

NORTH DEVON COUNCIL

Minutes of a meeting of Strategy and Resources Committee held at Barum Room - Brynsworthy on Monday, 7th February, 2022 at 10.00 am

PRESENT: Members:

Councillor Worden (Chair)

Councillors Crabb, Knight, Lane, Lofthouse, Patrinos, Pearson, Prowse and L. Spear

Officers:

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

Also Present:

Councillors Jenkins, D. Spear and Tucker

98. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Wilkinson and Yabsley.

99. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 6 DECEMBER 2021 (ATTACHED).

RESOLVED that the minutes of the meeting held on 6 December 2021 (circulated previously) be approved as a correct record and signed by the Chair.

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

(a) Levelling Up White Paper

The Chief Executive provided an update on the Government White Paper on Levelling Up which had been released last week. Guidance had also been published on the UK Shared Prosperity Fund. He advised that a useful summary had been produced by the Local Government Association and District Councils Network which had been circulated to all Councillors. The UK Shared Prosperity Fund would be devolved to local government and each Local Authority would be allocated a sum of money rather than a bid process. Each Local Authority would be required to draw up an investment plan which would be submitted to Central Government for approval. The investment plans would be required to be in place by the summer of 2022. The plan needed to reflect the priorities of the Local Authority and of those for the area

for the medium term. The paper also detailed information regarding the devolution of powers to Local Government. Initial discussions had taken place with other Devon District Councils regarding the setting up of a joint committee rather than the appointment of an elected Mayor. Further in depth discussions were required with the other District Councils and a special Councillor briefing would be held to discuss the priority areas and investment plan.

The Leader advised that the Devon Leaders and Chief Executives would be holding a special meeting to discuss this issue further.

101. DECLARATIONS OF INTERESTS.

There were no declarations of interest received.

102. APPROVAL AND RELEASE OF SECTION 106 PUBLIC OPEN SPACE FUNDS - GEORGEHAM AND LEE BAY

The Committee considered a report by the Project, Procurement and Open Space Officer (circulated previously) regarding the allocation of section 106 public open space funds towards two projects within the communities of Georgeham and Lee Bay.

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

- Georgeham Parish Council: Enhancement of the Pavilion at Georgeham Playing field – the Parish Council had been approached by the football club to request the use of the playing field or their club to practice at long term. In order to help support the new club, the parish council intend to refurbish the pavilion on site to upgrade the changing rooms, toilet facilities and external patio area.
- Lee Bay Memorial Hall: New Air source heating system - the Hall intend to install an air source heat pump system into the building in order to provide more comfort for all users, especially in the colder months, but also to aid in the maintenance of the building. The air source heating system had a more positive impact on the environment and sustainability.
- Funding of the section 106 contributions as detailed in paragraph 5 of the report.

RESOLVED that:

(a) £13,641.64 be allocated to Georgeham Parish Council towards the pavilion at Georgeham Playing field; and

(b) £5,600 be allocated to the Memorial Hall, Lee CIO towards the cost of air source heating system.

RECOMMENDED:

(c) that the capital programme be varied by £19,241.64 and that funds be released, subject to a Funding Agreement upon such terms and conditions as may be agreed by the Senior Solicitor and Monitoring Officer, for external projects.

103. HACKNEY CARRIAGE AND PRIVATE HIRE POLICY - THE STATUTORY TAXI AND PRIVATE HIRE VEHICLE STANDARDS

The Committee considered a report by the Public Protection Manager (circulated previously) regarding the adoption of a revision to the Hackney Carriage and Private Hire Licensing Policy.

The Public Protection Manager highlighted the following:

- Consultation had been undertaken with the trade which had been appended to the report.
- Consideration of the consultation responses and refinement of the proposed amendments had been presented to the Licensing and Community Safety Committee at its meeting on 18 January 2022.
- The revised Policy brought the policy in line with the Department for Transport Taxi and Private Hire Vehicle Standards and would require drivers to sign up to the Disclosure and Barring Service and undertake safeguarding training.
- Further changes to the policy would be considered by the Licensing and Community Safety Committee at its meeting in March 2022 and presented to the subsequent Strategy and Resources Committee.

