

NORTH DEVON COUNCIL

Minutes of a meeting of Strategy and Resources Committee held in the Barum Room - Brynsworthy on Monday, 5th February, 2024 at 10.00 am

PRESENT: Members:

Councillor Roome (Chair)

Councillors Bell, Clayton, D Knight, R Knight, Lane, Maskell, Milton, Prowse and Wilkinson

Officers:

Chief Executive, Director of Resources and Deputy Chief Executive, Head of Customer Focus, Senior Solicitor and Monitoring Officer, Finance Manager, Parks, Leisure and Public Open Space Officer and Property Manager

Also Present in person:

Councillors Haworth-booth, Norman and Walker

Also Present virtually:

Councillors Cann and Spear

83. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors C. Leaver and Worden.

84. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 8 JANUARY 2024

RESOLVED that the minutes of the meeting held on 8 January 2024 (circulated previously), be approved as a correct record and signed by the Chair.

85. 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.

86. DECLARATIONS OF INTERESTS.

The following declarations of interest were made:

Councillor Prowse declared an 'Other registerable interest' in item 6 as he was a member of the Barnstaple Rugby Club.

Councillor D Knight declared an 'Other registerable interest' in item 6 as he was a member of the Tawstock Parish Council, and although the Village Hall was not owned by the Parish Council he wanted to make the declaration.

Councillor R Knight declared an 'Other registerable interest' in item 6 as he was a member of Tawstock Parish Council.

87. APPROVAL AND RELEASE OF S106 PUBLIC OPEN SPACE FUNDS - BARNSTAPLE, SOUTH MOLTON AND TAWSTOCK.

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 – Barnstaple, South Molton and Tawstock.

The Parks, Leisure and Public Open Space Officer highlighted the following:

- The allocation of monies towards projects were are follows:
- £178,292.29 for South Molton Football Club towards the cost of new pitches and clubhouse facilities.
- £9,621.95 for South Molton Bowls Club towards the purchase and installation of solar panels on their pavilion.
- £60,000.00 for South Molton Town Council towards the purchase and installation of play equipment in Central Park.
- £20,000.00 for South Molton Town Council towards the extension of the BMX track in the Woodlands on Parsonage Lane.
- £33,680.45 to South Molton Town Council for the improvement of the skate park in central park.
- £41,137.21 for Barnstaple Rugby Football Club towards the cost of refurbishing the old cricket pavilion to provide dedicated female changing facilities.
- £1,500.00 for United Services Bowls Club towards the cost of completing their refurbishment of their clubhouse.
- £13,788.07 for Tawstock Village Hall for the purchase and installation of battery storage units to accompany their recently installed solar panels.

In response to a question relating to the process of allocation of S106 and how this occurred, the Parks, Leisure and Open Space Officer advised that he would circulate refreshed information on the process of applying for S106 monies.

The Chief Executive responded to a question about more rural areas being given opportunities to receive funding. He explained that S106 contributions were made by developers to offset planning developments where services/infrastructure could not be provided onsite. In rural areas where no developments were occurring then this contribution would not be available.

Chair requested that a briefing of S106 allocations be given to full Council at its next meeting.

RESOLVED that:

- (a) £178,292.29 be allocated to South Molton Football Club towards the cost of new pitches and clubhouse facilities.
- (b) £9,621.95 to South Molton Bowls Club towards the purchase and installation of solar panels on their pavilion.
- (c) £60,000.00 to South Molton Town Council towards the purchase and installation of play equipment in Central Park.
- (d) £20,000.00 to South Molton Town Council towards the extension of the BMX track in the Woodlands on Parsonage Lane.
- (e) £33,680.45 to South Molton Town Council for the improvement of the skate park in central park.
- (f) £41,137.21 to Barnstaple Rugby Football Club towards the cost of refurbishing the old cricket pavilion to provide dedicated female changing facilities.
- (g) £1,500.00 to United Services Bowls Club towards the cost of completing their refurbishment of their clubhouse.
- (h) £13,788.07 to Tawstock Village Hall for the purchase and installation of battery storage units to accompany their recently installed solar panels.

