

NORTH DEVON COUNCIL

Minutes of a meeting of Policy Development Committee held at Barum Room - Brynsworthy on Monday, 12th February, 2024 at 6.30 pm

PRESENT: Members:

Councillor L. Spear (Chair)

Councillors Patrinos, Bishop, Bulled, Bushell, Clayton, Jones, P Leaver, Worden and Walker

Officers:

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

27. APOLOGIES

Apologies for absence were received from Councillors Hunt, Turton and Wilson.

28. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 11TH JANUARY 2024 (ATTACHED).

RESOLVED, that the minutes of the meeting held on 11th January 2024 (circulated previously) be approved as a correct record and signed by the Chair subject to the following:

- a) Minute 24 (h): That the update requested at the previous meeting in relation to the current status of the transfer of public convenience assets to town and parish councils be circulated to the Committee via email as soon as it had been finalised; and
- b) That the Head of Governance to investigate whether the update regarding the proposed changes to electoral registration was ready for circulation to the Members.

29. DECLARATIONS OF INTEREST.

There were no declarations of interest announced.

30. PERFORMANCE AND FINANCIAL MANAGEMENT Q3 2023-24

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 2023/24 together with Minute Extract of Strategy and Resources on 5th February 2024 (circulated previously).

The Finance Manager highlighted the following:

- The revenue budget for 2023/24 was approved at Council on 22nd February 2023 at £14,766,450.
- As at 31st December 2023, the latest forecast net budget was £14,693,450, which produces a budget surplus of £73,000. Details were shown in “Appendix A – Variations in the Revenue Budget”.
- The original budget for 2023/24 included a forecast to achieve £250,000 worth of salary vacancy savings. The current position forecasts the Council would achieve £296,000 based on known vacancies to date.
- The National pay award negotiations for 2023/24 had been settled and was paid to staff in November’s salary, backdated to 1 April 2023. The pay award worked out to be an average of 6.7%, the original budget included 4%, and the additional costs of £436,000 had been funded from the Budget Management reserve.
- As at 31st December it was now estimated income growth from Business Rates to be an additional £950,000, it was proposed to place the £950,000 into the following earmarked reserves:
 - Collection Fund reserve £450,000.
 - Budget Management reserve £150,000.
 - Town Centre Management reserve £200,000.
 - Treasury Management reserve £150,000.
- As at 1st April 2023 the Collection Fund reserve balance held was £1,340,177. 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 £912,563 balance that would 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; Due to the additional business rates income above, the reserve had been increased by a further £450,000, thus leaving the fund reserve with a residue balance of £877,614 protection against future volatility.
- The Valuation Office Agency (VOA) had notified the Council that they were to reduce the Rateable Value of the Museum from £146,000 to £1, this change had been back dated to 2019 and a refund in rates payable had resulted in a net positive impact to the council of £228,000. It was recommended within the Q1 report that this refund be placed into the Regeneration Reserve for future projects.

- As at the 31st December 2023 total external borrowing was £3,000,000. The timing of any future borrowing was dependent on how the authority managed its treasury activity. Due to project spend slippages in the Capital programme and using the cash flow balances for internal borrowing had reduced borrowing costs on the revenue budget and it was currently forecasted a £274,000 underspend on the interest payable budget. In addition, due to on-going higher interest rates the Council was also reporting a £380,000 net increase in interest receivable. There was also no anticipated use of the Treasury Management reserve during 2023/24 and so the full reserve balance of £275,000 and the proposed additional in-year contribution of £150,000 could be carried forwards into 2024/25 to help protect and mitigate against higher borrowing costs in the future financial years.
- Of the remaining additional business rates income, it was proposed to place £150,000 into the Budget Management Reserve to help protect the budget against future volatility and it was also proposed to place £200,000 into the Town Centre Management Reserve.
- The Town Centre Management Reserve was utilised in the current year to fund a 6-month extension of the Street Marshall scheme to 31 March 2024. Placing a further contribution into this reserve will provide the Council with appropriate funding to enable this much-valued service to continue. An update report on this scheme and proposals for the medium term will come to Members for approval in March 2024. • There had been a drop in the sales price of recycling material and recycling credits receivable totalling £153,000 and this partly mitigated by an increase of £56,000 shared savings scheme income.
- The costs of Temporary Accommodation had increased, the average cost per night had increased from £60 to £70 per night. The volume of cases presenting as homeless was also increased but this was partly mitigated by the on-going programme of purchasing Temporary Accommodation properties. The initial increase in costs of £194,000 had been offset by additional homelessness grant, the quarter 3 position was showing a further increase of £45,000 which had been offset by the additional refugee grant income.
- Pay and display car park volumes were slightly lower than previous years and this had been reflected as a £78,000 forecast estimated reduction. There had also been a further reduction of £38,000 compared to the last reported position in Penalty Charge notice income and this had been reflected in the quarter 3 forecast.
- Planning Fee income was estimated to recover in quarter 4 due to the increase nationally in planning fees paid for applications.
- The recommended level of general fund balance was 5%-10% of the Council's net revenue budget £738,326 to £1,476,645. The forecast general fund reserve at 31st March 2024 is £1,238,000; which was a level of 8.4%.
- Details of the earmarked reserves could be seen at Appendix B of the report.
- Details of the Capital programme could be seen at Appendix D of the report.
- The Budget and Financial Framework report to Full Council 22nd Feb 2023 outlined the Capital Programme for the 2023/24 financial year of £21,247,098. Project underspend and further variations of (£4,151,868) were approved as part of the

