

NORTH DEVON COUNCIL

Minutes of a meeting of Strategy and Resources Committee held at Barum Room - Brynsworthy on Monday, 6th February, 2023 at 10.00 am

PRESENT: Members:

Councillor Worden (Chair)

Councillors Lane, Lofthouse, Patrinos, Pearson, Prowse, L. Spear and Yabsley

Officers:

Chief Executive, Director of Resources and Deputy Chief Executive, Senior Solicitor and Monitoring Officer, Lead Officer - Food, Health and Safety, CCTV, Town Centre and Pannier Market Manager, Head of Customer Focus, Head of Planning, Housing and Health, Finance Manager and Head of Governance

Also Present in person:

Councillors D.Spear and Tucker

90. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Knight.

91. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 9 JANUARY 2023 (ATTACHED).

RESOLVED that the minutes of the meeting held on 9 January 2023 (circulated previously) be approved as a correct record and signed by the Chair.

92. DECLARATIONS OF INTERESTS.

The following declarations of interest were made:

Councillor Prowse, a non-registerable interest in Item 7, as he currently owned a second property that was empty.

Councillor Lofthouse, a non-registerable interest in Item 7, as he was a trustee for the Bridge Buildings trust which currently had a number of empty properties; and

Councillor Lane, a non-registerable interests in items 7 and 10 (Building Control services fees), as he was a property developer.

93. TEMPORARY ACCOMMODATION AND HOMELESSNESS

UPDATE

The Committee considered a report by the Head of Planning, Housing and Health (circulated previously) regarding Temporary Accommodation and Homelessness update.

The Head of Planning, Housing and Health highlighted the following:

- The purpose of this report was to firstly highlight the impact of the demand for the service offered by the housing team.
- Secondly the opportunity to seek resilience by adding to the portfolio of properties owned by the Council.
- The number of requests for help made to the housing team stood at just under 1500, from 1 April 2022 to 18 January 2023. This number did not show the complexity of the nature of many of the types of cases presenting for help.
- Of the 1500 requests for help 225 successful prevention outcomes had been achieved, 356 cases had had temporary accommodation provided by North Devon Council and 120 successful relief outcomes had been achieved.
- Table 2 of the report detailed the reasons for people seeking help with accommodation.
- Historically the main reason for threat of homelessness was a section 21 eviction notice, whereby the property owner required the property back and the eviction was through no fault of the tenants, this had been overtaken by Friends/Family unable to continue accommodating individuals within a household.
- The correlation between this breakdown in households at a time of cost of living crises was significant and understandably had become the most prevalent reason for demand on housing services.
- The Housing market was exceptionally challenging at present with housing officers having to use a range of prevention tools to try to keep tenants in their properties.
- The request to amend the capital programme would allow the Council to extend the number of properties it owned.
- The Council currently had 11 units of accommodation acquired since 2018.
- Increasing the Council's stock of temporary accommodation by a further 7 to 8 units, through capital investment of £2 million, would increase the capacity and resilience of the service during a time when demand was unlikely to fall.

In response to questions the Head of Planning, Housing and Health gave the following replies:

- The Council had a number of schemes in place to help support people deal with increases in energy costs.
- Demand on the service was likely to increase as a result of higher section 21 evictions as more property owners decided to pull out their investments.
- The purchase of more modern buildings meant the maintenance liability of those properties could be a less costly upkeep.

- In the hierarchy of advantageous solutions to the Council the top priority was owning housing stock of its own and the second was leasing properties, a stock of Bed and Breakfast accommodation would always be needed.
- The Council would be loathed to reduce the supply of new housing on developments by purchasing. Those individuals on the housing register seeking affordable rental properties needed to be given the opportunity to be offered rental properties.

In response to questions, the Service Lead – Housing Advice and Homelessness advised that every approach made to the Council in terms of potential homelessness was recorded so that the Council had a clear record.

In response to a question, the Director of Resources and Deputy Chief Executive advised that the proposal was to procure up to 8 units of accommodation, which would aim to be a mixture of 2 and 3 bedroomed properties.

RESOLVED that:

- (a) The performance of the Council's homelessness service in the period 1 April 2022 to 18 January 2023 be noted; and
- (b) The Director of Resources and Deputy Chief Executive be delegated authority, in collaboration with the Head of Place, Property and Regeneration to carry out the proposed property purchases.

RECOMMENDED that:

- (c) the Council vary the capital programme by £2 million and that the funds be released.

94. COUNCIL TAX DISCOUNTS AND PREMIUMS

Councillor Prowse re-declared his Non Registerable Interest and left the room during the consideration of this item.

The Committee considered a report by the Director of Resources (circulated previously) regarding Council Tax Discounts and Premiums.