RECOMMENDED that Council vary the capital programme by £405,112.32 and the 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.

88. PERFORMANCE AND FINANCIAL MANAGEMENT Q3 2023-24

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management Q3 2023-24.

The Finance Manager highlighted the following:

- The revenue budget for 2023/24 was approved at Council on 22nd February 2023 at £14,766,450
- As at 31st December 2023, the latest forecast net budget was £14,693,450, which produces a budget surplus of £73,000. Details are shown in “Appendix A – Variations in the Revenue Budget”.
- The original budget for 2023/24 includes a forecast to achieve £250,000 worth of salary vacancy savings. The current position forecasts we will achieve £296,000 based on known vacancies to date.
- The National pay award negotiations for 2023/24 had been settled and was paid to staff in November’s salary, backdated to 1 April 2023. The pay award worked out to be an average of 6.7%, the original budget included 4%, and the additional costs of £436,000 had been funded from the Budget Management reserve.
- As at 31st December it was now estimated income growth from Business Rates to be an additional £950,000, it was proposed to place the £950,000 into the following earmarked reserves:
 - Collection Fund reserve £450,000
 - Budget Management reserve £150,000
 - Town Centre Management reserve £200,000

- Treasury Management reserve £150,000.
- As at 1st April 2023 the Collection Fund reserve balance held was £1,340,177. 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 £912,563 balance that would be utilised in 2023/24 and 2024/25 to mitigate timing differences of business rate reliefs awarded in 2022/23 that from an accounting perspective impact over the next two financial years; Due to the additional business rates income above, the reserve had been increased by a further £450,000, thus leaving the fund reserve with a residue balance of £877,614 protection against future volatility.
- The Valuation Office Agency (VOA) had notified the Council that they were to reduce the Rateable Value of the Museum from £146,000 to £1, this change had been back dated to 2019 and a refund in rates payable had resulted in a net positive impact to the council of £228,000. It was recommended within the Q1 report that this refund be placed into the Regeneration Reserve for future projects.
- As at the 31st December 2023 total external borrowing was £3,000,000. The timing of any future borrowing was dependent on how the authority managed its treasury activity. Due to project spend slippages in the Capital programme and using the cash flow balances for internal borrowing had reduced borrowing costs on the revenue budget and it was currently forecasted a £274,000 underspend on the interest payable budget. In addition, due to on-going higher interest rates the Council was also reporting a £380,000 net increase in interest receivable. There was also no anticipated use of the Treasury Management reserve during 2023/24 and so the full reserve balance of £275,000 and the proposed additional in-year contribution of £150,000 could be carried forwards into 2024/25 to help protect and mitigate against higher borrowing costs in the future financial years.
- Of the remaining additional business rates income, it was proposed to place £150,000 into the Budget Management Reserve to help protect the budget against future volatility and it was also proposed to place £200,000 into the Town Centre Management Reserve.
- The Town Centre Management Reserve was utilised in the current year to fund a 6-month extension of the Street Marshall scheme to 31 March 2024. Placing a further contribution into this reserve will provide the Council with appropriate funding to enable this much-valued service to continue. An update report on this scheme and proposals for the medium term will come to Members for approval in March 2024.
- There had been a drop in the sales price of recycling material and recycling credits receivable totalling £153,000 and this partly mitigated by an increase of £56,000 shared savings scheme income.
- The costs of Temporary Accommodation had increased, the average cost per night had increased from £60 to £70 per night. The volume of cases presenting as homeless was also increased but this was partly mitigated by the on-going programme of purchasing Temporary Accommodation

properties. The initial increase in costs of £194,000 had been offset by additional homelessness grant, the quarter 3 position was showing a further increase of £45,000 which had been offset by the additional refugee grant income.

