

A **MEETING** of the **MID DEVON DISTRICT COUNCIL** will be held in the Phoenix Chambers, Phoenix House, Tiverton on Wednesday, 19 February 2025 at 6.00 pm.

**ALL MEMBERS** of the **COUNCIL** are summoned to attend for the purposes of transacting the business specified in the Agenda which is set out below:

[The next meeting is scheduled to be held in Tiverton on Wednesday, 23 April 2025 at 6.00 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: 359 544 009 543  
Passcode: GnQpV4

**Stephen Walford**  
Chief Executive

11 February 2025

## **A G E N D A**

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

- 1      **Apologies**  
To receive any apologies for absence.
- 2      **Public Question Time**  
To receive any questions and or statements relating to any items of the Council powers/ duties or which otherwise affects the District and 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      **Previous Minutes of the meetings held on 18 December 2024 and 8 January 2025 (Pages 9 - 38)**  
To consider whether to approve the minutes as a correct record of the meeting held on 18 December 2024 and 8 January 2025.
- 5      **Chair's Announcements**  
To receive any announcements which the Chair of the Council may wish to make.
- 6      **Petitions**  
To receive any petitions from members of the public.
- 7      **Notices of Motions**  
To receive any notices of motions.
- 8      **Reports- Minutes of the meetings held between 10 December 2024 to 11 February 2025 (Pages 39 - 224)**  
To receive and consider the reports, minutes and recommendations of the recent meetings as follows:

### **Cabinet- Reports of the Minutes of the meetings held on 10 December 2024, 7 January and 4 February 2025**

10 December 2024 (Pages 39 -57)

7 January 2025 (Pages 59 -72)

4 February 2025 (Pages 73 -223)  
(Recommendations to Full Council)

#### **1. Business Rate Tax Base**

Cabinet **RECOMMENDS TO FULL COUNCIL**

The calculation of the NNDR1 net yield of £19,854,365 from 3,562 business rated properties be **NOTED** and **APPROVED** for 2025/26.

The proportions distributed to the respective authorities and Central Government be allocated as per the statutory regulations.

Members **NOTED** that Central Government would 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.

Members **AGREED** to Mid Devon re-joining the Devon Business Rates Pool for 2025/26.

## 2. **2025/26 Budget**

Cabinet **RECOMMENDS TO FULL COUNCIL**

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

That the proposed 2025/26 Capital Strategy be **APPROVED** – Appendix 1;

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 be **APPROVED**– Annexes 1a, 1b and 2 to Appendix 1. (Note this was inclusive of forecast slippage as at Quarter 3 from the existing Capital Programme and would be finalised and formal approval sought as part of 2025/26 Outturn report);

The updated Capital MTFP's for the General Fund and Housing Revenue Account covering the years 2026/27 to 2029/30 be **NOTED**.

### **Treasury Management Strategy:**

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) be **APPROVED**.

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

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 Cabinet – 4 February 2025 8 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 be **APPROVED**;

The overall budgeted Net Cost of Services within the General Fund of £15,356,730 for 2025/26 be **APPROVED** as detailed within Appendix 3 (p2 – 40) and inclusive of the proposed balancing adjustments included within Table 1 in paragraph 5.5;

All of the transfers to and from Earmarked Reserves as detailed in Appendix 3 (p41) be **APPROVED**;

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 be **APPROVED**;

Work on strategic planning for delivering a balanced budget for 2026/27 and beyond be commenced immediately be **NOTED**.

**Scrutiny Committee- Reports of the Minutes of the meetings held on 16 December 2024 and 13 January 2025** *(Pages 225 - 244)*

16 December 2024.

13 January 2025.

**Audit Committee- Reports of the Minutes of the meetings held on 21 January 2025** *(Pages 245 - 252)*

21 January 2025.

**Homes Policy Development Group (PDG)- Reports of the Minutes of the meetings held on 28 January 2025** *(Pages 253 - 260)*

28 January 2025.

**Standards Committee- Reports of the Minutes of the meetings held on 5 February 2025** *(Pages 261 - 306)*

5 February 2025.  
(Recommendation to Full Council)

Standards Committee **RECOMMENDS TO FULL COUNCIL**

**1. Government consultation ‘Strengthening the Standards and Conduct Framework for Local Authorities in England.**

The Council notes and provides feedback on the Government Consultation;

The Director of Legal, People & Governance (Monitoring Officer) be delegated to respond to the Government with the Council’s response.

- 9      **2025/2026 Council Tax Resolution** *(Pages 307 - 322)*  
To consider a report of the Deputy Chief Executive (S151) on the Council Tax Resolution for 2025/26.

- 10     **Appointment to Outside Bodies**  
To consider the appointment to outside bodies for Council for the Armed



Forces Partnership and seek one representative to the position available.

11 **Team Devon Local Government Joint Committee**

That Council note the background report and agrees to the creation and formulation of the Team Devon Joint Committee as proposed in the **Devon County Council Report**.

To agree the nomination of the Leader of the Council to be the council's representative on the Team Devon Joint Committee.

This item was deferred from December's meeting of full council in light of the recently-published English Devolution White Paper and accompanying Minister's letter. Irrespective of the emerging timeline around any proposals for local government reorganisation, the Combined County Authority covering Devon and Torbay will be implemented in Spring 2025, therefore it is essential that council agrees to the formal creation of the Team Devon Joint Committee and the nomination of the Leader to this body, in order for Mid Devon to be represented and take up its seat on this committee.

12 **Questions in accordance with Procedure Rule 11**

To deal with any questions raised pursuant to Procedure Rule 11 not already dealt with during the relevant Committee reports.

13 **Special Urgency Decisions**

To note any decisions taken under Rule 16 (of the Constitution) Special Urgency.

14 **Questions to Cabinet Members**

To receive answers from the Cabinet Members to questions on their portfolios from other Members.

15 **Members Business**

To receive any statements made and notice of future questions by Members.

Note: the time allowed for this item is limited to 15 minutes.

### **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 **COUNCIL** held on 18 December 2024 at 6.00 pm

**Present**

**Councillors**

F W Letch (Chair)  
G Czapiewski (Vice-Chair), C Adcock,  
M D Binks, N Bradshaw, D Broom,  
E Buczkowski, J Buczkowski, J Cairney,  
S Chenore, S J Clist, L J Cruwys,  
G Cochran, C Connor, F J Colthorpe,  
A Cuddy, G Duchesne, J M Downes, B Fish,  
M Fletcher, C Harrower, B Holdman,  
M Jenkins, S Keable, L Knight, N Letch,  
J Lock, J Poynton, R Roberts, S Robinson,  
A Stirling, L Taylor, H Tuffin, G Westcott and  
J Wright

**Apologies**

**Councillor(s)**

R Gilmour, L G J Kennedy, N Woollatt, A White and  
J Wright

**Also Present**

**Officers:**

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), Laura Woon (Democratic Services Manager) Angie Howell (Democratic Services Officer) and Sarah Lees (Democratic Services Officer)

**Officers Online**

Dean Emery (Head of Revenues, Benefits & Leisure) ,  
Simon Newcombe (Head of Housing & Health),  
Matthew Page (Head of People, Performance & Waste),  
Lisa Lewis (Head of Digital Transformation and Customer Engagement, Tristan Peat (Forward Planning Team Leader), Carole Oliphant (Housing Policy Officer)

## 243 **APOLOGIES**

Apologies were received from Councillors: M Farrell (online), R Gilmour, A Glover (online), L J Kennedy, A White, N Woollatt and J Wright.

**Goff Welchman**

**Question 1:**

It had been brought to this Council's attention about the parking signage error. I wish to know how many Mid Devon car parks had this or similar errors, what it would cost to permanently rectify the error, and, as Mid Devon's parking fines revenue had recently increased, how many of those fines related to the incorrect signage, and would the motorists be contacted and reimbursed?

**Response from Cabinet Member for Finance, Governance and Risk:**

A new sign was erected within Market Place to address issues with a coach bay that was being regularly used by cars for parking. This sign wrongly asserted that members of the public could not park for more than 2 hours but did display the correct level of tariffs. Three other permanent signs located throughout the car park area were correct and displayed the correct tariffs.

The sign had now been corrected and a review of all signs in the district carried out two weeks ago, showed they were all displaying the current and right tariffs for parking. No enforcement action was taken against any members of the public as a result of this temporary sign being in place and so no customers had been affected. There was no cost to rectify the mistake as a simple overlay could be used to correct the mistake.

**Question 2:**

The Tiverton Eastern Urban Extension Phase B covered land from Post Hill down to the canal. I had been repeatedly verbally assured, that the area south of West Manley Lane was included in order to protect it from speculative planning applications, and would be permanently retained as a green space. However, two concerns had now arisen.

- a). One new build had recently been approved on the south side of West Manley Lane, which in my view could set a precedent for further development.
- b). Angela Rayner was intending to allow Planning Officers to approve building applications, without recourse to Councillors, as long as they adhered to the approved Local Plan. Therefore would this Council publicly confirm that which I had been verbally promised privately, that there would be absolutely no further housing allowed between West Manley Lane and the canal?

**Response from Cabinet Member for Planning and Economic Regeneration:**

For means of clarity the area south of West Manley Lane (WML) was not included within the allocated Tiverton EUE 'to protect it from speculative planning applications'. The area of land south of WML / north of the Grand Western Canal (GWC) was identified as 'landscape' within the Illustrative Masterplan of the Adopted Tiverton EUE Masterplan SPD as a means to provide a parkland setting (with the character of a country park) to the south of the EUE. The Adopted Mid Devon Local Plan showed all the land between the former railway line and the GWC as green infrastructure.

A new dwelling was recently approved (application 24/01182/FULL) on the southern side of WML. The site had previously been the subject of an appeal decision (APP/Y1138/W/19/3239009); application No. 19/00182/FULL) that confirmed that the application site was not within the area identified as green infrastructure. On this basis, the principle for development on this site was agreed at Appeal. The Council, however, maintained its position that no development would be permitted south of WML. Each application was also assessed on its own merit and therefore there was no assumption that Application 24/01182/FULL would set a precedent for future development.

The Council was bound by various levels of Planning Policy and Guidance which were under constant review and, as highlighted, Government had recently set out planning reform proposals which this Council would need to consider and reflect upon. However, whilst those considerations were underway, the Cabinet Member confirmed that the current Adopted Mid Devon Local Plan, the Adopted Masterplan SPD and the evolving Area B Masterplan, identified the area as parkland and that the Council had made a commitment that there would be no development south of West Manley Lane.

**Question 3:**

In view of Angela Rayner's intentions just mentioned plus the news this week, would this Council now remove the reserve designation of the land around Tidcombe Hall from the Local Plan at the earliest opportunity, re-designating it as a protected green space, and if so, when?

**Response from the Cabinet Member for Planning and Economic Regeneration:**

Application 24/00045/MOUT for up to 100 dwellings at Tidcombe Hall was refused planning permission on the 8 August 2024. Although it has been refused, the site remained a contingency site in the Adopted Mid Devon Local Plan 2013-2033. It should also be noted that the planning application covered a greater area of land than identified within the Local Plan. To remove the site from the Adopted Local Plan required a statutory process – the Council could not simply choose to change the status of the site, or remove any allocations afforded to it.

In conformity with the statutory process, the current Adopted Mid Devon Local Plan and its site allocations were currently under review.

In light of recent Government announcements in relation to Planning Policy (through the revised National Policy Planning Framework (NPPF), Plan for Growth and Housing delivery tests etc), it would be necessary to consider the implications for planning policy within Mid Devon and updates would be provided to Members and the wider public as soon as possible. The Council's intentions, in the light of this week's Government announcements was to produce a new Local Development Scheme in the New Year.

**Supplementary statement and questions:**

This Council poured around £23 million into 3 Rivers gamble, I believe the final losses that were claimed to be only a couple of millions, also this Council's housing pot not long ago contained about £24 million, yet after the disclosure concerning around £1.8 million that would need to be refunded to over charged Council tenants and the Housing was now reported just to have enough funds.

**Question 1:**

Where did the rest of the £24 million go?

**Question 2:**

Had the true loss of 3 Rivers been covered up

**Question 3:**

What happened to the St Georges Court, luxury fixtures and fittings that were removed due the current refurbishment and had appeared to have vanished overnight?

**Mr Dermot Elworthy:**

Conventionally, planning requirements had been founded on a presumption of favour in a planning application. Cases of a sensitive or contentious nature usually had been referred to a Planning Committee. By and large, this arrangement had worked well for a long time.

However, Angela Rayner, the Housing Secretary, had taken it upon herself to ride roughshod over a well-established procedure by relegating authority directly to unelected bodies. By assuming such centralised power, she had, at a stroke, destroyed the democratic process and at the same time had circumvented Local Government's role in planning considerations, thus rendering such involvements largely irrelevant.

He mention this because for almost six years the question of the proposed Tidcombe Hall development had hung like a Damoclesian sword over residents of East Tiverton opposing this wholly inappropriate scheme, as well as consuming an inordinate amount of the

Council's time. Therefore, in the light of the Housing Secretary's authoritarian approach, it must be prudent, nay, essential, for the Council to strengthen the conclusions of two Planning Committees in the outright rejection of this particular scheme. To this end, the reinforcing of the Council's position must start with the elimination of the Tidcombe Hall land from its contingency category as contained in the Master Plan. For as long as this area is defined as a "contingency", it would remain vulnerable to predation. It would be remembered that the Planning Inspector in his Hartnoll Farm judgment established that the Mid Devon District Council did indeed have the requisite five-year provision, so there can be no cogent reason for retaining the Tidcombe land for this purpose. Its deletion from the Plan should afford increased protection from the ravages of outside influences and he urged the Council to please effect its removal from the Master Plan as a matter of urgency.

Chair, on a different matter, the Cabinet reports of the meetings of 12 November and 10 December relating to the Grand Western Canal Conservation Area. Regarding the meeting of 30<sup>th</sup> October, the minutes pointedly had excluded any reference to the more than four thousand, three hundred concerned people who responded to an associated petition and whose consideration was so peremptorily excluded from debate. All these signatories were in opposition to the changes proposed to the Conservation Area, more than seventeen hundreds of whom are local ratepayers. It was of paramount importance that the numerical weight of these objections and the opinions expressed there in be included in the full Council's deliberations of this matter.



The Chair explained that as the questions had not been provided in writing in advance of the meeting that a written response would be provided.

### **Mr Peter Drew**

In the story of The Emperor's New Clothes one lone voice points out the obvious truth that was contrary to the prevailing opinion. However, in this case I do not believe I am alone in saying that a canal denuded of trees represents the antithesis of what this Council should be striving to achieve in terms of conservation.

Officers would have you to believe that the 11 species of bat that the Bat Trust for Ornithology (BTO) had recorded on my land would protect almost 1000 trees on my property, but over 95% of them do not have bat roosts and could be removed if you support the recommendation. Planning permission was granted by permitted development order for buildings covering 50 % of my large garden, so once the trees are removed a 4 m high building parallel to the canal could be erected which would destroy its attractive sylvan character. My property was not a County Wildlife Site, Local Nature Reserve or Country Park and in any event planning policies were not engaged when exercising permitted development rights. Officers claim the trees could be assessed for a Tree Preservation Order (TPO) but I asked Mr Marsh, Director of Place & Economy to do this months ago. No response had ever been forthcoming.

The Council says it was under a duty to review conservation areas but that duty had existed for 30 years. In any event the relevant statutory test had not changed yet your Officers would have you believe that when they apply it to the identical geographic areas, such as my property and Snakes Wood, which had not materially altered, that they are entitled to reach the opposite conclusion. However when I ask what had changed to justify their claim that black was the new white they merely recite their own case and don't answer the question.

It was clear that the officers had done a shoddy job. Contrary to Historic England advice they had not visited at various times in different seasons and so whereas Mark Baker (Country Park Manager, Devon County Council) and his excellent team regularly maintain the hedgerows, the Council's Officers had simply recorded high hedges that potentially block important views. They had not visited private land nor even contacted private landowners. As a result of my question to Cabinet it had been established that the officers had destroyed the historic records in their attempt to force this through.

I had provided evidence of what officers get up to when they were not properly scrutinised. On a single planning application they firstly revised a section 106 agreement to cancel a 30-mph speed limit that had been agreed without telling the Planning Committee. Secondly they agreed a Phasing Plan with a developer that directly contradicts the planning conditions that were agreed by the Planning Committee. Third, conditions relating to drainage have not been enforced, which has resulted in silt pouring into the canal at Sampford Peverell for over 18 months, flooding private property and blocking the foul sewer, which in turn had led to sewage going via surface water drains into the canal. For these and many other reasons there had been a breakdown of trust because some officers had failed to act with integrity.

Having regard to the above, and my detailed submission including analysis on pages 235 and 236 of the Public Pack that shows planning policy has not materially changed, I repeat the substance of the question I asked at Cabinet, which the Council failed to answer, namely: Given that the statutory test was identical to when the canal was designated, list the top ten most important changes between 1994 and 2024 that Officers say justify reaching the opposite conclusion in respect of Snakes Wood and/or my property at 16 Turnpike?

**Response from Cabinet Member for Planning, Economic Regeneration:**

As you would be aware; the Council had undertaken a detailed and thorough review of the Conservation Area and had undertaken extensive consultation with Members ensuring that additional opportunities for public engagement were introduced in order to ensure that the public could take full confidence in the proposals being set out and had the fullest opportunity to engage and inform the work. Furthermore, changes had been made to the Conservation Area boundary and the Management Plan in order to reflect public comments made and the additional evidence and information received. This demonstrated that we were a listening Council who were keen to protect our important heritage assets.

With this in mind, I must take issue with some of the statements you have made this evening:

Firstly – in suggesting that a “shoddy job” has been done. It has not: a thorough and detailed exercise had been completed and the document that now resulted was fit for purpose and robust.

Secondly – in stating that historic records have been destroyed to support this review process. No documents have been destroyed in undertaking this work and this was a total misrepresentation of information. The fact was that Members asked officers to identify information from the time of the creation of the Conservation Area – through which officers identified and provided a copy of the original report, dating from 1994 – which you yourself have since referenced. This 1994 report unfortunately contained scant information and did not explain what rationale underpinned the original conservation area boundary. Officers had therefore sought to establish a boundary in a manner which was compliant with current best practice and which was evidence based. The reasons for excluding your own property and Snakes Wood from the boundary had previously been set out in responses provided to you, most recently at a meeting of Cabinet. Equally, the protections which continued to be afforded to Snakes Wood and other habitats had also been set out.

Finally, this was not the “Top of the Pops” and so I would not be listing the ‘top ten’ most important changes as suggest, rather I would be reiterating that this was a robust piece of work which had been subject to full and thorough public consultation and which was based upon established best practice. I trust that Council would also recognise this when it comes to the relevant time this evening.

**Paul Elstone**

**Question 1:**

Can it be confirmed if the Canal Conservation Area Petition signatures were checked and validated by Democratic Services. That the check confirmed that there were over one thousand five hundred (1,500) Mid Devon resident signatures. If not checked why not?

**Response from the Leader of the Council:**

The full petition details were only provided to the Council on the 29 October 2024, less than 48 hours before the meeting on the 30 October 2024, which confirmed that the signatures were not only from Mid Devon but from all over the UK, and other countries around the world. The Council were therefore unable to check and verify over 4000 names within that time period. Hence the constitutional requirement for 10 days' notice. However, as the petition was not resubmitted the signatures were not checked and validated subsequently as that was not a good use of officer's time. This was fully debated at Cabinet and the Grand Western Joint Advisory Committee meetings and Members had been fully cognisant of the strength of feeling of the petition in arriving at their decision.

**Question 2:**

The MDDC Constitution Section 10.2 Page 99 cannot be any clearer about the requirement for Full Council to debate any petition with over 1,500 local resident's signatures. It is on record and in answer to a public question, that the Canal Conservation Area Petition would not be debated at Full Council "as the decision had been taken by Cabinet on the 12th November 2024". This shows no regard to the views and experience of all Full Council Members and just as important the representations made to these Members by their electorate. Can the Chair ask that the Monitoring Officer fully explain why she did not intervene, as it is her role to do so? This to remind the Council Leader of the Constitution requirements, but instead allowed the Council Leader and Cabinet more broadly to very clearly ignore to the Constitution?

**Response from the Leader of the Council:**

The Council had adhered to the constitutional rules. The constitution required a minimum of 1500 signatures from a Mid Devon resident or a person who worked or studied in Mid Devon for it to be debated at Full Council. The Council was notified that a petition would be presented, however, a link to the Petition was provided on the 22 October 2024 which had over 4000 signatures. The Council made repeated attempts to contact the petitioner in advance to ask about the signatory details i.e. where they resided to confirm they were as required. However, this was only provided on the 29 October 2024, less than 48 hours before the meeting on the 30 October 2024, which confirmed that the signatures were from all over the UK, and other countries around the world, which did not meet the requirements in the Councils Constitution. The Council was therefore unable to check and verify the legitimacy of the over 4000 names i.e. checking they were Mid Devon electors. That was why the constitution specifically required 10 days' notice to ensure officers could verify for Members that it was a valid petition.

In this case, the Council was unable to verify that it was valid, in time for the meeting so the petition was not in compliance with the Council's constitution. The Council, however, rather than reject it completely on a technicality, permitted the petition organiser to speak for 5 minutes. As Leader he did respond and speak to this at Full Council and explained the item would be coming to Cabinet for discussion, so the petitioners knew exactly what would be happening. There were also a couple of other Members who commented after the Leaders comments. When discussed at Cabinet, sadly the Leader was ill, but appreciated the public participation and discussion by the Cabinet. The item was also on the agenda for tonight following the recommendation from Cabinet and he was certain all Members were aware of the

petition presented to Full Council and he encouraged all Members to consider the matter when it was considered on the agenda.

**Question 3:**

This Council has publicly announced that the Post Hill site has now been sold for affordable and social home development. What exactly was the full sale price?

**Response from Cabinet Member for Finance, Governance and Risk:**

The Council had received £1million + VAT for the Post Hill site. This was a combination of the site value and a contribution to other Council costs in enabling the development.

**Question 4:**

Have Building Control fully signed off on the complete St George's Court development. If not, why not?

**Response from Cabinet Member for Housing, Asset and Property:**

Yes

**Question 5:**

Who holds the insurance liability for the St Georges Court Development and are there any insurance cover exclusions for flood risk including the underground car park?

**Response from Cabinet Member for Finance, Governance and Risk:**

St Georges Court site was insured in the normal way as an asset through the Council's property insurers with flood peril included as part of the schedule of cover. Tenants would be responsible for providing contents insurance for their own possessions as was the case across all our Council housing.

**Question 6:**

It was known that Tiverton Town Council Members have been given the opportunity to inspect the St Georges Court Development now it is complete. Will interested members of the public be granted the same opportunity, and if not why not?

**Response from Cabinet Member for Housing, Asset and Property:**

The visit was arranged at the request of the Town Council for Town Councillors. In particular for those Councillors who would shortly be representing the first tenants of the St Georges Court Development. This visit was able to happen as it occurred immediately before the Council began the occupation of the first units on the site. Due to the ongoing adaptations work in the flats and imminent occupation of the first houses I am not able to confirm that a future open visit for members of the public of the same type will be practical or appropriate. Mid Devon Housing are nonetheless planning a community event for new residents and neighbours towards Spring in the

new year to celebrate the opening of the new community orchard and the planned seasonal planting of fruit trees along the riverfront of the site.

**Supplementary question:**

Mr Elstone made reference to how he was disappointed to hear that St Georges Court given all the public concerns about build cost, build quality and various other issues that residents were not offered a visit on the development. He made reference to feedback from the Councillor's visit on Monday there were various concerns raised, the word 'unsafe' was used.

**Tim Bridger** (These were read out by the Chair of the Council)

**Question 1:**

The Mid Term Financial Plan (MTFP) and the savings – the only cashable savings on the list are car parking increases, fee income increases, and cutting staff posts. There are no more 'efficiencies' to be found. How then are Cabinet recommending this as a strategy when the total cashable savings element is barely a quarter of the total required amount over the next 4 years?

**Question 2:**

MTFP – staff 'efficiencies' and not replacing vacant posts - How do the staff feel about not only being considered expendable, but any decision they take to leave the organisation being considered a benefit, as a saved cost? With that attitude, is it any wonder that vacancies and sickness absence are high?

**Question 3:**

MTFP and transfer of assets to Town and Parish Councils – can you clarify which assets you think a Town or Parish would be prepared to pay for, and why any Town or Parish should pay for the privilege of taking on and running a service or asset that MDDC considered to be loss-making?

**Question 4:**

The Market Drop In Centre – what was the cost to the public purse of this conversion; given that only six people attended the consultation event, how is the interest considered 'strong' that there is a need; given that there have been two hot desking buildings in Tiverton previously and both have failed within months, and that there is a 'incubator' zone at Petroc that is yet to gain any residents – and indeed that MDDC itself is considering using space at Phoenix House for this purpose - how can taking this community asset out of community use be considered a good idea and a good use of taxpayers monies? Would simply allowing vacant space at PH to be used on a trial basis not be a more cost-effective way to test the market.

**Question 5:**

The land at Post Hill transferred to Housing Association – how much was paid for this land by MDDC, and what were the losses on the transfer to the HA? Were these losses accounted for within the General Fund or within the borrowing on the Capital Program – i.e. a cost to the taxpayer for the next generation to come?

**Question 6:**

What is the predicted scale of losses on the Haddon Heights development, including the hugely inflated price paid for the land initially under the 3Rivers scheme?

**Question 7:**

Boxing Day 'hunt meet' - Given the acknowledged lawbreaking that takes place on 'trailhunts' and the fact that MDDC as the landowner knowingly allowed a criminal enterprise to use its assets for furthering their criminal aims, when will MDDC as the landowner take their duties seriously and act to prevent use of their assets for lawbreaking?

The Chair explained that as the questions had not been provided in writing in the required period in advance of the meeting that a written response would be provided.

**245 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT**

Members were reminded of the need to declare any interests when appropriate.

None were declared under this item.

**246 MINUTES**

The minutes of the meeting held on 30<sup>th</sup> October 2024 were **AGREED** as a correct record and signed by the Chair.

**247 CHAIR'S ANNOUNCEMENTS**

The Chair had the following announcements to make:

- On the 10 November 2024 he had visited the Holy Church in Crediton for the Remembrance Service and had visited the War Memorial to lay the wreath.
- On the 13 December 2024 he went to Tiverton High School to present the winner and runners up with their prizes for the Christmas card competition.
- He thanked Cllr L Cruwys as he represented the Council for Armistice Day at the Burma Star Gardens.

The Vice- Chair highlighted the following:

- He visited the Remembrance event in Tiverton and the War Memorial in Crediton.
- On the 2 November 2024 he had visited the Exe Valley Leisure Centre, where the new Bishop of Exeter visited to meet the Hockey Team who supported the Breakfast on the Go, which was supplied by volunteers at St Paul's Church, Tiverton.

**248 PETITIONS**

None received.

**249 NOTICES OF MOTIONS****Motion 605 (Cllr Martin Binks)**



The following Motion had been referred to the Planning, Environment and Sustainability Policy Development Group for consideration and report:

- a) Mid Devon District Council recognises and notes the huge contribution made by our farmers, growers and the drink industry to the local economy, environment, and rural economies.
- b) Mid Devon District Council commits to further enhancing our partnerships alongside our arable, livestock and dairy farmers to enhance our beautiful countryside.
- c) Mid Devon District Council also commits to supporting our local farmers and growers and the food and drink sector by, where possible, ensuring that all food and drinks provided at council organised events is sourced from local suppliers, to always include meat and dairy as well as plant-based produce.
- d) As part of tackling the environmental priorities for Mid Devon District Council; the Council will consider ways to encourage our residents, where possible, to shop locally, taking full advantage of home-grown, affordable and nutritious produce, including meat, dairy and plant-based options, thus reducing food miles to our tables and boosting the economy.

The Planning, Environment and Sustainability Policy Development Group at its meeting on 26 November 2024 considered the Motion and following discussion, Councillor M Binks in accordance with Procedure Rule 13.7 agreed that the Motion be amended to read:

- a) Mid Devon District Council recognises and notes the huge contribution made by our farmers, growers and the food and drink industry to the local economy and environment.
- b) Mid Devon District Council commits to further developing our partnerships with key organisations alongside our arable, livestock and dairy farmers to enhance our beautiful countryside.
- c) Mid Devon District Council also commits to supporting our local farmers, growers and the food and drink sector by, where possible, ensuring that all food and drink provided at Council organised events is sourced from local suppliers, to include meat and dairy as well as plant based produce. Efforts will also be made to promote locally sourced or produced organic items.
- d) That the Council encourages and promotes local suppliers and locally produced products in other events hosted within Mid Devon.
- e) As part of tackling the environmental priorities for Mid Devon District Council and fulfilling our biodiversity duty, the Council will consider ways to encourage our residents to shop locally, taking full advantage of home-grown, affordable and nutritious produce, including meat, dairy and plant based options, thus reducing food miles to our tables and boosting the local economy.

The **MOTION** was **MOVED** by Councillor M Binks seconded by Councillor R Roberts

Upon a vote being taken, the **MOTION** was declared to have **CARRIED**.

## **2. Motion 606 (Cllr S Robinson)**

The following motion had been referred to the Community, People and Equalities Policy Development Group for consideration and report:

### **Motion: Women against State Pension Inequality (WASPI)**

Council was asked to note that:

In the 1995 Pensions Act, the Government increased State Pension age for women from 60 to 65, with a further increase to 66 in the 2011 Pensions Act.

- The change was not properly communicated to 3.8m women born in the 1950s until 2012, giving some only one year's notice of a six year increase in their anticipated retirement age. 14,350 of the affected women lived in our own authority area.
- The Parliamentary and Health Service Ombudsman (PHSO) had found the Department for Work and Pensions (DWP) to have committed maladministration through its failure to adequately communicate State Pension age increases to women born in the 1950s.
- The PHSO had concluded the DWP should apologise to women affected and pay compensation as a result.
- The DWP has refused to accept the findings of the PHSO, which had now led the independent watchdog to lay its findings before Parliament, encouraging MPs to intervene to deliver a remedy to affected women.
- The All Party Parliamentary Group (APPG) on State Pension Inequality for Women had concluded that "the impact of DWP maladministration on 1950s-born women had been as devastating as it is widespread. The APPG believed that the case for category 6 injustice (£10,000) was overwhelming and clear. Women have had their emotional, physical, and mental circumstances totally obliterated by a lack of reasonable notice."
- As of April 2024, more than 275,000 have died waiting for justice since the WASPI campaign began in 2015.

Council was asked to consider that this injustice has not only had a profound effect on the individuals involved, but on the wider community in Mid Devon and on local government, not least because:

- Women who would have looked after older relatives or partners were unable to afford to do so, with a knock-on impact on local social care.
- Women who would have retired and engaged in caring responsibilities for grandchildren were having to continue working, increasing the childcare burden on the state locally.
- Women who had been left in poverty were struggling to meet their housing costs, with a knock-on impact on local housing stock.
- There was a broader impact on voluntary services of all kinds locally, which were missing out on able, active volunteers who would otherwise have been able to retire from full-time work as planned.



- Our local economy was negatively affected by the reduced spending power and disposable income that the uncommunicated State Pension Age changes had brought about among women born in the 1950s.
- Local tourism had suffered as a result, with affected women unable to travel to the area for holidays.

**Council was asked to support:**

- A swift resolution to this ongoing injustice before more and more women die waiting for compensation.
- The conclusion of the All Party Parliamentary Group on State Pension Inequality that women born in the 1950s had suffered a gross injustice, affecting their emotional, physical and mental circumstances in addition to causing financial hardship.
- The WASPI campaign and All Party Parliamentary Group's called for an immediate one-off compensation payment at category 6 injustice on the PHSO's financial remedy scale (£10,000) to those affected.
- The PHSO's recommendation for the DWP to issue a formal apology to those affected and provide an opportunity for MPs to urgently debate the APPG's recommendations, and any others, in Parliament.

**We therefore ask:**

The Leader of the Council to write to the 3 local Members of Parliament, the Secretary of State for Work and Pensions and the Leader of the House of Commons to outline the effects of the injustice on a significant number of women born in the 1950s in Mid Devon and to seek the following:

- Urgent delivery of proposals from the DWP, outlining how they would deliver compensation for affected women, to include the value of compensation and a timeline for the delivery of said compensation.
- For all MPs to be given an opportunity to debate and vote on those proposals.

The Community, People and Equalities Policy Development Group at its meeting on 3 December 2024 considered the Motion and following discussion, Councillor S Robinson in accordance with Procedure Rule 13.7 agreed that the Motion be amended to read:

In the 1995 Pensions Act, the Government increased State Pension age for women from 60 to 65, with a further increase to 66 in the 2011 Pensions Act.

It was believed that c11,800 woman were affected by this change within the area of Mid Devon of which c800 have since died.

**Council believed:**

This injustice had not only had a profound effect on the individuals involved but on the wider community in Mid Devon and on local government, not least because:

- Some women who would have looked after older relatives or partners were unable to afford to do so, with a knock-on impact on local social care.

- Some women who would have retired and chosen to engage in caring responsibilities for grandchildren, were having to continue working, increasing the childcare burden on the state locally.
- Some women had been left in poverty, were struggling to meet their housing costs, with a knock-on impact on local housing stock.
- The cut to the Winter Fuel Allowance would only amplify problems for many of those women.
- There was a broader impact on voluntary services of all kinds locally, which were missing out on able, active volunteers who would otherwise have been able to retire from full-time work as planned.
- Our local economy was negatively affected by the reduced spending power and disposable income the uncommunicated State Pension Age changes had brought about among women born in the 1950s.

#### **Council supports:**

- A swift resolution to this ongoing injustice before more and more women died waiting for compensation.
- The conclusion of the All-Party Parliamentary Group on State Pension Inequality that women born in the 1950s had suffered a gross injustice, affecting their emotional, physical and mental circumstances in addition to causing financial hardship.
- The PHSO's recommendation for the DWP to issue a formal apology to those affected and provided an opportunity for MPs to urgently debate the APPG's recommendations, and any others, in Parliament.

#### **Council asked the Leader of the Council to write to:**

1. Local Members of Parliament to raise awareness also referring to the 'PHSO' investigation and recommendations.
2. The Secretary of State for Work and Pensions to request urgent proposals from the DWP outlining how they would deliver compensation for affected women.
3. The Leader of the House of Commons to outline the effects of the injustice on 1950s women in Mid Devon and to request that MPs be given an opportunity to debate and vote on those proposals."

Cllr J Lock **MOVED** an **AMENDMENT** seconded by Cllr S Robinson.

To defer the Motion 606 to the next Council meeting.

Upon a vote being taken, the **AMENDMENT** was declared to have **CARRIED**.

#### **250 CABINET- REPORTS OF THE MINUTES OF THE MEETINGS HELD BETWEEN THE 12 NOVEMBER**

The Leader presented the reports of the meeting of the Cabinet held on 12 November 2024.

1. The Grand Western Canal Conservation Area Appraisal and Management Plan ( Minute 85)

The Leader outlined the following:

- He was generally pleased on the public participation from start to the position now, from the Grand Western Canal Joint Advisory Committee, those that attended the consultation events. The residents who had attended the public Council meetings and those who signed the petition.
- To be clear not one Member present in the room including himself want to see the end of the Canal, he valued the Canal and the Council was not here to close the canal.
- Members it had been decades since a review of the conservation area within Mid Devon had taken place. This action to review was not to allow building on the canal but to further protect it.
- Outdated conservation area may not be considered as robust and may face challenges from developers or the Courts. This conservation area was now more robust and only serves to further protect this vital asset of Mid Devon.
- Much discussion had taken place in regard to snake's wood but there were still protection for this woodland area however does not fall under the conservation area.
- The Leader does not want to see any houses built on snake's wood and for it to remain the same.

Consideration was given to:

- The consultation had elicited an outcry which was not represented by the petition about the removal of Snakes wood.
- The purpose of the removal of snake's wood, the results of the public consultation had not been taken into account.
- The value of the canal and the concerns of the loss of protection to the canal environment.
- What would be the protection for Snakes wood if it lost its conservation area and how long would this take to implement?
- Regret that members and members of the public had not taken the statement of snake's wood was well protected but if it was included in the boundary it would weaken the legislative aspect of defining conservation areas.
- Council were required to review conservation area across, in over 30 years it had been ignored till now.
- Changes were made under the National policy Framework that had changed the interruption of the conservation area.
- 'Conservation' could be interrupted as Trees and environment maybe renaming 'Conservation' to 'Heritage' areas to save any confusion in the future.
- The Council needs to strengthen the Canal and had put the Council in a stronger position to protect the canal.
- If it was called the 'Grand Western Heritage area' this would have included snakes woods and building. Heritage spaces always include green areas and building where as conservation do not.
- Any of the area a designated of a special scientific interest that would affect planning in the future.

The Leader **MOVED** seconded by Cllr S Keable:

That the recommendations of the Cabinet as set out in minute 85 be **APPROVED**.

Upon a vote being taken the **MOTION** was declared to have been **CARRIED**.

Those **AGAINST** from voting Councillors: M Binks, Les Cruwys, A Cuddy, M Jenkins, H Tuffin and G Westcott.

Those **ABSTAINING** from voting Councillors: N Bradshaw, S Chenore, Beckett Fish and N Letch.

