



## Public Document Pack

North Devon Council  
Brynsworthy Environment Centre  
Barnstaple  
North Devon EX31 3NP

K. Miles  
Chief Executive.

### **POLICY DEVELOPMENT COMMITTEE**

A meeting of the Policy Development Committee will be held as a Virtual – Online meeting on **THURSDAY, 11TH FEBRUARY, 2021 at 6.30 pm.**

Members of the Policy Development Councillor D. Spear (Chair)  
Committee

Councillors Campbell, Hunt, Jenkins, Luggar, Mack, Mackie, Roome, Walker and York

### **AGENDA**

7. Performance and Financial Management Quarter 3 of 2020/21 (Pages 5 - 8)  
Report by the Head of Resources to Strategy and Resources on 1<sup>st</sup> February 2021 (attached), and
  - (a) the Minute Extract of Strategy and Resources on 1<sup>st</sup> February 2021 (attached).
8. Review of Charges and Fees for 2021/22 (Pages 9 - 10)  
Report by the Head of Resources to Strategy and Resources on 1<sup>st</sup> February 2021 (attached), and
  - (a) the Minute Extract of Strategy and Resources on 1<sup>st</sup> February 2021 (attached).
9. Revenue Budget 2021/22, Capital Programme and Medium Term Financial Strategy 2021-2025 (Pages 11 - 14)  
Report by the Chief Financial Officer to Strategy and Resources on 1<sup>st</sup> February 2021 (attached), and
  - (a) the Minute Extract of Strategy and Resources on 1<sup>st</sup> February 2021 (attached).
10. Treasury Management Strategy Statement 2021/22 (Pages 15 - 16)  
Report by the Chief Financial Officer to Strategy and Resources on 1<sup>st</sup> February 2021 (attached), and
  - (a) the Minute Extract of Strategy and Resources on 1<sup>st</sup> February 2021 (attached).

11. 10 Year Capital Strategy 21/31 (Pages 17 - 18)

Report by the Chief Financial Officer to Strategy and Resources on 1<sup>st</sup> February 2021 (attached), and

(a) the Minute Extract of Strategy and Resources on 1<sup>st</sup> February 2021 (attached).

**If you have any enquiries about this agenda, please contact Corporate and Community Services, telephone 01271 388253**

3.02.21



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The rules that the Council will apply are:

1. The recording must be overt (clearly visible to anyone at the meeting) and must not disrupt proceedings. The Council will put signs up at any meeting where we know recording is taking place and a reminder will be issued at the commencement of virtual meetings.
2. The Chairman of the meeting has absolute discretion to stop or suspend recording if, in their opinion, continuing to do so would prejudice proceedings at the meeting or if the person recording is in breach of these rules.
3. We will ask for recording to stop if the meeting goes into 'part B' where the public is excluded for confidentiality reasons. In such a case, the person filming should leave the room ensuring all recording equipment is switched off. In a virtual meeting the public will be excluded from the meeting while in Part B.
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## **Minute Extract of Strategy and Resources Committee of 01/02/2021:**

### **Minute 251: Performance and Financial Management Quarter 3 of 2020/21**

The Committee considered a report by the Head of Resources (circulated previously) regarding the Performance and Financial Management for Quarter 3 of 2020/21.

The Accountancy Services Manager highlighted the following:

- The revenue budget for 2020/21 was approved at Council on 26 February 2020 at £13,380,000.
- As at 31 December 2020, the latest forecast net expenditure is £13,352,000, which produced a forecast budget surplus of £28,000. (Quarter 2 was a forecast budget deficit of £136,000). This £164,000 movement to a surplus combines various surpluses and deficits across the revenue budget, these details were shown in Appendix A – Variations in the Revenue Budget.
- The original budget for 2020/21 included a forecast to achieve £200,000 worth of salary vacancy savings. The current position forecasts we would achieve £388,000.
- There was much pressure on the 2020/21 budget due to the Covid-19 pandemic and the Council's income streams had been greatly affected in the first three quarters of 2020/21 and expected to continue through the financial year. Also, additional costs had been incurred by the council in provision of temporary accommodation, additional agency staff for waste and recycling and in supporting the local community.
- Central government had announced and paid local authorities four tranches of support funding totalling £1,575,000 for North Devon. We had also claimed £160,000 in respect of the job retention scheme and received £268,000 New Burdens grant for Small Business Grants and Retail, Hospitality and Leisure Grants. Central government have announced they will help support local authorities for lost income by paying 75% of any lost income after Councils incur the first 5% variance. The expected lost income and additional costs have been factored into the above figures in Appendix A along with the anticipated government support.
- The figures shown in Appendix A included a projection for the rest of 20/21 based on the current environment and the continuing COVID-19 impact on our income streams and expenditure.
- It was anticipated that there would be a reduction in both Council Tax and Business Rates income during 2020/21. However, no reduction for income was being reported for 2020/21 year as the financial effect of any deficit on the Collection Fund income would not have an impact on NDC finances until the following three years.
- At 31 December 2020 total external borrowing was £500,000. The timing of any future borrowing was dependent on how the authority managed its treasury activity and due to current low interest rates and reduced returns on investments it was prudent for the Council to 'internally borrow' and use these monies to fund the Capital Programme.
- "Appendix B – Movement in reserves and balances" detailed the movements to and from earmarked reserves in 2020/21.