- Pay and display car park volumes were slightly lower than previous years and this had been reflected as a £78,000 forecast estimated reduction. There had also been a further reduction of £38,000 compared to the last reported position in Penalty Charge notice income and this had been reflected in the quarter 3 forecast.
- Planning Fee income was estimated to recover in quarter 4 due to the increase nationally in planning fees paid for applications.
- The recommended level of general fund balance was 5%-10% of the Council's net revenue budget £738,326 to £1,476,645. The forecast general fund reserve at 31st March 2024 is £1,238,000; which was a level of 8.4%.
- Details of the earmarked reserves could be seen at Appendix B of the report.
- Details of the Capital programme could be seen at Appendix D of the report.

In response to a question on the breakdown of where the complaints were coming from, the Head of Customer Focus advised that it was across all service areas but the highest number came from the works and recycling service area in relation to missed bin collections.

In response to a concern that the solar panel project had stalled and if business rates surplus could be used to fund this project, the Director of Resources and Deputy Chief Executive advised that a capital business case would need to be put forward and decisions on where the funding could be found would then be made.

The Chief Executive added that the project had not stalled and that a progress report would be coming to Members imminently.

RESOLVED:

- (a) That the actions being taken to ensure that performance was at the desired level be noted;
- (b) That the contributions to/from earmarked reserves be approved (as detailed in section 4.2 of the report);
- (c) That 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 4.4.8 of the report;
- (e) That the paragraphs dealing with Treasury Management (as detailed in section 4.5 of the report), Debt Management (as detailed in section 4.6 of the report) and General Debtors (as detailed in section 4.7 of the report) be noted; and

RECOMMENDED:

- (f) That Council approve the variations to the Capital Programme 2023/24 to 2025/26 (as detailed in section 4.4.3 of the report).

89. FEES AND CHARGES 2024-25

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 2024-25.

The Finance Manager highlighted the following:

- The change in fees charged for services provided by the Council was in line with the Medium Term Financial Strategy.
- 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 sections 4.3 to 4.11 of the report,
- Building Control fees had been raised by an average of 6.7% and rounded to the nearest pound, this was to ensure that revenue income recouped the actual cost of providing the service and were competitive in the sector. Details of this could be seen in Appendix B of the report.
- Land Charges fees had been set to recoup the cost of providing the service, the recommended fees for the land charges service was estimated to recover all the costs and break even, as detailed at Appendix D of the report.
- There were two changes to the Environmental Health fees, as the majority of these were set by statute or set to recover costs. The introduction of a fee for “Film Classification Certificate” and variation to the “Export Health Certificate” fee to ensure the cost of providing the service is fully recovered, as detailed at Appendix E of the report.
- Pannier Market (Venue hire) – Following the recent refurbishment and new facilities within the Pannier Market the Council now offered an enhanced look and feel to the market and had varied the prices to reflect the venue offer, the revised prices were now in line with other similar venues, as detailed in Appendix H (b) Venue of the report.
- Bulky Waste Collections – To increase the fees as follows: as detailed in Appendix I of the report.
 - Up to 2 items £30.00 (30.43% increase)
 - Up to 3 items £38.00 (22.58% increase)
 - Up to 4 items £45.00 (18.42% increase)
- The proposed increases above brought the Council’s charges in line with our neighbouring authorities.
- Garden Waste – Increase in fee of £5, this level of charge was similar to the charges made by other Devon councils and ensured the cost of providing the service was recovered by the income as seen at Appendix J of the report.
- Estates Event Licence fee – The licence for both charity and Commercial events on the Council’s land had been set to recover the cost of administering the licence fee, as detailed in Appendix M of the report.

- Estates Contractors Works licence - This was a new fee for 2024-25 and was set to recover the cost of administering the new licence fee, details could be seen in Appendix N of the report.
- Modification of S106 agreements - This was a new fee for 2024-25 and was set to recover the cost of administering the new licence fee, as detailed in Appendix O of the report.
- The net revenue changes from the above charges were estimated to produce £221,000 of additional income, which had been included within the draft 2024/25 revenue budget for consideration.

In response to a question on what the statute increases in charges were, the Director of Resources and Deputy Chief Executive advised that the Council Tax referendum principle for District Councils was set at a threshold of 3% or £5, whichever was higher. Other fees such as Planning were set nationally. Licensing fees had to cover the cost of providing the service, breaking even over a 3-year period.

