



## 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 G107, 1st Floor, South West Institute Development Building, Petroc, Barnstaple - Petroc College on **WEDNESDAY, 26TH FEBRUARY, 2025 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**

- 24(c)(ii) Policy Development Committee (Pages 7 - 22)
  - (ii) 13 February 2025 (attached).
  - (A) Minute 68: Revenue Budget 2025-26, Capital Programme and Medium Term Financial Strategy 2025-26 to 2030-31 (to follow).

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

18.02.25

## **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. Members of the public that attend meetings must be aware that these meetings are open to the public and so therefore both individuals and the Council itself have the right to record the meeting. The Council understands that some members of the public attending its meetings may not wish to be filmed. The Chair of the meeting will make sure any request not to be filmed 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 Chair 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 recording should leave the room ensuring all recording equipment is switched off.
4. Any member of the public has the right not to be filmed. We ensure that agendas for, and signage at, Council meetings make it clear that recording can take place – anyone not wishing to be filmed must advise the Chair at the earliest opportunity to allow them to be directed to an area in the room where they will not be caught on camera. Subject to paragraphs 1, 2 and 3 above, audio recordings shall be permitted at all times during public meetings.
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.

#### **Notes for guidance:**

Please contact either our Corporate and Community Services team or our Communications team in advance of the meeting you wish to record at so we can make all the necessary arrangements for you on the day.

For more information contact the Corporate and Community Services team on **01271 388253** or email [memberservices@northdevon.gov.uk](mailto:memberservices@northdevon.gov.uk) or the Communications Team on **01271 388278**, email [communications@northdevon.gov.uk](mailto:communications@northdevon.gov.uk).

Room G107 is located on the first floor of the South West Institute Development building at Petroc, Old Sticklepath Hill, Barnstaple, Devon EX31 2BQ. A lift is available to the first floor.

The following page shows a location plan of Petroc.

G Block on the plan indicates the South West Institute Development building.

### **Parking**

Point 5 on the plan indicates the short stay car park which is located adjacent to the South West Institute Development building which is free to park after 5.00 p.m.

### **Cycle Racks**

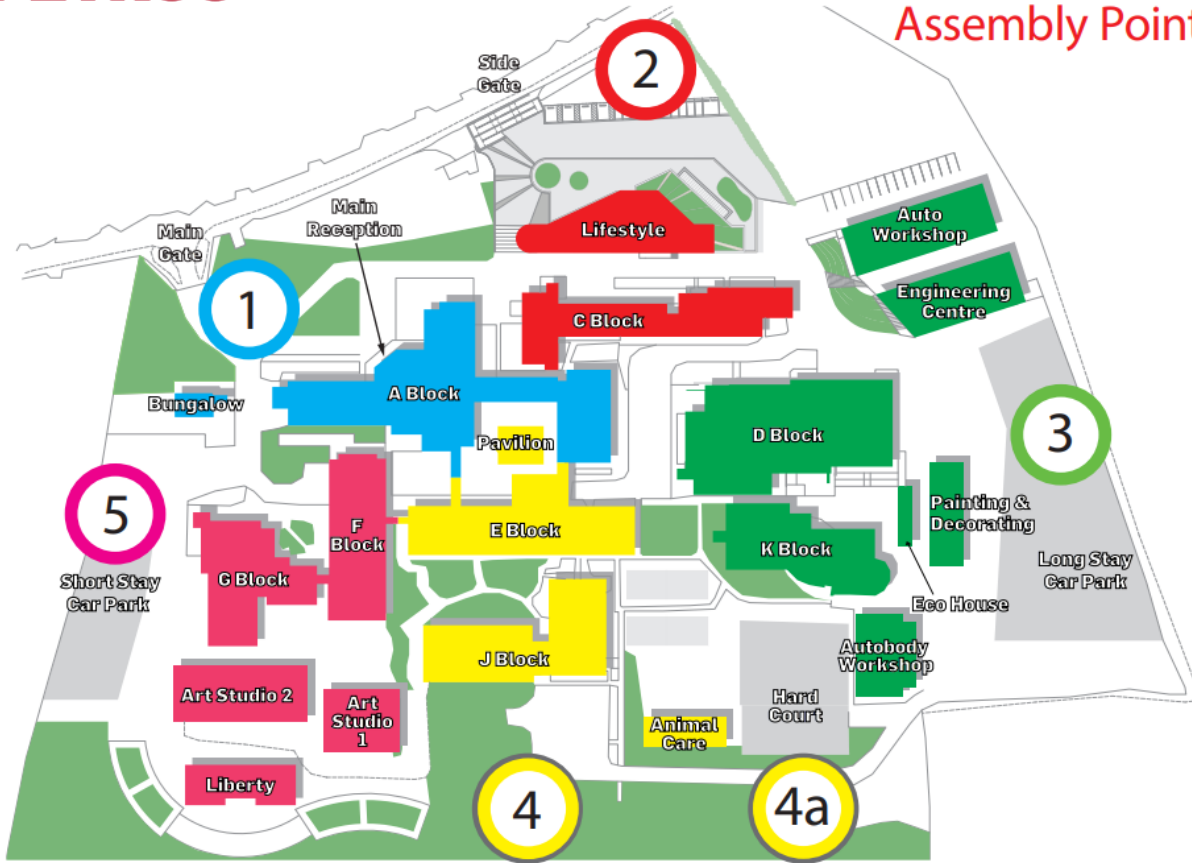
Covered cycle racks are located on the grassed area opposite Petroc's main reception, before the Lifestyle building.

