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

K. Miles
Chief Executive.

POLICY DEVELOPMENT COMMITTEE

A meeting of the Policy Development Committee will be held in the Barum Room - Brynsworthy on **THURSDAY, 6TH JULY, 2023 at 6.30 pm.**

(NOTE: A location plan for the Brynsworthy Environment Centre is attached to the agenda front pages. For meetings held at Brynsworthy only, you can join the meeting virtually via Microsoft Teams. There are also limited spaces to attend the meeting in person. Please check the Council's website for the latest information regarding the arrangements that are in place and the requirement to book a place 2 working days prior to the meeting. Taking part in meetings (northdevon.gov.uk).

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

Councillors Bishop, Bulled, Bushell, Clayton, Hunt, Knight, Jones, Patrinos, Turton, Wilson and Worden.

AGENDA

1. Apologies.
2. To approve as a correct record the minutes of the meeting held on 9th February 2023 (attached). (Pages 5 - 18).
3. Items brought forward which in the opinion of the Chair should be considered by the meeting as a matter of urgency.
4. Declarations of Interest.
(Please telephone the Corporate and Community Services team to prepare a form for your signature before the meeting. Interests must be re-declared when the item is called, and Councillors must leave the room if necessary).
5. To agree the agenda between Part 'A' and Part 'B' (Confidential Restricted Information).

PART 'A'

INTERNAL ITEMS

6. **Performance and Financial Management Quarter 4 2022-2023** (Pages 19 - 86)

Report by the Director of Resources and Deputy Chief Executive to Strategy and Resources on 3rd July 2023 (attached), and

(a) Minute Extract of Strategy and Resources on 3rd July 2023 (to follow).

7. **Annual Treasury Management Report 2022/23** (Pages 87 - 98)

Report by Director of Resources and Deputy Chief Executive to the Strategy and Resources Committee on 3rd July 2023 (attached), and

(a) Minute Extract of Strategy and Resources Committee on 3rd July 2023 (to follow).

8. **Timings of future meetings of the Committee for 2023/24.**

To agree the timings of future meetings of the Committee for 2023/24.

9. **Work programme 2022/23.** (Pages 99 - 102)

a) To consider the work programme (attached); and

b) Consider the topics discussed at the informal meeting of the Committee on 15th June 2023 and to agree which year each topic will be considered in and appoint a Member to lead on each one as part of a scoping exercise (template attached).

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

28.06.23



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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.
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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.

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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 8th December 2022 and 5th 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	1,471	223	259
2 – 3	935	931	332	119
3 – 4	567	709	95	198
5 – 6	219	301	40	32
Over 6	156	240	43	37
Total	3,669	4,112	785	704

- 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
Capital Financing Requirement					
Total CFR	21,699	24,482	33,323	38,608	37,112
Movement in CFR	17,108	2,783	8,841	5,285	(1,496)

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)
Movement in CFR	17,108	2,783	8,841	5,285	1,496

- 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)

Sub-total	(£887,000)
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)
Total	(£1,922,000)

- 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
Budget gap / (surplus)	0	0.499	3.027	3.488	3.548	3.455

- 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 6th 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.



North Devon Council

Report Date: Monday, 3 July 2023

Topic: Performance and Financial Management Quarter 4 2022-2023

Report by: Director of Resources and Deputy Chief Executive

1. INTRODUCTION

- 1.1. This is one of the series of regular quarterly reports on the council's overall operational and financial performance. The report covers financial as well as operational performance. It mainly covers the quarter from January to March 2023, but also looks at the whole year.
- 1.2. Section 4 deals with headline financial performance. More detailed performance information is available in Appendix F, which sets out our five programmes and the projects sitting underneath, with updates on progress to date and those new and historic key results and reportable key performance information.

2. RECOMMENDATIONS

- 2.1. That the actions being taken to ensure that performance is at the desired level be noted.
- 2.2. That the contributions to/from earmarked reserves be approved (section 4.2)
- 2.3. That the movement on the Strategic Contingency Reserve (section 4.3) be noted.
- 2.4. The Council approve the variations to the Capital Programme 2023/24 to 2025/26 (sections 4.4.8)
- 2.5. That funds are released for the capital schemes listed in section 4.4.13
- 2.6. That the sections dealing with Debt Management and General Debtors (sections 4.5 and 4.6) be noted.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that appropriate action is taken to allow the council to meet its objectives.
- 3.2. To inform Members of actual results compared to approved Corporate Plan, as well as progress in delivering services within the revenue budget and Capital Programme.

4. Financial Performance

4.1. Revenue

- 4.1.1. The revenue budget for 2022/23 was approved at Council on 23rd February 2022 at £13,721,640.
- 4.1.2. As at 31st March 2023, it is pleasing to report that the final out turn position is a budget surplus of £693,000, which is an overall movement of £674,000 from the last forecast at Q3. The breakdown showing these movements are shown Appendix A – “Variations in the Revenue Budget”



4.1.3. The last quarter of the financial year has seen some favourable variances since the last reported position; most notably planning fee income, a reduction in the forecasted Temporary Accommodation costs, additional interest receivable, and additional Business Rates & Government grant income.

4.1.4. The movement from Q3 of £674,000 can be mainly attributed to:

Adverse variances:

- £116,000 Benefit subsidy
- £40,000 Pannier Market income
- £151,000 Yelland Appeal – costs award provision

Favourable variances:

- £99,000 Temporary accommodation
- £110,000 Planning fees
- £41,000 Contribution from the Crematorium
- £395,000 Business Rates and Pooling income
- £136,000 Interest receivable
- £180,000 Government Grants

4.1.5. The original budget for 2022/23 included a forecast to achieve £250,000 worth of salary vacancy savings. As at the 31st March 2023 we actually achieved £476,000. £287,000 is due to timings of filling the capacity building posts throughout the year which were approved as part of the original 2022/23 budget, leaving £189,000 general vacancy savings.

4.1.6. The cost of living pressures with double digit inflation continuing for the whole of 2022/23, peaking at 14.2% in Oct 2022 and still near that peak at the end of the March 2023 at 13.5%, resulted in the Council utilising fully the £936,000 budget management reserve in 2022/23. Due to the favourable variances and a transfer in year from the Collection fund reserve we have replenished this reserve to a balance of £815,000 to provide us with resilience to similar inflationary pressures during 2023/24.

4.1.7. Members approved in June 2021 to proceed with the acquisition of Green Lanes Shopping Centre; which the Council completed the purchase in November 2021. The purchase of Green Lanes Shopping Centre was a once in a lifetime opportunity to acquire this strategic asset and complement other significant regeneration improvements being delivered within the Barnstaple town centre through the Future High Streets project. The financial modelling demonstrated that revenue income generated from the centre would cover both the repayment of the loan and asset management costs and would return a contribution to the Council which could be used towards mitigating future risks on income volatility, investment back into the centre and the overarching council budget.



4.1.8. The financial outturn for the Centre produced a net return (income less costs) for the 2021/22 year of (£243,600) due to minimal borrowing costs as these commenced in 2022/23. The 2022/23 trading position produced a net return of (£291,000), including borrowing costs. This is a positive return for the Council and is in line with our original forecasting.

4.1.9. As at 31st March 2023 the Collection Fund reserve balance held is £1,340,177. This earmarked reserve was created to deal with the timing impacts of the Collection Fund (Business Rates), which ensures the revenue budget is not unduly affected in the year the taxes are collected. Collection Fund deficits/surpluses are reversed out to bring the revenue account back to the budgeted figure for the year; the deficits/surpluses are recovered/distributed in the following financial years. This reserve includes a £912,563 balance that will be utilised in 2023/24 and 2024/25 to mitigate timing differences of business rate reliefs awarded in 2022/23 that from an accounting perspective impact over the next two financial years; thus leaving the fund reserve with a residue balance of £427,614 protection against future volatility.

4.1.10. From the revenue budget surplus of £693,000, it was proposed to set aside the amount into the following earmarked reserves:-

- Office Technology £120,000 – to fund capital business case
- Repairs Fund £214,000 – to fund capital business cases
- Budget Management £279,000 – mitigate 2023/24 inflationary pressures
- Insurance Reserve £80,000 – mitigate 2023/24 higher insurance costs

4.1.11. At the 31st March 2023 total external borrowing was £3,000,000. The timing of any future borrowing is dependent on how the authority manages 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 these monies to fund the Capital Programme. This has resulted in a £275,000 reduction in loan interest payments and an increase in interest receivable of £266,000 in 2022/23. £275,000 has been placed into a new Treasury Management reserve to mitigate against higher interest rates as we move into the 2023/24 financial year. Please see the Annual Treasury Management report that is on this agenda for more information in relation to the term and rate of current borrowing.

4.1.12. The recommended level of general fund balance is 5%-10% of the Council's net revenue budget. It is pleasing to report that the combination of in year measures and robust budget management saw the



Council through the financial pressures and resulted in a general fund reserve balance at 31 March 2023 of £1,238,000, which is a level of 9.0%.

4.2. Earmarked Reserves 2022/23

4.2.1. “Appendix B – Movement in reserves and Balances” details the movements to and from earmarked reserves in 2022/23

4.3. Strategic Contingency Reserve

4.3.1. Full details of the Strategic Contingency Reserve movements and commitments are attached as “Appendix C – Strategic Contingency Reserve”

4.4. Capital

4.4.1. The 2022/23 Capital Programme is attached as “Appendix D – Capital Programme 2022/23”

4.4.2. 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 were bought forward from 2021/22 year and further variations of (£8,358,572) 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 £9,505,513.

4.4.3. Actual spend on the Capital Programme for 2022/23 financial year was £7,577,736. The variance against the budget of £9,505,513 is (£1,927,777); the carry forward to 2023/24 is £1,930,171 (the difference being £2,394, relating to a £3,260 over spend on Vehicles and £866 not required on DVI licences), to fund on-going projects.

4.4.4. In order to pay for the £7,577,736 capital investment the Council funded this from £4,401,845 received from external sources in the form of grants and other assistance, £468,957 of internal resources held specifically for capital projects, £252,991 from capital receipts and £2,453,943 through a mixture of internally and externally borrowing.

4.4.5. The 2023/24 to 2025/26 Capital Programme is attached as “Appendix E – Capital Programme 2023/24 to 2025/26”.

4.4.6. The Budget and Financial Framework report to Strategy and Resources 6th February 2023, outlined the Capital Programme for the 2022/23 financial year of £9,505,513; 2023/24 financial year of £21,247,098; 2024/25 financial year of £5,324,344 and 2025/26 financial year of £95,000.



4.4.7. Project under spends of £1,930,171 from 2022/23 year are brought forward to produce a revised Capital Programme for 2023/24 year of £23,177,269.

4.4.8. Further variations of £4,990,983 are proposed to the 2023/24 and £399,000 to the 2025/26 Capital Programme as follows:



Schemes for 2023/24	Amount (£)	Notes
Disaster Recovery and Back-up testing	100,000	2023-24 PAG bid funded from ICT reserve
Stone Bench landing Ilfracombe Harbour – Masonry repair	45,336	2023-24 PAG bid funded from the Repairs Fund
South Quay, Ilfracombe	168,000	2023-24 PAG bid funded from the Repairs Fund
S106 – Berrynarbour PC, Boulodromes	3,360	S106 approve at Strategy and Resources Feb '23
S106 – Atherington PC, adventure trim trail	23,745	S106 approve at Strategy and Resources Mar '23
S106 – Bishops Nympton Parish Hall, air source heat pump and solar panels	20,000	S106 approve at Strategy and Resources Mar '23
S106 – North Devon Homes – Barn Park Play area Braunton	17,123	S106 approve at Strategy and Resources Mar '23
S106 – Morthoe PC, play equipment	30,118	S106 approve at Strategy and Resources Mar '23
S106 – Witheridge PC, village hall play area fencing	17,000	S106 approve at Strategy and Resources Mar '23
S106 – Braunton PC, recreation ground play equipment	66,372	S106 approve at Strategy and Resources Mar '23
S106 – Braunton PC, Knowle Play area equipment	6,929	S106 approve at Strategy and Resources Mar '23
Community Led Housing Models	520,985	Approved Full Council March '23
Purchase of Temporary Accommodation – Local Authority Housing Fund	1,001,081	Approved Full Council March '23
Ilfracombe Water Sports Centre (IWSC)	40,000	Completion delay – Funded from IWSC reserve
Cultural Development Fund	2,450,000	CDF and Bridge Trust funding



Schemes for 2023/24	Amount (£)	Notes
Lime Kiln, Larkstone Cove regeneration	111,325	Change in funding from Regeneration reserve to grant funding from Rural England Prosperity fund
Rural England Prosperity Fund	400,934	External Grant for spend in 2023/24
Lynmouth Coastal Study Claim	80,000	Funded from Environment Agency Grant
2024/25		
Rural England Prosperity Fund	399,000	External grant for spend in 2024/25

4.4.9. The overall revised Capital Programme for 2023/24 to 2025/26 taking into account the budget variations above is £33,986,596 and is broken down as follows:

- 2023/24 £28,168,252
- 2024/25 £5,723,344
- 2025/26 £95,000

4.4.10. The Programme of £33,986,596 is funded by Capital Receipts / Borrowing (£13,528,650), External Grants and Contributions (£17,546,686) and Reserves (£2,911,260).