RECOMMENDED:

- (a) That Council approved a 5% increase in fees for 2024/25 financial year, for the following services: (some rounded)
- (I) Allotments as detailed at Appendix A
 - (II) Trade Waste as detailed at Appendix C
 - (III) Cemetery fees as detailed at Appendix F
 - (IV) Sports pitches as detailed at Appendix G
 - (V) Pannier Market as detailed at Appendix H
 - (VI) Pre-application Planning fees as detailed at Appendix K
 - (VII) Dog Waste as detailed at Appendix L
- (b) That the remaining fees be varied by, the elements outlined in sections 4.3 to 4.11 of the report.

90. REVENUE BUDGET 2024-25, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2029-30

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Revenue Budget 2024-25, Capital Programme and Medium Term Financial Strategy 2024-25 to 2029-30.

The Lead Member for Resources and Commercialisation addressed the Committee and gave a brief introduction:

- The Council had a legal duty to prepare a balanced budget.
- This had been achieved despite the unforeseen pressures on Councils due to higher than expected pay awards, ever decreasing central Government funding and the high rise in inflation.
- The budget process began in the summer of 2023 with a cross party workshop in the autumn of 2023.
- The Council had responded to the Government's consultation on the Provisional Local Government Finance Settlement.
- Rural authorities were still seen as the 'poor relation' compared to urban authorities. With an average, per head, of £142 less awarded to rural authorities.

- Council tax had to be increased to help bridge the gap in funding.
- The purchase of Green Lanes was seen as a strategic decision proving to be a beneficial revenue stream.
- £200,000 had been earmarked for the continuation of the much-valued Street Marshal scheme.
- The demand on Temporary Accommodation was an ever growing burden but somewhat mitigated by the purchase of properties, by the Council, to help offer a cheaper alternative to expensive B&B placements.
- The delay in the fair funding review, which was now expected in two years' time, meant predicting the Medium term finance strategy was challenging.

The Lead Member for Resources and Commercialisation gave thanks to the Director of Resources and Deputy Chief Executive and his team for producing a balanced budget without the need to cut services.

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

- The provisional Local Government finance settlement was announced in December 2023 and confirmed a 3% funding guarantee for all authorities and Council Tax Referendum limit principles of 3% or £5 (whichever was the highest).
- The final Local Government finance settlement figure was expected to be announced this week.
- Members had received the detailed budget book early, normally circulated ahead of the February Council meeting. This information looked in detail at funding each service area of the Council.
- Nationally the total funding settlement stood at just over £64 billion with a core spending power of 6.5%. This included council tax setting.
- There were significant cuts in core grant funding from Government since 2015-16.
- Government SFA funding, which used to equate to around 50% of authorities funding was now a smaller proportion, with council tax collection now equating to more than 50% of revenue into the Council.
- The allocation of the finance settlement depended on the type of authority. North Devon Council was a Shire District authority.
- Nationally a Shire District authority received 4.9% Core Spending Power share but our allocation was lower still at 4.7%.
- The level of CPI inflation at October 2023 was 4.6%.
- For 2024-25 the Revenue and Support Grant and Baseline Funding increased by £119,000.
- The Rural Services Delivery grant remained the same as 2023-24.
- The New Homes Bonus award of £351,000 was £97,000 less than 2023-24. This was a reduction in the grant not the Council's lack of new homes.
- Services grant provided was £19,000 that was £102,000 less than 2023-24.
- The 3% Funding Guarantee of £1,435,000 gave an increase of £282,000 more than 2023-24.