performance and financial management report to Strategy and Resources Committee, to produce a revised 2023/24 Capital Programme of £17,095,230.

- Overall variations of (£4,384,090) are proposed to the 2023/24 Capital programme were detailed in section 4.3 of the report.
- Details related to Treasury Management, Debt Management and General Debtors was detailed in sections 4.5 to 4.7 of the report.
- Details related to the Delivery of the Corporate Plan were detailed in the highlight report at Appendix E.

Following the presentation of the Performance and Financial Management for Quarter 3 of 2023/24, the Committee discussed and debated the following:

- **Street Marshalls:** The scheme was funded by the Town Centre Management Fund Reserve, which was utilised in the current year 2023/24 to fund a six month extension of the Street Marshalls scheme up until March 2024. As advised, the Council had placed a further funding contribution into the reserve to enable the service to continue for the next couple of years. An update report in relation to the scheme and proposals going forward would be presented to the Members for approval in March 2024. He added that whilst the scheme had been extended into Ilfracombe, there were no plans at the current time to roll the scheme out to other towns and parishes in North Devon.

The Committee discussed the following options to debate if funding was available for other towns and parishes:

- Contacting the Local Member of Parliament for comment related to the provision of further funding from the government to enable the scheme to be rolled out to other towns and parishes?
 - Whether the continuation of the scheme could be funded by the office of the Police and Crime Commissioner?
 - The aspirations of Barnstaple Town Council and other Town Councils to potentially fund the continuation of the scheme if the District Council were unable to?
- The Director of Resources and Deputy Chief Executive advised that the original scheme was introduced as part of the government's Covid Management Fund and then later funded through the Safer Streets Fund. The recent six month extension of the scheme was then funded by the Council.
 - **Reduction in parking revenue:** The Director of Resources advised that the percentage in terms of the overall pay and display budgeted income was very small. He acknowledged that there had been a reduction in income generated from Fixed Penalty Notices. He added that the positive impact for the Council was that the public were incurring less fines. The Civil Parking Enforcement Officers were now more customer focussed and tried to work with the public as opposed to generating an income from issuing Fixed Penalty Notices.

The parking machines were checked on a daily basis to ensure that they were operating correctly and assistance was given to the public by the Civil Parking Enforcement Officers upon request.

Changes to the Audit regime: There were changes in terms of the auditing of accounts. However, this Council was one of only around 10% of local authorities to be in the fortunate position of having already had their accounts for 2022/23 signed off. He explained that there were resource issues for many audit firms that were impacting upon their ability to complete their audits and that the government were now planning to put in a backstop to ensure that all audits were signed off and published by September 2024.

The current five year contract with the Councils existing auditors was coming to an end and the new contract would be with the audit firm Bishop Fleming. They had employed staff from the public sector and some familiar faces from Grant Thornton who would bring a wealth of knowledge and experience to the world of public sector auditing. He added that in the event that any scheduled work that was not delivered by the Council's appointed auditors was reimbursed through the auditors fees. The responsibility to ensure the auditors were meeting their requirements would rest with the Public Sector Audit Appointments.