### **Bus Routes**

Stops in **Sticklepath Hill** (East bound) bus service 310  
Wrey Arms (West bound) bus services 5B, 21, 21A, 21C, 62C, 322, 386, 646, 815, 821, 903, 921  
([Sticklepath, Barnstaple – Bus Times](#))

### **Fire evacuation procedures**

Fire evacuation procedures - Upon hearing a constant 2-tone alarm, please leave the building via your nearest marked fire exit and make your way to the nearest assembly point which is the short stay car park (Point 5 on the map). Lifts are not to be used. Please do not take time to pick up personal belongings and leave the building promptly.



**NORTH DEVON COUNCIL**

Minutes of a meeting of Policy Development Committee held at Barum Room - Brynsworthy on Thursday, 13th February, 2025 at 6.30 pm

PRESENT: Members:

Councillor Patrinos.

Councillors Bulled, Bushell, Jones, Williams, Wilson and Worden.

Officers:

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

Also Present in person:

Councillor Walker: Lead Member for Resources and Commercialisation.

Vicki Rowe: Chief Executive Officer, Citizens Advice.

**62. APOLOGIES**

Apologies for absence were received from Councillors Bishop, Clayton, P. Leaver and Turton.

**63. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 13TH JANUARY 2025 (ATTACHED).**

RESOLVED, that the minutes of the meeting held on 13<sup>th</sup> January 2025 (circulated previously) be approved as a correct record and signed by the Chair.

**64. DECLARATIONS OF INTEREST.**

There were no declarations of interest announced.

**65. LOCAL WORK OF CITIZENS ADVICE.**

The Chair welcomed Vicki Rowe, Chief Executive Officer, Citizens Advice to the meeting and advised that the purpose of the presentation was for the Committee to

gain an understanding of the work that Citizens Advice undertook locally within the North Devon area.

The Committee received a presentation by Vicki Rowe, Chief Executive Officer, Citizens Advice who highlighted the following:

- Details and figures in relation demand 1<sup>st</sup> April – 30<sup>th</sup> September 2024:
  - Helped 3,159 people compared to 2,611 in 2023/24, which was an increase of 21%.
  - Assisted with 11,185 problems compared to 8,248 in 2023/24, which was an increase of 35.6%.
  - Household income had increased by £2,533,330 compared to £2,250,783, which was an increase of 12.6%.
- The service was addressing an unprecedented level of demand, which continued to grow.
- Unmet demand, which saw 60% of calls going unanswered together with people being turned away from drop-ins and waiting times for appointments of up to 20 working days.
- The main problems people present to the service with in the North Devon area.
- Energy costs were rising together with the increase in the cost of living.
- Key areas of debt in North Devon.
- Supporting North Devon Council's (NDC) priority on housing.
- Our specialist services.
- Partnerships that Citizen's Advice worked with.
- Advocacy through research and campaigns.
- Living Standards report.
- Supporting NDC to protect and improve the physical, mental health and wellbeing of its residents.
- Our key challenges.
- Citizens Advice team in North Devon.
- Volunteer Value (fiscal value).

