



## Public Document Pack

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

K. Miles  
Chief Executive.

To: All Members of the Council  
and Chief Officers

**NOTE: PLEASE NOTE THAT PRAYERS WILL BE SAID AT 6.25 P.M. PRIOR TO THE COUNCIL MEETING FOR ANY MEMBER WHO WISHES TO ATTEND**

### **COUNCIL MEETING**

**YOU ARE HEREBY SUMMONED** to attend a meeting of **NORTH DEVON COUNCIL** to be held in the Barum Room - Brynsworthy on **WEDNESDAY, 22ND FEBRUARY, 2023** at **6.30 pm.**

A handwritten signature in black ink, appearing to read 'K. Miles', is written over a light blue horizontal line.

**Chief Executive**

### **AGENDA**

- 21 (c) Policy Development Committee (Pages 5 - 18)  
(iii) 9 February 2023 (attached)

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

14.02.23

## **GUIDANCE NOTES FOR RULES OF DEBATE AT MEETINGS OF COUNCIL**

### Part 4, Council Procedure Rules of the Constitution

#### **The basics**

At a meeting of Full Council, Members shall stand when speaking unless unable to do so and shall address the Chair.

While a Member is speaking, other Members shall remain seated unless rising for a point of order, a point of information or in personal explanation.

No speeches may be made after the mover had moved a proposal and explained the purpose of it until the motion has been seconded.

Unless notice of motion has already been given, the Chair may require it to be written down and handed to him before it is discussed.

When seconding a motion or amendment, a member may reserve their speech until later in the debate.

Speeches must be directed to the question under discussion or to be personal explanation or point of order.

A speech by the mover of a motion may not exceed 5 minutes without the consent of the Chair.

Speeches by other Members may not exceed 3 minutes without the consent of the Chair, unless when the Council's annual budget is under discussion, the leader of each political group on the Council may speak for up to 5 minutes or such longer period as the Chair shall allow.

#### **The rules of Question Time**

At a meeting of the Council, other than the Annual meeting, a Member of the Council may ask the Leader or the chair of a committee any question without notice upon an item of the report of a committee when that item is being received or under consideration by the Council.



## **North Devon Council protocol on recording/filming at Council meetings**

The Council is committed to openness and transparency in its decision-making. Recording is permitted at Council meetings that are open to the public. The Council understands that some members of the public attending its meetings may not wish to be recorded. The Chairman of the meeting will make sure any request not to be recorded is respected.

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.
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.
4. Any member of the public has the right not to be recorded. We ensure that agendas for, and signage at, Council meetings make it clear that recording can take place – anyone not wishing to be recorded must advise the Chairman at the earliest opportunity.
5. The recording should not be edited in a way that could lead to misinterpretation or misrepresentation of the proceedings or in a way that ridicules or shows a lack of respect for those in the recording. The Council would expect any recording in breach of these rules to be removed from public view.

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North Devon Council offices at Brynsworthy, the full address is:  
Brynsworthy Environment Centre (BEC), Roundswell,  
Barnstaple, Devon, EX31 3NP.

Sat Nav postcode is EX31 3NS.

At the Roundswell roundabout take the exit onto the B3232, after about ½ mile take the first right, BEC is about ½ a mile on the right.

Drive into the site, visitors parking is in front of the main building on the left hand side.

On arrival at the main entrance, please dial 8253 for Corporate and Community Services.



**NORTH DEVON COUNCIL**

Minutes of a meeting of Policy Development Committee held in the Barum Room - Brynsworthy on Thursday, 9th February, 2023 at 10.00 am

PRESENT: Members:

Councillor D. Spear (Chair)

Councillors Bulled, Jenkins, Walker and York.

Officers:

Director of Resources and Deputy Chief Executive, Head of Governance and Finance Manager.

Also Present in person:

Councillor L. Spear.

**88. APOLOGIES**

Apologies for absence were received from Councillors Campbell, Hunt, Mackie and Roome.

**89. TO APPROVE AS CORRECT RECORDS THE MINUTES OF THE MEETINGS HELD ON 8TH DECEMBER 2022 AND 5TH JANUARY 2023 (ATTACHED).**

RESOLVED, that the minutes of the meetings held on 8<sup>th</sup> December 2022 and 5<sup>th</sup> January 2023 (circulated previously) be approved as correct records and signed by the Chair.

