

NORTH DEVON COUNCIL

Minutes of a meeting of Policy Development Committee held at Barum Room - Brynsworthy on Thursday, 15th July, 2021 at 10.00 am

PRESENT: Members:

Councillor Campbell – In the Chair

Councillors Bulled, Hunt, Luggar, Walker and York.

Officers:

Head of Resources, Accountancy Services Manager and Exchequer Manager and the Development Management Service Manager.

10. APOLOGIES

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

11. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 27TH MAY 2021 (ATTACHED).

RESOLVED that the minutes of the meeting held on 27th May 2021 (circulated previously) be approved as a correct record and signed by the Chair.

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

Councillor Campbell addressed the Committee in his role as acting Chair and wished to express his condolences to Councillor Biederman following the recent passing of his mother. He also wished the Chair of the Committee well during his recovery from surgery.

13. DECLARATIONS OF INTEREST.

There were no declarations of interest announced.

14. NOTICE OF MOTION FROM COUNCIL ON 7TH APRIL 2021.

The Committee considered a Notice of Motion from Councillor Luggar to Full Council on 7th April 2021 in relation to enforcement procedures and policy practices in relation to environmental enhancement and protection (circulated previously)

together with minute extract of Full Council held on 7th April 2021 (circulated previously).

Councillor Luggar addressed the Committee and explained the intention of his notice of motion to Full Council was to promote and ensure further protection of established trees and hedgerows on green field development sites. He added that it was important to secure biodiversity gain on such sites and ensure that architectural designs adhered to the existing natural habitat in the protection and retention of those unique environments.

During the consideration of the Notice of Motion, the Committee raised and discussed the following points:

- Agreed that the retention of trees and hedges in principal. However, on some residential developments there were trees that that were not maintained and were blocking light and their shallow root system had caused damage to pavements.
- That a professional tree surgeon should be involved in the planning application process to ensure that any existing trees were properly assessed prior to any applications for residential developments being granted and that clauses should be included in planning permissions to state that trees and hedges should be maintained.
- That the appropriate trees were planted on developments to ensure that they were deep rooted and not shallow rooted, utilising better environmental schemes to benefit the redevelopment of the area.
- Acknowledged that for very old established trees that their carbon capture was minimal in comparison to newly planted trees, which would provide a greater benefit to the environment.

The Committee considered a report by the Development Management Service Manager (circulated previously) regarding enforcement procedures and policy practices in relation to environmental enhancement and protection.

The Development Management Service Manager advised that officers were currently reviewing existing planning processes to ensure greater efficiency of the enforcement process. The Council published a Compliance and Monitoring Plan in December 2020, which had a review date of December 2022. An Enforcement process review had recently been undertaken with recommendations made to the Senior Management Team, with plans to be implemented in July/August 2021. A further review had been recommended to ensure that the proposed service changes were effective and also enable further service improvements as part of the cycle of continuous improvement.

Following the adoption and publication of the plan, a service review had been undertaken and key outcomes identified, these were:

- Allocation of additional resources to enable the employment of two 'compliance apprentices'.
- Standardisation of reporting requests for enforcement action through the use of 'firm step'.
- Identification of software development needs to better manage enforcement case handling.
- Increased accountability and decision making for Enforcement Officers.
- Decrease in delays waiting instructions from other Officers.
- Further service improvement actions had also been identified, these were:
 - A full correspondence review to ensure consistency, plain English and effectiveness.
 - Increased autonomy for Enforcement Officer decision making.
 - Review of delegated powers for signing-off Enforcement Notices / Prosecution actions.
 - Introduction of satisfaction surveys for 'the process' to a random sample, to gauge successes and / or drive future improvements.
 - Introduction of regular forums with Enforcement Officers and Planning Officers, to discuss any lessons learnt, promote consistency and ensure proportionality.
 - Introduce and refine Enforcement Notice online tracker.
 - Periodically attend Parish and Town Council meetings, to foster and develop positive relationships.

In response to the points raised, the Development Management Service Manager advised that developers were implementing biodiversity with the majority of applications requiring a Landscape Environmental Management Plan together with the appropriate wording of legal agreements to ensure that enforcement could be implemented should any requirements of the application be breached.

In response to a question regarding the protection of a tree and how such a decision was reached, the Development Management Service Manager advised that every planning application that included an existing tree would require an Arboricultural assessment to ascertain in conjunction with the Council's Arboricultural Officer to agree whether or not a tree required a Tree Protection Order (TPO).

The Council had agreed to employ two new compliance apprentices in order to address an identified lack of capacity within the strategic development and planning

service, with the intention to fill those posts by September 2021. As part of a proposed restructure the existing planning enforcement officers and proposed would be working within a new Compliance and Education team.

