

MINUTES of a **MEETING** of the **CABINET** held on 17 June 2025 at 5.15 pm

**Present
Councillors**

L Taylor, J Lock, J M Downes, G Duchesne,
M Fletcher, S Keable, J Wright and D Wulff

**Apology
Councillor**

N Bradshaw

**Also Present
Councillor(s)**

E Buczkowski, J Buczkowski, L Knight and S Robinson

**Also Present
Officer(s):**

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Maria De Leburne (Director of Legal, People & Governance (Monitoring Officer)), Richard Marsh (Director of Place & Economy), Simon Newcombe (Head of Housing & Health), Dean Emery (Head of Revenues, Benefits & Leisure), Adrian Welsh (Strategic Manager for Growth, Economy and Delivery), Haley Walker (Leisure Business Manager), Christie McCombe (Area Planning Officer) and Laura Woon (Democratic Services Manager) and Sarah Lees (Democratic Services Officer)

**Councillors
Online**

L Cruwys and G Czapiewski

Officers Online

K Knowles (Operations Manager for Financial Services)

1. APOLOGIES

Apologies were received from Cllr N Bradshaw.

2. PUBLIC QUESTION TIME

Barry Warren

SHO13A - Cost of Abortive Zed Pods Capital Projects transferred to Revenue - £455,300. This seems to be the loss of a large amount of money which the Council is burying.

Question 1:

How many projects were aborted?

Question 2:

Why was such a large amount expended before the projects were aborted?

SHO01 - A provision of £234k is shown as Housing Rent Error overcharge, which resulted in more than £7 million being wrongly paid by tenants to the Council.

Question 3:

Is this the cost of the team working on this?

Question 4:

If not, what is this amount for?

It is proposed to transfer money from the Housing Maintenance Fund final reserve to cover both these costs (totalling nearly £700,000).

Question 5:

How can failed Zed Pods projects be classed as Housing Maintenance?

Question 6:

Does this transfer mean that ready money will no longer be available for any housing maintenance emergencies that may suddenly occur?

Question 7:

Isn't this just a way to lower the Housing Maintenance Reserve, so the Council can argue that paying back the full tenant overpayments will threaten the Council's ability to maintain the housing stock?

Contract Decision – Mid Devon Housing Build

This contract for the construction of a pair of semi-detached houses in Cullompton has been put out to tender and Cabinet is now being asked to decide to whom the contract should be awarded.

The Council has gone out to tender for a contract to build these houses which is valued at less than £1 million.

Question 8:

Why did the Council give multiple multimillion pound contracts for house builds direct to Zed Pods without going through this tender process?

Paul Elstone

The construction of a pair of 2-bedroom semi-detached properties at Honiton Road, Cullompton is part of this Council's social housing portfolio. This being Housing Revenue Account (HRA) Project Number 51

Under Financial Implication in the Cabinet Report, it says the Housing Revenue Account budget is £600,000 for this project.

Yet the approved HRA Capital Programme 2025/26 onwards, says that the budgeted cost for this project is £387,000.

And the recent ZED POD modular home value for money benchmarking report, put to Scrutiny Committee, says the total cost of the project is £444,854. A very precise figure and despite the development even being started. I have called the benchmarking report fundamentally and fatally flawed because of some very basic and high value calculation errors.

My efforts to have the report fully reviewed and properly audited so Council Members could ensure best value for money have abjectly failed. A lack of response I am disappointed to say that has become the norm for this Council.

The Honiton Road project does not seem to be anything like value for money, especially so given it is traditional build. That it is not so energy efficient and will not receive Homes England and Modern Methods of Construction (MMC) grant funding. Something a Category 2 MMC panel system build could or would provide.

Given such a wide range of cost figures and figures that have been provided by Council officers for the cost of this project, how can this Cabinet make a fully informed decision.

Question 1:

This to ensure they award a contract that truly offers best value for money for the Mid Devon residents overall?

Question 2:

I have previously raised concerns that not all Members of this Council or the public can properly interrogate the real cost of the Councils HRA projects. This given the way project information was being presented or not presented.

As a result, it was agreed by Cabinet to provide the locations of HRA projects alongside project numbers in HRA Capital Project budget report documentation.

Cabinet also agreed to show previous project expenditure amounts.

This enhanced reporting lasted just one quarter and with the HRA Capital Budget - Appendix 4 Agenda Item no longer showing this level of detail.