The Director of Resources highlighted the following:

- This report regarding Council tax discounts and premiums was presented on an annual basis.
- Page 26 set out the current levels of discounts and premiums.
- The changes were provided by the Levelling Up and Regeneration Bill (Bill 169 2022-23), which was currently making its way through the legislation process.
- The changes within the Bill essentially fell into two distinct parts namely:
 - (a) To bring forward the period from two years to one year when an unoccupied and substantially unfurnished dwelling (empty dwelling) could be charged a premium of 100%. All other empty dwelling premiums remain unchanged, namely:
 - A premium of 200% where a dwelling has remained empty for a period of 5 years or more;

- A premium of 300% where a dwelling has remained empty for a period of 10 years or more; and
- (b) To enable the charging of a 100% premium for any dwellings which were:
 - No one's sole or main residence; and
 - Substantially furnished.
- Premiums were also introduced by Government in 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term. Initially premiums could only be charged at 50% but legislation has now changed to allow a progressive charge to be made as follows:
 - Dwellings left unoccupied and substantially unfurnished for 2 years or more, up to 100%;
 - Dwellings left unoccupied and substantially unfurnished for 5 years or more, up to 200%; and
 - Dwellings left unoccupied and substantially unfurnished for 10 years or more, up to 300%.
- Government, together with local authorities, had unfortunately seen a rise of in the number empty dwellings together with a growth in second homes. Inconsistencies in the legislation had also been identified whereby a premium could be avoided by the taxpayer merely furnishing an empty premises, when it would become a 'second home' which currently had a maximum charge of 100%.
- Clauses within the Levelling Up and Regeneration Bill (Bill 169 2022-23) have been introduced in order to address the inconsistencies and also to bring more dwellings into use.
- Changes to empty dwelling premiums:
 - Clause 72 (1) (b) of the Bill will permit billing authorities in England to impose an empty dwellings premium after one year instead of two. This gave effect to a commitment made by Government in the Levelling Up White Paper.
 - Clause 72 (1) (a) provides that billing authorities must have regard to any guidance issued by the Secretary of State when deciding whether to implement an empty dwellings premium and it is expected that the current guidance drafted by Government in 2013 will be updated. This change will come into effect from the 2024/25 financial year.
 - In addition, Clause 72 (2) of the Bill provides that from 1 April 2024, a property can be charged an empty dwellings premium at 100% after one year, even if it became empty before 1 April 2024.
- Introduction of premiums for second homes:
 - At present, English billing authorities may only impose an empty dwellings premium on properties that are 'unoccupied and substantially unfurnished'. This term is defined via case law, not in legislation. However, it does not cover dwellings that are no one's sole or main residence but are furnished. An empty dwellings premium could therefore not be imposed on properties that are maintained as second homes for regular use by their owners.
 - Clause 73 of the Bill will insert a new section 11C into the Local Government Finance Act 1992. This will permit billing authorities to apply a premium to properties that have no resident and are "substantially furnished". The maximum Council Tax charge in these

cases would be a standard 100% charge plus, if the recommendations are accepted by Council, a premium of 100% making a total Council Tax charge of 200%.

- Based on the Council Tax Base (October 2022 CTB1) the authority had the following number of dwellings which were subject to an empty dwelling premium:
 - 100% premium, Band A 33, Band B 13, Band C 12, Band D 8, Band E 5, Band F 3, Band G 2 and Band H 1. A total of 77 properties.
 - 200% premium, Band A 10, Band B 5, Band C 1, Band D 3, Bands E, F, G and H 0. A total of 19 properties.
 - 300% premium, Band A 5, Band B 3, Band C 2, Band D 3, Band E 1, Band F 0, Band G 1 and Band H 0. A total of 15 properties.
- Based on the Council Tax Base (October 2022 CTB1) the authority had the following unoccupied but substantially furnished properties which could be subject to a 100% premium, subject to the Bill receiving Royal Assent and Government guidance:
 - Band A 405, Band B 330, Band C 377, Band D 327, Band E 187, Band F 121, Band G 57 and Band H 5. A total of 1809 properties.
- The increased potential £4.2million additional income from the proposed changes would only be available at the earliest from the 2024/25 financial year and subsequent years and would be shared between the Council, the major precepting authorities and the local precepting authorities in line with their share of the Council Tax. The share for North Devon Council was around 10% (circa £420,000).

Councillors Lane and Lofthouse re-declared their non-registerable interests and left the room prior to debate and the vote taking place.

In response to questions the Director of Resources and Deputy Chief Executive gave the following replies:

- A future report would come to members detailing progress following the project work around empty properties.
- Members would decide on how any additional revenue was incorporated into the budget as part of the normal annual budget setting framework.

RECOMMENDED that the following be approved at Council:

- (a) That for the 2023/24 financial year, the existing discretionary discounts and premiums remain as at present;
- (b) That for 2024/25 financial year, the discount level for Class C and D remain as at present;
- (c) That, subject to the Levelling Up and Regeneration Bill becoming law, from 1 April 2024 the current premium of 100% for all dwellings which are unoccupied and substantially unfurnished (empty dwellings) be applied after a period of one year (all other premiums remain as at present); and
- (d) That, subject to the Levelling Up and Regeneration Bill becoming law, from 1 April 2024 a premium of 100% apply for all dwellings which are unoccupied but substantially furnished.

95. NORTH DEVON CCTV HUB CHARGES

The Committee considered a report by the Place Manager (Town Centres) (circulated previously) regarding North Devon CCTV Hub Charges.