4.4.11. The timing and realisation of capital receipts can be impacted by events beyond the control of the Council and we have been able to manage cash flows for projects through internal borrowing.

4.4.12. We also have authority to borrow from the Public Works Loan Board (PWLB) as outlined in the Treasury Management Annual Investment Strategy and the Council currently has external borrowing of £3,000,000.

4.4.13. Release of Funds – Capital Programme

4.4.13.1. Disaster Recovery and Back-up Testing £100,000

4.4.13.2. Stone bench landing Ilfracombe Harbour masonry repair £45,336

4.4.13.3. South Quay Ilfracombe £168,000

4.4.13.4. Community Led Housing Models £520,985

4.4.13.5. Purchase of Temporary Accommodation (Local Authority Housing fund) £1,001,081

4.4.13.6. Ilfracombe Water Sport Centre £40,000



- 4.4.13.7. Cultural Development Fund £2,450,000
- 4.4.13.8. Rural England Prosperity Fund £799,934
- 4.4.13.9. Lynmouth Coastal Study Claim £80,000

4.5. Debt Management

- 4.5.1. The major areas of credit income are Council Tax, Business Rates, Housing Benefit overpayment Recoveries and General Debtors.
- 4.5.2. As billing authority, the Council annually raises the bills for Council Tax (£69,000,000) and Business Rates (£32,000,000).
- 4.5.3. Collection rates are controlled through monitoring:
 - 4.5.3.1. The level of write offs
 - 4.5.3.2. Levels of previous years' outstanding debt
 - 4.5.3.3. The level of income collection in the year against the annual sums due to be collected.
- 4.5.4. The council's budget is based on the assumptions that eventually 97% of sums due will be collected. To ensure this level is achieved, year on year levels of write offs approved are controlled against a ceiling of 3% of annual debt.
- 4.5.5. The outstanding amounts at 31st March 2023 are as set out below:

Age in Years	Council Tax		Business Rates	
	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000
1 – 2	1,216	1,302	198	223
2 – 3	855	849	279	99
3 – 4	532	657	84	169
4 – 5	348	420	43	31
5 – 6	201	277	38	25
Over 6	138	225	38	36
Total	3,290	3,730	680	583

- 4.5.6. The levels of collections at 31st March 2023 are:

	Achieved 2021/22	Achieved 2022/23
Council tax	96.87%	97.23%
Business rates	97.46%	97.05%



4.6. General Debtors

4.6.1. The level of general invoices raised was £9,600,000 at 31st March 2023 (previous year £7,600,000)

4.6.2. A summary of the outstanding debt, by age, is set out below with comparison to the previous year.

Age of debt	31 March 2022	31 March 2023
	£'000	£'000
3 weeks to 6 months	259	265
6 months to 1 year	210	125
1 to 2 years	140	255
2 to 6 years	538	413
Over 6 years	102	70
TOTAL	1,249	1,128

5. RESOURCE IMPLICATIONS

5.1. All revenue and Capital impacts have been discussed and highlighted in section 4.

6. EQUALITIES ASSESSMENT

6.1. There are no equality implications anticipated as a result of this report. An Equality Impact Assessment has been completed.

7. ENVIRONMENTAL ASSESSMENT

7.1 There are not any environmental implications anticipated as a result of this report, as the purpose of this report is to monitor in year performance and financial monitoring. Projects within the Capital Programme will have highlighted any specific environmental impacts associated with those individual schemes when they came forwards for initial funding. The budget papers do contain an earmarked reserve for Environmental Initiatives which is a positive impact and has a year-end 2022-23 balance of £82,814. The Capital Programme includes an approved £80,000 project for changing existing lighting for low energy lamps and fittings within NDC occupied buildings. There is also a £75,000 budget spread across 3 financial years for funding towards LED lighting on car parks and other Council assets.

8. CORPORATE PRIORITIES

8.1 The Revenue budget supports the wider delivery plan of the Council in achieving the corporate priorities.

8.2 Individual schemes within the Capital Programme support the corporate priorities of improving customer focus, regeneration and commercialisation agenda and the environment.



8.3 The acquisition of Green Lanes Shopping Centre and the Future High Street Fund capital projects have a positive impact on both the regeneration priority and also the commercialisation agenda.

9. CONSTITUTIONAL CONTEXT

9.1. Part 3, Annex 1 1 (e) - Delegated.

9.2. Article 4.4 - Referred

10. STATEMENT OF CONFIDENTIALITY

10.1. This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

11. BACKGROUND PAPERS

11.1. None

12. STATEMENT OF INTERNAL ADVICE

12.1. The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

Author Tony Rumble, Finance Manager; Date 13th June 2023

Agenda Item 6

Appendix a

Appendix A – Variations in the Revenue Budget

Service and Cost Area	Quarter 3 variance to budget	Outturn variance to budget	Outturn movement from Q3
	£	£	£
Housing Benefit Subsidy Reduction	80,000	196,000	116,000
Additional Government Grant	(86,000)	(86,000)	0
Collection fund income	(13,000)	(13,000)	0
Other	(27,000)	(27,000)	0
Customer Focus	(46,000)	70,000	116,000
Leisure Contract Management Fee	40,000	40,000	0
Use of Leisure Centre Replacement Reserve	(30,000)	(30,000)	0
Works & Recycling Employees	10,000	10,000	0
Works & Recycling Vehicle fuel costs	104,000	104,000	0
Works & Recycling Other Vehicle costs	127,000	127,000	0
Works & Recycling Tipping Charges	(14,000)	(14,000)	0
Works & Recycling Bad Debt Provision	(32,000)	(32,000)	0
Works & Recycling Material Recovery Facility	22,000	22,000	0
Works & Recycling Supplies and Services	24,000	24,000	0
Works & Recycling Recycling Credits	71,000	71,000	0
Works & Recycling Shared Savings Scheme	(30,000)	(30,000)	0
Works & Recycling Trade Waste income	(12,000)	(12,000)	0
Works & Recycling Recycling Sales	(287,000)	(287,000)	0
Works & Recycling Garden Waste income	63,000	63,000	0
Works & Recycling Other	4,000	4,000	0
Environmental Enhancement	60,000	60,000	0
Other	(2,000)	(2,000)	0
Governance	(2,000)	(2,000)	0
Streamline Charges	(10,000)	(10,000)	0
Corporate Services	(10,000)	(10,000)	0
Car Parks income	71,000	63,000	(8,000)
Seven Brethren rent	(6,000)	(6,000)	0
Miscellaneous income St Nicholas Chapel	(45,000)	(45,000)	0
CCTV income	20,000	20,000	0
CCTV Employees	21,000	21,000	0
Pannier Market income	0	40,000	40,000
Other	0	0	0
Place, Property & Regeneration	61,000	93,000	32,000
Temporary Accommodation / Reserve	0	(99,000)	(99,000)
Building Control Trading Statement	83,000	83,000	0
Use of Joint Building Control Reserve	(50,000)	(50,000)	0
Planning fees	(36,000)	(146,000)	(110,000)
EH staff time to capital	(35,000)	(35,000)	0
Contribution from Crematorium	0	(41,000)	(41,000)
Yelland Appeal – costs award	0	151,000	151,000

Agenda Item 6

Appendix a

Service and Cost Area	Quarter 3 variance to budget	Outturn variance to budget	Outturn movement from Q3
	£	£	£
Other	(26,000)	(14,000)	12,000
Planning, Housing & Health	(64,000)	(151,000)	(87,000)
Orbis Reliance Project	(8,000)	(8,000)	0
Organisational Development	(8,000)	(8,000)	0
National pay award potential higher cost	804,000	804,000	0
Energy Costs	63,000	63,000	0
Additional Employee Vacancy Savings	(202,000)	(226,000)	(24,000)
Business Rates - Benefit of pooling	(100,000)	(287,000)	(187,000)
Business Rates - Additional income	(250,000)	(1,018,000)	(768,000)
Contribution to Collection Fund Reserve	0	560,000	560,000
New Burdens Grant - Admin Energy rebate scheme	(38,000)	(38,000)	0
Use of Budget Management Reserve	(936,000)	(936,000)	0
Interest Receivable	(130,000)	(266,000)	(136,000)
Interest Payable	(275,000)	(275,000)	0
Government Grants	0	(180,000)	(180,000)
Cont to Treasury Management Reserve	275,000	275,000	0
Cont to Budget Management Reserve	100,000	100,000	0
Cont to Regeneration Reserve	100,000	100,000	0
Cont to Material Recovery Facility Reserve	40,000	40,000	0
Cont to Repairs Fund Reserve	520,000	520,000	0
Insurance premiums	19,000	19,000	0
Other	(10,000)	(745,000)	(735,000)
Total	(19,000)	(693,000)	(674,000)

Appendix B – Movement in Reserves and Balances

Earmarked Reserves	Closing Balance 31st March 2022	Transfer to Reserves	Transfer from Reserves (to Capital)	Transfer from Reserves (to Revenue)	Transfers	Closing Balance 31st March 2023
Repairs Fund	1,347,360	1,129,003	-127,528	-402,833	7,266	1,953,268
Collection Fund Reserve	5,721,950	541,090		-4,522,863	-400,000	1,340,177
Budget Management Reserve	935,879	378,627		-935,879	436,000	814,627
H4UK	0	527,815				527,815
Office Technology Reserve	324,209	307,988	-190,851			441,345
Crem Equipment Replacement Reserve	357,288	60,000				417,288
Capital Funding Reserve	382,914					382,914
Transformation Reserve	322,506		-5,544	-1,750		315,212
Crem Earmarked Reserve	230,560	69,490		-9,954		290,096
Treasury Management Reserve	0	275,000				275,000
Local Plans Fund	255,850					255,850
Community Housing Fund-Hsg Enabling	464,142		0	-254,316		209,826
SFS Vehicle Tender Reserve	133,157	74,995				208,152
Digital Transformation Financial Systems	182,498	40,000		-20,459		202,039
Flexible Homelessness Support Grant	345,118			-143,320		201,798
Regeneration Projects	0	200,000				200,000
Rough Sleeper Initiative - DCLG grant	190,501	8,000		-3,031		195,470
Corporate Property Management Initiative	168,600					168,600
Corporate Property Income Volatility	75,000	75,000				150,000
Economic Development Reserve	217,001	20,000		-87,910		149,091
Council Tax Support Scheme Reserve	176,393			-27,420		148,973
Strategic Contingency Reserve	143,842				-11,740	132,102
Planning Health and Housing Employees	0	120,395				120,395
Programme Delivery Reserve	125,000			-8,800		116,200
ICT Cyber Treatment	150,000			-34,900		115,100
Tarka Tennis Surface replacement	96,873	13,000				109,873
District Council Election	50,000	66,328		-8,630		107,698
Project Man Performance (Levelling Up)	149,000			-43,546		105,454
Vehicle Renewals Fund	182,450		-98,730			83,720