2. 2024/25 Quarter 2 Treasury Management Report ( Minute 87)

The Leader **MOVED** seconded by Cllr J Buczkowski:

That the recommendations of the Cabinet as set out in minute 87 be **APPROVED**.

Upon a vote being taken the **MOTION** was declared to have been **CARRIED**.

3. Tax Base Calculations ( Minute 88)

The Leader **MOVED** seconded by Cllr J Buczkowski:

That the recommendations of the Cabinet as set out in minute 88 be **APPROVED**.

Upon a vote being taken the **MOTION** was declared to have been **CARRIED**.

10 December 2024

The Clerk advised Members of the Council that the Cabinet minutes of the meeting on the 10 December 2024 were not available at publication and would be presented to the next meeting of Council.

251 **SCRUTINY COMMITTEE- REPORT OF THE MEETING HELD ON 28 OCTOBER AND 25 NOVEMBER 2024**

The Vice-Chair of the meeting of the Scrutiny Committee presented the report of the meetings held on 28 October and 25 November 2024.

252 **AUDIT COMMITTEE- REPORT OF THE MEETING HELD ON THE 3 DECEMBER 2024**

The Chair of the meeting of Audit Committee presented the report of the meeting held on the 3 December 2024.

253 **ECONOMY AND ASSETS POLICY DEVELOPMENT GROUP- REPORT OF THE MEETING HELD ON 28 NOVEMBER 2024**

The Chair of the meeting of the Economy and Asset Policy Development Group presented the report of the meeting held on 28 November 2024.

254 **HOMES POLICY DEVELOPMENT GROUP- REPORT OF THE MEETING HELD ON 19 NOVEMBER 2024**

The Chair of the meeting of the Homes Policy Development Group presented the report of the meeting held on 19 November 2024.

1. Appointment of Co-opted Tenant Members.

The Chair of the Homes Policy Development Group **MOVED**, seconded by Cllr C Connor.

**THAT** the recommendation of the Homes Policy Development Group as set out in Minute 49 be **APPROVED**

Upon a vote being taken the **MOTION** was declared to have been **CARRIED**.

255 **COMMUNITY, PEOPLE AND EQUALITIES POLICY DEVELOPMENT GROUP- REPORT OF THE MEETING HELD ON 3 DECEMBER 2024**

The Chair of the meeting of the Community, People and Equalities Policy Development Group presented the report held on the 3 December 2024.

256 **PLANNING, ENVIRONMENT AND SUSTAINABILITY POLICY DEVELOPMENT GROUP- REPORT OF THE MEETING HELD ON 26 NOVEMBER 2024**

The Chair of the meeting of Planning, Environment and Sustainability Group presented the report of the meeting held on 26 November 2024.

257 **SERVICE DELIVERY AND CONTINUOUS IMPROVEMENTS POLICY DEVELOPMENT GROUP- REPORT OF THE MEETING HELD ON 3 DECEMBER 2024**

The Chair of the meeting of Service Delivery and Continuous Improvement Policy Development Group presented the report of the meeting held on 3 December 2024.

258 **PLANNING COMMITTEE- REPORTS OF THE MEETING HELD ON THE 4 DECEMBER 2024**

The Chair of the meeting of the Planning Committee presented the report of the meeting held on 4 December 2024.

259 **STANDARDS COMMITTEE- REPORTS OF THE MEETING HELD ON THE 11 DECEMBER 2024**

The Chair of the meeting of the Standards Committee held presented the reports of the meetings held on 11 December.

1. **DBS Checks for Members**

The Chair of the Standards Committee **MOVED**, seconded by Cllr B Holdman

That the recommendation of the Standards Committee set out in Minute 20 be **ADOPTED**.

Upon a vote being taken the **MOTION** was declared to have been **CARRIED**.

Those **AGAINST** from voting: Cllr P Colthorpe

## **2. Government Consultation- Enabling Remote Attendance and Proxy Voting at Council Meetings.**

The Chair of the Standards Committee **MOVED**, seconded by Cllr B Holdman

That the recommendation of the Standards Committee set out in Minute 21 be **ADOPTED**.

Those **AGAINST** from voting: Cllr P Colthorpe

Note:\* Report previously circulated

### **260 SCHEDULE OF MEETING FOR 2025/2026**

The Council had before it the proposed\* Schedule of Meetings for 2025/2026.

The Chair **MOVED** that the Schedule of meetings 2025/2026 be approved.

Following discussion and upon a vote being taken the **MOTION** was declared to have been **CARRIED**.

Note:\* Schedule of meetings for 2025/2026 previously circulated

### **261 MEMBER ALLOWANCES- INDEPENDENT REMUNERATION PANEL REPORT**

The Council had before it a report of the Director of Legal, People and Governance and Monitoring Officer setting out the recommended Members' Scheme of Allowances for 1 April 2025 to 31 March 2028

The Director of Legal, People and Governance and Monitoring Officer outlined the contents of the report of the Independent Remuneration Panel.

- The Council was required to consider its Members' Scheme of Allowances taking account of a relevant report of its Independent Remuneration Panel (IRP) before making any changes to the allowances for the following financial year.
- The IRP proposed amendments to the current scheme were as follows:
  - The Basic Allowance of £6,000 p.a. would be increased by the median (average) % of the cost of living pay rise awarded across the workforce of Mid Devon District Council's employees for a period of 3 years from 1 April 2025 until 31 March 2028. (NB: the % rise for 2024/2025 is 4%).

- The Basic Allowance from 1st April 2025 would therefore be recommended as being £6,240 p.a. until the next staff pay award where upon the Panel's recommendation would apply with whatever the median % rise was at that time.
- Within the report at (h) that the wording in the scheme regarding parental leave and SRA's also would apply to prolonged illness and Vice Chairs.

Consideration was given to:

- Carer's allowances within the Scheme of allowances for Members and how that would work.
- The basic allowances to be more attractive to encourage the younger generation to stand as Councillors.
- The parental leave allowances and the attendance to the Town and Parish Council meetings.

The Chair **MOVED** that: the Members Allowances Scheme as set out in Appendix 2 in the report be adopted for the period 1 April 2025 to 31 March 2028.

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

Those voting **AGAINST**: Cllr S Clist

Note: \*Report previously circulated

## 262 **TEAM DEVON LOCAL GOVERNMENT JOINT COMMITTEE**

The Council had before it a background report to **NOTE** and agree the nomination of the Leader of the Council to be the Council's representative on the Team Devon Joint Committee.

The Leader of the Council outlined the contents of the report from the Team Devon Joint Committee.

- On the 16 December, the Deputy Prime Minister released a white paper on Devolution to all authorities in England. Contained in the white paper were ambitious plans for more powers to be devolved to all areas including regional Mayors for all areas of England.
- As part of the White Paper, it also stated the Government's intention for areas to work together to secure funding and achieve more influence over the important decisions related to the Council's area. That was the reason why it had been decided to set up the combined County authority, and the Joint Committee as referenced on tonight's agenda was to agree the governance feeding into that, which Members had been asked tonight to vote on and to agree to elect the Leader as the representative to the body.
- Also within the White Paper it made reference about Labour's plans to simplify local government and abolish areas with two tier arrangements like Devon. The expectation was that with the Combined County Authority (CCA) already having been agreed, Devon's journey towards devolution had already begun, and this was recognised in the Government's White Paper. Whilst the Council knew at some point it would need to look at further devolution and the possibility of structural change to support wider public service reform, the



creation of the CCA indicated a review would be needed within 3 years. It was believed that time would be taken to review arrangements in a considered way, with the White Paper notably avoiding statements around top-down imposition or compulsion.

- Unfortunately the Government in their proposal included a temptation for those who believed that they may lose their seats in next May's planned County Council elections. They offered Councils with elections next year the possibility to postpone those elections if they put forward proposals for deepening devolution, accepting a Mayor, and reorganising Local Government into Unitary Authorities.
- The partnership work with District and County Council had been solid and respectful up until this point. Regretfully, in a nakedly-blatant political move and an abhorrent anti-democratic attempt to hold on to power, the Conservative Leader of Devon County Council was considering putting forward a proposal for Devon and Torbay to join together and create a huge Unitary Council that would cover all of Devon and nearly 1 million people. As a way to delay what many see as the inevitable downfall of his administration, he seems to be openly suggesting that Government holds off from the whole 'democracy' thing for a while.
- The Leader of Devon County Council had still not approached this Council's Leader to explain his rationale, but he had planned an extraordinary meeting in January to vote through the proposal and was quoted in the National Press as saying 'we will put our proposal by the 10th January, and then if it was accepted, we will follow up with a more detailed proposal. When asked what the proposal would look like, he replied 'a unitary Devon' and that the White Paper made him and his peers realise that two tier areas such as Devon were basically no more.
- The Leader was proud of Mid Devon District Council, everybody was, the hard working staff, the excellent in house leisure centres, high performance in house waste collection services and the ability to reach a balanced budget year after year. This Council had good management the opposite to Devon County Council, which struggled to fund its own services and had a record of failing the most vulnerable in society that tainted us all. Any move to a Unitary Authority with the remnants of Devon County Council at the heart was flawed by this imbalance from the start and our much valued and celebrated discretionary services risked being lost. Devon County could not be trusted with our libraries, they cannot be trusted with looking after the children of Devon, and the Leader would not trust them with leisure centres or waste services. How quickly would this Council's top 10% performance be dragged down to the level that the County Council tolerates? A Devon Unitary Authority would be too big an area to manage services like the Housing Department or leisure services and the issues faced here would be lost to larger areas elsewhere. Money follows voters, this Council were not naïve to know that we were a pretty rural District and centralised investment rarely flowed into our communities.
- The Leader did not support a Unitary Authority, but if it was thrust upon the Council, he would want it to be on the terms that best served the residents rather than a detached, failing County Council, and on terms that were supported by a democratic mandate.
- This could only happen if this Council submitted an alternative proposal. The Leader was now speaking with other District Leaders to discuss the viability of creating a smaller Unitary Authority which would cover around half of Devon



and still be in line with emerging Government objectives with regard to population. If an alternative proposal was agreed with the other Districts it would be brought to an extraordinary meeting of this Council which he would ask the Chair to call before the 10th January deadline. At this point, if accepted he would want to see a wide ranging consultation process and if possible to include a referendum of the residents of this District.

- He appreciated this would not come easy to all, the hardworking Councillors or the fantastic staff at this Council, we would continue to do the best for the residents in Mid Devon and prevent our important and vibrant District being swallowed up by a mixture of County Council greed and failure.
- In light of those developments, he asked Members to defer this agenda item, and not appoint him as the Council's representative but to support the now ongoing and rapidly changing work being undertaken by him as Leader, Cabinet and officers. He would ensure he would give information to all as it became available and keep those affected updated at every step.

Consideration was given to:

- It was deeply disappointing that Devon County Council had chosen to proceed in this way without any consultation with District Councils. Significant decisions could not and should not be made unilaterally or without the involvement of all tiers of local Government, let alone the residents that Members were elected to serve.
- To cancel the elections struck at the very heart of the democratic system. Elections were a cornerstone of democracy, ensuring that power was held to account and that residents had a voice in choosing who represented them. To deny the people of Devon their democratic right to vote in 2025 was nothing short of an attack on democracy itself.
- To be clear: the proposal set out by the Leader of Devon County Council was not about improving governance, representation, or services for residents. It was a blatant attempt to cling to power.
- If there was to be any reorganisation of local government, it must be done transparently, with full consultation and, crucially, a democratic mandate from the people it would affect. Anything less would undermine public trust in local government and damage the principles of accountability and representation.
- This Council must stand firm in opposing this undemocratic move, for the residents and to protect their right to vote, to ensure their voices were heard, and to demand better for the Council's communities.
- All Members of this Council to join together in rejecting those proposals and calling for any changes to local government in Devon to be driven by the needs and wishes of the residents, not by the political ambitions of a few.
- The negativity from the Leader and a closed mind for the future. The residents want value for money, if the residents had a better service and value for money in becoming a Unitary Authority.
- If it cost money to have an authority closer for the people and enabled to do the job better this would be supported.
- The Conservative Members had not been consulted about this initiative and knew very little about it. To remain positive and be robust for the future.
- The Chair advised Members that there was disquiet at Devon County Council.
- The financial state at Devon County Council.
- Where was the missing Ofsted report from Devon County Council?

- This was a significant development and such debate needed consideration for the future.
- The Joint Committee had 10 members and only 2 District Councillors appointed but with no rights to vote.

The Leader **MOVED** an **AMENDMENT** and seconded by Cllr S Clist.

To defer the following:

That Council noted the background report and agreed to the creation and formulation of the Team Devon Joint Committee as proposed in the [Devon County Council Report](#)

To agree the nomination of the Leader of the Council to be the Council's representative on the Team Devon Joint Committee.

Upon a vote being taken, the **AMENDMENT** was declared to have been **CARRIED**.

## 263 **QUESTIONS IN ACCORDANCE WITH PROCEDURE RULE 11**

To deal with any questions raised pursuant to Procedure Rule 11 not already dealt with during the relevant Committee reports.

There were no questions.

## 264 **SPECIAL URGENCY DECISIONS**

With regard to any decisions taken under Rule 16 (of the Constitution) Special Urgency taken since the last meeting. The Chair informed the meeting that no such decisions had been taken in that period.

## 265 **QUESTIONS TO CABINET MEMBERS**

The Chair informed the meeting that no were no questions to Cabinet Members.

## 266 **MEMBERS BUSINESS**

The Chair informed the meeting that were no Members Business.

(The meeting ended at Time 20.04pm)

**CHAIR**

**MINUTES** of a **MEETING** of the **COUNCIL** held on 8 January 2025 at 6.00 pm

**Present**

**Councillors**

G Czapiewski (Chair)  
C Adcock, M D Binks, D Broom,  
E Buczkowski, J Buczkowski, J Cairney,  
S J Clist, L J Cruwys, G Cochran, C Connor,  
J M Downes, M Farrell, M Fletcher,  
A Glover, C Harrower, B Holdman,  
M Jenkins, S Keable, L Knight, J Lock,  
J Poynton, R Roberts, A Stirling, L Taylor,  
H Tuffin, G Westcott, A White, J Wright and  
D Wulff

**Apologies**

**Councillors**

F W Letch, N Bradshaw (online), S Chenore (online),  
F J Colthorpe (online), A Cuddy, G Duchesne (online),  
B Fish, R Gilmour, L G J Kennedy (online), N Letch,  
S Robinson and N Woollatt (online)

**Also Present**

**Officer(s):**

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy  
Chief Executive (S151)), Maria De Leiburne (Director of  
Legal, People & Governance (Monitoring Officer)) Laura  
Woon ( Democratic Services Manager) and Angie Howell  
(Democratic Services Officers)

**267 APOLOGIES**

Apologies were received from Councillors:

N Bradshaw (online), S Chenore (online), P Colthorpe (online), A Cuddy, G  
DuChesne (online), B Fish, R Gilmour, L J Kennedy (online), F Letch, N Letch,  
S Robinson and N Woollatt (online).

**268 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT**

Members were reminded of the need to declare any interests when appropriate.

None were declared under this item.

## 269 MEETING MANAGEMENT

The Chair advised Council Members that he would add Public Question Time before the next agenda item using his constitutional discretion as Chair.

He reminded members of the public that their questions and or statement should be specifically in relation to the sole item of business contained in this Extraordinary Council meeting.

## 270 PUBLIC QUESTION TIME

### **Goff Welchman**

The Council should be celebrating today, as he believed he was once on the same side of the fence as all of the Members.

Angela Rayner's ghastly devolution proposals were anything but that pure stalinism in all but name, right down to sending in Government apparatchiks to take control, if things did not go according to their dogma.

One of the strongest pillars of Local Government democracy was the right of taxpayers, like him, to physically attend Council meetings, and ask public questions concerning all matters of Council business, while face-to-face with Officers and the Councillors they elected to office.

He realises that this administration, in spite of its claims for openness and transparency, had done its best to make that more difficult, restricting challenges to responses, and would have made it even more difficult, had it not been for strong opposition by members of the public at specific meetings. However, at the moment still had that right.

Members of the public could easily get to this Councils local meetings, park free of charge nearby, have their say, and get home quickly again afterwards. Under Komrad Rayner's plan, their Local Government headquarters would be many miles away, probably in a city centre with difficult rush-hour access, and limited parking at exorbitant prices. Public attendance and interrogation would become impractical for all but those living close by.

This was probably their desired aim. They intend to ride rough-shod over any local opposition to their schemes.

### **Question 1:**

Would this Council vigorously oppose the devolution proposals?

### **Question 2:**

If the answer to question one was yes, would the objections specifically mention the points concerning public questions, in person, face-to-face, being a crucial element of our democracy?

### **Question 3:**

If the answer to question one was no, why not?"

The Chair advised that the questions would be answered as part of the debate at the next item on the agenda.

## 271 ENGLISH DEVOLUTION WHITE PAPER

The Council had before it a report from the Leader of the Council on the latest situation with regards to the devolution and reorganisation debates as instigated by the English Devolution White Paper and Minister's letter to the Leader prior to Christmas.

The Leader of the Council outlined the contents of the report on the Devolution and Local Government Reorganisation.

- His report was self-explanatory and outlined the position shared by all District Councils in Devon but there were some points he wished to clarify after the last Full Council meeting in December 2024.
- To be clear he was not against change, nor against genuine devolution and bringing more money and powers to important parts of the Country.
- Some Members may know that he had a fulltime job as a Continuous Improvement Manager, and part of that involved improving services and delivering substantial savings to his employer. He oversees delivering transformative change every day. So, he understood all too well that this was not an easy task, with every project requiring substantial planning, consultation, and evidence before acting.
- The Leader believed that the Government White Paper set out a policy of a compulsory move to a unitary authority.
- The Leader believed that if this Council did not get on the fast track to unitary, they would not be 'left behind' as had been claimed. This was because this Council was already well on the way to meaningful devolution, due to start delivering in just five weeks' time.
- The County administration were running scared of facing the public after years of mismanagement and a disastrous set of election results last year – 100% yes. In private, so do they.
- Councils who were being considered for the first stage were areas which had already looked at and considered devolution. Those were areas where there was joined up cooperation and working between Districts and County and where there were already consideration of the makeup of a new Unitary area. Those were areas that were already on their path to regional devolution and had established plans for reorganisation.
- Devon County Council had done nothing and there was no plan or joined up thinking.
- Today Devon County Council published their report and recommendations for their Extraordinary Council meeting to take place on Thursday 9 January 2025. It also contained nothing. It was made to be clear they intended the Governments wished to see Labour regional Mayors as a means to delay elections and disenfranchise 1 million residents of our County to suit their political goals, not democratic ones. It was damning that you could replace the word Devon in the entire report and it could apply to any County Council anywhere in England. There were no details on how any of the "*plans*" could be delivered, because there were no plans.
- He quoted from the report of Devon County Council "it was noted also that the Council was not committing to any specific form of reorganisation, but it had a

very tight timetable to work with other authorities to put forward meaningful proposals for the area. Past reorganisations across the Country had demonstrated that this would require significant focus for all Officers, Councillors, and resources. There was a significant amount of work to do to prepare proposals for reorganisation and for deeper devolution arrangements if the timeframes set by Government for the priority programme are to be met.” This was ridiculous and premature to be pulling the trigger on postponing democracy when to borrow from American politics– there was not even a concept of a plan.

- Councillors, for what reason the County Council would wish to be on the first phase, was it to get a better deal for residents, was it to rush through clear thought out proposals, or was it that this Council would be left behind? No, it was not any of those. As it stated in his report, all areas would be required to come up with proposals for devolution by the autumn. All of the Councils across Devon had already carried out work on Devolution with the County Combined Area, and all the Districts were clear that they knew that further change was coming and had set out a clear, effective, and democratic process to achieve this, even with Exeter City where initial thoughts on the shape that may take differ widely.
- There was no requirement to go ahead now without proper consultation work, working together and actually considering the Council’s residents at this point. It stated in the County report that they would work closely with District Councils, he had not received nothing from the Leader of Devon County – not a telephone call, not an email, nothing! Did that demonstrate working closely?
- The County administration were sending their Councillors around to their Parish Councils with a crib sheet of “we need to do this now; we need to get ahead of the curve; and using the fear of the Labour Government imposing their will upon us.” All of those were demonstrably false pretexts. The Government had made it clear in their White paper; it was clear in communications with Leaders and Chief Executives; and it was clear through the Civil service meetings: Devon was not being considered for the first phase. This Council were already on the path to devolution that built on a proven track record of collaborative working in the interests of the people, the businesses, the tourists, the economy, and environmental stewardship of Devon.

Councillors, the Leader urged to send a clear message to County and the Government by supporting the recommendations in front of them. They would deliver a democratic mandate to support further devolution only after considered, robust, and non-political proposals were developed. The Council were not against ambition nor genuine devolution. This Council supported to work closely with their colleagues across Devon’s County, District, City and Unitary Councils to get the best deal for their residents with proper consultation, proper proposals and joined up thinking and already doing this. As a Council we should build on the many strengths to build a plan that was best for Devon.

Consideration was given to:

- Local Government was an unusual patchwork of governance models frequently misunderstood by electors as it was confusing and politically divisive with no coordination of governance boundaries. An ‘electorate’ muddle in need of reform.



- Combined authorities would begin to address this. However, that process must not be secretive using the power structures behind closed doors but should be democratically and inclusive.
- Deputy Prime Minister Angela Rayner, in the week before Christmas, announced the Government's desire to create new local Councils of around 500,000 people. The population of Devon, was around 1 million people. Opportunities within the White Paper, published on 16 December 2024, had now resulted in a power grab at the local level by both Conservative (County) and Labour (City).
- This morning Devon County Council published their report that would consider and then make a decision some 24-hours later for their meeting tomorrow. Sole purpose: to beat Ms Rayners deadline of January 10, shock and awe as a 'Trumpian' land & power grab.
- Effectively, the dominant Conservative Party on Devon County Council would use their majority tomorrow to tear-up the September agreement by Government with all Devon local authorities for the formation of a Foundation Strategic Authority for Devon & Torbay, as Combined County Authority (CCA). This CCA would, and still could, provide a transitional period for all the Councils in Devon to continue to work together and agree reform for implementation after the next General Election. This would provide time for discussion, consultation, and orderly transition.
- Instead the County Council Leader James McInnis betrayed all the 8 Council Leaders on a deal that he and his predecessor had been working closely with over the last 2 years. On top of this the proposed scrapping of the County Council May elections. Who did he fear most? Division within the Conservative ranks with Reform or the strength and competence of the Liberal Democrats who secured 42% of all Devon Councillors seats in the May 2023 local elections, and who deliver services with responsibility that are secure and stable.
- Tonight this Council could do little more than support the recommendations and supported by all other District Councils in Devon. The County Council would make their decision tomorrow and would submit for the deadline of Friday 10 January, and likely as not the Minister would make a decision by the end of this month.
- Different levels of democracy would reduce financial efficiency, unitary authorities could led to better outcomes for Devon's residents and save significant amount of money that could be reinvested into public services, improve accountability with fewer politicians that would have the ability to focus on delivery services for residents.
- Investments levels in the South West were amongst the lowest in England.
- The average Mid Devon District Councillor had virtually no power at all, the present Liberal Democrat promised the removal of the Cabinet system which removed authority and accountability from ward Councillor what happened to that?
- In 2024 polling found that 69% of people thought that public services were worse.
- As a local Councillor, when visiting Parish Councillors and in the minority of two on this Council this evening, with no power to do anything.
- The White Paper did not mention funding which was central to the problems. It mentioned transfer of power did that mean money out of Whitehall into the regions?

- 61% of England was covered from devolution deals, but 46% of Southern England was in that situation.
- The Government expected effective levels of collaboration to be demonstrated between constituent Members and District Councils, especially where the District Council covered the primary city or economy in that County. Tiverton sadly was not one of those but Exeter City Council may well be considered to be that.
- Should this Council consider Mayoral Strategic Authorities, Strategic Authorities or a combined County Authorities?
- Discussion about this Council becoming either  
Combined County Authorities including all of Devon and Cornwall.  
Amalgamation of Devon and Torbay.  
Enhanced Exeter and District with a population over 600k including Tiverton, Cullompton, Crediton, Honiton, Exmouth, Sidmouth, Tedburn St Mary and those that commute between those towns and Exeter.  
Metropolitan District including Plymouth, Torbay and Exeter and surrounding commuting areas.
- Devon County Council would have an influence over the final decision and the decision would be a political decision by the Labour decision.
- Better value for money for the people the Councillors represent.
- That the Leader had misjudged the issue and may be accused by self-interest.
- The White Paper was clear in the establishing of new unitary authorities under accountable and electable Mayors.
- The challenges were clear and how the Council responded to the White Paper, did we wait for the change to be imposed by others or engage with all parties to seek, construct and deliver an organisation for those living in this County, more effective, less costly and greater authority dealing with Central Government.
- The National Government would be the one that would make the discussion on postponing the election.
- All Councillors to come together to present a clear and ambitious vision, much to offer with a talented and successful team and deliver strategy that rises above political interests.
- District Councillors had an extremely valuable role. Increased collaboration and consultation was the best way this would provide better value to the residents.
- Sussex, East Sussex, West Sussex and Brighton Hove proposal to join as one authority governing 1.7 million people, how much debate as a Councillor would you get at that size?
- Why cancel the election whilst the debate continued on devolution. When would they hold another election, in 1 year or 2 years?
- Angela Rayner stated “there would be no impact on Local services”. Years would be spent talking about reorganisation, therefore these years needed to focus on delivering core services to local people. There was time to consider all proposals, elections to take place in May and time for proper and informed debate.
- This Council was passionate about planning as this was a core element of District Council. How would those decisions take place if this Council went unitary?
- Endorsed the joint statement, within regards to recommendation four of the statement clarification on this and how much it would cost.



- The Cabinet Member for Governance, Finance, and Risk, stated he was not present at the meeting with just a title but with a duty. A duty to protect this Council, their services, and most importantly, the people that we served and their right to democracy.
- Good governance was a foundation of trust in democracy. The Leader's recommendations rightly demand transparency, no secret deals, and no rushed decisions. They demanded accountability, every penny accounted for, every risk considered. And they demanded consultation and a real, meaningful conversation with the people who would live with the consequences of those changes.
- The financial promises before. "Efficiency savings!" they said. "Streamlined services!" they said, "Value for Money!" they said. But look at Somerset, look at Dorset. Costs soared, savings vanished, and frontline services suffered and continue to suffer.
- We must not let Mid Devon become another cautionary tale. The Leader's recommendations demanded independent financial analysis. No sugar-coating. No smoke and mirrors. No Tory rhetoric, Just facts.
- Change of this scale, of this magnitude, must not be imposed from above. It must be chosen by the people it affected. That was why a Devon-wide referendum must be part of any serious proposal.
- The Council could, and must, continue to collaborate with Councils across Devon, including Torbay. But collaboration would not mean rolling over. It means standing firm on principles.
- Councillors had a responsibility here. A responsibility to ensure that any decision about the future of local government in Devon was made with clear evidence, financial scrutiny, democratic legitimacy and the best interests of residents at its core.
- So let us stand together. Let us send a message to the Government, to Devon County Council, and to anyone else watching: this Council would not be rushed or ignored. And it would not allow our communities to be treated as pawns in a political game.

Cllr G Westcott **MOVED** an **AMENDMENT** and seconded by Cllr S Keable.

To add a sixth recommendation as follows:

In proposals for new regional and unitary local authorities, to advocate for a proportional voting system in order to move fairly to reflect the preferences and views of the electorate and to enable every vote to count.

Upon a vote being taken, the **AMENDMENT** was declared to have been **CARRIED**.

Those voting **AGAINST**: Councillors M Binks, J Poynton and R Roberts.

Cllr M Binks **PROPOSED** to vote separately on the recommendations within the report.

The Leader **MOVED** and seconded by Cllr S Clist:

1. To write to the Minister in partnership with other Council Leaders to reaffirm the Council's opposition to a single Devon-wide unitary authority and the postponement of County Council elections.

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

2. Fully endorse the Joint Statement issued by Devon's District Councils (3rd January 2025), emphasising the Council's opposition to a single unitary authority; the importance of proper consultation and evidence-based reform; and a clear stance against delaying scheduled elections.

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

3. To continue to work collaboratively with councils across Devon, including Torbay, to explore options for simplification as outlined in the English Devolution White Paper, with a focus on improving collaboration, efficiency, and shared services, rather than pursuing disruptive structural reforms.

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

4. To commission legal advice and independent, evidence-based analysis to underpin any future proposals, ensuring they were credible, transparent, and robust to ensure the Ministerial deadlines were met with well-prepared, fact-driven, and scrutinised submissions.

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

Those voting **AGAINST**: Councillors M Binks and R Roberts.

5. To commit to comprehensive public consultation in advance of any business case submission, and to lobby the Government on the importance of a Devon-wide referendum to ensure that any revised local government structures met the principles of devolved powers to local communities rather than being imposed by Whitehall.

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

Those **ABSTAINING** from voting: Councillors M Binks, R Roberts and A Stirling.

6. In proposals for new regional and unitary local authorities, to advocate for a proportional voting system in order to move fairly to reflect the preferences and views of the electorate and to enable every vote to count.

Upon a vote being taken, the **MOTION** was declared to have been **CARRIED**.

Those voting **AGAINST**: Councillors M Binks, J Poynton and R Roberts.

(The meeting ended at 19.26pm)

**CHAIR**

**MINUTES** of a **MEETING** of the **CABINET** held on 10 December 2024 at 5.15 pm

**Present  
Councillors**

L Taylor (Chair), S J Clist, J Lock,  
N Bradshaw, J Buczkowski, G Duchesne,  
J Wright and D Wulff

**Apology  
Councillor**

S Keable

**Also Present  
Councillor**

E Buczkowski

**Also Present  
Officer(s):**

Stephen Walford (Chief Executive), Richard Marsh  
(Director of Place & Economy), Maria De Leburne  
(Director of Legal, People & Governance (Monitoring  
Officer)), Matthew Page (Head of People, Performance &  
Waste), Jason Ball (Climate and Sustainability Specialist)  
and Laura Woon (Democratic Services Manager)

**Councillors  
Online**

G Czapiewski, L Knight, R Roberts and S Robinson

**Officers Online**

Dean Emery (Head of Revenues, Benefits and Leisure),  
Lisa Lewis (Head of Digital Transformation and Customer  
Engagement), Elaine Barry (Planning Obligation Monitoring  
Officer), Stephen Carr (Corporate Performance and  
Improvement Manager), Adrian Welsh (Group Manager for  
Growth, Economy & Delivery), Heather Nesbitt (Senior  
Enforcement Officer), Stephen Bennett (Building Surveyor  
Planning Maintenance), Carole Oliphant (Housing Policy  
Officer), and Sophie Richards (Customer Engagement  
Officer)

**93. APOLOGIES**

Apologies were received from Councillor S Keable.

**94. PUBLIC QUESTION TIME**

**Paul Elstone**

**Question 1:**

There was no column shown on the spreadsheet providing details of previous year's expenditures on these projects. This information was required in order to provide clarity on the total project cost. Why was this information not provided?

**Response from Cabinet Member for Finance, Governance and Risk:**

The previous year's expenditure was reported in the appropriate reports at that time, and fully within the outturn report each year.

**Question 2:**

Would such information be added to the budget sheet going forward? And if not why not?

**Response from Cabinet Member for Finance, Governance and Risk:**

The Council would look to see how historic information could be provided going forwards.

**Question 3:**

Project 41 Fir Close, Willand shown a revised total 2025/30 budgeted amount of £175,000. After the addition of the £50,000 shown as spent in 2024/25, this means the total cost of this single person's accommodation would be £225,000. How could such high expenditure be justified?

**Response from Cabinet Member for Finance, Governance and Risk:**

Any budgeted amount was the total project cost, so costs included all aspects of any projects not just the structure itself. Details such as parking, fencing, biodiversity net gain, planning fees, officer time and renewables were included within the total spend.

**Question 4:**

Was the Project 23 the ZED PODS Old Road Tiverton development?

**Response from Cabinet Member for Finance, Governance and Risk:**

Project names would not be published until such time as planning permission and local consultation had been undertaken.

**Question 5:**

The project budget for the Project 23 had increased from £4.1 million to £7.45 million. Could it be explained exactly why this project cost had nearly doubled?

**Response from Cabinet Member for Finance, Governance and Risk:**

As with any of the sites identified within the Housing Revenue Accounts (HRA) Development Programme the sites were identified at an early stage before any massing or designs were fully carried out and as such movement in unit numbers which could be both up and down could occur during any design process.

**Question 6:**

What or where was Project 20?

**Response from Cabinet Member for Finance, Governance and Risk:**

See the response to Q4 above.

**Question 7:**

Project 20 was shown as a massive budget of £16.49 million but there seems to be no intention to develop it within the next 5 years. It was known that the Council paid ZED PODS £435,360 in 2023 for work on this project.

Was this payment to ZED PODS not a waste and a very poor use of public funds?

**Response from Cabinet Member for Finance, Governance and Risk:**

The Housing Revenue Accounts (HRA) Development Programme was under constant monitoring and assessment with many aspects affecting when projects began or were moved. Each project's viability, in terms of cost and attainable external funding, played a major role in any decision making.

**Question 8:**

What or where was Project 8?

**Response from Cabinet Member for Finance, Governance and Risk:**

See the response to Q4 above.

**Question 9:**

Why had the cost of Project 8 increased by £1.37 million from £2.44 million to £3.61 million?

**Response from Cabinet Member for Finance, Governance and Risk:**

See the response to question 5 above.

**Question 10:**

Why exactly had the School Close Bampton Project cost increased by over 1 million pounds to £5.5 million?

**Response from Cabinet Member for Finance, Governance and Risk:**

See the response to question 5 above.

**Question 11:**

What or where were projects 29, 33 and 54?

**Response from Cabinet Member for Finance, Governance and Risk:**

See the response to Q4 above.

**Question 12:**

The £5.5 million School Close Bampton cost equates to £4,590 per square metre. The Shapland Place, Tiverton cost was around £5,000 and St Andrews Cullompton was around £4,600. Fir Close Willand could be over £6,000 per square metre. Would Cabinet agree there was a common and very high cost theme developing?

**Response from Cabinet Member for Finance, Governance and Risk:**

Those figures were taking total project cost as indicated in Q3, whereas construction cost, and therefore build cost/m<sup>2</sup>, was only one element of total project cost. It should also be remembered that those properties were net zero carbon with far higher energy efficiency elements incorporated. As such, while there may be extra costs involved to achieve this, which could be perceived as optional, the Council had committed to aiming for net zero, with the added benefit of this efficiency translating into lower running costs for tenants over the life of the asset (home).

## **Nick Quinn**

In the press that 1200 Council properties had been overcharged on their rents while 1600 had been undercharged. The Housing Rents report states that it was being proposed to recompense those tenants who had been overcharged and the Council had already said they were not going to recover any undercharges from renters. But it was not clear, from the report, whether corrections were to be put in place for all tenancies, once the formula calculations had been done to work out the correct rent for every property. If this was not done, the overcharged renters had their correct rent put in place, but the undercharged tenancies continue on the incorrect base rent for the remainder of their tenancy. This would mean this Council were subsidising those tenants and would be paying for this error for years to come. Surely, this was wrong. Rather than agreeing to recommendation 2 and leave undercharged tenancies unchanged, as was suggested at point 19 on the table in paragraph 2.2 of the report: Would Cabinet look to undertake moves to implement the correct rent, properly calculated in compliance with the Statutory Social Rent Formula, to all their social rental properties over a phased period which was yet to be determined?

This was answered within the debate at item 6 on the agenda.

## **95. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT**

The following Councillors J Buczkowski, S Clist and D Wulff referred to item 7, updating Election Fees and declared they were Members of the Town Councils.

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

## **96. MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 12 November 2024 were **APPROVED** as a correct record and **SIGNED** by the Leader.

Note: \* the Leader abstained from voting due to not being present at the last meeting.

## **97. 2025/2026- DRAFT BUDGET**

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:

- At the last Cabinet meeting, the projected shortfall stood at £431k. Since then, a thorough review had shown that some previously identified savings were not achievable for 2025/26 and would need to be revisited in future years. However, the Council had been able to reduce other pressures and identify additional savings, bringing the shortfall down to £191k.
- Appendix 1 provided a detailed breakdown of movements at the service unit level, highlighting where pressures were being felt and where savings had been achieved. A full review of corporate budgets, combined with the possibility of further government grants, could help bridge the remaining gap.



- The Council were deeply disappointed by the government's decision to remove the Rural Services Delivery Grant. This, along with the uncertainty of the funding settlement, expected on 19 December 2024; this was unacceptably late in the budget-setting cycle, and had created significant challenges for financial planning.
- As a Council, strong representations would be made directly to central government at a senior officer level and through the membership of the Rural Services Network, urging them to address the dire state of local authority funding.
- Appendix 2 outlined the plans for the Capital Programme over the next 5 years. The commitment to invest £138m into maintaining and enhancing assets. A large portion of this would be directed towards increasing housing stock, delivering much needed social and affordable homes. Whilst this programme currently assumed significant borrowing, the Council remained optimistic that further successful grant applications would help reduce this burden, as they had done in the past.
- Housing Revenue Account, Appendix 3 provided an update on the Medium-Term Financial Plan. This included refreshed assumptions around income, particularly in relation to rent corrections. The Council were in the process of finalising a robust 30-year plan to enable more accurate budget profiling over the next 5 years and to identify ways to address the projected shortfall.
- This administration stood firm in its pledge to uphold fiscal responsibility whilst listening to the needs of the communities. The combined efforts of dedicated officers, alongside the support of Members across the Council, had made it possible to present a realistic and achievable draft budget, even in the face of uncertainty and challenging financial conditions.

