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## MID DEVON DISTRICT COUNCIL

MINUTES of a MEETING of the CABINET held on 3 January 2023 at 10.00 am

### Present

#### Councillors

R M Deed (Leader)  
C J Eginton, R J Chesterton, Mrs C P Daw,  
S J Penny and C R Slade

### Also Present

#### Councillors

F Letch, J Berry, Mrs M Squires, B Warren, J  
Buckowski, S Clist, R Stanley, Mrs S Griggs

### Also Present

#### Officers:

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Richard Marsh (Director of Place), Maria De Leiburne (District Solicitor and Monitoring Officer), Andrew Busby (Corporate Manager for Property, Leisure and Climate Change), Paul Deal (Corporate Manager for Finance), Dean Emery (Corporate Manager for Revenues, Benefits and Recovery), Simon Newcombe (Corporate Manager for Public Health, Regulation and Housing) and Matthew Page (Corporate Manager for People, Governance and Waste), Andrew Seaman (Member Services Manager)

## 105. APOLOGIES

Councillor D J Knowles had given his apologies.

## 106. PUBLIC QUESTION TIME

The following questions were received from members of the public:

Nick Quinn

My first Question concerns Item 8: **Budget 23/24 Update**

The Summary of Capital Expenditure and Funding, at Appendix 4 of the Budget Update, now shows "*Other General Fund Projects*" costing more than £50 Million over the next 5 years. The expenditure figures for these projects very closely match the increased "*Borrowing 50yr*" funding figures.

This is extremely long borrowing term to be used to fund 3 Rivers projects and is in direct contradiction to the assurance given by the Deputy Chief Executive to the Audit Committee, in November, that the Council "*would not conduct medium to long term borrowing on projects that had a lifespan of less than 2 years*".

Since it started, 3 Rivers has never paid any dividends to the Council and the External Auditor has publicly stated that 3 Rivers are increasing their current loan impairment to £1.6 Million.

Q1. Are Cabinet seriously considering recommending that the Council should mortgage itself, for the next 50 years, to fund some short term building projects by a commercial Company that has never paid any dividends and is about to further impair its existing loans?

My second question concerns Item 14: 3 Rivers Business Plan

The Public Report shows that the 3 Rivers Business Plan was critically assessed by Scrutiny and Audit Committees - the feedback was that "*the business plan in its current form was not supported*".

Now, it seems, a "Mark 2" plan has been produced - but neither Scrutiny nor Audit Committees have been given the opportunity to comment on it.

Q2: Why is Cabinet considering a revised 3 Rivers Business Plan without the input of Scrutiny and Audit Committees?

The Leader thanked the resident for their questions and responded to question 2, the Leader explained that the 5 year business plan had gone through the Audit and Scrutiny Committees and they had made their recommendations.

Question 1 was answered during item 8 and it was explained by the Deputy Chief Executive that with regards to capital borrowing within the capital medium term financial plan, the Council's capital borrowing will always match the lifespan of a capital project. Any borrowing taken over 25 to 50 years would be for housing delivery. Capital would always match life of assets

Note – The Leader had rejected questions from two members of the public.

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

None declared. Members were reminded of the need to make declarations where appropriate.

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

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

#### 109. **FINANCIAL MONITORING**

The Cabinet were presented, and **NOTED** a financial update in respect of the income and expenditure so far in the year. The following was highlighted:

- There had been a circa £500k overspend for the general fund and the next government support scheme would be delivered at the end on January 2023.
- The solar farm planning appeal was to be reviewed.
- The ground source and air heat pumps were close to completion.
- Collection rates on council tax and business rates were on budget.

#### 110. **LGA PEER CHALLENGE REVIEW – FOLLOW UP**

The Cabinet were presented and **NOTED** a \*report from the Chief Executive which updated Member's on the progress made towards addressing or implementing the recommendations arising from the peer review team during 2022.