Earmarked Reserves	Closing Balance 31st March 2022	Transfer to Reserves	Transfer from Reserves (to Capital)	Transfer from Reserves (to Revenue)	Transfers	Closing Balance 31st March 2023
Environmental Initiatives	49,160	36,854		-3,200		82,814
Leisure Centre Replacement Reserve	114,099			-33,279		80,820
Insurance Reserve	0	80,000				80,000
W&R Covid Toilet Cleaning	150,000			-78,039		71,961
Ilfracombe Watersports Centre Reserve	43,626	75,000	-43,600	-20,310	11,740	66,456
New Homes Bonus Reserve	65,064		0			65,064
UK Shared Prosperity Fund Reserve	0	62,500				62,500
Town Centre Management Reserve	0	49,332				49,332
Economic Financial Hardship	66,579	41,530		-60,062		48,047
Prevention CLG Grant Reserve	45,317					45,317
Next Step Accom Programme	43,451					43,451
Waste Shared Savings Reserve	0	42,000				42,000
P C Planned Maintenance Fund	40,156					40,156
Climate & Environmental Grants	20,000	20,000				40,000
Rechargeable Works Reserve	49,641			-5,641	-7,266	36,734
Community Consultation	37,074			-795		36,279
External Audit	15,952	19,286				35,238
Neighbourhood Planning	34,517					34,517
Specialist Domestic Abuse Reserve	36,539			-2,519		34,020
Members Technology Reserve	29,224	6,070		-1,711		33,583
CCTV Reserve	27,540		0			27,540
Brownfield Land Registers & Permission	26,263					26,263
Material Recovery Facility Reserve	0	40,000		-13,855		26,145
Crem Budget Management Reserve	25,477					25,477
Food Safety	67,103			-41,822		25,281
Brexit Exports EH	25,000					25,000
Ilfracombe Harbour Repairs	23,740	24,520		-23,740		24,520
RS Rapid Rehoming Pathway	23,956					23,956
IER Funding	22,032					22,032
External Legal Services Reserve	44,565			-23,690		20,875

Earmarked Reserves	Closing Balance 31st March 2022	Transfer to Reserves	Transfer from Reserves (to Capital)	Transfer from Reserves (to Revenue)	Transfers	Closing Balance 31st March 2023
HR Payroll	20,013			-4,000		16,013
Internal Audit Plan	14,927					14,927
Self Build & Custom Housebuild	69,547			-58,055		11,492
Museum development fund	32,454			-21,214		11,240
Litter Bin Strategy	10,000					10,000
Lynton Agency Reserve	13,522			-4,750		8,772
Car Parking Reserve	27,036			-19,127		7,909
Planning Enquiries Fund	69,783			-63,060		6,723
Parks Reserve	6,321					6,321
Noise Equipment reserve	4,129	2,000				6,129
Town & Parish Fund	5,159					5,159
Future High Street Fund FHSF	4,221					4,221
Health and Safety Reserve	19,530			-15,816		3,714
Licensing Reserve	0	3,279				3,279
Pannier Market	1,872					1,872
Habitat Directive Reserve	945					945
Development Control Fund	99,600			-98,840		760
Greensweep Replacement Fund	32,903		-2,703	-29,492		708
Office Accommodation Reserve	41					41
Second Homes Council Tax Reserve	0					0
Ilfracombe Harbour Security	14,770			-14,770		0
Local Welfare Support reserve	541			-541		0
Community Protection Vehicles Reserve	30,000	6,000			-36,000	0
Building Control Reserve	50,065			-50,065		0
Improvement Programme Reserve	0		0			0
Covid Outbreak Management Fund	33,962			-33,962		0
Collection Fund Reserve (Council Tax)	106,157			-106,157		0
	14,521,661	4,415,101	-468,956.48	-7,334,123	0	11,133,683

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Appendix C – Strategic Contingency Reserve

Strategic Contingency Reserve 2022-23 - Original (9980) (8245)	
Resources Available	£
Balance brought forward 1st April 2022	(£143,842)
Budget Contribution to Strategic Contingency Reserve 2022/23	£0
	(£143,842)
Commitments B/F from 2021/22	
Ilfracombe Water sports Centre, Ilfracombe	11,740
Balance Remaining	(£132,102)

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Appendix D – Capital Programme 2022/23

Project	Original Budget 2022/23 £	Actual 2022/23	Variance positive = Underspend	Carry Forwards / (spend from 23-24)	Complete (C) / Carry forward (CF)
Customer Focus					
ICT Improve Back-up and Recovery Capabilities	7,703	0	7,703	7,703	C
ICT Skype for Business	40,000	0	40,000	40,000	CF
ICT VDI Licences	70,000	69,134	866	0	C
Office Technology Fund - End User Assets and IT Assets in Data Centre	137,254	121,717	15,537	15,537	CF
	254,957	190,851	64,106	63,240	
Environmental Enhancements					
Greensweep / Bartec migration and automation	38,150	8,247	29,903	29,903	CF
Leisure Provision at Seven Brethren	2,347,177	2,191,039	156,138	156,138	CF
S106 Contributions - Various projects	614,616	424,933	189,683	189,683	CF
S106 Crematorium Works and creation of memorial garden	39,704	0	39,704	39,704	CF
S106 Public Realm improvements at Library Square, Barnstaple	62,637	29,342	33,295	33,295	CF
Works Unit Vehicles	117,120	120,380	(3,260)	0	C

Project	Original Budget 2022/23 £	Actual 2022/23	Variance positive = Underspend	Carry Forwards / (spend from 23-24)	Complete (C) / Carry forward (CF)
	3,219,404	2,773,941	445,463	448,723	
Place and Regeneration					
Acquisition of Land off Frankmarsh, Barnstaple	164,631	104,470	60,161	60,161	CF
Digital Transformation Asset and Financial Management System	40,000	0	40,000	40,000	CF
Future High Street Fund	1,127,517	739,252	388,265	388,265	CF
Ilfracombe Harbour - Kiosks	58,611	52,656	5,955	5,955	CF
Jubilee Gardens reserved car park retaining wall	31,447	0	31,447	31,447	CF
Land Release Fund - Seven Brethren	71,373	62,903	8,470	8,470	CF
Green Lanes	150,000	173,487	(23,487)	(23,487)	CF
Retaining Wall - Cross Street Car Park Lynton	9,500	0	9,500	9,500	CF
Self-build Housing projects	0	3,000	(3,000)	(3,000)	CF
South Quay, Ilfracombe	55,000	0	55,000	55,000	CF
Harbour Infrastructure	214,254	66,746	147,508	147,508	CF
Watersports Commercial Complex	177,328	0	177,328	177,328	CF
Alexander Road - Access improvements	8,289	75,874	(67,585)	(67,585)	CF

Project	Original Budget 2022/23 £	Actual 2022/23	Variance positive = Underspend	Carry Forwards / (spend from 23-24)	Complete (C) / Carry forward (CF)
Fremington Quay River Wall	120,000	0	120,000	120,000	CF
Queen Ann's building, flat roof replacement	35,000	0	35,000	35,000	CF
Lynmouth Esplanade sea wall repairs phase 2	42,167	42,167	0	0	C
Queens theatre, replacement of Flat roof and redecoration of SE and NE elevations	313,650	0	313,650	313,650	CF
Ilfracombe Museum Car park retaining wall repairs	191,500	0	191,500	191,500	CF
NDC occupied office buildings, change existing lighting for low energy lamps/fittings	79,879	0	79,879	79,879	CF
UK Shared Prosperity Fund	55,951	10,000	45,951	45,951	CF
Water Sports Centre Ilfracombe	1,869,684	1,444,095	425,589	425,589	CF
	4,815,781	2,774,650	2,041,131	2,041,131	
Planning, Housing and Health					
Affordable Homes Beechfield Road, Fremington	20,000	0	20,000	20,000	CF
Disabled Facilities Grant Programme	1,083,671	1,467,978	(384,307)	(384,307)	CF
ECO Warm up Grants	17,760	7,759	10,001	10,001	CF
Provision of temporary accommodation	93,940	362,557	(268,617)	(268,617)	CF

Project	Original Budget 2022/23 £	Actual 2022/23	Variance positive = Underspend	Carry Forwards / (spend from 23-24)	Complete (C) / Carry forward (CF)
	1,215,371	1,838,294	(622,923)	(622,923)	
	9,505,513	7,577,736	1,927,777	1,930,171	

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Appendix E – Capital Programme 2023/24 to 2025/26

Project	Original Budget 2023/24 £	Original Budget 2024/25 £	Original Budget 2025/26 £	Total Capital Programme
Customer Focus				
ICT Improve Back-up and Recovery Capabilities	7,703	0	0	7,703
ICT Skype for Business	40,000	0	0	40,000
Disaster Recovery and Backup testing	100,000	0	0	100,000
Office Technology Fund - End User Assets and IT Assets in Data Centre	200,537	130,500	70,000	401,037
	348,240	130,500	70,000	548,740
Environmental Enhancements				
Greensweep / Bartec migration and automation	29,903	0	0	29,903
Leisure Provision at Seven Brethren	156,138	0	0	156,138
Material Recovery Facility - Infrastructure	741,610	2,659,000	0	3,400,610
S106 Contributions - Various projects	374,330	0	0	374,330
S106 Crematorium Works and creation of memorial garden	39,704	0	0	39,704

Project	Original Budget 2023/24 £	Original Budget 2024/25 £	Original Budget 2025/26 £	Total Capital Programme
S106 Public Realm improvements at Library Square, Barnstaple	33,295	0	0	33,295
	1,374,980	2,659,000	0	4,033,980
Place and Regeneration				
Acquisition of Corporate Property	250,000	0	0	250,000
Acquisition of Land off Frankmarsh, Barnstaple	60,161	0	0	60,161
Barnstaple Bus Station re-furbishment	46,394	0	0	46,394
Digital Transformation Asset and Financial Management System	40,000	0	0	40,000
Future High Street Fund	8,933,708	711,874	0	9,645,582
Ilfracombe Harbour - Kiosks	5,955	0	0	5,955
Jubilee Gardens reserved car park retaining wall	31,447	0	0	31,447
Land Release Fund - Seven Brethren	2,008,470	0	0	2,008,470
Pannier Market Re-roofing works	452,098	0	0	452,098
Planned Maintenance Seven Brethren	57,209	0	0	57,209
Public Maintenance - Public House corner of Castle Street and 16 Castle Street	90,000	0	0	90,000
Green Lanes	2,010,236	0	0	2,010,236

Project	Original Budget 2023/24 £	Original Budget 2024/25 £	Original Budget 2025/26 £	Total Capital Programme
Retaining Wall - Cross Street Car Park Lynton	9,500	0	0	9,500
Self-build Housing projects	497,000	0	0	497,000
South Quay, Ilfracombe	55,000	0	0	55,000
Harbour Infrastructure	363,743	0	0	363,743
Watersports Commercial Complex	177,328	0	0	177,328
Seven Brethren Flood defence	1,150,000	0	0	1,150,000
Alexander Road - Access improvements	419,126	0	0	419,126
Landmark Theatre, Fire alarm	150,000	0	0	150,000
Fremington Quay River Wall	120,000	0	0	120,000
Queen Ann's building, flat roof replacement	35,000	0	0	35,000
Queens theatre, replacement of Flat roof and redecoration of SE and NE elevations	313,650	0	0	313,650
Ilfracombe Museum Car park retaining wall repairs	191,500	0	0	191,500
NDC occupied office buildings, change existing lighting for low energy lamps/fittings	79,879	0	0	79,879
UK Shared Prosperity Fund	87,429	167,970	0	255,399
LED lighting	25,000	25,000	25,000	75,000
Lime Kiln, Larkstone Cove Regeneration	111,325	0	0	111,325

Project	Original Budget 2023/24 £	Original Budget 2024/25 £	Original Budget 2025/26 £	Total Capital Programme
Victoria Pleasure Grounds, new Public Conv. and new shelter	180,000	0	0	180,000
Fairview and Brookdale Carparks	395,000	0	0	395,000
Cultural Development Fund	2,450,000	0	0	2,450,000
Lynmouth Coastal Study	80,000	0	0	80,000
Rural England Prosperity fund	400,934	399,000	0	799,934
Stone bench landing Ilfracombe harbour masonry repair	45,336	0	0	45,336
South Quay Ilfracombe	168,000	0	0	168,000
Water Sports Centre Ilfracombe	465,589	0	0	465,589
	21,956,017	1,303,844	25,000	23,284,861
Planning, Housing and Health				
21 Social Rents at Woolacombe	0	630,000	0	630,000
Affordable Homes Beechfield Road, Fremington	20,000	0	0	20,000
Disabled Facilities Grant Programme	1,585,003	0	0	1,585,003
ECO Warm up Grants	525,563	0	0	525,563
Provision of temporary accommodation	1,837,464	1,000,000	0	2,837,464

Project	Original Budget 2023/24 £	Original Budget 2024/25 £	Original Budget 2025/26 £	Total Capital Programme
Community Led Housing models	520,985	0	0	520,985
	4,489,015	1,630,000	0	6,119,015
	28,168,252	5,723,344	95,000	33,986,596

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Appendix F

Corporate Plan Delivery Highlight Report with Key Results & Performance Indicators

1.1 In January 2023 a Corporate Plan Delivery highlight report was taken to Strategy and Resources to provide an overview of the 5 programmes and associated projects put in place to support the delivery of the corporate plan priorities.