Discussion took place regarding the internal borrowing and where this was reported.

**RESOLVED** that:

1. The contents of this report, specifically the inclusion in the 2025/26 adjustments be **APPROVED** and
  - a) Cabinet requests were considered at the last meeting (para 3.4);
  - b) The adjustments to previously **AGREED** budget options (para 4.2);
  - c) The proposed budget options (Section 5) that would be calculated as data or when Government announcements were made.
2. The proposed Capital Programme covering the period 2025/26 to 2029/30 be considered.
3. The updated Housing Revenue Account Medium Term Financial Position be considered.

(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.

**98. HOUSING RENTS**



The Cabinet had before it a report \* from the Deputy Chief Executive (S151) presenting the Housing Rents Report.

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

- The report related to a historical issue that affected the calculation of social rents within the Council's Housing Revenue Account (HRA). This error related to the original valuations used in the nationally prescribed formula for setting social rents.
- While annual increases had been correctly applied over the years, the historic valuation figures needed adjustments to bring them in line with the requirements.
- It was clear that, as an administration, the Council had no control over the historical issues.
- However, the Council's priority was to resolve it swiftly and effectively. The Cabinet Member for Finance, Governance and Risk reassured the Cabinet, and importantly the tenants, that they were secure in relation to their tenancies. The HRA remained financially sound, with sufficient reserves to address this matter responsibly and without jeopardising its long-term viability.
- It was highlighted in the report the steps that had already been taken, including a self-referral to the Regulator for Social Housing (RSH) and engagement with the Department for Work & Pensions (DWP), the Council's auditors, and the Valuation Office Agency (VOA). To ensure the actions were legally robust, external legal advice had been sought from a King's Counsel.
- Internally, a dedicated working group had been established to manage the actions required, and internal processes for setting rents had already been strengthened to prevent similar issues in the future. Based on initial calculations, the correction was estimated at approximately £1.8 million, which was within the HRA reserve balance. A strategy to replenish this reserve would be developed as part of the longer-term financial planning.
- The corrective actions prioritised current tenants, followed by former tenants, and refunds would likely be issued in tranches to ensure a controlled and efficient process. The Council were working closely with partner organisations to address any associated impacts on Housing Benefits, Universal Credit, and Council Tax liabilities.

The Cabinet Member for Finance, Governance and Risk wanted to emphasise that the Council's tenants were absolutely at the forefront of every decision made. Their interests would guide the approach, and the Council were committed to resolving this issue with urgency and transparency. Regular updates on progress would be brought back to Cabinet.

Discussion took place with regards to:

- The feedback from residents was low in some wards.
- The communication about the Housing rents and had it been delivered correctly?
- How many residents had come forward after receiving the communication?

- The legal position and that the Council cannot increase the rent in relation to a live tenancy other than the usual process.
- What methodology would be used when a property became vacant?
- Changes of tenancy if a family chose to pass it on to another family member within the same household and was there provision in place.

**RESOLVED** that:

1. All of the tasks that had already been progressed in order to correct this situation were **NOTED**.
2. The future proposed actions and solutions required to fully resolve the housing rents error identified in Table 1 para 2.2 were **AGREED**.
3. To request a further report be brought back for consideration once the proposed actions had been completed and the Regulator for Social Housing (RSH) had clarified their opinion, in order that any lessons identified could be sufficiently mitigated through the Council's Risk Register in future.

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

**Reason for Decision:**

External Kings Counsel's advice had been secured which had been used to underpin the recommendations made within this report.

Note: \* Report previously circulated.

## 99. **UPDATING ELECTION FEES**

The Cabinet had before it a report \* from the Chief Executive on the updated Election Fees.

The Cabinet Member for People, Development and the Deputy Leader outlined the contents of the report with particular reference to the following:

- The level of Election fees should be reviewed regularly to take into account inflation as well as any changes in legislative responsibility.
- Locally-originated fees had not been reviewed or updated for over 20 years and this report was an update to that position.
- The Returning Officer had to pay for polling staff, postage, mileage and venue hire at prevailing rates in order to run elections. Those had increased over time, while the core team fees were set in the context of the headline Returning Officer fee as set by the Council.
- The difference between the Council's current fees and the most up to date schedule adopted within Devon in 2023, was broadly equivalent to the increase that would have taken place if normal Consumer Price Inflation (CPI) had been applied each year.

Discussion took place with regards to:

- Could it be confirmed that the proposal line in the table included in the report at 3.3 be adopted?

- Would the calculated fees make the election cost neutral or be expected to subsidise those or was there a surplus?

**RESOLVED** that:

1. The revised fees for Mid Devon District and Parish elections, as per section 3, take effect from 1st April 2025 and be **APPROVED**.
2. That the fees would be updated annually from 2026 onwards in line with either the uplift of the previous year's staff pay award, or by the CPI at the prevailing rate from the previous September, should the annual pay award be expressed as a flat cash rate rather than as a percentage.

(Proposed by Cllr J Lock and seconded by Leader of the Council)

**Reason for Decision:**

The running of elections by the Returning Officer was overseen and monitored by the Electoral Commission. There were no legal implications associated with this decision.

Note: \* Report previously circulated.

## 100. **CORPORATE PERFORMANCE QUARTER 2 INCLUDING PERFORMANCE DASHBOARD**

Cabinet had before it a report \* and **NOTED** from the Corporate Manager for People, Governance and Waste and the Corporate Performance and Improvement Manager on the Corporate Performance Report including the Performance Dashboard.

The Leader of the Council and the Corporate Performance and Improvement Manager outlined the contents of the report with particular reference to the following:

- The Corporate Plan included an ambition to avoid carbon emissions (renewables and green transport). This was an aggregated indicator, made up of two indicators as outlined. By generating electricity through solar panels, the Council had avoided 259t CO2 emissions this financial year.
- Through the use of electric vehicles in the fleet, the Council avoided a further 8.8t CO2e against an annual target of 10t CO2 emissions. This result demonstrated that electric vehicles were becoming embedded and well used as part of the fleet.
- Planning applications determined within 8 weeks was 99% for the year to date, and minor applications overturned at appeal was 0.4%.
- Under the 'The Support the Voluntary, Community and Social Enterprise (VCSE) sector by securing additional external funding', data showed that for the financial year to date indicated that £182k had been secured.
- Household waste recycled in the financial year to date was 59.8% and was above target (58.5%).
- The dashboards contained 99 performance measures on how services were performing across the Council, and included the indicators that were part of the Corporate Plan. Those dashboards had also been reviewed by all the relevant Policy Development Groups and the Planning Committee.

- Section 2 of the report provided performance analysis on a theme by theme basis, focusing on Corporate Plan performance indicators.
- The total number of open planning enforcement cases was 338. Having reviewed this, it should have stated 319.

Discussion took place regarding:

- The total number of missed bin collections was going in the right direction.
- The staff turnover percentage increase.
- The Council should be acknowledged for the effort they were putting into delivering their Corporate Plan.
- The Planning Environment and Sustainability Policy Development Group's dashboard seemed a bit light on performance measures.
- The absence of air quality metrics, especially considering two designated air quality improvement areas within the district – Cullompton and Crediton.
- Behind the scenes to reinstate real-time air quality monitoring within those zones, which was not funded by the previous administration and therefore switched off in June 2023
- The Director of Place and Economy had confirmed that real-time monitoring would be back in place by January 2025, after a rather elongated process that started in July 2023
- Given the significance of this development, could air quality be monitored as a key metric on the dashboard?
- It was **AGREED** to include real-time air quality monitoring within the two air quality management areas as a performance metric on either the Planning Environment and Sustainability Policy Development Group, or Communities, People and Equalities Policy Development Group dashboard moving forward.

(Proposed by the Leader)

Note: \* Report previously circulated.

## 101. CORPORATE RISK QUARTER 2

Cabinet had before it a report \* and **NOTED** from the Corporate Manager for People, Governance and Waste and the Corporate Performance and Improvement Manager on the Corporate Risk Quarter 2.

The Leader of the Council and the Corporate Performance and Improvement Manager outlined the contents of the report with particular reference to the following:

- Considerable progress had been made over the past year to manage the most significant risks. Many of the risks on the register had seen their risk scores reduced through the work of the Council for example 3 Rivers, Cullompton Town Centre Relief Road, and Homes for Ukraine Scheme.
- Even where risk scores had not improved, there had been a huge amount of work to ensure the Council had maintained its risk position and was in a position to improve – such as in the areas of cyber security, climate change, and financial sustainability.

- A robust process was in place for managing corporate risks and presenting this information to the Audit Committee and to Cabinet. Members further strengthened the process through their check and challenge and there had been positive engagement in the past year. The approach had proved effective in 2024, and would provide the Council with a strong foundation to manage the risks of 2025.
- The Council's current corporate risks with their updated position as of early November. Those were the risks which had been identified that may be most likely to impact the Council meeting its objectives.
- Any significant changes to the Risk Register since it was last reported to Cabinet were listed in the covering report, at paragraph 2.3.
- Audit Committee Members asked that Corporate Risk 9 and 9a related to 3 Rivers be reviewed by the Leadership Team given the closure of the company, with the remaining risk to focus on reputational risk.

Discussion took place regarding:

- The risk rating 3, failure to meet Climate Change Commitments by 2030, would this be reviewed before the next quarter?
- Had the Council been subject to any Cyber-attacks and what security was in place to measure this?
- 3 Rivers Developments Limited was formally dissolved on 29th November 2024. This dissolution would be formally reported to Cabinet as part of the next financial report, but it was relevant to the discussion today regarding the review of the Risk Register.
- CR9 related specifically to the risks surrounding the closure of 3 Rivers Developments Limited. CR9a, on the other hand, pertained to the reputational risks experienced by the company and, by extension, the Council as its shareholder. At a recent Audit Committee meeting, there was a robust debate on whether those risks would remain on the Risk Register in their current form. Audit Committee's input was a vital advisory body to the Council and this administration.
- CR9 and CR9a be replaced with one combined risk that reflected the current circumstances and identified the tangible risks and mitigation actions relevant today. This approach ensured the Corporate Risk Register remained focused on the strategic risks most likely to impact the corporate priorities of the Council.

Note: \* Report previously circulated.

## 102. **MID DEVON HOUSING (MDH) ASSET MANAGEMENT STRATEGY**

Cabinet had before it a report \* from the Head of Housing & Health on Mid Devon Housing's (MDH) Asset Management Strategy.

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

- Mid Devon Housing (MDH) had a requirement to understand the condition and demand of the housing stock and other buildings it was responsible for, by establishing the current position, identifying future maintenance costs as well as providing new homes to meet demand.

- This Strategy set out how this would be achieved during the financial years 2025-2029. This was a review of the existing Asset Management Strategy and had been undertaken to bring the document up to date in the context of the new consumer regulation regime that included the statutory consumer standards as set out within the report and background papers.

**RESOLVED** that the updated MDH Asset Management Strategy attached in Annex A be **ADOPTED** as recommended by the Homes PDG.

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

**Reason for Decision:**

As a registered provider of social housing, the Council was obliged to take account of the standards contained within the revised regulatory framework which was administered by the RSH as well as The Health and Safety at Work etc Act 1974 and other building safety legislation. This placed a duty on MDH to maintain legal compliance within its housing stock.

Note: \*

- (i) Report previously circulated.
- (ii) Cllr N Bradshaw abstained from voting due to not being present for the debate.

### 103. **MID DEVON HOUSING (MDH) TENANT COMPENSATION POLICY UPDATE**

Cabinet had before it a report \* from the Head of Housing & Health on Mid Devon Housing's (MDH) Tenant Compensation Policy Update.

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

- The Policy was last approved in January 2022, and was due to be reviewed after 3 years.
- Since the current Compensation Policy was adopted the Housing Ombudsman (HO) had issued guidance notes to Registered Providers that relevant policies should provide redress to restore a person to the position they would have been in had the service failure not occurred.
- In line with the Housing Ombudsman (HO) guidance the revised policy set out compensation payments that were fair, consistent and proportionate whilst recognising that each case would be considered on its individual merits.
- The Council had also recently received specific guidance and recommendation from the Housing Ombudsman (HO) in respect of compensation for the additional cost of temporary heaters.

Discussion took place regarding monitoring and performance and the figures in regard to compensation.

**RESOLVED** that the updated MDH Tenant Compensation Policy and Equality Impact Assessment contained in Annexes A and B respectively as recommended by the Homes PDG be **ADOPTED**.

(Proposed by the Cllr S Clist and seconded by Cllr N Bradshaw)



**Reason for Decision:**

It would be necessary to ensure that the Tenant Compensation Policy addressed all the legal obligations the Council had as a Landlord under within the parameters of the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994, the Housing Act 1985 and the Leasehold Reform, Housing and Urban Development Act 1993.

Note: \* Report previously circulated.

**104. NATIONAL ASSISTANCE BURIAL PROCEDURE**

Cabinet had before it a report \* from the Head of Finance, Property & Climate Resilience on the National Assistance Burial Procedure.

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

- The Policy was last reviewed in June 2019 and had become due for review after 5 years.
- The report presented the revised Policy for National Assistance Burials.

**RESOLVED** that the National Assistance Burials Policy as recommended by the Service Delivery & Continuous Improvement Policy Development Group be **ADOPTED**.

(Proposed by the Cllr J Wright and seconded by Cllr J Lock)

**Reason for Decision:**

The Council had a statutory duty to carry out National Assistance Burials under Section 46 of The Public Health (Control of Disease) Act 1984.

Note: \* Report previously circulated.

**105. THE STATUTORY DUTY TO CONSERVE AND ENHANCE BIODIVERSITY**

Cabinet had before it a report \* from the Head of Finance, Property & Climate Resilience and Climate and Sustainability Specialist on the Statutory Duty to Conserve and Enhance Biodiversity.

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

- The Statutory Duty plan encouraged innovation and set out achievable goals. However, service teams had identified new ways to report on how to make a difference with Biodiversity Net Gain.
- The plan aimed to support ecological awareness in the service teams, it aimed to boost nature on Council owned land, and it set a goal for partnership schemes to boost nature at a landscape scale.



- As explained in the report, the Local Planning Authority role had set duties to discharge in line with National Policy and this was separate and distinct from anything which the Council chose to do as a corporate land / property owner.
- The consultation had been to the Planning and Policy Advisory Group (PPAG) and each of the Policy Development Groups.

Discussion took place regarding:

- Under the Planning, Environment and Sustainability Policy Development Group, they were looking at new builds and legal requirements as to what was stipulated from a house building perspective.
- New build houses and the approach from developers to help towards biodiversity and to consider bird houses and bricks for bees to be included in this document.
- The ecological surveys on developments.
- As a Council to put pressure on developers to provide more eco-friendly projects.
- Rewilding of farms this would contribute greatly towards biodiversity net gain.
- Support the environment locally and the hope of support, from the Climate Nature and Water Bill that was currently going through Parliament.

**RESOLVED** that the draft Biodiversity Duty Action Plan as recommended by the Planning, Environment and Sustainability Policy Development Group be **APPROVED**.

(Proposed by the Cllr N Bradshaw and seconded by Cllr S Clist)

**Reason for Decision:**

The Council's environmental sustainability duties were underpinned by legislation e.g. Environment Act 2021 as noted.

Note: \* Report previously circulated.

## 106. **CLIMATE STRATEGY ACTION PLAN**

Cabinet had before it a report \* from the Head of Finance, Property & Climate Resilience and the Climate and Sustainability Specialist on the Climate Strategy Action Plan.

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

- This was an important milestone for the Council. The Climate Change Strategy and Climate Action Plan, was a response to the Council declaring a climate emergency in 2019 and the Council's targets of achieving net zero by 2030.
- Officers had worked persistently to bring this strategy together. A Draft Climate Strategy was considered by the Planning, Environment and Sustainability Policy Development Group (PDG) on 26 November 2024 and was now recommended to Cabinet for approval.

- The Strategy was a starting point for engagement with communities, businesses and other partners, to co-create a vision for a sustainable future including the themes and expressed ambitions about the benefits for Mid Devon residents.
- The Climate Change Strategy was aligned with the Corporate Strategy and with the Devon Carbon Plan, and related to all of the Council's Policy Development Groups:
  - Planning, Environment and Sustainability- Vibrant landscapes at the heart of Mid Devon.
  - Community, People and Equalities- Climate Resilient Communities.
  - Homes- Healthy Homes.
  - Economy & Assets- Green Growth and Bright Futures.
  - Service Delivery & Continuous Improvement- Sustainable Services and Spending.
- Mid Devon's 2022 territorial carbon footprint, excluding land use change, was 907,684 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). The largest climate impacts came from:
  - Agriculture at 43% (394,256t), mainly from livestock farming;
  - 29% from transport (267,527t) almost all from road transport; and
  - 9% from heating fuels in buildings (78,68t) with most of that (68,643t) from homes.
- The Council's own organisational carbon footprint, the 2023-2024 emissions were 16,545 tCO<sub>2</sub>e. Components of the carbon footprint under direct control of the Council comprised only 2,103 tCO<sub>2</sub>e.
- Potentially, Net Zero for the 'direct control' footprint could be achieved by a combination of reducing the impact of what the Council could directly control (mitigation was the top priority) and by balancing actions that reduced the impact of the other elements in the wider footprint. The Climate Action Plan indicated ways that carbon emissions could be avoided, reduced offset and inset emissions.
- Steps as a Council to further reduce it's own footprint included: Lower emissions for their fleets, facilities and services, Renewable energy projects and support for trees and habitat schemes which absorbed carbon.
- The Council only directly controlled a tiny fraction of the district's annual impact, but could influence a significant part of local activity and infrastructure.
- In the years between now and 2030, a series of projects were set to deliver important reductions to the Council's annual carbon footprint.
  - Renovating sports centres could save up to 200 tonnes per year.
  - Workplace energy efficiency could save up to 200 tonnes annually.
  - Replacing 57 vans with EV by 2030 would save over 140 tonnes annually.
  - More renewable energy projects could save 200 - 600 tonnes annually.
  - A programme to replace 22 old residential properties with Net Zero homes by 2030 would save up to 136 tonnes annually.
  - Renovating Council homes would save over 400 tonnes annually.
- The next steps the Council could lead and influence through best practice. In 2025 the Council intended to host Mid Devon's first Climate Forum that would bring the Council's strategy to communities, businesses and partners. This had to be a collective effort, working together and providing feedback to Central Government where it could see barriers to the necessary change.

Discussion took place regarding:

- Did the Council have a policy about the use of weed killer?
- How serious were the Council about energy when there was a procurement process and measurement in place to be affordable moving towards net zero.
- The Council could lead by example. This would play a small part in making a difference to climate change.
- The importance of climate change and considerations about wind power, solar power and greenhouse gas emissions.
- Working towards net zero and the collaborative approach.
- The work that had gone into the Climate Strategy Action Plan and the great foundation this would provide in order to move forwards.
- How close were the Council to net zero for 2030?
- The Council to have a strong vision for a sustainable future.
- Cop29 fossil fuels that caused the problem. The ambitions of the Council and the importance for the community and changing the world.
- Should the focus be on resilience for the future?
- Flourishing and happiness within the community and the benefits this would have and the leadership was important.

**RESOLVED** that the Climate Change Strategy and Action Plan as recommended by the Planning, Environment and Sustainability Policy Development Group be **APPROVED**.

(Proposed by the Cllr N Bradshaw and seconded by Cllr G DuChesne)

**Reason for Decision:**

The Council's environmental sustainability duties are underpinned by legislation e.g. Environment Act 2021. All local authorities had obligations under the Climate Change Act 2008 with regard to climate change adaptation (resilience) and mitigation (emission reductions). Full Council declared a Climate Emergency in June 2019.

Note: \* Report previously circulated.

**107. S106 GOVERNANCE FRAMEWORK**

Cabinet had before it a report \* from the Director of Place and Economy on the S106 Governance Framework.

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

- This was an update to the existing S106 governance arrangements.
- It had been revised to ensure the most appropriate and effective approach to S106 management and monitoring, to ensure that they were consistent with the latest government regulations and to provide Members with more visibility and input into the spend process.
- Any financial planning obligations must be spent in accordance with the terms of the S106 agreement. Those agreements were used to offset the

implications of an individual development as identified through the planning process and therefore it was important to have a robust and appropriate governance to ensure the effective and appropriate use of S106 monies.

- The proposed governance framework (Appendix 1), which set out the arrangements on the nature of the S106 spend, and provided clarity in terms of when decisions were delegated to planning officers, and the conditions where more significant decisions needed to go the Governance Board for consideration.
- Also included, were the Terms of Reference, which set out the purpose and expectations of the Board and the decision making process, including composition of the Governance Board and regularity of meetings.

The framework document and appended terms of reference were considered by the Planning, Environment and Sustainability Policy Development Group at a meeting on 26 November 2024. The Group agreed that the framework document and appended terms of reference be recommended to Cabinet for approval, with one minor amendment, which was to add the word 'Infrastructure' at the end of bullet point 9, at 4.0 Planning obligations (Section 106 agreements) so that the bullet point read 'Highways and Transport Infrastructure', to ensure wider transport schemes such as rail related projects were captured.

Discussion took place regarding:

- The timelines on spending and the balance of priorities.
- Key challenges, such as balancing local and district-wide strategic priorities and enhancing Member oversight.
- Clarity was needed in certain areas. Delegated decisions allowed for more streamlined approvals, what was the route of appeal should a validation or delegated decision be contested?
- Were the Governance Board decisions final?
- Disappointed by the lack of progress on the Community Infrastructure Levy (CIL).
- Opportunities to review the structure to further enhance inclusivity and transparency, particularly with respect to representation from Ward Members and Town and Parish Councils.
- Further clarity on the new government's direction regarding the emerging Infrastructure Levy (IL), and would the Council prioritise preparing for this transition and consider aligning infrastructure planning processes accordingly?

**RESOLVED** that the revised S106 Governance arrangements (Appendix 1; Mid Devon District Council S106 Governance Framework) be **APPROVED** with the following exceptions.

- a) This would require a change to the Terms of Reference section 4 under the Fixed Panel heading before bullet point four the following words to be added "three Cabinet Members from the following:"
- b) A new seventh bullet point to be added to this section with the words "Cabinet Member for Parish and Community Engagement".
- c) The Quorum arrangements would remain unaltered at two Members and
- d) That the S106 Governance arrangements returned to the Planning, Environment and Sustainability Policy Development Group within the next 12 Months.

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

**Reason for Decision:**

S106 agreements may include obligations on the developer to make a financial contribution in order to make the development acceptable in planning terms. Contributions become due on a trigger point set out in the legal agreement.

Note: \* Report previously circulated.

**108. INFRASTRUCTURE FUNDING STATEMENT- INFRASTRUCTURE LIST**

Cabinet had before it a report \* from the Director of Place and Economy on the Annual Infrastructure Funding Statement, the Infrastructure List.

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

- The report related to infrastructure that could be funded partly or wholly by developer contributions.
- Local Planning Authorities were required to publish an Infrastructure Funding Statement annually. The Statement included a summary of developer contributions collected and spent by the authority in the previous financial year, and an Infrastructure List which identified the infrastructure required to facilitate the delivery of the adopted Local Plan.
- The list was not exhaustive, it was a live document that continued to evolve and could be reviewed and updated anytime.

The Planning, Environment and Sustainability Policy Development Group (PDG) were asked to consider the Infrastructure List at a meeting held on the 26 November 2024. The Group recommended the infrastructure list for approval by Cabinet with the following suggestions:

- Under Priority 2 - Sustainable Travel the group suggested widening reference to Cullompton Rail improvements to include rail improvements elsewhere in the district by referring to District Wide Railway Infrastructure.
- Under Priority 1 – Education Category to include specific reference within the 2nd line to include Post 16 provision.

Discussion took place regarding the process, when items were added to the list in the future, and would this be reported back to Policy Development Groups and Cabinet.

**RESOLVED** that:

1. The list of infrastructure (Appendix 1; the Mid Devon Infrastructure List) that the Council intended to fund, either wholly or partly, by developer contributions as recommended by the Planning, Environment and Sustainability PDG be **APPROVED**.
2. The Infrastructure List was included within the Annual Infrastructure Funding Statement (IFS) to be published on the Council's website by 31st December 2024 as recommended by the Planning, Environment and Sustainability PDG.

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

**Reason for Decision:**

There was a legal requirement placed through Regulation 121A of the Community Infrastructure Levy largely applicable to CIL charging authorities to publish no later than 31st December in each calendar year an annual infrastructure funding statement which comprised “a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (“the infrastructure list”)”

Note: \* Report previously circulated.

**109. PLANNING ENFORCEMENT- ENFORCEMENT POLICY UPDATE**

Cabinet had before it a report \* from the Director of Place and Economy on the Planning Enforcement- Enforcement Policy Update.

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

- The proposed Planning Enforcement Policy brought the operations of the Enforcement Team in line with the Council’s current approach.
- Formal adoption and publication of the policy should make it easier for the public to understand Mid Devon’s approach to Planning Enforcement. It would set a much clearer framework for when enforcement action would be taken, and how it would be taken, together with clarity on what types of cases would be investigated as high priority, medium priority and lower priority accordingly.
- Following a public question directed to the Scrutiny Committee, an amendment was suggested to be made to the flow chart in the Enforcement Policy to add an additional arrow to clarify that complainants would get feedback in relation to their complaint. This will be added between “Breach identified and no further investigation required” and “Investigation Results”. There would also be a spelling error amendment in the box “Possible Breach Identified”.

Discussion took place regarding:

- The concerns about planning enforcement in Councillors ward areas and how this would be reflected.
- When criticism had been received with regard to this report and had this been looked into?
- Any changes to planning enforcement and was there a record of this.
- Cabinet Members thanked all officers involved for the work that had been achieved in the report.

**RESOLVED** that:

1. The report and the updated Planning Enforcement Policy which had been discussed and noted by Scrutiny be **NOTED**.
2. The updated Planning Enforcement Policy, as recommended by the Planning Policy Advisory Group (PPAG) be **APPROVED** and **ADOPTED**.



3. Delegated authority be given to the Development Management Manager, in conjunction with the Cabinet Member for Planning and Economic Regeneration, to make any future revisions to the Planning Enforcement Policy to ensure it accorded with the National Planning Policy Framework be **APPROVED**.
4. The flow diagram contained at page 14 of the Policy to be updated to include an arrow between “Breach identified and no further investigation required” and “Investigation Results” to demonstrate that complainants would receive feedback on their complaint be **APPROVED**.

(Proposed by Cllr S Clist and seconded by Cllr G DuChesne)

**Reason for Decision:**

Matters of enforcement were bound by strict data protection rules and the authority must be mindful of the rights of individuals concerned. This meant that specific details and ongoing enforcement activity could not be shared beyond those within the authority who were immediately and necessarily involved in cases.

Notes: \*

- (i) Report previously circulated.
- (ii) Cllr N Bradshaw abstained from voting.

## 110. NOTIFICATION OF KEY DECISIONS

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

The Clerk identified the changes that had been made to the list since it was published with the agenda. This included the following:

- The work agreement for the Measured Term, Internal Painting Contract 2025-2029.
- The Award of contract for CHP Plant/ Battery Storage at Exe Valley

Note: \* Key Decisions report previously circulated.

(The meeting ended at Time Not Specified)

**CHAIRMAN**



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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**

**MINUTES** of a **MEETING** of the **CABINET** held on 4 February 2025 at 5.15 pm

**Present  
Councillors**

L Taylor, S J Clist, J Lock, J Buczkowski,  
S Keable, J Wright and D Wulff

**Apologies  
Councillor(s)**

N Bradshaw and G DuChesne (online)

**Also Present  
Councillor(s)**

E Buczkowski and C Harrower

**Also Present  
Officer(s):**

Stephen Walford (Chief Executive), Maria De Leburne (Director of Legal, People & Governance (Monitoring Officer)), Matthew Page (Head of People, Performance & Waste), Simon Newcombe (Head of Housing & Health), Paul Deal (Head of Finance, Property & Climate Resilience), Darren Beer (Operations Manager for Street Scene and Open Spaces) and Laura Woon (Democratic Services Manager)

**Councillors  
Online**

G Czapiewski, M Farrell, L Knight and R Roberts

**Officers Online**

Dean Emery (Head of Revenue, Benefits and Leisure,  
Kieran Knowles ( Operation Manager for Finance Services)  
Luke Howard ( Environment and Enforcement Manager)  
and Jan Moreland ( Finance Business partner)

**125. APOLOGIES**

Apologies were received from Councillors: N Bradshaw and G DuChesne (online)

**126. PUBLIC QUESTION TIME**

Paul Elstone

Agenda Item 5 2025/26 Budget and in particular Annex 2 HRA Capital Programme 2025 to 2030.

**Question 1:**

I note that the Housing Revenue Account (HRA) Capital Programme document now shows most if not all the names of the HRA Projects as opposed to just Project Numbers. Additionally, there was a column showing previous years' expenditure.

Thank you for taking on board the request to have this information provided.

However there remain four very important omissions.

- There was no initial budget forecast column.
- There was no total expenditure to date column.
- There was no final budget expenditure column for completed projects.
- There was no description provided explaining the reason for any budget overspend against initial forecast.

Would Cabinet give full consideration to these requirements? Requirements that fully support good cost management, good governance plus openness and transparency?

### **Question 2:**

Project 41 – Fir Close Shows an expenditure to date of £111,000 and a further expenditure of £185,000 this if I read the confusing budget sheet correctly or a total of £296,000

It had been noted the budget had increased by £10,000 in the last month.

To put this cost into perspective, Fir Close module was a demonstration unit first built around 6 years ago and never intended for occupancy. It had been converted for single person occupancy only.

A module that was now costing an exorbitant £8,000 per square metre.

The 5 properties remaining for sale at Haddon Heights, Bampton and using sale price and not build cost, had a cost of £2,900 per square metre. For the 39 properties at St Georges Court their cost was under £3,300 per square metre.

There was irrevocable evidence available to show that by any measure this Council was paying an exorbitant cost for its new build social homes.

Would Cabinet implement a fully independent Value for Money Assessment, and if not precisely why not?

### **Question 3:**

Given there had now been substantial payments made on certain HRA projects:

HRA Project 20 shows a project spend to date of £363K out of a total project value of £16.49 million.

HRA Project 8 shows project spend to date of £371K.

Project 33 a spend of £162K.

Project 29 a spend of £62K.

Spends that should already or would form part of budget statements and also which should already clearly show on the supplier invoice payments data base.

Where precisely were these individual HRA projects?

**Response from Cabinet Member for Finance, Governance and Risk:**

Project 8 – Roundhill, Lower Cotteylands – project now live and progressing.

Project 33 – Churchill Drive, Crediton – project now live and progressing

Project 29 – Glebelands, Cheriton Bishop – project no longer going ahead

Project 20 – This project was currently paused, but may come forward again in future years. As such, naming the project would be inappropriate without full consultation to the local residents and community.

As had previously been advised, the Council publish the names of the projects once they reach a point where the viability of the development had been established through careful planning and design, and importantly where we had undertaken appropriate consultation with local tenants and communities.

I was glad that the additional information relating to prior year spend had been helpful.

**Question 4: Supplementary Question.**

Given the answer received to Question 3 it was now a difficult question to ask.

Can it be confirmed that the £16.49 million project i.e. Project 20 related to Knightswood, Cullompton as there was information in the public domain.

The Leader stated that Mr Elstone would receive a written response to his questions 1, 2 and the supplementary question in the usual way.

**127. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT**

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

**128. MINUTES OF THE PREVIOUS MEETING ON THE 7 JANUARY 2025**

The minutes of the previous meeting held on 7 January 2025 were **APPROVED** as a correct record and **SIGNED** by the Leader.

Note\* Cllr J Lock abstained from voting due to not being present at the last meeting.

**129. MEETING MANAGEMENT**

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

- (i) 6 Business Rate tax Base to the next item.

### 130. **BUSINESS RATES TAX BASE**

The Cabinet had before it a report \* from the Deputy Chief Executive (S151) presenting the Business Rate Tax Base.

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

- Officers were thanked for their diligent work in preparing this report. Their expertise and efforts ensured that work continued to manage business rates effectively, despite the many changes imposed by Central Government over the last few years, business rates had indeed become more and more complex since 2013.
- The business rates and financial implications for this Council. It was important to be absolutely clear from the outset: that this Council did not set business rates in the same way as Council Tax—the calculation of rates was set by the Government. The Valuation Office Agency calculated the rateable values from which bills were worked out by billing authorities. Whilst this Council administered the collection, the rates themselves along with many relief schemes were entirely outside of the Council's control.
- The Government had made a number of adjustments to the Business Rates that would, in some cases, materially alter the amount of rates due for businesses. Changes to some reliefs were 'unfunded' and others funded by Government via s31, an example of this would be Retail, Hospitality and Leisure Relief.
- The key changes taking effect from April 2025 included:
  - A reduction in Retail, Hospitality and Leisure Relief, which would drop from 75% to 40%. This meant businesses in those sectors would see an increase in the amount they were required to pay.
  - Private schools would no longer qualify for Charity Relief, following changes to primary legislation.
  - The restriction preventing councils from awarding discretionary relief more than six months after the end of the financial year had been removed, giving the Council greater flexibility in decision-making.
- Those changes could have a significant impact on some businesses, and for those that were affected, the Council would be in contact when annual bills were issued in March 2025.

Discussion took place with regards to:

- The local businesses would face a significant impact due to the increases in business rates tax base and the effects of national insurance employer's contributions.
- Would advice and assistance be available for those that were affected?
- Retail Hospitality and Leisure Relief had been reduced from 75% to 40%.
- Approximately 300 business would be affected in key economic sectors.
- There were concerns about whether some businesses could afford their bills or would have to release some of their staff.
- What support would the Council offer to businesses to pay their bills, would the changes to the discretion relief make any difference?

- What was the collective figure for the sector in the region and what was the overall additional cost within this area?

**RESOLVED** that Cabinet recommend to Council that:

1. The calculation of the NNDR1 net yield of £19,854,365 from 3,562 business rated properties be **NOTED** and **APPROVED** for 2025/26.
2. The proportions distributed to the respective authorities and Central Government be allocated as per the statutory regulations.
3. Members **NOTE** that Central Government would 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. Members **AGREE** to Mid Devon re-joining the Devon Business Rates Pool for 2025/26.

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

**Reason for Decision:**

Mid Devon District Council was a Statutory Billing Authority and had 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 was likely to be challenging in 2025/26.

Note: \* Report previously circulated.

**131. 2025/2026 BUDGET**

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 delivery of a fully balanced budget, not only maintaining the general fund reserves above required minimum, but making a net contribution to earmarked reserves, building resilience for future periods.
- This administration had stayed true to their principles: sound financial management, investment in the future, and delivering for communities, even in the face of adversity. They had demanded better support, funding and decision making for their residents and would continue to do so.
- This budget was the culmination of extensive collaboration over the past year. It had been scrutinised at every level by ten Policy Development Group meetings (PDG's), by this Cabinet five times, by Scrutiny Committee, and in an all-Member briefing.
- Every single Councillor had had the opportunity to contribute, because the funding and delivery of the Council's services was not just a matter for the administration; it was a matter for every elected Member and the residents they served.
- The Capital Programme worth £135.6 million, with £41.6 million of deliverable investment in 2025/26 alone. This was about building the infrastructure, ensuring the Council invested in the future rather than leaving liabilities for the next generation.

- The Council's capital investments included social housing development, ensuring that the Council continued to deliver high-quality, affordable homes for residents. Also, the Council was making targeted investments in waste and environmental services, responding to new regulatory requirements and preparing for the future.
- It included a fully funded provision for the Cullompton Town Centre Relief Road, a project that had been promised for many years, and would finally be delivered under this administration.
- The Treasury Management Strategy ensured the Council would remain financially stable and well-governed, taking a prudent approach to borrowing, maximising internal resources, and ensuring that every pound of public money was used wisely.
- The Minimum Revenue Provision (MRP) policy ensured that repaying debt responsibly, secured the long-term financial sustainability of this Council.
- The General Fund and Housing Revenue Account (HRA) Budget had been a huge challenge throughout the budget-setting process, with councils across the country facing relentless financial pressures. This Council had delivered a balanced budget that protected and enhanced key services.
  - Increased funding for tackling Net Zero and Planning Enforcement—investing in sustainability and ensuring that this Council held developers to account.
  - Expansion of Apprenticeship Scheme—investing in the future workforce and providing real opportunities for young people.
  - Continuing an ambitious social housing programme, ensuring the provision of good-quality homes and correcting the historic rent calculation error in a responsible way.
  - Growth in income streams, particularly from thriving leisure memberships and higher recycling levels, ensured that income was generated from services that would benefit the Councils residents.
- Unfortunately, one of the biggest challenges, was Central Government. Once again, this Council had been handed another single-year settlement, making long-term financial planning nearly impossible. The lack of certainty left councils like ours in a constant state of financial firefighting, unable to plan properly for the future.
  - This Council faced an expected additional cost of £466,000 as a result of the Government's increases to employer's national insurance contributions. Despite reassurances, the Council would only be receiving £151,000 in funding, essentially diverting the regressive Council Tax away from local services to Central Government. As if that was not enough, the Government had arbitrarily slashed key grants at the last minute, including the Rural Services Delivery Grant, leaving Mid Devon with an 18% cut in real-terms funding. This was a direct hit on rural district councils, making it even harder to deliver essential services without increasing the financial burden on residents, this was in the same week as the Government launched its latest Devolution White Paper.
  - Devolution and reorganisation would not fix the fundamental issue of underfunding, it would only cause higher and higher council tax bills as seen in other parts of the country, and indeed from some towns and parishes, who would be expected to pick up many of the services that district councils provided when they were abolished, or risk them being lost.
  - Despite those challenges, this Council had kept its council tax increase modest and within the cap at £6.96 (2.99%), this remained below inflation and



equated to a 14p per week increase—a small but necessary adjustment to protect the Council's vital services.

