@middevon.gov.uk).

Telephone: 01884 255255

**Background papers:**

Current MDDC Housing Strategy 2021-25

<https://www.middevon.gov.uk/residents/mid-devon-housing/help-and-support/procedures-policies-and-strategies/housing-strategy/>



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The Devon Housing  
Commission



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## Devon Housing Commission

- Held 6 sessions with Commissioners across Devon in rural urban and coastal communities.
- Site visits including large developments, small rural CLTs, LA funded affordable housing and extra care schemes.
- Held a seminar for major landowners in Devon.
- Online Call for Evidence - 509 responses from individuals and organisations.
- Worked with government agencies to gather and analyse data.
- Received evidence from across the housing and local authority sector.
- Built a cross-Devon picture of the housing situation for the first time.
- Developed a set of recommendations for local and national bodies
- Launched the report in Exeter and in the Houses of Parliament



# Headlines

- Devon is older than England and is getting older faster
- Devon has an increasing population which is due to internal migration
- People leave when they are young and arrive when they are in late middle age
- Devon's homes are some of the most under-occupied in the country
- They are also some of the poorest quality – twice as many non-decent homes as a proportion than England
- There are fewer affordable homes in Devon than England-1/2 the proportion in some areas
- Second homes are growing at the same rate as new build homes
- Affordable housing in rural areas has fallen over recent years
- The delivery of new homes in Devon is growing, but the proportion of these that are affordable homes is falling
- The number of bids per home on Devon Home Choice has doubled since 19/20



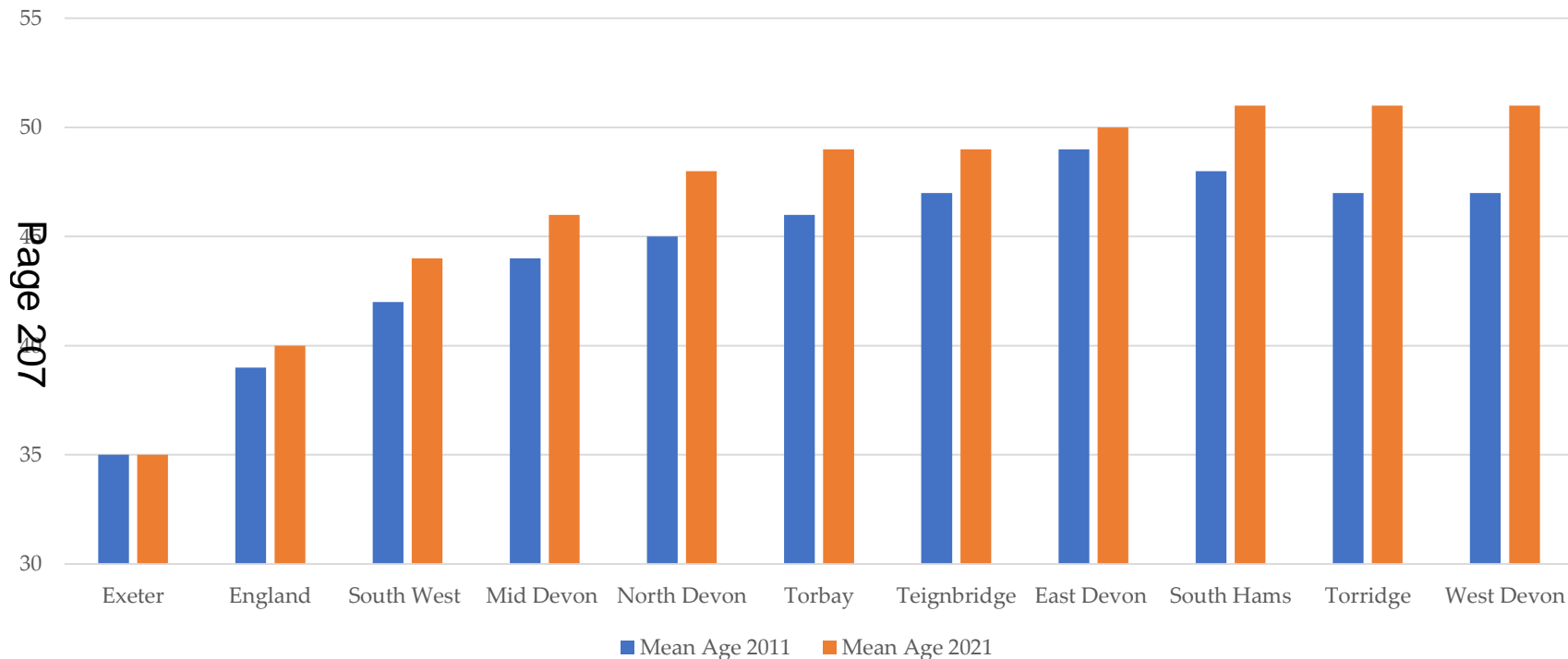
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# Devon's Demography

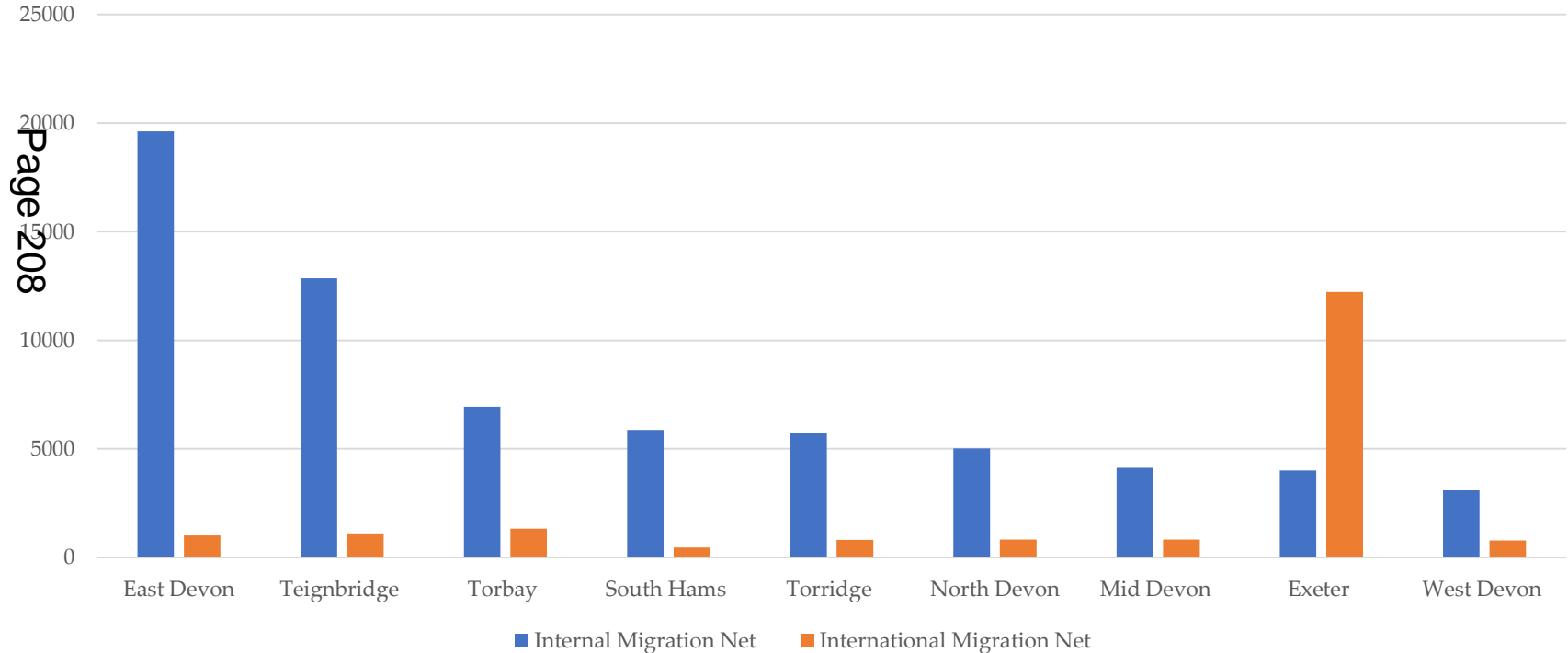
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# Average age 2011 and 2021