**90. DECLARATIONS OF INTEREST.**

There were no declarations of interest received.

**91. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 3 OF 2022/23.**

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management for Quarter 3 of 2022/23 together with Minute Extract of Strategy and Resources on 6th February 2023 (circulated previously).

The Finance Manager highlighted the following:

- The revenue budget for 2022/23 was approved at Council on 23rd February 2022 at £13,721,640.
- As at 31st December 2022, the latest forecast net budget was £13,702,640, which produces a forecast budget surplus of £19,000. Details were shown in “Appendix A – Variations in the Revenue Budget.
- The original budget for 2022/23 included a forecast to achieve £250,000 worth of salary vacancy savings. The current position forecasts that the Council would achieve £452,000. The additional £202,000 was due to timings of filling the capacity building posts throughout the year which were approved as part of the original 2022/23 budget.
- Temporary Accommodation was under additional cost pressure due to the increase in homelessness cases; the in-year impact of this £250,000 forecast increase in costs had been mitigated by utilising balances from the Homelessness earmarked reserve. Whilst this had alleviated the pressure this year, it did not mean this one-off amount from the homelessness reserve couldn't be utilised for other homelessness initiatives.
- Within the joint Building Control partnership with Mid Devon District Council there had been a decline in income and due to challenges in recruiting to vacant posts, an increase in the use of agency staffing costs which had negatively impacted the trading account. Full Council had recently approved an 8% increase in the Building Control fees, this additional income would cover the additional staffing costs moving forwards and improve our ability to fill vacant posts. The Council was now forecasting a net deficit of £33,000, this included utilising a £50,000 contribution from the Building Control reserve built up through prior year trading surpluses.
- The largest variance within Appendix A was the £804,000 National pay award additional staffing costs over and above the £280,000 already built into the base budget; this was based on the offered pay award put forward to the Unions by the National Employers pay review body for the 2022-23 year. The pay award was accepted by the Union and its members and was backdated to 1st April 2022 and paid to staff in December 2022. The pay award was based upon £1,925 per full time equivalent employee.
- Other inflationary pressures built into the forecast included additional fuel costs across our fleet of £104,000 and additional energy costs of £63,000. To date the Council had not included any further general supplies and services inflationary increases as it would endeavour to control and manage these in year through the existing budgetary framework.
- As at 31st March 2022 the Collection Fund reserve balance was £5,722,000. This earmarked reserve was created to deal with the timing impacts of the Collection Fund (Business Rates), which ensured the revenue budget was not unduly affected in the year the taxes were collected. Collection Fund deficits/surpluses were reversed out to bring the revenue account back to the budgeted figure for the year; the deficits/surpluses were recovered/distributed in the following financial years.
- This reserve included a £4,523,000 balance that would be utilised in 2022/23 and 2023/24 to mitigate timing differences of business rate reliefs awarded in 2021/22 that from an accounting perspective impact over the next two financial years; and an in-year £400,000 transfer into the budget management reserve to replenish this reserve balance to help mitigate future budget

fluctuations, thus leaving the fund reserve with a residual balance of £800,000 protection against future volatility. This level of reserve protected the Council against a 40% share of a £2million overall Business Rates income volatility.