It was agreed the powerpoint slides be circulated to all Members for their information.

Following the presentation, the Committee asked questions and the Chief Executive Officer, Citizens Advice advised the following:

- The Annual Impact report would be sent to the Senior Corporate and Community Services officer in March 2025.
- With regards to a breakdown of funding for the service and how it was impacted, the Committee were advised of the following:



- 50% was funded through grants from Devon County Council (DCC) together with the four District Councils and the Town and Parish Councils.
  - 50% was funded through restricted income from various charities and organisations. The service also sought other funding opportunities wherever possible.
- 
- There were currently 36 volunteers working within the North Devon area.
  - The CA had a good operational relationship with NDC and there was a regular ongoing dialogue between the two to ensure that situations were managed jointly to seek a resolution.
  - More people presenting with mental health issues than previously.
  - There was currently a potential deficit of £150,000 for the forthcoming financial year, which the service was looking to address.

The Director of Resources and Deputy Chief Executive advised that there was regular engagement between NDC and the CA with regards to income banded schemes for Council Tax Support. He emphasised the importance of reporting, adding that there was lots of help available, with access to services in person at the Ilfracombe office and Lynton House, via Customer Services at Brynsworthy and directly through the CA.

It was agreed to add an awareness session for the services available for Members to signpost their constituents to for support and assistance as part of the Member training programme.

In response to a question regarding the supply and demand of its services and any plans that were in place to address this, the Chief Executive Officer, Citizens Advice advised that they did have a plan to address increasing demand and that they had utilised some of their reserves to employ additional paid staff to assist with the increase in requests for help and support from the service.

She added that the CA also continued to apply for grant funding wherever possible and that it felt supported by DCC and other authorities and would continue to seek to increase its volunteers.

In response to a question regarding required funds, the Chief Executive Officer, Citizen's Advice advised that conversations were currently being held together with assessment of its Funding Strategy for continued and increased funding.

In response to a question regarding the perception of deprivation in that it was as much a rural as it was an urban issue, the Chief Executive Officer, Citizen's Advice advised that the Data Index of Multiple Deprivation contained ward level data, which detailed who had been supported and provided meaningful data to support conversations and discussions.

In response to a further question, she explained that any funding received from within the North Devon area was utilised within the North Devon area.

RESOLVED:

- a) That the presentation be noted; and
- b) That the presentation be circulated to all Members of Council for their information.

The Chair thanked the Chief Executive Officer, Citizen's Advice for her presentation and attendance at the meeting.

## **66. PERFORMANCE AND FINANCIAL MANAGEMENT Q3 2024-25**

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 2024/25 together with Minute Extract of Strategy and Resources on 3<sup>rd</sup> February 2025 (circulated previously).

The Finance Manager highlighted the following:

- The revenue budget for 2024/25 was approved at Council on 21st February 2024 at £16,432,690.
- As at 31st December 2024, the latest forecast net budget was £16,423,690, which produced a budget surplus of £9,000. Details were shown in "Appendix A – Variations in the Revenue Budget".
- There was still pressure on the Temporary Accommodation budget and the Council were funding the anticipated additional cost of £158,000 from in year Temporary Accommodation grant.
- As part of the outturn the Council contributed an additional £250,000 into the insurance reserve to mitigate against higher costs in 2024/25 and planned to use the full £347,500 balance to offset increased insurance premiums in this financial year. The Council had increased the 2025/26 budget to help mitigate the estimated increased costs.
- The original budget for 2024/25 included a forecast to achieve £250,000 worth of salary vacancy savings. The current position forecast that the Council would achieve £263,000 based on known vacancies to date. The £250,000 forecast was an estimate of the natural savings that would be achieved due to the timeline to recruit for vacant posts and new post holders to start.
- The additional costs of £179,000 for Waste and Recycling transport and SFS lease costs had been mostly offset set in year by £170,000 from the SFS vehicle reserve. The variances were due to the increased costs of borrowing within the finance lease payments combined with an increase in vehicle purchase prices that SFS have experienced.
- Pay and Display income had continued to follow the 2023/24 trend of slightly lower volumes, combined with the effect of the capital works being undertaken at Queen Street car park albeit the Council saw an increase in car park income at Green Lanes as a result of this displacement. The Council were now forecasting an overall £200,000 variance for the year.