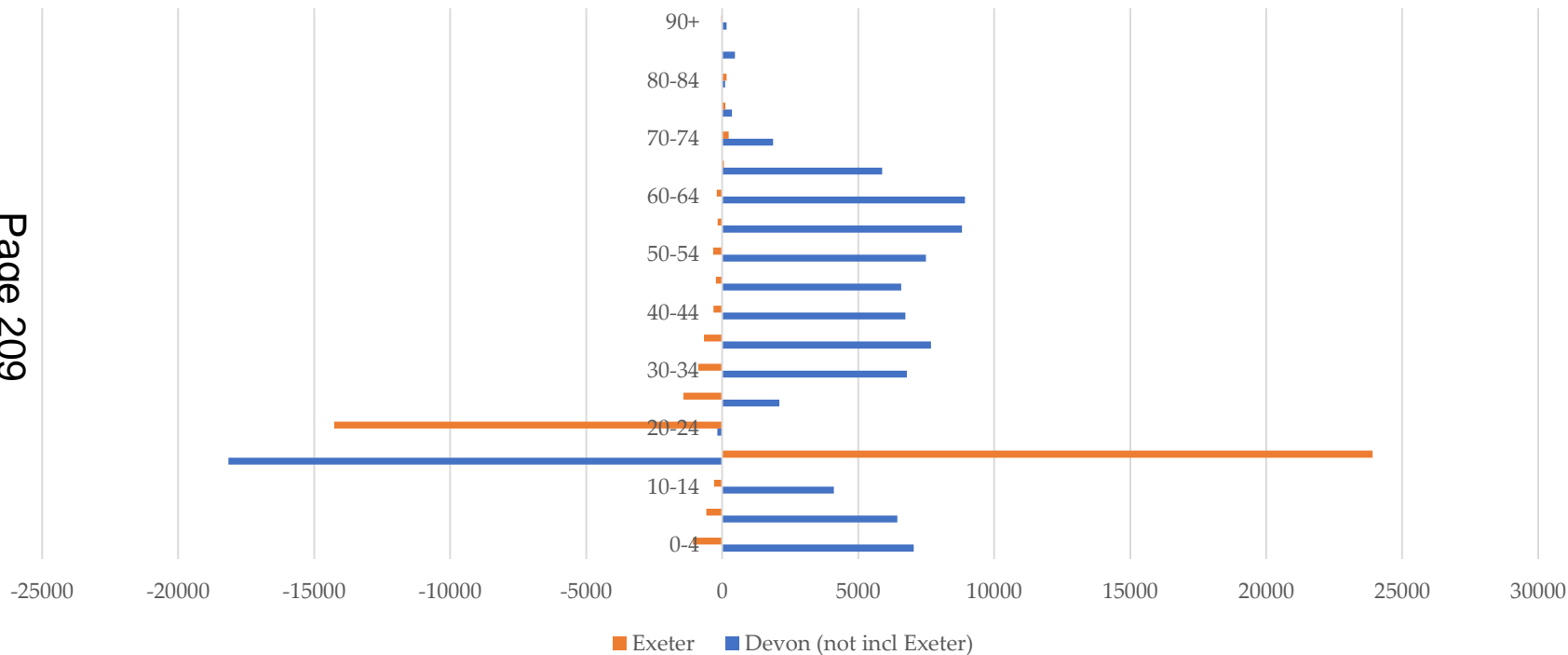


# Net internal migration 2011 to 2020

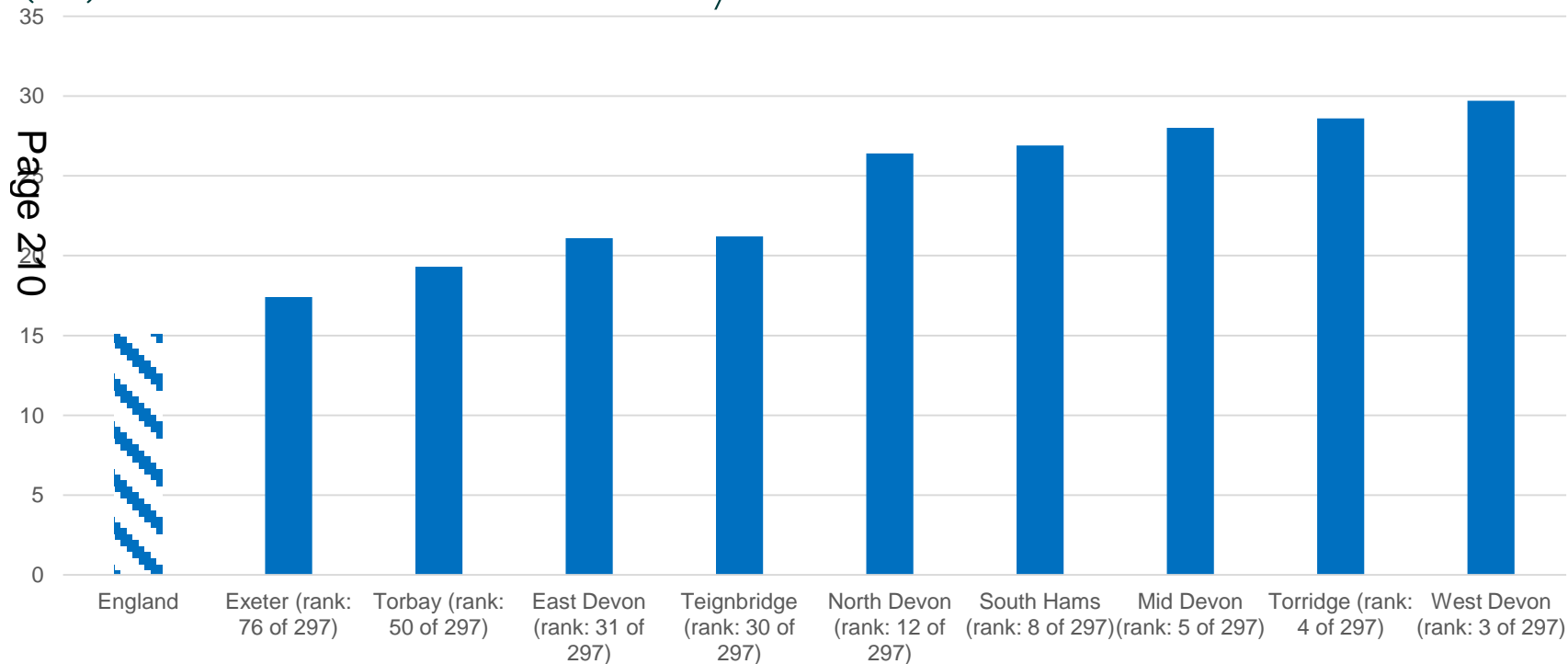




# Ages of internal migrants 2012-2020



# Proportion of non-decent dwellings (%) and Local Authority Rank