Will Cabinet ensure this information is reinstated and in advance of all future Council meetings where HRA project cost information is provided?

3. DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT

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

4. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 1 April 2025 were **APPROVED** as a correct record and **SIGNED** by the Leader.

5. **DIGITAL TRANSFORMATION- VERBAL UPDATE**

Cabinet received a verbal update from the Service Delivery Manager on the Digital Transformation update.

The following was highlighted:

- Cabinet had previously approved the digital transformation of the Leisure Service, the leisure management system and leisure application had been implemented.
- The swimming lesson software was in the early stages of implementation and access control was now out to tender.
- The Leisure Service went 'live' with Flow.
- The database of over 12k customers, the data was imported from an old system with only 6 known errors which were easily remedied (for perspective, companies usually imported with around 600 errors).
- The officers were thanked for their work, the delivery team that had made the project possible and who had worked tirelessly to build the system, in a tight timescale, in order to meet the deadline required.
- The new app was launched on Monday 7 April which had been a great success. Customer feedback had been extremely positive and the ease of the new booking journey had been especially well received. To date there had been 3,570 app downloads.
- Lot 2.2, access control, was an ongoing project. A tender process had taken place in April 2025 however there had not been a successful outcome. With only two applications, neither of which were deemed suitable.
- Lot 2.1, course software, was an integral part of the digital transformation for leisure. This system would mainly be utilised for the lesson programme, of circa 2.4k customers, as well as the running of commercial courses.

Discussion took place with regard to:

- The application was easy to use and rolled out in good time.

6. **2024/25 ANNUAL TREASURY MANAGEMENT REVIEW REPORT**

Cabinet had before it a report * from the Deputy Chief Executive (S151) and the Head of Finance, Property and Climate Resilience on the 2024/25 Annual Treasury Management Review Report.

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

- Treasury management was a specialist area that required a number of important indicators to be approved.
- The level of capital expenditure for the year and how it had been funded, either through existing resources or through increasing the funding requirement.

- The Council maintained an under-borrowed position, meaning it was able to use reserves, balances and cash flow to meet that funding requirement without the need for external borrowing.
- The report set out the limits for borrowing, showing that the Council was well within them and the timeframes for the repayment of the existing external loans.
- Investments conformed to the approved strategy and there were no liquidity difficulties. Indeed, healthy returns from investments were achieved averaging 4.89%, helping to invest in service delivery.
- All regulations were adhered to, all policies were complied with and no external borrowing was required.

RESOLVED that:

1. The treasury activities for the year be **NOTED**.
2. That Cabinet recommend to Full Council that the actual 2024/25 prudential and treasury indicators in this report be **APPROVED**.

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

Reason for Decision:

Good financial management and administration underpinned the entire document. The Council's treasury position was constantly reviewed to ensure its continued financial health.

Note: *Report previously circulated

7. **2024/2025 REVENUE AND CAPITAL OUTTURN REPORT**

Cabinet had before it a report * from the Deputy Chief Executive (S151) and the Head of Finance, Property and Climate Resilience on the 2024/2025 Revenue and Capital Outturn Report.

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

- The net cost of services charged to the General Fund and the Housing Revenue Accounts (HRA) for 2024/25, subject to Audit Committee.
- The Outturn position for the General Fund was an under spend of £1,547k. This was a major corporate achievement and reflected the hard work and efforts of managers and services during the year.
- The success of securing £33.5m of funding to deliver the Cullompton Relief Road, where previous attempts had failed. This could help facilitate further progress on the Garden Village, J28 enhancement and the reopening of the railway station in Cullompton;
- Increased levels of membership at our leisure centres by over 500 or nearly 9%, driving up income and reducing the £1m subsidy by over £400k;
- Further increased waste collection, both in terms of what was collected and how much collected. This placed the Council as the 11th highest in the country.
- Incredible collection rates for Business Rates (99.8%) and Council Tax (97.6%) – making the Council one of the best in the country.