RESOLVED that:

- (a) the proposed draft North Devon Council Hackney Carriage and Private Hire Licensing Policy found within Appendix A, as per the recommendation of Licensing and Community Safety Committee on the 18 January 2021 be approved;
- (b) a nominal fee of £10 for taxi and private hire driver safeguarding training be approved, if there was a need for the Council, to book such training on behalf of a driver and that this fee was proposed in order that the Council may recover its costs appropriately.

104. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 3 OF 2021/22

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management for Quarter 3 of 2021/22.

The Accountancy Services Manager highlighted the following:

- The revenue budget for 2021/22 was approved at Council on 24th February 2021 at £13,639,000.
- As at 31 December 2021, the latest forecast net budget was £13,550,000, which produced a forecast budget surplus of £89,000. Details are shown in “Appendix A – Variations in the Revenue Budget”.
- Included within the approved budget a government grant had been factored in, in relation to Covid-19 pressures of £536,710 and also budgeted for £375,000 of additional costs and reduced income, these were already

incorporated into Appendix A along with the latest forecast for each service area.

- The above grant of £536,710 had been approved and received and it was also anticipated that £80,000 re-imbursement for Quarter 1 loss of Sales, Fees and charges, would be received from the continued Government 75% income reimbursement scheme. This has now been revised down to £64,000 and the change incorporated into Appendix A.
- As at 31 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 from an accounting perspective impact over the next two financial years; thus leaving the fund reserve with a residue balance of £1,150,000 protection against future volatility.
- An additional provision had been included within the forecast figures shown in Appendix A for the National Pay Award potentially being settled higher than the original 1% budgeted amount. Negotiations were ongoing between the Unions and the Employers and the outcome of these discussions would be reflected within the next report.
- “Appendix B – Movement in reserves and Balances” detailed the movements to and from earmarked reserves in 2021/22.
- Full details of the Strategic Contingency Reserve movements and commitments were detailed in “Appendix C – Strategic Contingency Reserve”.
- The 2021/22 Capital Programme was detailed in “Appendix D – Capital Programme 2021/22”.
- The Budget and Financial Framework report to Full Council on 24 February 2021 outlined the Capital Programme for the 2021/22 financial year of £22,419,916, project underspends were brought forward of £917,121 and further variations of £5,692,492 were approved as part of the performance report changes in year, giving a revised capital programme of £29,029,529.
- Overall variations of (£5,223,597) were proposed to the 2021/22 Capital Programme as detailed in paragraph 4.4.3 of the report.
- The overall Capital Programme for 2021/22 to 2024/25 was £47,013,021 and broken down as follows:
 - 2021/22 £23,805,932
 - 2022/23 £15,778,023
 - 2023/24 £6,717,192
 - 2024/25 £711,874
- The Programme of £47,013,021 was funded by Capital Receipts/Borrowing (£28,274,889), External Grants and Contributions (£17,049,046) and Reserves (£1,689,086).
- Proposed release of Funds for the 2021/22 Capital Programme as detailed in paragraph 4.4.10 of the report.
- Treasury Management as detailed in paragraph 4.5 of the report.
- Debt Management as detailed in paragraph 4.6 of the report.

- Service plan and performance information as detailed in Appendix E of the report.

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

- Trade Waste Software was no longer required as the functionality could be incorporated within the existing software.
- The Covid Budget Management reserve was an earmarked reserve funded from 2020/21 additional income to mitigate potential income reduction pressures during 2021/22 year.