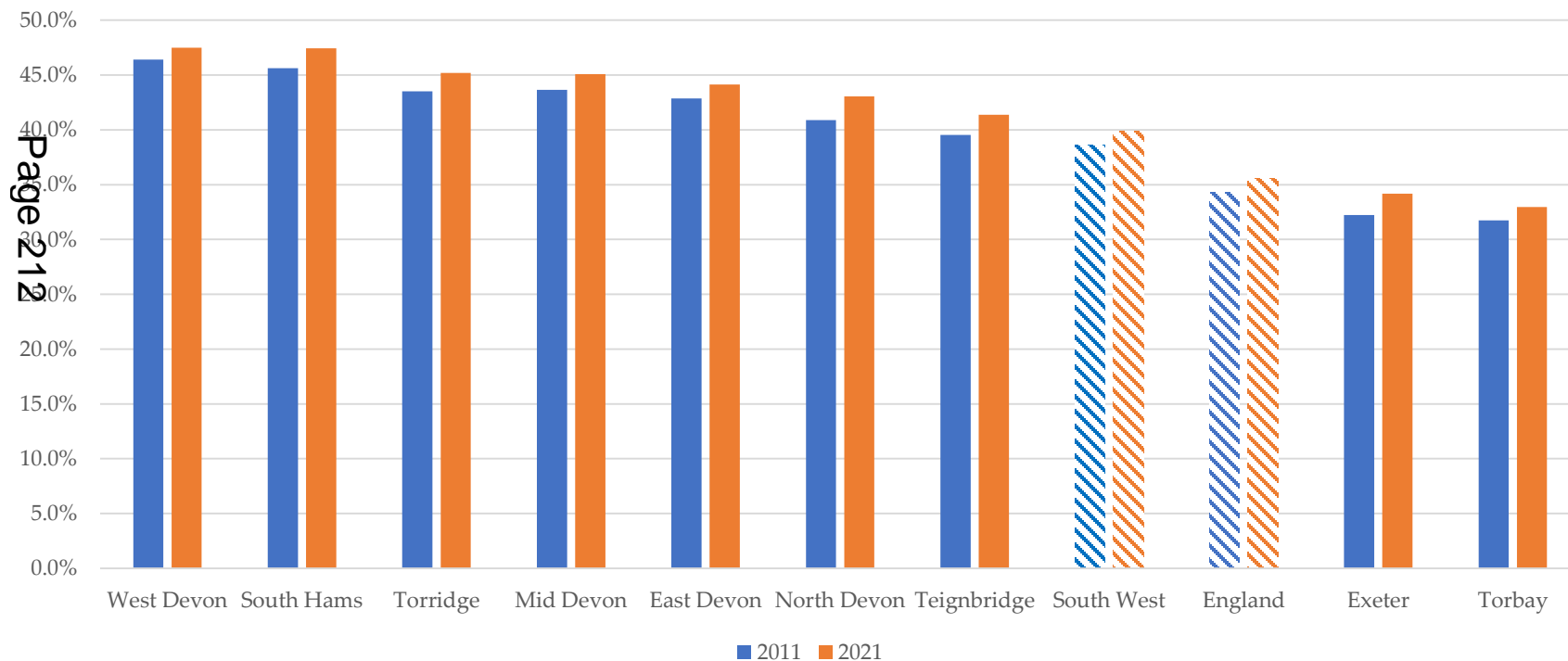
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# Under-occupancy

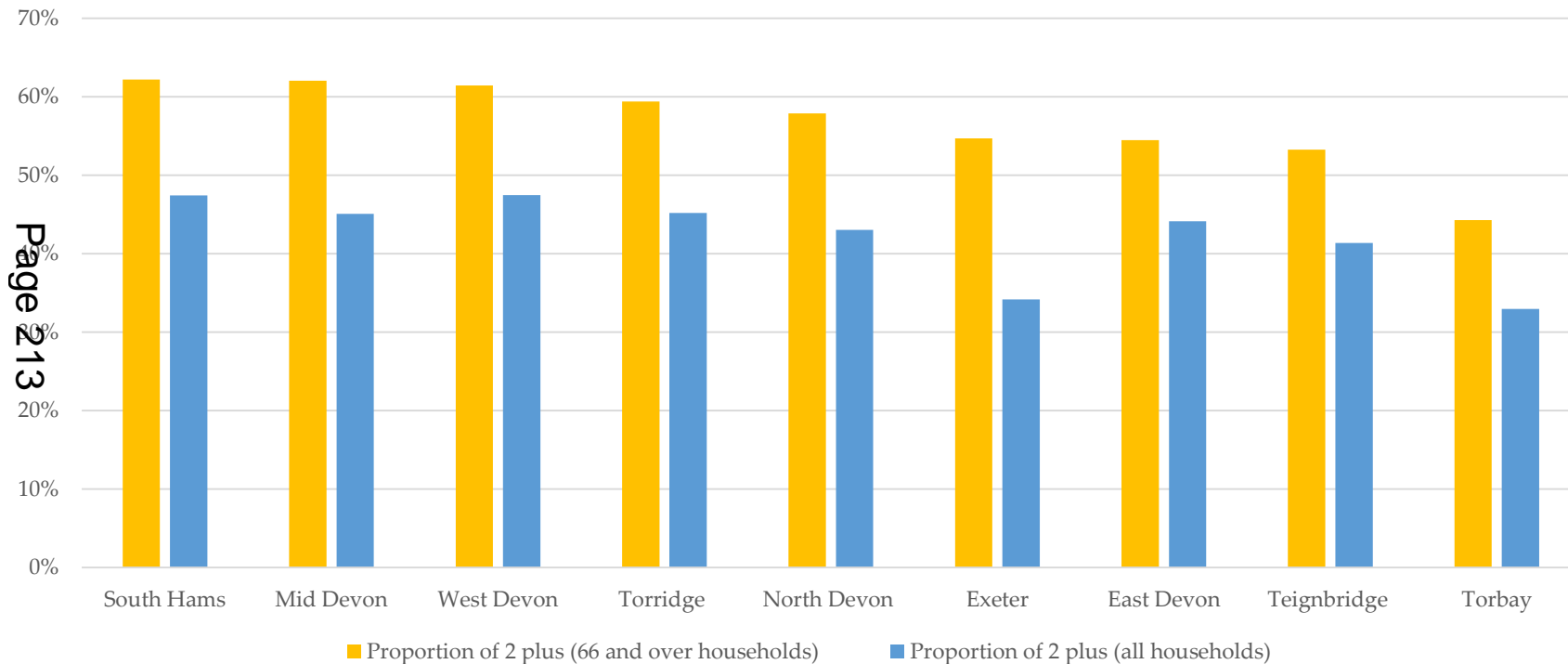
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# Under-occupancy in Devon