- At the 31st December 2022 total external borrowing was £3,000,000. The timing of any future borrowing was dependent on how the authority managed its treasury activity and due to previously unprecedented low interest rates and reduced returns on investments it was prudent for the Council to 'internally borrow' and use those monies to fund the Capital Programme. This had resulted in a forecast £275,000 reduction in loan interest payments in 2022/23 and it is proposed to place this amount into a new Treasury Management reserve to mitigate against higher interest rates as the Council moved into the 2023/24 financial year.
- Appendix B – Movement in reserves and Balances” details the movements to and from earmarked reserves in 2022/23.
- The 2022/23 Capital Programme was attached as “Appendix D – Capital Programme 2022/23”.
- The Budget and Financial Framework report to Full Council 23rd Feb 2022 outlined the Capital Programme for the 2022/23 financial year of £15,833,023. Project underspend of £2,031,062 was brought forward from 2021/22 year and further variations of (£5,051,311) were approved as part of the performance and financial management report to Strategy and Resources Committee, to produce a revised 2022/23 Capital Programme of £12,812,774.
- Overall variations of (£3,307,261) were proposed to the 2022/23 Capital Programme as follows:
  - Ilfracombe Water Sports Centre, £43,600 for Tarmac and Concrete Works. Funded from earmarked water sports centre reserve.
  - UK Shared Prosperity Fund, £55,951 part of a larger, mostly revenue scheme, £1.2 million in total across 3 financial years.
  - Self-Build Housing Project, (£500,000) for slip spend and funding to 2023/24.
  - Landmark Theatre, Fire Alarm, (£150,000) for slip spend and funding to 2023/24.
  - Future High Street Fund, (£1,993,182) for slip spend and funding to 2023/24.
  - Disabled Facility Grants, (£126,390) slip spend and funding to 2023/24.
  - Eco Top-Up Grants, (£312,240) to bring forward spend and funding from 2023/24.
  - Provision of Temporary Accommodation, (£105,000) for slip spend and funding to 2023/24.
  - Green Lanes Shopping Centre, (£200,000) for slip spend and funding to 2023/24.
  - Barnstaple Bus station refurbishment, (£20,000) for slip spend and funding to 2023/24.
- Other variations to the 2023/24 Capital Programme, £161,478, broken down:
  - UK Shared Prosperity Fund, £41,478 part of a larger, mostly revenue scheme, £1.2 million in total across 3 financial years.

- Planned Maintenance Seven Brethren, (£52,041) virement to land release fund scheme.
- Land Release Fund, £52,041, virement from Planned Maintenance Seven Brethren.
- Land Release Fund, £120,000, anticipated Capital receipt and increase in budget, to enable £2 million commitment in 2023/24.
- Other variations to the 2024/25 Capital Programme, £2,826,970, broken down:
  - Material Recovery and works unit re-fit, £2,659,000, went to Full Council in November 2022, (funds not yet released).
  - UK Shared Prosperity Fund, £167,970, part of a larger, mostly revenue scheme, £1.2 million in total across 3 financial years.
- The revised Capital Programme for 2022/23 taking into account the budget variations above was £9,505,513.
- The revised Capital Programme for 2023/24 taking into account the budget variations above was £18,335,773.
- The revised Capital Programme for 2024/25 taking into account the budget variations above was £4,299,344.
- Actual spend on the 2022/23 Capital Programme as at 31st December 2022 was £4,722,984.
- The overall Capital Programme for 2022/23 to 2025/26 is £32,210,630 and was broken down as follows:
  - 2022/23 £9,505,513.
  - 2023/24 £18,335,773.
  - 2024/25 £4,299,344.
  - 2025/26 £70,000.
- The Programme of £32,210,630 was funded by Capital Receipts / Borrowing (£13,898,824), External Grants and Contributions (£15,524,560) and Reserves (£2,787,246).
- Release of Funds – Capital Programme:
  - Ilfracombe Water Sports Centre - £43,600.
  - UK Shared Prosperity Fund - £265,399.
  - Land Release Fund - £172,041.
- Treasury Management - Bank Rate increased to 3.00% on 3rd November 2022 and again to 3.50% on 15th December 2022.
- The Council's new benchmark rate 7 day SONIA (Sterling Overnight Index Average) at 31st December 2022, was 1.94%.
- The return earned on the Council's investments was 1.12%. (Previous 0.04%).
- £171,189 investment interest was earned during the three quarter period. (2022/23 interest receivable budget was £35,000).
- As at 31st December 2022, the Council had total external borrowing



of £3,000,000.