It was highlighted that the Local Government Association held a meeting with Mid Devon District Council on the 20 December 2022 to which a number of Officers and Members attended.

In addition disagreement was raised on part of the report that related to the cost of planning decisions. The Leader explained that the decisions of Committees were not relevant to the agenda item before the Cabinet.

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

#### 111. CULLOMPTON TOWN CENTRE RELIEF ROAD - UPDATE

The Cabinet were presented a \*report from the Director of Place which presented Members with a recommendation to request the release of a tranche of Housing Infrastructure Fund (HIF) monies. This was to facilitate the continued progression of technical work relating to the Cullompton Town Centre Relief Road (CTCRR) until the end of March 2023, by which time a decision from Government regarding the Council's pending Levelling Up Fund bid should have been received and any grant agreement agreed.

Members discussed the following:

- There was a need to have a relief road in order for further development to take place.
- It was hoped that the levelling up fund would be granted. The Director of Place explained that the submission submitted should be attractive to Government and that it was important for this relief road to be delivered.
- It was discussed that other authorities were given better treatment when it came to similar projects.
- The progress was welcomed.
- the Cabinet Member for Planning and Economic Regeneration confirmed that discussions were ongoing with Devon County Council and the Government regarding Junctions in Mid Devon

The Chief Executive added that the levelling up bid decisions should be announced by the end of January 2023. He also explained that the Junction 25 project had been planned for a number of years and that this development in particular was on a much larger scale.

It was therefore **RESOLVED:**

1. To endorse the request for a drawdown and expenditure of a further tranche of the Housing Infrastructure Fund (HIF) funding, totalling £210k, subject to agreement on appropriate indemnity, to enable the progression of further technical work relating to the Cullompton Town Centre Relief Road (CTCRR) until the end of March 2023.

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

**Reason for Decision:** As stated in the report.

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

#### 112. BUDGET 23/24 - UPDATE

The Cabinet were presented a \*report from the Deputy Chief Executive (S151) which provided an update on the 2023/24 Budget position and discussed further options for cost savings or income generation.

The Deputy Chief Executive (S151) highlighted that the financial settlement had been delivered with estimates that were close to the Council's financial position. This settlement provided a 3% minimum baseline for all Councils.

In addition, the resident survey responses would be provided to the Policy Development Groups (PDG) for comment and that the Council's general fund was circa £900,000 away

from a balanced position. In addition, proposals with facilitated discussion were upcoming with the four PDGs.

Members discussed the following:

- Asked what the Council's estimated shortfall would likely be for the year end for 2022/23, the Deputy Chief Executive explained that the position would have worsened due to the increased costs of utilities and therefore would be estimated to be over £500,000.
- That an update paper had not yet been circulated, the Deputy Chief Executive (S151) explained that this was to be sent out soon.

It was therefore **RESOLVED**: That Cabinet

1. Considered the updated 2023/24 budget position for the General Fund, Capital Programme and the HRA;
2. Considered the further options as set out in Appendix 3, or any additional suggestions to balance the remaining shortfall and circulate them to the Policy Development Groups for further input during their January suite of meetings prior to the formal recommendation back to Cabinet and Council in February.

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

**Reason for Decision:** As stated in the report.

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

### 113. **COUNCIL TAX BASE**

Cabinet were presented a \*report which provided detail on the statutory calculations necessary to determine the Tax Base for the Council Tax. The calculations followed a formula laid down in Regulations.

The Deputy Chief Executive (S151) highlighted that the collection rate would be lowered by 1% in light of the cost of living crisis. In addition, from 2024, provided that legislation be approved, there would be the doubling of the second home council tax charge. Finally, the premium council tax charge on long term empty properties would not be enacted until April 2024.

