

**NORTH DEVON COUNCIL**

Minutes of a meeting of Council held at Crematorium Meeting Room - North Devon Crematorium on Wednesday, 28th September, 2022 at 6.30 pm

PRESENT: Members:

Councillor Hunt (Chair)

Councillors Biederman, Bulled, Bushell, Cann, Crabb, Gubb, Henderson, Jenkins, Knight, Lane, Ley, Lofthouse, Mack, Mackie, Patrinos, Prowse, Saxby, D. Spear, L. Spear, Topham, Topps, Tucker, Turton, Walker, Wilkinson, Worden, Yabsley and York

Officers:

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

**32. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Campbell, Chesters, Davis, Davies, Fowler, Leaver, Lovering, Orange, Pearson, Phillips and Roome.

**33. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 20 JULY 2022 (ATTACHED)**

RESOLVED that the minutes of the meeting held on 20 July 2022 (circulated previously) be approved as a correct record and signed by the Chair.

**34. CHAIR'S ANNOUNCEMENTS**

**(a) Councillor Bushell**

The Chair passed on Councillor Bushell's grateful thanks to officers who have been supportive during his period of illness and welcomed him back.

**(b) Future High Street Fund Briefing**

The Chair advised that following the conclusion of the Council meeting, that Members would receive a briefing on the Future High Street Fund.

**35. BUSINESS BROUGHT FORWARD BY OR WITH THE CONSENT OF THE CHAIR**

There was no business brought forward by or with the consent of the Chair.

**36. REPLIES TO ANY QUESTIONS SUBMITTED BY THE PUBLIC AND/OR TO RECEIVE PETITIONS UNDER PART 4, COUNCIL PROCEDURES RULES, PARAGRAPHS 8 AND 9 OF THE**

## **CONSTITUTION**

There were no questions submitted by the Public and/or petitions under Part 4, Council Procedure Rules, Paragraphs 8 and 9 of the Constitution.

**37. TO CONSIDER MOTIONS OF WHICH NOTICE HAS BEEN SUBMITTED BY MEMBERS IN ACCORDANCE WITH PART 4, COUNCIL PROCEDURE RULES, PARAGRAPH 11 OF THE CONSTITUTION**

**(a) To consider the following notice of motion from Councillor Wilkinson**

Councillor Wilkinson presented his notice of motion to Council.

It was moved by Councillor Wilkinson and seconded by Councillor Walker “that the notice of motion be adopted.”

RESOLVED that as a Council we, therefore, agree to:

- (i) Applaud the work that the NFU, National Fire Chiefs Council, Keep Britain Tidy and the RSPCA have done to bring to our attention the impact sky lanterns can have;
- (ii) Ban the use of sky lanterns on property owned by North Devon Council; and
- (iii) Inform the general public of the dangers associated with sky lanterns.

**(b) To consider the following notice of motion from Councillor Crabb**

Councillor Crabb presented his notice of motion to Council.

It was moved by Councillor Crabb and seconded by Councillor Yabsley “that the notice of motion be adopted.”

In response to a question, Councillor Saxby in her capacity as MP for North Devon, advised Council that the Government had already passed legislation in relation to discharges and that she received daily reports from South West Water.

RESOLVED that:

- (i) this Council writes to South West Water to ensure they prioritise urgent action and investment to prevent avoidable discharges in North Devon that relies heavily on tourism;
- (ii) North Devon Council recognise that as part of the UNESCO Biosphere Reserve, we have a responsibility to work positively and proactively with South West Water, the Environment Agency and other partners, to provide cleaner and healthier waters for our residents and visitors.

**38. DECLARATIONS OF INTEREST**

There were no declarations of interest received.

**39. CHAIR'S REPLIES TO ANY QUESTIONS TO COUNCIL BY MEMBERS SUBMITTED UNDER PART 4, COUNCIL PROCEDURES RULES, PARAGRAPH 10 OF THE CONSTITUTION**

There were no questions received by Members submitted under Part 4, Council Procedure Rules, Paragraph 10 of the Constitution.

**40. ANTI-FRAUD AND CORRUPTION**

The Chair advised that the presentation by Ken Johnson, Counter Fraud Services Manager, Devon Audit Partnership on Anti-Fraud and Corruption would be deferred until the November Council meeting as Ken Johnson was unwell.