The Place Manager (Town Centres) highlighted the following:

- The objectives of the CCTV hub were set out in the report at paragraph 4.1, namely:
 - To help reduce the fear of crime
 - To help deter crime
 - To help detect crime and provide evidential material for court proceedings
 - To assist in the overall management of Barnstaple Town Centre
 - To enhance community safety, assist in developing the economic well-being of the Barnstaple area and encourage greater use of the Town Centre
 - To assist the other Local Authority departments in their enforcement and regulatory functions within the Barnstaple area
 - To assist in traffic management
 - To assist in supporting civil proceedings which will help detect crime
- The increase to fees was set out in paragraphs 4.14 to 4.16, namely:
 - In 2019 NDC set the monitoring cost at a rate of 40p per hour per camera. This cost was been calculated based on the actual current cost to NDC and is in line with other charges by other control rooms such as Tolvaddon. The monitoring cost it is proposed to increase by 5% for 2023/24, in line with the Councils other fees and charges, and be set at a rate of 42p per hour per camera.
 - Conversations with other towns / parishes had shown that the option to pay a retainer to NDC for data transfer costs and the recordings reviewed if required (within the 28 day retention period) was preferred so there was a need to set a fee for that option. The proposed charges were a one off connection fee of £500 to get the 2 systems integrated and then a £100 per month retainer for the following service: data to be transmitted to the hub where it would be recorded but only viewed by authorised personnel if an incident occurred and then deleted after 28 days if not required; and
 - The Service offer and associated costs were set out in the North Devon CCTV hub specification as shown at Appendix A.

In response to a question, the Director of Resources and Deputy Chief Executive advised the following:

- The original budget for 2022/23 included an estimate of the anticipated income to be received from the CCTV hub. However, the current level of income was down on the original estimate due to timings of the implementation of the new hub and roll out of the new service.
- The additional costs for employees in relation to enhancements for working during the evening and weekends had been omitted from the original base

budget, however employees were already receiving the enhancement payments and the budget would be amended back to the correct level.

- Other Councils had expressed an interest in using the hub services, which included South Molton Town Council.
- Further information would be provided for Members on the anticipated level of uptake of the hub services.

The Place Manager (town centres) responded to a question about the uptake of this service with the reply that there had been a lot of interest with South Molton showing an interest in the Retainer service, conversations with four other Parishes were ongoing and Ilfracombe Town Council were on board.

RESOLVED that:

- (a) the progress of the implementation of the North Devon CCTV hub be noted.

RECOMMENDED that:

- (b) the increases in fees as set out in paragraphs 4.14 to 4.17 of the report be approved at Council.

96. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 3 OF 2022/23

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding Performance and Financial Management Quarter 3 of 2022/23.

The Accountancy Services Manager highlighted the following:

- As at 31st December 2022, the latest forecast net budget was £13,702,640, which produced a forecast budget surplus of £19,000. Details were shown in “Appendix A – Variations in the Revenue Budget”.
- The original budget for 2022/23 included a forecast to achieve £250,000 worth of salary vacancy savings. The current position forecasted that £452,000 savings would be achieved. The additional £202,000 was due to timings of filling the capacity building posts throughout the year which were approved as part of the original 2022/23 budget.
- Temporary Accommodation was under additional cost pressure due to the increase in homelessness cases; the in-year impact of this £250,000 forecast increase in costs had been mitigated by utilising balances from the Homelessness earmarked reserve. Whilst this had alleviated the pressure this year, it did mean this one-off amount from the homelessness reserve could not be utilised for other homelessness initiatives.
- Within the joint Building Control Services partnership with Mid Devon District Council there had been a decline in income and due to challenges in recruiting to vacant posts, an increase in the use of agency staffing costs which had negatively impacted the trading account. Full Council had recently approved an 8% increase in the Building Control fees, this additional income would cover the additional staffing costs moving forwards and improve the

Council's ability to fill vacant posts. It was now being forecasted that there would be a net deficit for the Council of £33,000, this included utilising a £50,000 contribution from the Building Control reserve built up through prior year trading surpluses.

- The largest variance within Appendix A was the £804,000 National pay award additional staffing costs over and above the £280,000 already built into the base budget; this was based on the offered pay award put forward to the Unions by the National Employers pay review body for the 2022-23 year. The pay award was accepted by the Union and its members and was backdated to 1st April 2022 and paid to staff in December 2022. The pay award was based upon £1,925 per full time equivalent employee.
- Other inflationary pressures built into the forecast included additional fuel costs across the Council's fleet of £104,000 and additional energy costs of £63,000. To date the Council had not included any further general supplies and services inflationary increases as we will endeavour to control and manage these in year through the existing budgetary framework.
- The other significant in-year cost pressure that had not been included in the current figures yet was the award of costs claim in relation to the Yelland planning appeal; once this amount was known a report would be brought to Members detailing the award of costs amount and setting out how the Council would be funding this cost.
- As at 31st March 2022 the Collection Fund reserve balance was £5,722,000. This earmarked reserve was created to deal with the timing impacts of the Collection Fund (Business Rates), which ensured the revenue budget was not unduly affected in the year the taxes were collected. Collection Fund deficits/surpluses were reversed out to bring the revenue account back to the budgeted figure for the year; the deficits/surpluses were recovered/distributed in the following financial years.
- This reserve included a £4,523,000 balance that would be utilised in 2022/23 and 2023/24 to mitigate timing differences of business rate reliefs awarded in 2021/22 that from an accounting perspective impacted over the next two financial years; and an in-year £400,000 transfer into the budget management reserve to replenish this reserve balance to help mitigate future budget fluctuations, thus leaving the fund reserve with a residual balance of £800,000 protection against future volatility. This level of reserve protected the Council against a 40% share of a £2million overall Business Rates income volatility.
- At the 31st December 2022 total external borrowing was £3,000,000. The timing of any future borrowing was dependent on how the Council managed its treasury activity and due to previously unprecedented low interest rates and reduced returns on investments it was prudent for the Council to 'internally borrow' and use these monies to fund the Capital Programme. This had resulted in a forecast £275,000 reduction in loan interest payments in 2022/23 and it was proposed to place this amount into a new Treasury Management reserve to mitigate against higher interest rates as we moved into the 2023/24 financial year.
- The recommended level of general fund balance was 5%-10% of the Council's net revenue budget £686,082 to £1,372,164. The forecast general fund reserve at 31 March 2023 was £1,211,000, which was a level of 8.8%.