- Building Control income was still forecast to be £70,000 down on budget, but due to a number of recent larger planning applications the Council was now forecasting planning income to be in line with the original budget.
- Recycling Sales had seen a downturn in quarter 3, however this was still up on the original budget and the Council would continue to monitor the income closely, with expectations that income receivable from recycling sales would increase once the new baler was operational.
- The Council was now estimating income growth from Business Rates to be an additional £200,000.
- As at 1<sup>st</sup> April 2024 the Collection Fund reserve balance held was £1,790,180. 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 £1,246,078 balance that would be utilised in 2024/25 £1,012,856 and 2025/26 £233,222 to mitigate timing differences of business rate reliefs awarded in 2023/24 that from an accounting perspective impact over the next two financial years; thus leaving the fund reserve with a residue balance of £544,099 protection against future volatility.
- At the 31<sup>st</sup> December 2024 total external borrowing, excluding finance leases, was £6,000,000. The timing of any future borrowing was dependent on how the authority managed its treasury activity.
- Due to project spend slippages in the Capital programme and using the cash flow balances for internal borrowing, the Council was estimating a reduction in borrowing costs of £152,000 and additional interest receivable of £40,000 over and above the original budget.
- The 2024/25 Capital Programme was attached as “Appendix D – Capital Programme 2024/25” of the report.
- The Budget and Financial Framework report to Full Council 21<sup>st</sup> February 2024 outlined the Capital Programme for the 2024/25 financial year of £20,258,368. Project underspends from 2023/24 and further variations totalling £2,493,868 were approved as part of the performance and financial management report to Strategy and Resources Committee, to produce a revised Q2 2024/25 Capital Programme of £22,752,236.
- Variations of (£2,562,066) were proposed to the 2024/25 Capital programme as set out in section 4.4.3 of the report.
- The overall revised Capital Programme for 2024/25 to 2026/27 taking into account the budget variations above was £35,841,153 and broken down as follows:
  - 2024/25 £20,190,170.
  - 2025/26 £14,439,018.
  - 2026/27 £1,211,965.
- Actual capital spend for 2024/25 as at 31<sup>st</sup> December 2024 was £10,618,860.

Following the presentation of the Performance and Financial Management for Quarter 3 of 2024/25, the Committee discussed and debated the following:

- Interest rates had been cut and that had started to filter through the Public Works Loan Board (PWLB) in relation to the borrowing that the Council had taken on.
- Pay and display incomes had been impacted by the Central car park works, which had seen a growth of approximately £30,000 income for Green Lanes car park as a result. There were general volume decreases and these had been built into the budget going forward.
- With regards to separating the financial information from the performance information, he advised that the Strategy and Resources Committee were content with the current format of the report, which contained key bullet points and detailed programme information.

Appendix E of the report detailed a summary of updates on the Corporate Plan, Key results and performance indicators.

The Programme Manager advised that appendix E provided a high-level update in relation to the Council's five programmes that were delivering its current Corporate Plan priorities together with performance measures for Quarter 3 2024/25.

- The Housing and Community Safety Programme had secured an additional grant of £49,000 from Homes England, for housing feasibility work.
- The draft Housing Strategy was currently out for consultation using the Council's new software platform for a period of seven weeks from Monday 10<sup>th</sup> February 2025 to Monday 31<sup>st</sup> March 2025 via the council's website at [letstalk.northdevon.gov.uk/housing-strategy](http://letstalk.northdevon.gov.uk/housing-strategy).
- The Council had been successful in securing an additional £160,000 Disabled Facility Grants (DFGS).
- A report would be taken to the Strategy and Resources Committee to request additional funding to secure the long term viability of the night bus.
- The successful delivery of the Seven Brethren car park, which now had additional disabled bays with the option of the installation of EV charging points in the future.
- There had been a delay with works to Central car park following the ceasing of trade of the structural engineering company appointed as part of the project team in December 2024. The Council had now secured another company to continue with the works. However, this unforeseen issue had added a delay of three weeks to the project.
- The new National Planning Policy Framework was launched in December 2024.
- The Central car park had seen a reduction in income and was currently partially open with the resurface scheduled to take place in March 2025.
- Previously reported award of £3m from the Cultural Development Fund (CDF) was funding a range of events in Barnstaple (revenue tranche of funding).
- The Council was also supporting the refurbishment of Bridge Chambers in Barnstaple, through the capital CDG funding, which was an important conservation and heritage project.