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- Full details of the Strategic Contingency Reserve movements and commitments were attached as “Appendix C – Strategic Contingency Reserve”.
- The 2020/21 to 2022/23 Capital Programme was detailed in “Appendix D – Capital Programme”.
- Further variations of (£3,301,516) were proposed to the 2020/21 Capital Programme as detailed in paragraph 4.4.3.
- Further variations of £1,872,135 were proposed to the 2021/22 Capital Programme as detailed in paragraph 4.4.4.
- The revised Capital Programme for 2020/21 taking into account the budget variations above was £7,110,512.
- The overall Capital Programme for 2020/21 to 2022/23 was £31,419,916 and is broken down as follows: 2020/21 £7,110,512; 2021/22 £22,384,916; 2022/23 £1,924,488.
- Once funds have been included in the Capital Programme the Constitution required a separate decision to release those funds. Accordingly the following schemes need the funds to be released so that spending can start within the following three months: Additional Disabled Facility Grant funding £131,862; and Ilfracombe Water Sports Centre £1,515,535.
- Treasury Management (paragraph 4.5), Debt Management (paragraph 4.6) and General Debtors (paragraph 4.7).
- Detailed performance information was detailed in Appendix E.

In response to questions, the Head of Resources advised the following:

- The Council’s short term investments were spread over a number of institutions to mitigate risk and was not currently experiencing negative interest rates.
- The vacancy savings had exceeded the budgeted saving, however the additional savings would not be ongoing and the budgeted vacancy saving would be £225,000 for the next financial year.
- Appendix C Strategic Contingency Reserve – the £76,602 balance included commitments; any that do not come to fruition would then be added back into the Reserve balance.
- Table F in Appendix E, page 45 of the agenda “L168 Income per car park P & D ticket” referred to the average amount spent per purchase of a pay and display ticket.
- Four tranches of funding had been award by the Government. A further tranche would be received in the next financial year as part of the budget settlement. If the impact of the pandemic continued it was hoped that the Government would provide additional funding.
- The additional costs for the provision of temporary accommodation was in relation to the Council’s duties in relation to homelessness.

The Chief Executive confirmed that the additional costs for temporary accommodation were as a result of the primary duties given to Local Authorities during the pandemic to move homelessness people into accommodation. If there was flooding and the need to accommodate families in temporary accommodation then there would be a financial impact for the Council.

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The Committee noted a typographical error in paragraph 4.4.7 of the report, in that the third financial year should have stated “2022/23” and not “2021/22”.

## RESOLVED:

(a) That the actions being taken to ensure that performance was at the desired level be noted;

(b) That the contributions to/from earmarked reserves be approved (as detailed in paragraph 4.2 of the report);

(c) That the movements on the Strategic Contingency Reserve (as detailed in paragraph 4.3 of the report) be noted;

(d) That funds be released for the capital schemes listed in paragraph 4.4.12 of the report;

(e) That the sections dealing with Treasury Management (paragraph 4.5), and Debt Management (paragraphs 4.6 and 4.7) be noted.

## RECOMMENDED:

(f) That the variations to the Capital Programme 2020/21 to 2022/23 (as detailed in paragraphs 4.4.3 to 4.4.4) be approved.

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## **Minute Extract of Strategy and Resources Committee of 01/02/2021:**

### **Minute Extract 252: Review of Charges and Fees for 2021/22**

The Committee considered a report by the Head of Resources (circulated previously) regarding the review of Charges and Fees for 2021/22.