**41. REPORT OF THE LEADER OF THE COUNCIL**

Council considered and noted a report by the Leader of the Council (circulated previously) regarding work that had been undertaken since the last Council meeting. Councillor Worden advised that following the Government's mini budget statement, that there was real uncertainty in relation to borrowing and the impact that this could have on the delivery of future projects, future of the Levelling Up Fund and the announcement of introduction of Investment Zones.

**42. QUESTIONS BY MEMBERS**

There were no questions submitted to the Leader or the Chair of a Committee under Part 4, Council Procedure Rules, paragraph 10.4 of the Constitution.

**43. STATEMENT OF ACCOUNTS 2021/22**

(a) **Report by Chief Financial Officer (attached)**

Council considered a report by the Chief Financial Officer (circulated previously) regarding the Statement of Accounts for 2021/22.

The Director of Resources and Deputy Chief Executive advised that:

- The draft Statement of Accounts for year ended 31 March 2022 had been signed by the Chief Financial Officer on 5 July 2022.
- Previously the final date for the audited accounts to be published was 31 July (used to be 30 September). This year the target date had been extended to 30 November 2022.
- External Audit of Accounts – the audit of financial statements had taken place through July/August 2022

and was being concluded through September. The Audit Findings Report was presented to the Governance Committee on 26 September 2022 and reported an Unqualified Opinion on Financial Statements. Two recommendations following Key Findings had been accepted by management and responses built into the Action Plan. The accounts were required to be formally signed off at Full Council on 28 September 2022.

- Narrative report (pages 26 to 36) set out the challenges the Council face, how the Council aim to meet those challenges (MTFP) and reviews the last financial year 2021-22.
- The Council had originally budgeted to spend £13.639m in 2021-22. As at 31 December 2021, the Council was forecasting a net surplus of £89,000 against the budget.
- The last quarter of the financial year had seen some favourable variances since the last reported position; most notably additional recycling sales income and reduced spend in the Waste and Recycling service, together with general employee vacancy savings.
- It was pleasing to report that the final out turn position was a budget surplus of (£604,000) against original budget, which was an overall movement of (£515,000) from the last forecast at quarter 3. The table on pages 30 and 31 detailed the main variances.
- The options for balances (£604k) surplus included:
  - £400,000 Repairs Fund reserve – to fund capital investment business cases
  - £100,000 Local Plan reserve – to increase fund available to over the cost of the Local review
  - £104,000 Budget Management reserve – increase the fund available to help mitigate inflationary pressures in 2022-23 financial year
- Members approved in June 2021 to proceed with the acquisition of Green Lanes Shopping Centre; for 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 financial outturn from the Centre produced a net return (income less costs) for the 2021/22 year of (£243,600) due to minimal borrowing costs for last financial year as these will start in 2022/23. This was a positive return for the Council for the four and half months ownership in the 2021/22 year. The net return to the Council of (£243,600); of this it was proposed to place £75,000 into an earmarked reserve to protect the council budget and mitigate against any future income volatility that could materialise as the Council move forwards with the centre and a further £168,600 into an earmarked reserve to fund future asset management initiatives to promote, market and maximise the occupancy of the Centre over the next few years, which the Council anticipated would then have a positive financial return on ongoing revenue streams.
- This was important for the ongoing financial viability of the Centre, however the team have already made positive steps in filling five of the empty units in the last few months and the Director of Resources read out some recent feedback received from Knight Frank (Commercial Property Specialists) to the North Devon Council team which stated *“As we discussed our involvement with Green Lanes is long standing. Prior to your purchase I have to say that the level of voids within the scheme provided a fairly depressing experience however on my most recent visit the overall feel of the scheme had changed with the recent lettings which have been undertaken both improving occupancy levels but also improving the customer ‘experience’ within the scheme”*. This was really positive feedback for the Council and demonstrated the Council’s intent to make the Centre a success, both operationally and financially.
- As at 31st March 2022 the Collection Fund reserve balance held was £5,722,000. This earmarked reserve was created to deal with the timing impacts of the Collection Fund (Business Rates), which ensured the revenue budget was not unduly affected in the year the taxes were collected. Collection Fund deficits/surpluses were reversed out to bring the revenue account back to the budgeted figure for the year; the deficits/surpluses were recovered/distributed in the following financial years.
- This reserve included an £4,523,000 balance that would be utilised in 2022/23 and 2023/24 to mitigate timing differences of business rate reliefs awarded in 2021/22

that from an accounting perspective impact over the next two financial years; thus leaving the Collection Fund reserve with a residue balance of £1,200,000 protection against future volatility.