- Works in relation to the kiosks and public conveniences at Ilfracombe were ongoing.
- Work had commenced in November 2024 at the Hub in Green Lanes, with the ground floor due for completion on 14<sup>th</sup> February 2025 together with the full handover on 17<sup>th</sup> February 2025.
- AI was now being utilised with Customer Service calls together with the launch of the new chatbot and Ombudsman complaint response time scheduled for April 2025.
- The recycling baler works were due for completion by the end of February 2025.
- The solar project at the North Devon Crematorium had secured £85,000 of funding from the North Devon Crematorium Joint Committee.
- The Council had successfully tested EV recycling vehicles.
- The Local Government Association graduate was now working for the Council.
- Testing of the ITrent system was currently ongoing.

In response to a question regarding the solar panels at the North Devon Crematorium and battery storage from a business continuity perspective, the Project Manager advised that battery storage was in the scope if the budget allowed.

The Director of Resources and Deputy Chief Executive advised that the Council had been looking to address the requirement for healthy homes through the purchase of properties to expand its housing portfolio. He added that the Council was currently in the process of trying to secure properties to continue this work in the Ilfracombe area.

The Programme Manager advised that if there were any further comments and questions they could be emailed to the Corporate and Community Services team and she would provide a response.

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

## **67. REVIEW OF FEES AND CHARGES FOR SERVICES 2025-26**

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the review of Charges and Fees for 2025/26 together with Minute Extract of Strategy and Resources on 3<sup>rd</sup> February 2025.

The Finance Manager highlighted the following:

- This year the guidance was to increase fees and charges by 3%, although some fees were set by statute and those would be set nationally. Other variations to the 3% increase were set out in sections 4.3 to 4.8 of the report.
- Building Control fees had been raised by an average of 13.42% and rounded to the nearest pound, this was to ensure the revenue income recouped the actual cost of providing the service, were competitive in the sector and provided the Partnership with protection against additional temporary staffing

costs that were likely to be experienced during the year, as detailed in Appendix B of the report.

- Land Charges fees had been set to recoup the cost of providing the service, the recommended fees for the land charges service was estimated to recover all the costs and break even, as detailed in Appendix D of the report.
- The majority of Environmental Health and Housing services were set by statute or set to recover costs. A minor exception to this was that there was no planned increase on charges for “Health and Food Certificates” as detailed in Appendix E of the report.
- Cemeteries fees were set to increase by 6%, (3% inflationary uplift, plus an additional 3%). This was to enable the fees to be brought closer in line with comparative figures around the County, as detailed in Appendix F of the report.
- The Garden Waste service charge was to remain unchanged at £60, due to the £5 increases in the previous two financial years (2023/24 and 2024/25), as detailed in Appendix J of the report.
- Street Name Plates had had a simplification of its charging structure, including an uplift to reflect no inflationary increase in the previous seven years. Fees were now set to recoup the cost of providing the service, as detailed in Appendix P of the report.
- The net revenue changes from the above charges was estimated to produce £25,000 of additional income, which had been included within the draft 2025/26 revenue budget, for consideration as an item included within this agenda.

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

**68. REVENUE BUDGET 2025-26, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY 2025-26 TO 2030-31**

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Revenue Budget 2025-26, Capital Programme and Medium Term Financial Strategy 2025-26 to 2030-31.

The Lead Member for Resources and Commercialisation addressed the Committee to give a brief introduction as follows:

- The Council had achieved a balance budget.
- Garden waste charges were to remain the same.
- The Council provided a very affordable bulky waste service.
- The National Insurance changes to employer’s National Insurance had produced an additional £325,000 cost to the Council.
- Green Lanes shopping centre continued to provide an income.
- It had to be assumed going forwards that there would be no increase in funding from Central Government so the Council would need to find more ways to become financially self-sufficient.

