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MID DEVON DISTRICT COUNCIL

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

Present

Councillors

B G J Warren (Leader)
G Barnell, Mrs C P Daw, D J Knowles, A Wilce and
Mrs N Woollatt

Also Present

Councillors

S J Clist, R J Dolley and B Holdman

Also Present

Officers:

Andrew Seaman (Member Services Manager), Richard Marsh (Director of Place), Maria De Leburne (District Solicitor and Monitoring Officer), Andrew Jarrett (Deputy Chief Executive (S151)), Sarah Lees (Member Services Officer), Dean Emery (Corporate Manager for Revenues, Benefits and Recovery) and Simon Newcombe (Corporate Manager for Public Health, Regulation and Housing)

145. APOLOGIES

No apologies were given.

146. PUBLIC QUESTION TIME

Paul Elstone:

Question 1

MDDC Officers seem to place a lot of credibility in the fact that Zed Pods constructed the developments at Hope Rise Bristol and in Bromley. Are Officers and Cabinet Members aware that these developments were in fact built and project managed by a company called impact modular to Enhanced Energy Performance Standards. Zed Pods are not a SWPA appointed company for this work-stream. That there are other questions worthy of asking in terms of the SWPA Procurement process and the required level of MDDC oversight and governance. Is this another 3 Rivers in waiting? Will this Cabinet implement a full investigation including in respect of project cost prior to committing to any further Zed Pods Projects being implemented?

Question 2

In a written reply to a question about the Zed Pod Module overspend of Four Hundred and Sixty-Seven Thousand Pounds (£467,000) related to the Shapland Place development. It is said that One Hundred and Twenty Five Thousand Pounds (£125,000) this overspend is mostly due replacing the wooden trellis with opaque glass screens. These are 4 screens each about 5 meters long. Planting semi mature trees which are just 1.8 to 2.4 meters tall. There being a total of 16 trees. Also adding a small clear glazed panels to just 3 windows. On checking these cost the figure of £125,000 seems to be a gross over statement being nearly five times market rates. Will MDDC Officers arrange for a detailed written cost breakdown to be provide to Cabinet Members and ideally myself? This to ensure full transparency.

Question 3

Even if cost is One Hundred and Twenty-Five Thousand Pounds (£125,000) it means an additional Three Hundred and Forty Two Thousand Pounds (£340,000) for foundation upgrades. Again, seems a massive price hike in foundation cost. Equivalent to nearly Forty-Three Thousand Pounds per apartment. Put another way conventional build cost at £150 per square foot would equate to around £708,000 for the 8 apartments measuring Four thousand seven hundred and nineteen (4,719) square feet in area, excluding stair towers. Zed Pods increased cost of £340,000 is for foundations alone. Will MDDC Officers arrange for a detailed written cost breakdown to be provided to Cabinet Members and ideally myself this to ensure full transparency?

Question 4

It is stated that reason for cost increase is after identifying foundation change requirements this after high-cost intrusive investigations. A site visit reveals that just four (4) small holes have been dug – now filled in. Holes not all in the location of module supporting pillars i.e. foundation locations. Will MDDC Officers arrange for a copy of the intrusive foundation report and recommendations to be provided to Cabinet and ideally to myself this for full transparency?

The Leader thanked Mr Elstone for his questions and noted that a written response would be given.

147. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT

Members were reminded to make declarations on interest where appropriate.

Cllr Mrs N Woollatt declared a personal interest that she lived near Station Road Car Park.

148. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting from 7 February 2023 were approved as a correct record and signed by the Leader.

149. 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:

- The General Fund position had not changed over the past month.
- A planning appeal costing had been received which was a six-figure sum.
- After a Government consultation, planning fees were likely to be increased next year.
- Energy costs remained to be a significant pressure on Mid Devon District Council, bills had risen by 33%.
- The Leisure Centres had a positive month following the post-Christmas campaign.
- Investments in the South West Mutual Bank were likely to be lost but had already been written off in 2022.
- Congratulations to the Leisure Centre staff was given.