- “Appendix B – Movement in reserves and Balances” details the movements to and from earmarked reserves in 2022/23.
- Full details of the Strategic Contingency Reserve movements and commitments were attached as “Appendix C – Strategic Contingency Reserve”.
- The 2022/23 Capital Programme was attached as “Appendix D – Capital Programme 2022/23”.
- The Budget and Financial Framework report to Full Council 23rd February 2022 outlined the Capital Programme for the 2022/23 financial year of £15,833,023. Project underspend of £2,031,062 were brought forward from 2021/22 year and further variations of (£5,051,311) were approved as part of the performance and financial management report to Strategy and Resources Committee, to produce a revised 2022/23 Capital Programme of £12,812,774.
- Overall variations of (£3,307,261) were proposed to the 2022/23 Capital Programme as follows:
 - Ilfracombe Water Sports Centre, £43,600 for Tarmac and Concrete Works. Funded from earmarked water sports centre reserve.
 - UK Shared Prosperity Fund, £55,951 part of a larger, mostly revenue scheme, £1.2 million in total across 3 financial years.
 - Self-Build Housing Project, (£500,000) for slip spend and funding to 2023/24.
 - Landmark Theatre, Fire Alarm, (£150,000) for slip spend and funding to 2023/24.
 - Future High Street Fund, (£1,993,182) for slip spend and funding to 2023/24.
 - Disabled Facility Grants, (£126,390) slip spend and funding to 2023/24.
 - Eco Top-Up Grants, (£312,240) to bring forward spend and funding from 2023/24.
 - Provision of Temporary Accommodation, (£105,000) for slip spend and funding to 2023/24.
 - Green Lanes Shopping Centre, (£200,000) for slip spend and funding to 2023/24.
 - Barnstaple Bus station refurbishment, (£20,000) for slip spend and funding to 2023/24.
- Other variations to the 2023/24 Capital Programme, £161,478, broken down:
 - UK Shared Prosperity Fund, £41,478 part of a larger, mostly revenue scheme, £1.2 million in total across 3 financial years.
 - Planned Maintenance Seven Brethren, (£52,041) virement to land release fund scheme.
 - Land Release Fund, £52,041, virement from Planned Maintenance Seven Brethren.
 - Land Release Fund, £120,000, anticipated Capital receipt and increase in budget, to enable £2 million commitment in 2023/24.
- Other variations to the 2024/25 Capital Programme, £2,826,970, broken down:
 - Material Recovery and works unit re-fit, £2,659,000, went to Full Council in November 2022, (funds not yet released).
 - UK Shared Prosperity Fund, £167,970, part of a larger, mostly revenue scheme, £1.2 million in total across 3 financial years.

- The revised Capital Programme for 2022/23 taking into account the budget variations above was £9,505,513.
- The revised Capital Programme for 2023/24 taking into account the budget variations above was £18,335,773.
- The revised Capital Programme for 2024/25 taking into account the budget variations above was £4,299,344.
- Actual spend on the 2022/23 Capital Programme as at 31st December 2022 was £4,722,984.
- The overall Capital Programme for 2022/23 to 2025/26 is £32,210,630 and was broken down as follows:
 - 2022/23 £9,505,513
 - 2023/24 £18,335,773
 - 2024/25 £4,299,344
 - 2025/26 £70,000
- The Programme of £32,210,630 was funded by Capital Receipts / Borrowing (£13,898,824), External Grants and Contributions (£15,524,560) and Reserves (£2,787,246).
- Release of Funds – Capital Programme:
 - Ilfracombe Water Sports Centre - £43,600
 - UK Shared Prosperity Fund - £265,399
 - Land Release Fund - £172,041
- Treasury Management - Bank Rate increased to 3.00% on 3rd November 2022 and again to 3.50% on 15th December 2022.
- The Council's new benchmark rate 7 day SONIA (Sterling Overnight Index Average) at 31st December 2022, was 1.94%.
- The return earned on the Council's investments was 1.12%. (Previous 0.04%).
- £171,189 investment interest was earned during the three quarter period. (2022/23 interest receivable budget was £35,000).
- As at 31st December 2022, the Council had total external borrowing of £3,000,000.
- £45,469 interest was paid at an average rate of 2.01% on PWLB loans during the three quarter period. (2022/23 interest payable budget was £345,000).
- The major areas of credit income were Council Tax, Business Rates, Housing Benefit overpayment Recoveries and General Debtors.
- As a billing authority, the Council annually raised the bills for Council Tax (£69,000,000) and Business Rates (£32,000,000).
- Collection rates were controlled through monitoring:
 - The level of write offs.
 - Levels of previous years' outstanding debt.
 - The level of income collection in the year against the annual sums due to be collected
- The Council's budget was based on the assumptions that eventually 97% of sums due would be collected. To ensure this level was achieved, year on year levels of write offs approved were controlled against a ceiling of 3% of annual debt.
- The outstanding amounts as at 31st December 2022 are set out below (corrections verbally reported by the Finance Manager):