The Director of Resources and Deputy Chief Executive gave a presentation, and highlighted the following:

- The Government's Finance Policy Statement issued in November 2024 guaranteed that no council would see a cash reduction in its Core Spending Power (CSP). The increase for local government was 3.2% in real terms.
- All councils were to receive additional income from Extended Producer Responsibility (EPR) for Packaging payments.
- Confirmed £233m new funding for homelessness prevention – also consolidating main rough sleeping and single homelessness grants into a single grant outside of settlement.
- Council tax increases would remain at 2.99% or £5 (whichever was higher).
- Rural Services Delivery grant was to be abolished – this was currently paid to 50 district councils and worth £15m in total.
- Services grant would also be abolished – this was currently paid to all districts and worth £3.5m in total.
- A new £600m recovery grant – targeted councils with highest levels of deprivation – would likely only be open to a minority of districts.
- Councils would be compensated for the cost of the Employers National Insurance increase – for directly employed staff only.
- There would be a fundamental reform to the local government funding model after 2025/26.
- Government would launch a consultation in December on a new approach to allocation funding (Fair Funding) and a further technical consultation on resetting business rates in January.
- The Core Spending Power total for England was 6%. By region, the South West Core Spending Power was 5.4% and by authority type North Devon Council, being a Shire District, the Core Spending Power was however only 0.3%. In comparison, the CPI (Consumer Price Index) inflation to November 2024 was 2.6%.
- The draft budget has assumed an increase on Council Tax of 2.99%. The overall Council Tax Increase of £708,000 was broken down as £223,000 from the 2.99% increase and £485,000 from increase in tax base (of which £353,000 came from the second homes premium and £132,000 tax base).
- The Business Rates draft budget figure came from the Retained Growth (made up of £2m North Devon Business rates growth, £680,000 Renewable Energy Schemes and £350,000 Devon pool retained income).
- Giving an overall figure of £3.030m factored into the draft budget.
- Revenue Support Grant and Baseline Funding – additional £49,000.
- New Homes Bonus – actual award £705,000 (£355,000 more than 2024-25).
- Rural Services Delivery Grant – removed (£421,000 less than 2024-25).
- Services Grant – removed (£21,000 less than 2024-25).
- Funding Guarantee – removed (£1,507,000 less than 2024-25).
- New Recovery Grant – additional £267,000
- New Funding Floor Grant – additional £988,000.
- The overall net impact of less Government funding = -£290,000 reduction.
- Government's consultation on the Finance Settlement ended 15 January 2025.

- North Devon Council’s consultation response could be seen in Appendix F of the agenda report.
- There was an increase in the gap of funding per head of population between rural and urban authorities of £166.19.
- The Extended Producer Responsibility aimed to make ‘producers’ responsible for the cost of collection, managing and recycling of packaging and incentivise them to make their products recyclable by modulating fees based on the recyclability of products. It also aimed to reduce unnecessary packaging, increase quality and reduce litter.
- The Government had made an announcement on ‘Simpler Recycling’ services due to start March 2026.
- New burdens funding to be provided for food waste collections.
- The provisional Extended Producer Responsibility payment allocation for North Devon was £1,178,000
- The Medium Term Financial Strategy (2024-2030) showed a budget gap year on year:

Years	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	2029-30 £m
Budget gap/(surplus)	0	0.487	2.945	3.306	3.044	3.263

- Key elements already factored into the above forecasts were:
  - Pay increases for 2025-26 at 3% and 2026-27 2% and ongoing.
  - Ongoing 2.99% increase in council tax level.
  - 2025-26 inclusion of 100% premium on second homes.
  - Review of fees and charges on car parks in 2025-26 and 2028-29.
  - Assumed transfer of all public conveniences to town and parishes by the end of 2025-26.
  - Government funding review assumed for 2026-27.
- The summary position for 2025-26:

<b>Medium Term Financial Gap (February 2024)</b>	<b>£487,000</b>
Net impact Employers National insurance increase 25/26	£323,000
Employee costs (pay award 24/25, other NI changes 24/25)	£281,000
Increase in Finance Lease costs (vehicles)	£140,000
Increased Insurance costs	£257,000
Phased transfer of Public Conveniences to parishes	£155,000
Government funding changes	£164,000
Extended Producer Responsibility grant	(£1,178,000)
<b>Revised 2025-26 Budget gap to bridge</b>	<b>£629,000</b>
Additional Planning Fee income (price change)	(£120,000)