# Under-occupancy in older age groups





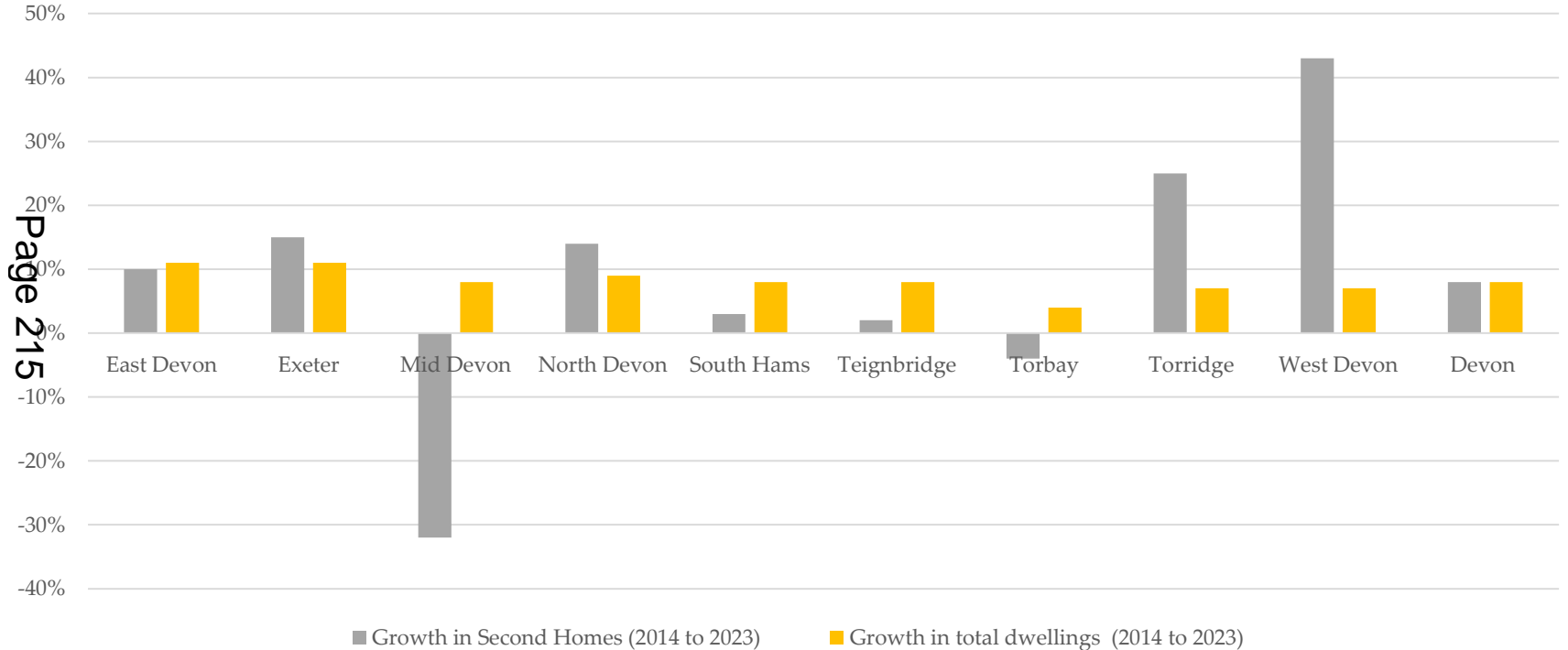
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# Tourist Accommodation

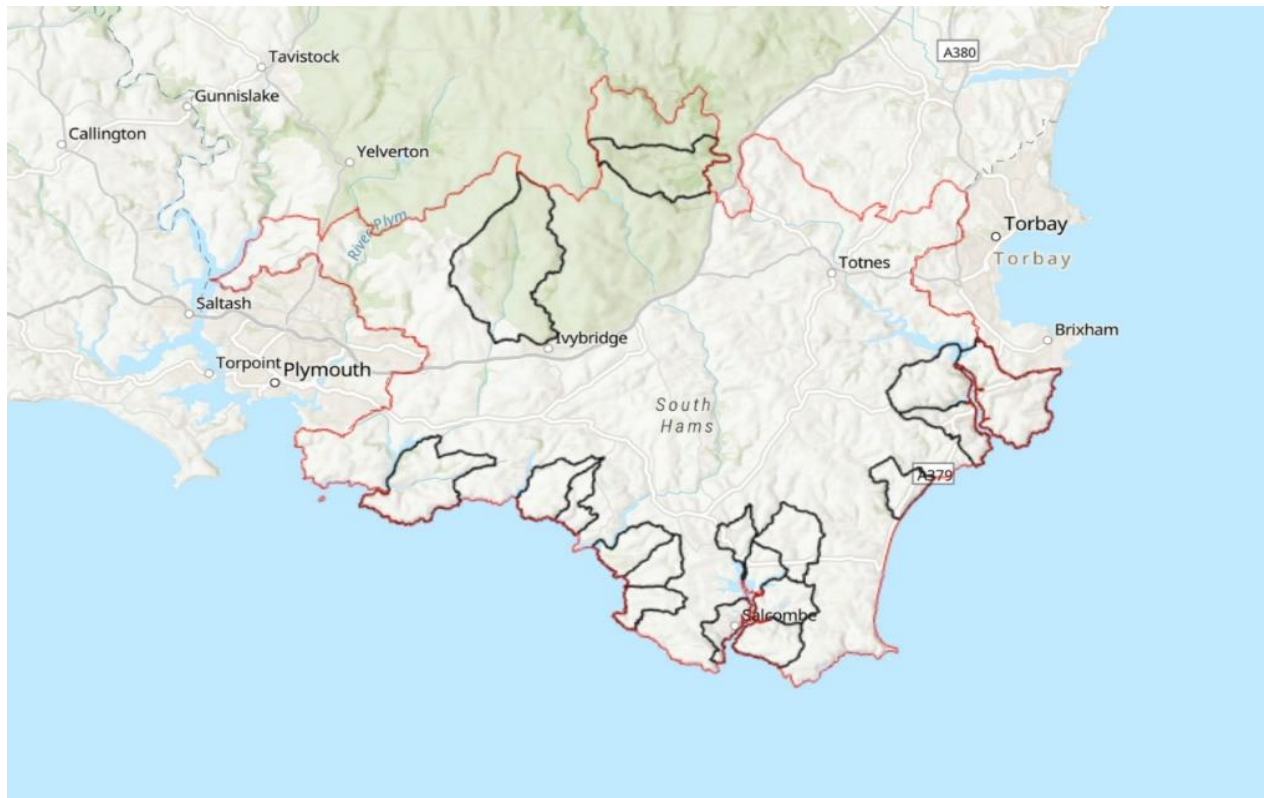
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Short-term lets and  
Second Homes

# Growth in Second Homes



# Parishes with fewer households







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# Affordable Housing

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# Proportion of households in social housing