The Accountancy Services Manager highlighted the following:

- This year the guidance was to increase some fees and charges by 2%, although some fees were set by statute and these would be set nationally.
- It was recommended that Allotments (Appendix A), Cemetery fees (Appendix F), sports pitches (Appendix G), Pannier Market charges (Appendix H) and Bulky Collections (Appendix I) were increased by 2%.
- Other variations to the 2% increase were Building Control (Appendix B), Trade Waste (Appendix C), Land Charges fees (Appendix D), Environmental Health fees (Appendix E), Garden waste charges (Appendix J) and pre-planning application fees (Appendix K). An amended version of Appendix K had been published as a supplementary document as there had been slight amendment to the wording.

In response to questions, the Head of Resources advised the following:

- All weather pitch fees were managed by Parkwood Leisure.
- Officers regularly reviewed the commercial and trade waste fees to compare with other competitors to make sure that the fees remained competitive.
- The Accountancy Services Manager would provide details of the number of holiday homes in receipt of trade waste collections.
- The Valuation Office determined who paid business rates or Council Tax.
- Lockdown recovery fees had been introduced for the Pannier Market following an urgent decision taken by the Chief Executive.
- The current fee (£36) for the collection of garden waste had been in place since 2017, which was relatively low in comparison to neighbouring local authorities which were charging between £40-£50. The Council currently received £660,000 income for the collection of garden waste. If the fee was increased to £40, the Council would receive £740,000 income. The Council would need to increase the fees to £46/£47 in order for the service to break even.
- The waste and recycling crews had in cab technology which identified which properties were domestic or commercial.
- The crews would interpret whether a property was domestic or a holiday home.
- The Pannier Market fees would be subject to consultation with Pannier Market traders prior to the decision being taken by Council on 24 February 2021. Pannier Market traders could hire smaller areas.
- Covid 19 has had an impact for a number of clubs and organisations, therefore it would be difficult to treat some differently.

RECOMMENDED:

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(a) that there be a 2% increase in fees for 2021/22 financial year, for the following services:

(i) Allotments – Appendix A

(ii) Cemetery fees – Appendix F

(iii) Sports pitches – Appendix G

(iv) Pannier Market Charges (subject to consultation with the traders committee) – Appendix H

(v) Bulky Collections – Appendix I

(b) that the remaining fees be varied by the elements outlined in paragraphs 4.3 to 4.8 of the report.

## Minute Extract of Strategy and Resources Committee of 01/02/2021:

### Minute 253: REVENUE BUDGET 2021/22, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY 2021-2025

The Committee considered a report by the Head of Resources (circulated previously) regarding the Revenue Budget 2021/22, Capital Programme and Medium Term Financial Strategy 2021-2025.

The Head of Resources highlighted the following:

- Government settlement December 2020. The provisional 2021-22 settlement of £3.3m was the same level as 2020-21. The Fair Funding Review had been delayed by a further year until April 2022. The New Homes Bonus in-year allocation had been allocated for 2021/22 only. There were no legacy payments on the 2021/22 allocation and the Government was intending to consult on future of the housing incentive during 2021/22. The Rural Services Delivery Grant matched the 2020/21 level. Council Tax levels for District Councils could be increased by up to 2% or £5 whichever was higher. The referendum in relation to Council Tax levels for Town and Parish Councils had been deferred. The Council would receive a lower tier services grant and Covid 19 support grant as one off payments. The Council would receive 75% reimbursement on sales, fees and charges losses for the period April to June 2021.
- Core Spending Power for England. This had increased by 4.5% overall; however 87% of this increase came from Council Tax compared to 56% in 2020/21.
- Urban/rural funding differences. Analysis by the Rural Services Network indicated that local authorities serving predominately urban areas receive “higher” level of central funding compared to those in rural areas: paying over £96 per head more in Council Tax (in rural Devon £138 per head more); receive £107 (61%) per head less from Settlement Funding Assessment (rural Devon, £120 less); receive £28 per head of Social Care Grant, compared to £32 per head in urban areas (rural Devon, £28); and receive over £112 (42%) per head less in Government Funding Spending Power, excluding Council Tax (rural Devon, £113).
- Core Spending Power - included a new (one off) Lower-Tier Services Grant 2021-22. Without this grant, six of eight Devon districts would be faced with reduction in Core Spending Power.
- Total Core Spending Power per head of population 2021/22.
- Outside of urban and rural differences, there were four points of common concern: concentration of cuts in public spending on local government; over reliance on Council Tax in general (assumption that areas with higher Council Tax could continue to sustain increases); time limited payments from incentive scheme as core funding (e.g. New Homes Bonus); and allocation of lower tier services grant on a one off basis.
- The Medium Term Financial Strategy (MTFS) (2020-2024) model had been refreshed in October 2020 based upon: increased recent pay award (2.75%)

