

**NORTH DEVON COUNCIL**

Minutes of a meeting of Strategy and Resources Committee held in the Barum Room - Brynsworthy on Monday, 2nd October 2023 at 10.00 am

PRESENT: Members:

Councillor Roome (Chair)

Councillors Biederman, D Knight, R Knight, P Leaver, Prowse, Wilkinson and Worden

Officers:

Director of Resources and Deputy Chief Executive, Head of Customer Focus, Senior Solicitor and Monitoring Officer, Head of Governance, Head of Environmental Enhancement, Sustainability and Climate Officer, Head of Programme Management and Performance, Head of Place, Property and Regeneration and Property Manager

Also Present in person:

Councillor C Leaver

**38. APOLOGIES FOR ABSENCE**

Apologies for absence were received from councillors Bell, Clayton, Crabb and Maskell.

**39. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 4 SEPTEMBER 2023 (ATTACHED).**

RESOLVED that the minutes of the meeting held on 4 September 2023 (circulated previously) be approved as a correct record, with the addition of councillor R Knight's initial to identify which Councillor Knight was present at the meeting and signed by the Chair.

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

There were no items brought forward, which in the opinion of the Chair, should be considered as a matter of urgency.

**41. DECLARATIONS OF INTERESTS.**

No declarations of interest were made.

**42. 2023 UPDATE TO NORTH DEVON COUNCIL'S CARBON, ENVIRONMENT & BIODIVERSITY PLAN**

The Committee considered a report by the Sustainability and Climate Officer (circulated previously) regarding the 2023 Update of North Devon Council's Carbon, Environment and Biodiversity Plan.

The Sustainability and Climate Officer highlighted the following:

- In July 2019, North Devon Council declared a 'Climate Emergency'. This was in recognition of the science and evidence of the impacts that climate change was having on our environment, population and communities. This declaration committed North Devon Council to reach net carbon neutrality by 2030.
- In 2022 Members approved the Council's first Carbon, Environment and Biodiversity Plan. The Council was committed to reviewing updating and presenting this Plan to Members on an annual basis.
- The District elections in May 2023 had delayed the publication of this new Plan.
- The updated Plan could be found at Appendix A of the report and section 4.2 of the report listed a summary of the amendments made to the Plan.
- The new Plan had been developed with input from the Councillor Climate Action Team.

In response to questions, the Sustainability and Climate Officer advised the following:

- Due to the weight of the Works and Recycling vehicles and the nature of the rural road network in North Devon, electric vehicles currently on the market were not a viable solution at present.
- The batteries of the current electric vehicles could not cope with the duration of the rounds and the hills in the area.
- Solutions were being investigated for alternative sustainable provision.
- It took three weeks to produce a carbon footprint calculation and so to provide this on a quarterly basis would not be good use of officer time.
- 361 energy were looking at how other areas in Devon had developed schemes in communities and would look to replicate that. They were looking to encourage private landlords to access funding to address fuel poverty in the housing stock.
- The Government had recently released ECO 4 funding which was being delivered to those who needed it most.

The Director of Resources and Deputy Chief Executive advised the following:

- There was a member workshop being held on 5 October 2023 to refresh corporate priorities, a discussion around this priority area and reporting of carbon footprint progress could be determined then.

RESOLVED that it be noted and approved that the 2023 update of the Carbon, Environment and Biodiversity Plan for North Devon Council be published.

**43. ILFRACOMBE HOUSING INFRASTRUCTURE FUND**

The Committee considered a report by the Head of Place, Property and Regeneration (circulated previously) in relation to the Ilfracombe Housing Infrastructure Fund.

The Head of Place, Property and Regeneration highlighted the following:

- The Housing Infrastructure Fund (HIF) was a Government fund awarded through Homes England, which was intended to allow Local Authorities to front load infrastructure on housing sites where the provision of infrastructure by the developer would mean that the housing scheme was unviable.
- The intention was that once the dwellings started being constructed, the developer would repay the funds under an agreed repayment mechanism, which were then re-circulated by the Council to bring forward further housing developments within North Devon.
- The amount awarded in respect of the Ilfracombe Southern Extension development was £6,500,000, which was to be used to provide roads, drainage and community facilities including a serviced school site.
- In July 2020 the Council requested to draw down the first tranche of funding from Homes England. Inox Homes were awarded the sum of £619,242 -, which was used for the planning, and design fees related to the HIF infrastructure works.
- On the 23rd May 2019 the Council received the offer letter from Homes England confirming that this scheme had received the internal approvals to proceed with the formal award of grant subject to a number of conditions and the grant determination agreement. The award was to forward fund roads, drainage, a community building, a multi-games use area (MUGA) and a serviced school site to accelerate the delivery of new homes on a greenfield site at the Southern Extension in Ilfracombe, Devon.
- In December 2019 NDC entered into a contract with Homes England having met the first set of conditions and subsequently entered into a contract with Inox. The First tranche payment was drawn-down in July 2020. In order for the remaining monies to be drawn-down, the remaining conditions identified above had to be met.
- Inox Homes have used the First tranche HIF monies of £619,242 to pay for design work and fees and as a result all planning permissions had now been secured. They had subsequently repaid the First tranche monies to North Devon Council and these were being held in a Capital Receipts Reserve.
- Whilst Inox Homes found that interest rate to be acceptable due to the timeline of loan period, the level of loan amount and de-minimis threshold that could be applied under State Aid regulations, it has become clear that Devonshire Homes are not in the same position. They report to us that they are able to borrow at a more competitive rate due to the size of the remaining infrastructure circa £4.3million, the minimal impact any de-minimis threshold has and the timeline period involved.

- All parties have worked with Homes England to see if a solution can be found that would enable the use of the HIF funds. Homes England agree with the method used to calculate the interest rate.
- At present, the Council do not consider that there was a solution to retain the funds; it has to be spent on this project. Devonshire Homes could borrow more competitively elsewhere and so do not wish to drawdown the fund. The original objective of the HIF was to unlock barriers and to accelerate the delivery of housing. To that end, the withdrawal from the scheme will not impact this. The draw-down of the first tranche of funding enabled Inox Homes to secure the consents, which had provided Devonshire Homes with a scheme they could deliver and this would be delivered regardless of HIF. Furthermore, Inox Homes had repaid the first tranche monies to the Council and this £619,000 of funding could be used by the Council to accelerate the delivery of housing elsewhere. The Council could, therefore, conclude that the HIF funding had had a positive intervention on the housing infrastructure delivery in this scheme.
- The current contract required infrastructure to be delivered by March 2023 but to date, only demolition had occurred on site. Homes England could extend this milestone to March 2024 (subject to approval) but would need Treasury approval to extend further past that date.
- Homes England advised that there were two ways forward, should a solution not be found. The Local Authority could mutually withdraw from the HIF scheme and the Council would make a Statement to that effect or Homes England could terminate the fund.
- The withdrawal from the fund would mean that the remaining funds would be returned to Treasury and could not be recycled by the Council. This would happen regardless of whether the Council mutually withdrew from the fund or if Homes England terminated it.
- It was officers' views that if the Council mutually withdrew from the fund the Council could set out the positive role that HIF had played in implementing development at Ilfracombe Southern Extension, and the reasons for the Council's withdrawal. This wouldn't be the case if Homes England terminated the Agreement. It was for this reason that officers make the recommendation to members to mutually withdraw from the scheme if a final solution with Devonshire Homes could not be found.
- It was officer's intentions to write to the Treasury to see whether these funds could be ring fenced within Ilfracombe but there was no guarantee that this would be the case; they would be returned to central Government by Homes England.

In response to questions, the Head of Place, Property and Regeneration advised the following:

- The monies repaid by Inox Homes could still be recycled by North Devon Council to be used in housing projects elsewhere.
- In a meeting with Homes England the officers had asked whether the remaining funding could be re-directed to another area but Homes England were clear that this could not happen.

RESOLVED that:

- (a) The report be noted;
- (b) In the event that agreement with the new delivery partner cannot be found to utilise the current HIF government funding, that Members authorise the Chief Executive to mutually withdraw from the HIF contract with Homes England recognising that they are no longer required to facilitate the delivery of the 350 homes at Ilfracombe Southern Extension; and
- (c) It be noted that it was disappointing to be losing this opportunity to utilise this funding to unlock other development opportunities in Ilfracombe where it was desperately needed and a letter should be sent in the Leader's name to the Treasury at Central Government outlining this and to express disappointment that Ilfracombe was not identified in the recent Levelling Up announcement.