150. **UPDATE FROM THE CABINET MEMBER FOR CONTINUOUS IMPROVEMENT**

The Cabinet **NOTED** a verbal update from the Member for Continuous Improvement.

The following was highlighted:

- 'Low' cases made up 90.35% of the caseloads.
- Work had commenced on the replacement of the Customer Relationship Management (CRM) system replacement.
- Parking enforcement performance remained at a good level.
- To date, 95 complaints had been received in 2022/2023.

The following was discussed:

- There was a need for Councillors to be kept up to date on enforcement cases within their wards.
- Thanks was given in relation to the work done on business rates.
- Officers explained that complaints followed the necessary processes that were in place which were available on Mid Devon District Council's website.

151. **CULLOMPTON TOWN CENTRE RELIEF ROAD**

Cabinet received a report* which informed Members of the outcome of Mid Devon's application to the second round of the Levelling Up Fund (LUF2) to support delivery of the Cullompton Town Centre Relief Road (CTCRR).

The following was discussed:

- The cost of submitting bids, to which the Director of Place explained that funds were drawn against the Housing Infrastructure Fund (HIF) fund, which therefore meant there was no direct cost for Mid Devon District Council.
- The life span of the s106 monies, to which the Director of Place explained that these funds had a long lifespan and could be used for other transport intervention projects if needed.
- Concern over the HIF deadline, to which the Director of Place explained that an announcement was due in spring 2023 and that bids would be submitted towards the end of 2023.
- It was suggested that a 50 year loan be used, to which the Deputy Chief Executive advised that would put Mid Devon District Council under additional cost pressure and was not recommended. In addition the Deputy Chief Executive noted that the cost of the project had doubled since 2019.
- A road north of Cullompton would be beneficial.
- That lobbying Government was important.

RESOLVED:

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

(Proposed by Cllr G Barnell and seconded by Cllr Mrs N Woollatt)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

152. LOCAL AUTHORITY HOUSING FUND

The Cabinet received a report* which sought agreement with the Department of Levelling Up, Housing Communities (DLUHC) for the provision of affordable housing under the Local Authority Housing Fund (LAHF).

The following was highlighted:

- Mid Devon District Council had recently welcomed people from countries suffering from conflict such as Ukraine and Afghanistan, however, these support schemes had a limited time frame.
- It was expected that Mid Devon District Council's homelessness programme would be under significant pressure when these schemes end, however a funding programme from the Government had been introduced. This Government scheme provided 40-50% of the funding and there was an aim to provide as much accommodation as possible.
- This accommodation could be used within the wider homelessness accommodation programme.
- Modular developments provided a higher volume of units for this programme.
- This would become a long-term asset that would de-risk the homelessness cost pressures.

The following was considered:

- That there should be a degree of flexibility in regards to the location for this scheme.
- Station Road Car Park may not be the most appropriate location.
- If modular housing was not used, Mid Devon District Council could only house 50% of the original target. It was acknowledged that there would be some long term pressures using Station Road Carpark, but the cost of using hotels as well as Bed and Breakfasts were rising.
- There would be pressures and compromises for any location for this programme.
- The lifespan of the pods was raised and what would happen to them when they were no longer fit for purpose. The Corporate Manager for Public Health, Regulation and Housing explained that this accommodation had a 100 year life expectancy.

RESOLVED:

1. That delegated authority be given to the S151 Officer to sign the LAHF Memorandum of Understanding (MOU) between the DLUHC and Mid Devon District Council as set out in Annex A
2. Subject to recommendation 1, that under the LAHF the Council purchase Property 1 and 2 described within the report and set out further in Annex B
3. Subject to planning permission being granted for the proposed affordable rent modular housing development at a suitable location within the district, yet to be identified:
 - i. A bid for the Phase1 and Phase 2 work be accepted under the terms of the South West Procurement Alliance (SWPA)
 - ii. This will therefore be a direct award under the SWPA NH2 modular housing framework
4. If a suitable location for the development set out in recommendation 3 cannot be found or planning permission is not granted, the Council purchase suitable additional market properties within the district to include at least one 4-bed property and do so within the terms of the LAHF funding and additional match-funding budget as set out within the report.
5. Delegated authority be granted to the S151 Officer to complete the associated property purchases and the Phase 1 and Phase 2 contracts as required.