- This budget not only maintained the General Reserve and funded the services residents relied on for the coming year, but it also strengthened the financial position for the future. This Council was making a net contribution to earmarked reserves, setting aside £2.225 million to mitigate future pressures, while carefully drawing down £1.763 million for planned investment.
- The budget was balanced and made provision for the future, the financial challenges ahead remained severe. The Medium-Term Financial Plan (MTFP) continued to forecast a deficit, and the Council must be prepared to make difficult choices. Processes had started now with engaging Members early, and ensuring every possible option was considered in a measured and responsible way.
- Officers were thanked for their outstanding work in producing this budget, and to all the officers across the Council whose dedication had been instrumental in this process. Their hard work was felt to be invaluable.

Discussion took place with regards to:

- The budget setting had been challenging.
- The impact on rural areas, whereas the cities seemed to be receiving a large uplift in funding.
- The recent council tax increases where they had Social Care duties, currently this Council did not have those duties.
- To continue with the Planning Strategy for house building and the funding announcement at Easter about Junction 28 and the benefits of this to the communities.

**RESOLVED** that Cabinet recommend to Council that:

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

1. That the proposed 2025/26 Capital Strategy be **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 be **APPROVED**– Annexes 1a, 1b and 2 to Appendix 1. (Note this was inclusive of forecast slippage as at Quarter 3 from the existing Capital Programme and would be finalised and formal approval sought as part of 2025/26 Outturn report);
3. The updated Capital MTFP's for the General Fund and Housing Revenue Account covering the years 2026/27 to 2029/30 be **NOTED**.

#### **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) be **APPROVED**.

#### **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 be **APPROVED**;

6. The overall budgeted Net Cost of Services within the General Fund of £15,356,730 for 2025/26 be **APPROVED** as detailed within Appendix 3 (p2 – 40) and inclusive of the proposed balancing adjustments included within Table 1 in paragraph 5.5;
7. All of the transfers to and from Earmarked Reserves as detailed in Appendix 3 (p41) be **APPROVED**;
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 be **APPROVED**;;
9. Work on strategic planning for delivering a balanced budget for 2026/27 and beyond be commenced immediately be **NOTED**.

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

**Reason for Decision:**

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 were in line with the Corporate Plan priorities within existing financial resources without materially reducing service delivery. The Local Government Finance Act required a balanced budget to be set by Tuesday 11 March 2025.

Note: \* Report previously circulated.

**132. REGULATION OF INVESTIGATORY POWERS ACT- ANNUAL REPORT (RIPA)**

The Cabinet had before it a report \* from the Director of Legal, People and Governance (Monitoring Officer) presenting the Regulation of Investigatory Powers Act.

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

- The Council had the 3 year review and inspection by the Investigatory Powers Commissioner's Office in August 2024.
- This was a remote inspection and the Inspector was satisfied with the information provided and that it offered the required assurance that the Council was compliant with both the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016. The Inspector stated that the Council appeared to be in a strong compliance position.
- One observation was made that elected Members should review the authority's use and set the policy annually. The Inspector did not recommend any changes to the policy, and no changes were recommended after review by the Community & Equalities Policy Development Group on 3rd December 2024 and Scrutiny Committee on 13 January 2025. Therefore, the policy was presented with no changes as Appendix 1.

- There had been no use of those powers since 2014. It should be noted that well-attended front-line training was organised approximately four years ago with an experienced external trainer in RIPA, with further training currently being arranged. In the age of social media, training of wider staff was also being considered to avoid inadvertently carrying out directed or other forms of covert surveillance in breach of the procedures in place. Annex 1 of the Policy set out how and when Open Source Internet Research and RIPA interact and were controlled.

**RESOLVED** that:

1. The Council's policy for ensuring compliance with Regulation of Investigatory Powers Act 2000 (RIPA) was appropriate and shall remain as currently drafted.
2. The fact that the Council had not used its powers under RIPA since March 2014 be **NOTED**.

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

**Reason for Decision:**

The use of RIPA powers was heavily regulated and scrutinised by the Investigatory Powers Commissioner's Office ("IPCO"). The legislation, combined with Codes of Conduct, set the framework for the use of RIPA powers. Statutory guidance required the Council to review the use of RIPA and the RIPA policy annually.

Note: \* Report previously circulated.

**133. HALBERTON- CAR PARKING SPACES REVISION TO OFF STREET PARKING ORDER**

The Cabinet had before it a report \* from the Head of People, Performance and Waste on the Mid Devon Off Street Parking Places Order.

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

- The Mid Devon Off Street Parking Places Order with recent changes to car parking provision across the district, ensured that parking regulations remained fit for purpose, supporting residents, businesses, and the wider community.
- One of the key amendments was the incorporation of five parking spaces within Halberton known as "The Orchard" into the Off Street Parking Places Order. As Members would be aware, on-street parking in some of the communities was extremely limited, and this measure would enable residents to use those designated spaces while helping to ease congestion on the highway, ensuring the free and expeditious movement of traffic.
- Additionally, the report sought to provide greater clarity around electric vehicle charging infrastructure. The Council had been actively working with contractors to install electric vehicle charging points at numerous locations across the district, improving infrastructure and supporting our climate sustainability goals. The proposed amendments included updated wording to reflect legislative changes and ensured the correct use of electric vehicle bays and charging points.

**RESOLVED** that:

1. On being satisfied that the statutory grounds for amending and varying the OSPPO were 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 would provide that only electric vehicles could park in an electric vehicle parking bay in order to recharge using the electric charging point provided the electric vehicle met the following definition of an electric vehicle "Electric Vehicle" means an Electric Vehicle or plugin hybrid a vehicle that was powered entirely or partially by electricity and was 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 allowed payment by telephone or electronic means, allowing vehicles of such classes, in such positions, on such days, during such hours and for such periods 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, People & Governance (Monitoring Officer) to draft the order amending the OSPPO above including making such minor amendments to go out to consultation.
3. In the event that there were 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, People & Governance (Monitoring Officer) to make the order amending the OSPPO as recommended in the report.

(Proposed by Cllr J Buczkowski and seconded by Cllr J Wright)

**Reason for Decision:**

The OSPPO was designed to accurately reflect the Council's parking service and was a legal requirement that allowed the Council to provide such services.

Note: \* Report previously circulated.

**134. UPDATE ON THE FUTURE EPR (EXTENDED PRODUCER RESPONSIBILITY FOR PACKAGING)**

The Cabinet had before it a report \* from the Head of People, Performance and Waste updating it on the future Extended Producer Responsibility for Packaging (EPR).

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

- From 1 April 2025 Local Authorities (LA) would 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).
- Payments would be made to local authorities through a new payment mechanism. The Scheme Administrator (appointed by the Department for Environment, Food and Rural Affairs (DEFRA) was responsible for calculating producer fees and local authority payments.
- The size of the payment from year two onwards would depend upon an assessment of the LAs effectiveness/efficiency. There would be 10 LA groupings for both recycling and residual that the Council would be placed in. Ground litter, commercial waste collections and packaging in street bins would be excluded in year one.
- In late November 2024 the Council were informed that the indicative payment of funding for 2025/26 would equate to £927K (scheduled to be paid in November 2025). Since then the Council had spoken with other authorities to compare how the award was aligned with their own allocation, recycling performance and number of residents served.
- Following those discussions the Council completed a survey to DEFRA and were awaiting their response to questions the Council had asked in relation to its provisional allocation. The Council were also aware that some other funding streams and income would be impacted. For example, the Shared Savings Scheme which had seen the Council rewarded for its good recycling and residual performance by the County, had had notice served on it already meaning it was coming to an end in 2025/26. The Council would still receive recycling credits and gain income from selling the dry recycling.
- The Council were monitoring Government announcements including notification that the Deposit Return Scheme (DRS) would be launched in October 2027, which would impact how this Council operated.

Discussion took place with regards to:



- The dry recycling rates, where this Council strived to be and clarity regarding how the Council had been grouped and whether this would have an impact for the future?
- In regards to the grouping, would the tonnage amount paid be different for each category.
- This Council had been collecting food waste for some time and other local authorities that had not been collecting food waste had received funding to do so.
- Some local authorities did not collect certain recycling items such as glass.

**RESOLVED** that the content of the report be **NOTED**.

**Reason for Decision:**

Under Section 46 of the Environmental Protection Act Waste Collection, authorities may by means of notice specify how householders presented their waste for collection. There were legal requirements to adhere to legislation around simpler recycling.

Note: \* Report previously circulated.

**135. DEVON HOUSING COMMISSION REPORT**

The Cabinet had before it a report \* from the Head of Housing and Health on the Devon Housing Commission Report.

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

- The Devon Housing Commission Report published in July 2024 provided a comprehensive analysis of the housing challenges faced in Devon.
- The report highlighted issues that created 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 emphasised the need for sustainable development, the role of local authorities in addressing those challenges and the importance of balancing housing supply with environmental and community needs.
- The report offered recommendations including increasing affordable housing options, improving planning processes and better support for community-led housing.
- At the September 2024 meeting of the Homes Policy Development Group (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 Council position. It was requested that the presentation be circulated to the PDG 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 PDG to make recommendations.
- 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 was 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.

Discussion took place with regards to:

- The property affordability in individual ward areas.
- The wording in 2.1 “Devon population is older than England and was getting older faster”
- Discussions about council coastlines.
- The Housing Enabling Officer and Planning Committees be empowered to set the size and price range of houses, had this been considered?
- The concerns around the lack of mention of Specialist Housing for those with neurodiversity and those with disabilities.
- The impact on Special Educational Needs Schools.

**RESOLVED** that the recommendation of the Devon Housing Commission's report (July 2024) be taken into account in an update of the Mid Devon District Council (MDDC) Housing Strategy due in 2025.

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

**Reason for Decision:**

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 would need to be understood at the appropriate stage.

Note: \* Report previously circulated.

### 136. **NOTIFICATION OF KEY DECISIONS**

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

The Clerk identified the changes that had been made to the list since it was published with the agenda.

This included the following:

- Replacement PVCU Double Glazed Unit / Entrance Doors added to the meeting in March 2025.
- Public Health Food Safety Service Plan added to the meeting in July 2025.
- Community Engagement Strategy (including Action Plan) added to the meeting in July 2025.
- Strategic Grant review 2025 added to the meeting in December 2025.
- Housing Strategy had moved to the meeting in June 2025.
- Corporate Anti-Social Behaviour Policy had moved to the meeting in December 2025.
- Tenancy Strategy had moved to the meeting in December 2025.

Note: \* Key Decisions report previously circulated.

(The meeting ended at 18.44)

**LEADER**



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**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*

<b>Movements</b>	<b>Amount £k</b>
<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.

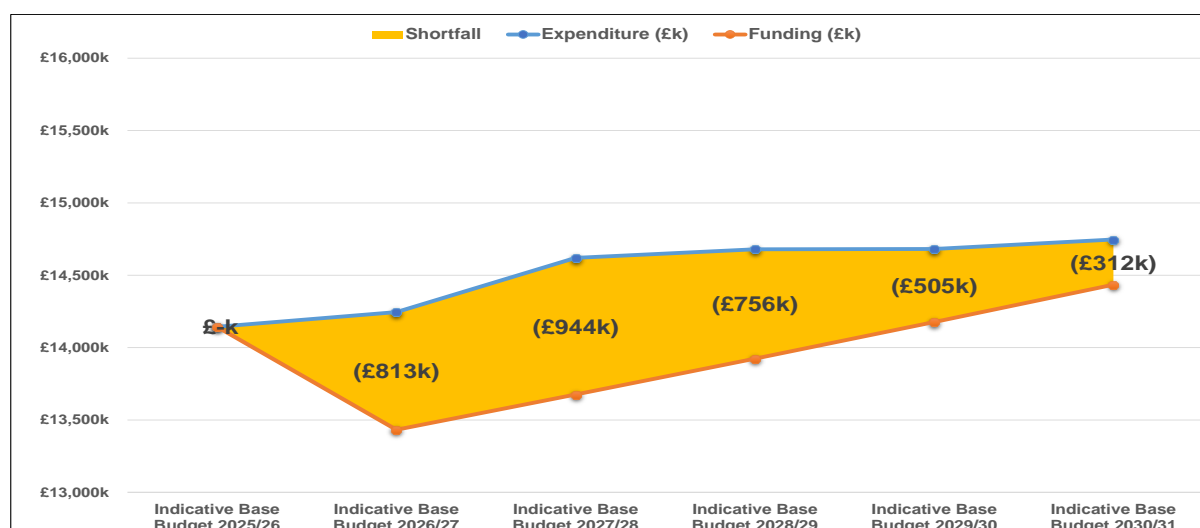
## 9. Updated MTFP position

### 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>	0	603	1,739	3,171	4,680

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

Annex 1a

Page 1 of 1

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	yond 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
General Fund															
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
General Fund Subtotals			2,629	800	280	325	490	4,524	856	1,249	868	843	708	-	4,524

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

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 Remaining 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>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

Annex 2

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 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>

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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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## **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*

Proportion of Financing Costs to Net Revenue Stream	2023/24	2024/25	2025/26	2026/27	2027/28
%	Actual	Estimate	Estimate	Estimate	Estimate
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)*

<b>Funding Sources</b>	<b>Funding 2025/26 £000's</b>
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.

<b>Financing of Capital Expenditure £000</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
<b><i>Estimates of Capital Expenditure (Table 1)</i></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:

<b>Loans to Subsidiary Company £000</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
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.*

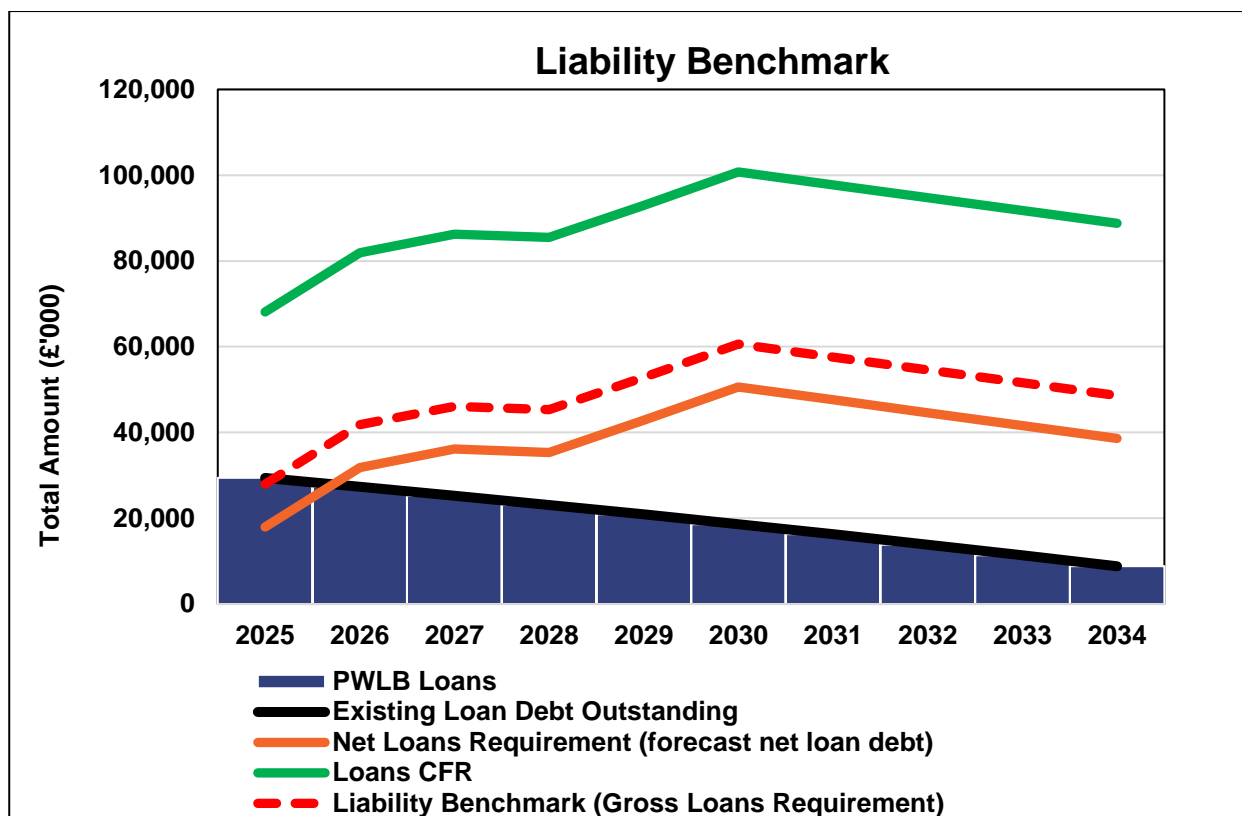
### 3.4 **Liability Benchmark**

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 £000</b>	<b>2023/24 Actual</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 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 £000</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 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**

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
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
The Council's bank* (currently NatWest)	F1	£5m + balance of grant funds	n/a	n/a
Banks 1 (good credit quality)	F1	£5m	£5m	2yr
Banks 2 (Council's banker if not meeting Banks 1)	F2/F3	£5m (call account)	£5m (call account)	1 day
DMADF	UK sovereign rating	unlimited	unlimited	unlimited
Local authorities & other public bodies	N/A	unlimited	unlimited	unlimited
Building Societies	F1	£5m	£5m	2yr
Money Market Funds - CNAV	AAAmmf/AAA	£2m	£2m	liquid
Money Market Funds - LVNAV	AAAmmf/AAA	£2m	£2m	liquid
Money Market Funds - VNAV	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%.

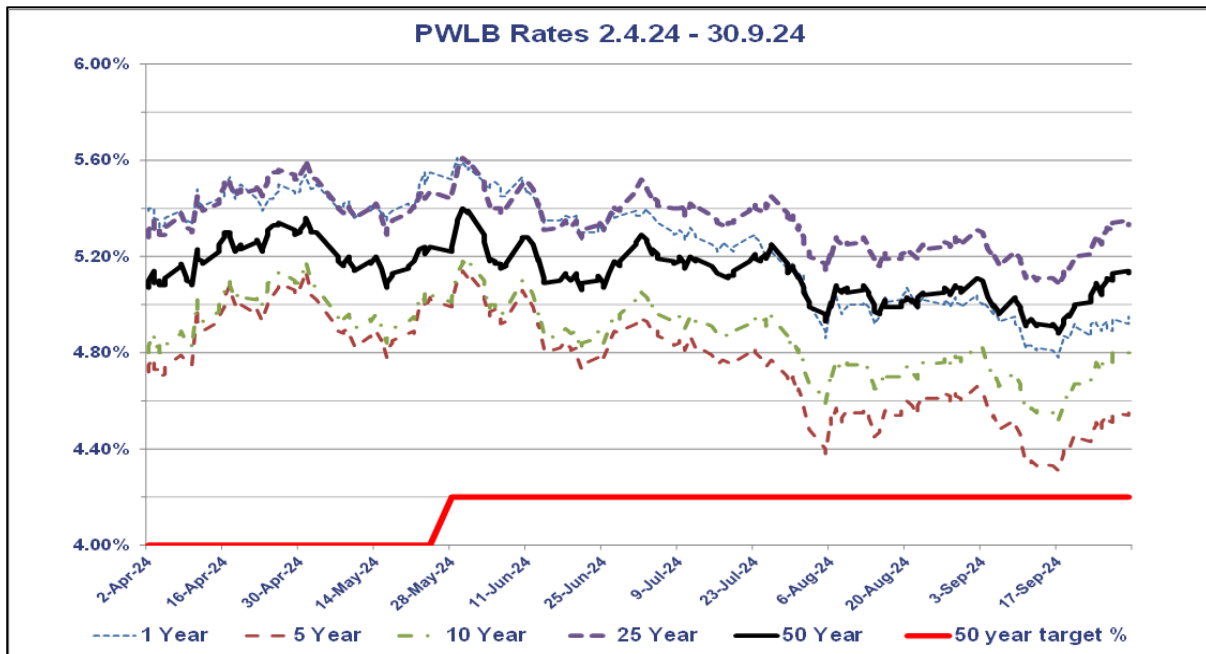
The FTSE 100 reached a peak of 8,380 in the third quarter of 2024 (currently 8.304), but its performance is firmly in the shade of the US S&P500, which has breached the 6,000 threshold on several occasions recently, delivering returns upwards of 25% y/y. The catalyst for any further rally (or not) is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

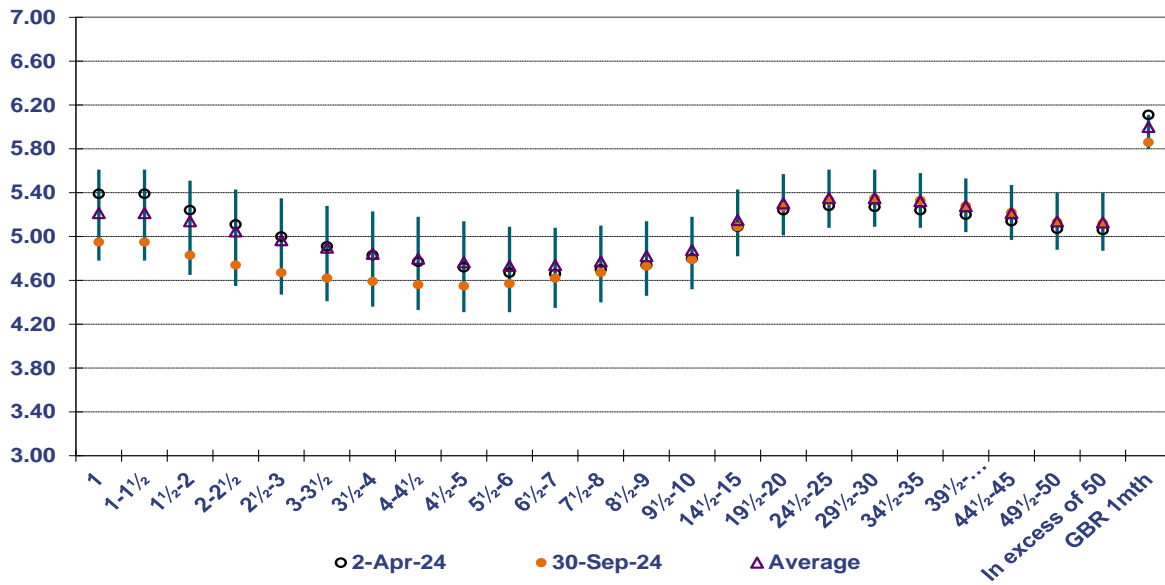
In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.

### PWL B 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%
	0	0	0	

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**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
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>

Cost Centre	Cost Centre Name	2025/26 Budget
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**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
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>

Cost Centre	Cost Centre Name	2025/26 Budget
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**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
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>

Cost Centre	Cost Centre Name	2025/26 Budget
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**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
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>

Cost Centre	Cost Centre Name	2025/26 Budget
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**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
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>

Cost Centre	Cost Centre Name	2025/26 Budget
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 RESPONSIBILITY (EPR)	927,000
New	New	HOMELESSNESS GRANT	100,000
IT200	EQ749	BUSINESS SYSTEMS MIGRATION	50,000
<b>TOTAL</b>			<b>2,224,720</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 CREDITON	(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>(1,762,840)</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>	0	0	0	
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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**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
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>

Cost Centre	Cost Centre Name	2025/26 Budget
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**

Group	Description	2023/24 Actuals	2024/25 Budget	2025/26 Budget	Movement
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>

Cost Centre	Cost Centre Name	2025/26 Budget
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

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Area	Sub Area	Project Title	Total Project Budget Approval						Total	Spend Profile for NEW Indicative Capital Programme							Total
			2025/26	2026/27	2027/28	2028/29	2029/30	2025/26		2026/27	2027/28	2028/29	2029/30	yond 2029			
			£000's	£000's	£000's	£000's	£000's	£000's		£000's	£000's	£000's	£000's	£000's			
General Fund																	
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	
General Fund Subtotals			2,629	800	280	325	490	4,524	856	1,249	868	843	708	-		4,524	

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

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 Remaining 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>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

Annex 2

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 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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**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: [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

Select your local authority's name from this list:

Medway UA	OK
Milton	
Merton	
Mid Devon	
Mid Suffolk	
Mid Sussex	OK

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  
01894 234329  
[fkeyes@middevon.gov.uk](mailto:fkeyes@middevon.gov.uk)  
[ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk)  
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**

3. Sums due from the authority

**0**

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

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

4. Cost of collection formula

**123,908**

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

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)

**406,244**

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: [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 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.*

Small Business Rates Multiplier Adjustment Factor: 1.269  
 Supplementary Multiplier Adjustment Factor: 1.168

	Column 2 Mid Devon	Column 3 Devon County Council	Column 4 Devon and Somerset Fire Authority	Column 5 Total
<b>Multiplier Cap</b>	£	£	£	£
25. Cost of cap on, and freezing 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 freezing 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 freezing 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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**MINUTES** of a **MEETING** of the **SCRUTINY COMMITTEE** held on 16 December 2024 at 5.00 pm

**Present  
Councillors**

G Westcott (Vice-Chair), D Broom,  
E Buczkowski, A Cuddy, G Czapiewski,  
M Farrell, C Harrower, B Holdman, L Knight,  
R Roberts and S Robinson

**Apology  
Councillor**

L G J Kennedy

**Also Present  
Councillor**

D Wulff

**Also Present  
Officers:**

Maria De Leburne (Director of Legal, People & Governance (Monitoring Officer)), Simon Newcombe (Head of Housing & Health), Lisa Lewis (Head of Digital Transformation & Customer Engagement), Zoë Lentell (Economic Development Team Leader), Ewan Girling (Senior Information Officer), Amy Dugard (Growth and Regeneration Officer), Laura Woon (Democratic Services Manager) and David Parker (Democratic Services & Policy Research Officer)

**Councillors  
Online**

J Buczkowski, S J Clist, J Lock and L Taylor

**Officers Online**

Andrew Jarrett (Deputy Chief Executive (S151)), Richard Marsh (Director of Place and Economy), Matthew Page (Head of People, Performance and Waste), Stephen Carr (Corporate Performance and Improvement Manager) and Fiona Keyes (Operations Manager for Revenues, Benefits and Recovery).

**58 APOLOGIES AND SUBSTITUTE MEMBERS (0:03:27)**

An apology was received from Councillor L Kennedy (Chair).

**59 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (0:03:42)**

All Scrutiny Committee members had received e-mail communications from two members of the public in relation to Agenda Item 7 - Examination and Review of Freedom of Information Processes within Mid Devon District Council.

**60 PUBLIC QUESTION TIME (0:04:43)**

**Nick Quinn** (Re: Item 7)

I circulated a comments paper to Members of this Committee last week concerning this Briefing Report, I hope you all had a chance to read it.

The report contained some information that he wanted to challenge.

Question 1. The table shown at paragraph 4.1 gave the total number of requests received by the Council, but the log information in Appendix 2 showed that some requests were actually for information held by Devon County, not Mid Devon. Since the requests were not for this Council, were those requests included in, or excluded from, the total shown in the table?

Question 2. He noticed, from the timings given in Appendix 2 for dealing with the requests, that it took eleven working days to tell some requesters that they should be contacting Devon County instead of Mid Devon. Why did this take so long?

Question 3. The report at paragraph 4.3 made comparisons with other Councils on Information Commissioner Decision Notices and Outcomes – but instead of comparing with neighbouring District Councils, over the same period, Mid Devon's performance is compared to County Councils, including faraway Kent. Was this because the officer had advanced knowledge of the Government's White Paper on their plans for Local Government or was it because every other Devon District Council has had fewer Decision Notices than Mid Devon?

Question 4. Members would see from Appendix 2, just how poor the information published on previous requests was. Other local Councils were already publishing full request details (showing the full detail of each request and the information supplied). Please would this Committee ask for this Council to do the same?

The Chair explained that as the questions had not been provided in writing in advance of the meeting that a written response would be provided.

**Barry Warren** (Re: Item 7)

There were two recommendations at the beginning of the report.

Recommendation 1 asked that the Committee note the report. The report did not cover all of the issues as it did not look at criticisms and recommendations from the

Information Commissioner or what actions were taken or disclosed thereby running the risk of reputational damage to the Council.

Question 1. Would Members of the Committee decline to note the report in its present form and refer it back for a fuller and more detailed report?

The second recommendation did not address the issues and a once a year report would not be relevant to current experience.

Question 2. Would Members please arrange for a full and detailed Scrutiny Committee review with recommendations that are set to achieve openness, honesty and transparency and certainly at a more frequent time scale?

Paragraph 2.4 set out what happened when there was an Information Commissioner's Office (ICO) Decision.

Question 3. Were these meetings recorded or minuted?

Question 4. Were the findings of these meetings and any 'lessons learned' and 'updates in practice' brought to the attention of elected Members and if so how?

Paragraph 3.1 referred to the role of the Deputy Chief Executive as Senior Information Responsible Officer. Taking into account that many of the more recent issues being taken to the ICO emanated from 3 Rivers Development Limited and that officer's heavy involvement with that company from the outset:

Question 5. Were the Council Policy and Procedures placing that officer in a position to have a conflict of interest?

At paragraph 4.3 comparisons were made with the figures of much larger authorities which was not really like for like.

Question 6. Why were there not comparisons given to Members in relation to adjoining District Authorities?

In paragraph 6.1 it stated: "*MDDC are not obliged to publish full responses/data and do not do so due to the administrative overhead.*"

Question 7. What did the '*administrative overhead*' translate into in plain understandable every day member of the public language please?

The Chair explained that as the questions had not been provided in writing in advance of the meeting that a written response would be provided.

## **Paul Elstone**

### **Review of Mid Devon District Council's (MDDC) Freedom of Information Process**

A UK Government guidance document on the Freedom of Information process listed various Do's and Don'ts.

Under Don'ts the document said;

*“Don’t withhold information without clear justification. Unjustified withholding will undermine the reputation of your authority in the eyes of the public and the Information Commissioner”.*

Question 1. Were this Scrutiny Committee fully aware that this Council was now routinely being taken to task by the Information Commissioner for these exact same behaviours and in increasingly strong terms?

Question 2. Were this Scrutiny Committee aware that the Scottish Information Commissioner was attributed as saying something stronger, that the failure to release properly due information to the public can be taken as a lack of honesty?

To add substance to his previous two questions it was noted that the author of the report, under Section 4 Record of Performance, had been extremely selective in choosing County and City Councils including Kent as a point of reference.

The final sentence said the *“outcomes of Information Commissioner’s Office (ICO) complaints are relatively uniform between Councils”*.

If the author of the report had instead used full Information Commissioner’s Office data plus a far more representative sample, and where better than referencing the other six District Councils in Devon, the result would have been very different.

Over the period 2023/24 and 2024/25 to date the six other Devon District Councils had the Information Commissioner uphold a total of seven complaints against them. Yet Mid Devon District Council (MDDC) over the same period, had a total of ten complaints upheld against it. This being three more than all the other Devon District Councils put together.

Question 3. As opposed to just noting this report would this Committee instead return it to the author so they may present an accurate position with regards to this Council’s ICO complaints performance? Plus and importantly examine what really needed to be done to improve both this Council’s performance and reputation?

The Council Leader in a recent and highly politicised article in the local press said that this Council was Gold Standard, this with regards to timely responses to public questions, the ICO findings showed something very different. That rather than Gold Standard a booby prize it seemed was warranted, this in terms of the Freedom of Information, timely and accurate responses and as the ICO complaints process revealed.

Question 4. Would the Council Leader and all Council Members plus Senior Officers like to fully reflect on the full accuracy of that article?

The Chair explained that as the questions had not been provided in writing in advance of the meeting that a written response would be provided.

Note: Cllr D Broom arrived at the meeting at 5.10pm

61 **MINUTES OF THE PREVIOUS MEETING (0:14:55)**

The minutes of the meeting held on Monday 25 November 2024 were **APPROVED** as a correct record and **SIGNED** by the Vice-Chair.

62 **CHAIR'S ANNOUNCEMENTS (0:16:00)**

The Chair had no announcements to make.

63 **DECISIONS OF THE CABINET (0:16:08)**

The Committee **NOTED** that none of the decisions made by the Cabinet on 10 December 2024 had been called in.

64 **EXAMINATION AND REVIEW OF FREEDOM OF INFORMATION PROCESSES WITHIN MID DEVON DISTRICT COUNCIL (0:16:18)**

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

The following was highlighted in the report:

- The Freedom of Information (FOI) Act served to promote transparency and accountability in public authorities. It granted the public the opportunity to request access to information that a public authority may hold.
- At the point the request was made, the Council considered how the request was to be treated.
- Where there was concern about full disclosure or only partially disclosing because there may be commercial sensitivity, a data protection aspect, or another legal exemption applied including legal privilege, the requester would be informed of the decision not to disclose or to only partially disclose and the reasons for the decision.
- The decision as to what information to release was reviewed at each check point of a case. As a case moved through a review or Information Commissioner's Office (ICO) case, the Council or ICO may change its position due to circumstances changing, e.g. commercial sensitivity no longer being relevant due to the passage of time.
- The Information Management Team was made up of two full time officers who as well as processing FOI requests, managed data protection, ensured information management was compliant, maintained registers including FOI disclosure logs and assisted other services such as ICT and cyber security.
- Requests under Freedom of Information were provided to officers for collation of information and were anonymised.
- Reporting was recorded using the financial year, not the calendar year.
- Key Performance Indicator response rates were reported to the Internal Corporate Performance Group which was made up of officers.
- FOI Reporting on the Corporate Dashboard no longer appeared and the Head of Digital Transformation and Customer Engagement would speak to the Corporate Performance and Improvement Manager to get the information added back on.

- On review, the disclosure log in the current format would be published monthly from January 2025.
- Transparency and lessons learned from ICO rulings would be included in the Annual Report.
- The Annual Report would include lessons learned from ICO rulings.

Discussion took place with regard to:

- Reporting would be reviewed within the team to establish how more detail could be provided to the Committee.
- Regaining the trust of members of the public, who wanted greater openness and transparency.
- Freedom of Information dashboards to be presented to Scrutiny Committee and oversight on a quarterly basis – the dashboard limited to top line information.
- Members mentioned that there appeared to be three themes emerging – the number of judgments against the Council, not comparing like for like and not being open and transparent. – The Committee wanted the process to be as transparent as possible.
- Lessons learned – what form and frequency? The officer explained that the intention was that the team would look at each of the findings and examine what they did not do well.
- The information would be contained in the Annual Report.
- The Information Management System turned non-working days such as bank holidays into negative data. The Senior Information Officer would review the disclosure log.
- The review process would commence in January 2025 but may take time to implement due to cyber security activities that the team were committed to. Quarterly performance reports would come to the Scrutiny Committee.
- Ongoing Appeals were operational matters that could not be brought to the Scrutiny Committee as it was a public forum and not a place to discuss individual cases. The Appeals were a legal process that had the potential to go through a tribunal system. Information Officers seek legal advice as necessary from the Legal Department.
- The quarterly dashboard would show the numbers of requests, reviews and the number escalated to the ICO and how many had been upheld.

The Committee **NOTED** the report on the practice and performance of MDDC in the processing of FOI and EIR requests.

The Scrutiny Committee **AGREED** that the Head of Digital Transformation and Customer Engagement provide an Annual Performance Report to the Scrutiny Committee of the performance of Mid Devon District Council's Freedom of Information and Environmental Information Regulations processing.

**RECOMMENDED to Cabinet** that delegated authority be given to the Head of Digital Transformation and Customer Engagement to make minor legislative changes to the Complaints and Feedback Policy.

(Proposed by the Chair)

Note: \*Report previously circulated.



## 65 CORPORATE PERFORMANCE QUARTER 2 (0:56:47)

The Committee had before it and **NOTED** a \*report from the Corporate Manager for People, Governance and Waste and the Corporate Performance and Improvement Manager which provided an update against the Corporate Plan 2024-28 and service performance measures for Quarter 2 – July to September 2024.

The following was highlighted in the report:

- This was the first time that this report, in its new format had been presented to the Scrutiny Committee.
- This report was presented to Cabinet on 10 December 2024 and it presented performance information up to September 2024. The report and the accompanying dashboards were structured according to the five themes of the Corporate Plan.
- The dashboards contained 99 measures on how services were performing across the Council, and those indicators that were part of the Corporate Plan were highlighted in yellow text.
- Section 2 of the covering report provided performance analysis on a theme by theme basis, with the focus on Corporate Plan performance indicators.
- The Performance Dashboards had also been reviewed by the relevant Policy Development Groups and the Planning Committee.
- The Planning Dashboard on page 46 of the report pack needed to be corrected. It stated that the total number of open planning enforcement cases was 338. Having reviewed this, it should have stated 319.