continuing for medium term; borrowing costs and Capital Programme re-profiled; assumed Covid 19 impact on sales, fees and charges income continuing into 2021-22; and Government fair funding review delayed 12 months to 2022-23; collection fund deficit (Council Tax and Business Rates) spread over next 3 years. A £2m funding gap was projected for 2021/22 in advance of the financial settlement announced on 17 December 2020.

- New Homes Bonus provisional level of funding of £1,354,430 for 2021/22. The level of funding 2020/21 was £1,836,820. The Medium Term Financial Plan assumed £815,000, therefore, there was an additional £539,000 compared to the MTFS.
- New Homes Bonus 2022/23. The forecast level of funding to 2022/23. For 2022-23 the projected New Homes Bonus income was £434,860 which was a potential reduction of over £0.920m funding on current level. There was uncertainty regarding future funding and design of a new scheme for 2022/23.
- Business Rates Retention and forecast levels of income for 2021/22 year.
- Local Government Finance funding reforms which included: Spending review for the period up to 2022/23; a review of relative needs and resources; Business Rates Retention pilots; Business Rates baseline reset; Fair Funding review; and New Homes Bonus review. Reforms to Local Government funding would change the level of resources available and have an impact on the revenue budget. It was anticipated that indicative allocations would be announced in Autumn 2021.
- Council Tax levels for current 2020/21 Band D properties had been increased by £5 (equivalent of 2.73%). Rural councils could increase Council Tax by up to 2% or £5 (whichever was higher). By increasing the level by £5 for 2021/22 would increase NDC's proportion of Council Tax for Band D properties from £188.35 to £193.35 (increase of 2.65%).
- Strategic Grants (appendix B) – the Medium Term Financial Plan had originally supported in principle the planned reductions to strategic grants in line with percentage reductions in Government funding to the local authority. However, the Government settlement was slightly better than forecast and therefore it was recommended that there be no reduction for 2021/22.
- Original £2m projected funding gap and how this was broken down.
- Draft Revenue Budget 2021/22 (Appendix A) showed a balanced budget and assumed: £5 increase on Band D Council Tax (as in previous years); fees and charges uplift by 2% and Garden Waste subscription increase from £36 to £40 as originally planned in the Medium Term Financial Plan; no reductions to Strategic Grants, Climate Environment or Councillor Grants. The risks were the ongoing impact of Covid 19 on the revenue budget.
- Reserves (Appendix C). General fund balance forecast level at 31 March 2022 was £1.161m (8.5% of net budget). The recommended level was 5%-10%. Earmarked reserves forecast level at 31 March 2022 was £4.048m. In compliance with Local Government Act 2003, the Chief Financial Officer assured members of the robustness of the estimates and the adequacy of the proposed financial reserves.
- Medium Term Financial Strategy 2021-2025 had now been refreshed. The funding gap originally faced for 2021-22 had now moved to 2022-23. Fundamental to bridging future year budget gaps would be the delivery of actions following the recent adoption of the Commercialisation Strategy. It had

been based on a number of assumptions about the future which included: Fair Funding Review – planned for 2022-23 (assumed - £0.916m reduction); New Homes Bonus Review – planned for 2022-23 (assumed -£0.919m reduction for 2022-23 and further -£0.435m reduction for 2023-24); Uncertainty of not having a multi-year settlement. Paragraph 5.1.5.7 provided further detail on the budget gap and paragraph 5.1.5.13 provided further detail on what had not been included yet. Appendix D detailed the modelled financial projections.

- Capital Programme for 2020/21 to 2022/23. Investment plans for 2020-21 to 2022-23 totalled £31.420m. One business case for capital funding had been submitted for new ICT software for the Waste and Recycling team and the cost to the Council was £35,000.
- Draft Capital Programme (Appendix E). The total programme for 2020-21 to 2022-23 was £31.455m which would be recommended to Council on 24 February 2021 for approval.
- How the total Capital Programme 2020-21 to 2022-23 would be funded.
- Projected underlying need to borrow in accordance with the 10 year Capital Strategy.
- Risks identified that could affect financial plans.
- Timeline – Council at its meeting on 13 January 2021 approved the Council Tax base; the budget and capital programme would be considered by the Strategy and Resources Committee on 1 February 2021 and Policy Development Committee on 11 February 2021; Council on 24 February 2021 to consider the approval of the budget and capital programme and setting of Council Tax.