(Proposed by Cllr A Wilce and seconded by Cllr Mrs N Woollatt)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

153. MEETING HOUSING NEEDS SPD

The Cabinet received a report* which sought approval for the draft Mid Devon Meeting Housing Needs Supplementary Planning Document for Public Consultation, with the following highlighted:

- This report related to the adopted local plan.
- Included a broader scope of guidance when compared to the previous version.
- This document would need to be published for a 6 week public consultation.
- The adopted local plan had not considered today's housing needs within Mid Devon.
- There was a need for the availability of social and affordable rented housing to be improved.
- There was a need for a wider range of house sizes, particularly housing for families.

The following was discussed:

- Whether the target for affordable housing could be met. The Director of Place explained that the nature of the planning process had meant that changes to the quantity of housing delivered could change over the course of the application's lifetime.

RESOLVED:

1. The draft Mid Devon Meeting Housing Needs Supplementary Planning Document (Appendix 1 to this report), the Strategic Environmental Assessment Screening Report (Appendix 2 to this report) and the Habitat Regulations Assessment Screening Report (Appendix 3 to this report) be approved for public consultation.
2. That delegated authority be given to the Director of Place in consultation with the Cabinet Member for Planning and Economic Regeneration to finalise the material and arrangements for consultation.
3. That officers consider the options available to Mid Devon to enable the authority to achieve significant improvements in housing mix for the District as set out within Table 1 (page 6) of the SPD document and as established through the Local Housing Needs Assessment, with particular emphasis on improving the availability of social and affordable rented accommodation and of lower cost family housing. While noting that further work on housing mix will be undertaken through the development of our new Local Plan; Plan Mid-Devon. Cabinet requests that the Director of Place reports to Cabinet on the outcome of this work by October 2023.

(Proposed by Cllr G Barnell and seconded by Cllr A Wilce)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

154. **VOIDS MANAGEMENT POLICY**

The Cabinet received a report* which provided an updated, draft policy on the management of void properties within the Council's housing stock. This had been developed following an in-depth review of voids management and with an aim that ensured properties which become void continued to be re-let as quickly and efficiently as possible. The policy also sought to balance this approach with the needs of tenants and the requirement to maintain properties to an appropriate, safe lettings standard, whilst retaining a sustainable stock and Housing Revenue Account.

The following was discussed:

- Regarding the use of working days as a measurement for void performance and whether time taken for allocations to tenants made would look to be reduced. The Corporate Manager for Public Health, Regulation & Housing and Public Health explained that working days needed to be used as a measurement as it was accurate, but could report in different measurements. In addition, it was aimed for these targets to be reduced.
- Whether officers could cope with this extra work. The Corporate Manager for Public Health, Regulation & Housing and Public Health explained that the team was fully staffed and that the team had been fully staffed since the second quarter of 2023.
- Long-term voids were sometimes intentional, for example, when developments were needed.

RESOLVED:

That Cabinet adopt the updated Voids Management Policy contained in Annex B. With a review after one year.

(Proposed by Cllr A Wilce and seconded by Cllr D J Knowles)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

155. **RESIDENT SURVEY RESULTS**

The Cabinet were presented, and **NOTED** a report* which provided an insight into the results of the resident survey. The following was highlighted:

- Results had shown that positive feedback had been received, the results had also identified opportunities for improvement and that these would be considered.

The following was discussed:

- That 39% of residents felt that the Council acted on concerns of residents and that 41% of residents were fairly or very satisfied with Mid Devon District Council's street cleaning service.
- Whether this survey should be done earlier in the municipal year.
- That areas other than Tiverton should be invested in.

- That more public engagement could be done, and that not all carparks were well used.
- Although there was not a timeframe for setting out action plans, this would be discussed.
- That it was important that local businesses were supported, to which the Director of Place explained that there were a number of initiatives that supported local businesses.