Age in Years	Council Tax		Business Rates	
	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000
1 – 2	1,421	1,471	223	259
2 – 3	935	931	332	119
3 – 4	567	709	95	198
4 – 5	371	460	52	59
5 – 6	219	301	40	32
Over 6	156	240	43	37
Total	3,669	4,112	785	704

In response to questions, the Accountancy Services Manager provided the following responses:

- The miscellaneous income St Nicholas Chapel listed in Appendix A – “Variations in the Revenue Budget” related to storm damage repairs carried out on the Chapel, which was situated in Ilfracombe.
- In relation to Appendix A, there had been a net movement of £21,000 from quarter 2 into quarter 3, but still showing an overall net surplus of £19,000.

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

- A further staff pay rise had been assumed in the preparation of next year’s budget albeit estimated at a lower level rate than the increase awarded in 2022/23. There was always a risk future pay increases would be above the assumed level. The Unions had recently put forwards a pay claim increase of current RPI inflation plus 2% for this year, which the Council budget could not viably afford and there would be further negotiations between National Employers and the Unions over the coming months.
- North Devon Council was not alone in struggling to recruit technically qualified staff. A review of salaries had gone some way to hopefully address this particularly in the Building Control Services team.
- There were additional vacancy savings due to a number of additional posts originally built into the 2022-23 budget structure to address the capacity balance across service areas, which had taken longer to fill than anticipated.
- Discussions were continuing with Mid-Devon Council around the current Joint Building Control partnership and the most effective model moving forwards.
- In terms of treasury management, borrowing costs were projected for the longer term. Investment rates were currently short term due to prudently utilising cash reserves for internal borrowing.

In response to a question, the Chief Executive advised that the Council encouraged graduate trainees to the Council such as in the Environmental Health and Planning services and there was currently a trainee in the Building Control service. The Council also recruited apprentices.

In response to a question regarding why investment return rates were still only half the cost of borrowing rates in relation to the new leisure centre costs. The Head of Governance explained that there was a lag in lower Bank interest rates being passed on.

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) That funds be released for the capital schemes listed in section 4.4.12 of the report;
- (e) That the paragraphs dealing with Treasury Management (as detailed in section 4.5 of the report), and Debt Management (as detailed in sections 4.6 and 4.7 of the report) be noted; and

RECOMMENDED:

- (f) That Council approve the variations to the Capital programme 2022/23 to 2025/26 as detailed in section 4.4.3.

97. REVIEW OF FEES AND CHARGES FOR SERVICES 2023/24

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 2023/24.

The Accountancy Services Manager highlighted the following:

- The charges for the provision of services were reviewed annually in the context of policy guidance within the Medium Term Financial Strategy, and the recommended levels of increase to produce a target income level.
- This year the guidance was to increase fees and charges by 5%, although some fees were set by statute and these would be set nationally. Other variations to the 5% increase were set out in paragraphs 4.3 to 4.9 of the report. Even though inflation was currently running much higher than the 5% increase the Council had tried to be prudent and fair in the fees charged and the impact this had on customers.
- Full Council approved, at the January 2023 meeting, that Building Control Services fees should be raised by an average of 8% and rounded to the nearest pound, this was to ensure the revenue income recoups the actual cost of providing the service. The already approved fees were shown within the table of charges at Appendix B.