In response to questions from the Committee, the Director of Resources advised the following:

- The Council had experienced difficulties in accessing the property at 16 Castle Street, Barnstaple due to the tenant being unwell for a period of time. Discussions had now taken place which would enable the Council to access the property to undertake the required assessment of works.
- The Council Tax base, as approved by Council on 12 January 2022, included new build properties and other changes such as empty properties coming back into the base which resulted in an overall increased tax base and the Council would receive an estimated additional £70,000 revenue in 2022/23. He would confirm the total number of new build properties and advise Councillors Crabb and Yabsley accordingly.

RESOLVED that:

- (a) the actions being taken to ensure that performance was at the desired level be noted;
- (b) the contributions to/from earmarked reserves be approved (as detailed in section 4.2 of the report);
- (c) the movement on the Strategic Contingency Reserve (as detailed in section 4.3 of the report) be noted;
- (d) funds be released for the capital schemes listed in section 4.4.10 of the report;
- (e) the sections dealing with Treasury Management (section 4.5 of the report), and Debt Management (sections 4.6 and 4.7 of the report) be noted;

RECOMMENDED:

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

105. REVIEW OF FEES AND CHARGES FOR SERVICES 2022/23

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the review of fees and charges for services 2022/23.

The Accountancy Services Manager highlighted the following:

- This year the guidance was to increase some fees and charges by 2%, although some fees were set by statute and these would be set nationally. Other variations to the 2% increase were set out in paragraphs 4.3 to 4.8 of the report. Even though inflation was currently running much higher than the 2% increase officers have tried to be prudent and fair in the fees that were charged and the impact this had on our customers.
- Building Control fees have been raised by an average of 3% and rounded to the nearest pound, this was to ensure they were competitive in the sector of the market and also that the income recouped the cost of providing the service (detailed in Appendix B of the report).
- Land Charges fees have 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 (detailed in Appendix D of the report).
- There was one change to the Environment Health fees, as the majority of these were set by statute or set to recover costs, which was the introduction of a £10 fee for taxi and private hire driver safeguarding training (detailed in Appendix E of the report).
- Although it was proposed that the Pannier Market fees be increased by 2% it was proposed to make the charge inclusive of VAT, which enabled the Council to recover the VAT on the planned capital works required for the Pannier Market as part of the Future High Streets Project, which was due to start in 2022/23. Other than the 2% inflationary increase there is no other change to the traders as the loss of income in relation to the VAT change would fall with the Council and this income reduction had been built into the 2022/23 draft budget (detailed in Appendix H of the report).
- Bulky Waste – it was proposed to increase the fees as follows:
 - Up to 2 items £18.00 (5.88% increase)
 - Up to 3 items £26.00 (4% increase)
 - Up to 4 items £33.00 (3.13% increase)
- It was proposed to increase the Garden Waste charge by £5 to £45.
- The net changes in the charges were expected to result in £104,000 of additional income which has been included within the draft 2022/23 budget.

In response to questions from the Committee, the Director of Resources advised the following:

- It was anticipated that the proposed 2% increase on Pannier Market fees would result in an additional £3,500 income. The Chief Executive had recently taken an urgent decision to reduce the Pannier Market fees and it would be proposed that officers could be delegated authority to take this decision again in the future. If the decision was made not to increase the fees, the financial impact could be managed within the existing budget.
- The proposed increase to the Garden Waste charge was to cover the current cost of providing the service which was around £47 cost per household and that the costs of the service were then being paid for by the users. Currently approximately 19,000 households subscribed to the service which had increased over the past 12 months. Neighbouring Authorities were charging a

similar fee and Torridge District Council was proposing to increase their fees to £50 in the 2023/24 year. The proposed increase would bring the fee in line with other neighbouring Councils. If the fee was not increased, this would have a £98,000 financial impact on the Council. In 2017, the fee was £36 and the cost of the service was being subsidised. This fee was not increased for 4 years, therefore there were a number of years where the fee was under-inflated.

In response to questions from the Committee, the Chief Executive advised the following:

- That an urgent decision had been recently been made to reduce the Pannier Market fees for up to a maximum four month period. It was proposed that a report would be presented at the Annual Council meeting as part of the review of the Constitution requesting that power be delegated to officers to take this decision ongoing.
- The Government had undertaken consultation a number of months ago on green waste services provided by Local Authorities. The results of the consultation had not yet been received.