- The main statements as detailed on pages 43 to 49. The Comprehensive Income and Expenditure Statement included a number of “non cash” accounting entries that were subsequently reversed out and had no impact on the Council Tax payer.
- The recommended level of general fund balance was 5%-10% of the Council’s net revenue budget. It was pleasing to report that the combination of in year measures and robust budget management saw the Council through the financial pressures and resulted in a general fund reserve balance at 31 March 2022 of £1,211,000, which was a level of 8.9%. The movement in Reserves Statement was detailed on page 87.
- The Medium Term Financial Strategy 2022-2028 (pages 27 to 29) was refreshed annually and through the service planning process in 2022-23. The refreshed forecasted cumulative budget gap / (surplus) for 2022-23 to 2027-28 was detailed on page 28.
- The Key Performance Indicators (pages 37 to 41) as reported in Q4 Performance and Financial Management report to Strategy and Resources on 4 July 2022.
- The Balance Sheet indicated the Councils total net worth was £47m.
- The value of the Councils long term assets had increased from £98m as at 31st March 2021 to £121m as at 31st March 2022.
- The Council’s long term borrowing had increased from £501,000 as at 31st March 2021 to £3m as at 31st March 2022.
- The Council’s Defined Benefit Pension Scheme Liability had decreased from £71m as at 31st March 2021 to £64m as at 31st March 2022 and there was a note related to the breakdown of the figures on pages 107 to 112 of the report.
- The cash flow statement and collection fund information was detailed on pages 47 to 49 of the report.
- Pages 50 to 69 of the report detailing the accounting policies for which there were no material changes.
- The notes to the accounts were detailed on pages 70 to 119 and provided a breakdown of the accounts figures
- Pages 120 to 126 detailed the draft auditor’s report, which gave an unqualified opinion on the financial statements

Councillor Walker reported the recommendations of the

Governance Committee held on 26 September 2022 (circulated previously) and thanked the Director of Resources and Deputy Chief Executive and his team for a comprehensive report.

It was moved by Councillor Walker and seconded by Councillor Lofthouse “that the Statement of Accounts 2021-22 be approved, and that the Chair of the Council sign and date the Statement of Accounts as required by the Accounts and Audit Regulations.”

RESOLVED that the Statement of Accounts 2021-22 be approved, and that the Chair of the Council sign and date the Statement of Accounts as required by the Accounts and Audit Regulations.

(b) **Annual Governance Statement 2021/22 (attached)**

Council considered a report by the Head of Governance (circulated previously) regarding the Annual Governance Statement 2021/22.

The Head of Governance advised the following:

- In conjunction with Internal and External Audit, compliance with the Framework in meeting the principles, where governance can be seen in action, and the assurance received and issued identified, had been assessed in detail and were included in full in Appendix A.
- During the year, Internal Audit undertook 18 audits with the reports then sent to Senior Management Team for review. Their overall opinion was ‘reasonable assurance’ that a generally sound system of governance, risk management and control was in place.
- Areas that had been identified for improvement were detailed within the report.

Councillor Walker reported the recommendations of the Governance Committee held on 26 September 2022 (circulated previously).

It was moved by Councillor Walker and seconded by Councillor Tucker “that the Annual Governance Statement 2021/22 be approved”.

RESOLVED that the Annual Governance Statement 2021/22 be approved.

(c) **Letter of Representation on behalf of the Council (attached)**

Council considered the Annual Governance Statement (AGS) for 2021-22 (circulated previously).

The Director of Resources and Deputy Chief Executive explained that the Letter of Representation formally outlined to the External Auditors, the governance arrangements in place and the Authority's responsibilities on the financial statements presented. The Letter was required as part of the final process for the approval of the Statement of Accounts for 2021/22.

Councillor Walker reported the recommendations of the Governance Committee held on 26 September 2022 (circulated previously).

It was moved by Councillor Walker and seconded by Councillor Lofthouse "that the Letter of Representation be approved and signed by the Chief Financial Officer".

RESOLVED that the Letter of Representation be approved and signed by the Chief Financial Officer.

**44. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 1 OF 2022-23**

Council considered the Performance and Financial Management report for Quarter 1 of 2022/23 to the Strategy and Resources Committee on 5 September 2022 (circulated previously).