In response to questions, the Head of Resources advised the following:

- The Fair Funding Review and Business Rates Retention review caused many uncertainties. It was uncertain whether this would take place during 2022/23 or if it would be delayed further.
- Appendix A provided the details of budgets for all service areas. There was no specific budget set aside for climate work and any future capital investments would require business cases to be put forward. The funding for the temporary climate post would be built into the establishment costs.

In response to a question, the Chief Executive advised that the Climate post had been approved for a temporary period of 18 months. A separate decision would then be required by Members regarding making the post a permanent position. A service plan was produced for each service and business cases were then produced to secure funding. The Council's approach would be to embed climate change within the organisation so that it formed part of any future projects.

**RESOLVED:**

(a) that the latest forecast for Budget 2020-21 and the proposed contributions to earmarked reserves be noted;

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(b) that the Chief Financial Officer's assurance on the adequacy of the reserves and the robustness of the budget in paragraph 5.1.4.5 be noted;

(c) That the Chief Financial Officer's highlighted areas of risk identified within the budget process set out in paragraph 5.1.4.6 and section 5.3 be noted;

(d) That the latest Medium Term Financial forecast for 2021-2025 as shown in section 5.1.5 be noted;

(e) That subject to approval of (i) below, that funds are released for the capital schemes listed in section 5.2.2.

## RECOMMENDED:

(f) That there be an increase of 2.65% in the level of Council Tax charged by North Devon Council for 2021-22 (in accordance with the revised referendum limit ability of £5.00 per Band D property) with a Band D Council Tax level of £193.35;

(g) That the actions identified in sections 5.1.2 to 5.1.4, which are required to ensure a balanced budget is achieved and therefore recommend to Council the approval of 2021-22 General Revenue Account Budget;

(h) That the Medium Term Financial Strategy 2021-2025 in section 5.1.5 as part of the Policy Framework be adopted.

(i) That the Capital Programme 2020-21 to 2022-23 as highlighted in section 5.2 be approved.

## Minute Extract of Strategy and Resources Committee of 01/02/2021:

### Minute 254: TREASURY MANAGEMENT STRATEGY STATEMENT 2021/

The Committee considered a report by the Chief Financial Officer (circulated previously) regarding the Treasury Management Strategy Statement for 2021/22.

The Head of Resources highlighted the following:

- The over-riding strategy for the Council's management of funds was Security, Liquidity and then Yield (return). Three reports were produced each year for Council to approve on Prudential Indicators and Treasury Management Strategy; mid-year report and an annual report.
- Section 5.1 capital expenditure – the table detailed approved capital spend as per the previous report on the budget and capital programme, how this was financed in the lower table and therefore the 'net financing need for each year'.
- The Council's borrowing need (CFR) was outlined in the table on page 142. The increase to £17m from £6m (movement of £11m) took into account the borrowing for the new construction of the Leisure Centre.
- The Minimum Revenue Provision (MRP) set out the repayment of debt on both internal and external borrowing from revenue budget. The Medium Term Financial Strategy showed the impact of borrowing costs on the revenue budget.
- Paragraph 5.3 – the table showed the level of core funds and cash available for external investments, together with the Council's under borrowed position which enables the Council to internally borrow for the purposes of capital funding.
- There was a high level of external investment of spare cash in 2020-21 due to cash flow of additional government monies for business grants, up-front payment of grants to the Council and covid-19 grants provided to the Council.
- The current borrowing position was detailed in section 6.1. External borrowing this current year was only £500,000 at present. Net investments were higher this year due to all the grants cash that the Council were investing short term to gain minimal return until spent out.
- The level of borrowing would increase in 2021-22 as detailed in the table on page 146. Additional borrowing £14m would be required during the year to cover the treasury need for increased Capital Financing Requirement which was in line with the Council's financial plans. Under borrowing was funded from internal borrowing from cash reserves. The Council complied with this prudential indicator in the current financial year and it was not envisaged there would be difficulties for the future.
- The Operational Boundary (limit beyond which external debt was not expected to exceed) was set at £16million for 2021-22 to 2023-24 year.
- The Authorised limit (control on maximum level of borrowing) maintained at £22million was in line with the level set last year.
- The table in paragraph 6.3 outlined projected interest rates from the Council's treasury advisors which outlined projections on investment interest and projections on borrowing loans from the Public Works Loan Board.

