

NORTH DEVON COUNCIL

Minutes of a meeting of Strategy and Resources Committee held at Barum Room - Brynsworthy on Monday, 1st November, 2021 at 10.00 am

PRESENT: Members:

Councillor Worden (Chair)

Councillors Lane, Lofthouse, L. Spear, Wilkinson and Yabsley

Officers:

Chief Executive, Director of Resources and Deputy Chief Executive, Solicitor and Data Protection Officer, Museum Manager, Public Protection Manager, Accountancy Services Manager, Head of Governance and Project and Procurement Officer

Also Present:

Councillors Biederman and D. Spear

74. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Knight, Patrinos, Pearson and Prowse.

75. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 4 OCTOBER 2021 (ATTACHED).

RESOLVED that the minutes of the meeting held on 4 October 2021 (circulated previously) be approved as a correct record and signed by the Chair.

76. ITEMS BROUGHT FORWARD WHICH IN THE OPINION OF THE CHAIR SHOULD BE CONSIDERED BY THE MEETING AS A MATTER OF URGENCY.

(a) Spending Review Update

The Director of Resources and Deputy Chief Executive provided the Committee with an update following the Government's Autumn Budget and Spending Review announcements made on 27 October 2021. The announcements were slightly more positive for Local Government, however the full details had not yet been published for individual Councils. The headline announcement included 3% increase in real terms on spending powers which was positive and also included the ability to raise Council Tax levels. The review included £4.8 billion new funding for Local Authorities, which would equate to £1.6 billion per year. No announcement had been made in relation to the New Homes Bonus funding. The financial settlement for

individual Councils would be announced in December 2021. This would be shared with Members and further Members Briefings on the budget would be arranged.

(b) Housing Crisis

The Chief Executive advised that following the meeting of the Housing Panel (of Policy Development Committee) on 21 October 2021, a further meeting would be convened within the next 3 weeks. The first session was to gather evidence and the second session would debate and formulate recommendations. This would produce a series of actions for the Council to act upon and issues that the Council could lobby the Government. Officers were also having discussions with Homes England and undertaking a review of empty homes.

77. DECLARATIONS OF INTERESTS.

There were no declarations of interest received.

78. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 2 2021-22

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management for Quarter 2 of 2021/22.

The Accountancy Services Manager highlighted the following:

- The revenue budget for 2021/22 was approved at Council on 24 February 2021 at £13,639,000.
- As at 30 September 2021, the latest forecast net budget was £13,617,000, which produces a forecast budget surplus of £22,000. Details were shown in "Appendix A – Variations in the Revenue Budget".
- There was still pressure on the 2021/22 budget due to the Covid-19 pandemic with continued additional costs being incurred and forecast decline in core income sources.
- Factored within the approved budget included a government grant in relation to Covid-19 pressures of £536,710 and also budgeted for £375,000 of additional costs and reduced income. These were already incorporated into Appendix A along with the latest forecast for each service area.
- The Government grant of £536,710 was approved and received and it was anticipated the Council would receive £80,000 re-imburement for Quarter 1 loss of Sales, Fees and charges, from the continued Government 75% income reimbursement scheme. This was an estimate as the scheme had been extended to include the period April to June 2021 only.
- At the end of 2020/21 the Council placed £375,000 into a Covid Budget management reserve to help mitigate any further adverse variances due to the pandemic in 2021/22. This future protection was still available if required.
- As at 31 March 2021 the Collection Fund reserve balance was £9,810,252 as detailed in paragraph 4.1.8 of the report.
- An additional provision had been included within the forecast figures shown in Appendix A for the National Pay Award potentially being settled higher than

the original 1% budgeted amount. Negotiations were ongoing between the Unions and the Employers and the outcome of these discussions would be included within the next report.

- “Appendix B – Movement in reserves and Balances” detailed the movements to and from earmarked reserves in 2021/22.
- Full details of the Strategic Contingency Reserve movements and commitments were detailed in “Appendix C – Strategic Contingency Reserve”.
- The 2021/22 Capital Programme was detailed in “Appendix D – Capital Programme 2021/22”.
- The Budget and Financial Framework report to Full Council on 24 February 2021 outlined the Capital Programme for the 2021/22 financial year of £22,419,916. Project underspend of £917,121 was brought forward from 2020/21 year and further variations of £1,479,065 were approved as part of the performance and financial management report to Strategy and Resources Committee, to produce a revised 2021/22 Capital Programme of £24,816,102.
- Overall variations of £4,213,427 were proposed to the 2021/22 Capital Programme as detailed in paragraph 4.4.3 of the report.
- Actual spend on the 2021/22 Capital Programme as at 30 September 2021 was £4,292,304.
- The overall Capital Programme for 2021/22 to 2024/25 was £46,151,018 and was broken down as detailed in paragraph 4.4.6 of the report.
- The Programme of £46,151,018 was funded by Capital Receipts / Borrowing (£28,274,889), External Grants and Contributions (£16,154,193) and Reserves (£1,721,936).
- It was recommended that the funds for the Fendering and Fish Stores Enhancements project of £163,650 be released from the 2021/22 Capital Programme.
- Treasury Management as detailed in paragraph 4.5 of the report.
- Debt Management as detailed in paragraph 4.6 of the report.
- General debtors as detailed in paragraph 4.7 of the report. All Heads of Service had been tasked to review their outstanding debts and review processes for effective debt recovery. In the first two quarters of this financial year no amounts were written off due to a backlog in the Finance Team. Since 30 September 2021, 47 invoices have been written off to the value of £27,199 to bring the write offs up to date.
- Performance information as detailed in Appendix E of the report.