Members discussed the following:

- That this report was welcomed.
- It was asked that by lowering the collection rate what impact would that have on debts and how would the gap be mitigated. The Deputy Chief Executive explained that this would make the financial position worse. But there would be proactive recovery measures, signposting for hardship help for residents along with an increased level of council tax support.
- It would be hoped that the difference would be recovered in the next financial year.
- Asked when this could be implemented once legislation was approved by government, the Deputy Chief Executive explained that should the legislation be approved by March 2023, 12 months' notice could be provided and therefore could be implemented by April 2024.

It was therefore **RESOLVED to RECOMMEND** to Council:

1. That the calculation of the Council's Tax Base for 2023/24 be approved in accordance with The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 at 29,832.98 an increase of circa 21.57 Band D equivalent properties from the previous financial year.
2. That the current collection rate of 97.5% be decreased to 96.5% detailed in paragraph 2.
3. That the doubling of the second home Council Tax charge from 01/04/2024 is adopted. Details at 3..7.2
4. That the premium Council Tax charge on long term empty properties is billed after 12 months from 01/04/2024. Details at 3.8.2.

(Proposed by Cllr R Deed and seconded by Cllr C Eginton)

**Reason for Decision:** As stated in the report.

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

#### 114. **ACCESS TO INFORMATION - EXCLUSION OF PRESS AND PUBLIC**

The Leader indicated that discussion with regard to the following items, may require the Cabinet to pass the following resolution to exclude the press and public having reflected on Article 12 12.02(d) (a presumption in favour of openness) of the Constitution. This decision may be required because consideration of this matter in public may disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. The Cabinet would need to decide whether, in all the circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.

**RESOLVED:** That, in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following items 11, 12, 13 and 14 of business, for the reason set out below:

- Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person including the authority holding that information).

(Proposed by the Leader)

#### 115. **PLANNING AND DESIGN CONSULTANCY SERVICES 2023 - 2026, AWARD REPORT**

The Cabinet received a \*report from the Corporate Manager for Public Health, Regulation and Housing which advised Members on the results for the tendering of the Planning and Design Consultancy Services 2023-2026 and to confirm the award of the contract.

The meeting returned to open session.

It was therefore **RESOLVED:**

1. That the new three year Planning and Design Consultancy Services Contract is awarded to Contractor 3.
2. Delegated authority be granted to the S151 Officer (in consultation with the Cabinet Member for Housing and Property Services) to complete the associated Planning and Design Consultancy Services Contract.

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

**Reason for Decision:** As stated in the report.

Note: \*report previously circulated to Members but not attached to the minutes as restricted

116. **3 RIVERS DEVELOPMENTS LTD BUSINESS PLAN AND THE 3 RIVERS PROJECT APPRAISAL FOR DEVELOPMENT IN BAMPTON AND PARK ROAD, TIVERTON**

The Cabinet received a \*report from the Deputy Chief Executive which asked Members to review the business plan of 3 Rivers Developments Ltd. As well as 2 reports from items 12 and 13 which provided Cabinet with a business case for a second development scheme at Bampton and a business case for a 6 unit residential development scheme in Tiverton which were included in the 3 River's Developments Ltd company's recent Business Plan.

The meeting returned to open session.

It was therefore **RESOLVED that**

1. The 3 Rivers Developments Ltd 5 year business plan 2023 – 2028 be referred to an extraordinary meeting of Full Council for a decision.
2. The paper regarding 3 Rivers Developments Ltd Project Plan for the Park Road Development to an Extraordinary Meeting of Full Council for a decision.
3. The paper regarding 3 Rivers Developments Ltd Project Plan for the Bampton 2 Development to an extraordinary meeting of Full Council for a decision.

(Proposed by Cllr R Deed and seconded by Cllr C Eginton)

**Reason for Decision:** Cabinet agreed with the Scrutiny Committee's recommendation. But Scrutiny did not recommend that the developments in Bampton and Park road be referred to Council?

117. **NOTIFICATION OF KEY DECISIONS**

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

Note: \*Key Decisions previously circulated and attached to the minutes

(The meeting ended at 12.45 pm)

**CHAIRMAN**