Those programmes emerged with their assigned Senior Responsible Owner (SRO):

Customer Focus / Digital by Design – SRO Sarah Higgins

Environmental Enhancement – SRO Mark Kentell

Housing & Community Safety – SRO Jeremy Mann

Regeneration & Economic Growth – SRO SarahJane Mackenzie-Shapland;

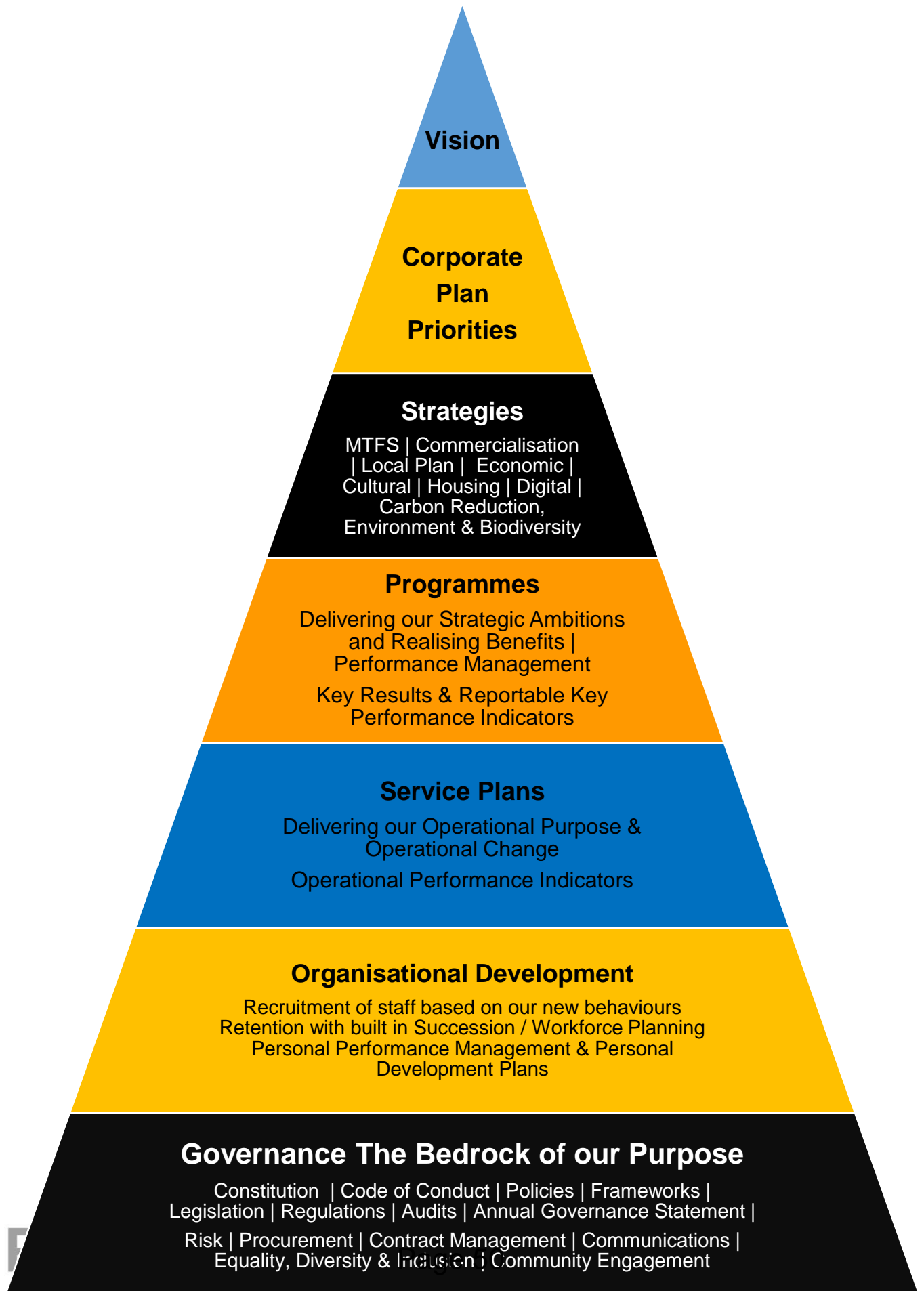
Organisational Development – SRO Nikki Gordon

With an overarching theme of Achieving Financial Security – Jon Triggs and Adam Tape

1.2 Members requested that a similar report be amalgamated with the Financial Performance Reporting to give a wider picture of organisational health and delivery.

1.3 This appendix aims to provide members with a high-level overview of all the projects sitting under those 5 programme umbrellas; an assurance that progress is being made across all areas and in turn, delivering against the corporate plan priorities.

1.4 The pyramid on the following page sets out how our activities are driven from your vision and corporate plan, followed by developed strategies and then programmes and projects to deliver against member priorities and decisions taken during the lifecycle of those programmes.





4.1 The balanced scorecard below subjectively shows how those projects contribute to your corporate priorities.

<p>Priority: We achieve Financial Security (FS)</p> <p>Objective: We will remove the reliance on government grant & make the council financially self-sufficient.</p> <p style="text-align: center;">28</p>	<p>Priority: We become focussed on delivering the best for our citizens (CF)</p> <p>Objective: We will make sure that all of our interactions with citizens add value, are perceived as helpful, positive & deliver services that meet the citizens' expectations aligned to our standards.</p> <p style="text-align: center;">35</p>
<p>Priority: Our Environment is cherished & protected (EE)</p> <p>Objective: We will positively improve the natural & built environment of the area</p> <p style="text-align: center;">24</p>	<p>Priority: We plan for North Devon's Future (NDF)</p> <p>Objective: Ensure communities, customers and commercial businesses benefit from North Devon's future growth and prosperity opportunities.</p> <p style="text-align: center;">32</p>

4.2 The tables below set out all of the projects sitting under the 5 programmes, the project manager/lead, status of the individual projects and an update. When we report next we plan to align the capital costs to those projects also.

4.3 We have for 2023/24 introduced some new Key Results (KR) and Reportable Key Performance Indicators (RKPI), but as noted in our Performance Management Framework these should be under continuous review. New indicators won't come forward with results in the next report.

Corporate Plan Priority: We Achieve Financial Security

Objective: We will remove the reliance on government grant & make the council financially self-sufficient.

Jon Triggs & Adam Tape



Key Results

New KR 1a: Gross income mainly out of our control [Method being defined]

New KR 1b: Gross income mainly within our control from Fees, Charges & Income [being defined]

Reportable Key Performance Indicators

RKPI BV9: Percentage of Council Tax Collected. 2022/23 = 97.24% best result since 2012/13 which achieved 97.66%.

RKPI BV10: % of Non-domestic Rates Collected. 2022/23 = 97.05%

RKPI BV8: % of invoices paid on time. Q1 2022/23 = 88.75. Q2 2022/23 = 91.72% Q3 2022/23 = 90.68%

Housing and Community Safety Programme

Senior Responsible Owner Jeremy Mann



Vision

We will strategically plan and deliver housing provision to meet local needs. Working with our partners, we will take the action necessary to tackle the widening imbalance in supply and demand.

Objectives

1. Make increasing use of existing housing to meet current needs for more housing. This will be through repair, improvement, adaptation or conversion.
2. Enhance our prevent work to keep people in their homes or assist people to move to more suitable accommodation. Homelessness services will be able to access more suitable and affordable temporary accommodation when they need it.
3. Respond to the diversity of needs of its community. Focus on socially marginalised users or potential users will provide fair and equal access to services and wider opportunities.

Key Results (KR)

New KR 4a: Number of households in North Devon¹ living in fuel poverty = 6,420 [14.4%] Data 2021.

New KR 4b: Number of homes in North Devon meeting the Decent Homes Standard as a direct consequence of our actions.

New KR4c: Housing Standards: number of Category 1 & 2 Hazards Eliminated.

[KR 4b & 4c are reliant on a compliance team being established as part of the Planning, Housing & Health Service new operating model]

New KR 6: Housing Supply: Net additional dwellings North Devon (DLUHC). Office for National Statistics Table 122

2019/20 = 887 (↑ 28%) 2020/2021 = 556 (↓-37%). 2021/2022 = 599 (↑ 8%). 2022/2023 = results will be published in November 2023.

New KR 7: Number of additional affordable homes delivered added to an existing affordable housing indicator NI 155 to give a total annual figure.

¹ 44,729 Households @ 2021.



New KR 8: Number of residential properties that have been classed as empty for more than 3 months on the Council Tax base.

Key Reportable Indicators

RKPI 8a: Gross number of residential properties on the Council Tax base

Keeping as many properties on the Council Tax Registered as Residential properties and these not flipping to 2nd Homes / Holiday Lets².

Second Homes 01 April 2020 = 1729 vs 01 April 2022 = 1779

[Note: Properties > 140 days = business rates not CT]

Code	Project Description & Project Manager / Lead	Project Stage	Status & Latest Update	Outputs & Measures	Objectives			
					1 F S	2 C F	3 E	4 N D F
H&CS: 00	Housing Company Jeremy Mann	Initiation / Planning	* Strategy & Resources approved the setting up of a Housing Company with the details to come back to an Autumn meeting. * Approval of Secretary of State not required. * Articles of Association to be developed.	Objectives * Having a model to manage a range of property tenures that aren't social housing. Measures * Increased number of housing stock resulting in a reduction of revenue spend on temporary accommodation and/or reducing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

² These are furnished properties but not a person's sole or main residence. For CT purposes such properties are classed as second homes. These properties could be used for the owners' personal use i.e friends and family or they could be available for holiday letting on a commercial basis for not more than 140 days per year.