- Land Charges fees had been set to recoup the cost of providing the service, without changing the current fees the land charges service was still budgeted to recover all the costs and break even as shown at Appendix D.
- There was one change to the Environmental Health fees, as the majority of these were set by Statute or set to recover costs. The only change was the introduction of a £110 fee (+VAT) for Food Business Operator requested Food Hygiene revisit as shown at Appendix E.
- After a discussion with the Crematorium Manager, a correction was required on the table of fees as shown at Appendix F. The correction was to the following: “Fees to purchase the exclusive right of burial for 30 years which include the right to erect a memorial” the Columns “Fee” and cost to a North Devon resident were both £0.
- Pannier Market – Due to the refurbishment works underway in the Pannier Market this financial year as part of the Future High Streets Fund project and the inevitable disruption to the operation of the market, the proposal was to not increase the charges for traders for 2023/24 year as shown at Appendix H.
- Bulky Waste – To increase the fees as follows:
 - Up to 2 items £23.00 (27.78% increase)
 - Up to 3 items £31.00 (19.23% increase)
 - Up to 4 items £38.00 (15.15% increase).
- The above increases bring North Devon Council prices in line with neighbouring authorities and allowed for the recommended 5% increase for 2023-24 as detailed at Appendix I.
- Full Council approved at its November 2022 meeting to increase the Garden Waste charge for 2023-24 to £55 per bin. A revised costing of providing the service, taking into account current year and estimated inflation for 2023-24 was indicating that the service cost was now in the region of around £56-£58 per bin for those customers that subscribe. This level of charge was similar to the charges made by other Devon councils as detailed in Appendix J.
- Dog Waste – A strategic decision had been made to keep the Dog waste charges the same as 2023-23 pending a review of the pricing structures moving forwards as detailed at Appendix L.
- The net revenue changes from the above charges were estimated to produce £183,000 of additional income, which had been included within the draft 2023/24 revenue budget.

RECOMMENDED:

- (a) that Council approve the 5 % increase in fees for 2023/24 financial year, for the following services:
 - a. Allotments as detailed at Appendix A
 - b. Trade Waste as detailed at Appendix C
 - c. Cemetery Fees as detailed at Appendix F and with the correction to the table entitled “Fees to Purchase the exclusive right of burial for 30

years which include the right to erect a memorial” For a Child’s grave
NDC resident £0

- d. Sports Pitches as detailed in Appendix G; and
 - e. Pre-application Planning Fees as detailed in Appendix K; and
- (b) That the remaining fees be varied by the elements outlined in sections 4.3 to 4.9 of the report.

98. REVENUE BUDGET 2023-24, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY 2023-24 TO 2028-29

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Revenue Budget 2023-24, Capital Programme and Medium Term Financial Strategy 2023-24 to 2028-29.

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

- Funding levels to Local Authorities from 2012/13 to 2023/24.
- Finance Settlement – core spending power of 9.2% and analysis.
- As a Shire District the Council’s actual core spending power was on average only at 5%.
- The spending power varied according to region and the overall national level of 9.2% equivalent for the South West was 8.8%.
- Central Government had run a finance settlement consultation, closed 16 January 2023. Appendix F of the report showed the response our Council had made in relation to this consultation.
- The draft budget was assuming an increase of 2.99% on Council Tax.
- Retained growth on Business rates of around £2 million.
- The challenges to the budget came from reduced grant funding from Government, reduced workforce levels since 2010 and the uncertainty of the future Local Government Funding.
- Inflationary pressures on the budget came from increased staff pay, increased energy prices, rising fuel prices and increased costs of external contracts.
- There had been two earlier budget workshops with Members and a full report to Council in November 2022 to approve options identified to draft the refreshed Medium Term Financial Strategy.
- Bridging the gap in the budget as follows (as detailed in section 4.1.2.14 of the report):

Fair Funding Review assumed now postponed and the assumption of a cash freeze in funding	(£528,000)
Reversal of 1.25% rise on National Insurance (employers)	(£80,000)
Growth in sale of Recycling materials income	(£250,000)
Energy reduction on Council offices following capital investment	(£29,000)
Sub-total	(£887,000)

Review of Car Parking charges	(£450,000)
Review of Garden Waste charges	(£90,000)
Transfer of Public Conveniences to Town and Parish Councils	(£240,000)
Increased capital acquisitions of property for use as Temporary Accommodation	(£80,000)
Reduction in contribution to 2 x earmarked reserves due to making planned contributions earlier in 2022-23 year	(£175,000)
Total	(£1,922,000)

- Positive feedback received from Parishes and Town Councils in taking on responsibility for public conveniences. This was being assumed as a revenue saving in the 2023/24 budget.
- A breakdown in how the split of Council Tax was shared out and to whom showed that this Council received 10% of collected council tax for services such as refuse collections, kerbside recycling, housing, planning, street cleaning and leisure.
- Green Lanes Shopping Centre financials update showed performance was in line with the budgeted position for 2022/23 and the cash flow was in line with forecasts for 2023/24.
- Appendix A of the report detailed the Council's summary budget for 2023/24. The net budget for 2023/24 was £14.766 million.
- Appendix B of the report detailed the recommended level of strategic grants for 2023/24.
- Assumptions and risks had been detailed within the budget report.
- Appendix C of the report detailed reserves held. The General fund balance was £1.211 million, which equated to 8.2% of net budget. The recommended level was 5%-10%.
- The current forecast level for earmarked reserves at 31 March 2024 was £5.688 million.
- The Collection Fund reserve was linked to the Council's share of the Business rates collected and offered a 40% protection of around £2m if the Council's share of business rates collected were to drop.
- The Budget Management reserve added protection to the revenue budget for additional cost pressures or reductions in income sources.
- The Corporate Property Management Initiative reserve was to cover any additional costs of marketing and preparing new units to let in Green Lanes.
- The Corporate Property Income Volatility reserve protected the Council budget if any tenants dropped out of Green Lanes and we saw a rent level reduction.
- The Strategic Contingency reserve added protection for any one off expenditure.
- The Treasury Management reserve was held to mitigate against the increased cost of borrowing rates in future years.
- The Regeneration Projects reserve was to contribute towards future regeneration capital programmes identified.