Discussion took place with regard to:

- On the Economy and Assets Dashboard, under Capital Slippage percentage of projects why was there no annual target? The target was that none of the projects should slip, however, 26% had slipped into the 2025/26 period, the largest of the projects was the Cullompton Relief Road which had only recently received funding approval.
- Why, on the Corporate Performance Dashboard Finance Measures, the annual target for Agency Spend 'v' Budget was nothing budgeted? The Corporate Manager for People, Performance and Waste replied that the aim was not to incur any agency spend, however, due to circumstances there were officer positions within the Finance department that had to be covered.
- On the Homes Dashboard under delivery of Social Housing – were the Council unlikely to meet their target of 100 new social houses? The Corporate Performance and Improvement Manager explained that the target was an annual target and all of the targets were shown as annual targets for consistency. This report measured up to the end of Quarter 2 and the 44 new homes delivered was more than 10% less than the target and so attracted a red rating. This was a mid-year point and it was expected that the slippage would be made up.
- A correction was needed at paragraph 2.1 of the report, Crofts was in Sandford and not Lapford.
- The Officer was thanked for providing a very helpful glossary to the dashboards.

Note: \*report previously circulated.

## 66 DESTINATION MANAGEMENT PLAN (1:07:18)

The Committee had before it and **NOTED** a \*report from the Director of Place and Economy.

The Economic Development Team Leader highlighted the following:

The Destination Management Plan Update Report was requested by Members and provided a summary of tourism data and how this supported the delivery and review of the Council's Destination Management Plan.

The Council's Destination Management Plan was currently being reviewed for the next five years. The Destination Management Plan directly supported the Economic Strategy and complemented or was supported by project work such as the Shared Prosperity Fund Delivery Plan.

With regards to data, the Economic Development team utilised several data streams to monitor tourism trends locally. There was a delicate balance between usefulness of data and value for money as the majority of the data had a cost element attached to accessing it. Therefore, the team made use of the best value data for ongoing monitoring and then commissioned the more bespoke elements such as the Visitor Survey periodically when needed. The Visitor Survey was a useful research tool to understand visitor profiles, characteristics, destinations of choice and feedback for helping shape the new Destination Management Plan.

Visitor Survey:

- The 2024 Visitor Survey, undertaken between Easter and October this year, surveyed just over 600 people.
- It showed that Mid Devon's visitors were predominantly day visitors (66% coming from within the South West).
- 2024 saw a slight increase in family visitors from the 2016 survey which directly linked to the growth of new attractions since then such as Bear Town and the funded project work through Shared Prosperity Fund such as the Swan Trail.
- Visitor Satisfaction was high with a percentage of 83% being repeat visits.
- 34% of visitors were couples over 55, which was the target customer base for the Mid Devon Walking Festival

The Report before Members also identified other data streams the team used including:

- An annual Volume and Value of Tourism Report, which outlined visitor spend data, showing that in 2023, Mid Devon attracted approximately 232,000 staying visits combined with approximately 1.4 million day visits, generating an estimated £121 million worth of visitor spend in the local economy. Approximately 5% of Mid Devon jobs were tourism related.
- Additionally, the Economic Development Team had footfall data, which allowed them to monitor footfall data to our main town centres, which included visits by day/time, dwell time, visit frequency and catchment data.
- The Economic Development team also had coach booking information, although currently that was only for the coach bays in Tiverton.

- Digital Engagement data that the Economic Development Team monitored such as through the Visit Mid Devon website and social media platforms.

Coming forward:

- A new Local Visitor Economy Partnership (LVEP) for Devon was formally approved by Visit Britain earlier this year. This was a collaborative partnership consisting of Devon authorities and key destination management stakeholders across Devon. This Partnership was in its early stages and was working on forming its Business Plan. Mid Devon District Council had a seat on the Partnership Board and the Team would continue working with them. The Destination Management Plan would both support and be supported by the LVEP's wider business plan.
- Two new data sources the Team were working with included a new South West Tourism Data Hub, which was intended to collate data from tourism businesses and share this with LVEP members.

Secondly, a new organisation called Screen Devon was seeking to create a database of potential film/TV locations across Devon to support requests from that industry. Once up and running, the Economic Development Team should receive data about requests for the Mid Devon area.

In regards to next steps for the Destination Management Plan, as part of the process for reviewing the Economic Strategy, the Economic Development Team was in the process of hosting a series of Informal PDG Workshops. The next session on 23 January 2025 would focus on Tourism, Town Centres and Place as well as scoping the revised Destination Management Plan, all Members were invited to attend.

Discussion took place with regard to:

- Visitor spend data came from National Tourism data. The data set was not included within the report.
- Whether it was possible to have Town Centre data?
- The data was in a standard format to allow comparisons to be made year on year.
- In order to gather Town Centre data, visitors would need to agree to a data sharing agreement, and the survey would be a completely separate data gathering exercise.
- There were 1,553 full time equivalent tourism related jobs within the district, volunteers were not included within that number.
- Whether there were any apprenticeships or educational facilities available to help bring people into the tourism industry? Comment was made about there being a void in further education in the district and Petroc College not offering any tourism specific courses.
- Recruitment and Training – what were the issues and challenges?
- There were two data sets; the Visitor survey which interviewed visitors face to face, and the National Survey.
- The Economic Development Team were organising a networking event early in 2025 and would be asking businesses what recruitment and training opportunities were needed.
- The Cambridge Economic Impact Model (using national tourism surveys and regional local data) was one of the tools that the tourism industry used and had confidence in.

- The Tourism survey was an annual survey.
- How often the visitor survey was repeated remained to be decided due to the cost. If it was to become more frequent then the Economic Development Team would have to ask for more funds to be allowed within the budget. The Visitor Survey was a full package with people on the ground interviewing visitors then collating the information and writing up a full report.

Note: \*report previously circulated.

## 67 **PORTFOLIO PRESENTATION FROM THE CABINET MEMBER FOR QUALITY OF LIVING , EQUALITIES AND PUBLIC HEALTH (1:23:09)**

The Committee received and **NOTED** a presentation from the Cabinet Member for Quality of Living, Equalities and Public Health.

The Quality of Living, Equalities and Public Health portfolio broadly encompassed public health and welfare, licensing, and many regulatory functions. It also included many of the Council's technology and data processing functions including information governance and digital transformation, which drove changes to the way the Council delivers both internal and external services. This was more important than ever with the Council's need to balance the increasingly difficult local government funding picture against its recognised high performance in a number of vital public services – and the need to improve where the Council may fall short of where they wanted to be. The Council also delivered a number of discretionary services that were nonetheless really important to its communities. This was where the 'Quality of Living' part of the portfolio became really important to check and challenge the Council's services to ensure they deliver fairly, and bring improvements to the lives of its residents to the front of the Council's decision making.

The complete presentation is available on the Council Website as a supplementary agenda item. Slides covered the following subjects:

- Key function
- Information Governance
- Information Policies
- Recognised Risks
- Digital Transformation
- ICT Services
- Licensing and Regulatory
- Community Safety
- Local Welfare Assistance
- Household Support Fund
- Online Resources

Discussion took place with regard to:

- Thanks given for the installation of the direct-access telephone connection from the lobby of Phoenix House, thanks also given to the Community, People and Equalities Policy Development Working Group for developing the suggestion.
- With the ever increasing use of automated electronic systems, during the procurement process, the Council did look at similar Councils to see what

systems they used and were part of the Devon County Council Procurement Partnership to get best value for money. The Council also worked with other local authorities to see whether it was possible to purchase at the same time and so get a better deal.

The Vice-Chair thanked Councillor D Wulff for his presentation.

## 68 **WORK PROGRAMME (1:47:44)**

The Committee had before it and **NOTED** \*the Forward Plan and the \*Scrutiny Committee Work Programme.

The following was highlighted:

- The items already listed in the work programme for the next scheduled meeting in January 2025.
- The item on house maintenance, emergency repairs, pollution monitoring and resident safety would also include general repairs.
- South West Water had confirmed that they would be able to attend the Scrutiny Committee Meeting scheduled for 17 March 2025.
- The Portfolio presentations from Cabinet Members had now been through each portfolio and had reached the end of the cycle. No further Cabinet Portfolio presentations would be made unless there was a specific reason to do so.
- The work proposal form relating to how Devolution might affect Mid Devon District Council was **AGREED** and programmed in for the meeting on 17 February 2025. (Proposed by Cllr G Czapiewski, seconded by Cllr E Buczkowski)
- There was discussion about the work proposal form relating to infrastructure around Cullompton. A lot of the infrastructure proposed, would be controlled by other authorities even though Mid Devon District Council had spearheaded the work that had been positive. It was **AGREED** that the work proposal needed further work to refine it before it was re-presented to the Scrutiny Committee.
- A suggestion that the Scrutiny Committee considered the Emergency Plan in relation to linking with the Community and Town and Parish Councils state of preparedness was requested to be formulated into a formal work proposal.

Note: \*the Forward Plan and the \*Scrutiny Committee Work Programme were previously circulated.

(The meeting ended at 7.02 pm)

**CHAIR**

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**MINUTES** of a **MEETING** of the **SCRUTINY COMMITTEE** held on 13 January 2025  
at 5.00 pm

**Present**

**Councillors**

L G J Kennedy (Chair)  
G Westcott (Vice-Chair), D Broom,  
E Buczkowski, G Czapiewski, M Farrell,  
C Harrower, B Holdman, L Knight and  
S Robinson

**Apologies**

**Councillors**

A Cuddy and R Roberts

**Also Present**

**Officers:**

Andrew Jarrett (Deputy Chief Executive (S151)), Maria De  
Leiburne (Director of Legal, People & Governance  
(Monitoring Officer)), Dean Emery (Head of Revenues,  
Benefits & Leisure), Simon Newcombe (Head of Housing &  
Health), Paul Deal (Head of Finance, Property & Climate  
Resilience), Laura Woon (Democratic Services Manager)  
and David Parker (Democratic Services & Policy Research  
Officer)

**Councillors**

**Online**

J Buczkowski, L J Cruwys, S Keable, J Lock and J Wright

**69 APOLOGIES AND SUBSTITUTE MEMBERS (0:04:11)**

Apologies were received from Councillors A Cuddy and R Roberts.

**70 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (0:04:28)**

No Interests were declared under this item.

## 71 PUBLIC QUESTION TIME (0:04:47)

**Paul Elstone:**

### **Housing Rents.**

#### Question 1

There is important information missing from the text of the Housing Rents report, which by now should now be readily available.

When was this rent calculation error made?

#### Question 2

The actions timetable, item 10, shows that initial letters have been sent to tenants, split between Overs and Unders so the numbers must be known.

How many overcharged tenancies are there?

#### Question 3

How many undercharged tenancies are there?

#### Question 4

The actions timetable, item 7, shows that the modelling of over and under charges has been completed at summary level. Given that a figure of £1.8 million has been provided for overcharges.

What is the summary gross financial figure for undercharges to date?

#### Question 5

The actions timetable, item 8, shows the modelling of the aggregate potential impact on the Housing Revenue Account has been completed. What is the financial loss in terms of the incorrect and lower rent revenue for this current financial year?

### **Capital Programme.**

#### Question 6

I have repeatedly challenged the grossly excessive cost being paid by this Council for the ZED PODs projects. My challenge has previously been dismissed including by Cabinet Members.

I believe the source of the Cabinet Members information to be substantially incorrect.

I recently made a Freedom of Information (FOI) Request. This after the numbers shown in the HRA Capital Project budget sheet did not add up. The FOI response fully validated my cost challenge.

The HRA budget sheet for Fir Close Willand previously seemed to suggest that the total project cost was £140,000. A figure recently increased to £170,000. However, the FOI response states that the current Fir Close project spend amounts to be a massive £251,000.

This equates to an exorbitant total development cost of over £6,780 pounds per square metre.



Putting that figure into perspective the total development cost inclusive of all design, construction and land purchase cost for and I quote, the “*magnificent eco-friendly homes*” at Haddon Heights, Bampton. Homes built by 3 Rivers and being marketed by this Council, equates to circa £ 2,980 pounds per square metre or well under half of the ZED PODs development cost.

In closely examining the Capital Programme budget sheet it can be seen that there are no line entries showing the full project historic spend to date.

Also, the original and revised total cost estimates and for each project.

Only spend forecast over the budget period is shown.

All this leading to erroneous project cost information being available to Council Members on which to base decisions.

Will this Scrutiny Committee ensure this information is provided in project budget sheets going forward this in full support of good project cost management?

The Chair thanked Mr Elstone for his questions and stated that he would receive a reply in writing within ten working days.

## 72 MINUTES OF THE PREVIOUS MEETING (0:09:04)

The minutes of the meeting held on 16 December 2024 were **APPROVED** as a correct record by those who were present at that meeting and **SIGNED** by the Chair.

## 73 CHAIR'S ANNOUNCEMENTS (0:10:19)

The Chair gave his thanks to the Vice Chair for so ably handling the previous two meetings whilst he had been unavailable.

## 74 DECISIONS OF THE CABINET (0:10:32)

The Committee **NOTED** that none of the decisions made by the Cabinet on 7 January 2025 had been called in.

## 75 2025/26 BUDGET REVIEW (0:10:46)

The Committee had before it and **NOTED** a \*report from the Deputy Chief Executive (S151).

The following was highlighted in the report:

- The documents before the Committee were the three recent reports that had been presented to Cabinet.

- The various versions of the budget updates had been through the Policy Development Groups.
- The informal Budget Briefing to Members had been useful and was something the Council would repeat.
- The Scrutiny Committee were now being asked to fulfil their legislative function of reviewing the whole budget process, review the recommendations that had previously been made and make any recommendations that the Scrutiny Committee thought appropriate to the Cabinet meeting to be held on 4 February 2025.
- The Housing Revenue Account (HRA) showed a balanced budget for the financial year 2025/26.
- The Capital Programme for the financial year 2025/26 was also balanced.
- The General Fund was £450,000 short of being in a balanced position. That figure had grown following the funding settlement received from Central Government prior to Christmas. The largest contributor to the shortfall was the confirmation from the Government that the National Insurance Compensation Scheme would not compensate the Council by as much as had been previously alluded, that item had probably added £300,000 to the shortfall and would impact the HRA as well.
- Additional Extended Producer Responsibility (EPR) funding of approximately £927,000 was announced just before Christmas which assisted the Council.

Discussion took place with regard to:

- The figure mentioned for EPR funding was a provisional sum and was for one year only. After that it would be subsumed into whatever Medium Term Funding agreement that would be offered from 2026/27 onwards.
- The funding floor was another value that might only last for one year. The funding floor was there to ensure that no council received less in cash terms than they had received the previous year.
- Internal borrowing from funds to help manage the Council's General Fund expenditure in the short term.
- The Treasury Management report showed the Treasury activities for the future financial year. That report went to the Cabinet and Full Council.
- Once the compensation amount for National Insurance was known, the Deputy Chief Executive (S151) would notify all Members of it and what it meant for this Council. For the moment, based on the formula that the Government provided, it was felt that the cost to the Council would be one third of the overall cost of the National Insurance change.

There was nothing the Scrutiny Committee wanted to feedback to the Cabinet.

Note: \*report previously circulated.

## 76 REGULATION OF INVESTIGATORY POWERS ACT - ANNUAL REPORT (0:21:26)

The Committee had before it and **NOTED** a \*report from the Director of Legal, People and Governance (Monitoring Officer).

The following was highlighted in the report:

- In August 2024 the Investigatory Powers Commissioners Office completed its three yearly review which had been very positive.
- The Policy remained the same and no amendments had been made to it.
- The Council had not used its powers under the act since March 2014.

There were no questions from Members.

Note: \*report previously circulated.

## 77 HOUSING RENTS (0:23:069)

The Committee had before it and **NOTED** a \*report from the Deputy Chief Executive (S151).

The following was highlighted in the report:

- The report before Members was a replica of the report that was presented to Cabinet as a progress update on what the Council had been doing since identifying the error.
- The Council were working with third parties such as Churches Housing Action Team, Involve, Citizens' Advice Bureau etc. as they worked with a lot of the Council's housing tenants.
- The Council was keen to ensure that they looked after their tenants throughout the whole process.
- The correction would take months or potentially longer to sort out.
- The actions that had been taken to correct the error were listed in the report.
- Other Housing Associations had made similar errors previously and the Council were talking to them to learn from their experience.
- The Council in dealing with the correction were liaising with the Benefit Service and specifically with the Department for Work and Pensions (DWP). So far the Council had received a lot of generic advice from the DWP Office but were awaiting technical advice on, for instance, how far back the Council had to go back in the benefits system and how they were expected to collect it. The Council was issuing joint communications with the DWP wherever possible.
- The operational tracker system owned by the Leadership Team where all actions were monitored and progress was reported. This was additional to the weekly officer and team meetings.
- Meetings had been taking place with the Regulator for Social Housing.
- The Council had consulted its external auditors and because the error spanned the period from 2023 to 2024 the Council had entered a provisional figure of £1,500,000 for the six years' worth of backdated payments. Advice had been received from King's Counsel that the Council should go back as far as six years for the correction.

- Weekly meetings were held to update the Cabinet Members for Housing and Finance.
- It was a large administrative task that was important to get right and was complicated by the need to net down any refunds to take into account any rent write offs, service charges or anything else that may have happened in the past.
- It was likely that the repayments were structured to be made in tranches based upon complexity and liaising with the DWP.
- There were some vulnerable tenants who would need assistance with how to deal with what may be a large refund.

Discussion took place with regard to:

- How did the error continue for six years? The setting of housing rents was quite a complicated process and a manual error had been made in a spreadsheet about a decade ago that had gone unnoticed and just rolled over. All annual updates that had been checked by finance and housing teams had been done correctly but the teams had been updating an incorrect base that had not been picked up. Eighteen months ago new external auditors (Bishop Fleming) were appointed and the Council had a change of Finance staff and a new housing accountant. Both of them had a look at the system and went right back and when the error became apparent flagged up the problem.
- As soon as the Council became aware of the error they referred themselves to the Regulator for Social Housing (RSH).
- The Housing Tenants had initially been split into two categories, those that had overpaid their rent and those that had underpaid their rent.
- Did everyone on the current rate know that if their tenancy changed that they would go onto a new rate?
- Those that had underpaid their rent would not be charged for the underpayment and they had been told that they would remain on that charge until their tenancy changed.
- Those that had been overcharged had been told that some money would be due back to them but that it was now a question of how much that was and netting off whether there were adjustments that needed to be made. Those that had been historically overcharged were now on the correct rent to avoid compounding issues.
- The Council was taking care with how and when they communicated with those residents to make sure that they were not left worrying.
- The RSH very much welcomed the fact that the Council had taken the proactive step of referring themselves.
- How were vulnerable tenants being treated and had the Council identified all the tenants that should be treated as vulnerable? The Council had their own record of tenants that they believed were vulnerable. The Council were working closely with their Neighbourhood Officers who knew the estates and their tenants.
- The Neighbourhood Officers either had formal or anecdotal information around vulnerabilities. In that context, the Council were particularly interested in those with an addiction where a sudden influx of money could be problematic. So it was about identifying those individuals but also comparing the Council's records with DWP records because they had their own information around vulnerability. In some cases it would be worth the Council suggesting to the

tenant that they used the refund for something like making payments for them or offsetting the refund against another bill. The Council was trying to do something constructive that would prevent a large sum of money suddenly becoming something of an attraction.

- Once the Council had the output figures in terms of who was owed what, a threshold would be set and those vulnerable tenants above the threshold would be engaged with including offering a face to face conversation.
- How did the sum of money to be refunded affect the Housing Revenue Account (HRA)? A provision of £1,500,000 had been made in the 2023/24 accounts which would significantly reduce the HRA general balance which was effectively their cash reserve, normally set at £2million. The effect would be that the reserve would be reduced to £500,000. Over the next three or four years the Council would budget to replenish those reserves back to £2million. If it became necessary the HRA contained other reserves which could be borrowed from. The financial health of the HRA was still strong.
- In order to avoid a similar error happening in the future, the officers had now agreed a process where at least three officers were involved in test checking any of the data that went into the calculation of housing rents.

The Chair thanked the staff and Officers for the work that had gone on to correct this error and the work that was still to be done.

Note: \*report previously circulated.

## 78 WORK PROGRAMME (0:47:52)

The Committee had before it and **NOTED** \*the Forward Plan and the \*Scrutiny Committee Work Programme.

The following was highlighted:

- The Scrutiny Committee could ask for any items listed on the Cabinet Forward Plan to be brought before them.
- The Clerk mentioned the items coming to the February, March, and April 2025 meetings of the Scrutiny Committee.
- The March Scrutiny Committee Meeting would be a single issue meeting where a representative of South West Water would be present to answer questions. A list of questions would be circulated to Members of the Scrutiny Committee to consider and add to.
- The draft programme of work for the Scrutiny Committee for 2025/26 would hopefully be available for the meeting in February 2025.
- A Work Proposal Form submitted by Cllr S Robinson regarding Devon County Council's Highways Department and Junction 28 of the M5. It was **AGREED** to accept this work proposal and to invite the Devon County Council Cabinet Member for Highways to address the Scrutiny Committee on 14 April 2025, (proposed by Cllr S Robinson, seconded by Cllr E Buczkowski). If the County Council were by then in "Pre-Election Period", then the Cabinet Member would not be able to attend and the matter would be put back to the June meeting.

Note: \*the Forward Plan and the \*Scrutiny Committee Work Programme were previously circulated.

(The meeting ended at 5.53 pm)

**CHAIR**

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**MINUTES** of a **MEETING** of the **AUDIT COMMITTEE** held on 21 January 2025 at 5.00 pm

**Present**

**Councillors**

L Knight (Chair)  
D Broom, E Buczkowski, G Czapiewski,  
B Fish, R Roberts and A Stirling

**Also Present**

**Councillor**

J Buczkowski

**Also Present**

**Officers**

Andrew Jarrett (Deputy Chief Executive (S151)), Paul Deal (Head of Finance, Property & Climate Resilience) and Sarah Lees (Democratic Services Officer)

**Councillors**

**Online**

J Downes, S Robinson and N Woollatt

**Officer Online**

Kieran Knowles (Accountant)

**Also in**

**Attendance**

Craig Sullivan (Bishop Fleming) and Jennifer Whitten (Independent Person to the Audit Committee)

35. **APOLOGIES**

There were no apologies for absence.

36. **PUBLIC QUESTION TIME**

The following members of the public asked questions:

**Nick Quinn**

Regarding Agenda Item 6 - Updated Statement of Accounts 2023/2024

On Page 58 of the Draft Accounts, issued for this meeting, at 2 (d) are these words:

“The Council has also placed reliance on technical estimates supplied by third parties for the following:

- Property valuations made by the District Valuer
- Pension valuations supplied by Barnett Waddingham - Actuary .....

The Council has received very detailed reports from both of these sources outlining overall valuations and all of the key assumptions made in arriving at these final figures. These reports will be examined by the auditor during their audit of the Council's Accounts”.

On Page 61 of the Draft Accounts, in the "Impairments" section of the Table, are these words:

“The District Valuer valued the assets purchased from the Company at £2.016 million lower than the price paid. These assets are being held until the market recovers and a higher sales price can be realised”.

One of the ‘assets’ referred to is the Land at Knowle Lane, Cullompton – purchased by the Council, from 3 Rivers, for £3.66 million.

The implication of the wording is clear - The District Valuer had valued the Land at Knowle Lane and the Auditor had ‘examined’ that valuation.

#### Question 1

Did the District Valuer actually provide a valuation on the Knowle Lane land ‘asset’?

#### **Response provided by the Audit Committee Chair:**

Yes, as part of the year-end review of asset valuations.

#### Question 2

If so: On what date?

#### **Response provided by the Audit Committee Chair:**

11 March 2024

#### Question 3

If not: Why does it say, in the Statement of Accounts, that he did?

#### **Response provided by the Audit Committee Chair:**

Not relevant.

#### Question 4

What ‘report’ did the Auditor ‘examine’ in regard to the real value of this land?

#### **Response provided by the Audit Committee Chair:**

The year-end asset valuation report provided by the District Valuer.

I have one additional question, which was not submitted in advance:



#### Question 5

Referenced on page 11 of the Draft Accounts is the purchase, from 3 Rivers, of five units at Haddon Heights, Bampton. The price paid, in March last year, was more than £3million. Have any of these houses been sold yet?

#### **Response provided by the Head of Finance, Property Services and Climate Resilience:**

No, not at the current time.

#### **Barry Warren**

My first reference is to item 6 on your agenda, pages 18/19 Paragraph 3.2 where it states:

“As outlined at the December meeting, following Cabinet approval of the approach to resolving the Historic Rent error, a provision of £1,545k has been included within the accounts.”

The Cabinet Report of the 10<sup>th</sup> of December 2024 included in Paragraph 2.2 are these words “.... correct this position in consideration of advice secured and also considering the impact on both our current/former tenants and with regard to the financial viability of the Housing Revenue Account in both the short and longer term.”

The Cabinet decision is therefore to refund overpayments for 6 years. Tenants are currently still paying the excessive rents in accord with the letter they were sent in November 2024 and the Council is looking to pay refunds from February 2025.

#### Question 1

Is February 2025 when the 6 years gets calculated back from or is it from the date when the error was found?

#### **Response provided by the Audit Committee Chair:**

We can confirm that all over charged tenancies have now been corrected, so your initial statement is factually incorrect. You could substantiate some of your comments, or even obtain more information by contacting our officers prior to raising your questions, who I'm sure would be happy to help with your queries. The 6 year statutory refund limitation has been agreed by the Council after securing legal advice from King's Counsel (KC) and will go back 6 years prior to the error being identified.

According to the Auditors report it would appear that the error occurred in 2002. I am aware of a current tenant who was given the tenancy before 2002. This tenant has been apparently overcharged for the past 22+ years yet the Council will only be refunding for 6 years. This tenant is therefore NOT going to be refunded for the overpayment of rent for a period of 16+ years.

#### Question 2

The Council may consider this to be 'legally' correct but is it morally correct or defensible for this administration to take such action?

**Response provided by the Audit Committee Chair:**

I have already referred to the legal advice secured from KC.

Question 3

One of the reasons given is 'with regard to the financial viability of the Housing Revenue Account'. Is this putting money before people who are tenants and may not be so financially sound as others?

**Response provided by the Audit Committee Chair:**

It is difficult to understand the objective/rationale of this question. As all monies both past, current and present have been or will be from the tenants. Therefore, any decision made to increase the quantum of refund would ultimately have a direct impact on all of our tenants with regard to future levels of funding for essential works, repairs, maintenance and additions to the overall stock.

Question 4

Looking forward, are Audit Committee showing due diligence if they agree only the figure of £1,545k in the accounts to cover refunds?

**Response provided by the Audit Committee Chair:**

Yes I am content with our due diligence as this figure is the gross level of potential over charged rent going back 6 years from the point of discovery (net of 2024/25 which will be dealt with during the year) This gross estimate will ultimately be reduced by decisions relating to; benefit payments, historic write offs, rent arrears, etc. which are either still being modelled or we are yet to receive external advice on.

In relation to item 7 on the agenda may I congratulate the External Auditors for finding the error with the rent charges.

Question 5

Why was this error not found before, particularly by Devon Audit Partnership?

**Response provided by the Audit Committee Chair:**

As confirmed during a recent Scrutiny Committee this was an individual spreadsheet formatting error, which has been taken forward as part of a base calculation position. Since this error, all annual rent uplifting has been performed correctly, which has always been double checked by relevant officers. It is likely that both internal and external auditors have performed similar checks and reconciled the overall Housing rent at the summary level, which would have seemed materially correct at an aggregated level.

Previous external and internal auditors haven't located this error through whatever checking processes they deployed. Our new external auditors, Bishop Fleming, as part of their inaugural client take-on work discovered this error when performing a more detailed sample rent check/verification.

## **Paul Elstone**

My questions relate to Agenda Item 7 Bishop Fleming Annual Findings Report.

### Question 1

The Bishop Fleming Audit Report states that it was a formula error that caused the social rent over or underpayment problems.

The housing rental formula mentioned is quite simple and with few variable inputs and even less variables that could cause both over and under charge errors.

What precisely was the formula error (property valuations, bedroom weight factors how service cost were provisioned) or something else?

### Question 2

The report also states that the repayments to tenants will only be made going back 6 years given "Statutory Limitations" this despite some tenants may have been overpaying rent for up to 23 years.

Very precisely what legislation is being used as this Councils point of reference, this to justify not making full rent refunds to its tenants?

### Question 3

On investigating both Government and Social Housing Regulator documents there have been several documents published over the years that should have caused MDDC to conduct a comprehensive audit of its social housing rental calculations.

Its auditors should have been aware and similarly undertaken those checks. This including in March 2020 when the Social Housing Regulator issued a report referencing concerns and risk incurred about incorrect social rental payment calculations. The report referenced expectations of Officers and Members with regards to good governance including policy requirements

Additionally in April 2020 and updated in December 2022 a joint Policy Statement on rents for Social Housing was issued involving Government Departments and the Social Housing Regulator. A comprehensive but easy to read document.

Given the concerns raised in these and other documents there is reason to believe there has been negligence involved in not correcting the rent over payments much earlier.

Has this Council given full consideration to the fact that there could be a case for those tenants impacted to seek full recompense including damages and that certain specialist legal firms such as Leigh Day could become involved with massive cost and reputation implications ?

### Question 4

Given this situation there would seem good reason for MDDC's internal auditors Devon Assurance Partnership and external auditors Grant Thornton to refer themselves to their regulator i.e. the Financial Reporting Council. Has this been done?

#### Question 5

Given there could be a case of professional negligence will MDDC look into if a financial claim can be made against its auditors. This to recover cost?

#### Question 6

Will tenants be given a complete breakdown showing the full details of all the overpayments they have made to this Council not just the amount the Council wants to refund?

#### Question 7

Will notional interest be paid to the tenants?

The Chair stated that as these questions had not been submitted in advance, a written response would be provided within the next 10 working days and attached to the minutes of this meeting.

### 37. **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

No interests were declared under this item.

### 38. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 3 December 2024 were confirmed as a true and accurate record and **SIGNED** by the Chair.

### 39. **CHAIR'S ANNOUNCEMENTS**

The Chair welcomed Jennifer Whitten, the Independent Person, to her first official Audit Committee meeting at Mid Devon District Council and thanked her for attending.

### 40. **UPDATED STATEMENT OF ACCOUNTS 2023/2024**

The Chair stated that he would be taking items 6 and 7 together and then, after discussion, the Committee would consider the recommendations.

The Committee had before it a report \* from the Deputy Chief Executive (S151) presenting the proposed final version of the 2023/24 Statement of Accounts to Members, highlighting any areas which have been amended since the draft accounts were published on the website, presented for external audit and considered by Audit Committee in June 2024.

The following was highlighted within the updated Statement of Accounts:

- The updated Statement of Accounts before the Committee were the culmination of the 2023/2024 accounts. These had been presented to the Committee in December 2024 but had needed readjusting in light of the Social Housing Rents error. These adjustments were shown in orange for ease of reference under Note 59.
- It was the Accountants view that the Accounts before the Committee this evening were a true and fair reflection of the Council's financial position as at 31<sup>st</sup> March 2024.

- The Committee were informed of the need, following discussion and resolution, for the Chair and necessary officers to sign the revised Letter of Representation, the Annual Governance Statement, the pages in the Accounts that the Section 151 Officer was responsible for and, as was normal practice, the Balance Sheet.

The following was highlighted within the Bishop Fleming, Audit Findings Report:

- This was an updated report to that which had been presented to the December 2024 Audit Committee meeting.
- The key issues that had been outstanding were referred to including finalising their review and testing of the supporting working papers for the provision for the social rents overcharged.
- 'Other audit and financial matters' on page 11 of their report were also referred to including the Valuation of the Pension Fund, 3 Rivers Developments Limited and Social Rents. The key issue was that this error had been identified. Similar occurrences had been found in other local authorities and Bishop Fleming had designed a test to assess for such errors. The important factor was that the Council had sought external legal advice in trying to resolve the matter.
- The audited adjustments on page 12 provided positive reassurance.

Discussion took place regarding:

- It was confirmed that the impact of the Housing Rents error would be on the Housing Revenue Account and not the General Fund.
- An indicative figure of £1.5m had been notified to Members as the error amount, however, determining this was a complicated matter. The Council was still working with the Department for Work and Pensions (DWP) to ascertain the benefits impact, whether or not tenants had moved within the 6 years referred to, some tenancies may have been under charged and some overcharged for the same tenant during a 6 year period. A full and thorough breakdown would be provided to Members as soon as it had been calculated.
- Member briefings were intended as well as regular reports to the Cabinet and the Homes PDG in order to keep Members updated.
- Compensation would need to be considered and there was a Mid Devon Housing policy in existence to help support decisions in that area.
- The complicated nature of the modelling process.
- Affected tenants had been written to.
- Whether reports in relation to this error should come to the Audit Committee as well as the Scrutiny Committee and the Cabinet. It was felt that feedback from this Committee, which had responsibility for monitoring risk, could then be relayed back to the Cabinet. It was **AGREED** that an update report on the Housing Rents error be brought to the next meeting of the Audit Committee.
- The use of Reserves and how they were funded.
- Concerns regarding staff sickness and the current challenges of recruiting to the local government sector.
- The complex format of the Statement of Accounts. There was general agreement that the Accounts had increased in length, increased in complexity, Audit fees had increased and yet their ability to be easily understood by the general public had decreased. However, until the legislation changed this

format would need to remain. Bishop Fleming confirmed that this Council's accounts were comparable in terms of length and complexity with other local authorities with perhaps the focus being in the wrong areas. A process of change and simplification was needed.

**RESOLVED** that:

- a. The 2023/2024 Statement of Accounts (noting the findings made by the external auditor, Bishop Fleming) be approved;
- b. The 2023/2024 Annual Governance Statement and the revised Letter of Representation be approved and all associated documents be signed by the relevant officers and Members.

(Proposed by Cllr R Roberts and seconded by Cllr B Fish)

Note: \* Report previously circulated.

#### 41. **BISHOP FLEMING ANNUAL AUDIT FINDINGS REPORT**

The Committee had before it, and **NOTED**, the 2023/2024 Annual Audit Findings Report from the external auditors, Bishop Fleming.

Discussion regarding this report had taken place under the previous item.

Note: \* Report previously circulated.

#### 42. **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING**

The Committee had before it, and **NOTED**, the items identified in the work programme for the next meeting. It was also requested that the following be on the agenda for the next meeting:

- An update report in relation to the Housing Rents error.
- An update on what support local authorities will be getting from the Government in relation to National Insurance contributions.

(The meeting ended at 5.59 pm)

**CHAIR**

**MINUTES of a SPECIAL MEETING of the HOMES POLICY DEVELOPMENT GROUP held on 28 January 2025 at 2.15 pm**

**Present**

**Councillors**

S Robinson (Chair)  
C Adcock (Vice-Chair), J Cairney, A Glover,  
N Letch, H Tuffin and C Connor

**Also Present**

**Councillor**

C Harrower

**Also Present**

**Officers**

Simon Newcombe (Head of Housing & Health), Mike Lowman (Building Services Operations Manager) and Sarah Lees (Democratic Services Officer)

**Councillors**

**Online**

J Buczkowski, S J Clist, F W Letch and J Lock

**51 APOLOGIES AND SUBSTITUTE MEMBERS**

There were no apologies for absence.

**52 PUBLIC QUESTION TIME**

**Paul Elstone**

Agenda Item 9 – Q2 Housing Service Delivery Report:

Question 1

Section 7 (Income Collection) minimises the major historical rent error affecting all tenancies and suggests this was not a factor in the four evictions this year.

But Annex C (Rent Recovery) shows that seventy (70) tenancies have been served with Notices Seeking Possession in Q1 and Q2.

Notices served Quote “In order to protect the Council’s interests whereby we can apply for possession of a property following 28 days after the notice is served if the tenant fails to make an arrangement or clear arrears in full”.



How many of these 70 tenants have been overcharged on their rental amounts?

#### Question 2

How long had these same tenants occupied their properties before they were served with Notices?

#### Question 3

How many evictions of social home tenants have there been in MDDC over the last 10 years and due to Rent Arrears?

#### Question 4

How many of these evictions involved tenants who were being overcharged rent by this Council?

#### Question 5

Section 7.6 says that the rental overcharges were quote “relatively low”. Precisely what does “relatively low” really mean?

Please provide the highest monthly overcharge amount identified and in pounds and pence for any social housing tenant, and not just those given Notice or Evicted?

#### Question 6

Annex C (Rent Recovery) states that the Year to Date rent arrears is 2.29%. What does 2.29% equate to in financial terms?

#### Question 7

One important figure I believe missing from the documents provided to this Committee is the amount of lost rental revenue due to VOIDS.

Information that may support better investment in the resources required to speed up reducing VOIDS overall. Money better spent than building expensive modular homes. Other Councils openly report this information along with much more.

What is the financial value of the VOID lost rental year to date?

#### Question 8

What is the lost rental revenue due to VOIDS for the last 5 years?