In response to questions, the Director of Resources and Deputy Chief Executive advised the following:

- The flood defence scheme at Seven Brethren had not been included within the capital programme as an approved scheme had not yet been brought forward for approval.
- When the budget for 2021/22 had been approved, it had been anticipated that a new CCTV hub and upgrade of the system would have taken place which would have increased 3rd party uptake. This did not take place at the beginning of the year as expected and took place part way through the year. Therefore it was anticipated that the CCTV income would increase moving forwards.

- £9m had been included within capital programme for 2021/22 for the purchase of the strategic asset. £2m had been included within the capital programme 2022/23 for capital enhancements to be made to the strategic asset.

In response to questions, the Accountancy Services Manager advised the following:

- The collection of business rates achieved to date was 50.03%. It was anticipated that the collection rate would rise for the remainder of the year.

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 section 4.2 of the report;
- (c) That the movement on the Strategic Contingency Reserve as detailed in section 4.3 of the report be noted.
- (d) That funds be released for the capital schemes listed as detailed in section 4.4.10 of the report;
- (e) That the sections dealing with Treasury Management (section 4.5 of the report), and Debt Management (sections 4.6 and 4.7 of the report) be noted.

RECOMMENDED:

- (f) That Council approve the variations to the Capital Programme 2021/22 to 2024/25 as detailed in sections 4.4.3 of the report.

79. MID YEAR TREASURY MANAGEMENT REPORT 2021-22

The Committee considered a report by Director of Resources and Deputy Chief Executive (circulated previously) regarding the Mid Year Treasury Management Report for 2021-22.

The Head of Governance highlighted the following:

- The Council was required through regulations issued under the Local Government Act 2003 to produce a mid year treasury report reviewing treasury management activities and the prudential and treasury indicators for 2021/22.
- The Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by Council on 24 February 2021.
- The underlying TMSS approved previously required revision in the light of economic and operational movements during the year. The proposed changes were set out in paragraph 4.1 of the report.
- Section 4.3 of this report provided further information on the Capital Financial Requirement and the Operational Boundary. The change to the upper borrowing limit over 10 years would allow greater flexibility for long term borrowing.

- Revised estimated for capital expenditure and the changes since the capital programme had been agreed as part of the budget as detailed in paragraph 4.2 of the report.
- Changes to the capital financing requirement as detailed in paragraph 4.3 of the report. Internal borrowing was most prudent and cost effective for the Council.
- Annual Investment Strategy as detailed in paragraph 4.8 of the report. The Council held £40m of investments as at 30 September 2021 (£22.8m at 31 March 2021) and the investment portfolio yield for the first six months of the year was 0.05% against the benchmark 7 day LIBID of -0.08%.

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

- External borrowing was currently required for £0.5m at a rate of 1.43% interest. Interest rates were kept under review.

In response to questions, the Director of Resources and Deputy Chief Executive advised the following:

- For larger projects such as the Leisure Centre, payment of interests on external borrowing was included within the budget at a higher level than the current interest rates to allow protection should interest rates increase. The Council produced borrowing models with its treasury advisors.

RECOMMENDED:

- (a) That the changes to the prudential indicators be approved;
- (b) That the report and the treasury activity be noted.

**80. MUSEUM OF BARNSTAPLE AND NORTH DEVON
COLLECTIONS POLICY**

The Committee considered a report by the Museum Manager (circulated previously) regarding the Museum of Barnstaple and North Devon Collections Development Policy.

The Museum Manager highlighted the following:

- The Museum of Barnstaple and North Devon was an Accredited Museum. Museum Accreditation was a national scheme for maintaining and improving the quality of museums and is managed by Arts Council England.
- Arts Council England required a number of policies and procedures to be in place.
- The Collections Development Policy was required to follow a certain format and include specific wording as required by Arts Council England.
- Although the Barnstaple and North Devon Museum Development Trust and its membership organisation the Friends of the Museum have a role in raising funds for and securing items for the collection, any donations received by this route were subject to the same decision-making process as any other donation to the Museum.