- **Empty Homes project:** Work was continuing with bringing empty homes back into use and the Council were working with the owners of empty properties to try and bring as many back to the open market as possible.

RESOLVED:

- a) That the decisions and recommendations of the Strategy and Resources Committee be endorsed;
- b) That a letter be sent to the Member of Parliament for North Devon and the Office of the Police and Crime Commissioner to request funding to continue to deliver the provision of Street Marshalls together with their views in relation to the success of the scheme; and
- c) That the Housing Officer provide an update to the Committee regarding the progress of bringing empty properties back into use.

31. REVIEW OF FEES AND CHARGES 2024-25

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the review of Charges and Fees for 2024/25 together with Minute Extract of Strategy and Resources on 5th February 2024.

The Finance Manager highlighted the following:

- The change in fees charged for services provided by the Council was in line with the Medium Term Financial Strategy.

- 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 sections 4.3 to 4.11 of the report.
- Building Control fees had been raised by an average of 6.7% and rounded to the nearest pound, this was to ensure that revenue income recouped the actual cost of providing the service and were competitive in the sector. Details of this could be seen in Appendix B of the report.
- Land Charges fees had been set to recoup the cost of providing the service, the recommended fees for the land charges service was estimated to recover all the costs and break even, as detailed at Appendix D of the report.
- There were two changes to the Environmental Health fees, as the majority of these were set by statute or set to recover costs. The introduction of a fee for “Film Classification Certificate” and variation to the “Export Health Certificate” fee to ensure the cost of providing the service is fully recovered, as detailed at Appendix E of the report.
- Pannier Market (Venue hire) – Following the recent refurbishment and new facilities within the Pannier Market the Council now offered an enhanced look and feel to the market and had varied the prices to reflect the venue offer, the revised prices were now in line with other similar venues, as detailed in Appendix H (b) Venue of the report.
- Bulky Waste Collections – To increase the fees as follows:

As detailed in Appendix I of the report:

- Up to 2 items £30.00 (30.43% increase).
 - Up to 3 items £38.00 (22.58% increase).
 - Up to 4 items £45.00 (18.42% increase).
- The proposed increases above brought the Council’s charges in line with our neighbouring authorities.
 - Garden Waste – Increase in fee of £5, this level of charge was similar to the charges made by other Devon councils and ensured the cost of providing the service was recovered by the income as seen at Appendix J of the report.
 - Estates Event Licence fee – The licence for both charity and Commercial events on the Council’s land had been set to recover the cost of administering the licence fee, as detailed in Appendix M of the report.
 - Estates Contractors Works licence - This was a new fee for 2024-25 and was set to recover the cost of administering the new licence fee, details could be seen in Appendix N of the report.
 - Modification of S106 agreements - This was a new fee for 2024-25 and was set to recover the cost of administering the new licence fee, as detailed in Appendix O of the report.
 - The net revenue changes from the above charges were estimated to produce £221,000 of additional income, which had been included within the draft 2024/25 revenue budget for consideration.

Following the presentation of the Review of Fees and Charges for services for 2024/25, the Committee discussed, debated and received explanation in relation to the following:

- **Bulky Waste collections:** Concerns were raised regarding the increased risk of fly tipping that might result from increasing the fees.

In reviewing the fee for bulky waste collections, the Council had looked what other local authorities were charging for their bulky waste collections. In order to deliver an effective and fair service the Council was required to cover their costs and the exercise revealed that their fees were in sync with other Councils. The income figure for bulky waste collections formed part of the domestic waste figures. However, the Committee could be provided with a breakdown of the income generated by the bulky waste collection service should they wish.

- **Modifications to Section 106 Agreements:** They questioned the new proposed fee for modifications to Section 106 agreements for 2024/25 and challenged if it should be a blanket approach for all types and sizes of development.

The Service Manager had reviewed the level of charges as not many Councils charged for modifications to Section 106 agreements. She assessed the fees that were charged by Cornwall Council and came to the conclusion that there should be a charge set for amendments to Section 106 agreements for major planning applications of more than 10 dwellings (to be confirmed by Development Manager). This would ensure that costs were covered for both Planning officer's time and the legal fees that were involved and reflected the amount of work and officer time that went into modifications to Section 106 agreements.