#### Question 9

Given that the 39 properties at St Georges Court were purchased nearly 12 months ago using HRA funds and they have not generated any revenue only absorbed undisclosed cost, are they included on the VOIDS list and if not why not ?



The following questions relate to the meeting agenda.

#### Question 10

Given its major importance, and HRA impact, and with many questions being asked - why was the historical Social Rent Error not been given a separate Agenda item and Report?

#### Question 11

Will the historical Social Rent Error form part of the next Homes PDG agenda?

The Chair stated that she was able to answer the last question in that a report updating the Group on the Social Housing Rents error would be coming to their next meeting on 18 March 2025. For all the other questions he had asked and which had not been submitted in advance, he would receive a written reply within 10 working days.

### 53 **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

No interests were declared under this item.

### 54 **MINUTES**

The minutes of the meeting held on 19 November 2024 were approved as a correct record of the meeting and **SIGNED** by the Chair.

### 55 **CHAIR'S ANNOUNCEMENTS**

The Chair had the following announcements to make:

1. She reiterated the fact that an update on the Social Housing Rents error would be coming to the next meeting on 18 March 2025.
2. There had been a large amount of interest shown by tenants for the three co-opted places on the Policy Development Group. It was confirmed by the Head of Housing & Health that there was more interest than places available but that a selection process would be undertaken with the June 2025 meeting being the first one where the co-opted tenants would join the Group. It was confirmed that they would not have voting rights but would bring a wealth of relevant knowledge and experience.
3. It was confirmed that there were 11 properties ready to be occupied in the St George's Court complex. Rents had been agreed and 6 properties would be advertised this week with the remainder in the next 2 weeks.

### 56 **GOVERNMENT 'RIGHT TO BUY' CONSULTATION - VERBAL UPDATE**

The Head of Housing & Health provided the Group with a presentation outlining the key features of the Government's consultation on the 'Right to Buy' scheme.

This included the following key information:

- Between 20 November 2024 and 15 January 2025 the Government undertook a consultation on further potential reforms to Right to Buy.
- The Ministry of Housing, Communities and Local Government (MHCLG) consultation sought views on how the Right to Buy (RTB) should be reformed so that it better protected the existing stock of social rented homes, provided better value for money for the taxpayer and ensured fairness within the system.
- The Government stated a desire to ensure that Council tenants who had lived in, and paid rent on, their social homes for many years could retain the opportunity to own their home.
- However, reform of Right to Buy was noted as essential to better protect much-needed social housing stock, boost Council capacity and build more social homes than were lost, supporting the Government's commitment to deliver the biggest increase in social and affordable housebuilding in a generation.
- The consultation followed early Government changes in July 2024 which removed the several caps including the % cost of a replacement home that could now be funded using RTB receipts. Councils could also now combine RTB receipts with s106 affordable housing contributions for the first time – these flexibilities were in place until July 2026.
- In November 2024, RTB discounts to tenants also changed and were significantly reduced to pre-2012 levels. In the South West this discount was now reduced to £30k maximum (down from c£100k).
- The Government also increased protections on newly built social homes by increasing the cost floor protection period from 15 to 30 years. The cost floor limited the discount on Right to Buy properties to ensure that the purchase price of the property did not fall below what had been spent on building, buying, repairing or maintaining it over a certain period of time.
- As a member of the LGA/MHCLG Strategic Housing Group, the Head of Housing and Health was able to provide a professional response to the consultation which was summarized as follows:
  - **Eligibility** – support an increase in the eligibility requirement (minimum 10 years, up to 15 years). Support limiting further gain from RTB if a tenant had benefited previously.
  - **Discounts as a percentage of the property value** – support further reduction; as low as 1%, maximum 5%. In SW 1% would reduce maximum discount to £11k. Support consistency of approach across flats and houses and retention of regional caps with a further note on the challenges (additional cost) of delivering new build to meet local housing need in rural areas; especially around reduced economy of scale, plot sizes, material/module delivery, labour shortage and higher costs, relative impacts and working with communities.
  - **Exemptions** – supported retention of existing exemptions. Asked Government to consider rural exemptions to support the retention and provision of affordable homes in rural areas. Emphasis on how this housing underpinned and helped to deliver sustainable rural communities. Also raised the disproportionate impact of RTB on the loss of social housing in rural areas and the challenges around new housing delivery in this context. Further consideration requested for exempting all new build in perpetuity going forward (versus current 30-year discount protections).

- **Restrictions on properties after sale** – supported an increase the discount repayment period (sliding scale based on when a RTB property was subsequently sold) from 5 years to 10 years.
- **Requirements around the replacement of homes sold under the Right to Buy** – did not support like for like/geographical restriction on replacement 1:4:1 homes based on receipt. Alternatively, further noted request for exemption on RTB sales for rural areas with wider flexibility on use of receipts retained to maximise delivery across area to ensure current housing needs were met which may have changed over time.
- **Simplification of the receipts regime** – supported proposed simplifications, further supported future retention of 100% of receipts and maximum overall flexibility to enable 1:4:1 monies to be used alongside all other grant funding (e.g. Homes England Affordable Homes Programme) as well as s106 to maximise delivery. Did not support any other restrictions on LAs – the Council needed maximum flexibility on capital spending. Welcomed recycling of unspent 1:4:1 regionally (potentially through combined authorities) rather than return to Homes England.

Discussion took place regarding:

- It was confirmed that the Cabinet Member for Housing, Assets & Property Services had been consulted prior to submitting the consultation response.
- The restrictions on properties after sale and the 'sliding scale' was already in place.
- Highly adapted properties would be exempt.
- Concern that in the past people often bought their own properties but then stayed in them continuing to be part of the community. There was evidence that this was happening less often and that community cohesion was suffering as a result.
- It was confirmed that a 'secured tenancy' started with the first property occupied by the tenant, they did not need to start again if they moved to a different Council property.
- It was expected that there would be a high number of applications once the scheme came fully into effect.
- The Head of Housing & Health confirmed that the Council would be asking for a further moratorium on RTB for any new builds since the pay-back period for new builds was between 40 – 50 years.

The Group thanked the officer for the update which was **NOTED**.

Note: Cllr A Glover declared a personal interest in that she was a Council tenant.

## 57 MID DEVON HOUSING RIGHT TO BUY POLICY

The Group had before it a report \* from the Head of Housing & Health. Under the statutory Transparency, Influence and Accountability Standard set by the Regulator of Social Housing (RSH), landlords must be open with tenants and treat them with fairness. Although the terms and process that enabled tenants to acquire their council homes under Right to Buy (RTB) was largely set by legislation, it was important that Mid Devon Housing (MDH) had a clear point of reference through a specific policy available for tenants.

There had also been some key recent legal changes to the RTB policy nationally which made it timely to have an up to date policy in place. This report therefore presented a new policy that outlined Mid Devon Housing's (MDH) approach to managing tenants' RTB of their Council homes.

The following was highlighted within the report:

- The new policy gave transparency to tenants and provided guidance to officers.
- There may be some circumstances where the Council would consider waiving certain discounts.
- The removal or temporary suspension of particular covenants would be considered, for example, if the existence of a covenant would lead to the closure of a care home because the staff could not be accommodated.

**RECOMMENDED** to the Cabinet that it recommends to Council the adoption of the Right to Buy Policy and Equality Impact Assessment contained in Annexes A and B respectively.

(Proposed by Cllr J Cairney and seconded by Cllr C Connor)

Notes:

- (i) \* Report previously circulated.
- (ii) Cllr A Glover abstained from voting as she was a Council tenant and wished for her abstention to be recorded.

## 58 **MID DEVON HOUSING SAFEGUARDING ADULTS, CHILDREN AND YOUNG PEOPLE POLICY**

The Group had before it a report \* from the Head of Housing & Health. In March 2024, a Consumer Regulation Health check advised that Mid Devon Housing (MDH) established a dedicated Safeguarding Policy to better manage risks associated with protecting vulnerable adults and children from abuse and neglect. Safeguarding was a crucial legal obligation for MDH. Whilst the existing corporate policy was widely updated in 2024 as an initial policy priority, it lacked detail on the role of MDH as a landlord as required by housing providers. This new MDH specific policy had been developed in the context of the updated corporate policy for consistency.

The following was highlighted within the report:

- This was separate to the corporate Safeguarding policy as the role of Mid Devon Housing was slightly different to the rest of the Council.
- Housing officers were trained to proactively look out for the well-being of tenants.
- The policy identified adults and children as two distinct groups.
- The policy set out the Council's responsibilities in detail.
- The policy would help to guide officers and the Housing teams.

Discussion took place regarding:

- The demand for access to other health and social care services had increased dramatically. There were significant challenges around the capacity of the systems needed to help, for example, the NHS.
- The Neighbourhood Teams were praised for the work that they did.
- The complexities involved in trying to work with multiple agencies.
- The importance of all relevant information being made available to all agencies.
- There were challenges around 'consent'.
- The Council's ethos was 'why shouldn't we share?' rather than 'why share?'

**RECOMMENDED** to the Cabinet that it recommends to full Council the adoption of the MDH Safeguarding Adults at Risk, Children and Young People Policy and Equality Impact Assessment contained in Annexes A and B respectively.

(Proposed by Cllr A Glover and seconded by Cllr H Tuffin)

Note: \* Report previously circulated

## 59 Q2 MID DEVON HOUSING SERVICE DELIVERY REPORT

The Group had before it, and **NOTED**, a report \* from the Head of Housing & Health providing a quarterly update to Members of the Policy Development Group on activity undertaken by Mid Devon Housing (MDH), including some relating to enforcement.

The following was highlighted within the report:

- The report presented information up to the end of September 2024. Quarter 3 data would be brought to the next meeting in March 2025.
- Performance continued to be strong, however, there were still challenges in the responsive repairs area mainly due to staff recruitment issues.
- It was reiterated that the safety of tenants at risk would always be prioritised over planned work.
- As soon as a new property became ready to rent it entered the voids system until it was occupied.
- The eviction process was complex and Housing officers did all they could to prevent evictions from happening. Often there were mitigating factors and evictions were very rarely about just the non-payment of rent. It was confirmed that as a result of this close working with tenants to prevent evictions, there was a big difference between the number of eviction notices and the number of actual evictions which were quite rare.

Discussion took place with regard to:

- The majority of 'deferred appointments' were related to tenants who had at some stage opted for an 'upgrade' but who had then declined to let the Council in.
- The possibility of classifying different types of voids to show those that were unfit for habitation or the life expectancy of a property?

- Voids were a complex area, for example, semi-detached properties where the other half of the building was owned privately and the private occupier didn't have to meet the Decent Homes Standard.
- Anti-Social Behaviour did typically rise in the summer months although there were relatively few cases in Mid Devon.
- The Housing Options Team had to determine on a case by case basis whether or not a person had deliberately made themselves homeless. These were difficult judgements to make. The circumstances relating to each individual had to be ascertained. Individuals needed to engage in the services being offered at some stage. Also, it was not always about the individual, the needs of other tenants living around that individual also needed to be borne in mind. Occasionally there were tenants that just needed other types of supported accommodation that was not provided by the Council.
- Some accommodation from the HRA was reserved for the Housing Options Team to temporarily accommodate people who needed to be housed. There were 32 such properties available at the current time. This was viewed as a good thing as many other Councils did not have this flexibility.

Note: \* Report previously circulated.

## 60 IDENTIFICATION OF ITEMS FOR THE NEXT MEETING

The items already listed in the work programme for the next scheduled meeting were **NOTED**. In addition to this the following was requested to be on the agenda for the next meeting:

- Housing Rents error - update

(The meeting ended at 3.52 pm)

**CHAIR**

**MINUTES** of a **MEETING** of the **STANDARDS COMMITTEE** held on 5 February 2025 at 5.15 pm

**Present  
Councillors**

A Glover (Chair)  
E Buczkowski (Vice-Chair), J Buczkowski,  
F J Colthorpe, G Czapiewski, M Fletcher,  
L Taylor, N Woollatt and D Wulff

**Also Present  
Councillors**

C Harrower and L Knight

**Also Present  
Officer(s):**

Stephen Walford (Chief Executive), Maria De Leburne  
(Director of Legal, People & Governance (Monitoring  
Officer)) and Laura Woon (Democratic Services Manager)

**Councillor  
Online**

J Lock

**24 APOLOGIES AND SUBSTITUTE MEMBERS**

There were no apologies received.

**25 PUBLIC QUESTION TIME**

None received.

**26 MINUTES**

The minutes of the previous meeting were **APPROVED** as a true record and signed by the Chair.

**27 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT**

No interests were declared under this item.

**28 CHAIR'S ANNOUNCEMENTS**

The Chair had no announcements to make.

**29 AMENDMENTS TO THE CONSTITUTION FOLLOWING MOTIONS APPROVED BY COUNCIL**



The Committee **NOTED** that there were no amendments to the Constitution following motions approved by the Council in the period since the last meeting.

### 30 **STRENGTHENING THE STANDARDS AND CONDUCT FRAMEWORK FOR LOCAL AUTHORITIES IN ENGLAND**

The Committee had before it, a report \* from the Director of Legal, People and Governance (Monitoring Officer) outlining the Government Consultation, Strengthening the Standards and Conduct framework for Local Authorities in England.

The Director of Legal, People & Governance (Monitoring Officer) outlined the content of the report with particular reference to the following:

- An overview of the Government consultation on proposed changes to the Local Government Standards Regime. The consultation, titled "Strengthening the Standards and Conduct Framework for Local Authorities in England," sought to gather views on a range of reforms aimed at enhancing the effectiveness and fairness of the standards system.
- For the Committee to consider the Government consultation and to provide feedback on the Council's position.

The following was discussed:

- The National Mandatory Code of Conduct would be necessary to ensure consistency and transparency across all levels of Local Government.
- The Code of Conduct to be rooted in the seven Nolan principles.
- The current process was managed well and would not see it necessary to have a Government wide Code of Conduct.
- There should be a national minimum standards for Local Authorities.
- The consistency across Town and Parishes that may use the same Code of Conduct as this Council.
- Individual's accountability relied on their cooperation and the importance of engaging with the process.
- Standards Committees were potentially open to be misused, therefore to have an independent external Local Government Ombudsman to deal with complaints would be of benefit?
- How was the Standards Committee dealt with years ago from a national level before all of the changes?
- Vexatious complaints that had no evidence should be triaged by the Monitoring Officer rather than all complaints going to a Standards Committee.
- The Code of Conduct had no power within it.
- If complaints were heard by the Standards Committee then it should not have to go to Full Council after, as the Standards Committee Members had the relevant training.
- Councillors should not be judging or policing other Councillors, the independent body should be dealing with this.
- Complaints were currently dealt with informally if possible.
- Only cases in which a Member would be found guilty of wrongdoing should it then be published. This would also depend on the seriousness of the conduct.



All investigations should be concluded even if the member resigned before the conclusion of the investigation.

- The average number of complaints against elected Members were 10 over a 12-month period.
- If Members had breached the rules within the Code of Conduct they should be suspended.
- If Members were to be suspended from duty, who would represent their ward and their casework? A form of recall mechanism should be in place, therefore if a Member had been suspended then it would trigger an election. The electorate should decide who they wished to stand as their Member to represent them.
- A discussion regarding suspension and the protocols and processes in place to represent their residents whilst absent from office would have to take place.
- The time limit on the maximum length of suspension would be 3 months.
- If a Member was under investigation for a serious matter and under police investigation would the 3 month period for suspension be long enough?
- Allowances should not be paid to those Members that were suspended.
- To implement a ban to the Council's premises and facilities for Members that were suspended. If there were to be a serious allegation in order to protect others, it must be a neutral act for a period of investigation.
- An interim suspension should be applied to investigate the complaint as swiftly as possible.
- Re Disqualification for 5 years - this would be depending upon the allegations and seriousness of the matter.
- If a Member was in prison would they still receive an allowance?
- If a Member had a suspended sentence would they be able to stand as an elected Member?
- Discussion around the right to appeal and processes in place and the timeframe that this may take.
- A review mechanism for a decision to be reviewed from an external body.

It was therefore **RESOLVED** that the Standards Committee **RECOMMENDED** to Full Council that:

1. The Council notes and provides feedback on the Government Consultation;
2. The Director of Legal, People & Governance (Monitoring Officer) be delegated to respond to the Government with the Council's response.

(Proposed by the Chair)

Note: \* Report previously circulated.

### 31 APPLICATION FOR DISPENSATION

The Committee had before it, a report \* from the Director of Legal, People and Governance (Monitoring Officer) outlining an application for dispensation.

The Director of Legal, People & Governance (Monitoring Officer) outlined the content of the report with particular reference to the following:

- To consider applications for dispensation from Members of this Council who were also Members of other Councils, along with Members who are or their partner/spouse employed by another council to enable them to take part in matters relating to devolution and/or local government reorganisation.

The following was discussed:

- The Leader had received the letter from Minister with an initial proposal for the 21 March 2025 and a final proposal to be submitted to Government by the end of November 2025.
- A proposal to include Unitary Councils within the recommendation.
- Whether Town and Parish Councillors should be included and potential candidates that would stand in the elections.

It was therefore **RESOLVED** that the Standards Committee:

1. Grant dispensations to the dual-hatted County and District Council, Unitary Council, County Council candidates and Town and Parish Councillors, outlined in this report to enable them to discuss and vote on any matter that related to devolution or Local Government reorganisation in Devon. Such dispensations to take effect immediately be **APPROVED**.
2. Grant dispensations to District Council Members who were employed by or were a spouse/partner of an employee of another District or County Council, Unitary Council in Devon to enable them to discuss and vote on any matter relating to devolution or Local Government re-organisation in Devon. Such dispensations to take effect immediately be **APPROVED**.
3. **APPROVED** the dispensations on the basis that granting the dispensations was in the interests of persons living in the authority's area.
4. Grant the dispensations **GRANTED** until the next District Council elections, or until such time as the District Council ceased to exist, whichever event came first.

(Proposed by the Chair)

Note: \* Report previously circulated.

Note:\* Abstained from voting: Cllr E Buczkowski and Cllr J Buczkowski.

## 32 **ACCESS TO INFORMATION – EXCLUSION OF THE PRESS AND PUBLIC**

The Chair stated that the Committee would remain in open session.

## 33 **COMPLAINTS**

The Committee **NOTED** a verbal update from the Director of Legal, People and Governance (Monitoring Officer) which provided an update on complaints received.

The following was highlighted:

- Since the last meeting, one complaint had been received in relation to a Town and Parish Councillor.
- The themes of this complaint were respect and social media.

The following was discussed:

- The statistics that were discussed within the consultation were interesting. Could they be reported to the Standards Committee from time to time?
- How many complaints and investigations were currently ongoing and the timescale of this?

### 34 **SCHEME OF DELEGATION FOR COMMITTEES AND ADVISORY GROUPS**

The Committee received a verbal update from the Director of Legal, People and Governance (Monitoring Officer) enquiring whether the Standards Committee would agree a Working Group to review the Scheme of Delegation for Committees and Advisory Groups.

The following was discussed:

- The need to recommend and review the terms of reference for Advisory Groups and Committees.
- To ask the Advisory Groups to look at their own terms of reference ahead of the Working Group and the Working Group would report back to the Standards Committee.
- Who would be part of the Working Group was it just Standards Committee Members?

It was therefore **RESOLVED** that:

A Member Working Group to be set up to review the Scheme of Delegation for Committees and Advisory Groups.

(Proposed by Cllr J Buczkowski and seconded by Cllr G Czapiewski

The Members of the Working Group were **AGREED** to be Cllr J Buczkowski, Cllr G Czapiewski and Cllr A Glover.

### 35 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING**

The following items were identified for the next meeting of the Committee:

- Annual Report of the Monitoring Officer 23/24.
- Updates from the Government Consultation.
- Update on the Disclosure Barring Service (DBS) action points.
- Examine the wording on Council Procedure rule 9, clarifying the wording within 9.1 was suggested - discussion with the Monitoring Officer was offered to the Cllr who requested this item.

Members were requested to contact either the Monitoring Officer or the Chair with any additional items.

(The meeting ended at 19.27)

**CHAIR**



## **Report for: Standards Committee**

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Date of Meeting:	3 February 2025
<b>Subject:</b>	<b>Government consultation 'Strengthening the Standards and Conduct Framework for Local Authorities in England'</b>
Cabinet Member:	Cllr L Taylor - Leader
Responsible Officer:	Maria de Leburne, Director of Legal, People & Governance (Monitoring Officer)
Exempt:	There are no exemptions within the documents
Wards Affected:	All
Enclosures:	None

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

This report provides an overview of the recent government consultation on proposed changes to the local government standards regime. The consultation, titled "Strengthening the Standards and Conduct Framework for Local Authorities in England," seeks to gather views on a range of reforms aimed at enhancing the effectiveness and fairness of the standards system. To consider the government consultation and provide the Councils position.

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

**That the Standards Committee recommends to Council that:**

- 1. The Council notes and provides feedback on the Government Consultation; and**
- 2. The Director of Legal, People & Governance (Monitoring Officer) be delegated to respond to the Government with the Councils response.**

### **Section 2 – Report**

#### **1.0 Introduction**

- 1.1 On 18th December 2024, the government opened a consultation seeking views on strengthening the standards and conduct framework for local authorities in England.
- 1.2 The consultation runs until 26th February 2025.
- 1.3 This consultation seeks views on introducing measures to strengthen the standards and conduct regime in England and ensure consistency of approach amongst councils investigating serious breaches of their member codes of conduct, including the introduction of the power of suspension.
- 1.4 Specific proposals being consulted upon for legislative change include:
- the introduction of a mandatory minimum code of conduct for local authorities in England
  - a requirement that all principal authorities convene formal standards committees to make decisions on code of conduct breaches, and publish the outcomes of all formal investigations
  - the introduction of the power for all local authorities (including combined authorities) to suspend councillors or mayors found in serious breach of their code of conduct and, as appropriate, interim suspension for the most serious and complex cases that may involve police investigations
  - a new category of disqualification for gross misconduct and those subject to a sanction of suspension more than once in a 5-year period
  - a role for a national body to deal with appeals
- 1.5 In addition, the consultation seeks views on how to empower victims affected by councillor misconduct to come forward and what additional support would be appropriate to consider.

## 2.0 Ministerial forward

The government is determined to fix the foundations of local government so councils can sustainably provide decent public services and shape local places, and so elected representatives can be fully accountable to the public they serve. Doing so is critical to national renewal, our missions, and our plans to push power out of Westminster and into the hands of local people with skin in the game.

At the core of this agenda is a plan to make local government across England fit, legal, and decent – so that councils have the backing from central government to deliver the high standards and strong financial management that they strive for, without needless micromanagement of day-to-day local decision-making. This plan includes:

- fixing our broken audit system
- improving oversight and accountability

- giving councils genuine freedoms to work for, and deliver in the best interests of, their communities
- improving the standards and conduct regime

This consultation is focused on the proposed reforms to the standards and conduct regime that will contribute to making sure England is covered by effective local and strategic authorities that are well-governed, with high standards met and maintained.

It is an honour and a privilege to be elected as a member and with it comes an individual and collective responsibility to consistently demonstrate and promote the highest standards of conduct and public service.

Members take decisions affecting critical local services such as social care, education, housing, planning, licensing, and waste collection. With greater devolution, local authorities will increasingly be taking decisions to shape local transport, skills, employment support, and growth. Decisions that are the responsibility of members impact virtually every citizen's life at some level, and the electorate has a right to expect that it can trust its local elected members to uphold the highest ethical standards and act in the best interests of the communities they serve.

I strongly believe that the vast majority of local elected members maintain high standards of conduct and that they are driven by duty and service. I believe that people stand for elected office in their local communities with the best intentions to act in the interests of those communities, bringing an energy and commitment to working collaboratively, creatively, and respectfully.

Members, officers, reporters and members of public are entitled to support and participate in the local democratic process in the confidence that high standards are maintained. This government wants to celebrate the positive power of public service and, in doing so, we want to give individual authorities appropriate and proportionate means to deal with misconduct effectively and decisively when it does occur. We also want to ensure that anyone can rightly feel confident about raising an issue under the code of conduct whether it impacts them personally and/or is a code conduct breach that brings the reputation of the council into disrepute.

With approximately 120,000 councillors in England across all types and tiers of local government, we know there are rare instances of misconduct. Robust political debate is part of our democratic system, but we know from local councils that there are examples of bullying, harassment or other misconduct, when from even a very small minority of members can have a seriously destabilising effect, potentially bringing a council into disrepute and distracting from the critical business of delivering for residents.

This government is committed to working with local and regional government to establish partnerships built on mutual respect, genuine collaboration and meaningful engagement. Our ambition is to create a rigorous standards and

conduct framework that will actively contribute to ensuring that local government throughout the country is fit, legal, and decent. With this in mind, this consultation seeks your views on a range of proposals to give local leaders the tools they need to establish and maintain a strong and ethical public service and democratic culture, and the people they serve the confidence that local democracy works for them.

### 3.0 **Proposed Responses to Consultation Questions**

3.1 The consultation questions are set out below for Standard committee members' to consider.

3.2

#### **Question 1**

Please tick all that apply - are you responding to this consultation as:

a) an elected member – if so please indicate which local authority type(s) you serve on

- Town or Parish Council
- District or Borough Council
- Unitary Authority
- County Council
- Combined Authority / Combined County Authority
- Fire and Rescue Authority
- Police and Crime Panel
- Other local authority type - please state

b) a council officer – if so please indicate which local authority type

- Town or Parish Council
- District or Borough Council
- Unitary Authority
- County Council
- Combined Authority / Combined County Authority
- Fire and Rescue Authority
- Police and Crime Panel
- Other local authority type - please state

c) a council body– if so please indicate which local authority type

- Town or Parish Council
- **District or Borough Council**
- Unitary Authority
- County Council
- Combined Authority / Combined County Authority
- Fire and Rescue Authority
- Police and Crime Panel
- Other local authority type - please state



d) a member of the public

e) a local government sector body – please state

**a) Mandatory minimum prescribed code of conduct**

The government proposes to legislate for the introduction of a mandatory minimum code of conduct which would seek to ensure a higher minimum standard of consistency in setting out the behaviours expected of elected members. The government will likely set out the mandatory code in regulations to allow flexibility to review and amend in future, this will also provide the opportunity for further consultation on the detail.

Codes of conduct play an important role in prescribing and maintaining high standards of public service, integrity, transparency, and accountability. At their best, they establish clear guidelines for behaviour and expectations that members always act ethically in the public's best interest. Currently, there is significant variation between adopted codes, ranging from those who choose to adopt the LGA's full model code to those who simply conform with the minimum requirement of restating the Nolan principles.

A prescribed model code which covers important issues such as discrimination, bullying, and harassment, social media use, public conduct when claiming to represent the council, and use of authority resources could help to uphold consistently high standards of public service in councils across the country and convey the privileged position of public office. It could also provide clarity for the public on the consistent baseline of ethical behaviour they have a right to expect.

We would be interested in understanding whether councils consider there should be flexibility to add to the prescribed code to reflect individual authorities' circumstances. They would not be able to amend the mandatory provisions.

**Question 2**

Do you think the government should prescribe a mandatory minimum code of conduct for local authorities in England?

- Yes
- No
- If no, why not [free text box]

**Question 3**

If yes, do you agree there should be scope for local authorities to add to a mandatory minimum code of conduct to reflect specific local challenges?

- Yes – it is important that local authorities have flexibility to add to a prescribed code
- No – a prescribed code should be uniform across the country.
- Unsure

#### Question 4

Do you think the government should set out a code of conduct requirement for members to cooperate with investigations into code breaches?

- Yes
- No
- Unsure

#### b) Standards Committee

Currently, there is no requirement for local authorities to constitute a formal standards committee. The only legal requirement is for local authorities to have in place 'arrangements' to investigate and make decisions on allegations of misconduct.

The government believes that all principal authorities should be required to convene a standards committee. Formal standards committees would support consistency in the handling of misconduct allegations, applying the same standards and procedures to all cases and providing a formal route to swiftly identify and address vexatious complainants. Furthermore, having a formal standards committee in place could support the development of expertise in handling allegations of misconduct, leading to more informed decision-making. Removing the scope for less formal and more ad hoc arrangements would also enhance transparency and demonstrate to the public that standards and conduct issues will always be dealt with in a structured and consistent way.

This section of the consultation seeks views on two specific proposals to enhance the fairness and objectivity of the standards committee process. Firstly, it considers whether standards committee membership would be required to include at least one Independent Person, as well as (where applicable) at least one co-opted member from a parish or town council. Secondly, it seeks views on whether standards committees should be chaired by the Independent Person.

#### Question 5

Does your local authority currently maintain a Standards Committee?

- Yes
- No
- Any further comments [free text box]

### **Question 6**

Should all principal authorities be required to form a Standards Committee?

- Yes
- No
- Any further comments [free text box]

### **Question 7**

In most principal authorities, code of conduct complaints are typically submitted in the first instance to the local authority Monitoring Officer to triage, before referring a case for full investigation. Should all alleged code of conduct breaches which are referred for investigation be heard by the relevant principal authority's standards committee?

- Yes, decisions should only be heard by standards committees
- No, local authorities should have discretion to allow decisions to be taken by full council
- Unsure

### **Question 8**

Do you agree that the Independent Person and co-opted members should be given voting rights?

- Yes – this is important for ensuring objectivity
- No – only elected members of the council in question should have voting rights.
- Unsure

### **Question 9**

Should standards committees be chaired by the Independent Person?

- Yes
- No
- Unsure

### **Question 10**

If you have further views on ensuring fairness and objectivity and reducing incidences of vexatious complaints, please use the free text box below.

[Free text box]

**c) Publishing investigation outcomes**

To enhance transparency, local authorities should, subject to data protection obligations, be required to publish a summary of code of conduct allegations, and any investigations and decisions. This will be accompanied with strong mechanisms to protect victims' identity to ensure complainants are not dissuaded from coming forward for fear of being identified,

There may be a range of views on this, as publishing the outcome of an investigation that proves there is no case to answer could still be considered damaging to the reputation of the individuals concerned, or it could be considered as helpful in exposing instances of petty and vexatious complaints.

**Question 11**

Should local authorities be required to publish annually a list of allegations of code of conduct breaches, and any investigation outcomes?

- Yes - the public should have full access to all allegations and investigation outcomes
- No - only cases in which a member is found guilty of wrongdoing should be published
- Other views – text box

**d) Requiring the completion of investigations if a member stands down**

In circumstances where a member stands down during a live code of conduct investigation, councils should be required to conclude that investigation and publish the findings. The government is proposing this measure to ensure that, whilst the member in question will no longer be in office and therefore subject to any council sanction, for the purposes of accountability and transparency there will still be full record of any code of conduct breaches during their term of office.

**Question 12**

Should investigations into the conduct of members who stand down before a decision continue to their conclusion, and the findings be published?

- Yes
- No
- Unsure

**e) Empowering individuals affected by councillor misconduct to come forward**

The government appreciates that it can often be difficult for those who experience misconduct on the part of elected members, such as bullying and harassment, to feel that it is safe and worthwhile to come forward and raise their concerns. If individuals believe there is a likelihood that their complaint will not be addressed or handled appropriately, the risk is that victims will not feel empowered to come forward, meaning misconduct continues without action. We recognise that standing up to instances of misconduct takes an emotional toll, particularly in unacceptable situations where the complaints processes are protracted and do not result in meaningful action. We are committed to ensuring that those affected by misconduct are supported in the right way and feel empowered to come forward. This section seeks feedback from local authorities with experience of overseeing council complaints procedures, or sector bodies and individuals with views on how this might be carried out most effectively. We are also keen to hear from those who work, or have worked, in local government, and who have either witnessed, or been the victim of, member misconduct.

**Question 13**

If responding as a local authority, what is the average number of complaints against elected members that you receive over a 12-month period?

[Number box]

**Question 13a**

For the above, where possible, please provide a breakdown for complaints made by officers, other elected members, the public, or any other source:

- Complaints made by officers [Number box]
- Complaints made by other elected members [Number box]
- Complaints made by the public [Number box]
- Complaints made by any other source [Number box]

**Question 14**

If you currently work, or have worked, within a local authority, have you ever been the victim of (or witnessed) an instance of misconduct by an elected member and felt that you could not come forward? Please give reasons if you feel comfortable doing so.

- Yes
- No
- [Free text box] – **Not relevant as submitted by MDDC**

### Question 15

If you are an elected member, have you ever been subject to a code of conduct complaint? If so, did you feel you received appropriate support to engage with the investigation?

- Yes
- No
- [Free text box] - **Not relevant as submitted by MDDC**

### Question 16

If you did come forward as a victim or witness, what support did you receive, and from whom? Is there additional support you would have liked to receive?

[Free text box] - **Not relevant as submitted by MDDC**

### Question 17

In your view, what measures would help to ensure that people who are victims of, or witness, serious councillor misconduct feel comfortable coming forward and raising a complaint?

[Free text box]

## 6 Introducing the power of suspension with related safeguards

The government believes that local authorities should have the power to suspend councillors for serious code of conduct breaches for a maximum of 6 months, with the option to withhold allowances and institute premises and facilities bans where deemed appropriate. This section of the consultation explores these proposed provisions in greater detail.

While the law disqualifies certain people from being, or standing for election as, a councillor (e.g. on the grounds of bankruptcy, or receipt of a custodial sentence of 3 months or more, or it subject to the notification requirements of the Sexual Offences Act 2003 - meaning on the sex offenders register) councillors cannot currently be suspended or disqualified for breaching their code of conduct.

Feedback from the local government sector in the years since the removal of the power to suspend councillors has indicated that the current lack of meaningful sanctions means local authorities have no effective way of dealing with more serious examples of member misconduct.

The most severe sanctions currently used, such as formally censuring members, removing them from committees or representative roles, and requiring them to undergo training, may prove ineffective in the cases of more

serious and disruptive misconduct. This may particularly be the case when it comes to tackling repeat offenders.

The government recognises that it is only a small minority of members who behave badly, but the misconduct of this small minority can have a disproportionately negative impact on the smooth running of councils. We also appreciate the frustration members of the public and councillors can feel both in the inability to deal decisively with cases of misconduct, and the fact that offending members can continue to draw allowances.

### **Question 18**

Do you think local authorities should be given the power to suspend elected members for serious code of conduct breaches?

- Yes – authorities should be given the power to suspend members
- No – authorities should not be given the power to suspend members
- Unsure

### **Question 19**

Do you think that it is appropriate for a standards committee to have the power to suspend members, or should this be the role of an independent body?

- Yes - the decision to suspend for serious code of conduct breaches should be for the standards committee
- No - a decision to suspend should be referred to an independent body
- Unsure
- [Free text box]

### **Question 20**

Where it is deemed that suspension is an appropriate response to a code of conduct breach, should local authorities be required to nominate an alternative point of contact for constituents during their absence?

- Yes – councils should be required to ensure that constituents have an alternative point of contact during a councillor's suspension
- No – it should be for individual councils to determine their own arrangements for managing constituents' representation during a period of councillor suspension
- Unsure

**a) The length of suspension**

The Committee on Standards in Public Life recommended in their 2019 Local Government Ethical Standards (CSPL) report that the maximum length of suspension, without allowances, should be 6 months and the government agrees with this approach. The intent of this proposal would be that non-attendance at council meetings during a period of suspension would be disregarded for the purposes of section 85 of the Local Government Act 1972, which states that a councillor ceases to be a member of the local authority if they fail to attend council meetings for 6 consecutive months.

The government believes that suspension for the full 6 months should be reserved for only the most serious breaches of the code of conduct, and considers that there should be no minimum length of suspension to facilitate the proportionate application of this strengthened sanction.

**Question 21**

If the government reintroduced the power of suspension do you think there should be a maximum length of suspension?

- Yes – the government should set a maximum length of suspension of 6 months
- Yes – however the government should set a different maximum length (in months) [Number box]
- No – I do not think the government should set a maximum length of suspension
- Unsure

**Question 22**

If yes, how frequently do you consider councils would be likely to make use of the maximum length of suspension?

- Infrequently – likely to be applied only to the most egregious code of conduct breaches
- Frequently – likely to be applied in most cases, with some exceptions for less serious breaches
- Almost always – likely to be the default length of suspension for code of conduct breaches
- Unsure

**b) Withholding allowances and premises and facilities bans**

Giving councils the discretion to withhold allowances from members who have been suspended for serious code of conduct breaches in cases where they feel it is appropriate to do so could act as a further deterrent against unethical behaviour. Holding councillors financially accountable during suspensions also reflects a commitment to ethical governance, the highest standards of public service, and value for money for local residents.



Granting local authorities the power in legislation to ban suspended councillors from local authority premises and from using council equipment and facilities could be beneficial in cases of behavioural or financial misconduct, ensuring that suspended councillors do not misuse resources or continue egregious behaviour. Additionally, it would demonstrate that allegations of serious misconduct are handled appropriately, preserving trust in public service and responsible stewardship of public assets.

These measures may not always be appropriate and should not be tied to the sanction of suspension by default. The government also recognises that there may be instances in which one or both of these sanctions is appropriate but suspension is not. It is therefore proposed that both the power to withhold allowances and premises and facilities bans represent standalone sanctions in their own right.

### **Question 23**

Should local authorities have the power to withhold allowances from suspended councillors in cases where they deem it appropriate?