Growth in Recycling sales material income	(£54,000)
Proposed 3% increase on fees and charges	(£25,000)
Re-profiled Borrowing costs (timing of external borrowing and interest payments)	(£96,000)
Use of additional grant funding to offset revenue spend	(£115,000)
Additional Business Rates income	(£30,000)
Use of Budget Management reserve	(£164,000)
Other	(£25,000)
<b>Budget gap for 2025-26</b>	<b>£0</b>

- **Appendix A:** Detailed the breakdown of the North Devon net budget of £18.073m for 2025-26.
- **Appendix B:** Detailed the breakdown of Grants. New for 2025-26 was the North Devon Council central fund from the Community Lottery of £12,000.
- **Appendix C:** Detailed the breakdown of Reserves.
- The General Fund balance forecast at 31<sup>st</sup> March 2026 was £1.238m, which equated to 7% of the net budget. The recommended level was 5% -10%.
- Earmarked reserves were forecast at 31 March 2026 at £5.727m.
- 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.

- **Appendix D:** Detailed the refreshed Medium Term Financial Strategy for the period 2025-2031:

Years	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	2029-30 £m	2030-31 £m
Budget gap/(surplus)	0	1.558	2.804	3.074	3.629	4.161

- Key factors assumed included the recent decisions not to fully compensate local councils for the increased National Insurance contributions and the cumulative impact of a 0% future Core Spending Power.
- **Appendix E:** Detailed the Draft Capital Programme for the years 2024-25 to 2026-27 of £35.841m.
- This was funded by:

- External and Internal Borrowing (£13.991m).
- Capital receipts (£0.320m).
- External grants and Contributions (£19.546m).
- Reserves (£1.984m).
- Total funding (£35.841m).

- The following areas of risk could affect the financial plans:

- Government Grants.

- Key areas of income.
  - Capital receipts
  - Savings plans.
  - Increase in demand for services.
  - Localisation council tax support.
  - Business rates retention.
  - Welfare reform.
  - Devolution, this was a newly added risk.
- Future options to consider:
    - Commercial ventures:
      - Additional income (Green Lanes and/or new opportunities).
      - Acquire further properties for temporary accommodation.
      - Housing opportunities (delivery models).
    - Commercialisation Strategy (refreshed and approved in November 2024).
    - Asset Management Strategy (approved in November 2024).
  - The Budget and Council Tax setting would be considered at the next Full Council meeting scheduled for 26<sup>th</sup> February 2025.

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

- Go North Devon had ceased trading 18 months ago and the funding had been split between the following organisations:
  - The Mid Devon Mobility Ring and Ride bus service.
  - Age Concern Shop Mobility.
- The annual Business Rates Consultation meeting was held on 12<sup>th</sup> February 2025 with six businesses in attendance who were very interested in the work of the Council and opens up lines of engagement with local businesses within the area.
- Of the six attendees, two of the businesses were Ilfracombe based.
- Green Lanes value was stable with potential for increase from car parks income.

In response to a request from Councillor Bushell that the Council utilised £5,000 from the Community Lottery Central Fund to increase the funding of Citizens Advice, Members agreed that they would like to be informed of the financial and performance positions of the other grant funded recipients.

The Director of Resources and Deputy Chief Executive advised that the Corporate and Community Services team had approached all of the organisations that it provided grant funding to request further information regarding their financial performance situations to gain as much information as possible.

He added that only Citizens Advice and Age Concern had provided any financial information to date. However, officers within the Corporate and Community Services would contact them again to try and obtain the information prior to Full Council on Wednesday 26<sup>th</sup> February 2025.

In response to a question regarding the transparency of the presentation of the figures in relation to Green Lanes, the Director of Resources and Deputy Chief Executive advised that in 2021/22, the Green Lanes Shopping Centre had seen a net return of £243,000 of which £150,000 was placed into an income volatility reserve to protect against future revenue reductions. This reserve had been utilised to address the short-term loss of rental income following the closure of the Wilko store in the year 2023/24.

He added that excluding the reserve transfer, Green Lanes still made a net return to the Council of £87,000 in 2023/24 even with the loss of Wilko. The revenue generated from business rates and service charge collected from the Poundland store together with other businesses within the centre had recovered those costs; and allowed the Council to replenish the amount taken from the income volatility reserve.