- Reduced staff turnover and sickness, avoiding recruitment and agency costs previously experienced.
- The HRA position was more challenging due to a number of one off matters that caused an over spend of £1,727k. Those included the implications of the historic rent setting error, the sale of Post Hill and sunk costs on non-viable development sites.
- Despite the HRA over spend, the Council's reserves remained healthy with the General Fund remaining at £2.025m, above the £2m minimum agreed balance as shown in Appendix 3.
- The Capital outturn position showed spend of over £23m, split £8m on General Fund projects and c£154m on HRA housing both existing housing and developing new homes. Of the General Fund spend, £2m was on the initial stages of the Cullompton Relief Road, nearly £1m had been spent on adaptations to housing for disabled residents enabling them to stay longer in their own homes.
- As previously reported, during 2024/25 a historic error was identified in the calculation of Social Rent. Following the Council's self-referral to the regulator, they had issued their judgement which also highlighted the proactive steps being taken to correct the issue. All of the overcharged rents had been corrected and the detailed work required to identify the precise level of tenant refunds was being progressed.

Discussion took place with regards to:

- Clarification around the salary underspend due to the delay in recruitment and delayed usage of contingencies to fund compliance.
- Was the cost of converting St Georges Court final?
- What was driving the deficit in the collection rate forecast?

RESOLVED that:

1. The Outturn achieved in 2024/25 which showed a net under spend of £1,547k (11.8% on the Net Total Expenditure Budget) for the General Fund, and for the Housing Revenue Account an over spend of £1,727k (13.2% on the Total Direct Expenditure Budget) be **NOTED**.
2. General Fund
 - a) The Net transfers to or from earmarked reserves for operational purposes of £792k, as detailed in the General Fund Service Budget Variance Reports shown in Appendix 1a and 1b and summarised in Appendix 3 be **APPROVED**.
 - b) The balance transfer of the £1,547k General Fund underspend to earmarked reserves as detailed in paragraph 3.5.4.4; retaining the balance of the General Reserve at £2,025k; above the minimum recommended level of £2,000k be **APPROVED**.
3. Housing Revenue Account

- a) The net transfers to or from the ring-fenced HRA earmarked reserves for operational purposes of £724k detailed in Appendix 2 and summarised in Appendix 3 be **APPROVED**.
 - b) The £1,727k Housing Revenue Account overspend to be offset with a draw from the ring-fenced HRA Housing Maintenance earmarked reserve be **APPROVED**.
 - c) The updated position on the Housing Rents error recovery programme in paragraph 4.7.1 be **NOTED**.
4. The slippage of £17,068k from the 2024/25 Capital Programme to be delivered in 2025/26 or later years as shown in Appendix 4 be **APPROVED**.
 5. The procurement waivers used in Quarter 4 of 2024/25, as outlined in Section 7 be **NOTED**.

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

Reason for Decision:

Good financial management and administration underpinned the entire document. A surplus or deficit on the Revenue Budget would impact on the Council's General Fund balances. The Council's financial position was constantly reviewed to ensure its continued financial health.

Note: *

- i. Report previously circulated
- ii. Cllr J Lock abstained from voting.

8. SHARED PROSPERITY FUND (SPF) AND RURAL ENGLAND PROSPERITY FUND (REPF): 2024/25 CLOSURE AND 2025/26 DELIVERY

Cabinet had before it a report * from the Director of Place and Economy on the Shared Prosperity Fund (SPF) and Rural England Prosperity Fund (RESP) and the 2024/25 Closure and 2025/26 Delivery.

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

- The previous Government launched the UK Shared Prosperity Fund (SPF). Those funding sources replaced funding previously available under the European Structural and Investment Funds.
- The successful delivery of the previous SPF and Rural England Prosperity Fund (REPF) programme between 2022 and 2025 was particularly pleasing given that there were significant delays in the previous Government issuing confirmation of funding which substantially reduced the window for delivery. Clearly, despite short lead in times to delivery from the original Government announcements and the diversity and volume of the grants given, the performance on spend and utilisation was exceptionally strong at 99% spend of the REPF programme and 95% of the SPF programme.
- The high percentage of delivery reflected the hard work and effort invested by the Economic Development Team in proactively managing spend, identifying challenges and slippages and ensuring re-allocation of returned or unutilised funding.