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- The Council was currently maintaining an under-borrowed position. This strategy was prudent as investment returns were very low and counterparty risk was still an issue that needs to be considered. The graph shown on page 150 set out the current borrowing strategy for the next ten years.
- The guidance from the Government and CIPFA placed a high priority on the management of risk. The Council had adopted a prudent approach to managing risk and defined its risk appetite in section 7, in terms of creditworthy counterparties, lending limits, credit ratings of which the criteria was largely unchanged from last year. The Council worked closely with its treasury advisors and received daily updates on any changes.

RECOMMENDED that the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2021/2022, including the Treasury Management and Prudential Indicators for 2021/22 to 2023/24, be approved.



## Minute Extract of Strategy and Resources Committee of 01/02/2021:

### Minute 255: 10 YEAR CAPITAL STRATEGY 2021 TO 2031

The Committee considered a report by the Chief Financial Officer (circulated previously) regarding the 10 Year Capital Strategy for 2021 to 2031.

The Head of Resources highlighted the following:

- The Capital Strategy was reviewed annually by Full Council prior to each financial year. The Strategy set out the 'governance arrangements' for capital projects coming forwards as detailed in section 4.3.
- All capital projects required a business case, reviewing options, risks and associated costs. Project Appraisal Group (PAG) comprised of the; Chief Executive, Business Information Systems Manager, Head of Resources and Accountancy Manager who would then meet to score the proposed project.
- In addition to the original approval of the project, a separate approval would also be sought from the Committee and then Full Council to release the capital funds three to six months before the project was due to start.
- Medium Term (2021-2025) as set out in the table in paragraph 4.4 set out the impact of capital financing need, impact this had on the annual borrowing cost and then the overall Medium Term Financial Strategy budget gap, including the additional borrowing.
- For 2022/23 current projections showed a medium term financial strategy budget gap of £2.3m increasing to £2.9m in 2024/25.
- The Council would look to become more entrepreneurial in how it delivered services to generate extra income and reduce costs in line with the commercialisation strategy. The Council would also have to review a number of options for bridging the budget gap and any such financial benefits these may produce; these would be subject to further reports being presented to Members.
- The estimated Capital Financing Requirement (CFR) for March 2021 was £5.76m which increased to its peak in March 2025 at £18.79m. This substantial increase in CFR reflected the £38m capital programme over the medium term including the new Leisure Centre.
- The Council would receive an annual management fee in relation to the running of the new Leisure Centre to help offset an element of the borrowing costs.
- Longer Term (2025-2031) as set in the table in paragraph 4.5. The Council had identified two main areas of capital expenditure within the long term forecast which are necessary to maintain business as normal i.e. the vehicle replacement programme, as the works and recycling fleet have an eight year life cycle; and the on-going maintenance of our ICT infrastructure. Projected investment was required in these two areas. The longer term model then builds this investment into the spend plans and extends the Medium Term Financial Strategy position up until 2031. The CFR was generally on a downward trend from £17.17m in 2025/26 to £14.28m by 2030/31. External borrowing over the longer term remained at a high level, £12m and above, again assuming the under-borrowed position remained prudent and sustainable.

- As a result of the high borrowing, the annual borrowing cost would continue to put pressure on the Council's revenue budget each year. The projected cost of borrowing was £1.57m in 2025/26 increasing to £1.64m in 2030/31.
- For 2025/26 current projections showed a medium term financial strategy budget gap of £3.1m increasing to £3.2m in 2030/31.
- Whilst the medium and long term capital strategy sets out the financial context under which future capital expenditure decisions should be considered, it would not prevent the Council pursuing aspirational projects such as the proposed review of Seven Brethren, Barnstaple and the Future High Streets project.
- The long term outlook for the Council's financial standing strongly supported the need for the Council to become more efficient and commercially minded across all areas of the organisation to generate additional income for the revenue budget. In line with the Council's corporate priorities, a new Commercialisation Strategy had been adopted. This set out the parameters and options for income generation and net revenue gains.

In response to a question, the Chief Executive advised that there had been consultation and engagement with local businesses as part of developing the Barnstaple Vision.

In response to a question, the Head of Resources advised that he would confirm whether the Council had applied for a Green Homes Grant.

**RECOMMENDED** that the Capital Strategy 2021/22 to 2030/31 be approved.