- Yes – councils should have the option to withhold allowances from suspended councillors
- No – suspended councillors should continue to receive allowances
- Unsure

### **Question 24**

Do you think it should be put beyond doubt that local authorities have the power to ban suspended councillors from council premises and to withdraw the use of council facilities in cases where they deem it appropriate?

- Yes – premises and facilities bans are an important tool in tackling serious conduct issues
- No – suspended councillors should still be able to use council premises and facilities
- Unsure

### **Question 25**

Do you agree that the power to withhold members' allowances and to implement premises and facilities bans should also be standalone sanctions in their own right?

- Yes
- No
- Unsure

**c) Interim suspension**

Some investigations into serious code of conduct breaches may be complex and take time to conclude, and there may be circumstances when the misconduct that has led to the allegation is subsequently referred to the police to investigate. In such cases, the government proposes that there should be an additional power to impose interim suspensions whilst and until a serious or complex case under investigation is resolved.

A member subject to an interim suspension would not be permitted to participate in any council business or meetings, with an option to include a premises and facilities ban.

We consider that members should continue to receive allowances whilst on interim suspension and until an investigation proves beyond doubt that a serious code of conduct breach has occurred or a criminal investigation concludes. The decision to impose an interim suspension would not represent a pre-judgement of the validity of an allegation.

We suggest that:

- Interim suspensions should initially be for up to a maximum of 3 months. After the expiry of an initial interim suspension period, the relevant council's standards committee should review the case to decide whether it is in the public interest to extend.
- As appropriate, the period of time spent on interim suspension may be deducted from the period of suspension a standards committee imposes.

**Question 26**

Do you think the power to suspend councillors on an interim basis pending the outcome of an investigation would be an appropriate measure?

- Yes, powers to suspend on an interim basis would be necessary
- No, interim suspension would not be necessary
- Any further comments [free text box]

**Question 27**

Do you agree that local authorities should have the power to impose premises and facilities bans on councillors who are suspended on an interim basis?

- Yes - the option to institute premises and facilities bans whilst serious misconduct cases are investigated is important
- No - members whose investigations are ongoing should retain access to council premises and facilities
- Unsure

**Question 28**

Do you think councils should be able to impose an interim suspension for any period of time they deem fit?

- Yes
- No
- Any further comments [free text box]

**Question 29**

Do you agree that an interim suspension should initially be for up to a maximum of 3 months, and then subject to review?

- Yes
- No
- Any further comments [free text box]

**Question 30**

If following a 3-month review of an interim suspension, a standards committee decided to extend, do you think there should be safeguards to ensure a period of interim extension is not allowed to run on unchecked?

- Yes – there should be safeguards
- No – councils will know the details of individual cases and should be trusted to act responsibly

**Question 30a**

If you answered yes to above question, what safeguards do you think might be needed to ensure that unlimited suspension is not misused?

[Free text box]

**d) Disqualification for multiple breaches and gross misconduct**

When councillors repeatedly breach codes of conduct, it undermines the integrity of the council and erodes public confidence. To curb the risk of repeat offending and continued misconduct once councillors return from a suspension, the government considers that it may be beneficial to introduce disqualification for a period of 5 years for those members for whom the sanction of suspension is invoked on more than one occasion within a 5-year period.

This measure underlines the government's view that the sanction of suspension should only be used in the most serious code of conduct

breaches, because in effect a decision to suspend more than once in a 5-year period would be a decision to disqualify an elected member. However, we consider this measure would enable councils to signal in the strongest terms that repeated instances of misconduct will not be tolerated and would act as a strong deterrent against the worst kind of behaviours becoming embedded.

Currently a person is disqualified if they have been convicted of any offence and have received a sentence of imprisonment (suspended or not) for a period of 3 months or more (without the option of a fine) in the 5-year period before the relevant election. Disqualification also covers sexual offences, even if they do not result in a custodial or suspended sentence.

### **Question 31**

Do you think councillors should be disqualified if subject to suspension more than once?

- Yes – twice within a 5-year period should result in disqualification for 5 years
- Yes – but for a different length of time and/or within a different timeframe (in years) [Number boxes]
- No - the power to suspend members whenever they breach codes of conduct is sufficient
- Any other comments [free text box]

### **Question 32**

Is there a case for immediate disqualification for gross misconduct, for example in instances of theft or physical violence impacting the safety of other members and/or officers, provided there has been an investigation of the incident and the member has had a chance to respond before a decision is made?

- Yes
- No
- Unsure
- [Free text box]

### **e) Appeals**

The government proposes that:

- A right of appeal be introduced for any member subject to a decision to suspend them.
- Members should only be able to appeal any given decision to suspend them once.

- An appeal should be invoked within 5 working days of the notification of suspension; and
- Following receipt of a request for appeal, arrangements should be made to conduct the appeal hearing within 28 working days.

The government believes that were the sanction of suspension to be introduced (and potentially disqualification if a decision to suspend occurs a second time within a 5-year period) it would be essential for such a punitive measure to be underpinned by a fair appeals process.

A right of appeal would allow members to challenge decisions that they believe are unjust or disproportionate and provides a safeguard to ensure that the sanction of suspension is applied fairly and consistently.

We consider that it would be appropriate to either create a national body, or to vest the appeals function in an existing appropriate national body, and views on the merits of that are sought at questions 38 and 39 below. Firstly, the following questions test opinion on the principle of providing a mechanism for appeal.

### **Question 33**

Should members have the right to appeal a decision to suspend them?

- Yes - it is right that any member issued with a sanction of suspension can appeal the decision
- No – a council's decision following consideration of an investigation should be final
- Unsure

### **Question 34**

Should suspended members have to make their appeal within a set timeframe?

- Yes – within 5 days of the decision is appropriate to ensure an efficient process
- Yes – but within a different length of time (in days) [Number box]
- No – there should be no time limit for appealing a decision

The government is also keen to explore if a right of appeal should be provided, either in relation to whether a complaint proceeds to full investigation and consideration by the standards committee, or where a claimant is dissatisfied with the determination of the standards committee

### Question 35

Do you consider that a complainant should have a right of appeal when a decision is taken not to investigate their complaint?

- Yes
- No
- Unsure

### Question 36

Do you consider that a complainant should have a right of appeal when an allegation of misconduct is not upheld?

- Yes
- No
- Unsure

### Question 37

If you answered yes to either of the previous two questions, please use the free text box below to share views on what you think is the most suitable route of appeal for either or both situations.

[Free text box]

### f) Potential for a national appeals body

There is a need to consider whether appeals panels should be in-house within local authorities, or whether it is right that this responsibility sits with an independent national body. Whereas an in-house appeals process would potentially enable quicker resolutions by virtue of a smaller caseload, empowering a national body to oversee appeals from suspended members and complainants could reinforce transparency and impartiality and help to ensure consistency of decision-making throughout England, setting precedents for the types of cases that are heard.

### Question 38

Do you think there is a need for an external national body to hear appeals?

- Yes – an external appeals body would help to uphold impartiality
- No – appeals cases should be heard by an internal panel
- Any further comments [free text box]

### Question 39

If you think there is a need for an external national appeals body, do you think it should:

- Be limited to hearing elected member appeals
- Be limited to hearing claimant appeals
- Both of the above should be in scope
- Please explain your answer [free text box]

## 7 Public Sector Equality Duty

### Question 40

In your view, would the proposed reforms to the local government standards and conduct framework particularly benefit or disadvantage individuals with protected characteristics, for example those with disabilities or caring responsibilities?

Please tick an option below:

- it would benefit individuals with protected characteristics
- it would disadvantage individuals with protected characteristics
- neither

Please use the text box below to make any further comment on this question.

[Free text box]

### Financial Implications:

None – Consultation only

**Legal Implications** None

**Risk Assessment** No risks have been identified.

**Impact on Climate Change** None.

**Equalities Impact Assessment** None directly arising from this report.

### Relationship to Corporate Plan

Our values and priorities – equally important to the ‘what’ we are trying to achieve, is the ‘how’ the organisation operates and conducts itself.

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

**Statutory Officer:** Maria de Leburne

Agreed by the Monitoring Officer

**Date:** 27 January 2025

**Chief Officer:** Stephen Walford

Agreed by or on behalf of Chief Executive

**Date:** 28 January 2025

**Cabinet member notified:** Yes

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

Maria de Leburne, Director of Legal, People & Governance (Monitoring Officer)

Email: mdeleburne@middevon.gov.uk

#### **Background Information:**

Further details of the consultation here: [Strengthening the standards and conduct framework for local authorities in England - GOV.UK](#)

Respond to the consultation here: [Strengthening the standards and conduct framework for local authorities in England - Ministry of Housing, Communities and Local Government - Citizen Space](#)



## Responses to the Government consultation 'Strengthening the Standards and Conduct Framework for Local Authorities in England'

### Question 1

Please tick all that apply - are you responding to this consultation as:

a) an elected member – if so please indicate which local authority type(s) you serve on

- Town or Parish Council
- District or Borough Council
- Unitary Authority
- County Council
- Combined Authority / Combined County Authority
- Fire and Rescue Authority
- Police and Crime Panel
- Other local authority type - please state

b) a council officer – if so please indicate which local authority type

- Town or Parish Council
- District or Borough Council
- Unitary Authority
- County Council
- Combined Authority / Combined County Authority
- Fire and Rescue Authority
- Police and Crime Panel
- Other local authority type - please state

c) a council body– if so please indicate which local authority type

- Town or Parish Council
- **District or Borough Council**
- Unitary Authority
- County Council
- Combined Authority / Combined County Authority
- Fire and Rescue Authority
- Police and Crime Panel
- Other local authority type - please state

d) a member of the public

e) a local government sector body – please state

#### **a) Mandatory minimum prescribed code of conduct**

The government proposes to legislate for the introduction of a mandatory minimum code of conduct which would seek to ensure a higher minimum standard of consistency in setting out the behaviours expected of elected members. The government will likely set out the mandatory code in regulations

to allow flexibility to review and amend in future, this will also provide the opportunity for further consultation on the detail.

Codes of conduct play an important role in prescribing and maintaining high standards of public service, integrity, transparency, and accountability. At their best, they establish clear guidelines for behaviour and expectations that members always act ethically in the public's best interest. Currently, there is significant variation between adopted codes, ranging from those who choose to adopt the LGA's full model code to those who simply conform with the minimum requirement of restating the Nolan principles.

A prescribed model code which covers important issues such as discrimination, bullying, and harassment, social media use, public conduct when claiming to represent the council, and use of authority resources could help to uphold consistently high standards of public service in councils across the country and convey the privileged position of public office. It could also provide clarity for the public on the consistent baseline of ethical behaviour they have a right to expect.

We would be interested in understanding whether councils consider there should be flexibility to add to the prescribed code to reflect individual authorities' circumstances. They would not be able to amend the mandatory provisions.

## Question 2

Do you think the government should prescribe a mandatory minimum code of conduct for local authorities in England?

- Yes
- No
- If no, why not [free text box]

<b>MDDC</b>	Yes
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## Question 3

If yes, do you agree there should be scope for local authorities to add to a mandatory minimum code of conduct to reflect specific local challenges?

- Yes – it is important that local authorities have flexibility to add to a prescribed code
- No – a prescribed code should be uniform across the country.
- Unsure

<b>MDDC</b>	Yes – it is important that local authorities have flexibility to add to a prescribed code.
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#### Question 4

Do you think the government should set out a code of conduct requirement for members to cooperate with investigations into code breaches?

- Yes
- No
- Unsure

<b>MDDC</b>	Yes
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#### b) Standards Committee

Currently, there is no requirement for local authorities to constitute a formal standards committee. The only legal requirement is for local authorities to have in place 'arrangements' to investigate and make decisions on allegations of misconduct.

The government believes that all principal authorities should be required to convene a standards committee. Formal standards committees would support consistency in the handling of misconduct allegations, applying the same standards and procedures to all cases and providing a formal route to swiftly identify and address vexatious complainants. Furthermore, having a formal standards committee in place could support the development of expertise in handling allegations of misconduct, leading to more informed decision-making. Removing the scope for less formal and more ad hoc arrangements would also enhance transparency and demonstrate to the public that standards and conduct issues will always be dealt with in a structured and consistent way.

This section of the consultation seeks views on two specific proposals to enhance the fairness and objectivity of the standards committee process. Firstly, it considers whether standards committee membership would be required to include at least one Independent Person, as well as (where applicable) at least one co-opted member from a parish or town council. Secondly, it seeks views on whether standards committees should be chaired by the Independent Person.

#### Question 5

Does your local authority currently maintain a Standards Committee?

- Yes
- No
- Any further comments [free text box]

<b>MDDC</b>	Yes
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#### Question 6

Should all principal authorities be required to form a Standards Committee?

- Yes
- No
- Any further comments [free text box]

<b>MDDC</b>	No, Standards Committee are inherited and political and open to be misused and create a conflict of interest. A fully independent Local Government ombudsman to handle all complaints and investigate the findings. Therefore the Local authorities would not investigate their own Councillors.
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### Question 7

In most principal authorities, code of conduct complaints are typically submitted in the first instance to the local authority Monitoring Officer to triage, before referring a case for full investigation. Should all alleged code of conduct breaches which are referred for investigation be heard by the relevant principal authority's standards committee?

- Yes, decisions should only be heard by standards committees
- No, local authorities should have discretion to allow decisions to be taken by full council
- Unsure

<b>MDDC</b>	Unsure
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### Question 8

Do you agree that the Independent Person and co-opted members should be given voting rights?

- Yes – this is important for ensuring objectivity
- No – only elected members of the council in question should have voting rights.
- Unsure

<b>MDDC</b>	Unsure
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### Question 9

Should standards committees be chaired by the Independent Person?

- Yes
- No
- Unsure

<b>MDDC</b>	Unsure
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### Question 10

If you have further views on ensuring fairness and objectivity and reducing incidences of vexatious complaints, please use the free text box below.

[Free text box]

<b>MDDC</b>	7-9 are marked as unsure as we agree that this should all be done externally. Standards Committee are inherited and political and open to be misused and create a conflict of interest. A fully independent Local Government ombudsman to handle all complaints and investigate the findings.
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### c) Publishing investigation outcomes

To enhance transparency, local authorities should, subject to data protection obligations, be required to publish a summary of code of conduct allegations, and any investigations and decisions. This will be accompanied with strong mechanisms to protect victims' identity to ensure complainants are not dissuaded from coming forward for fear of being identified,

There may be a range of views on this, as publishing the outcome of an investigation that proves there is no case to answer could still be considered damaging to the reputation of the individuals concerned, or it could be considered as helpful in exposing instances of petty and vexatious complaints.

### Question 11

Should local authorities be required to publish annually a list of allegations of code of conduct breaches, and any investigation outcomes?

- Yes - the public should have full access to all allegations and investigation outcomes
- No - only cases in which a member is found guilty of wrongdoing should be published
- Other views – text box

<b>MDDC</b>	No - only cases in which a member is found guilty of wrongdoing should be published.
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	Councils should have discretion to publish and discuss general themes of Code of Conduct allegations being raised for information, but it does not seem appropriate that full access to allegations and investigation outcomes should be published as these maybe misconstrued.
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**d) Requiring the completion of investigations if a member stands down**

In circumstances where a member stands down during a live code of conduct investigation, councils should be required to conclude that investigation and publish the findings. The government is proposing this measure to ensure that, whilst the member in question will no longer be in office and therefore subject to any council sanction, for the purposes of accountability and transparency there will still be full record of any code of conduct breaches during their term of office.

**Question 12**

Should investigations into the conduct of members who stand down before a decision continue to their conclusion, and the findings be published?

- Yes
- No
- Unsure

<b>MDDC</b>	Yes all investigated should be concluded.
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**e) Empowering individuals affected by councillor misconduct to come forward**

The government appreciates that it can often be difficult for those who experience misconduct on the part of elected members, such as bullying and harassment, to feel that it is safe and worthwhile to come forward and raise their concerns. If individuals believe there is a likelihood that their complaint will not be addressed or handled appropriately, the risk is that victims will not feel empowered to come forward, meaning misconduct continues without action. We recognise that standing up to instances of misconduct takes an emotional toll, particularly in unacceptable situations where the complaints processes are protracted and do not result in meaningful action. We are committed to ensuring that those affected by misconduct are supported in the right way and feel empowered to come forward. This section seeks feedback

from local authorities with experience of overseeing council complaints procedures, or sector bodies and individuals with views on how this might be carried out most effectively. We are also keen to hear from those who work, or have worked, in local government, and who have either witnessed, or been the victim of, member misconduct.

### Question 13

If responding as a local authority, what is the average number of complaints against elected members that you receive over a 12-month period?

[Number box]

<b>MDDC</b>	10
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### Question 13a

For the above, where possible, please provide a breakdown for complaints made by officers, other elected members, the public, or any other source:

- Complaints made by officers [Number box]
- Complaints made by other elected members [Number box]
- Complaints made by the public [Number box]
- Complaints made by any other source [Number box]

<b>MDDC</b>	<ul style="list-style-type: none"> <li>• Complaints made by officers 2</li> <li>• Complaints made by other elected members 6</li> <li>• Complaints made by the public 5</li> <li>• Complaints made by any other source 0</li> </ul>
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### Question 14

If you currently work, or have worked, within a local authority, have you ever been the victim of (or witnessed) an instance of misconduct by an elected member and felt that you could not come forward? Please give reasons if you feel comfortable doing so.

- Yes
- No
- [Free text box]

<b>MDDC</b>	<b>N/A</b>
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### Question 15

If you are an elected member, have you ever been subject to a code of conduct complaint? If so, did you feel you received appropriate support to engage with the investigation?

- Yes
- No
- [Free text box]

<b>MDDC</b>	<b>N/A</b>
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### Question 16

If you did come forward as a victim or witness, what support did you receive, and from whom? Is there additional support you would have liked to receive?

[Free text box]

<b>MDDC</b>	<b>N/A</b>
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### Question 17

In your view, what measures would help to ensure that people who are victims of, or witness, serious councillor misconduct feel comfortable coming forward and raising a complaint?

[Free text box]

<b>MDDC</b>	A fully independent Local Government ombudsman. Councillors would not therefore be on a Standards Committee hearing, so no fear of repercussions from those who are not in the same political group etc.
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## 6 Introducing the power of suspension with related safeguards

The government believes that local authorities should have the power to suspend councillors for serious code of conduct breaches for a maximum of 6 months, with the option to withhold allowances and institute premises and facilities bans where deemed appropriate. This section of the consultation explores these proposed provisions in greater detail.

While the law disqualifies certain people from being, or standing for election as, a councillor (e.g. on the grounds of bankruptcy, or receipt of a custodial sentence of 3 months or more, or it subject to the notification requirements of the Sexual Offences Act 2003 - meaning on the sex offenders register) councillors cannot currently be suspended or disqualified for breaching their code of conduct.

Feedback from the local government sector in the years since the removal of the power to suspend councillors has indicated that the current lack of meaningful sanctions means local authorities have no effective way of dealing with more serious examples of member misconduct.

The most severe sanctions currently used, such as formally censuring members, removing them from committees or representative roles, and requiring them to undergo training, may prove ineffective in the cases of more serious and disruptive misconduct. This may particularly be the case when it comes to tackling repeat offenders.

The government recognises that it is only a small minority of members who behave badly, but the misconduct of this small minority can have a disproportionately negative impact on the smooth running of councils. We also appreciate the frustration members of the public and councillors can feel both in the inability to deal decisively with cases of misconduct, and the fact that offending members can continue to draw allowances.

### Question 18

Do you think local authorities should be given the power to suspend elected members for serious code of conduct breaches?

- Yes – authorities should be given the power to suspend members
- No – authorities should not be given the power to suspend members
- Unsure

<b>MDDC</b>	Unsure
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### Question 19

Do you think that it is appropriate for a standards committee to have the power to suspend members, or should this be the role of an independent body?

- Yes - the decision to suspend for serious code of conduct breaches should be for the standards committee

- No - a decision to suspend should be referred to an independent body
- Unsure
- [Free text box]

<b>MDDC</b>	No - a decision to suspend should be referred to an independent body
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### Question 20

Where it is deemed that suspension is an appropriate response to a code of conduct breach, should local authorities be required to nominate an alternative point of contact for constituents during their absence?

- Yes – councils should be required to ensure that constituents have an alternative point of contact during a councillor’s suspension
- No – it should be for individual councils to determine their own arrangements for managing constituents’ representation during a period of councillor suspension
- Unsure

<b>MDDC</b>	Yes – councils should be required to ensure that constituents have an alternative point of contact during a councillor’s suspension.
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#### a) The length of suspension

The Committee on Standards in Public Life recommended in their 2019 Local Government Ethical Standards (CSPL) report that the maximum length of suspension, without allowances, should be 6 months and the government agrees with this approach. The intent of this proposal would be that non-attendance at council meetings during a period of suspension would be disregarded for the purposes of section 85 of the Local Government Act 1972, which states that a councillor ceases to be a member of the local authority if they fail to attend council meetings for 6 consecutive months.

The government believes that suspension for the full 6 months should be reserved for only the most serious breaches of the code of conduct, and considers that there should be no minimum length of suspension to facilitate the proportionate application of this strengthened sanction.

### Question 21

If the government reintroduced the power of suspension do you think there should be a maximum length of suspension?

- Yes – the government should set a maximum length of suspension of 6 months
- Yes – however the government should set a different maximum length (in months)  
[Number box]

- No – I do not think the government should set a maximum length of suspension
- Unsure

<b>MDDC</b>	Yes – however the government should set a different maximum length 3 months.
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## Question 22

If yes, how frequently do you consider councils would be likely to make use of the maximum length of suspension?

- Infrequently – likely to be applied only to the most egregious code of conduct breaches
- Frequently – likely to be applied in most cases, with some exceptions for less serious breaches
- Almost always – likely to be the default length of suspension for code of conduct breaches
- Unsure

<b>MDDC</b>	Infrequently – likely to be applied only to the most egregious code of conduct breaches.
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## b) Withholding allowances and premises and facilities bans

Giving councils the discretion to withhold allowances from members who have been suspended for serious code of conduct breaches in cases where they feel it is appropriate to do so could act as a further deterrent against unethical behaviour. Holding councillors financially accountable during suspensions also reflects a commitment to ethical governance, the highest standards of public service, and value for money for local residents.

Granting local authorities the power in legislation to ban suspended councillors from local authority premises and from using council equipment and facilities could be beneficial in cases of behavioural or financial misconduct, ensuring that suspended councillors do not misuse resources or continue egregious behaviour. Additionally, it would demonstrate that allegations of serious misconduct are handled appropriately, preserving trust in public service and responsible stewardship of public assets.

These measures may not always be appropriate and should not be tied to the sanction of suspension by default. The government also recognises that there may be instances in which one or both of these sanctions is appropriate but suspension is not. It is therefore proposed that both the power to withhold allowances and premises and facilities bans represent standalone sanctions in their own right.

### Question 23

Should local authorities have the power to withhold allowances from suspended councillors in cases where they deem it appropriate?

- Yes – councils should have the option to withhold allowances from suspended councillors
- No – suspended councillors should continue to receive allowances
- Unsure

<b>MDDC</b>	Yes – councils should have the option to withhold allowances from suspended councillors
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### Question 24

Do you think it should be put beyond doubt that local authorities have the power to ban suspended councillors from council premises and to withdraw the use of council facilities in cases where they deem it appropriate?

- Yes – premises and facilities bans are an important tool in tackling serious conduct issues
- No – suspended councillors should still be able to use council premises and facilities
- Unsure

<b>MDDC</b>	Yes – premises and facilities bans are an important tool in tackling serious conduct issues.
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### Question 25

Do you agree that the power to withhold members' allowances and to implement premises and facilities bans should also be standalone sanctions in their own right?

- Yes
- No
- Unsure

<b>MDDC</b>	Yes
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### c) Interim suspension

Some investigations into serious code of conduct breaches may be complex and take time to conclude, and there may be circumstances when the misconduct that has led to the allegation is subsequently referred to the police

to investigate. In such cases, the government proposes that there should be an additional power to impose interim suspensions whilst and until a serious or complex case under investigation is resolved.

A member subject to an interim suspension would not be permitted to participate in any council business or meetings, with an option to include a premises and facilities ban.

We consider that members should continue to receive allowances whilst on interim suspension and until an investigation proves beyond doubt that a serious code of conduct breach has occurred or a criminal investigation concludes. The decision to impose an interim suspension would not represent a pre-judgement of the validity of an allegation.

We suggest that:

- Interim suspensions should initially be for up to a maximum of 3 months. After the expiry of an initial interim suspension period, the relevant council's standards committee should review the case to decide whether it is in the public interest to extend.
- As appropriate, the period of time spent on interim suspension may be deducted from the period of suspension a standards committee imposes.

#### Question 26

Do you think the power to suspend councillors on an interim basis pending the outcome of an investigation would be an appropriate measure?

- Yes, powers to suspend on an interim basis would be necessary
- No, interim suspension would not be necessary
- Any further comments [free text box]

<b>MDDC</b>	Yes, powers to suspend on an interim basis would be necessary.
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#### Question 27

Do you agree that local authorities should have the power to impose premises and facilities bans on councillors who are suspended on an interim basis?

- Yes - the option to institute premises and facilities bans whilst serious misconduct cases are investigated is important
- No - members whose investigations are ongoing should retain access to council premises and facilities
- Unsure

<b>MDDC</b>	Yes - the option to institute premises and facilities bans whilst serious misconduct cases are investigated is important
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### Question 28

Do you think councils should be able to impose an interim suspension for any period of time they deem fit?

- Yes
- No
- Any further comments [free text box]

<b>MDDC</b>	No, the investigation is conducted swiftly.
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### Question 29

Do you agree that an interim suspension should initially be for up to a maximum of 3 months, and then subject to review?

- Yes
- No
- Any further comments [free text box]

<b>MDDC</b>	Yes, There should be a maximum period to ensure the investigation is conducted swiftly.
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### Question 30

If following a 3-month review of an interim suspension, a standards committee decided to extend, do you think there should be safeguards to ensure a period of interim extension is not allowed to run on unchecked?

- Yes – there should be safeguards
- No – councils will know the details of individual cases and should be trusted to act responsibly

<b>MDDC</b>	Yes there should be safeguards
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### Question 30a

If you answered yes to above question, what safeguards do you think might be needed to ensure that unlimited suspension is not misused?

[Free text box]

<b>MDDC</b>	Only for the period of the investigation but be as expedient as possible. There should be a maximum period to ensure the investigation is conducted swiftly under a neutral act and via an external body to make the decision.
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### d) Disqualification for multiple breaches and gross misconduct

When councillors repeatedly breach codes of conduct, it undermines the integrity of the council and erodes public confidence. To curb the risk of repeat offending and continued misconduct once councillors return from a suspension, the government considers that it may be beneficial to introduce disqualification for a period of 5 years for those members for whom the sanction of suspension is invoked on more than one occasion within a 5-year period.

This measure underlines the government's view that the sanction of suspension should only be used in the most serious code of conduct breaches, because in effect a decision to suspend more than once in a 5-year period would be a decision to disqualify an elected member. However, we consider this measure would enable councils to signal in the strongest terms that repeated instances of misconduct will not be tolerated and would act as a strong deterrent against the worst kind of behaviours becoming embedded.

Currently a person is disqualified if they have been convicted of any offence and have received a sentence of imprisonment (suspended or not) for a period of 3 months or more (without the option of a fine) in the 5-year period before the relevant election. Disqualification also covers sexual offences, even if they do not result in a custodial or suspended sentence.

### Question 31

Do you think councillors should be disqualified if subject to suspension more than once?

- Yes – twice within a 5-year period should result in disqualification for 5 years
- Yes – but for a different length of time and/or within a different timeframe (in years) [Number boxes]
- No - the power to suspend members whenever they breach codes of conduct is sufficient
- Any other comments [free text box]

<b>MDDC</b>	No, depends on the seriousness of the allegation previously. The electorate should decide who represents them, maybe a recall mechanism.
-------------	--

### Question 32

Is there a case for immediate disqualification for gross misconduct, for example in instances of theft or physical violence impacting the safety of other members and/or officers, provided there has been an investigation of the incident and the member has had a chance to respond before a decision is made?

- Yes
- No
- Unsure
- [Free text box]

<b>MDDC</b>	Yes.
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### e) **Disqualification for multiple breaches and gross misconduct**

The government proposes that:

- A right of appeal be introduced for any member subject to a decision to suspend them.
- Members should only be able to appeal any given decision to suspend them once.
- An appeal should be invoked within 5 working days of the notification of suspension; and
- Following receipt of a request for appeal, arrangements should be made to conduct the appeal hearing within 28 working days.

The government believes that were the sanction of suspension to be introduced (and potentially disqualification if a decision to suspend occurs a second time within a 5-year period) it would be essential for such a punitive measure to be underpinned by a fair appeals process.

A right of appeal would allow members to challenge decisions that they believe are unjust or disproportionate and provides a safeguard to ensure that the sanction of suspension is applied fairly and consistently.



We consider that it would be appropriate to either create a national body, or to vest the appeals function in an existing appropriate national body, and views on the merits of that are sought at questions 38 and 39 below. Firstly, the following questions test opinion on the principle of providing a mechanism for appeal.

### Question 33

Should members have the right to appeal a decision to suspend them?

- Yes - it is right that any member issued with a sanction of suspension can appeal the decision
- No – a council's decision following consideration of an investigation should be final
- Unsure

<b>MDDC</b>	Yes, it is right that any member issued with a sanction of suspension can appeal the decision
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### Question 34

Should suspended members have to make their appeal within a set timeframe?

- Yes – within 5 days of the decision is appropriate to ensure an efficient process
- Yes – but within a different length of time (in days) [Number box]
- No – there should be no time limit for appealing a decision

<b>MDDC</b>	Yes, but within a different length of time 30 (in days)
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The government is also keen to explore if a right of appeal should be provided, either in relation to whether a complaint proceeds to full investigation and consideration by the standards committee, or where a claimant is dissatisfied with the determination of the standards committee

### Question 35

Do you consider that a complainant should have a right of appeal when a decision is taken not to investigate their complaint?

- Yes
- No
- Unsure

<b>MDDC</b>	Yes
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### Question 36

Do you consider that a complainant should have a right of appeal when an allegation of misconduct is not upheld?

- Yes
- No
- Unsure

MDDC	Yes
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### Question 37

If you answered yes to either of the previous two questions, please use the free text box below to share views on what you think is the most suitable route of appeal for either or both situations.

[Free text box]

MDDC	The reviews to be carried out via an external body such as a Local Government Ombudsman.
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#### f) Disqualification for multiple breaches and gross misconduct

There is a need to consider whether appeals panels should be in-house within local authorities, or whether it is right that this responsibility sits with an independent national body. Whereas an in-house appeals process would potentially enable quicker resolutions by virtue of a smaller caseload, empowering a national body to oversee appeals from suspended members and complainants could reinforce transparency and impartiality and help to ensure consistency of decision-making throughout England, setting precedents for the types of cases that are heard.

### Question 38

Do you think there is a need for an external national body to hear appeals?

- Yes – an external appeals body would help to uphold impartiality
- No – appeals cases should be heard by an internal panel
- Any further comments [free text box]

MDDC	Yes, an external appeals body would help to uphold impartiality
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### Question 39

If you think there is a need for an external national appeals body, do you think it should:

- Be limited to hearing elected member appeals
- Be limited to hearing claimant appeals
- Both of the above should be in scope
- Please explain your answer [free text box]

<b>MDDC</b>	Both of the above should be in scope and via an external body.
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## 7 Public Sector Equality Duty

### Question 40

In your view, would the proposed reforms to the local government standards and conduct framework particularly benefit or disadvantage individuals with protected characteristics, for example those with disabilities or caring responsibilities?

Please tick an option below:

- it would benefit individuals with protected characteristics
- it would disadvantage individuals with protected characteristics
- neither
- Please use the text box below to make any further comment on this question.

[Free text box]

<b>MDDC</b>	Neither
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## **Report for: COUNCIL**

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Date of Meeting:	19 February 2025
Subject:	2025/26 Council Tax Resolution
Cabinet Member:	Cllr James Buczkowski, Cabinet Member for Governance, Finance & Risk
Responsible Officer:	Andrew Jarrett, Deputy Chief Exec (S151)
Exempt:	None
Wards Affected:	All
Enclosures:	None

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

As a Billing Authority, the Council is required to set the Council Tax for 2025/26 for Mid Devon.

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

1. That Council approve the formal Council Tax Resolution as laid out in Appendix 1, subject to the approval by each Precepting Authority of its own Precepts as included within this report.
2. That Council note the views and recommendations of the Deputy Chief Executive (Section 151 Officer) on the Robustness of the Estimates used within the 2025/26 Budget and that the levels of reserves held have been assessed as Adequate as outlined within Section 4 of this report.

### **Section 2 – Report**

#### **1. Introduction**

- 1.1 The Local Government Finance Act 1992 (as amended) requires billing authorities to calculate a Council Tax requirement for the year.
- 1.2 The Cabinet meeting on 4 February 2025 recommended approval of the District Council Revenue Budget 2025/26 and that there be an increase of 2.99% (£6.96 per

Band D property) in the level of Council Tax charged by Mid Devon District Council, resulting in a Band D Council Tax level of £239.12.

- 1.3 The permissible annual increase in the Council Tax charged by the Council, known as the Precept, is governed by the Referendum Limit as set by the Government. This is effectively a maximum percentage increase which if exceeded would result in the need for a local referendum. The limit on a Band D bill for a District Council is an increase up to 3% or a £5 cash increase – whichever is higher. This was announced as part of the Provisional Local Government Funding Settlement announcement made on 18 December 2024 and confirmed through the Final Settlement announced on 3 February 2025.
- 1.4 In addition to the Council Tax levels permissible for a District Council, Central Government has confirmed the referendum limit for County Councils as 3% with the additional flexibility for those with Adult Social Care responsibilities to allow a further increase of 2%. These additional funds have to be ring-fenced for Adult Social Care costs. Fire and Rescue Authorities are able to increase a Band D bill by £5. Police and Crime Commissioners are able to increase a Band D bill by £14.
- 1.5 Within this Resolution, MDDC (as the Billing Authority) has to indicate whether any of the major precepting bodies (County Council, Fire and Rescue Authority, or Police and Crime Commissioner) have exceeded their specified limit (see **Appendix A paragraph 6.0**).

## **2. 2025/26 Council Tax Resolution**

- 2.1 Since the meeting of the Cabinet on the 04 February 2025, the precept levels of other precepting bodies have been received. In some cases they are recommendations to their respective bodies, in others they are fully approved. The status is as indicated below and will be confirmed at the Council meeting on 19 February 2025. Indicative figures have been included within the Resolution attached in Appendix A and are detailed below:

### **2.1.1 Town and Parish Councils – all fully agreed**

The Town and Parish Councils precepts for 2025/26 are detailed in **Appendix A, paragraph 3.1**, and total £2,701,847.56. The increase in the average Band D Council Tax for Town and Parish Councils is £5.75 or 7% and results in an average Band D Council Tax figure of £87.91 for 2025/26 (£82.16 for 2024/25).

### **2.1.2 Devon County Council – as recommended within their report**

Devon County Council, who meet on the 20 February 2025, recommend their precept be set at £55,357,961.47 adjusted by a Collection Fund surplus of £672,255.74. This results in a Band D Council Tax of **£1,801.26**, a £85.59 or 4.99% increase on the previous year (inclusive of the Social Care element). The detail is shown in **Appendix A, paragraph 4**.

### **2.1.3 Devon & Cornwall Police and Crime Commissioner – fully agreed**

Devon & Cornwall Police and Crime Commissioner met on the 31 January 2025 and set their precept at £8,857,224.66 adjusted by a Collection Fund surplus of £107,558.10. This results in a Band D Council Tax of **£288.20**, being a £13.70 or 4.99% increase on the previous year. The detail is shown in **Appendix A, paragraph 4**.

#### 2.1.4 Devon & Somerset Fire and Rescue Authority – as recommended within their report

Devon & Somerset Fire and Rescue Authority, who meet on the 17 February 2025, recommend their precept be set at £3,217,121 adjusted by a Collection Fund surplus of £39,058. This results in a Band D Council Tax of **£104.68**, being a £5.00 or 5.02% increase on the previous year. The detail is shown in **Appendix A, paragraph 4**.

- 2.2 The recommendations of the Cabinet are set out in the formal Council Tax Resolution in **Appendix A**. If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

Table 1 – Council Tax Levies in Mid Devon

COUNCIL TAX LEVIES	2024/25 £	2025/26 £	Variation £	%*
Mid Devon District Council	232.16	239.12	6.96	2.99 <sup>1</sup>
Parish & Town Councils (Average)	82.16	87.91	5.75	7.00
<b>Sub Total</b>	<b>314.32</b>	<b>327.03</b>	<b>12.71</b>	
Devon County Council (inc Social Care Precept)	1,715.67	1,801.26	85.59	4.99 <sup>2</sup>
Devon & Cornwall Police and Crime Commissioner	274.50	288.20	13.70	4.99
Devon & Somerset Fire and Rescue Authority	99.68	104.68	5.00	5.02
<b>TOTAL</b>	<b>2,404.17</b>	<b>2,521.17</b>	<b>117.00</b>	<b>4.87</b>

\*Note, these values will be rounded to one decimal place on the bill – i.e. 3.0% or 5.0%.