## RESOLVED:

- a) that the decisions and recommendations 2.1.1 to 2.2.4 of the Strategy and Resources Committee be endorsed; and
- b) That the presentation be emailed out to all Members of the Committee.

RECOMMENDED, that pending further information from North Devon Voluntary Services and Mid Devon Mobility Ring and Ride bus service that the Council allocates an additional £7,000 to Citizens Advice and £2,000 to Age Concern.

Councillor Wilson abstained from voting on the recommendation.

## **69. TREASURY MANAGEMENT STRATEGY STATEMENT 2025/26**

The Committee considered a report by the Head of Governance (circulated previously) regarding the Treasury Management Strategy Statement for 2025/26 together with Minute Extract of Strategy and Resources on 3<sup>rd</sup> February 2025.

The Head of Governance highlighted the following:

- This Treasury Management Strategy covered the borrowing and investment requirements of the Council for the year 2025-26.
- In terms of the Capital Financing Requirement (CFR), the Treasury Management Strategy ensured the Council was able to meet its borrowing needs to cover the capital programme plans.

- It was estimated that the borrowing requirement (CFR) at the end of the financial year 2024-25 would be circa £34m increasing to approximately £40m for the year 2025-26.
- To cover the £40m CFR it was projected to borrow £22m through external borrowing, £5m borrowing through finance lease arrangements, for our vehicle fleet and finally £13m through our own reserves and cash flows (internal borrowing).
- Current external borrowing for 2024-25, excluding finance leases, stood at £8m but an additional £7m short-term borrowing was being projected by year end to cover the approved capital costs.
- Any slippages to the capital programme expenditure and or additional capital receipts or grants received would reduce the amount of actual borrowing undertaken.
- The authorised limit for 2025-26 for the Council to borrow was set to £42.5m.
- In terms of our investment strategy, there were no plans to change the way we currently invested and section 7.1 of the report detailed the guidance the Council adheres to in regard to the investment policy.
- The Council's investment priorities remain as:
  1. Security,
  2. Portfolio liquidity; and
  3. Yield or return.

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

## **70. 10 YEAR CAPITAL STRATEGY 2025 TO 2035**

The Committee considered a report by the Head of Governance (circulated previously) regarding the 10 Year Capital Strategy for 2025 to 2035 together with Minute Extract of Strategy and Resources on 3<sup>rd</sup> February 2025.

The Head of Governance highlighted the following:

- The 10-Year Capital Strategy looked at the Council's long-term sustainability of its capital ambitions, affordability and risk management.
- Business as usual projects such as vehicle fleet replacement and ICT improvements impacted on our long-term borrowing plans.
- The Strategy covered the next ten years and the projection for our Capital Financing Requirement was estimated to remain at circa £37m in 2034/35.
- This would be funded by £23.5m external borrowing, £7m financial lease borrowing and £6.5m internal reserves and cash flow (internal borrowing).
- The cost of borrowing was set to remain at around £3m a year over the long term period of this forecast.

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

## 71. DRAFT WORK PROGRAMME 2024/2026.

The Committee considered the draft work programme for 2025/26 (circulated previously).

The Committee discussed the work programme and the items due for consideration for the forthcoming year.

The Chair highlighted that there were still two outstanding special meetings to be held as part of the agreed work programme for 2024/25, which were:

- GP surgeries and health inequalities.
- Transportation and infrastructure.

He also suggested that it might be appropriate to hold another workshop similar to those that were held in 2023 and 2024 to discuss other areas that the Committee would like to explore further.

The Committee discussed potentially holding the special meeting of the Committee to discuss GP surgeries and health inequalities towards the end of April 2025 together with a suggestion that the meeting be held in Ilfracombe.

The Clerk advised that she would require names for those members of the panel that the group wished to invite as soon as possible to enable her to begin the arrangements for the meeting.

She suggested to the Committee that it might be appropriate to add future work programme discussions to the Committee scheduled for Thursday 20<sup>th</sup> March 2025.

She added that there were also currently a number of meetings scheduled for the forthcoming year, which did not have business for discussion at the current time and suggested that potentially some of those dates could be utilised for special meetings should the Committee wish.

RESOLVED:

- a) That the work programme be noted; and
- b) That the item related to future work programme discussions remain on the agenda for the meeting scheduled for Thursday 20<sup>th</sup> March 2025.

Chair

The meeting ended at 8.48 pm

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