- In autumn 2024 the Government would offer an additional year of Shared Prosperity Funding; subsequently it was announced that there would also be an additional year of Rural England Prosperity Funding. This funding now flowed to upper tier authorities, being administered by the County Council on behalf of the Combined County Authority – although it had been agreed that delivery would continue to principally be directed through the District Authorities.
- The Delivery Plan proposals were developed in consideration of the Council's Corporate Aims and Strategic Objectives, drawing also from the previously prepared investment plans submitted to the Government at the beginning of the UKSPF programme. Some projects were proposed to be taken forward by the County Council and others by the District Council. Those proposals had been the basis of the County Council's submission to MHCLG.
- There were a number of restrictions with regard to these funding streams. Importantly funds needed to be spent and projects delivered by 31st March 2026. There was therefore a very short window for delivery from a relatively standing start, which was particularly challenging for projects that needed other approvals such as planning permission. Mindful of the need to turn around schemes quickly, it was proposed that a small grants panel be established on the same basis that the existing Shopfront Enhancement Schemes were currently assessed and as set out within the report. It was proposed that this panel would be able to convene quickly and would determine grant funding requests up to the value of £30k.

Discussion took place with regards to:

- Those able to apply for funding and the rules around this.
- Some grants required those to bid for them that were complicated, would the Council be able to support those that need help?
- To have more robust communication about the funding to ensure more people were made aware.
- The concerns about the lack of local Members on the funding panel.
- Would the Ward Members be informed to support the application?

RESOLVED that:

1. The proposed Delivery Plan for 2025/2026 of the Shared Prosperity Fund (shown in Appendix 1) be **APPROVED**.
2. The proposed Delivery Plan for 2025/2026 of the Rural England Prosperity Fund (shown in Appendix 2) be **APPROVED**.
3. Delegated authority to the Director of Place and Economy, in consultation with the Cabinet Member for Planning and Economic Regeneration, to make non material changes to the Delivery Plans as required to ensure timely delivery be **GRANTED**.
4. Delegated authority to a panel consisting of the Cabinet Member for Planning and Economic Regeneration, the Director of Place and Economy, and two members of the Economic Development Team to determine grant funding requests under £30k be **GRANTED**.

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

Reason for Decision:

The report refers to external funding of £275,813 of UKSPF funding and £244,959 of REPF funding which had been allocated to the District Council based on a formulaic approach. This funding needed to be spent this financial year. The proposals for this financial year had been developed to maximise opportunities for certainty of spend.

Note: *Report previously circulated

9. **CULLOMPTON TOWN CENTRE RELIEF ROAD- VERBAL UPDATE**

Cabinet received a verbal update from the Director of Place and Economy on the Cullompton Town Centre Relief Road

The Cabinet Member for Planning and Economic Regeneration outlined the following:

- As Cabinet would be aware; there was significant effort and achievement in securing Housing Infrastructure Fund (HIF) monies from Homes England in order to enable the delivery of the long awaited Cullompton Town Centre Relief Road (CTCRR).
- In securing funding and commencing delivery, the Council was able to begin to address long running infrastructure challenges within Cullompton and enable the delivery of additional homes at North West Cullompton and the first elements of new housing to the east of the M5, at the site of the proposed Garden Village.
- Agreements had now been completed with Homes England and Devon County Council in order to allow the drawing down and utilisation of funding. Devon County Council would also continue to act as the Council's delivery partner (as highways authority) in relation to the CTCRR.
- The first phase of works to enable relocation of the Cricket club had completed through works to deliver the new cricket square.
- Devon County Council had completed the acquisition of several land parcels in order to enable delivery of the road. This included the acquisition of the land required from Tesco. Furthermore, several of those transactions occurred before the end of the last financial year – thereby making good use of the funding available from Homes England within the financial year.
- Discussions continued with affected landowners where land interests or compensation still needed to be acquired or finalised;
- Further works was currently underway in relation to the cricket club – with outfield works to complete the creation of the pitch now underway, and;
- Works to refine and finesse the design and engineering components of the scheme were underway in order to get to a fixed design to allow tendering to occur.
- The intention remained to commence the main body of construction works during 2026 with completion and road opening in 2028. However, earlier enabling works were also expected to occur during this calendar year.
- Members would be aware of the positive news shared via the MP's offices regarding the decision to fund the Cullompton and Wellington railwaystations and looked forward to further information on this cascading down from Department of Transport (DfT) and Treasury in due course.
- Positive decision in relation to the J28 Strategic Outline Business Case by Treasury in order to address congestion issues around the junction and wider

town, but also to unlock the next phase of growth for Cullompton – including further delivery of new homes to the east of the M5 and beyond the current cap of 500 homes.

Discussion took place with regards to:

- The timeframe around the planned works to be completed.
- Any foreseeable delays on the project?
- Clarification about the 500 homes open at Culm Garden Village.
- The proposed plans on the railway station.
- The lack of growth over the last 20 years and this needed to happen now to better the lives of the residents.
- Clarification around the Strategic Outline Business Case (SOBC) on Cullompton railway station and any potential delays.