- £45,469 interest was paid at an average rate of 2.01% on PWLB loans during the three quarter period. (2022/23 interest payable budget was £345,000).
- The major areas of credit income were Council Tax, Business Rates, Housing Benefit overpayment Recoveries and General Debtors.
- As a billing authority, the Council annually raised the bills for Council Tax. (£69,000,000) and Business Rates (£32,000,000).
- Collection rates were controlled through monitoring:
  - The level of write offs.
  - Levels of previous years' outstanding debt.
  - The level of income collection in the year against the annual sums due to be collected.
- The Council's budget was based on the assumptions that eventually 97% of sums due would be collected. To ensure this level was achieved, year on year levels of write offs approved were controlled against a ceiling of 3% of annual debt.
- The outstanding amounts as at 31st December 2022 were set out below (corrections verbally reported by the Finance Manager):

	Council Tax		Business Rates	
Age in Years	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000
1 – 2	1,421	<b>1,471</b>	223	<b>259</b>
2 – 3	935	<b>931</b>	332	<b>119</b>
3 – 4	567	<b>709</b>	95	<b>198</b>
5 – 6	219	<b>301</b>	40	<b>32</b>
Over 6	156	<b>240</b>	43	<b>37</b>
Total	3,669	<b>4,112</b>	785	<b>704</b>

- Performance information as detailed in Appendix E of the report.

RESOLVED, that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

**92. REVIEW OF FEES AND CHARGES 2023/24**

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the review of Charges and Fees for 2023/24 together with Minute Extract of Strategy and Resources on 6th February 2023.

The Finance Manager highlighted the following:

- The charges for the provision of services were reviewed annually in the context of policy guidance within the Medium Term Financial Strategy, and the recommended levels of increase to produce a target income level.
- This year the guidance was to increase fees and charges by 5%, although some fees were set by statute and these would be set nationally. Other variations to the 5% increase were set out in paragraphs 4.3 to 4.9 of the report. Even though inflation was currently running much higher than the 5% increase the Council had tried to be prudent and fair in the fees charged and the impact this had on customers.
- Full Council approved, at the January 2023 meeting, that Building Control Services fees should be raised by an average of 8% and rounded to the nearest pound, this was to ensure the revenue income recoups the actual cost of providing the service. The already approved fees were shown within the table of charges at Appendix B.
- Land Charges fees had been set to recoup the cost of providing the service, without changing the current fees the land charges service was still budgeted to recover all the costs and break even as shown at Appendix D.
- There was one change to the Environmental Health fees, as the majority of these were set by Statute or set to recover costs. The only change was the introduction of a £110 fee (+VAT) for Food Business Operator requested Food Hygiene revisit as shown at Appendix E.
- After a discussion with the Crematorium Manager, a correction was required on the table of fees as shown at Appendix F. The correction was to the following: “Fees to purchase the exclusive right of burial for 30 years which include the right to erect a memorial” the Columns “Fee” and cost to a North Devon resident were both £0.
- Pannier Market – Due to the refurbishment works underway in the Pannier Market this financial year as part of the Future High Streets Fund project and the inevitable disruption to the operation of the market, the proposal was to not increase the charges for traders for 2023/24 year as shown at Appendix H.
- Bulky Waste – To increase the fees as follows:
  - Up to 2 items £23.00 (27.78% increase).
  - Up to 3 items £31.00 (19.23% increase).
  - Up to 4 items £38.00 (15.15% increase).
- The above increases bring North Devon Council prices in line with neighbouring authorities and allowed for the recommended 5% increase for 2023-24 as detailed at Appendix I.
- Full Council approved at its November 2022 meeting to increase the Garden Waste charge for 2023-24 to £55 per bin. A revised costing of providing the service, taking into account current year and estimated inflation for 2023-24 was indicating that the service cost was now in the region of around £56-£58 per bin for those customers that subscribe. This level of charge was similar to the charges made by other Devon councils as detailed in Appendix J.
- Dog Waste – A strategic decision had been made to keep the Dog waste charges the same as 2023-23 pending a review of the pricing structures

moving forwards as detailed at Appendix L.

- The net revenue changes from the above charges were estimated to produce £183,000 of additional income, which had been included within the draft 2023/24 revenue budget.

In response regarding the increase in Building Control fees. The Accountancy Services Manager advised that this was to cover the recruitment costs associated with the vacant Building Control posts, whereby the Council had offered a 10% market supplement as part of the employment package in order to attract applications to the various posts within the service.

The Committee thanked the Finance Manager and the team for not increasing the Pannier Market trader fees and the dog waste charges.