Note: *report previously circulated and attached to the minutes

156. **DRAFT NON-STATUTORY INTERIM PLANNING POLICY STATEMENT: CLIMATE EMERGENCY (POST CONSULTATION)**

The Cabinet received a report* which asked Cabinet to adopt the Non-Statutory Interim Planning Policy Statement.

The following was highlighted:

- This document had been through public consultation. It aimed to enable a focus on tackling climate change.
- Enabled planning tools to be more in line with climate goals.
- Could be applied to the local planning process.
- A new zero carbon toolkit and net zero housing assessment tool was also introduced.
- Members should be offered training in the use of the new climate change policy statement.

RESOLVED:

1. The proposed amendments to the draft Non-Statutory Interim Planning Policy Statement: Climate Emergency detailed in the Statement of Public Participation (Appendix 4) and in section 4.0 of this report be approved and these are included in the finalised version of the Non-Statutory Interim Planning Policy Statement: Climate Emergency (Appendix 1).
2. The amendments made to the Net Zero Carbon Toolkit detailed in the Statement of Public Participation (Appendix 4) and the schedule at paragraph 2.13 in this report be approved.
3. The Non-Statutory Interim Planning Policy Statement: Climate Emergency (Appendix 1), including the Net Zero Carbon Toolkit (Appendix 2) and the Net Zero Housing Assessment Tool (Appendix 3) be adopted, published on the Council's website, and brought into effect in the council's development management process.
4. The Council's validation checklist "4 – Application for Planning Permission" be amended to include the local validation requirement for the completion of the "Climate Emergency –Planning Applications Checklist".
5. Applicants for planning permission be encouraged to use the Net Zero Carbon Toolkit and the Net Zero Housing Assessment tool where these are relevant to the proposed development.

6. Delegated authority be given to the Director of Place in consultation with the Cabinet Member for Planning and Economic Regeneration to approve future amendments to the Non-Statutory Interim Planning Policy Statement: Climate Emergency (Appendix 1 including the Climate Emergency – Planning Applications Checklist), the Net Zero Carbon Toolkit (Appendix 2) and the Net Zero Housing Assessment Tool (Appendix 3) and where these are factual and are in relation to updated national policy and guidance, regulations and legislation.
7. That members are offered training in the use of the new climate change policy statement in order to ensure their familiarity of the document, and the use of it in supporting the determination of planning applications

(Proposed by Cllr G Barnell and seconded by Cllr Mrs C P Daw)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

157. 2023/24 CAPITAL STRATEGY AND CAPITAL PROGRAMME

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

The Deputy Chief Executive explained that 3 Rivers could not enter into any development opportunities prior to business cases being presented to Cabinet for approval, before any lending could be made.

RESOLVED to Recommend to Full Council:

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

(Proposed by Cllr B G J Warren and seconded by Cllr A Wilce)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

158. **2023/24 TREASURY MANAGEMENT STRATEGY**

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

RESOLVED to recommend to Full Council:

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

(Proposed by Cllr B G J Warren and seconded by Cllr D J Knowles)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

159. **NATIONAL NON DOMESTIC RATES**

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

RESOLVED to recommend to Full Council:

1. That the calculation of the NNDR1 net yield of £16,921,552 from 3,519 Business Rated properties is noted for 2023/24;
2. That the proportions distributed to the respective authorities and Central Government be allocated as per the statutory regulations; and
3. That Members note that Central Government will reimburse the Council through a Section 31 grant to compensate it for the reduction in collectable business rates as a result of introducing various reliefs under section 47.

(Proposed by Cllr B G J Warren and seconded by Cllr G Barnell)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

160. REVISED 2023/24 BUDGET

The Cabinet were presented a report* which provided revised budgets for the General Fund and the Housing Revenue Account for the year 2023/24.

The Deputy Chief Executive explained that recommendations 7 and 8 were added as a revision to the budget following recommendations made by Full Council.