RECOMMENDED:

- (a) That there be a 2% increase in fees for 2022/23 financial year, for the following services:
 - a. Allotments – Appendix A
 - b. Trade Waste – Appendix C
 - c. Cemetery fees – Appendix F
 - d. Sports pitches – Appendix G
 - e. Pre-application Planning fees – Appendix K
- (b) That there be a 0% increase in fees for 2022/23 financial year, for the following service:
 - a. Pannier Market Charges – Appendix H
- (c) That the remaining fees be varied by the elements outlined in section 4.3 to 4.8 of the report.

106. REVENUE BUDGET 2022/23, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY 2022-23 TO 2027-28

The Committee considered a report by the Director of Resources (circulated previously) regarding the Revenue Budget for 2022/23, Capital Programme and Medium Term Financial Strategy (MTFS) 2022/23 to 2027/28.

The Director of Resources highlighted the following:

- Government Finance Settlement December 2021. The Revenue Support Grant and baseline funding was predominantly the same as for 2021/22. The Rural Services Delivery grant was same as for 2021/22. The New Homes Bonus (MTFS refresh assumed £812,000 which was legacy payment of £435,000 plus approximately £400,000 for 2022/23. The actual New Homes Bonus award was £1.45m. Lower Tier Services grant of £134,000 had been

retained in the funding. The Government had previously advised that this grant would only be received for 2021/22. New “Services” grant had been provided of £206,000 for a one year period only. All Covid 19 additional grant support had been removed. In relation to Council Tax, a referendum was required for Shire Districts if the Authority set an increase of 2% (or more than 2%), or more than £5, whichever was greater. The draft revenue budget for 2022/23 assumed an increase of £5. The overall council Tax income would increase by £244,000 of which £172,000 came from the additional £5 and £72,000 from the increase in Council Tax base. The draft budget factored in £1.750m for retained income growth for Business Rates. The MTFS assumed £1.8m which was made up of £1.2m National Non Domestic Rates growth, Renewable Energy schemes of £400,000 and Devon pool retained income of £200,000.

- Analysis of national Local Government funding from 2012/13 to 2022/23. Funding had reduced from £28.1billion in 2012/13 to £18.5billion in 2019/20 which was a 34% cut. There had been rises in funding since 2019/20, the largest in 2021/22 to 2022/23 of £2.1billion which reduced the overall cut to 20%.
- Core Spending Power analysis by region and authority type for England.
- The MTFS model had been refreshed in October 2021 based upon: the Fair Funding Review which had been planned for 2022/23 had now slipped by one year to 2023/24 and the New Homes Bonus Review that had been planned for 2022/23 which had now slipped to 2023/24. The MTFS refresh had not included: any financial net benefit of further reviews to service areas; income generation and net revenue gains through projects from the Commercialisation Strategy; any new Business Rates growth following the 2023/24 Fair Funding Review; and review and/or price increases to income streams.
- New Homes Bonus provisional level of funding of £1,451,083 for 2022/23. The level of funding 2021/22 was £1,354,430. The MTFS assumed £812,000 for 2022/23, therefore, there was an additional £639,000 compared to the MTFS. In 2023/24 the projected New Homes Bonus income was £506,000, potential reduction of over £945,000 funding on the current level. There was uncertainty regarding future funding and the scheme design.
- Business Rates Retention and forecast levels of income for 2022/23 year.
- Reform of Local Government funding for 2023/24 onwards.
- In 2021/22 Council Tax levels Band D properties had been increased by £5 (equivalent of 2.65%). Rural Councils could increase Council Tax by up to 2% or £5 (whichever higher). By increasing the level by £5 for 2022/23 would increase NDC's proportion of Council Tax for Band D properties from £193.35 to £198.35 (increase of 2.59%).
- Revenue budget cost pressures versus the assumptions included within the MTFS:
 - Salaries pay award and increments now slightly higher than estimated and £612,000 had been built into the draft budget. The MTFS refresh assumed £535,000 increase which was based upon 1.75% in 2021/22 and a further 2% in 2022/23.
 - National Insurance increase of 1.25% which was an additional cost to the draft budget of £76,000.