(a) **Report of the Policy Development Committee**

Councillor D. Spear, Chair of the Policy Development Committee presented the Committee's report on the Performance and Financial Management for Quarter 1 of 2022/23 to the Policy Development Committee on 8 September 2022 (circulated previously).

In response to a question, the Director of Resources and Deputy Chief Executive advised that the breakdown in car park tickets had been included within the Key Performance Indicators table. The variance on the car parks income budget was included on page 181 which was £49k down on the forecast budgeted income. Car park income had recovered considerably since the Covid pandemic and had been offset by the other positive budget variances within the report. A breakdown of income for each car park could be provided and circulated to all Members.

(b) **Report of meeting of the Strategy and Resources Committee**

Councillor Worden, Chair of the Strategy and Resources Committee reported the recommendations of the Strategy and

Resources Committee on the Performance and Financial Management for Quarter 1 of 2022/23 (circulated previously).

It was moved by Councillor Worden and seconded by Councillor Walker “that minute 47 (f) of the report of the Strategy and Resources Committee held on 5 September 2022 regarding the Performance and Financial Management for Quarter 1 of 2022/23 be adopted”.

Councillor Worden echoed the comments of Councillor Walker and thanked the Director of Resources and Deputy Chief Executive and his team for their work.

RESOLVED that minute 47 (f) of the report of the Strategy and Resources Committee held on 5 September 2022 regarding the Performance and Financial Management for Quarter 1 of 2022/23 be adopted.

**45. REPORT OF LEAD MEMBER FOR CLIMATE CHANGE**

The Chair requested that in future the Lead Member for Climate Change provide written reports to Council.

The Lead Member for Climate Change provided an update following the meeting of the Climate Action Team held last night where only three Members had been in attendance. The Team would be considering its terms of reference and frequency of meetings. It was pleasing that Officers were working to improve the situation for climate and the environment and to move the Council forward.

Council noted the verbal report.

**46. OUTSIDE BODY APPOINTMENT - DEVON RAIL FORUM**

Councillor Worden requested clarification on the frequency of meetings of the Devon Rail Forum.

Councillor Mack, as the Council’s former appointed representative, confirmed that the Forum met three times per year.

It was moved by Councillor Worden and seconded by Councillor Bushell “that Councillor Knight be appointed to the Devon Rail Forum for the life of Council following the resignation of Councillor York from the Forum.”

RESOLVED that Councillor Knight be appointed to the Devon Rail Forum for the life of Council following the resignation of Councillor York from the Forum.

**47. MINUTES OF COMMITTEES**

(a) **Building Control Joint Committee**

RESOLVED that the following minutes of the Building Control

Joint Committee (circulated previously) be noted and adopted as follows:

- (i) 7 July 2022

In response to a question, the Director of Resources and Deputy Chief Executive advised that a meeting had been arranged with officers from Mid Devon District Council to understand the implications of setting up a company responsible for the building control function. It was anticipated that a report would be produced within the next month setting out the next steps. Discussions had already taken place regarding the recruitment of agency staff on a short term basis.

(b) **Governance Committee**

RESOLVED that the following minutes of the Governance Committee (circulated previously) be noted and adopted as follows:

- (i) 26 September 2022

(c) **Harbour Board**

RESOLVED that the following minutes of the Harbour Board (circulated previously) be noted and adopted as follows:

- (i) 9 August 2022

(d) **Joint Planning Policy Committee**

RESOLVED that the following minutes of the Joint Planning Policy Committee (circulated previously) be noted and adopted as follows:

- (i) 15 July 2022

(e) **Planning Committee**

RESOLVED that the following minutes of the Planning Committee (circulated previously) be noted and adopted as follows:

- (i) 13 July 2022
- (ii) 10 August 2022
- (iii) 31 August 2022

(f) **Policy Development Committee**

RESOLVED that the following minutes of the Policy Development Committee (circulated previously) be noted and adopted as follows:

- (i) 8 September 2022

(g) **Strategy and Resources Committee**

RESOLVED that the following minutes of the Strategy and Resources Committee (circulated previously) be noted and adopted as follows:

(i) 5 September 2022

(A) Minute 55 (h): Approval and Release of Section 106 Public Open Space Funds – Barnstaple, Landkey and Tawstock

Chair

The meeting ended at 7.20 pm

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