- Assurances were given by the Chief Financial Officer that budget estimates made were robust and the level of financial reserves being proposed were adequate.
- The model for the Medium Term Financial Strategy had been refreshed and this was shown in detail at Appendix D of the report.
- The forecast cumulative budget gap/(surplus) was shown as follows:

Years	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m
Budget gap / (surplus)	0	0.499	3.027	3.488	3.548	3.455

- Appendix E of the report detailed the Capital Programme costs for 2022/23 to 2025/26.
- The Performance and Financial Management Quarter 3 of 2022-23 was also reported on the agenda. This report highlighted the latest plans for capital investment for the period 2022-23 to 2025-26, which amounted to £32.211m and was broken down as follows:
 - 2022-23 £9.506m
 - 2023-24 £18.336m
 - 2024-25 £4.299m
 - 2025-26 £0.070m
- The Project Appraisal Group had received five business cases for capital funding as follows:
 - LED Lighting - renewal & safety testing £75,000
 - Old Lime Kiln Larkstone Cove regeneration £111,325
 - Victoria Pleasure Grounds – PC / bus Shelter £180,000
 - Fairview & Brookdale – car park resurfacing £395,000
 - Disabled Facility Grants (Better Care Fund) £1,200,000
- The Gross cost of these business cases for funding was £1.961,325 which would be funded through the following:
 - External Funding (£1,380,000)
 - Regeneration reserve (£111,325)
 - Repairs fund reserve (£250,000)
 - Borrowing requirement (£220,000).
- Projected borrowing was dependent on how treasury activity was managed. To safeguard against future loan interest rate rises a Treasury Management reserve was in place.
- Risks that could affect financial plans included the following:
 - Government Grants
 - Key areas of income
 - Capital receipts
 - Savings plans
 - Increase demand for services
 - Localisation council tax support

- Business rates retention
- Welfare reform
- The Revenue Budget 2023-24, Capital Programme and Medium Term Financial Strategy 2023-24 to 2028-29 was to be considered next at the Policy Development Committee on 9 February 2023 and finally at full Council on 22 February 2023.

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

- The reason for the fluctuation in return on Green Lanes was due to the Capital borrowing rules around when loan principal repayments start. The repayment of borrowing commenced the year following the acquisition of the asset. In 2022/23, the Council received rental income stream and borrowing costs for the whole year. The net budget income was just under £1m and borrowing costs were £460,000. Once asset management costs were covered, the net return was £340,000. There was sufficient clearance to cover the costs for borrowing.
- The Council only borrowed externally if required and could use cash reserves to borrow against internally if required.
- In relation to the procurement of additional temporary accommodation, it was proposed that external borrowing would be required which would be covered by revenue savings on the current more expensive B&B accommodation costs.
- The income stream from the new Leisure Centre contract had been built into the budget, at a level of £380,000. The revenue stream from the contract covered the borrowing costs.
- The Director of Resources would confirm the level of annual indexation that was factored into the Leisure contract.
- The Council was not aware of any representations from strategic grant recipients regarding any financial difficulties that they were experiencing which was having an impact on their service provision. Officers worked closely with the strategic grant recipients and provided support, which would continue.
- The Medium Term Financial Strategy (Appendix D) forecast a budget gap for next 6 years. The latest projections included the latest interest rate forecasts and the acquisition of vehicles through finance leases.
- Reference to efficiency within the report was in relation to getting more of out of resources. Teams were trying to be as efficient as possible which would then free up capacity to deliver more.
- A copy of the power point presentation given today would be made available to all Members.
- A request to the Car parks team to update local ward members on the car park resurfacing projects ahead of the next Full Council meeting would be carried out.
- A business case for installation of solar panels had not yet been made but the Environmental initiatives reserve could be used to help draft a business case for this project. It had been included within the service plans and a timeline would be agreed to bring the project forward.

In response to questions, the Chief Executive provided the following responses:

- He reassured Members that the Council was not looking to reduce services offered to the public but that maintaining what was currently carried out into the future was the challenge. It was about delivering excellent services to its customers.
- Waste and recycling vehicles were leased. Officers were currently reviewing the charges.

RESOLVED that:

- (a) The latest forecast for Budget 2022-23 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 4.1.4.7 of the report be noted;
- (c) The Chief Financial Officer's highlighted areas of risk identified within the budget process set out in paragraph 4.1.4.8 and section 4.3 of the report be noted;
- (d) The latest Medium Term Financial forecast for 2023-2029 as shown in section 4.1.5 of the report be noted;
- (e) Subject to approval of ((i) below), that funds are released for the capital schemes listed in section 4.2.2.

RECOMMENDED that:

- (f) There be an increase of 2.99% (£5.93) in the level of Council Tax charged by North Devon Council for 2023-24 with a band D Council Tax level of £204.28;
- (g) The actions identified in sections 4.1.2 to 4.1.4, which are required to ensure a balanced budget is achieved and therefore recommend to Council the approval of 2023-24 General Revenue Account Budget;
- (h) The Medium Term Financial Strategy 2023-2029 as detailed in section 4.1.5 of the report as part of the Policy Framework be adopted; and
- (i) The Capital Programme 2022-23 to 2025-26 as highlighted in section 4.2 of the report be approved.