### 3. **2025/26 Local Government Finance Settlement**

- 3.1 On the 04 February 2025, the Cabinet considered the budget for the financial year 2025/26 based upon the Provisional Local Government Finance Settlement. This meeting recommended a balanced General Fund budget requiring a £6.96 (2.998%) increase in Council Tax (as detailed in Table 1 in para 2.2 above).
- 3.2 The Final Local Government Finance Settlement was announced on 3 February 2025 by the Secretary of State and confirmed only a very minor increase in the funding to partially offset the additional pressure arising from the changes in Employers National Insurance Contributions within the HRA. The other funding remains as announced within the Provisional Settlement.
- 3.3 There were more changes in grants for 2025/26 than we have seen in recent years, reflecting the views of a new Government. In some cases, MDDC has lost funding, most notably through the cessation of the Rural Services Delivery Grant and Services Grant, however, this is partially offset by an increase in the Funding Floor. Overall the like-for-like grant element of our settlement reduced by £297k year-on-year. This is

<sup>1</sup> Note – MDDC increase is 2.998%

<sup>2</sup> Includes 1.99% For Adult Social Care

quite different to the minimum 3.2% guaranteed increase in spending power announced by the Government.

- 3.4 The Final Settlement also confirmed the funding to offset the changes in Employers National Insurance Contributions. MDDC will receive £151k towards the £466k additional cost (£369k General Fund only and £97k Housing Revenue Account), leaving £315k additional pressure on these revenue budgets.
- 3.5 As yet there is no update in respect of the Extended Producer Responsibility funding where the minimum allocation has been announced as £927k for 2025/26. Disappointingly, this funding will be subsumed into future year's settlements. It should also be noted that this is the final year of the Devon Waste Shared Saving Agreement.
- 3.6 There continues to remain a great deal of uncertainty over the future levels of Government funding. The Government have published a consultation of the "Principles and Objectives" on Local Government Funding, outlining a number of changes planned to be implemented from 2026/27. It also outlines the provision of multi-year settlements for the first time in ten years. This continues to be the last year of New Homes Bonus Grant, as it has been for a number of years, but as yet no replacement scheme has been outlined. Alongside this, significant change is expected within the Business Rates Retention Scheme, not least with an expansion to the number of multipliers applied to various sections of the economy, and a reset of the Funding Baseline. Therefore, perhaps more than ever, the impact on our core funding is not known.

#### **4. Section 25 Report of the Section 151 Officer**

- 4.1 In making decisions in relation to the setting of Council Tax, Section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to it on the Robustness of the Estimates and The Adequacy of the Financial Reserves. It is a statutory requirement that councillors must consider this report when considering and approving a budget. These statements are presented in the following sections of this report.

##### **4.2 Robustness of the estimates**

- 4.2.1 The estimate process adopted by the Council for 2025/26 is concerned with the mitigation of risk wherever possible when approving the budget.
- 4.2.2 Construction of the estimates for 2025/26 has taken full account of the following:
  - a. Previous years outturn;
  - b. Current year revised estimates;
  - c. Latest Quarter 3 budget monitoring forecast (up to December 2024);
  - d. Inflation levels and consideration of the Cost of Living Crisis;
  - e. Current income levels;
  - f. Changes in legislation;
  - g. Service prioritisation linked to the current Corporate Plan;
  - h. Feedback from Budget Consultation through the annual Resident's Survey.



- 4.2.3 The key component for ensuring the estimates are reviewed and deliver the priorities of the Council is the budget monitoring process. The ability to manage and control spending within the approved budgets during the course of the forward year mitigates the Council's level of financial risk. In particular, regular reviews of income streams and expenditure patterns and variance with profiles of expected activity are identified at the earliest opportunity to Members and officers so that corrective action can be initiated.
- 4.2.4 All budgets were compiled on a prudent basis, bearing in mind the level of risk associated with certain demand led income sources (e.g. car parking, planning, leisure and interest receipts). We also have increased volatility and risk in the Council's overall budget (i.e. collection fund levels and returns from our commercial rental portfolio) given the current economic climate. These budgets have been carefully monitored during 2024/25 and this process will continue during 2025/26.
- 4.2.5 The Finance Team have liaised with all Service Managers, Senior Management and Members during this process and have ensured a robust challenge process of all proposed budgets through Scrutiny and the Policy Development Committees. The budget ensures that all aspects of the budget (Revenue, Capital and Treasury) are understood and the interdependencies are taken account of.
- 4.2.6 The Prudential Code introduced a rigorous system of prudential indicators, which explicitly require regard to affordability, prudence, value for money, stewardship, service objectives and practicality in the way in which we manage our finances. The Council has complied fully with the requirements of the Prudential Code for Capital Finance in Local Authorities.
- 4.2.7 The Treasury Management Strategy, Capital Strategy and Investment Strategy provide the framework for which the Council adhere to. It includes the Prudential Indicators, our "Liability Benchmark" – an estimate of future Net Borrowing Requirement, and evidences consideration of Environmental, Social and Governance (ESG) factors in our investment policy and that the levels assumed are affordable and sustainable.
- 4.2.8 Similarly, the insurance cover is adequate to meet all reasonable insurable liabilities.
- 4.2.9 In all respects the estimates are prepared on the best information available. We review current experience, for example, the estimates of income have been rebased, especially where the income stream is demand led and therefore currently being affected the Cost of Living Crisis. Specifically, we have reduced planning income as the housing market remains depressed, whereas we have increased leisure income as membership numbers have grown. In a similar way, all salary estimates have been constructed on an individual officer basis because this element of the budget is such a significant expenditure heading.
- 4.2.10 Finally, in preparing the detailed estimates the Council takes advice from third party organisations concerning a number of discrete areas. In particular, Treasury Management decisions are informed with reference to interest rate movements forecasted by Link Group and similarly external guidance on accounting regulations, insurance and pension contributions is also used.

- 4.2.11 The Council has sought to involve all Members throughout the budget setting process. The first report to Cabinet in September outlined the initial Medium Term Finance Plan budget gap of circa £1,196k estimated for 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).
- 4.2.12 After significant work by Officers over the summer, savings options totalling £1,836k were considered by the first round of PDG meetings in October. Following Cabinet approval in October of some of these savings, the position had reduced to a shortfall of £431k. Further refinement of assumptions within those savings proposals and some new savings options were considered by the November round of PDG's before being presented to the December Cabinet, which approved a further reduction down to £191k. However, following the Local Government Finance Settlement and identification that the National Insurance changes would not be fully funded, the January Cabinet reported an increase in the shortfall to £450k. That final shortfall has largely been resolved through an increase in Business Rates income reflecting the local economic growth.
- 4.2.13 The Internal Auditors, Devon Audit Partnership (DAP), have been able to progress through the internal audit plan and the outcome of this work has demonstrated stability and in the Councils control framework and a "Reasonable Assurance" opinion is expected.
- 4.2.14 The Council's External Auditor, Bishop Fleming, have given an unqualified opinion on the 2023/24 financial statements, although it has highlighted a couple of significant weaknesses in Governance. One being the issue with 3Rivers highlighted in 2022/23, although recognised the steps taken to close the company resolved the issue. The other being to ensure all the necessary steps are taken to resolve and rectify the historic Social Housing Rent error.
- 4.2.15 "The District Council is recommended to note that, in my opinion, the estimates used in the production of the budget proposal for 2025/26 are adequately robust"**

### **4.3 Adequacy of Reserves**

- 4.3.1 The Council has a robust risk management framework in place. The framework supports the Council in managing significant risk. However, there are times when the Council will need to call upon Reserves. Therefore, Reserves are held for three main purposes:
- a. A contingency to cushion the impact of unexpected events;
  - b. To smooth uneven cash flows;
  - c. As a means of building up funds to meet known or predicted liabilities (Earmarked Reserves).
- 4.3.2 CIPFA makes it clear that the level of reserves for each Council cannot be decided by the application of a formula. Each Council must assess their own reserve levels based on the specific risks and pressures they face. The Council is facing significant

risk and change over the medium term due to number of local and national issues and it is important that the level of reserves reflects this.

4.3.3 The key risks within the budget for 2025/26 are set out below:

- a. The Economic circumstances including the Cost of Living Crisis leading to:
  - i. Potential reductions in income across Council Tax, Business Rates, Service Fees and Charges and Commercial Income;
  - ii. Increasing cost of delivering services to the community due to inflationary pressures, such as pay, fuel and energy prices;
  - iii. The possible need to deliver additional services announced by Government to mitigate the implications, i.e. Business Grant and Energy payments to households;
  - iv. Economic recovery – slow return of trade / investment / growth;
- b. Rising Council Tax support claimants / HRA Voids;
- c. General Service budget overspends;
- d. Lack of opportunity / ability for further commercial investment to generate returns to the Council;
- e. Interest Rate volatility;
- f. Lack of funding to support, and delay in the delivery of major infrastructure projects;
- g. The Budget makes no financial provision for Local Government Reform and Devolution planning.

4.3.4 In preparing the 2025/26 budget, consideration has been given to how best to mitigate these risks through the use of prudent budget assumptions. However, it is possible, reserves will be required should these mitigations and assumptions fall short.

4.3.5 Continuing provision has been made for the slow recovery in collection levels of Council Tax, Business Rates and revenue from fees and charges. Clearly, the Cost of Living Crisis will have unprecedented financial implications for a number of council services and robust financial monitoring during 2025/26 will be required to ensure their continued viability.

4.3.6 There are also future risks that need to be considered now to ensure the Council is best prepared. One of the most significant is the potential changes to how the Council is funded as outlined in paragraph 3.6 above.

- The government plan a reset of Business Rates growth in 2026/27 following significant delays that have allowed growth to continue. The Council currently forecasts income from Business Rates to be approximately £2.7m above the Government's current baseline calculation (2013/14 notionally updated for inflation). Depending on the data used to set the new funding baseline, there is a risk that some (or possibly all) of this additional funding could be lost, potentially along with the benefit of pooling in the future. For example, if the new baseline were based on the 2023/24 taxbase, its possible up to £1m of growth is at risk. The latest MTFP forecast for 2026/27 includes an estimated loss of £500k, and over and above this the Council holds a Business Rates smoothing reserve of £600k.

- Similarly, the New Homes Bonus scheme is planned to be scrapped. In 2025/26, the Council will receive £498k. Although this funding should be ring-fenced to Local Government, there is no guarantee any replacement funding mechanism will benefit MDDC to that value. The MTFP forecast includes an assumption of a 20% reduction across all government grants.
- There are an increasing number of one-off, bid based funding streams. Failure to secure funding from these will have a detrimental impact on the Council, for example further decarbonisation schemes across our asset portfolio.

4.3.7 The General Fund balance brought forward into 2024/25 amounted to £2,025k. The 2024/25 budget monitoring reports are predicting a year-end surplus of approximately £300k, giving a forecast General Fund balance of approximately £2,300k, above the Council's recommended minimum of £2,000k. The level of general balances recognises risks facing the Council including the economic uncertainty and the future changes to Local Government Funding.

4.3.8 A review of the minimum reserve levels has been undertaken to assess the ongoing minimum General Fund reserve balance. It recommends retaining the balance at £2,000k. The HRA also has a recommended £2,000k minimum balance, which it is projecting to breach as the Council refunds the overcharged rent. Depending on the final reduction in the reserve, the HRA will form a plan to replenish back to the recommended level in a controlled way over a period of time. As part of the detailed budget setting process all of our other Earmarked Reserves were reviewed to ensure they provided for known future financial pressures. Therefore, it is my strong recommendation that the Council aims to maintain its level of reserves at £2,000k, and if it proves necessary to temporarily reduce this level in the interim, it is replenished in a planned, affordable way.

4.3.9 As part of the detailed budget setting process all of our other Earmarked Reserves were reviewed to ensure they provided for known future financial pressures.

**4.3.10 "Based on the assessment of the reserves, the key financial risks identified, and the thorough process used for developing the Medium-Term Financial Strategy, I have determined that the level of reserves and balances for 2025/26 is adequate."**

## **5. Conclusion**

5.1 As noted above a great deal of work has been carried out to ensure the Robustness of the Estimates. As a result of this work, combined with the increased awareness by Members and officers of the Council's financial position, and the availability of adequate reserves, it is my considered opinion as Section 151 Officer that the budget for 2025/26 has been set within a robust framework and the impact of this resolution will maintain an adequate level of the financial reserves held by the Council.

## **Financial Implications**

This report sets out the Council's Council Tax Requirement for 2025/26 which is derived from its balanced budget, as recommended by Cabinet on the 04 February 2025 and notification of the Precept Requirements for the County Council, PCC for Devon and Cornwall, Devon and Somerset Fire Authority and Parish or Town Councils.

## **Legal Implications**

The Council has a statutory duty to approve a Council Tax Requirement. The Authority must have due regard to the Council's S151 Officer Report on the Robustness of the Estimates and Adequacy of Reserves when making decisions on the Budget and Precept, as required by Section 25 of the Government Finance Act 2003.

## **Risk Assessment**

The Council is required under the Local Government Finance Act 1992 to set a Council Tax. Failure to set a Council Tax will result in the Council acting unlawfully and could lead to legal challenge. Failure to agree the Council Tax in a timely manner could lead to the Council losing out on Council Tax income and the cashflows associated with this.

## **Impact on Climate Change**

There are no Climate Change implications directly relating to the content of this report. However, the General Fund, Capital Programme and the Housing Revenue Account all contain significant investment in order to work towards the Council's Carbon Reduction targets.

## **Equalities Impact Assessment**

It is considered that the impact of this report on equality related issues will be nil. However, budgetary options included within the budget are supported by EIA where required.

## **Relationship to Corporate Plan**

The 2025/26 budget shows the costs of delivering the key priorities of the Council's Corporate Plan.

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

**Statutory Officer:** Andrew Jarrett

Agreed by or on behalf of the Section 151

**Date: 11 February 2025**

**Statutory Officer:** Maria De Leiburne

Agreed on behalf of the Monitoring Officer

**Date: 11 February 2025**

**Chief Officer:** Stephen Walford

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

**Date: 11 February 2025**

**Performance and risk: Dr Stephen Carr**

Agreed on behalf of the Corporate Performance & Improvement Manager

**Date: 11 February 2025**

**Cabinet member notified:**

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

**Contact:** Paul Deal – Head of Service for Finance, Property & Climate Resilience

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

Telephone: 01884 234254

**Background papers:** Cabinet Report – 04 February 2025

**The Council is recommended to resolve as follows:**

- 1.0 It be noted that on 12 November 2024 the Cabinet calculated the Council Tax Base for 2025/26
- (a) for the whole Council area as 31,520.91 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
- (b) for dwellings in those parts of its area to which a Parish Precept relates as detailed in 1.1 below.
- 1.1 Taxbase for Councils area adjusted from overall Council Tax Base of 31,520.91 reduced to 97.5% (30,732.91), to allow for less than full collection. (subject to rounding)

	<b>Council Tax Base</b>	<b>Collection Rate @ 97.5%</b>
Bampton	811.15	790.87
Bickleigh	123.28	120.20
Bow	481.86	469.81
Bradninch	772.18	752.88
Brushford	26.95	26.28
Burlescombe	346.89	338.22
Butterleigh	58.16	56.71
Cadbury	72.63	70.81
Cadeleigh	95.04	92.67
Chawleigh	267.67	260.98
Cheriton Bishop	327.33	319.15
Cheriton Fitzpaine	410.14	399.89
Clannaborough	28.51	27.80
Clayhanger (B Gate)	59.40	57.92
Clayhidon	240.74	234.72
Coldridge	170.34	166.09
Colebrooke	204.62	199.51
Copplestone	491.69	479.40
Crediton	2,866.57	2,794.90
Crediton Hamlets	568.42	554.21
Cruwys Morchard	237.98	232.03
Cullompton	3,825.94	3,730.29
Culmstock	435.54	424.65
Down St Mary	161.76	157.71
Eggesford	35.45	34.56
Halberton	671.57	654.78
Hemyock	934.75	911.38
Hittisleigh	79.95	77.96
Hockworthy (B Gate)	96.89	94.47
Holcombe Rogus	241.85	235.80
Huntsham (B Gate)	67.17	65.49
Kennerleigh	39.26	38.28
Kentisbeare	405.73	395.59
Lapford	412.65	402.33
Loxbeare	83.30	81.22
Morchard Bishop	457.34	445.91
Morebath	162.97	158.89
Newton St Cyres	403.92	393.83
Nymet Rowland	50.21	48.95
Oakford	185.62	180.98
Poughill	84.66	82.55
Puddington	93.03	90.71
Sampford Peverell	535.53	522.14
Sandford	574.09	559.74
Shobrooke	205.54	200.40
Silverton	825.31	804.68
Stockleigh English	32.23	31.43
Stockleigh Pomeroy	55.22	53.84
Stoodleigh	164.27	160.16
Templeton	70.89	69.12
Thelbridge	148.51	144.79
Thorverton	443.24	432.16
Tiverton	7,627.42	7,436.74
Uffculme	1,207.82	1,177.62
Uplowman	168.93	164.70
Upton Hellions	34.95	34.08
Washfield	173.54	169.20
Washford Pyne	45.87	44.73
Wembworthy	107.26	104.58
Willand	1,250.61	1,219.34
Woolfardisworthy	80.34	78.34
Zeal Monachorum	178.19	173.74
<b>Total Tax Base</b>	<b>31,520.91</b>	<b>30,732.91</b>

- 2.0 As a preliminary step, calculate that the Council Tax requirement for the Council's own purposes for 2025/26 (excluding Parish precepts) is **£7,348,850** ( $£239.12 \times 30,732.91$ , subject to rounding to nearest £10)
- 3.0 That the following amounts be calculated for the year 2025/26 in accordance with Sections 30 and 31A to 36 of the Act:
- (a) £ 61,576,210 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - (b) £ 51,525,510 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £ 10,050,700 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
  - (d) £ 327.03 being the amount at 3(c) above (item R), all divided by Item T (1.0 (a) above), calculated by the council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - (e) £ 2,701,848 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act as detailed in column 2 of table in 3.1 below. (subject to rounding)
  - (f) £ 239.12 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1.0(a) above), calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
  - (g) See text across The amounts stated in valuation Band D in table at 3(h) below given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the council area specified in column 3 of table in 3.1 divided in each case by the amount in 1(a) above (result in column 3 of table in 3.1 below), calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its are set out in column 3 of table in 1.1 to which one or more special items relate.
- e.g. Silvertown - table 3h column 5 = £293.88 this is made up of 3f = £239.12 + £68.05 in table 3.1 column 3. The £68.05 is calculated by taking the Parish Precept in Column 2 of table 3.1 and dividing by the relevant taxbase figure detailed in column 3 of the table in 1.1 above (in this example  $£54,760.00 / 804.68 = £68.05$ ).



- 3.1 This table shows the full precept for each parish and the band D equivalent charge which is determined by dividing the total precept in column 2 by the relevant parishes taxbase detailed in column 2 table 1.1 above.

	Total Precept £	Band D Equivalent £
Bampton	85,000.00	107.48
Bickleigh	5,200.00	43.26
Bow	13,000.00	27.67
Bradninch	67,750.00	89.99
Brushford	0.00	0.00
Burlescombe	34,250.00	101.27
Butterleigh	750.00	13.23
Cadbury	600.00	8.47
Cadeleigh	2,000.00	21.58
Chawleigh	16,320.00	62.53
Cheriton Bishop	16,150.00	50.60
Cheriton Fitzpaine	20,540.00	51.36
Clannaborough	0.00	0.00
Clayhanger (B Gate)	1,845.89	31.87
Clayhidon	11,550.00	49.21
Coldridge	6,000.00	36.12
Colebrooke	13,534.00	67.84
Copplestone	35,000.00	73.01
Crediton	510,750.00	182.74
Crediton Hamlets	10,578.00	19.09
Cruwys Morchard	5,800.00	25.00
Cullompton	553,617.04	148.41
Culmstock	61,500.00	144.83
Down St Mary	4,730.00	29.99
Eggesford	0.00	0.00
Halberton	38,900.00	59.41
Hemyock	98,000.00	107.53
Hittisleigh	2,475.00	31.75
Hockworthy (B Gate)	2,797.44	29.61
Holcombe Rogus	12,495.00	52.99
Huntsham (B Gate)	2,050.70	31.31
Kennerleigh	200.00	5.22
Kentisbeare	45,000.00	113.75
Lapford	29,000.00	72.08
Loxbeare	0.00	0.00
Morchard Bishop	11,560.00	25.92
Morebath	6,100.00	38.39
Newton St Cyres	16,500.00	41.90
Nymet Rowland	1,200.00	24.51
Oakford	7,000.00	38.68
Poughill	3,547.00	42.97
Puddington	2,315.00	25.52
Sampford Peverell	26,880.00	51.48
Sandford	36,151.00	64.59
Shobrooke	9,500.00	47.41
Silverton	54,760.00	68.05
Stockleigh English	0.00	0.00
Stockleigh Pomeroy	0.00	0.00
Stoodleigh	6,000.00	37.46
Templeton	4,576.00	66.20
Thelbridge	2,300.00	15.89
Thorverton	24,089.00	55.74
Tiverton	578,032.00	77.73
Uffculme	103,836.49	88.17
Uplogman	4,750.00	28.84
Upton Hellions	0.00	0.00
Washfield	2,300.00	13.59
Washford Pyne	500.00	11.18
Wembworthy	5,400.00	51.64
Willand	78,418.00	64.31
Woolfardisworthy	750.00	9.57
Zeal Monachorum	8,000.00	46.05
<b>Total Parish Precepts</b>	<b>2,701,847.56</b>	<b>2,924.99</b>

- 3(h) The amounts set out in table below given by multiplying the amounts at 3g above by the number which, in the proportion set out in section5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that particular proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

	Valuation Bands £							
	A	B	C	D	E	F	G	H
Bampton	231.06	269.58	308.09	346.60	423.62	500.65	577.66	693.20
Bickleigh	188.25	219.63	251.00	282.38	345.13	407.89	470.63	564.76
Bow	177.86	207.50	237.15	266.79	326.08	385.37	444.65	533.58
Bradninch	219.40	255.97	292.54	329.11	402.25	475.39	548.51	658.22
Brushford	159.41	185.98	212.55	239.12	292.26	345.40	398.53	478.24
Burlescombe	226.92	264.75	302.57	340.39	416.03	491.68	567.31	680.78
Butterleigh	168.23	196.27	224.31	252.35	308.43	364.51	420.58	504.70
Cadbury	165.06	192.57	220.08	247.59	302.61	357.63	412.65	495.18
Cadeleigh	173.80	202.76	231.73	260.70	318.64	376.57	434.50	521.40
Chawleigh	201.10	234.61	268.13	301.65	368.69	435.72	502.75	603.30
Cheriton Bishop	193.14	225.34	257.53	289.72	354.10	418.49	482.86	579.44
Cheriton Fitzpaine	193.65	225.93	258.20	290.48	355.03	419.59	484.13	580.96
Clannaborough	159.41	185.98	212.55	239.12	292.26	345.40	398.53	478.24
Clayhanger(B Gate)	180.66	210.77	240.88	270.99	331.21	391.43	451.65	541.98
Clayhidon	192.22	224.25	256.29	288.33	352.41	416.48	480.55	576.66
Coldridge	183.49	214.07	244.66	275.24	336.41	397.57	458.73	550.48
Colebrooke	204.64	238.74	272.85	306.96	375.18	443.39	511.60	613.92
Copplestone	208.08	242.77	277.45	312.13	381.49	450.86	520.21	624.26
Crediton	281.24	328.11	374.99	421.86	515.61	609.36	703.10	843.72
Crediton Hamlets	172.14	200.83	229.52	258.21	315.59	372.97	430.35	516.42
Cruwys Morchard	176.08	205.42	234.77	264.12	322.82	381.51	440.20	528.24
Cullompton	258.35	301.41	344.47	387.53	473.65	559.77	645.88	775.06
Culmstock	255.96	298.63	341.29	383.95	469.27	554.60	639.91	767.90
Down St Mary	179.40	209.31	239.21	269.11	328.91	388.72	448.51	538.22
Eggesford	159.41	185.98	212.55	239.12	292.26	345.40	398.53	478.24
Halberton	199.02	232.19	265.36	298.53	364.87	431.21	497.55	597.06
Hemyock	231.10	269.61	308.13	346.65	423.69	500.72	577.75	693.30
Hittesleigh	180.58	210.67	240.77	270.87	331.07	391.26	451.45	541.74
Hockworthy(B Gate)	179.15	209.01	238.87	268.73	328.45	388.17	447.88	537.46
Holcombe Rogus	194.74	227.19	259.65	292.11	357.03	421.94	486.85	584.22
Huntsam(B Gate)	180.28	210.33	240.38	270.43	330.53	390.63	450.71	540.86
Kennerleigh	162.89	190.04	217.19	244.34	298.64	352.94	407.23	488.68
Kentisbeare	235.24	274.45	313.66	352.87	431.29	509.71	588.11	705.74
Lapford	207.46	242.04	276.62	311.20	380.36	449.52	518.66	622.40
Loxbeare	159.41	185.98	212.55	239.12	292.26	345.40	398.53	478.24
Morchard Bishop	176.69	206.14	235.59	265.04	323.94	382.84	441.73	530.08
Morebath	185.00	215.84	246.67	277.51	339.18	400.85	462.51	555.02
Newton St Cyres	187.34	218.57	249.79	281.02	343.47	405.92	468.36	562.04
Nymet Rowland	175.75	205.04	234.34	263.63	322.22	380.80	439.38	527.26
Oakford	185.20	216.06	246.93	277.80	339.54	401.27	463.00	555.60
Poughill	188.06	219.40	250.75	282.09	344.78	407.47	470.15	564.18
Puddington	176.42	205.83	235.23	264.64	323.45	382.26	441.06	529.28
Sampford Peverell	193.73	226.02	258.31	290.60	355.18	419.76	484.33	581.20
Sandford	202.47	236.22	269.96	303.71	371.20	438.70	506.18	607.42
Shobrooke	191.02	222.85	254.69	286.53	350.21	413.88	477.55	573.06
Silverton	204.78	238.91	273.04	307.17	375.43	443.69	511.95	614.34
Stockleigh English	159.41	185.98	212.55	239.12	292.26	345.40	398.53	478.24
Stockleigh Pomeroy	159.41	185.98	212.55	239.12	292.26	345.40	398.53	478.24
Stoodleigh	184.38	215.12	245.85	276.58	338.04	399.51	460.96	553.16
Templeton	203.54	237.47	271.39	305.32	373.17	441.02	508.86	610.64
Thelbridge	170.00	198.34	226.67	255.01	311.68	368.35	425.01	510.02
Thorverton	196.57	229.33	262.10	294.86	360.39	425.91	491.43	589.72
Tiverton	211.23	246.44	281.64	316.85	387.26	457.68	528.08	633.70
Uffculme	218.19	254.56	290.92	327.29	400.02	472.76	545.48	654.58
Uplowman	178.64	208.41	238.19	267.96	327.51	387.06	446.60	535.92
Upton Hellions	159.41	185.98	212.55	239.12	292.26	345.40	398.53	478.24
Washfield	168.47	196.55	224.63	252.71	308.87	365.03	421.18	505.42
Washford Pyne	166.86	194.68	222.49	250.30	305.92	361.55	417.16	500.60
Wembworthy	193.84	226.14	258.45	290.76	355.38	419.99	484.60	581.52
Willand	202.28	236.00	269.71	303.43	370.86	438.29	505.71	606.86
Woolfardisworthy	165.79	193.42	221.06	248.69	303.96	359.22	414.48	497.38
Zeal Monachorum	190.11	221.80	253.48	285.17	348.54	411.92	475.28	570.34

- 3(i) This table shows the proportions payable for the MDDC element of Council Tax and would be the amount payable for those Parishes who's Precept has been set at zero.

	Valuation Bands £							
	A	B	C	D	E	F	G	H
All other parts of the Council's area	159.41	185.98	212.55	239.12	292.26	345.40	398.53	478.24

- 4.0 That it be noted that for the year 2025/26 Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Precepting Authority	Valuation Bands £							
	A	B	C	D	E	F	G	H
Devon County Council	1,200.84	1,400.98	1,601.12	1,801.26	2,201.54	2,601.82	3,002.10	3,602.52
Devon & Cornwall Police and Crime Commissioner	192.13	224.16	256.18	288.20	352.24	416.29	480.33	576.40
Devon & Somerset Fire and Rescue Authority	69.79	81.42	93.05	104.68	127.94	151.20	174.47	209.36

- 5.0 That, having calculated the aggregate in each case of the amounts at 3h and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2025/26 for each part of its area and for each of the categories of dwellings shown below:

Town / Parish Council	Valuation Bands £							
	A	B	C	D	E	F	G	H
Bampton	1,693.82	1,976.14	2,258.44	2,540.74	3,105.34	3,669.96	4,234.56	5,081.48
Bickleigh	1,651.01	1,926.19	2,201.35	2,476.52	3,026.85	3,577.20	4,127.53	4,953.04
Bow	1,640.62	1,914.06	2,187.50	2,460.93	3,007.80	3,554.68	4,101.55	4,921.86
Bradninch	1,682.16	1,962.53	2,242.89	2,523.25	3,083.97	3,644.70	4,205.41	5,046.50
Brushford	1,622.17	1,892.54	2,162.90	2,433.26	2,973.98	3,514.71	4,055.43	4,866.52
Burlescombe	1,689.68	1,971.31	2,252.92	2,534.53	3,097.75	3,660.99	4,224.21	5,069.06
Butterleigh	1,630.99	1,902.83	2,174.66	2,446.49	2,990.15	3,533.82	4,077.48	4,892.98
Cadbury	1,627.82	1,899.13	2,170.43	2,441.73	2,984.33	3,526.94	4,069.55	4,883.46
Cadeleigh	1,636.56	1,909.32	2,182.08	2,454.84	3,000.36	3,545.88	4,091.40	4,909.68
Chawleigh	1,663.86	1,941.17	2,218.48	2,495.79	3,050.41	3,605.03	4,159.65	4,991.58
Cheriton Bishop	1,655.90	1,931.90	2,207.88	2,483.86	3,035.82	3,587.80	4,139.76	4,967.72
Cheriton Fitzpaine	1,656.41	1,932.49	2,208.55	2,484.62	3,036.75	3,588.90	4,141.03	4,969.24
Clannaborough	1,622.17	1,892.54	2,162.90	2,433.26	2,973.98	3,514.71	4,055.43	4,866.52
Clayhanger(B Gate)	1,643.42	1,917.33	2,191.23	2,465.13	3,012.93	3,560.74	4,108.55	4,930.26
Clayhidon	1,654.98	1,930.81	2,206.64	2,482.47	3,034.13	3,585.79	4,137.45	4,964.94
Coldridge	1,646.25	1,920.63	2,195.01	2,469.38	3,018.13	3,566.88	4,115.63	4,938.76
Colebrooke	1,667.40	1,945.30	2,223.20	2,501.10	3,056.90	3,612.70	4,168.50	5,002.20
Copplestone	1,670.84	1,949.33	2,227.80	2,506.27	3,063.21	3,620.17	4,177.11	5,012.54
Crediton	1,744.00	2,034.67	2,325.34	2,616.00	3,197.33	3,778.67	4,360.00	5,232.00
Crediton Hamlets	1,634.90	1,907.39	2,179.87	2,452.35	2,997.31	3,542.28	4,087.25	4,904.70
Cruwys Morchard	1,638.84	1,911.98	2,185.12	2,458.26	3,004.54	3,550.82	4,097.10	4,916.52
Cullompton	1,721.11	2,007.97	2,294.82	2,581.67	3,155.37	3,729.08	4,302.78	5,163.34
Culmstock	1,718.72	2,005.19	2,291.64	2,578.09	3,150.99	3,723.91	4,296.81	5,156.18
Down St Mary	1,642.16	1,915.87	2,189.56	2,463.25	3,010.63	3,558.03	4,105.41	4,926.50
Eggesford	1,622.17	1,892.54	2,162.90	2,433.26	2,973.98	3,514.71	4,055.43	4,866.52
Halberton	1,661.78	1,938.75	2,215.71	2,492.67	3,046.59	3,600.52	4,154.45	4,985.34
Hemyock	1,693.86	1,976.17	2,258.48	2,540.79	3,105.41	3,670.03	4,234.65	5,081.58
Hittesleigh	1,643.34	1,917.23	2,191.12	2,465.01	3,012.79	3,560.57	4,108.35	4,930.02
Hockworthy(B Gate)	1,641.91	1,915.57	2,189.22	2,462.87	3,010.17	3,557.48	4,104.78	4,925.74
Holcombe Rogus	1,657.50	1,933.75	2,210.00	2,486.25	3,038.75	3,591.25	4,143.75	4,972.50
Huntsam(B Gate)	1,643.04	1,916.89	2,190.73	2,464.57	3,012.25	3,559.94	4,107.61	4,929.14
Kennerleigh	1,625.65	1,896.60	2,167.54	2,438.48	2,980.36	3,522.25	4,064.13	4,876.96
Kentisbeare	1,698.00	1,981.01	2,264.01	2,547.01	3,113.01	3,679.02	4,245.01	5,094.02
Lapford	1,670.22	1,948.60	2,226.97	2,505.34	3,062.08	3,618.83	4,175.56	5,010.68
Loxbeare	1,622.17	1,892.54	2,162.90	2,433.26	2,973.98	3,514.71	4,055.43	4,866.52
Morchard Bishop	1,639.45	1,912.70	2,185.94	2,459.18	3,005.66	3,552.15	4,098.63	4,918.36
Morebath	1,647.76	1,922.40	2,197.02	2,471.65	3,020.90	3,570.16	4,119.41	4,943.30
Newton St Cyres	1,650.10	1,925.13	2,200.14	2,475.16	3,025.19	3,575.23	4,125.26	4,950.32
Nymet Rowland	1,638.51	1,911.60	2,184.69	2,457.77	3,003.94	3,550.11	4,096.28	4,915.54
Oakford	1,647.96	1,922.62	2,197.28	2,471.94	3,021.26	3,570.58	4,119.90	4,943.88
Poughill	1,650.82	1,925.96	2,201.10	2,476.23	3,026.50	3,576.78	4,127.05	4,952.46
Puddington	1,639.18	1,912.39	2,185.58	2,458.78	3,005.17	3,551.57	4,097.96	4,917.56
Sampford Peverell	1,656.49	1,932.58	2,208.66	2,484.74	3,036.90	3,589.07	4,141.23	4,969.48
Sandford	1,665.23	1,942.78	2,220.31	2,497.85	3,052.92	3,608.01	4,163.08	4,995.70
Shobrooke	1,653.78	1,929.41	2,205.04	2,480.67	3,031.93	3,583.19	4,134.45	4,961.34
Silverton	1,667.54	1,945.47	2,223.39	2,501.31	3,057.15	3,613.00	4,168.85	5,002.62
Stockleigh English	1,622.17	1,892.54	2,162.90	2,433.26	2,973.98	3,514.71	4,055.43	4,866.52
Stockleigh Pomeroy	1,622.17	1,892.54	2,162.90	2,433.26	2,973.98	3,514.71	4,055.43	4,866.52
Stoodleigh	1,647.14	1,921.68	2,196.20	2,470.72	3,019.76	3,568.82	4,117.86	4,941.44
Templeton	1,666.30	1,944.03	2,221.74	2,499.46	3,054.89	3,610.33	4,165.76	4,998.92
Thelbridge	1,632.76	1,904.90	2,177.02	2,449.15	2,993.40	3,537.66	4,081.91	4,898.30
Thorverton	1,659.33	1,935.89	2,212.45	2,489.00	3,042.11	3,595.22	4,148.33	4,978.00
Tiverton	1,673.99	1,953.00	2,231.99	2,510.99	3,068.98	3,626.99	4,184.98	5,021.98
Uffculme	1,680.95	1,961.12	2,241.27	2,521.43	3,081.74	3,642.07	4,202.38	5,042.86
Upplowman	1,641.40	1,914.97	2,188.54	2,462.10	3,009.23	3,556.37	4,103.50	4,924.20
Upton Hellions	1,622.17	1,892.54	2,162.90	2,433.26	2,973.98	3,514.71	4,055.43	4,866.52
Washfield	1,631.23	1,903.11	2,174.98	2,446.85	2,990.59	3,534.34	4,078.08	4,893.70
Washford Pyne	1,629.62	1,901.24	2,172.84	2,444.44	2,987.64	3,530.86	4,074.06	4,888.88
Wembworthy	1,656.60	1,932.70	2,208.80	2,484.90	3,037.10	3,589.30	4,141.50	4,969.80
Willand	1,665.04	1,942.56	2,220.06	2,497.57	3,052.58	3,607.60	4,162.61	4,995.14
Woolfardisworthy	1,628.55	1,899.98	2,171.41	2,442.83	2,985.68	3,528.53	4,071.38	4,885.66
Zeal Monachorum	1,652.87	1,928.36	2,203.83	2,479.31	3,030.26	3,581.23	4,132.18	4,958.62

- 6.0 The Council has determined that its relevant basic amount of Council Tax for 2025/26 is not excessive in accordance with principles approved under section 52ZB Local Government Finance Act 1992.

As the billing authority has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2025/26 is excessive and therefore that the billing authority is not required to hold a referendum in accordance with section 52ZK Local Government Finance Act 1992.

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