10. STAGE 1 CONSULTATION RESPONSES

Cabinet had before it a report * from the Director of Place and Economy on the Stage 1 Consultation Response.

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

- Area B made up a part of the strategic allocation that lay to the east of Tiverton. The advancement of Area B had stalled until recently when West Country Land started to work proactively across the allocation to secure ownership or options on about 90% of the land making up Area B.
- The Councils planning policy required the completion of a master planning exercise on Area B prior to planning permission. West Country Land had therefore been working collaboratively with the Council to accelerate the production of a masterplan across the area. Together the Council and West Country Land undertook a Stage 1 public consultation between November 2024 and January 2025.
- It set out the number, location and attendance at the consultation events and the number of consultee responses.
- Appendix 1 gave an officer summary of the main issues – set out under the 8 headings asked at the public consultation.
- This report was presented at the Planning Policy Advisory Group (PPAG) meeting on 19 May 2025 at which detailed consideration and discussion was given to the responses made under each of the 8 headings presented at the public consultation.
- A provisional timetable for the next stages in the production of the masterplan were set out in the report including a Stage 2 public consultation on the Area B Masterplan during August / September 2025.

Discussion took place with regards to:

- The configurations of the roads and provisions that were in place.
- No mention of Primary and Secondary School provisions, were they in Area A?

- The Overdevelopment with little consideration for the existing residents of Mayfair and access for those 10 dwellings from Area B not Mayfair.
- The no road traffic access to Mayfair.
- The Completions of the Phase 2 of the A361 road junction.

RESOLVED that:

The comments received at the Stage 1 public consultation (Appendix 1) be **NOTED**.

(Proposed by the Leader)

Reason for Decision:

No budget had been set aside by the Council to support the production of the masterplan. It would largely be funded by the developer including the production of the draft masterplan for public consultation, booking of venues and neighbour consultation.

Note: *Report previously circulated

11. ACCESS TO INFORMATION- EXCLUSION OF PRESS & PUBLIC

The Leader indicated that discussion with regard to the following item, 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 was required because consideration of this matter in public would disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. The Cabinet decided, in all circumstances of the case, the public interest in maintaining the exemption interest in disclosing the information, outweighed the public interest in disclosing the information.

It was **RESOLVED** that the meeting remain in Part 1.

12. CONTRACT DECISION- MID DEVON HOUSING BUILD

Cabinet had before it a report * from the Head of Housing and Health on the Contract Decision - Mid Devon Housing Build.

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

- The results of the tendering of the Honiton Road new development contract for the Housing Revenue Account (HRA) and to confirm the award of the contract.
- In the Council's Corporate Plan, Mid Devon Housing (MDH) were investing in completing new development projects to provide new affordable homes within its district.
- The Honiton Road scheme was a pair of 2-bed semi-detached properties built on land adjacent to 1 Honiton Road, Cullompton. This property had significant curtilage with the land and property within HRA ownership.

- Access was relatively restricted to the front and side of the property, consequently it was unsuitable for HGV delivery of modular homes and the scheme would be a traditional build with improvements to the existing access to provide off-road parking for the new and existing properties.
- The allocated budget for the work was £600,000.00 with the build-contract tender submissions below this. The additional budget would adequately allow for pre planning and planning costs alongside HRA management and direct on-costs with some project contingency.

Discussion took place with regards to:

- How many houses had been built in the last 2 years.
- Where and what will be the impacts to the neighbouring residents during the development and how will these be managed?

RESOLVED that:

- The new Honiton Road New Development Contract, to be **AWARDED** to Contractor 4.
- Delegated authority to the S151 Officer (in consultation with the Cabinet Member for Housing, Assets and Property) to complete the associated Honiton Road New Development Contract be **GRANTED**.

(Proposed by Cllr J Lock and seconded by Cllr M Fletcher)

Reason for Decision:

The Housing Revenue Account (HRA) budget for the works is £600,000.00. Further information was provided in the report and as set out fully in Part II Annex A.

Note: *Report previously circulated

13. **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:

- Mid Devon Housing (MDH) Mobility Scooter in Flats Policy had been added to October.

Note: * Key Decisions Report previously circulated.

(The meeting ended at 7.10pm)

LEADER