- **Biodiversity Net Gain:** The increase of 10% on biodiversity net gain on applications of 30 dwellings or more and who would calculate the fees.

The Sustainability Officer and his team were responsible for calculating fees for biodiversity net gain on planning application sites of 30 dwellings or more.

RESOLVED:

- a) That the decisions and recommendations of the Strategy and Resources Committee be endorsed;
- b) That the income figure for bulky waste collections be provided together with a breakdown of the income generated by the bulky waste collection service;
- c) That a summary of fees charged for bulky waste collections for all public and private sector providers be emailed out to the Committee members prior to Full Council on 21st February 2024; and

- d) That the proposal to charge a new fee for modifications to Section 106 agreements be accepted and monitored over a 12 month period, subject to:
- i. The Service Manager providing an overview the Committee members of the parameters used for modifications to Section 106 agreements.

32. REVENUE BUDGET 2024-25, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2029-30

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Revenue Budget 2024/25, Capital Programme and Medium Term Financial Strategy 2024-25 to 2029-30 together with Minute Extract of Strategy and Resources on 5th February 2024.

The Lead Member for Resources and Commercialisation addressed the Committee and gave a brief introduction to the budget, summarising the process taken to achieve a balanced budget:

- The Council had a legal duty to prepare a balanced budget.
- This had been achieved despite the unforeseen pressures on Councils due to higher than expected pay awards, ever decreasing central Government funding and the high rise in inflation.
- The budget process began in the summer of 2023 with a cross party workshop in the autumn of 2023.
- The Council had responded to the Government's consultation on the Provisional Local Government Finance Settlement.
- Rural authorities were still seen as the 'poor relation' compared to urban authorities. With an average, per head, of £142 less awarded to rural authorities.

She outlined the steps that had been taken by the Council to ensure that funding challenges had been met to enable the Council to maintain its vital services to the community:

- Council tax had been increased by 2.99% to bridge the gap in funding.
- The purchase of Green Lanes in 2021 was seen as a strategic decision proving to be a beneficial revenue stream.
- £200,000 had been earmarked for the continuation of the much-valued Street Marshal scheme.
- The demand on Temporary Accommodation was an ever growing burden but somewhat mitigated by the purchase of properties, by the Council, to help offer a cheaper alternative to expensive Bed and Breakfast placements.
- The delay in the fair funding review, which was now expected in two years' time, meant predicting the Medium term finance strategy was challenging.

The Lead Member for Resources and Commercialisation gave thanks to the Director of Resources and Deputy Chief Executive and his team for producing a balanced budget without the need to cut services.

The Director of Resources and Deputy Chief Executive gave the Committee a presentation, which included the following highlights:

- The provisional Local Government finance settlement was announced in December 2023 and confirmed a 3% funding guarantee for all authorities and Council Tax Referendum limit principles of 3% or £5 (whichever was the highest).
- The final Local Government finance settlement figure was expected to be announced this week.
- Members had received the detailed budget book early, normally circulated ahead of the February Council meeting. This information looked in detail at funding each service area of the Council.
- Nationally the total funding settlement stood at just over £64 billion with a core spending power of 6.5%. This included council tax setting.
- There were significant cuts in core grant funding from Government since 2015-16.
- Government SFA funding, which used to equate to around 50% of authorities funding was now a smaller proportion, with council tax collection now equating to more than 50% of revenue into the Council.
- The allocation of the finance settlement depended on the type of authority. North Devon Council was a Shire District authority.
- Nationally a Shire District authority received 4.9% Core Spending Power share but our allocation was lower still at 4.7%.
- The level of CPI inflation at October 2023 was 4.6%.
- For 2024-25 the Revenue and Support Grant and Baseline Funding increased by £119,000.
- The Rural Services Delivery grant remained the same as 2023-24.
- The New Homes Bonus award of £351,000 was £97,000 less than 2023-24. This was a reduction in the grant not the Council's lack of new homes.
- Services grant provided was £19,000 that was £102,000 less than 2023-24.
- The 3% Funding Guarantee of £1,435,000 gave an increase of £282,000 more than 2023-24.
- The Net impact of the changes above gives the Council an additional £202,000 funding. Just for context, the pay award last year cost the Council £436,000 over the original budgeted forecast.
- The Government Finance Settlement review consultation ran until 15 January 2024 and the Council's response to this could be seen at Appendix F of the report.
- Income that could be raised over and above the finance settlement came from Council Tax and Business rates.
- As a Shire District a referendum would be required if the authority wanted to increase council tax above 3%. The draft budget, therefore, assumed an increase of 2.99% or £6.11 on a Band D.
- The overall Council tax increase of £287,000 was broken down to £214,000 (as a result of the 2.99% uplift) and £73,000 from an increase in the tax base.
- Business rates income came from 'retained growth' made up of £2 million from growth, as well as £680,000 from renewable energy schemes and the Devon-wide pool share of £325,000.