- Inflation pressure on services for utilities, fuel, contractors as a result of the consumer price index rises (5.1% in November 2020)
- Borrowing costs built into draft budget increased to £722,000. The MTFS refresh assumed £328,000 increase which did not include the impact of the Green Lanes acquisition which would add a further £400,000 to the annual borrowing costs. This increase to borrowing cost being offset by income generated through the Centre.
- Planning income - £100,000 had been included within the draft budget. The MTFS refresh assumed an additional £100,000 increased income. The current year income was up on budget by £180,000.
- Green Lanes - financial implications following the acquisition of Green Lanes in November 2021 and the draft budget for 2022/23. The net rental income for the current year was circa £400,000. £32,000 was required to pay asset management Praxis from November to March. There was minimal borrowing costs for 2021/22 year. It was proposed that £300,000 would be placed into an earmarked reserve for asset management initiatives and legal costs and that £70,000 be placed into an earmarked reserve for income volatility.
- Corporate programmes and resources. Council resources needed to be aligned to enable delivery of priorities within the financial envelope such as: financial planning (capital and revenue budget, MTFS); manpower planning (current teams, capacity and growth). There was a need to plan for medium and long term and not to be reactive to short-term priorities. The resourcing of priorities was longer than a political cycle of 4 years.
- Council staff reductions as a result of the Comprehensive Spending Review. In 2010-11 the Council employed 499 full time equivalent employees. In 2020/21 this had reduced to 405 full time equivalent employees which was a reduction of 94 (19% reduction) since 2010/11.
- Proposed resource changes within the service areas. In 2022/23 an increase of 17 full time equivalent employees (4% increase) was proposed across the service areas. This would result in an increase of £463,000 (3.2% increase) on the £14.3m salary budget. How the additional resource would be funded within the base budget.
- How the draft Revenue Budget for 2022/23 was funded.
- Draft Revenue Budget for 2022/23 (Appendix A) showed a balanced budget and assumed: £5 increase on Band D Council Tax (as in previous years); fees and charges uplift by 2% and Garden Waste subscription increase from £40 (2021/22) to £45 as originally outlined in the MTFS; proposed increase on coastal car parks to £1.50 per hour in summer months and work with Devon County Council colleagues to support measures to alleviate parking issues being experienced; no reductions to Strategic Grants, Climate and Environment, or Community Councillor Grants (Appendix B). The risks of the ongoing impact of Covid 19 on the revenue budget.
- Reserves (Appendix C). General fund balance forecast level at 31 March 2023 was £1.211m (8.8% of the net budget). The recommended level was 5%-10%. Earmarked reserves forecast level at 31 March 2023 was £5.851m. In compliance with the Local Government Act 2003, the Chief Financial Officer assured members of the robustness of the estimates and the adequacy of the proposed financial reserves.