			<p>* A reported to be taken back to S&R in the Autumn 2023.</p>	<p>the number of residents on Devon Home Choice.</p>				
<p>H&CS: 01</p>	<p>Empty Homes</p> <p>Fred Shelton</p>	<p>In Delivery</p>	<p>* We were highly commended in the Best Partnership Award category with Lendology.</p> <p>* Owners of 450 homes classed as empty for less than two years have been offered support to bring their properties back into use. 60 have responded with updates ranging from the property now being occupied, marketed to sell or used as a second home. Council tax records are being updated.</p> <p>* Working with the revenues teams to identify those empty homes with large council tax arrears and agreed to consider 4 for a charging order in August 2023. These could lead to the enforced sale of the properties to recover the debt and bring them back into use.</p> <p>* Of those 300 properties that are council tax exempt because probate has not been granted on a deceased estate, 10 of those longer-term estates will be reviewed.</p>	<p>Objectives</p> <ul style="list-style-type: none"> * Support the repair, improvement, adaptation or conversion of empty properties to bring them back into use as homes. * Improve neighbourhoods by targeting long-term empty properties that have become the focus of anti-social behaviours and/or neglect * Set up our own Private Sector Leasing Scheme for use as temporary accommodation – linked to project 00. <p>Measures</p> <ul style="list-style-type: none"> * Reduce the demand for temporary accommodation & the number of high priority customers on Devon Home Choice. * An increase in our property portfolio for TA. * Take up of property owners using Lendology recorded on Assure. * Number of empty homes returned to use. 	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/></p>	<p><input checked="" type="checkbox"/></p>

			* We will also begin to target those properties that may be suitable for an Empty Dwelling Management Orders and will select a few to test the process and build experience. Dependent on the Housing Company.					
H&CS: 02	Economically Active Households Dominie Dunbrook	Opportunity	* A report will go to SMT setting out the methods used to engage with our key businesses to determine if they were having any housing affordability and/or accessibility issues – engagement limited. * The next round of meetings have been set up with North Devon Homes.	Objectives * Identification of partnership opportunities and collaboration initiatives that could be explored, with our business partners. Measures * Baseline of housing need.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
H&CS: 03	Place Based Regeneration Jeremy Mann	TAP	* Use the Team around the Problem (TAP) model to address properties that cause a public protection or public amenity issues. * This approach has been used on a couple of properties to date, with great success.	Objectives Work with Development Management to try to limit the number of hotels into HIMO's / supported accommodation. Measures * Number of Section 215 notices * Number of Works in Default Linked to Project 10	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
H&CS: 04	Affordable Housing Jaimie Jeyes	Delivery	* Community Housing Fund (CHF) Internal: March S&R & Council approved a report to fund 2 schemes (Parracombe gap funding for & Bicclescombe contingency for build). Also approved a year of set-	Objectives * To continue to deliver affordable housing working with Homes England and other partners, utilising whatever model the Government next deploy. Measures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

			<p>up funding for each scheme within our pipeline. There is a small amount of funding left in the CHF. Further schemes needing funding will need to be presented to committee on a scheme-by-scheme basis.</p> <p>* Community Housing Fund (CHF) External: Since the new Housing Minister (Rachel Maclean) was appointed & assurances to the Community Land Trust (CLT) Network that our feedback would be used to relook at the CHF and National Planning Policy Framework, no further update has been received.</p> <p>* Bicclescombe, Ilfracombe CLT: The Heads of Terms have been completed in time for Stage 1. The Ilfracombe CLT are meeting to discuss their aspirations in relation to the Local Lettings Plan.</p> <p>* We continue to work North Devon Homes looking at some of their older sites and potential opportunities.</p>	<p>*NI 155 Number of Affordable Homes delivered Blocker *Government have pulled the CLT scheme, NDC continue to lobby but making slow progress.</p>				
H&CS: 05	Planning Viability Assessments	In Delivery	* Re-establishment of the 5 year housing land supply was confirmed at the start of May.	Objectives To carry out additional due diligence at the HELAA ³ stage to ensure constraints such as	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

³ Housing and Economic Land Availability Assessment

	Team Around the Problem being Established		* We await the direction of travel of our Local Plan Review to inform this work stream.	contamination / sewerage / infrastructure are picked up in advance of a planning application being submitted. Measures * Allocations in the Local Plan are Policy compliant. * Viability doesn't fall away at determination stage.				
H&CS: 06	Development Management Process Efficiencies Tracey Blackmore	S106 in Delivery Others Initiation Planning Phase	* Section 106 Agreements. The monitoring & compliance of these agreements needs firming up and then we have an opportunity to increase the monitoring fee based on the size of the development. * Historic Section 106 Agreements being put on to the system. * Pre-apps. Following an As Is and To Be process review of the pre application process, this has now gone live at the beginning of April. Preliminary costings from Lean and Agile estimate a potential £85 saving for each application.	Objectives * To make the Section 106 Process as clean and transparent as possible and mitigate the risk of loss of income. Measures * Invoices raised at every trigger point. * All community commitments delivered	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
H&CS: 07	Living in Fuel Poverty + Updates on Disabled Facility Grants	In Delivery	* Eco ⁴ Flex: This scheme is now live. Working in collaboration with Customer Services on the verification process, including route 3 NHS referrals.	Objectives * To signpost as many potential beneficiaries of these schemes, via multiple routes. * Raise the energy efficiency of low income and low energy performance homes. Measures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

⁴ Energy Company Obligations

	Wendy Slate		<ul style="list-style-type: none"> * 361 Energy: Awaiting annual report. 120 households assisted in this financial year. * Disabled Facility Grants: 2022/2023 280 applications. 224 approvals costed at £1.5m with 193 completions. Our estimate spend for this year 2023/24 is estimated at £1.4m. 	<ul style="list-style-type: none"> * To take those properties with an EPC rating of E, F or G to a higher level. * Number of interventions collated by 361 Energy 				
H&CS: 08	Homeless Households Sarah Bentley	In Delivery	<ul style="list-style-type: none"> * Numbers presenting as Homeless: The number of those presenting as homeless have levelled out. * Duty to Refer: However, there has been an increase in our Duty to Refer (DTRs) received from the hospital and mental health teams. * Adult Social Services: As a result of cuts to adult social services we are finding there is a greater expectation on the service to house in temporary accommodation, particularly single homelessness is on the increase. * A new Housing Manager will have been appointed at the time of this committee, with a focus on recruiting permanent staff. 	<ul style="list-style-type: none"> Objectives * To keep people in their homes where possible. * To have suitable housing in which to house customers where it isn't viable to keep them in their own homes Measures * Percentage of people housed following justified request for supported 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H&CS: 09	Homeless Households in Temporary	In Delivery	<ul style="list-style-type: none"> * Temporary Accommodation: We are relying less & less on B&B accommodation and ensuring that 	<ul style="list-style-type: none"> Objectives * To reduce the number of people we have to place in hotels or B&Bs. 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Accommodation (TA) Sarah Bentley		our own accommodation is being utilised, resulting in a much improved financial position from last year. * Boyton House: S&R approved this this accommodation can be offered for Asylum Dispersal. * Victoria House: Working with the Pickwell Foundation to secure this property for TA. This property will provide 7 flats and 1 3-bed house. * TA Model: The responsibility for the management and maintenance of TA will be transferred to the Property Team, working closely with the Housing Team.	* Temporary accommodation new model of risk assessment needs to be devised. Measures * Planned / costed maintenance programme in place.				
H&CS: 10	Precariously Housed Poor Quality / Shared and/or Expensive Accommodation Jeremy Mann	To be Initiated once new Manager in Post	* We have just interviewed for an Environmental Health Manager. * Our operating model needs to shift from a reactive to proactive model and a revision to the Private Sector Housing Team is required.	Objectives * To use all of the legislation available to us to improve the living arrangements for those in private rented accommodation. * Work with landlords to support their business model and keep good quality / affordable accommodation in the market. Measures * To be established	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
H&CS: 11	Rough Sleepers	In Delivery	* £1,162,792 has been secured from the DLUHC ⁵ for Rough Sleeper Initiative 5 from 2022 to	Objectives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

⁵ Department for Levelling Up, Housing & Communities.

	Natasha Rowland		<p>2025. Target operating model includes: Mental Health Nurse / Health Nurse / Together Drug & Alcohol / 2x Navigators / Housing First / Support Worker; plus 2x Support Workers all full time.</p> <p>* Complex needs house: This property went live at the start of April and is fully occupied.</p> <p>* Pods: We are now responsible for the out of hour's contracts of these pods. The external pods have all been modernised with new doors.</p>	<p>* To encourage rough sleepers including those 'entrenched' into step up accommodation</p> <p>Measures</p> <p>* Annual head count of rough sleepers</p> <p>* Number of rough sleepers moved into full residential accommodation for longer than 12 months.</p>				
H&CS: 12	Gypsies, Travellers & Van Dwellers Jeremy Mann	To Note	<p>* Gypsy & Traveller Brief published with x2 tender responses. Dependent on Local Plan Review direction of travel.</p> <p>*Gypsy & Traveller Toleration Policy has been drafted with final amends being incorporated and process mapped.</p>	<p>Objectives</p> <p>* Establish the baseline of Northern Devon need.</p> <p>* The next Local Plan has to have a site allocation for Gypsy and Travellers or the plan will not be adopted by the Inspector.</p> <p>Measures</p> <p>* To be established.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
H&CS: 13	Refugee Programmes Sarah Bentley	Delivery	<p>* Asylum Hotel, Ilfracombe: Dilkusa de-commissioned at the end of May.</p> <p>* Homes for Ukraine: We now enter Year 2 of this scheme. Year 1 has been really successful with very few relationship breakdowns between the hosts and Ukraine citizens. We are working with</p>	<p>Objectives</p> <p>* To respond to those schemes in an agile manner.</p> <p>* Keep dialogue open with the Home Office, our partners and those impacted the refugees and our communities.</p> <p>Measures</p> <p>* Number of asylum seekers granted refugee status.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

			<p>Pickwell to encourage new Hosts but these are coming from rural areas where transport links, as an example, prove problematic for those established in towns.</p> <p>* Boyton House: Offered to Clearsprings with approval from S&R.</p>	<p>* Number of refugees housed via the homeless route</p>				
H&CS: 14	Local Authority Housing Fund	Delivery	<p>* We took up the offer of Phase 1 fund to purchase 9 properties, 2 of which have been purchased.</p> <p>Risk Opportunity</p> <p>* Phase 2 has just been released; we need to determine if we have the resources to enter into this scheme. This falls heavily to the Legal & Property Team.</p>	<p>Objectives</p> <p>* To move refugees away from hotel accommodation and into individual homes</p> <p>Measures</p> <p>* Number of homes purchased. 2 to date.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Regeneration & Economic Growth⁶

Senior Responsible Owner SarahJane Mackenzie-Shapland



Vision

This programme will be highly influenced by the emerging Vision for the review of the Joint North Devon Local Plan, that will set the place based/spatial Vision for our Service (and the rest of the Council).

Objectives

1. Ensure a vibrant, thriving area for residents/businesses.
2. Ensure our Economic Strategy is written alongside the Joint Local Plan Review (Plan). The Plan must allow for the right growth in the right areas. The Economic Strategy will ensure that partnership work helps create the right place for business with associated skills/support etc. We want our Cultural Strategy to inform the Joint Local Plan Review.
3. Maximise the use of our assets to provide the best places and contribute to the commercialisation agenda. Our ambitions must feed into the Joint Local Plan Review such as the Car Parking Strategy and review of our land and property assets.
4. Work collaboratively with the Housing & Community Safety Programme to find innovative solutions to the housing crisis, working in partnership to secure funding to deliver housing in the most sustainable locations.
5. Deliver projects on the ground to contribute towards our Vision and pave the way for private sector investment.

Key Results

New KR 5: Economic growth: Level of new sector development.