RESOLVED, that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

**93.            ORDER OF AGENDA**

RESOLVED, that items 9 and 10 on the agenda be considered prior to item 8 when the Director of Resources and Deputy Chief Executive would be present at the meeting.

**94.            TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24**

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Treasury Management Strategy Statement for 2023/24.

The Head of Governance highlighted the following:

- External borrowing was projected to be £19m during the year 2023/24.
- Section 5.2 of the report showed a table detailing the projected Capital Financing Requirement (CFR) for the Council.
- The Council was asked to approve the CFR projections below:

£000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
<b>Capital Financing Requirement</b>					
<b>Total CFR</b>	<b>21,699</b>	<b>24,482</b>	<b>33,323</b>	<b>38,608</b>	<b>37,112</b>
<b>Movement in CFR</b>	<b>17,108</b>	<b>2,783</b>	<b>8,841</b>	<b>5,285</b>	<b>(1,496)</b>

**Movement in CRF represented by:**

Net financing need for the year (above)	16,731	2,674	8,550	4,251	(125)
Financing Lease – Capital Costs	891	974	1,270	2,489	373
Less MRP/VRP	(514)	(733)	(747)	(1,045)	(1,059)
Finance Lease Principal Payments (MRP)		(132)	(232)	(410)	(685)
<b>Movement in CFR</b>	<b>17,108</b>	<b>2,783</b>	<b>8,841</b>	<b>5,285</b>	<b>1,496</b>

- There were no proposed changes to the investment Strategy.
- Appendix A of the report updated the Treasury Management Practice adhered to by the Council.

RESOLVED, that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

**95.            10-YEAR CAPITAL STRATEGY 2023-2033**

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the 10 Year Capital Strategy for 2023 to 2033 together with Minute Extract of Strategy and Resources on 6th February 2023.

The Head of Governance outlined the Capital Strategy Years 2023/24 to 2026/27 (Medium Terms), which were detailed in paragraph 4.4 of the report.

He referred to section 4.5 of the report covering the years 2027/28 to 2032/33 and highlighted the following points:

- The CFR was generally on a downward trend from £35m in 2027/28 to £30m by 2032/33.
- External borrowing over the longer term remained at a high level, reducing from £26m to £21m over the same period, 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, both external and long term liabilities, was set to remain above £3m per annum over the six year forecast period.
- The forecast medium term financial strategy budget gap had been extended beyond 2028/29, just to reflect the impact of borrowing costs before any other revenue changes were considered. On this basis, the revenue budget gap for the long term remained at £3.3m.

- The strategy showed that the business as normal capital schemes such as the vehicles may present affordability challenges that Members would need to take into account as further capital schemes came forward for investment.

RESOLVED, that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

**96. REVENUE BUDGET 2023/24, CAPITAL PROGRAMME & MEDIUM TERM FINANCIAL STRATEGY 2023/24-2028/29**

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Revenue Budget 2023/24, Capital Programme and Medium Term Financial Strategy 2023-24 to 2028-29 together with Minute Extract of Strategy and Resources on 6th February 2022.

The Director of Resources and Deputy Chief Executive highlighted the following:

- Funding levels to Local Authorities from 2012/13 to 2023/24.
- Finance Settlement – core spending power of 9.2% and analysis.
- As a Shire District the Council’s actual core spending power was on average only at 5%.
- The spending power varied according to region and the overall national level of 9.2% equivalent for the South West was 8.8%.
- Central Government had run a finance settlement consultation, closed 16 January 2023. Appendix F of the report showed the response our Council had made in relation to this consultation.
- The draft budget was assuming an increase of 2.99% on Council Tax.
- Retained growth on Business rates of around £2 million.
- The challenges to the budget came from reduced grant funding from Government, reduced workforce levels since 2010 and the uncertainty of the future Local Government Funding.
- Inflationary pressures on the budget came from increased staff pay, increased energy prices, rising fuel prices and increased costs of external contracts.
- There had been two earlier budget workshops with Members and a full report to Council in November 2022 to approve options identified to draft the refreshed Medium Term Financial Strategy.
- Bridging the gap in the budget as follows (as detailed in section 4.1.2.14 of the report):