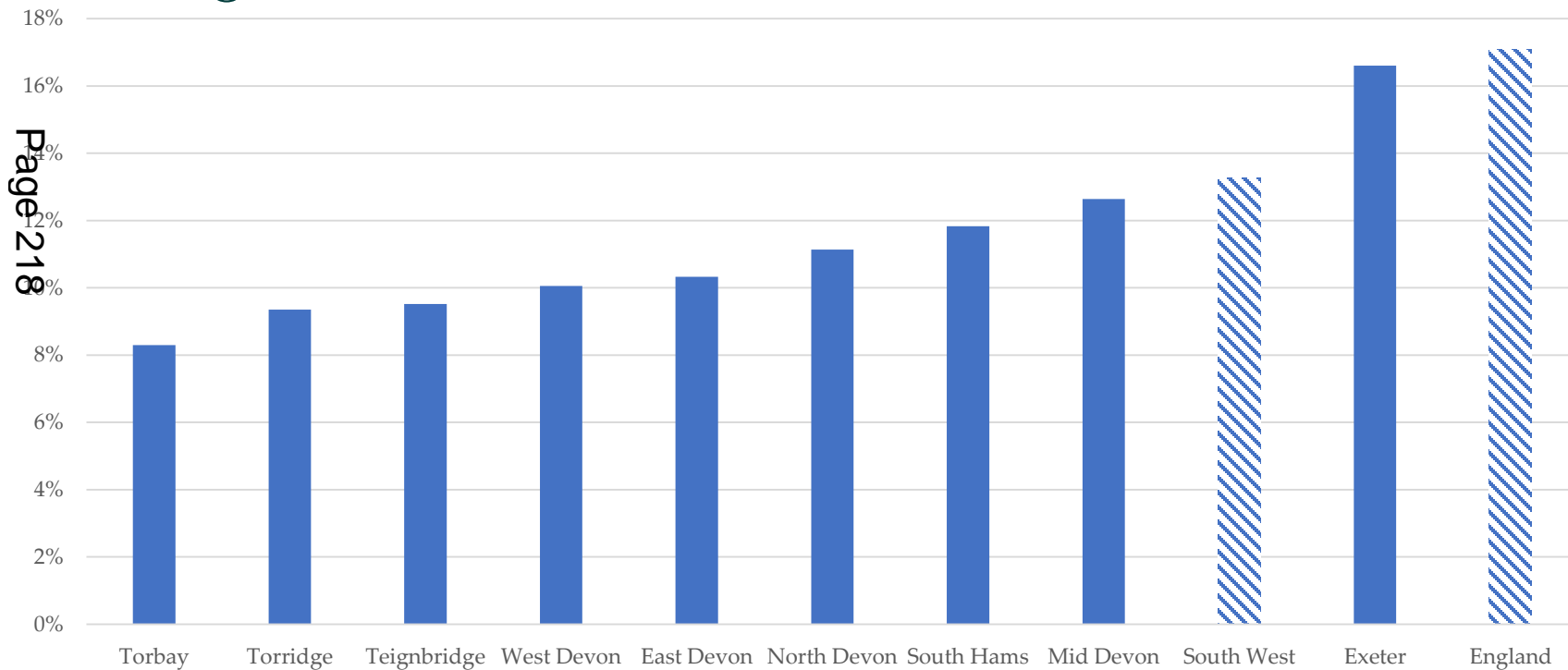
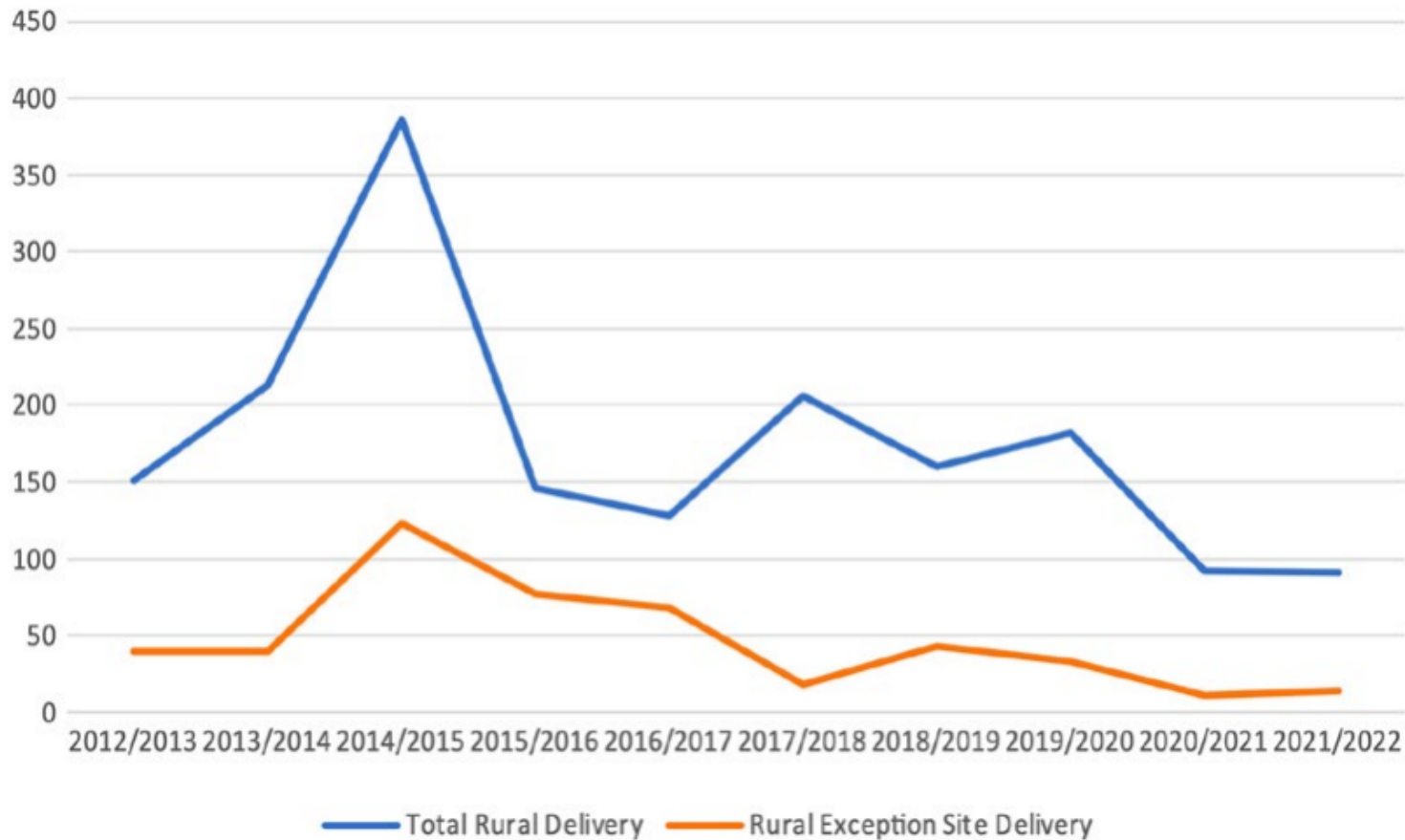
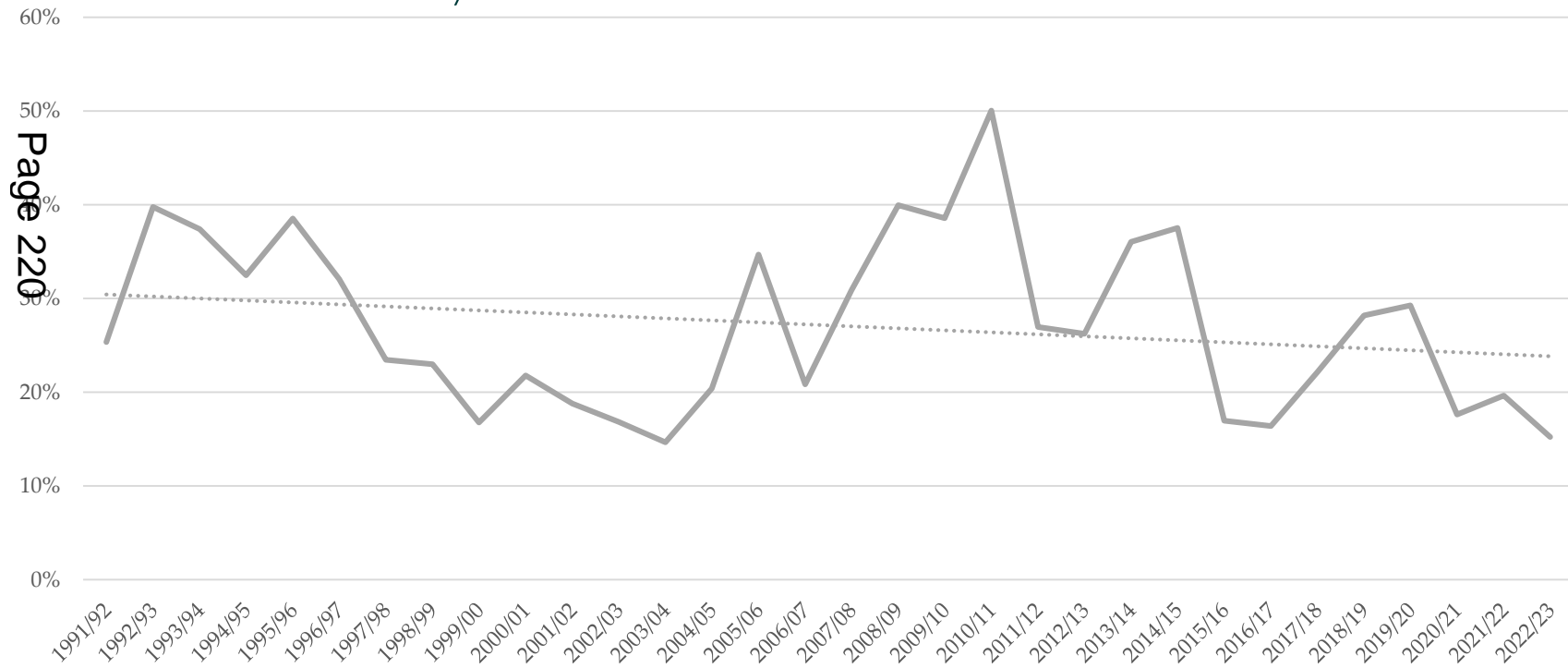