- There had been no changes to the specific wording required by Arts Council England since the last policy approved in 2015; however the collecting and disposal priorities had been reviewed to limit further expansion of the collections. This was outlined in sections 4.1 – 4.13 of the policy.
- The museum was embarking on a programme of collections rationalisation to free up space in the stores. The likely disposals arising from this will be of unaccessioned items (excavated pottery, items in the handling collection and uncollected loans). Further rationalisation will require a formal disposal process as outlined in the policy sections 5.1 – 5.3.

In response to questions, the Museum Manager advised the following:

- The likely disposal of unaccessioned items included excavated pottery from the Barnstaple library site. There were approximately 2,000 boxes. The Museum Development Trust was working with Devon County Council and the Arts Council England and it was anticipated that the number of boxes held would reduce by 95%.

RESOLVED that the Collections Development Policy 2021- 2026 for the Museum of Barnstaple and North Devon be adopted.

81. APPROVAL AND RELEASE OF SECTION 106 PUBLIC OPEN SPACE FUNDS - BARNSTAPLE, CHULMLEIGH, NEWTON TRACEY AND WITHERIDGE

The Committee considered a report by the Project, Procurement and Open Space Officer (circulated previously) regarding the allocation of section 106 public open space funds towards a number of projects within the District, across communities of Barnstaple, Chulmleigh, Newton Tracey and Witheridge.

The Project, Procurement and Open Space Officer advised the following:

- That since the publication of the report a request had been received from Witheridge Parish Council to defer consideration of the projects at Witheridge until such a time that was mutually agreed by both parties. If the Committee was in agreement then the recommendation in paragraph 2.2 would be required to be amended to "...vary the capital programme by £139,635...."
- Details of the projects as detailed in paragraphs 4.1, 4.2, 4.3, 4.4, 4.5 and 4.8 of the report.
- Financial details of the projects as detailed in paragraph 5 of the report.

Councillor Biederman declared a personal interest as a Member of Horwood, Lovacott and Newton Tracey Parish Council.

RESOLVED:

(a) that following section 106 funds be allocated as follows:

- (i) £1,015 towards enhancement of the Square Fountain, Barnstaple (NDC).

- (ii) £80,000 to Chulmleigh Playing Field Association towards the cost of a new pavilion extension.
 - (iii) £38,000 to Chulmleigh Parish Council towards the enhancement of Davy Park, Chulmleigh.
 - (iv) £6,096 to Newton Tracey Cricket Club towards the provision of a Non Turf Practice Bay.
 - (v) £6,096 to Horwood, Lovacott and Newton Tracey Parish Council towards the provision of a Wooden Gazebo at Lovacott Playing Field.
 - (vi) £8,428 towards Tarka Play Area, Barnstaple (NDC)
- (b) That consideration of allocation of section 106 funds to Witheridge Parish Hall towards the enhancement of the Village Hall and the enhancement of the Adventure Playground be deferred until such a time that was mutually agreed by both Witheridge Parish Council and the Council;

RECOMMENDED:

- (c) That Council be recommended to vary the capital programme by £139,635 and that funds be released, subject to a Funding Agreement upon such terms and conditions as may be agreed by the Senior Solicitor, for external projects.

82. GAMBLING STATEMENT OF PRINCIPLES

The Committee considered a report by the Public Protection Manager (circulated previously) regarding the review of the Gambling Statement of Principles.

The Public Protection Manager highlighted the following:

- The Council was under a legal obligation to review its Gambling Statement of Licensing Principles on a three yearly basis.
- A consultation exercise had been undertaken in respect of a draft proposed revision to the Council's Gambling Statement of Licensing Principles, which contained minor variations to the existing statement. The results of the consultation were contained in Appendix A of the report.
- The main proposed amendments to the Statement of Principles as detailed in paragraph 4.7 of the report.
- The low number of consultation responses was not unusual and nationally Local Authorities received a low number of responses to this type of consultation.

In response to questions, the Public Protection Manager advised the following:

- One consultation had been received from a member of the public and the other consultation received was from Gosschalks acting on behalf of the Betting and Gaming Council. Gosschalks had also previously submitted a representation in respect of the Gambling statement of Principles 3 years ago.

RECOMMENDED that the proposed revised Gambling Statement of Licensing Principles be recommended to Full Council (a tracked changes document

highlighting the amendments made to the current policy as contained in Appendix B) for approval.

Chair

The meeting ended at 10.42 am

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