- £3 million overall growth had been assumed for the 2024-25 budget.
- Challenges faced drafting a balanced budget included a reduced revenue budget. In 2010-11, the revenue budget was £15.5 million and the current year, 2023-24 it was £14.7 million. If the cost of the increase in inflation was built into the 2010 figure the current revenue budget would stand at around £23 million, therefore a significant decrease in real terms.
- The workforce had reduced, in 2010-11 the number of full time employees was 530 whereas in 2023-24 this stood at 440, a reduction of 17% since 2010.
- No formal redundancies were made and this had been due to a mixture of staff leaving and being replaced in a managed way.
- The Fair funding review unlikely to happen now until 2026 with any changes not being felt until 2026-2027.
- The cost pressures of temporary accommodation had doubled since 2020.
- Temporary accommodation placements had been budgeted at 60 households per night at a net cost of £276,000. It was looking more likely to be 70-75 household in temporary accommodation per night. As at quarter 3 of 2023-24 this cost stood at an additional £239,000.
- To mitigate this the Council had purchased its own housing and it could be seen that the tenancy ratio had increased to 31% of owned stock in 2023-24, an increase from 2021-22 which stood at 11% of owned stock.
- Increased risks to demand for accommodation could be seen to arise from the possibility of Devon County Council removing the 18 year + homelessness provision at a cost of £220,000, increases in numbers of households presenting as homeless and refugee scheme impacts.
- There was a zero budget gap for the current year, 2023-24, but moving forwards a budget gap was being forecast.
- The summary position for 2024-25:

Medium Term Financial Gap 2024-25 (November 2023)	£475,000
Higher than forecast impact from pay award	£126,000
Phased transfer of Public Conveniences to parishes	£150,000
Increase in External Audit fees	£90,000
Increased Insurance costs	£87,000
Increased Utility costs	£131,000
Reduced subsidy on Benefit Payments	£121,000
Reduced parking fine income	£98,000
Other smaller budget areas (net)	£50,000
Government funding over and above original forecast	(£297,000)
Revised 2024-25 Budget gap to bridge	£1,031,000
Challenge & revised assumptions to draft budget proposals	(£387,000)

Additional growth in Business Rates income	(£250,000)
Re-profiled Borrowing costs (timing of external borrowing and interest payments)	(£272,000)
Increased contribution from Treasury Management reserve	(£47,000)
Use of Budget Management reserve	(£75,000)
Budget gap for 2024-25	£0

The breakdown of the council tax allocation, per £1:

- 72% went to Devon County Council.
 - 9% to North Devon Council.
 - 11% to the Police and Crime Commissioner for Devon and Cornwall.
 - 4% to Devon and Somerset Fire and Rescue Authority; and
 - 4% to Town and Parish Councils.
- Members approved in June 2021 to proceed with the acquisition of Green Lanes Shopping Centre; on 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.
 - The 2021-22 financial outturn for the Centre (4.5 months ownership) produced a net return (income less costs) of (£243,600) due to minimal borrowing costs for last financial year as these started fully in 2022-23. The 2022-23 trading position produced a net return of (£291,000), including borrowing costs.
 - The actual financial performance for Green Lanes Shopping Centre for the current 2023-24 financial year was in line with projections and the cash flow forecasts for the next year 2024-25 were in accordance with the business case and had been reflected in the draft 2024-25 budget.
 - A breakdown of the draft revenue budget for 2024-25 could be seen at Appendix A of the report, in summary the balanced net budget of £16.302 million was funded by:
 - Council Tax (£7.678m).
 - Business rates retention (baseline) (£3.207m).
 - Business rates retention (growth) (£3.000m).
 - New Homes Bonus (£0.351m).
 - Rural services delivery grant (£0.364m).
 - Revenue support grant (£0.248m).
 - Services grant (£0.019m).