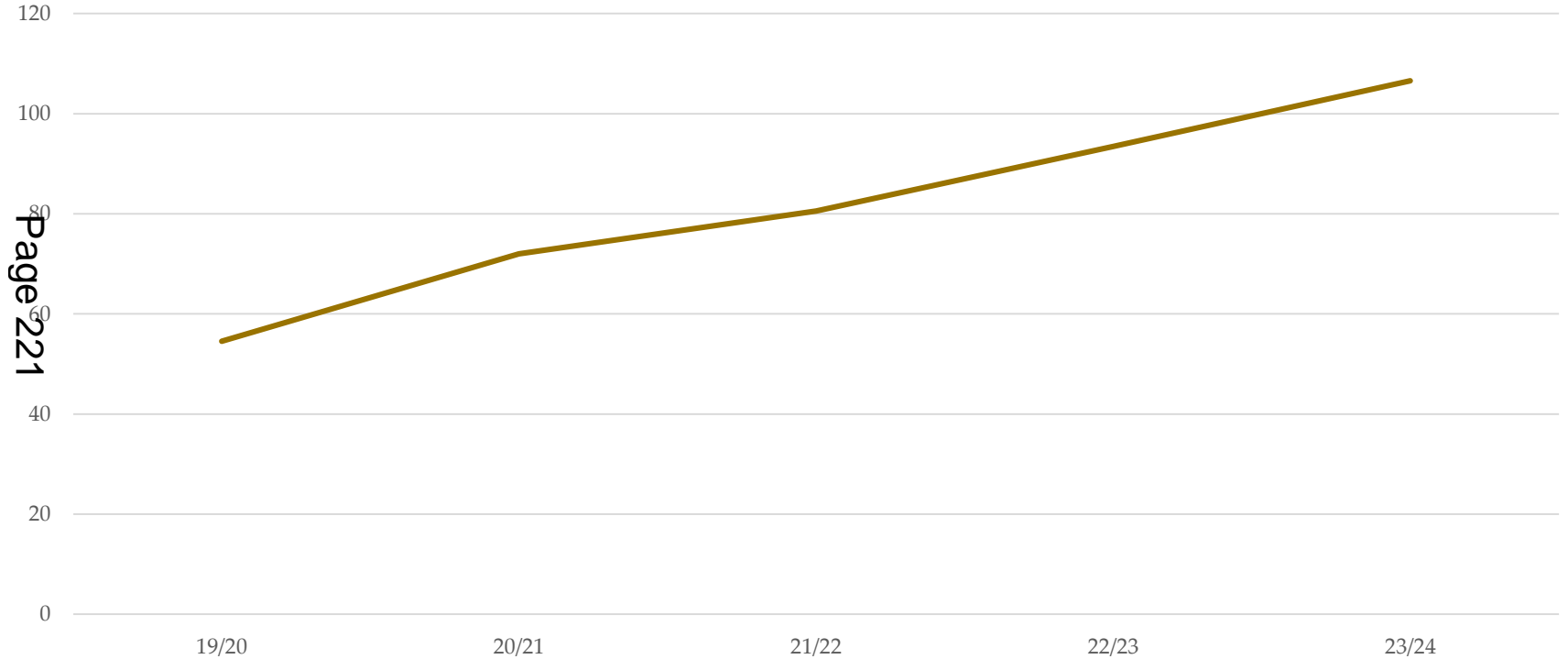
Figure 2.2: **rural** housing delivery in Devon funded by Homes England (data provided by Homes England)



# Additional affordable as a proportion of new delivery



# Average number of bids per listing on Devon Home Choice





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# Our Recommendations

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# Government



---

Affordable Homes Programme - renewed and increased

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Local Authority Housing Fund - renewed and increased flexibility on temporary accommodation

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Supporting the Renter Reform Bill

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Funding for Rural Housing Enablers

---

Support for being more robust on planning

---

Infrastructure

---

Holiday lets and short term lets - introduces planning class and supports LAs to limit

---

Decent Homes

# Local Authorities



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Ensuring Housing Enabling is at the heart of Local Authorities

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Act on holiday lets/second homes

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Ensuring the right type of homes are built – using the local plan process

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Encouraging Rural Exception Sites and CLTs

---

Temporary accommodation – acquisition and remodelling



# Other Bodies



---

Homes England - work closely with Devon and develop rural and coastal housing strategies

---

Housing Associations - communicate on disposals strategies

---

Regulator of Social Housing - develop a charter on disposals

---

NHS/Public Health - formalise data gathering and sharing on housing and health - make sure health and housing are in each others' strategies