In response to a number of questions, the Development Management Service Manager advised the following:

- There were still elements of the planning service that the Council were unable to put online due to privacy restrictions etc.
- The service was looking to introduce zero tolerance. So, if the applicant refuses to co-operate, an enforcement notice would be issued.
- The option of allowing the public to upload photos etc to the planning tracker would be explored further.
- The digitalisation of the planning service was a complex process and would take some time to implement.

RECOMMENDED:

- a) That Full Council note the measures set out in the existing Compliance and Monitoring Plan along with the allocation of additional staff resource and implementation of revised processes and proposed re-structuring of services and formation of a new Compliance and Education team; and
- b) That a further joint review of Compliance Procedures and Policy Practices to address the corporate environment priority was undertaken within the proposed Council structure by the Head of Environmental Enhancement, Head of Planning, Housing and Health and the proposed Compliance and Education team as part of the next round of annual service planning.

The Committee thanked the Development Management Service Manager and the Planning service for their continued hard work in delivering the planning process.

15. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 4 2020/21

The Committee considered a report by the Head of Resources to the Strategy and Resources Committee of 5th July together with minute extract (circulated previously) regarding Performance and Financial Management Quarter 4 2020/21.

The Head of Resources provided an update to the Committee in relation to the financial pressures from the previous report.

The Accountancy Services Manager outlined the report and drew the Committee's attention to the following points:

- The revenue budget for 2020/21 was approved at Council on 26th February 2020 at £13,380,000 and as at 31 December 2020, the Council was reporting a net surplus of £28,000 against the budget.
- As at 31 March 2021 it was pleasing to report that the final out turn position was a budget surplus of £593,000, which was an overall movement of £565,000 from the last forecast at quarter 3. The breakdown showing the movements were shown in Appendix A – Variations in the Revenue Budget.
- The original budget for 2020/21 included a forecast to achieve £200,000 worth of salary vacancy savings, this was exceeded by £189,000 giving an overall actual saving of £389,000.

The movement from Q3 of £565,000 could be attributed to:

- £307,000 Additional income from Planning, Building Control and rental income, in particular Butchers Row.
- £82,000 additional COVID support grant for EH&H and Corporate and Community, where no additional support was bought in and extra duties were covered by existing resources.
- £123,000 EH&H housing underspend, from less Temporary Accommodation cost and savings on general supplies and services.
- £53,000 Other smaller savings from various Heads of service.

Throughout 2020/21 Central government announced and paid local authorities 4 tranches of support funding totalling £1,575,000 for North Devon. The Council had also claimed £160,000 in respect of the job retention scheme and received £251,000 New Burdens grant for SBG and RHLG. Central government also supported local authorities for lost income by paying 75% of any lost income after Councils incur the first 5% variance. This lost income and additional costs had been factored into the figures in Appendix A of the report together with the anticipated government support.

As at 31st March 2021 the Collection Fund reserve balance was £9,810,252. 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 an £8,660,000 balance that would be utilised in 2021/22 and 2022/23 to mitigate timing differences of business rate reliefs awarded in 2020/21 that from an accounting perspective impact over the next two financial year; thus leaving the fund reserve with a residue balance of £1,150,000 protection against future volatility. This was an increase of £417,000 on the previous year end reserve balance.

From the revenue budget surplus of £593,000, it was proposed to set aside this amount into the following earmarked reserves:-

- (£375,000) COVID budget management reserve – There is government

funding for Q1 built into the base budget, this would give the Council extra protection of Q2 and the rest of the financial year.

- (£118,000) – Economic Development reserve – This would bolster capacity for future building and regeneration projects.
- (£50,000) General fund reserve – This still left the Council in the recommended range of 5 - 10%, but provided a little more protection due to the volatile climate the Council was currently experiencing.
- (£50,000) Environmental Initiatives reserve – To fund climate action group projects (revenue costs).

He outlined the figures for the earmarked reserves for 2020/21 together with strategic contingency reserve, which were detailed in appendices B and C of the report.

Actual spend on the Capital Programme for 2020/21 financial year was £6,170,533. The variance against the budget of £7,110,512 was (£939,979); the majority of which would be carried forward into the 2021/22 Capital Programme to fund on-going projects.

In order to pay for the £6,170,533 capital investment the Council funded this from £5,115,391 received from external sources in the form of grants and other assistance, £513,794 of internal resources held specifically for capital projects, £156,623 from capital receipts and £384,725 from internal borrowing.

The 2021/22 to 2024/25 Capital Programme was attached as Appendix E – Capital Programme 2021/22 to 2024/25.

The Budget and Financial Framework report to Strategy and Resources 1st February 2021, outlined the Capital Programme for the 2020/21 financial year of £7,110,512; 2021/22 financial year of £22,419,916 and 2022/23 financial year of £1,924,488.

Project under spends of £917,121 from 2020/21 year were brought forward to produce a revised Capital Programme for 2021/22 year of £23,337,037; 2022/23 financial year of £1,924,488.