Reportable Key Performance Indicators

RKPI 728: % of the gross internal area of the investment estate currently let. Q4 2022/23 = 95.93%

⁶ The population of North Devon has increased by 5.3% from around 93,700 in 2011 to 98,600 in 2021 compared to the rest of the South West @ 7.8%

Code	Project Description	Project Stage	Latest Update	Outputs & Measures	Objectives			
					1 F S	2 C F	3 E	4 N D F
R&EG: 01	Barnstaple Vision Hannah Harrington	In delivery	<ul style="list-style-type: none"> * Projects within this programme form part of Barnstaple vision. * A commercialisation business case needs preparation escalated to the Strategy part of the pyramid. * Stakeholders at the Barnstaple Regeneration Board are populating tables to identify roles and responsibilities for partnership projects being delivered through Barnstaple Vision * The Library Square enhancement is completed. 	<p>Objectives</p> <ul style="list-style-type: none"> * To restore and strengthen Barnstaple's status as the heart of civic, commercial, educational, cultural and community life in North Devon in the mid-21st century. <p>Measures</p> <ul style="list-style-type: none"> * Properties brought back into use * Vacant units vs units filled * Footfall rates (springboard data counting – Green Lanes) * Car Park usage * Increase in the no. of events held in Barnstaple 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
R&EG: 02	People & Place ⁷ (Local Plan Review) Nina Lake	In Delivery	<ul style="list-style-type: none"> * The Local Plan Review was placed on hold until after the May elections with the first JPPC scheduled to meet on 16 June. This has been postponed. NDC have appointed members to the 	<p>Objectives</p> <ul style="list-style-type: none"> * Is bold, ambitious and provides the framework for at least the next 15 years of growth. * Should be all about what you want to see rather than what you do not. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

⁷ There has been an increase of 22.1% in people aged 65 years and over. Census 2021.*

			<p>JPPC but this has not yet been formalised at TDC. * The 5 Year Housing Land Supply has been re-established. This will be tested at the St Andrew Inquiry in July (Risk)</p>	<p>* Addresses critical issues highlighted by Members, communities and other stakeholders. * Set the vision / strategy for how the area should be developed over the lifetime of the plan. Measures * That all our members felt included in the development of the latest plan * Successful at examination / adopted plan * Plans for the delivery of sustainable development that meets the needs of Northern Devon; * Provides sufficient housing & employment opportunities demonstrated through the 5 Year Housing Land Supply. * Gypsy & Traveller Site</p>				
<p>R&EG: 03</p>	<p>Future High Street Fund SarahJane McKenzie-Shapland</p>	<p>In delivery</p>	<p>* Works continue at the Pannier Market, with partial handover anticipated at the end of July. * The enabling works are underway at Boutport Street to remove and store heritage aspects. The contract opportunity for the construction is being procured. * A report will be presented to S&R in July seeking members view on the Butchers Row / Cross Street level surface following a Judicial Review.</p>	<p>Objectives Restoration of NDC assets to enhance the Town Centre experience of visitors and provide linkages through those 4 asset. Measures * Total cost of all interventions come in within allocated budget or engineered down to meet those budget restraints. * Handover of those assets to the Senior Business Users takes place as planned. * Business Units occupied and voids minimised. * FTEs Created * Number of heritage buildings restored * Amount of public realm improved</p>	<p>☒</p>	<p>☒</p>	<p>☒</p>	<p>☒</p>

			<ul style="list-style-type: none"> * The tender for Alexander Road is due to be issued imminently. * The budgets are being closely monitored and we await those tender returns. 	<ul style="list-style-type: none"> * Amount of floor space repurposed * Number of residential units created * Number of improved cultural facilities 				
R&EG: 04	<p>Land Release Fund - Seven Brethren</p> <p>SarahJane McKenzie-Shapland</p>	Initiation / Planning	<ul style="list-style-type: none"> * The enabling works have commenced with the new car park site being cleared. Translocation of species has taken place. * Soft strip out of the old leisure centre is due to commence. * Amendments to the reserved matters planning application are due to be submitted, following feedback from the case officer and consultees. * The JCT contract for the new car park needs finalising and signing. 	<p>Objectives</p> <ul style="list-style-type: none"> * Re-development of old landfill car park site. * Aesthetically attractive development with sustainability maximised. * Demolition & removal of the old leisure centre. * Moving of the Gypsy & Traveller toleration site to a new location <p>Measures</p> <ul style="list-style-type: none"> * Delivery of 177 units of accommodation with 30% affordable via the Development Agreement * Occupied properties paying council tax * Solar PV as an optional extra through individual purchases * Affordable housing units occupied * Leisure Centre demolished * Flood defenced for the wider town delivered * New Leisure Centre car park 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
R&EG: 05	<p>Barnstaple Flood Defence</p> <p>SarahJane McKenzie-Shapland</p>	Feasibility Pre-project	<ul style="list-style-type: none"> * The final report from the consultant, Atkins, is due imminently. Costs are anticipated to be significant. 	<p>Objectives</p> <ul style="list-style-type: none"> * To protect land and buildings * To bring brownfield land into use <p>Measures</p> <ul style="list-style-type: none"> * Number of sites brought forward * Number of properties in person 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

				Risk Opportunity * To work with Homes England to identify potential new viable sites				
R&EG: 06	Larkstone Hub (Watersports Centre) Ilfracombe Helen Bond	In delivery	* The final element of the sea wall is underway. * The café fit out has commenced with a soft launch anticipated in June. * The Watersports Centre is due to be opened in July 2023.	Objectives *Redevelopment of Larkstone to provide access to the blue environment. *Provide a commercial café promoting what Ilfracombe offers. Measures *User numbers *Rental income	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
R&EG: 08	Cultural Strategy Alison Mills	Closure	Strategy delivered. Project closed and delivery plan moved to Cultural Development Fund delivery.	Objectives * To build on the thriving cultural sectors and opportunities for growth identified across the region. Measures Increase ▲ * number of people attending more than 3 arts and culture events per year * number of people taking part in more than 3 creative activities per year * number of people in deprived areas accessing arts and culture * diversity of people by class, ethnicity & disability accessing high quality arts & culture * % of artists & accessing business support * total floor space of creative workspaces * number of national and international cultural partners delivering work in northern Devon Reduce ▼	<input type="checkbox"/>			

				<ul style="list-style-type: none"> * the number of people attending no arts of culture activity per year * collective carbon footprint of board members of the northern Devon Cultural Partnership 				
R&EG: 09	<p>Ilfracombe Seafront Masterplan</p> <p>Dominie Dunbrook</p>	Planning	<ul style="list-style-type: none"> * A project team has been established for the relocation of the toilets and kiosk on the seafront. * The seafront play area scheme is being received prior to the final location being agreed. 	<p>Objectives</p> <p>Re-establish Ilfracombe as the premier coastal destination in North Devon. Delivered through a coordinated investment in developing our cultural offer and enhancing the Seafront.</p> <p>Measures</p> <ul style="list-style-type: none"> * Car park usage * Increase in the no. of theatre events * Town footfall * Improved Health and Wellbeing of the community – access to open space * Improved Environment – perception survey * FTEs created 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
R&EG: 10	<p>Ilfracombe Harbour</p> <p>Capt. Georgina Carlo-Paat</p>	Planning/ Feasibility	<ul style="list-style-type: none"> * The project is on hold whilst other harbour projects are completed. 	<p>Objectives</p> <ul style="list-style-type: none"> * To provide training * To update Harbour Authority Powers and bring in line with industry standards and to incorporate Lynmouth Harbour into said Powers. * To rejuvenate the lower Cove area, provide fit for purpose premises for current tenant and provide fit for purpose premises for the Harbour Team to enable efficient Harbour 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

				Management. To provide new premises for additional tenants Measures * Number of training sessions * Number of attendees & qualifications				
R&EG: 11	Car Park Operating Model Emma Collett	Closure	Project closed and handed over to Business as Usual	Objectives * To provide an operating model that reflects the Council aspirations and community needs for public car parking and access to facilities Measures * Car Park usage * Car Park Income * Rental income or capital receipt	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
R&EG 11a	Car Park Strategy TBC	Planning/ Feasibility	* A Project Initiation Document (PID) is being prepared.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
R&EG: 12	Neighbourhood Plans Elizabeth Dee		* Braunton Neighbourhood Plan is being reviewed by an independently appointed examiner.	Objectives * To support town and parishes in the delivery and adoption of their neighbourhood plans Measures * Number of plans considered at Independent examination * Number of plans formally adopted.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
R&EG: 13	CCTV Commercialisation Hannah Harrington	Closure	* Project closed and handed over to Business as Usual	Objectives * To improve community safety * To offer towns and parishes a CCTV service that generates income for NDC Measures	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

				* Number of Towns/Parishes signed up to the service offer				
R&EG: 14	Safer Streets Hannah Harrington	In delivery	* The end of year monitoring return was approved by funders. * Round 2 of Community Sparks funding has nearly allocated all its funding. * The new lighting scheme for Maiden Street if being reviewed by DCC.	Objectives * Strengthening the local environment * Supporting the night time economy * Reclaim public spaces Measures * Reduction in Anti-social Behaviour cases * Reduction in Violence against Women and Girls (VAWG)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
R&EG 16	Cultural Development Fund Alison Mills		* The project kick-off meeting with Art Council England is scheduled for 23 June. * A partnership agreement with the Bridge Trust is being prepared for formalise the governance for the project. * The wayfinding specification is being prepared.	Objectives * Create a cultural hub * Develop cultural space Measures * Increase in cultural/creative activities * Increase in cultural/creative floor space	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Enhancement Programme

Senior Responsible Owner Mark Kentell



Vision

Consider environmental implications in everything we do. Strive to reduce negative environmental impacts and increase positive impacts wherever practically possible.

Objectives

1. Enhance our green spaces
2. Explore investment opportunities in renewable energy and the installation of renewable energy in/on council buildings.
3. Include environmental considerations in decision making across the council services.
4. Work with our trusted partners to reduce our carbon footprint.

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Key Results

KR 10: Reduction in our carbon footprint as an authority. Gross tCO₂e Emissions from ND Operations baseline.

New KR 11: Nature Recovery / Biodiversity Net Gain measures to be developed aligned to national guidance.

KR 12a L146: Total tonnage of household waste arising's. Q1 2022/23 = 9,864.42. Q2 2022/23 = 9,493.82. Q3 = await output.

KR 12b LPI 192: Q1 2022/23 = 49.12% Q2 2022/23 = 46.84% Q3 2022/23 = 45.00%

Code	Project Description & Project Manager / Lead	Project Stage	Latest Update	Outputs & Measures	Priorities			
					1 F S	2 C F	3 E	4 N D F
EE: 01	Tarka Leisure Centre Richard Slaney	Closure Phase	* Tarka Leisure Centre now open and operational * Snagging list is being progressed through Currie & Brown.	Objectives New leisure centre for North Devon with improved and diverse services offered. Measures * Payment schedules met by Parkwood to pay loan requirements * Visitor numbers * Increased uptake in specific sports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EE:02	Overarching Climate, Environmental & Biodiversity Strategy (CEB) Donna Sibley	Strategy Approved by S&R	CEB now has distinct workstreams for: 1. Energy in our own assets 2. Transport 3. Green Infrastructure 4. Biodiversity 5. Communities & Volunteers The Environmental Checklist has been incorporated into Strategy & Resources reporting and now needs to be embedded into additional committees.	Objectives * Integration of environmental and/or sustainability initiatives into the day-to-day operations of the Authority and those of our partner agencies. Measures * Carbon reduction as a Council * Carbon reduction as a district * Number of Committees the Environmental Checklist is integrated within.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

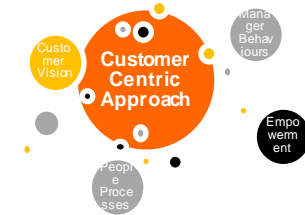
EE:02a	<p>Reducing carbon emissions from our built assets</p> <p>Chay McKenzie</p>	In delivery	<p>* Report received from consultant advising on capital costs and revenue savings of solar array installation at BEC and Tarka Leisure Centre.</p> <p>* Currently out for procurement of supplier to replace our current lighting with LED solution.</p> <p>* Funding bids submitted to SALIX for 7 of our assets; awaiting outcome</p> <p>* Requested EPC surveys on 32 of our assets; 14 outstanding at present. Those reviewed so far are sufficient.</p>	<p>Objectives</p> <p>* Reduction/elimination of our carbon impact through operational efficiencies and the methodology our energy is sourced moving towards more sustainable solutions.</p> <p>Measures</p> <p>* Reduction in kWh used</p> <p>* Improvement of EPC ratings on our assets</p> <p>* Reduction in carbon emissions through third party electrical supply</p> <p>* Revenue saved through self-sufficient supply</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EE:02b	<p>Reducing carbon emissions from our fleet</p> <p>To be assigned</p>	Feasibility	<p>* Currently conducting a feasibility report (capital costs, maintenance, operation etc.) for the transition of our small fleet (Parks) from ICE to EV.</p> <p>* EV has been loaned to NDC to ascertain practicalities of an EV</p>	<p>Objectives</p> <p>* Transition to a more efficient and carbon emission reducing fleet. Promotion of sustainable fleets to our residents and visitors.</p> <p>Measures</p> <p>* CO2 emissions of our fleet</p> <p>* EV charge points installed within our assets</p> <p>* Taxis within North Devon utilising EVs</p> <p>* Contributes to the overall carbon reduction figures.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
EE:02c	<p>Management of our non-built assets</p>	Planning	<p>* This is a corporate wide plan. Currently dependent on recruitment into the Development</p>	<p>Objectives</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