---

Promote and encourage construction skills and retrofit/green skills

---

Landowners and housing authorities working together

---

# Housing in the Budget

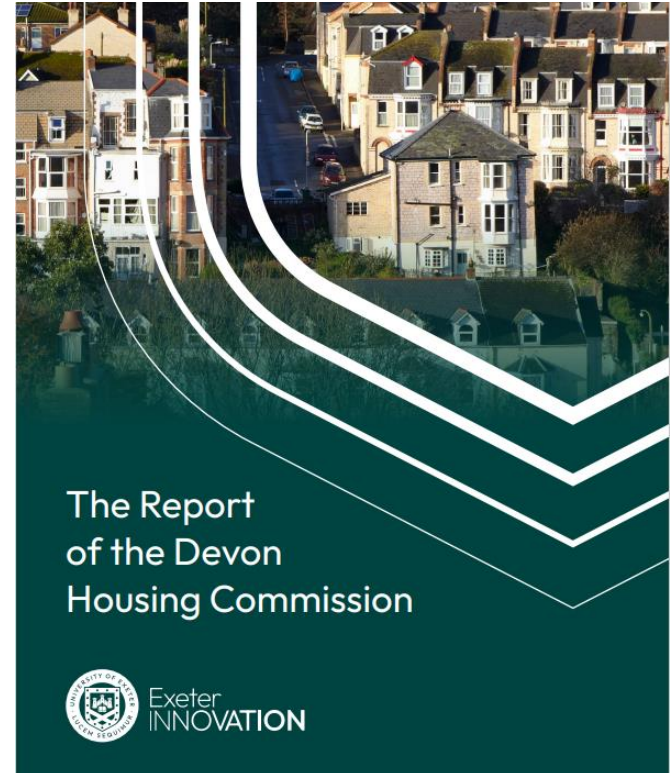


- £3bn of additional support for SMEs and the Build to Rent sector, in the form of housing guarantee schemes.
- Increase to the stamp duty land tax surcharge on second homes by two percentage points to 5%. Reeves says this will support over 130,000 additional transactions from people buying their first home or moving home over the next five years.
- £500m 'top-up' to the Affordable Homes Programme to build up to 5,000 additional affordable homes.
- A consultation on a new long-term social housing rent settlement of CPI+1% for 5 years
- Investment in remediation will rise to over £1bn in 2025-26.
- Reducing discounts on the Right to Buy scheme and enabling councils in England to keep all the receipts generated by sales.
- An initial £3.4m to 'kick-start' the government's Warm Homes Plan to decarbonise homes. This includes £1.8 billion to support fuel poverty schemes, helping over 225,000 households reduce their energy bills by over £200.
- £46m of additional funding to support recruitment and training of 300 graduates and apprentices into local planning authorities, accelerate large sites that are stuck in the system, and boost and upskill local planning authority capacity
- £25m in a joint venture to deliver 3,000 energy-efficient homes across the country, 100% of which are targeted for affordable tenures.
- Pledge to increase funding for the Boiler Upgrade Scheme in England and Wales this year and next, following the high demand for the scheme. The government is also providing funding to grow the heat pump manufacturing supply chains in the UK to support the plan.

# Next Steps

- Report focuses on benefits of devolution
- Working together between Districts, and between Districts and County
- Facilitation of that relationship
- Strategic pipeline that Homes England want to develop
- Devon – wide housing strategy to support the delivery of housing ambitions

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# Closing Remarks

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# MID DEVON DISTRICT COUNCIL – NOTIFICATION OF KEY DECISIONS

February 2025



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>February 2025</b>					
<b>Halberton- Car Parking Spaces revision to off street parking order</b>	Cabinet	4 Feb 2025	Luke Howard, Environment and Enforcement Manager	Cabinet Member for Governance, Finance and Risk	
<b>Update on future EPR (Extended Producer Responsibility for Packaging)</b>	Cabinet	4 Feb 2025	Darren Beer, Operations Manager for Street Scene	Cabinet Member for Service Delivery and Continuous Improvement	Open
<b>Devon Housing Commission Report</b> To receive the Devon Housing Commission Report.	Homes Policy Development Group  Cabinet	19 Nov 2024  10 Feb 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	Open

Agenda Item 11.

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>2025/2026 Draft Budget Report</b>	Cabinet Council	4 Feb 2025 19 Feb 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open
<b>Business Rates Tax Base</b>	Cabinet Council	4 Feb 2025 19 Feb 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open
<b>Regulation of Investigatory Powers</b>	Community, People & Equalities Policy Development Group Scrutiny Committee Cabinet	3 Dec 2024 13 Jan 2025 4 Feb 2025	Maria De Leiburne, Director of Legal, People & Governance (Monitoring Officer)	Cabinet Member for Quality of Living, Equalities and Public Health.	Open
<b>March 2025</b>					
<b>Domestic Drainage Works Contract 2025-2029</b>	Cabinet	4 Mar 2025	Mike Lowman, Building Services Operations Manager	Cabinet Member for Housing, Assets and Property and Deputy Leader	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>Works Agreement for the Measured Term, Internal Painting Contract 2025-2029</b>	Cabinet	4 Mar 2025	Stephen Bennett, Building Surveyor	Cabinet Member for Housing, Assets and Property and Deputy Leader	Part exempt
<b>Mid Devon Residents Survey 2024</b>	Cabinet	4 Mar 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Leader of the Council	Open
<b>Policy Framework</b>	Cabinet	4 Mar 2025	Laura Woon, Democratic Services Manager	Leader of the Council	Open
<b>Establishment Report</b>	Cabinet	4 Mar 2025	James Hamblin, Operations Manager for People Services	Cabinet Member for Service Delivery and Continuous Improvement	Open
<b>Pay Policy Report</b>	Cabinet	4 Mar 2025	James Hamblin, Operations Manager for People Services	Leader of the Council	
<b>Unpaid Carers access to Leisure</b>	Cabinet	4 Mar 2025	Andy Mackie, Leisure Services Manager	Cabinet Member for Service Delivery and Continuous Improvement	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>The Council's Insurance tender</b>	Cabinet	4 Mar 2025	Claire Gillard, Accountant		
<b>2024/2025 Quarter 3 Budget Monitoring Report</b>	Cabinet	4 Mar 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open
<b>Local Development Scheme</b>	Cabinet	4 Mar 2025	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Planning and Economic Regeneration	Open
<b>Tenancy Options Waste Services– Carlu Close</b> To consider the future of the tenancy at Carlu Close	Cabinet	28 Mar 2025	Darren Beer, Operations Manager for Street Scene	Cabinet Member for Service Delivery and Continuous Improvement	Open
<b>Right to Buy Policy (NEW)</b> To receive the new Right to Buy Policy.	Homes Policy Development Group  Cabinet  Council	28 Jan 2025  4 Mar 2025  23 Apr 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	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>MDH Safeguarding Adults at Risk, Children and Young People Policy (NEW)</b> To receive the new Safeguarding Policy for Mid Devon Housing	Homes Policy Development Group  Cabinet  Council	28 Jan 2025  4 Mar 2025  23 Apr 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	Open
<b>April 2025</b>					
<b>Corporate Anti Social Behaviour Policy</b>	Community, People & Equalities Policy Development Group  Cabinet	25 Mar 2025  1 Apr 2025		Cabinet Member for Quality of Living, Equalities and Public Health	Open
<b>Corporate Performance Q3; Corporate Risk Q3; Performance Dashboard Q3</b>	Cabinet	1 Apr 2025	Dr Stephen Carr, Corporate Performance & Improvement Manager	Leader of the Council	