99. ADJOURNMENT OF MEETING

RESOLVED that it being 12:15 pm the meeting be adjourned for a comfort break.

RESOLVED that is being 12:21 pm the meeting be reconvened.

100. TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding Treasury Management Strategy Statement 2023/24.

The Head of Governance gave the Committee the following highlights:

- Section 5.2 showed a table detailing the projected Capital Financing Requirement (CFR) for the Council.
- The Council was asked to approve the CFR projections below:

£000	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Financing Requirement					
Total CFR	21,699	24,482	33,323	38,608	37,112
Movement in CFR	17,108	2,783	8,841	5,285	(1,496)

Movement in CFR represented by:					
Net financing need for the year (above)	16,731	2,674	8,550	4,251	(125)
Financing Lease – Capital Costs	891	974	1,270	2,489	373
Less MRP/VRP	(514)	(733)	(747)	(1,045)	(1,059)
Finance Lease Principal Payments (MRP)		(132)	(232)	(410)	(685)
Movement in CFR	17,108	2,783	8,841	5,285	(1,496)

- Appendix A of the report detailed the Treasury Management Practice adhered to by the Council.

RECOMMENDED that Council approve:

- The Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2023/24, including the Treasury Management and Prudential Indicators for 2023/24 to 2025/26; and
- The updated Treasury Management Practices as detailed in Appendix A of the report.

101. 10 YEAR CAPITAL STRATEGY 2023 TO 2033

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the 10 Year Capital Strategy 2023 to 2033.

The Head of Governance presented the key highlights from the report to the Committee.

RECOMMENDED that the Capital Strategy 2023/24 to 2032/33 be approved.

102. FOOD SAFETY SERVICE PLAN 2023-24

The Committee considered a report by the Lead Officer, Food, Health and Safety/Health and Safety Advisor (circulated previously) regarding the Food Safety Service plan 2023/24.

The Lead Officer, Food, Health and Safety/Health and Safety Advisor highlighted the following:

- Due to the Covid-19 pandemic, there had been a gap in the Service Plans for the Food, Health and Safety Team.
- The Food Standards Agency had recognised this interruption to normal duties and had implemented a recovery plan.
- A correction to section 1.2 was required. The last sentence of the paragraph should read, “This report presents the Food Safety Service Plan for the remainder of this year 2022-23 and for 2023-24.”
- Appendix A of the report detailed the Food Safety Service Plan 2023-2024.

RESOLVED that the Food Safety Service Plan 2023 – 24, as detailed in Appendix A of the report, be approved.

103. APPROVAL AND RELEASE OF S106 PUBLIC OPEN SPACE FUNDS - BERRYNARBOR

The Committee considered a report by the Parks, Leisure and Open Space officer (circulated previously) regarding Approval and Release of S106 Public Open Space funds – Berrynarbor.

The Chief Executive highlighted the following:

- This funding was for the creation of a Bouldromes at the Recreation Field, Pitt Lane, Berrynarbor.
- The Parish Council were creating this area for games such as Boules and Petanque to be played by members of the community free of charge.

RESOLVED:

- (a) That £3,359 be allocated to Berrynarbor Parish Council towards the construction of a Bouldromes at the Recreation Field, Pitt Hill, Berrynarbor.

RECOMMENDED:

- (b) That the capital programme be varied by £3,359 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.

104. CATTLE MARKET TOILETS, BARNSTAPLE

The Committee considered a report by the Chief Executive (circulated previously) regarding the Cattle Market Toilets, Barnstaple.

The Chief Executive highlighted the following:

- This was a review of the situation at the Cattle Market toilets; due to anti-social behaviour, an urgent decision had been taken towards the end of 2022 to close the facilities on a temporary basis.
- Enquiries had been made with the relevant agencies and officers seeking views on further extending the closure as well as the impact of the recent closures.
- Barnstaple Town Council had reported there was an increase in issues of anti-social behaviour at the Rock Park toilets which indicated a possible transference of the problems.
- The Drug Advisory Service had advised that there was evidence of drug paraphernalia in the alleys and walkways towards Commercial Road and the river.
- Town Centre traders in the vicinity had reported a much improved situation with reduced anti social behaviour and criminal activity.
- Whilst it was not ideal closing a town centre toilet facility to the public the closure seemed to be successful.
- If the Cattle Market toilets were to be reopened now then the Anti-Social Behaviour team felt the drug associated activities would resume.

RESOLVED that subject to comments from officers and agencies, the cattle market toilets, Barnstaple remain closed until the Easter school holidays 2023.

105. ENVIRONMENT UPDATE

Councillor Pearson did not provide an update on the Environment this would be given at a future meeting.

106. 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 3.45, Annex 2, part 3 of the Constitution (circulated previously) regarding Homes for Ukraine Host payments and temporary closure of the Cattle Market toilets.

Chair

The meeting ended at 12.46 pm

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