- Funding guarantee grant (£1.435m).
 - Total funding (£16.302m).
- The details of strategic grants to be paid out could be seen at Appendix B of the report. No reduction to the levels of grants awarded were being planned.
 - The only minor change being made was to the Go North Devon grant that was being redirected to Mid-Devon Mobility and Age Concern.
 - The Council were looking to support organisations such as Citizens Advice and the Voluntary Services in other ways.
 - The launch of the North Devon Community Lottery would provide organisations a chance of an additional income source.
 - Appendix C of the report showed the details of the Earmarked reserves.
 - The General Fund forecast level as at 31 March 2025 was £1.238m; this was 7.6% of the net budget with the recommended level being between 5-10%.
 - Earmarked reserves forecast level as at 31 March 2025 was £6.201m.
 - Assurance was given that the budget was robust and in accordance with the Local Government Act 2003.
 - Appendix D of the report showed the refreshed Medium Term Financial Strategy for 2024-2030. The forecast cumulative budget gap/(surplus) was show as:

Years	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	2029-30 £m
Budget Gap/(surplus)	0	0.562	3.020	3.409	3.147	3.366

- Section 4.1.5.16 of the report detailed what had not been included in the model.
- It was fundamental that bridging future year budget gaps would be by creating further income generation and net revenue gains through the Commercialisation Strategy.
- The Capital programme included investment plans for the 2023-24 to 2025-26 of £36.826m and was broken down as follows:
 - 2023-24 £12.711m.
 - 2024-25 £20.259m.
 - 2025-26 £3.856m.
- Appendix E of the report detailed individual project detail of the Capital programme for 2023-24 to 2025-26.
- The programme would be funded by:
 - Capital receipts / borrowing (£15.018m).
 - External grants and contributions (£18.923m).
 - Reserves (£2.885m).
 - Total Funding (£36.826m).
- Section 4.3.1 to 4.3.9 of the report detailed the risks that could affect financial plans, a summary of those risks are as follows:

- Government grants.
 - Key areas of income.
 - Capital receipts.
 - Savings plans.
 - Increase in demand for services.
 - Localisation council tax support.
 - Business rate retention; and
 - Welfare reform.
- The budget setting timeline was as follows:
 - 17th January 2024, Full Council set Tax Base.
 - 5th February 2024, Strategy and Resources Committee to consider draft budget and recommendations.
 - 12th February 2024, Policy and Development committee to scrutinise the budget recommendations.
 - 21st February 2024, Full Council meeting to set the Budget and Council Tax.
 - Going forwards options to be considered included:
 - Commercial ventures – for additional income opportunities.
 - Acquisition of further properties – reduction in cost of Temporary accommodation costs; and
 - Housing opportunities – explore alternative delivery models.
 - Refresh the Commercialisation Strategy (last approved November 2020).

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

- Following concerns that the Council almost had to dip into the reserves to achieve a balanced budget. The Committee was advised that it would have been a concern to the Council had this happened. However, further funding from government had been awarded, which had mitigated the risk.
- The Council had made written representations to the government regarding the financial settlement together with the issue of fair funding for rural Councils.
- Increased utility costs, half of which were attributed to the Green Lanes Shopping Centre should have been charged to the shopping centre central budget and then recharged to the tenants of the occupied units. This had been rectified within the budget costs.
- An additional £40,000-£50,000 had been placed into the Planning Enforcement budget to enable the employment of additional resources.
- Additional growth from business rates had come from potential rateable value from the solar farm located next to the North Devon Link Road together with other areas.

In response to a question regarding dynamic fresh ideas moving forward, the Lead Member for Resources and Commercialisation advised that in the short term the Council were utilising the ideas that they already had within the Strategy.

However, they were also exploring:

- The development of a community hub in the Green Lanes Shopping Centre, which would then free up space at Lynton House and allow the Council to explore ideas to utilise the space and generate additional revenue.
- To progress this, the Council were keen to explore any ideas for future projects that might be put forward by the Members or employees of the Council.
- There was a proposal to establish a Housing Management company to manage the Council owned units located at Boutport Street together with existing units already on the Councils growing housing portfolio.