**44. APPROVAL AND RELEASE OF S106 PUBLIC OPEN SPACE FUNDS - ILFRACOMBE**

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

The Head of Environment Enhancement, on behalf of the Parks, Leisure and Public Open Space Officer highlighted the following:

- The allocation of S106 public open space funds would allow for the construction of new play equipment on Ilfracombe seafront. The proposed site was left of the Putting Green.
- Officers at North Devon Council had been working with ward Members and other stakeholders to deliver improvements to Ilfracombe seafront.
- The delivery of new play equipment would enhance provision for children and families in the area.
- The following sources had contributed to the total budget of £87,023.79:
  - South Leigh Hotel, planning application 58728, total £13,805.83;
  - Land at Greenclose Road, planning application 62955, total £22,740.96;
  - Southcliffe Hotel, Torrs Park, planning application 63052, total £28,413.00;
  - Somers Crescents Apartments, planning application 72397, total £12,614.00; and
  - Land rear of 14 Score View, planning application 74198, total £9,450.00

RESOLVED that:

- (a) £87,023.79 be allocated to the Ilfracombe Seafront Improvement Project for the construction of new Play Equipment on Ilfracombe Seafront;
- (b) The exact location be agreed in consultation with all Ilfracombe Ward members; and

RECOMMENDED,

- (c) That the capital programme be varied by £87,023.79 and that funds be released so that the project can be delivered by the North Devon Council Ilfracombe Seafront Project Team.

**45. SUPPORTING CARE LEAVERS**

The following declarations of interest were announced:

Councillors Biederman and Roome both declared Other Registrable interests, as they were both Devon County Councillors, on consideration of the two-part test under the Code of Conduct, both councillors determined that they could take part in deliberation and vote for item 9.

The Committee considered a report by the Head of Customer Focus (circulated previously) regarding Supporting Care Leavers.

The Head of Customer Focus highlighted the following:

- The Government made recommendations in its care leavers strategy “Keep on Caring” that local authorities should consider exempting care leavers from Council Tax, using their existing discretionary powers under Section 13A of the Local Government Finance Act 1992 (as amended).
- Care leavers were considered a vulnerable group for Council Tax debt. Moving to independent accommodation and managing their finances for the first time was challenging, as care leavers do so without the family support and the wider network that most young people rely on.
- This scheme would ensure that no care leaver would fall into Council Tax debt during the transition years from leaving Local Authority care into adulthood.
- The Council had a statutory duty to co-operate with Devon County Council in making arrangements for improving the wellbeing of children in Devon.

In response to a question on whether care leavers from other authorities moving into the North Devon area were eligible, the Head of Customer Focus advised the following:

- Only those care leavers under Devon County Council would be eligible for this scheme but that care leavers moving into the area would remain the responsibility of the Local Authority area they had moved from.

RESOLVED that:

- (a) Care Leavers, up to their 25<sup>th</sup> birthday, will receive a Council Tax discount of up to 100% from 1<sup>st</sup> October 2023;
- (b) North Devon Council will fund the scheme for the period October 2023 – March 2024; and
- (c) It is agreed to amend the Exceptional Hardship policy, which is part of the overall Council Tax Reduction Scheme, which will enable costs to be absorbed by the overall Collection Fund from April 2024.

**46. GRANT SCHEME ‘KEEPING NORTH DEVON CONNECTED’ 2024-2027**

The Committee considered a report by the Head of Governance (circulated previously) regarding the Grant Scheme 'Keeping North Devon Connected' 2024-2027.