Further variations of £11,357,807 were proposed to the 2021/22 to 2024/25 Capital Programme.

The revised Capital Programme for 2021/22 to 2024/25 taking into account the budget variations was £36,619,332 and was broken down as follows:

- 2021/22 £24,716,124.
- 2022/23 £4,934,784.
- 2023/24 £2,573,300.
- 2024/25 £4,395,124.

The Programme of £36,619,332 was funded by Capital Receipts / Borrowing (£18,866,483), External Grants and Contributions (£15,511,561) and Reserves (£2,241,288).

In response to a number of questions, the Head of Resources and the Accountancy Services Manager advised the following:

- The COVID budget management reserve provided the Council with some additional protection for the 2021/22 year with the forecast continued reduction in fees income. The money was placed back into the reserves to enable the surplus from the previous year to be utilised in 2021/22 if required.
- With the Furlough scheme scheduled to end this year, there will be an additional pressure on the customers' ability to pay and the Council was predicting a reduction in collection rates of council tax and business rates upon the budget.
- The current plan was to maintain the general fund reserve at the current level of £1.2m (9%) on the upper end.
- Pay and display income from the car parks had reduced by £1.2m at quarter 3 but was actually down by almost £1.5m at year end.
- The estimated 75% government reimbursement for lost income was a credit to the Council of £1.4m.
- Car park income had recovered in June 2021 although other income sources were slightly down but not to the level seen in 2020.
- The Council had balanced the budget through government funding and had not taken out any loans to cover budget shortfalls. The tourism industry was expected to bring additional income into the North Devon area.

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

The Chair expressed his thanks and appreciation to the Finance team for their continued hard work.

16. TREASURY MANAGEMENT ANNUAL REPORT 2020/21

The Exchequer Manager highlighted the following:

- This report provided details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved.
- The Council's Capital expenditure and financing as detailed in paragraph 4.1 of the report.
- The Council's overall borrowing need as detailed in paragraph 4.2 of the report.

- The Treasury position as at 31 March 2021 as detailed in paragraph 4.3 of the report.
- The strategy for 2020/21 as detailed in paragraph 4.4 of the report.
- The Borrowing Outturn as detailed in paragraph 4.5 of the report.
- The Investment Outturn as detailed in paragraph 4.6 of the report.

In response to questions, the Head of Resources and the Exchequer Manager advised the following:

- There was a review of margins over gilt yields for Public Works Loan Board (PWLB) rates in November 2020, which resulted in a reduction of 1% for the standard and certainty margins. However, a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets primarily for financial gain in its three year capital programme. This meant that any Council that planned to purchase assets, which would result in capital gain i.e the purchase of a commercial business might struggle to get loans from the PWLB.
- The impact of the decision meant that the Commercialisation Strategy was likely to be restricted to purchases within the district where regeneration or other factors were important considerations.
- The authorised borrowing limit was agreed at the Full Council meeting held in February of each year as part of the Treasury Management Strategy.

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

The Committee thanked the Exchequer Manager and his team for their continued hard work.

17. WORK PROGRAMME - 2021/2022.

The Committee considered the Work Programme for 2020/21 (circulated previously).

The Corporate and Community Services Officer addressed the Committee and explained that the purpose of the work programme was to identify when the standard financial reports and other areas of work would be presented to the Committee.

In response to when the potential future items for discussion would be considered by the Committee, the Head of Resources and the Corporate and Community Services Officer explained that the items on the list were added following an email sent by the

Chair to all Members inviting them to put forward suggestions for areas of interest that they would like the Committee to discuss further.

The Committee discussed the importance of Task teams in addressing the service provisions that the Council provided.

In response to a question regarding the utilisation of a traffic light system in the financial reports to clearly highlight areas of concern to the Members, the Head of Resources advised that he would explore the potential for such a system with the Business Information Systems Manager.

Councillor Bulled advised that the amendment on page 11 of the minutes of 18th March 2021 that she had requested at the meeting on 27th May 2021 was not quite correct as should have stated:

“Income fall gone has been replaced by public money for public good”.

RESOLVED:

- a) That the report be noted and the Head of Resources liaise with the Corporate and Community Services Officer to populate the work programme with the financial reporting items for the year 2021/22;
- b) That the minutes of the meeting held on 18th March 2021 amended to say:
“Income fall gone had been replaced by public money for public good”; and
- c) That the Head of Environmental Health and Housing Services be invited to attend the next meeting of the Committee on 9th September 2021 to provide a report to the Committee in relation to the following areas identified under potential items for future discussion on the work programme:
 - A general overview of the Housing service.
 - Housing for rent and shared ownership schemes.
 - Rough sleeping.
 - Landlords and lack of quality rented accommodation.

Chair

The meeting ended at 11.23 am

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

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