	Mark Saunders		<p>Management Team to release skills.</p> <ul style="list-style-type: none"> * A brief for the wider Devon Tree Strategy has been received and meetings have occurred with contractors. However, currently awaiting responses from contractors. * Currently reviewing Council owned land with a view to create a strategic document that identifies opportunities to enhance/improve the environment * Ascertaining which documents we need to produce to ensure we can deliver our Open Space and BNG responsibilities. 	<ul style="list-style-type: none"> * To work with developers and partners to improve the environment and wellbeing of our residents. * Seeks to protect, enhance, extend and manage the green infrastructure throughout North Devon. * Establish and promote groups within our communities to assist with our Nature Recovery plan. * Increase our forestation within North Devon. <p>Measures</p> <ul style="list-style-type: none"> * Volume of on-site / off-site contributions for: <ol style="list-style-type: none"> 1. Play space 2. Amenity green space 3. Outdoor sports space 4. Allotments 5. Parks and recreation grounds 6. Natural green space 7. Trees planted per annum 8. Education & Events organised per annum 9. Attendance of those educational events 10. Sqm. of Meadow Areas 				
EE:P3b	W&R Infrastructure Paul Burton	Planning	<ul style="list-style-type: none"> * Full Council approved the £3m capital investment in principle with release of funds to come back for Member decision once detailed costings and outline project plan confirmed. * External Project Manager and Quantity Surveyor appointed * Mechanical and Electrical, and Civil Engineer ITT has ended, 	<p>Objectives</p> <ul style="list-style-type: none"> * To specify and deliver a fit for purpose system to allow Works & Recycling to increase recycling and respond to customer demand <p>Measures</p> <ul style="list-style-type: none"> * Improved recycling rates equating to increased revenue through recycling credits * Comply with Fire standards * Comply with waste water disposal 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

		appointment is imminent for both roles					
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Customer Focus / Digital by Design Programme

Senior Responsible Owner Sarah Higgins



Vision

North Devon Council want to provide the best possible services to our customers in the most efficient way. Our approach must recognise the digital age we live in and how we can make the best use of technology for the benefit of our customers, partners and employees.

Objectives

1. Engage with stakeholders to ensure services meet their requirements, they are accessible and maximise convenience.
2. Work towards dealing with enquiries at first point of contact in a professional / consistent way, resulting in a positive experience.
3. Redesign and optimise services based on user research and not just automate our current processes.
4. Shift paper based transactions online that encourage a new kind of interaction with our customer.
5. Invest in our people capabilities to ensure we can deliver the required improvements for our customers.
6. Transform as one organisation moving away from a silo-based approach to service delivery to enhance both the customer experience and that of our employees.

Key Results

New KR 3a: How satisfied or dissatisfied are our Customers' with various elements of our service delivery? % & Nos will be provided.
New KR 3b: How satisfied or dissatisfied are our Members' with various elements of our service delivery? % & Nos will be provided.
New KR 9: Number of justified complaints where the council is at fault out of a total number of complaints received.

Code	Project Description & Project Manager / Lead	Project Stage	Latest Update	Outputs & Measures	Priorities			
					1 F S	2 C F	3 E	4 N D F
CF:01	Customer Focus Jo Teasdale	In Delivery	<ul style="list-style-type: none"> * Data and intelligence being collated from our Customer Relationship Management (CRM) system, feedback process and anecdotal stories to form a picture of failure demand to prioritise the 'Product Backlog' and use an agile approach to identify opportunities for improvement. * Mapping of feedback is being conducted on Engage to streamline process and understand the true cost of complaints * Lean and Agile took being used by various departments to review processes. * SMT carrying out Vanguard exercises on areas of concern. 	Objectives * Reduced failure demand * Nudge to digital where appropriate Measures * An increase in online interactions / transactions captured via our customer relationship management system. * Processes mapped 'As Is' and then 'To Be' processes modelled where efficiencies through less hand offs, failure & automation can be built it.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CF:02	Digital by Design Andrew Tapp	Initiation Planning	<ul style="list-style-type: none"> * The Digital Strategy has been reviewed. This will become a live document capturing the next round of ICT developments / improvements identified during the service planning process. E.g. new Omni Channel 	Objectives A planned costed / deliverable action plan to advance our ICT landscape. Measures	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

			Telephony solution. Cloud based website. In-cab technology. Use of drones. OPENportal works are nearly completed.	* No of solutions moving to Software as a Solution. Moving away from on-premise hardware.				
CF:03	Centre of Excellence Jennifer Setheron	Closure	* Project has now closed and has been incorporated into operational business as usual. New employees are to visit CS team for on-boarding. SMT have also been requested to ask current employees to visit CS.	Objectives * Provide all new staff with training to improve their understanding on the operations of the Authority. * Reduction of failure demand interactions, making us more efficient and improving customer satisfaction. Measures * Number of new employees who have undertaken the course. * Teams and/ or individual staff identified as requiring some additional support in terms of their approach to customer service.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CF:04	Feasibility of new Town Centre Hub Sarah Higgins	Business Case / Feasibility	* An internal project team are looking at the potential of Green Lanes to provide that front of house offer. * Use foyer space to promote initiatives such as energy efficiency opportunities and signpost to other agencies / signpost. * A feasibility study is being conducted by an external consultant, we await their options report.	Objectives * Make the Council more visible and potentially increase the footfall into Green Lane and its car park. * Opportunities for Lynton House * Widen the offer of the hub to our customer base / citizens. Measures	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

CF:05	Replace Telephony and Contract Centre Solutions Andrew Tapp	In Delivery	* New solution, Zoom, has been procured, awaiting signatures. We have a deadline of 31 st October 2023 to complete transition. * Our customer service telephony team will be moving to Brynsworthy Environment Centre in the autumn saving money on links and enabling closer collaboration with those services they support.	Objectives * Provide a new telephony system to the Authority. * Integrated system providing both Contact Centre and Telephony in one product. * Visibility of call and customer journey. Measures * Migration from existing system to new system. * This solution needs to be live by October 2023.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CF:06	Cyber Security Andrew Tapp	In Delivery	* The team attended Governance Committee to provide an update on all of the interventions being delivered. Cyber is and will to continue to be a constant round of expensive mitigation in terms of tools and staff time. * Migration to new Storage Area Network will be completed by 18 th June 2023. * PAG bid submitted for Disaster Recovery Kit for Lynton House, decision to be made 3 rd July 2023. * Boxphish training continues to be delivered to our staff and monitored for compliance.	Objectives * Protect NDC from cyber attacks and the exploitation of our systems, networks and technologies. * Education of Officers to prevent the threat. Measures * Completion rate of Boxphish training vs number of ICT users.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CF:07	Website Development George Connett	Planning	* Google analytics will allow us to identify pages not being viewed & focus on customer journeys. This very much links with CF:01 * New website solution has been purchased (Local Gov Drupal)	Objectives * To improve the customer experience with the NDC website, providing a wide range of benefits	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

			<p>* Migration of current website to new solution has begun</p> <p>* 'Go Live' for new website will be end of September 2023</p>	<p>including customer satisfaction, customer call times etc.</p> <p>Measures</p> <p>* Regain our SOCITM⁸ status in terms of accessibility</p>				
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⁸ Society for innovation, technology and modernisation



Organisational Development

Senior Responsible Owner Nikki Gordon

Vision

Our vision is to create the conditions for everyone to perform at their best. We will improve processes and policies, invest in health and wellbeing, and continue the development of our teams and individuals to create a high performing one team.

Objectives

1. Develop an organisational improvement plan with involvement and engagement with employees and members applying its outcomes through all levels of the council embedded in the culture of our organisation.
2. We will be driven forwards by our new values and behaviours and these are just the start to underpinning our day-to-day behaviours.
3. To focus on the organisation as one team, not individuals, and looks for change in culture to help it become better performing.
4. Develop a Wellbeing Strategy using a holistic health & wellbeing approach exploring physical mental and nutritional health and the importance of these to our employees resulting in happy, healthy and resilient employees.
5. Equip us all with the necessary, tools, skills, knowledge, attitudes and behaviours to deliver our corporate priorities and deliver the very best service we can for our customers, whilst embracing our new hybrid way of working.

Key Results / Benefits

New KR 2: Number of days lost due to vacancies not filled after 3 months from approval plus number of sickness absence days.

Code	Project Description & Project Manager / Lead	Project Stage	Latest Update	Outputs & Measures	Priorities			
					1 F S	2 C F	3 E	4 N D F
OD 00	Overarching OD Improvement Plan and Workforce Planning and Retention Nikki Gordon	Delivery	<ul style="list-style-type: none"> * The vacancy for the new HR & Systems Officer has been advertised. * The Health & Safety Officer post remain vacant, but will be re-advertised * Car user designations are being reviewed. 	Objectives * To have a robust and operational staff structure in place Measures * Vacancy rate * Reduction in staff turnover * number of staff on HMRC rates	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OD 01	Create an Empowering Organisation Sarah Bright	Delivery	<ul style="list-style-type: none"> * The contract for Imperago, time and attendance software has been extended until June 2024 * The roll out of iTrent Payroll and HR software continues to be tested and explored. Resource and capacity have limited the effective delivery and implementation of this software. * The behaviour framework will be issued to all employees. 	Objectives * Employees understand what behaviours are expected of them. * The payroll and HR software creates a more efficient process that is less labour intense Measures *modules delivered within iTrent * Reduction in processing time	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

OD 02	Workforce Health & Wellbeing Strategy Tracey Clapp	Delivery	<ul style="list-style-type: none"> * The staff wellbeing survey has been rolled out. A shortened version if available for non-office based staff. * Webinars continue to be offered to employees. 	<p>Objectives</p> <ul style="list-style-type: none"> * To have a healthy workforce <p>Measures</p> <ul style="list-style-type: none"> * Reduction in sickness days * Reduction in number of sickness occurrences 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OD 03	Performance and Talent Management Claire Marsterson	Feasibility	<ul style="list-style-type: none"> * Sign up to the LGA Graduate Programme to recruit new apprentices as part of the second cohort in September 2023. * Progress with the Apprentice Trainee Scheme and T-Levels has stalled. * A new appraisal process will be rolled out imminently with 'check ins'. 	<p>Objectives</p> <ul style="list-style-type: none"> * To successfully recruit. * To provide training opportunities to employees * To Monitor Performance <p>Measures</p> <ul style="list-style-type: none"> * Number of apprentices recruited * Number of qualifications secured * Number of appraisals returned and 'check in' completed. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OD 04	Structure, Policy & Pay Nikki Gordon	Feasibility	<ul style="list-style-type: none"> * The pay award for 23/24 has been agreed for chief officers only. Unions are going to ballot members. * The Temporary Staff contract needs re-procuring prior to November 23. * Alternative Job Evaluation schemes have been preliminary explored. The next steps need to be set out. 	<p>Objectives</p> <ul style="list-style-type: none"> * To have a mechanism for recruiting temporary staff * To ensure the Job Evaluation scheme is robust and comparable to other authorities <p>Measures</p> <ul style="list-style-type: none"> * Contract signed. * Job evaluation scheme reviewed. * Pay award implemented. 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OD 05	Diversity & Inclusion	Delivery	<ul style="list-style-type: none"> * Equality training has been completed in line with audit recommendations. 	<p>Objectives</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Nikki Gordon		<ul style="list-style-type: none"> * The Equality Strategy has been reviewed and will be taken to S&R for approval. * Employees have been asked to update their profiles on iTrent 	<ul style="list-style-type: none"> *To ensure polices are up to date * Employees are provided appropriate training * Publication of data to comply with our legislative requirements Measures *Strategy reviewed and adopted * Number attended training * Diversity data published 				
OD 06	Our Brand, Recruitment & Communication	Delivery	<ul style="list-style-type: none"> * A new Communications Strategy has been drafted. * Recruitment continues to be challenging with limited candidates for vacancies. 	<p>Objectives</p> <ul style="list-style-type: none"> * To provide effective internal and external communications with our stakeholders, employees and members. * To be an employer of choice Measures *Strategy formally adopted * Method of communication recorded * Use of other media platforms 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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North Devon Council

Report Date: Monday, 3 July 2023

Topic: Annual Treasury Management Report 2022/23

Report by: Director of Resources and Deputy Chief Executive

1. INTRODUCTION

1.1. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

2. RECOMMENDATIONS

2.1 The Committee is asked to recommend to full Council that:

- The annual treasury management report for 2022/23 be noted;
- The actual 2022/23 prudential and treasury indicators be approved.