The Head of Governance highlighted the following:

- Council at its meeting on 19 July 2023 noted that Go North Devon was to dissolve by 30 September 2023.
- The Board of Go North Devon wanted to transfer excess funds to North Devon Council to provide a grant scheme, with the aim of supporting older people or those with mobility issues or disability to keep connected in North Devon, to match the purpose for which the money was originally secured by Go North Devon.
- The excess funds could be circa £120,000. It was anticipated that this would be confirmed in February or March 2024 once dissolution of Go North Devon had been completed.
- Applicants would be able to apply for funds from April 2024 or as soon as the funds were received if after that date.
- Grants of up to £5,000 would be paid out on a 'first come first served basis' on meeting the grant criteria. Consideration would be given to applications for grants above the £5,000 limit in exceptional circumstances.
- It was proposed that the funding stream would be available for the financial years 2024/2025, 2025/2026 and 2026/2027. Approximately £40,000 would be available for each financial year (amount to be confirmed).
- Any underspend would be rolled forward to the next financial year through an earmarked reserve.
- The fund would be available to community groups, clubs, charities, CIC or voluntary groups operating on a not-for-profit bases, whose work/project would benefit older people, those with mobility issues or disability, particularly in relation to facilitating or enabling activity within the communities and town centres of North Devon.
- The grant policy found at Appendix A of the report sets out the aims, processes and due diligence in connection with the 'Keeping North Devon Connected' grants scheme.

In response to a question on the clarity of what running costs were included, the Head of Governance advised that clarity on running costs would be added and that the paying of direct staff salaries or wages was not eligible as a running cost.

RESOLVED that:

- (a) The excess funds from Go North Devon be placed in an earmarked reserve for the purposes of a grant scheme for the next three financial years (2024/25, 2025/26 and 2026/27);
- (b) That excess funds be specifically held for the purpose outlined at section 2.1 of the report and not be used to replace any strategic grants already provided by North Devon Council:

- (c) That the grants provided be aligned to the purpose of supporting older people, or those with mobility issues or disability, particularly in relation to facilitating or enabling activity within our communities and our town centres;
- (d) That delegated power be given to the Head of Governance to approve the grant applications up to the value of £5,000 and any 'exceptional circumstance' applications over £5,000 be considered in conjunction with the Leader; and
- (e) That the 'Keeping North Devon Connected' grant policy for 2024-2027, as detailed at Appendix A of the report, is approved.

**47. BICCLESCOMBE NURSERY SITE - CAPITAL RECEIPT AND VIABILITY**

The Chair had to leave the meeting so Councillor Worden took over as Chair.

The Committee considered a joint report by the Property Manager and Service Lead – Affordable Housing (circulated previously) regarding Bicclescombe Nursery Site – Project Viability.

The Property Manager highlighted the following:

- This North Devon Council owned site had been vacant since 2005.
- The challenges for developing this site were considerable. The topography, ecology, drainage all presented significant issues, which added to the abnormal costs in delivering the scheme. Hence, it failing in the open market.
- The scheme was unviable for the Aster Group (housing provider) and the Community-Land Trust (CLT), it did not meet their essential criteria in terms of the Cost to Value Ratio.
- In order to make the scheme viable, they required the site to be released at nil land value.
- To be able to reach an acceptable Cost to Value Ratio for their Board Approval, as well as a nil land value transfer, the Aster Group also required the Council to commission and undertake key works to remove these costs from their development costs to reach the required Cost to Value Ratio.
- These funds which were in the region of £200,000-£250,000 would be resourced from the Brownfield Land Release Fund (BLRF) monies held by the Council.
- Any remaining BLRF monies would be drawn down by the Aster Group on commencement of the development.

In response to a question, in relation to timescales for delivery, the Property Manager advised that works would have to start on site by March 2025.

RESOLVED that:

- (a) Resource is made available to North Devon Council to enable procurement of the enabling works and North Devon Council enter into contracts for delivery. This needs to be both financial and in the form of a project manager resource to manage this process. This can be capitalised costs drawn down from the Brownfield Land Release Fund (BLRF) grant.



- (b) The original identified contingency of £250,000 secured by Housing which included the £204,000 anticipated capital receipt would not be employed on the Biclescombe Project, leaving a £46,000 contingency balance for Ilfracombe schemes and £90,985 remaining to support the capital funding requirements of the other Community Land Trust Schemes in the district;
- (c) It be noted that once planning has been granted and build contract is in place, Aster will be contractually bound to deliver the built out scheme;
- (d) As part of this process, the Aster Group, as a registered provider, will be required to specify and go out to tender on the scheme in compliance with public procurement rules during the planning process; and
- (e) The site is transferred at nil value, but it is noted that this is in exceptional circumstances and will not set a precedent for North Devon Council on other sites.

Chair

The meeting ended at 10.59 am

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

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