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>Willand Neighbourhood Plan</b>  Page 234	Planning, Environment & Sustainability Policy Development Group	26 Nov 2024	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Planning and Economic Regeneration	Open
	Cabinet	7 Jan 2025			
	Planning, Environment & Sustainability Policy Development Group	11 Mar 2025			
	Cabinet	1 Apr 2025			
	Council	23 Apr 2025			
<b>Downsizing Work Group report</b> To receive a report from the Downsizing Working Group who were tasked by the Homes PDG to look at the options in this area.	Homes Policy Development Group	18 Mar 2025			Open
<b>Tenant Involvement Strategy</b> To receive the revised Tenant Involvement Strategy.	Homes Policy Development Group	18 Mar 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	Open
Cabinet	1 Apr 2025				

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<b>Housing Strategy</b> To receive the revised Housing Strategy.	Homes Policy Development Group  Cabinet	18 Mar 2025  1 Apr 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	Open
<b>Tenancy Management Policy</b> To receive the revised Tenancy Management Policy.	Homes Policy Development Group  Cabinet	18 Mar 2025  1 Apr 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	Open
<b>Variation to Standard Tenancy Agreement</b> That the Homes PDG recommends to Cabinet that the procedure for the variation of tenancy conditions in line with the Housing Act 1985 (sections 102 & 103) commence.	Homes Policy Development Group  Cabinet	18 Mar 2025  1 Apr 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	Open
<b>Corporate Recovery Policy</b> To receive the updated Corporate Recovery Policy.	Audit Committee  Cabinet	25 Mar 2025  1 Apr 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	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>Community Safety Partnership Policy</b> To consider the report	Community, People & Equalities Policy Development Group  Cabinet	25 Mar 2025  1 Apr 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Quality of Living, Equalities and Public Health  Cabinet Member for Parish and Community Engagement	Open
<b>Single Equalities Policy and Equality Objective</b>	Community, People & Equalities Policy Development Group  Cabinet	25 Mar 2025  1 Apr 2025	Matthew Page, Head of People, Performance & Waste	Cabinet Member for Quality of Living, Equalities and Public Health  Cabinet Member for People, Development and Deputy Leader	Open
<b>Safeguarding Children &amp; Adults at Risk Policy</b>	Community, People & Equalities Policy Development Group  Cabinet	25 Mar 2025  1 Apr 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Quality of Living, Equalities and Public Health  Cabinet Member for People, Development and Deputy Leader	Open

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<b>May 2025</b>					
<b>Air Quality Action Plan</b> To consider the report	Community, People & Equalities Policy Development Group  Cabinet	25 Mar 2025  Not before 20th May 2025	Simon Newcombe, Head of Housing & Health  Jason Ball, Climate and Sustainability Specialist	Cabinet Member for Planning and Economic Regeneration  Cabinet Member for Quality of Living, Equalities and Public Health	Open
<b>Contract Decision- Mid Devon Housing build, Honiton Road, Cullompton</b>	Cabinet	20 May 2025		Cabinet Member for Housing, Assets and Property and Deputy Leader	Fully exempt
<b>Blackdown Hills National Landscape Management Plan</b>	Cabinet	Not before 20th May 2025	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Planning and Economic Regeneration	Open
<b>Housing Delivery Test Action Plan</b>	Cabinet	Not before 20th May 2025	Tristan Peat, Forward Planning Team Leader	Cabinet Member for Planning and Economic Regeneration	Open

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<b>June 2025</b>					
<b>Tenancy Strategy</b> To receive the revised Tenancy Strategy	Homes Policy Development Group  Cabinet	Not before 2nd Jun 2025  Not before 9th Jun 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	Open
<b>July 2025</b>					
<b>Asset Management Plan</b> To receive the revised Asset Management Plan.	Economy & Assets Policy Development Group  Cabinet	19 Jun 2025  8 Jul 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open
<b>Destination Management Plan for Mid Devon</b>	Economy & Assets Policy Development Group  Cabinet	19 Jun 2025  8 Jul 2025	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery	Cabinet Member for Planning and Economic Regeneration	Open

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<b>Economic Strategy 2024 - 2029</b>	Economy & Assets Policy Development Group  Cabinet	19 Jun 2025  8 Jul 2025	Adrian Welsh, Strategic Manager for Growth, Economy and Delivery	Cabinet Member for Planning and Economic Regeneration  Cabinet Member for Planning and Economic Regeneration	Open
<b>August 2025</b>					
<b>SFS (Specialist Fleet Services) Transport Contract</b>	Service Delivery & Continuous Improvement Policy Development Group  Cabinet	24 Jun 2024  27 Aug 2024	Matthew Page, Head of People, Performance & Waste	Cabinet Member for Service Delivery and Continuous Improvement	Part exempt
<b>Future of Recycling - Options Paper</b> To receive an options paper discussing the future of Recycling.	Service Delivery & Continuous Improvement Policy Development Group  Cabinet	24 Jun 2024  27 Aug 2024	Matthew Page, Head of People, Performance & Waste	Cabinet Member for Service Delivery and Continuous Improvement	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>Plan Mid Devon- Draft Policies and Site Options</b>	Cabinet	Not before 31st Aug 2025	Tristan Peat, Forward Planning Team Leader		Open
<b>September 2025</b>					
<b>MTFP Report</b>	Cabinet	2 Sep 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open
<b>October 2025</b>					
<b>Draft Budget Report 2026/2027</b>	Cabinet	7 Oct 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open
	Cabinet	4 Nov 2025			
	Cabinet	2 Dec 2025			
	Cabinet	13 Jan 2026			
	Cabinet	10 Feb 2026			
	Council	18 Feb 2026			

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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>Data Policy (new) for MDH</b> To receive the new Data Policy for Mid Devon Housing	Homes Policy Development Group  Cabinet  Council	Not before 9th Sep 2025  Not before 7th Oct 2025  Not before 29th Oct 2025	Simon Newcombe, Head of Housing & Health	Cabinet Member for Housing, Assets and Property and Deputy Leader	Open
<b>November 2025</b>					
<b>Tax Base Calculations</b>	Cabinet  Council	4 Nov 2025  17 Dec 2025	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open
<b>December 2025</b>					
<b>January 2026</b>					
<b>Fees and Charges Report</b>	Cabinet	13 Jan 2026	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open

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<b>February 2026</b>					
<b>Pay Policy Report</b>	Cabinet Council	10 Feb 2026 18 Feb 2026	James Hamblin, Operations Manager for People Services	Leader of the Council	Open
<b>Establishment Report</b>	Cabinet Council	10 Feb 2026 18 Feb 2026	James Hamblin, Operations Manager for People Services	Cabinet Member for Service Delivery and Continuous Improvement	Open
<b>Policy Framework</b>	Cabinet Council	10 Feb 2026 18 Feb 2026	Laura Woon, Democratic Services Manager	Leader of the Council	Open
<b>Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2026/27</b>	Cabinet Council	10 Feb 2026 18 Feb 2026	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open

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<b>Capital Programme 26/27</b>	Cabinet	10 Feb 2026	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open
<b>Business Rates Tax Base</b>	Cabinet Council	10 Feb 2026 18 Feb 2026	Paul Deal, Head of Finance, Property & Climate Resilience	Cabinet Member for Governance, Finance and Risk	Open

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