- The MTFFS 2022-28 (Appendix D) had now been refreshed and extended for the 2022-28 period. It had been based on a number of assumptions about the future which included: Fair Funding review/New Homes Bonus review planned for 2023/24 (assumed -£2.009m reduction); and ongoing 2% increases in employee salaries (each 1% equated to £140,000). The MTFFS in February 2021 originally included gaps of £2.8m (for 2023/24) and £2.9m (for 2024/25) and only assumed a 1% salary increase. Paragraph 4.1.5.7 provided further detail on the budget gap and paragraph 4.1.5.16 provided further detail on what had not been included. Fundamental to bridging future year budget gaps would be further income generation and net revenue gains through the Commercialisation Strategy. Appendix D detailed the modelled projections.
- Capital Programme for 2021/22 to 2024/25. Investment plans for 2021/22 to 2024/25 totalled £47.013m. One business case for capital funding had been submitted for the provision of a rock fall catch fence at South Quay, Ilfracombe and the cost to the Council was £55,000.
- Draft Capital Programme (Appendix E). The total programme for 2021/22 to 2024/25 was £47.068m which would be recommended to Council on 23 February 2022 for approval.
- How the total Capital Programme 2021/22 to 2024/25 would be funded.
- Projected borrowing need in accordance with the 10 year Capital Strategy.
- Risks identified that could affect financial plans.
- Timeline – Council at its meeting on 12 January 2022 approved the Council Tax base; the revenue budget and capital programme would be considered by the Strategy and Resources Committee on 7 February 2022 and Policy Development Committee on 10 February 2022; Council on 23 February 2022 to consider the approval of the revenue budget and capital programme and setting of Council Tax.

In response to questions from the Committee, the Director of Resources advised the following:

- In relation to Seven Brethren project, only the land release fund element had been included within the Capital Programme. No other financial implications for this project had been included yet.
- The Government had not advised Local Authorities that they could not procure assets as part of commercialisation, however they had clamped down on Local Authorities borrowing to procure assets outside of their area and also borrowing to buy assets solely for financial gain. Local Authorities were required to demonstrate the reasons for the borrowing such as for regeneration of the area.
- The proposed increase in the number of the full time equivalent employees within the Governance service was following the promotion of the previous Exchequer Manager to the Head of Governance post. The Exchequer Manager post was now vacant. Some changes would be made to other middle managers posts within the team and there was another vacant post within the service, therefore it was proposed to recruit 1 apprentice to support the whole team. The changes were offset by not replacing vacant posts.
- Green Lanes – it was proposed that £300,000 was placed into an Asset Management reserve. Some of the funds would be used for “white boxing”

units within Green Lanes in preparation for letting, however a large proportion of the reserve would be used for marketing and legal costs and the reconfiguration of units to increase the income revenue streams to the Council. The £300,000 reserve would be spread across the next few years.

- Coastal car parks – it had been proposed to increase car park charges at some coastal car parks for the summer months following an increase in the number of visitors visiting the area and creating issues with parking on the roadside and pavements. Discussions had taken place with Devon County Council regarding on street enforcement, but they did not have sufficient capacity to enforce currently. There was a need to review all car parking charges for 2023/24, undertake a review of the configuration of all car parks and the methods for payment of car parking charges.
- Coastal car parking charges in other areas – Torridge District Council had increased charges at Westward Ho! Car park from £1.20 last year to £1.60 proposed for 2023/24. The charges at Dartmouth car parks was £1.50 per hour. The proposed increase in coastal car parks would bring the charges in line with other neighbouring coastal Local Authorities.
- If the decision was taken not to increase the charges in coastal car parks during the summer months, it would not have an overall impact on the net revenue budget as both the additional income and additional enforcement costs would be removed and therefore no other changes would be required to be made to the budget.

In response to questions from the Committee, the Chief Executive advised the following:

- One option had been to increase all car parking charges, however consideration had been given to the impact that this may have on High Streets and businesses which were still recovering from the pandemic. The option of increasing the car parking charges in some coastal car parks during the summer months was put forward due to a number of problems experienced due to the increase in the number of visitors and lack of on street enforcement. If the increase in coastal car parking charges was not approved, then no additional on street enforcement would be provided in coastal areas. Initial discussions had taken place with the Cabinet Member and officer at Devon County Council (DCC) regarding the secondment of North Devon Council (NDC) enforcement officers to DCC for a period of time each week during the summer period to enforce on street parking in the coastal areas. It was anticipated that there would be a rota of enforcement officers from NDC. DCC had experienced problems with the recruitment of enforcement officers and if DCC were able to successfully recruit enforcement officers there would not be a dedicated resource just for the coastal areas. The car parks at Lynton had not been included within the proposal. The excess charge notice was £25 which some visitors to the area would not find excessive for parking for the day.