In response to a question regarding the location of the community hub within the Green Lanes Shopping Centre, the Director of Resources and Deputy Chief Executive advised that the purpose of the proposed location of the hub was to enable both Council and wider stakeholder provision in a central location together with the utilisation of the empty unit next to Poundland, which would also generate a rental income stream for the Council.

In response to a further question regarding a similar set up that was previously operating at the Amory Centre in South Molton, he advised that the overall service at the Amory centre was provided for South Molton Town Council as well. To establish the viability of the service, the Council had reviewed the resources that were required to continue to deliver the services for North Devon Council and the service demand was not sufficient to justify a continuation of the resources within that area.

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

The Chair congratulated the Director of Resources and Deputy Chief Executive and his team for all of their hard work in achieving a balanced budget.

33. TREASURY MANAGEMENT STRATEGY STATEMENT 2024/25

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Treasury Management Strategy Statement for 2024/25 together with Minute Extract of Strategy and Resources on 5th February 2024.

The Head of Governance highlighted the following:

- Section 5.1 of the report detailed the Capital expenditure and the net financing need.
- Section 5.2 of the report detailed the impact of the Capital Financing Requirement (CRF).
- Section 5.4 of the report detailed forecast year end resources.

- Section 6.1 of the report detailed external debt projections.
- Section 6.3 of the report detailed forecasts of interest rates.
- The Annual Investment Strategy could be seen at section 7 of the report, with section 7.2 detailing counterparty limits and durations.

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

- External treasury advisors who had worked with the Council for a number of years produce a forecast for interest rates and provided guidance to the Council in relation to borrowing.
- The Treasury Advisory Service looked at the economy together with previous trends and this work was outsourced to them by the Council because they were the experts in providing treasury advice.

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

34. 10 YEAR CAPITAL STRATEGY 2024 TO 2034

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the 10 Year Capital Strategy for 2024 to 2034 together with Minute Extract of Strategy and Resources on 5th February 2024.

The Head of Governance outlined the Capital Strategy Years 2024/25 to 2027/28 (Medium Terms), which were detailed in paragraph 4.4 of the report.

He referred to section 4.5 of the report covering the years 2028/29 to 2033/34 (Long Term), which detailed the ongoing financial commitments of the Council and highlighted the following points:

- The total Capital Financing Requirement, or borrowing need, for 2028-29 was projected at £36 million dropped to circa £30 million for year 2033-34.
- The main area of capital expenditure within the long term forecast which was necessary to maintain business as normal was the Council's vehicle replacement programme, as the works and recycling fleet had specific asset life cycles.
- The projected External Borrowing over the long term remained at a high level, reducing from just over £23.5 million to £19.5 million for year 2033-34.

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

35. WORK PROGRAMME 2023/24.

The Committee considered the work programme together (circulated previously).

The Committee discussed the work programme and the items due for consideration at the next meeting in March 2024.

Councillor Bulled addressed the Committee regarding the item that was scheduled for consideration regarding agriculture.

She advised that March was by its very nature an extremely busy time for farmers and proposed that the item be discussed at a special meeting towards the end of April or early May 2024.

She agreed to approach the potential panellists to ascertain whether or not they would be happy to be involved in the meeting and if they were in agreement she would pass their contact details to the Clerk to the Committee to make the necessary arrangements.

The Vice Chair advised the Committee that there was a lot of work which happened behind the scenes to co-ordinate and arrange meetings of this nature and was a very time intensive exercise.

In response to a question regarding when the Committee would decide upon future items for consideration as part of their work programme for the forthcoming year. The Vice Chair advised that following the special meeting to discuss agriculture there would be another special meeting arranged to discuss dentistry services within the North Devon area. He proposed that following these meetings, the Committee hold another workshop similar to that held in 2023 to discuss areas that they would like to explore further.

Councillor Jones as the Lead Member for the special meeting in relation water quality gave an overview of how the meeting would be held together with his aspirations in relation to the outcomes from the meeting.

He also thanked the Clerk for her hard work in co-ordinating the special meeting.

RESOLVED:

- a) That the work programme be noted; and
- b) That it item in relation to agriculture that was currently scheduled to be considered at the meeting on 7th March 2024 now be considered as part of a special meeting in late April early May 2024.

Chair

The meeting ended at 9.07 pm

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