Fair Funding Review assumed now postponed and the assumption of a cash freeze in funding	(£528,000)
Reversal of 1.25% rise on National Insurance (employers)	(£80,000)
Growth in sale of Recycling materials income	(£250,000)
Energy reduction on Council offices following capital investment	(£29,000)

<b>Sub-total</b>	<b>(£887,000)</b>
Review of Car Parking charges	(£450,000)
Review of Garden Waste charges	(£90,000)
Transfer of Public Conveniences to Town and Parish Councils	(£240,000)
Increased capital acquisitions of property for use as Temporary Accommodation	(£80,000)
Reduction in contribution to 2 x earmarked reserves due to making planned contributions earlier in 2022-23 year	(£175,000)
<b>Total</b>	<b>(£1,922,000)</b>

- Positive feedback was received from Parishes and Town Councils in taking on responsibility for public conveniences. This was being assumed as a revenue saving in the 2023/24 budget.
- A breakdown in how the split of Council Tax was shared out and to whom showed that this Council received 10% of collected council tax for services such as refuse collections, kerbside recycling, housing, planning, street cleaning and leisure.
- Green Lanes Shopping Centre financials update showed performance was in line with the budgeted position for 2022/23 and the cash flow was in line with forecasts for 2023/24.
- Appendix A of the report detailed the Council's summary budget for 2023/24. The net budget for 2023/24 was £14.766 million.
- Appendix B of the report detailed the recommended level of strategic grants for 2023/24.
- Assumptions and risks had been detailed within the budget report.
- Appendix C of the report detailed reserves held. The General fund balance was £1.211 million, which equated to 8.2% of net budget. The recommended level was 5%-10%.
- The current forecast level for earmarked reserves at 31 March 2024 was £5.688 million.
- The Collection Fund reserve was linked to the Council's share of the Business rates collected and offered a 40% protection of around £2m if the Council's share of business rates collected were to drop.
- The Budget Management reserve added protection to the revenue budget for additional cost pressures or reductions in income sources.
- The Corporate Property Management Initiative reserve was to cover any additional costs of marketing and preparing new units to let in Green Lanes.
- The Corporate Property Income Volatility reserve protected the Council budget if any tenants dropped out of Green Lanes and we saw a rent level reduction.
- The Strategic Contingency reserve added protection for any one off expenditure.
- The Treasury Management reserve was held to mitigate against the increased cost of borrowing rates in future years.

- The Regeneration Projects reserve was to contribute towards future regeneration capital programmes identified.
- Assurances were given by the Chief Financial Officer that budget estimates made were robust and the level of financial reserves being proposed were adequate.
- The model for the Medium Term Financial Strategy had been refreshed and this was shown in detail at Appendix D of the report.
- The forecast cumulative budget gap/(surplus) was shown as follows:

Years	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	£m	£m	£m	£m	£m	£m
<b>Budget gap / (surplus)</b>	<b>0</b>	<b>0.499</b>	<b>3.027</b>	<b>3.488</b>	<b>3.548</b>	<b>3.455</b>

- Appendix E of the report detailed the Capital Programme costs for 2022/23 to 2025/26.
- The Performance and Financial Management Quarter 3 of 2022-23 was also reported on the agenda. This report highlighted the latest plans for capital investment for the period 2022-23 to 2025-26, which amounted to £32.211m and was broken down as follows:

- 2022-23      £9.506m
- 2023-24      £18.336m
- 2024-25      £4.299m
- 2025-26      £0.070m

- The Project Appraisal Group had received five business cases for capital funding as follows:

- LED Lighting - renewal & safety testing      £75,000
- Old Lime Kiln Larkstone Cove regeneration      £111,325
- Victoria Pleasure Grounds – PC / bus Shelter      £180,000
- Fairview & Brookdale – car park resurfacing      £395,000
- Disabled Facility Grants (Better Care Fund)      £1,200,000

- The Gross cost of these business cases for funding was £1.961,325 which would be funded through the following:

- External Funding (£1,380,000)
- Regeneration reserve (£111,325)
- Repairs fund reserve (£250,000)
- Borrowing requirement (£220,000).