RESOLVED that:

- (a) the latest forecast for Budget 2021-22 and the proposed contributions to earmarked reserves be noted;
- (b) the Chief Financial Officer's assurance on the adequacy of the reserves and the robustness of the budget in paragraph 4.1.4.6 of the report be noted;
- (c) the Chief Financial Officer's highlighted areas of risk identified within the budget process set out in paragraphs 4.1.4.7 and section 4.3 of the report be noted;
- (d) the latest Medium Term Financial forecast for 2022-2028 as shown in section 4.1.5 of the report be noted;
- (e) subject to approval of (i), that funds are released for the capital schemes listed in section 4.2.2 of the report.

RECOMMENDED that:

- (f) there be an increase of £5.00 in the level of Council Tax charged by North Devon Council for 2022-23 (in accordance with the revised referendum limit ability of £5.00 per Band D property) with a Band D Council Tax level of £198.35;
- (g) the actions identified in sections 4.1.2 to 4.1.4 of the report, which are required to ensure a balanced budget is achieved and therefore recommend to Council the approval of 2022-23 General Revenue Account Budget;
- (h) the Medium Term Financial Strategy 2022-2028 in section 4.1.5 of the report as part of the Policy Framework be adopted;
- (i) the Capital Programme 2021-22 to 2024-25 as highlighted in section 4.2 of the report be approved;
- (j) consideration of an increase in the charges for coastal car parks be incorporated within the overall review of the car parking strategy to be brought back to a future meeting.

107. ADJOURNMENT OF MEETING

RESOLVED that it being 12.25 pm that the meeting be adjourned for a comfort break.

Councillor Lofthouse left the meeting.

RESOLVED that it being 12.35 pm the meeting be reconvened.

108. TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Treasury Management Strategy Statement for 2022/23.

The Head of Governance highlighted the following:

- Capital Prudential Indicators for 2022/23 and the impact of the capital expenditure and financing. In 2021/22, the net financing need for the year was estimated at £18.065m.
- The Council's Capital Financing Requirement was a key indicator. The projected Capital Financing Requirement (CFR) for 2024/25 was £35.4m.

- In the current financial environment it was prudent to use internal borrowing from reserves and cash balances to fund the CFR to offset some of the borrowing need. A further £12m of external borrowing may be required in 2022/23 to support the approved capital programme, taking the total projected external borrowing to £22.5m for 2022/23.
- From October 2021 the Council entered a vehicle leasing programme with SFS and currently had circa £1.2m of finance leases within the CFR.
- Two key Treasury Indicators: the operational boundary and authorised borrowing limit. Borrowing interest rates as detailed on page 306 of the report.
- Investment Strategy – there were no proposed changes to the investments with investment limits as detailed in page 315 and Appendix A of the report.

In response to a question, the Head of Governance advised the following:

- Financing of the Capital Strategy was over a 10 year period. The CFR was increasing between 2021/22 and 2024/25.

RECOMMENDED that the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2022/2023, including the Treasury Management and Prudential Indicators for 2022/23 to 2024/25, be approved.

109. 10 YEAR CAPITAL STRATEGY 2022 TO 2032

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the 10 Year Capital Strategy for 2022 to 2032.

The Head of Governance highlighted the following:

- The Capital Strategy was a high level review of the corporate priorities, capital investment ambition, available resources, affordability and risk management in the context of ensuring the long term financial sustainability of this authority.
- The Capital Strategy contained the medium (MTFS) and long term strategies in relation to capital funding and affordability.
- The Capital Financing Requirement (CFR) was predicted to remain at a high level but would decrease over the longer term.
- The cost for external borrowing was set to remain above £1.5m over the long term period.

RECOMMENDED that the Capital Strategy 2022/23 to 2031/32 be approved.