3. REASONS FOR RECOMMENDATIONS

3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

3.2 During 2022/23 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 23/02/2022)
- a mid year treasury update report (Council 23/11/2022)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

3.3 This Council confirms that it has complied with the requirements under the Code to give prior scrutiny to all the above treasury management reports by the Policy Development Committee before they were reported to the full Council.



4. REPORT

4.1 The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£000	31 March 2022 Actual	2022/23 Estimate	31 March 2023 Actual
Capital expenditure	21,754	12,813	7,578
Financed in year	(5,023)	(9,487)	(5,124)
Unfinanced capital expenditure	16,731	3,326	2,454

- *Estimate from the Mid-Year Treasury Management Report*

4.2 The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2022/23 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLb], or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue



Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council’s MRP policy, (as required by DLUHC guidance), was approved as part of the Treasury Management Strategy Report for 2022/23.

The Council’s CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increases the Council’s borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

CFR £000	31 March 2022 Actual	31 March 2023 Estimate	31 March 2023 Actual
Opening balance	4,591	21,699	21,699
Add unfinanced capital expenditure (as above)	16,731	3,326	2,454
Add finance leases Principal payments	891	769	556
Less MRP	(514)	(733)	(733)
Less finance lease repayments		(132)	(110)
Closing balance	21,699	24,929	23,866

A finance lease scheme was introduced during 2021/22 for our vehicle fleet. Previously these costs would have been included in the capital expenditure, but these have now been shown separately as above.

A large capital programme during 2021/22 including the new Leisure Centre and purchase of Green Lanes Shopping Centre resulted in an increased CFR of circa £17m for that financial year. For 2022/23 a further £2.2m was added to our CFR which included the completion of the Leisure Centre build.

Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term,



exceed the total of the capital financing requirement in the preceding year (2022/23) plus the estimates of any additional capital financing requirement for the current (2023/24) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. The table below highlights the Council’s gross borrowing position against the CFR. The Council has complied with this prudential indicator.

£000	31 March 2022 Actual	2022/23 Estimate	31 March 2023 Actual
Gross borrowing position	3,891	10,528	4,337
Total CFR	21,699	24,929	23,866
Over / (under) funding of CFR	(17,808)	(14,401)	(19,529)

- Estimate from the Mid-Year Treasury Management Report

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2022/23 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2022/23 £
Authorised limit	*37.50m
Maximum gross borrowing position during the year	4.34m
Operational boundary	10.5m
Average gross borrowing position	4.13m
Financing costs as a proportion of net revenue stream	3.99%

- * The Extraordinary Council meeting held on 14th June 2021 approved the increase in the authorised borrowing limit to £37.5m as part of the report detailing the purchase of Green Lanes.



4.3 Treasury Position as at 31st March 2023

The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2022/23 the Council's treasury, (**excluding borrowing finance leases**), position was as follows:

DEBT PORTFOLIO £000	31 March 2022 Principal	Rate/ Return	31 March 2023 Principal	Rate/ Return
Total debt (PWLB)	3,000	1.66%	3,000	2.01%
CFR	20,808		22,529	
Over / (under) borrowing	(17,808)		(19,529)	
Total investments	19,402	0.05%	6,984	1.50%
Net debt/(investments)	(16,402)		(3,984)	

The high investment balance at 31st March 2022 was due to a balance of £5.8m from Central Government for the Council Tax Energy Rebate scheme. Also £5.2m in relation in relation to Covid-19 business grants and circa £2.5m in relation to Omicron business grant payments to be repaid to central government. These were all paid out during 2022/23.

The cash balances and reserves have supported a large under borrowing position which is considered further in the borrowing strategy below.



The maturity structure of the debt portfolio was as follows:

	31 March 2022 actual	2022/23 Estimate limits	31 March 2023 actual
Under 12 months	£0m	60%	£0m
12 months and within 24 months	£0m	70%	£0m
24 months and within 5 years	£0.50m (16.67%)	100%	£0.50m (16.67%)
5 years and within 10 years	£0m	100%	£0m
10 years and above	£2.50m (83.33%)	95%	£2.50m (83.33%)

All investments were for maturities less than one year

INVESTMENT PORTFOLIO £000	31 March 2022 Actual	31 March 2023 Actual
Treasury investments		
Banks	18,260	5,690
TOTAL TREASURY INVESTMENTS	18,260	5,690

During 2022/23, the Council made no material non-treasury investments in property with the sole purpose of generating an income stream.

4.4 The Strategy for 2022/23

Investment strategy and control of interest rate risk - Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for.

Starting April at 0.75%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the financial year, with the potential for a further one or two increases in 2023/24.



FINANCIAL YEAR TO QUARTER ENDED 31/3/2023						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	4.25	4.18	4.17	4.30	4.49	5.41
High Date	23/03/2023	31/03/2023	31/03/2023	31/03/2023	29/09/2022	29/09/2022
Low	0.75	0.69	0.69	0.92	1.20	1.62
Low Date	01/04/2022	28/04/2022	01/04/2022	01/04/2022	07/04/2022	04/04/2022
Average	2.30	2.24	2.41	2.72	3.11	3.53
Spread	3.50	3.49	3.48	3.38	3.29	3.79

The sea-change in investment rates meant local authorities were faced with the challenge of pro-active investment of surplus cash for the first time in over a decade, and this emphasised the need for a detailed working knowledge of cash flow projections so that the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape

Meantime, through the autumn, and then in March 2023, the Bank of England maintained various monetary policy easing measures as required to ensure specific markets, the banking system and the economy had appropriate levels of liquidity at times of stress.

Nonetheless, while the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the Great Financial Crisis of 2008/9. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Borrowing strategy and control of interest rate risk - During 2022/23, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were initially low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry generally remained in place during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns. As the cost of carry dissipated, the Council sought



to avoid taking on long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing.

The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this has been kept under review to avoid incurring higher borrowing costs in the future when this Authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Section 151 Officer therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2022/23 but by August it had become clear that inflation was moving up towards 40-year highs, and the Bank of England engaged in monetary policy tightening at every Monetary Policy Committee meeting during 2022 and into 2023, either by increasing Bank Rate by 0.25% or 0.5% each time. Currently the CPI measure of inflation is still above 10% in the UK but is expected to fall back towards 4% by year end. Nonetheless, there remain significant risks to that central forecast.



HIGH/LOW/AVERAGE PWLB RATES FOR 2022/23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.45%	5.88%	5.51%
Date	28/09/2022	28/09/2022	12/10/2022	12/10/2022	28/09/2022
Average	3.57%	3.62%	3.76%	4.07%	3.74%
Spread	3.16%	3.26%	3.09%	3.36%	3.26%

PWLB rates are based on gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields.

Since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by persistent inflation that is exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)

There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate first rises to dampen inflationary pressures and a tight labour market, and is then cut as the economy slows, unemployment rises, and inflation (on the Consumer Price Index measure) moves closer to the Bank of England's 2% target.



4.5 Borrowing Outturn

At 31st March 2023, the CFR, excluding finance leases, was £22.5m. External borrowing was only £3m as our cash flow and reserve balances enabled us to internally borrow the remaining £19.5m. Therefore no new external borrowing was undertaken during 2022/23

The 2022/23 original budget prudently assumed a level of new external borrowing would be required to fund approved capital expenditure. As a result of lower spend and less external borrowing taken on, interest paid was much lower at £60,363 for the year, with the remaining budget of £275,000 now placed into a new Treasury Management reserve to help mitigate against higher borrowing costs as we move into the 2023/24 financial year.

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

No debt rescheduling was done during the year as it was not a viable option.

4.6 Investment Outturn

Investment Policy – the Council’s investment policy is governed by DLUHC investment guidance, which was implemented in the annual investment strategy approved by the Council in February 2022. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised as follows:

Balance Sheet Resources (£000)	31 March 2022	31 March 2023
General Fund Balance	1,211	1,238
Earmarked reserves	9,977	10,616
Provisions	688	926
Usable capital receipts/grants	2,322	3,907
Total	14,198	16,687



Investments held by the Council - the Council maintained an average balance of circa £19m of internally managed funds. The internally managed funds earned £289,845 interest at an average rate of return of 1.5%. The comparable performance indicator is the 7 day backward looking SONIA (Sterling Overnight Index Average) un compounded rate which was 2.2% for the year. The original budget assumption for 2022/23 was for £35,000 investment interest income.

5. RESOURCE IMPLICATIONS

5.1. As detailed in the report

6. EQUALITIES ASSESSMENT

6.1. There are not any equalities implications anticipated as a result of this report, as the purpose of the report is to present the Council's financial position only.

7. ENVIRONMENTAL ASSESSMENT

7.1. There are not any environmental implications anticipated as a result of this report, as the purpose of the report is to present the Council's financial position only.

8. CORPORATE PRIORITIES

8.1. The Treasury management function supports the delivery of the Councils capital programme and ensures cash flows meets the day to day requirements for service delivery.

9. CONSTITUTIONAL CONTEXT

9.1. Part 3 Annexe 1, para 1(c) – delegated power

9.2. Article 4.5.26 and Part 4 (Financial Procedure Rules) para 13.8 - referred power

10. STATEMENT OF CONFIDENTIALITY

10.1. This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

11. STATEMENT OF INTERNAL ADVICE

11.1 The author (below) confirms that advice has been taken from all appropriate Councillors and Officers

Adam Tape, Head of Governance

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Date of Publication

NORTH DEVON COUNCIL
Policy Development Work Programme
For period July 2023 – March 2024

Committee/Date	Description of Decision	Contact Officer
July 2023		
	<ul style="list-style-type: none">• Performance and Financial Management Quarter 4 of 2022/23	
	<ul style="list-style-type: none">• Annual Treasury Management Report 2022/23	
September 2023		
	<ul style="list-style-type: none">• Performance and Financial Management Quarter 1 of 2023-24	
November 2023		
	<ul style="list-style-type: none">• Mid-Year Treasury Management Report 2023 - 24	
	<ul style="list-style-type: none">• Performance and Financial Management Q2 Report 2023 - 24	
December 2023		
January 2024		
	<ul style="list-style-type: none">• Service Plans	

Committee/Date	Description of Decision	Contact Officer
February 2024		
	<ul style="list-style-type: none"> Review of Fees and Charges for services 2023/24 	
	<ul style="list-style-type: none"> Revenue Budget 2023/24, Capital Programme & Medium Term Financial Strategy 2023-2027 	Jon Triggs, Director of Resources and Deputy Chief Executive
	<ul style="list-style-type: none"> Treasury Management Strategy Statement 2023/24 	Jon Triggs, Director of Resources and Deputy Chief Executive
	<ul style="list-style-type: none"> 10-Year Capital Strategy 2023-2033 	Jon Triggs, Director of Resources and Deputy Chief Executive
March 2024		
	<ul style="list-style-type: none"> Potential items for future discussion with the Committee. <p>To be added following the outcomes of the scoping exercise.</p>	



POLICY DEVELOPMENT COMMITTEE

SCOPING PAPER FOR

Members of working group: Cllr ##, Cllr ##, etc

Date:

1 Scope

A brief description of the scope of the work to be undertaken and the objectives to be achieved. Also, for clarity identify areas that are outside the scope

-

2 Information requirements

List below the initial information that is expected to be needed for the review

-

3 Witnesses and support

List below any external organisations, officers, & others required to provide evidence and support for the review

-

4 Quantified benefits expected

The benefits you expect, expressed in measurable terms

-

5 Key risks

The key risks to the review e.g. why the work might not be completed within the proposed timescales, or why it might not produce the benefits

-

6 Costs

Work is undertaken within existing resources and therefore no additional costs are expected, but there might be an exception

-

7 Timescales

A summary of the key dates and a target date for completion

-

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