- Projected borrowing was dependent on how treasury activity was managed. To safeguard against future loan interest rate rises a Treasury Management reserve was in place.

- Risks that could affect financial plans included the following:

- Government Grants
- Key areas of income
- Capital receipts
- Savings plans
- Increase demand for services
- Localisation council tax support
- Business rates retention
- Welfare reform
- The Revenue Budget 2023-24, Capital Programme and Medium Term Financial Strategy 2023-24 to 2028-29 was to be considered next at the Policy Development Committee on 9 February 2023 and finally at full Council on 22 February 2023.
- Future options to consider included:
  - Commercial ventures.
  - Additional income (Green Lanes and/or 'new' opportunities).
  - Acquire further properties for temporary accommodation.
  - Housing opportunities (explore delivery models).
  - Increase to Council tax – 100% premium on second homes (April 2024) Levelling Up and Regeneration Bill.

In response to questions the Director of Resources and Deputy Chief Executive provided the following responses:

- Expenditure in relation to capital business cases and return on investment, there would be a reduction on revenue energy costs, better lifespan and energy efficiency of LED bulbs, the lighting investment project in Council buildings was anticipated to repay itself within a two year period.
- The potential provision of a new public convenience block on Ilfracombe Seafront had been identified as part of the Ilfracombe Seafront Masterplan, which had identified the requirement of additional public toilets to be located in that area. Historically there were public conveniences located on the seafront in Ilfracombe many years ago and a temporary block was located there in 2022, paid for by the Town Council; and with the potential funding from external grant it was proposed that a block be installed. However, following completion of the block responsibility for its ongoing management and upkeep costs would fall within the remit of Ilfracombe Town Council.
- The layout of the toilets would be carefully designed to mitigate the potential risks of anti-social behaviour.
- The Committee commended the regeneration and incorporation of the old limekiln, which would be funded by the Regeneration Projects reserve; the reserve, which had been created from some of the revenue generated by Green Lanes and was benefiting the wider district.
- Rural areas could potentially benefit from any funding generated through the Regeneration Projects reserve and any project approaches made to the Council would be considered.



- Opportunities were currently being explored to utilise solar panels on Council owned buildings and should any potential schemes come forward a business case would be developed.
- There were approximately 1800 second homes currently within the North Devon area, which equated to about five percent of the Council Tax base.
- The definition of a second home was any dwellings which was no one's sole or main residence; and was substantially furnished.
- At its meeting on 6<sup>th</sup> February 2023, the Strategy and Resources Committee approved that, subject to the Levelling Up and Regeneration Bill becoming law, from 1 April 2024 a premium of 100% would apply for all dwellings which are unoccupied but substantially furnished.
- External funding was achieved substantially through government grants.
- Any additional properties that the Council owned for temporary accommodation would generate a return on their investment.
- If the Council was to go down the route of Council owned properties for market rental under housing, they would need to look at a different delivery model, as they could not hold a housing stock under their current operating arrangements.
- The cost of accommodating a person in Bed and Breakfast temporary accommodation can cost between £70.00 and £90.00 per night, which over a 12 month period equated to between £25,000 and £30,000.
- There was also a requirement to consider the wellbeing of the people that were placed in hotels and other establishments.
- The utilisation of Council owned properties for temporary accommodation made better financial sense and ensured the wellbeing of the person being housed within a council owned property.
- Between April 2022 and January 2023 there were 1,485 presentations for housing options to the Council.
- With regards to affordable homes for local people, the Council worked closely with local developers through the Housing team.

RESOLVED, that the decisions and recommendations 2.1.1 to 2.2.4 of the Strategy and Resources Committee be endorsed.

The Committee congratulated the Director of Resources and Deputy Chief Executive and the Finance team for presenting a balanced budget.

## **97. WORK PROGRAMME 2022-23**

The Committee considered the work programme for February to March 2023 (circulated previously).

The Clerk provided an update regarding the latest position with an approach to South West Water and advised that the Committee would be kept up to date on progress.

RESOLVED, that the work programme be noted.

Chair

The meeting ended at 11.50 am

NOTE: These minutes will be confirmed as a correct record at the next meeting of the Committee.