110. COUNCIL TAX DISCOUNTS

The Committee considered a report by the Head of Customer Focus (circulated previously) regarding Council Tax Discounts.

The Director of Resources highlighted the following:

- This was an annual report to set the Council Tax Discounts relating to certain properties for the financial year commencing 1 April 2022
- There were no proposed changes to the discounts and levies and it was recommended that they were set at the same level as for 2021/22.

RECOMMENDED that Council makes the following determinations in relation to the classes of dwellings set out below for the financial year commencing 1 April 2022:

- (a) Class A and Class B Unoccupied and furnished properties
Set a 0% discount, therefore levying full council tax.
- (b) Classes A and B do not include any dwelling –
 - i. Which consists of a pitch occupied by a caravan or a mooring occupied by a boat.
 - ii. Where a qualifying person in relation to that dwelling is a qualifying person in relation to another dwelling in England, Wales or Scotland which is job related.
 - iii. Which for a qualifying person is job related where that person is a qualifying person in relation to another dwelling in England, Wales or Scotland.
- (c) Class C Unoccupied and substantially unfurnished properties
Set a discount of 100%, for up to three months.
- (d) For the purpose of Class C, in considering whether a dwelling has been unoccupied for any period, any one period, not exceeding six weeks, during which it was occupied shall be disregarded.
- (e) Properties which have been unoccupied and substantially unfurnished for over two years, levy the empty home premium of 200% of the normal liability.
- (f) Properties which have been unoccupied and substantially unfurnished for over five years, levy the empty home premium of 300% of the normal liability.
- (g) Properties which have been unoccupied and substantially unfurnished for over ten years, levy the empty home premium of 400% of the normal liability.

111. COUNCIL TAX REDUCTION SCHEME 2022/23

The Committee considered a report by the Head of Customer Focus (circulated previously) regarding the Council Tax Reduction Scheme.

The Director of Resources highlighted the following:

- The previous Council Tax Benefit scheme was abolished and replaced with localised support scheme for Council Tax in 2013/14. The previous scheme awarded 100% benefit to the claimants.
- The only change to the proposed Council Tax Reduction Scheme 2022/23 was in relation to amendment of the income bands to allow for the uprating of applicable amounts and premiums.
- The resource implications as detailed in paragraph 5 of the report.
- The costs of the scheme had increased in 2021/22 due to an increase in the number of claimants during the Covid pandemic and the Government had awarded the Council Tax Reduction Hardship Fund. The increase in the number of claimants had been included within the draft revenue budget.

RECOMMENDED:

- (a) That Council adopts the Council Tax Reduction scheme as detailed in Appendix A of the report for the 2022/23 financial year;
- (b) That Council approve the Exceptional Hardship Policy in relation to the Council Tax Reduction Scheme, as set out in Appendix B of the report.

112. RURAL SETTLEMENT LIST

The Committee considered a report by the Head of Customer Focus (circulated previously) regarding the Rural Settlement List.

The Director of Resources highlighted the following:

- The Rural Rate Relief Scheme helped qualifying small general stores, post offices, food shops, public houses and petrol stations.
- Appendix A of the report listed the qualifying Rural Settlements with a population of fewer than 3,000. This list had remained unchanged for many years.

RESOLVED that the Rural Settlement List be approved, for the purposes of Rural Rate Relief, of the rural settlements listed in Appendix A to this report.

113. URGENT DECISIONS TAKEN BY THE CHIEF EXECUTIVE

The Committee noted the urgent decisions that had been made by the Chief Executive in accordance with paragraph 3.48, Annex 2, part 3 of the Constitution (circulated previously) regarding transferring the freehold interest in an area of land at Seven Brethren Bank, Barnstaple and Pannier Market concessions.

The Chief Executive advised that the decision regarding transferring the freehold interest in an area of land at Seven Brethren Bank, Barnstaple had been taken in April 2021 however had not been presented to the Committee for noting.

Chair

The meeting ended at 12.45 pm

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