The following was considered:

- That the budget for open spaces increased by £145k. The Deputy Chief Executive explained that this was due to maintenance costs for those services.
- That the waste collection budget increased by nearly £249k. The Deputy Chief Executive explained this was due to the increase in the national living wage and that this service was hit hard by the increased cost of fuel and utilities. In addition income had decreased.
- Administration building had seen an increase of nearly £230k, but the building was not fully utilised. The Deputy Chief Executive explained that utility costs had increased and the commercial property rate value had changed. However, negotiations were underway with Devon Police to utilise part of the building.
- The increased budget for the 3 leisure centres. The Deputy Chief Executive explained that the increased national living wage and utility spend were contributing factors. In addition, this service had still not recovered to pre-pandemic levels.
- The paddling pools within Mid Devon District Council were raised, with potentially a need to review the funding options for the Paddling Pools within Mid Devon. The Deputy Chief Executive explained that the total costs for this service was circa £40k. In addition, it was felt that it was possible for the pools to be kept open.
- Corporate functions covered Mid Devon District Council's technical teams such as performance management and data protection.
- Whether the savings outlined had been considered as deliverable and whether the increased costs were justified. The Leader explained, the increased costs were challenged and noted that officer advice was taken on the potential savings.
- 3 Rivers Developments Ltd was raised, the Corporate Manager for Finance and Procurement explained that the interest from 3 Rivers Developments Ltd had been removed from the revised budget and had been replaced with estimates from temporary treasury investments.
- Whether the use of reserves could be justified and if there was a plan to replenish the reserves. The Deputy Chief Executive explained that this had put the next administration into a difficult position and that this was the situation Mid Devon District Council was in, with an aim for reserves to be replenished.
- Whether new homes bonus could be used as temporary funding, to which the Deputy Chief Executive explained that all new homes bonuses were already allocated and that there was a plan for it to be replenished.

RESOLVED to recommend to Full Council:

1. A Council Tax Requirement of £6,724,350 calculated using a Council Tax of £225.40 for a Band D property, an increase of £6.56 or 2.99% from 2022/23 and a Tax Base of 29,832.98, in accordance with the Local Authorities (Calculation of Tax Base) Regulation 1992, as amended, after the relevant adjustments in respect of the Council tax support scheme approved by Cabinet on 3 January 2023;
2. The overall budgeted Cost of Services within the General Fund of £16,830,364 for 2023/24 is approved as detailed across Appendices 1 – 2 and inclusive of the adjustments included within Table 1 in paragraph 5.1 of the Cabinet Report for 7 February 2023;
3. The 2023/24 budget requires no transfer from the General Fund Balance and a further temporary transfer of £57,657 from the New Homes Bonus EMR in order to balance and agree all of the transfers to and from Earmarked Reserves as detailed in Appendix 3;
4. HRA budget for 2023/24 be approved – Appendix 4;
5. HRA fees/charges are approved based on the attached Appendix 5;
6. Work on strategic planning for delivering a balanced budget for 2024/25 is commenced immediately. This work will need to include provision to replenish the General Fund Balance and re-examine the overarching level of Reserves that is required.

(Proposed by Cllr B G J Warren and seconded by Cllr A Wilce)
(Cllr D J Knowles abstained as he had left the room)

Additional recommendations arising from Full Council, 22 February 2023:

7. Cabinet are asked to agree the inclusion within the budget the implications of the recommendations from Full Council as outlined in Section 2.1;
8. Cabinet agree to temporarily reduce the minimum level of General Reserves by £610k from its existing level (c.£2.2m) in order to balance the 2023/24 Budget and agree to identify a plan to replenish back to the £2m recommended minimum balance, as referenced in Section 2.3.

(Proposed by Cllr B G J Warren and seconded by Cllr A Wilce)

A further recommendation made included:

9. That a further temporary reduction of circa £15k be made to the general reserve whilst the proposal to mothball the paddling pools in Crediton and Tiverton is urgently reviewed to explore sourcing the necessary funding to keep these facilities available during the summer months, be that through finding room in existing budgets and/or town council support and/or business sponsorship.

(Proposed by Cllr Mrs N Woollatt and seconded by Cllr G Barnell)

Reason for Decision: As stated in the report

Note: *report previously circulated and attached to the minutes

161. **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 1.57 pm)

CHAIRMAN

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