- The Net impact of the changes above gives the Council an additional £202,000 funding. Just for context, the pay award last year cost the Council £436,000 over the original budgeted forecast.
- The Government Finance Settlement review consultation ran until 15 January 2024 and the Council’s response to this could be seen at Appendix F of the report.
- Income that could be raised over and above the finance settlement came from Council Tax and Business rates.
- As a Shire District a referendum would be required if the authority wanted to increase council tax above 3%. The draft budget, therefore, assumed an increase of 2.99% or £6.11 on a Band D.
- The overall Council tax increase of £287,000 was broken down to £214,000 (as a result of the 2.99% uplift) and £73,000 from an increase in the tax base.
- Business rates income came from ‘retained growth’ made up of £2 million from growth, as well as £680,000 from renewable energy schemes and the Devon-wide pool share of £325,000.
- £3 million overall growth had been assumed for the 2024-25 budget.
- Challenges faced drafting a balanced budget included a reduced revenue budget. In 2010-11, the revenue budget was £15.5 million and the current year, 2023-24 it was £14.7 million. If the cost of the increase in inflation was built into the 2010 figure the current revenue budget would stand at around £23 million, therefore a significant decrease in real terms.
- The workforce had reduced, in 2010-11 the number of full time employees was 530 whereas in 2023-24 this stood at 440, a reduction of 17% since 2010.
- No formal redundancies were made and this had been due to a mixture of staff leaving and being replaced in a managed way.
- The Fair funding review unlikely to happen now until 2026 with any changes not being felt until 2026-2027.
- The cost pressures of temporary accommodation had doubled since 2020.
- Temporary accommodation placements had been budgeted at 60 households per night at a net cost of £276,000. It was looking more likely to be 70-75 household in temporary accommodation per night. As at quarter 3 of 2023-24 this cost stood at an additional £239,000.
- To mitigate this the Council had purchased its own housing and it could be seen that the tenancy ratio had increased to 31% of owned stock in 2023-24, an increase from 2021-22 which stood at 11% of owned stock.
- Increased risks to demand for accommodation could be seen to arise from the possibility of Devon County Council removing the 18 year + homelessness provision at a cost of £220,000, increases in numbers of households presenting as homeless and refugee scheme impacts.
- There was a zero budget gap for the current year, 2023-24, but moving forwards a budget gap was being forecast.
- The summary position for 2024-25:

Medium Term Financial Gap 2024-25 (November 2023)	£475,000
Higher than forecast impact from pay award	£126,000
Phased transfer of Public	£150,000

Conveniences to parishes	
Increase in External Audit fees	£90,000
Increased Insurance costs	£87,000
Increased Utility costs	£131,000
Reduced subsidy on Benefit Payments	£121,000
Reduced parking fine income	£98,000
Other smaller budget areas (net)	£50,000
Government funding over and above original forecast	(£297,000)
Revised 2024-25 Budget gap to bridge	£1,031,000
Challenge & revised assumptions to draft budget proposals	(£387,000)
Additional growth in Business Rates income	(£250,000)
Re-profiled Borrowing costs (timing of external borrowing and interest payments)	(£272,000)
Increased contribution from Treasury Management reserve	(£47,000)
Use of Budget Management reserve	(£75,000)
Budget gap for 2024-25	£0

- The breakdown of the council tax allocation, per £1:
 - 72% went to Devon County Council
 - 9% to North Devon Council
 - 11% to the Police and Crime Commissioner for Devon and Cornwall
 - 4% to Devon and Somerset Fire and Rescue Authority; and
 - 4% to Town and Parish Councils
- Members approved in June 2021 to proceed with the acquisition of Green Lanes Shopping Centre; on 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 2021-22 financial outturn for the Centre (4.5 months ownership) produced a net return (income less costs) of (£243,600) due to minimal borrowing costs for last financial year as these started fully in 2022-23. The 2022-23 trading position produced a net return of (£291,000), including borrowing costs.
- The actual financial performance for Green Lanes Shopping Centre for the current 2023-24 financial year was in line with projections and the cash flow forecasts for the next year 2024-25 were in accordance with the business case and had been reflected in the draft 2024-25 budget.

- A breakdown of the draft revenue budget for 2024-25 could be seen at Appendix A of the report, in summary the balanced net budget of £16.302 million was funded by:
 - Council Tax (£7.678m)
 - Business rates retention (baseline) (£3.207m)
 - Business rates retention (growth) (£3.000m)
 - New Homes Bonus (£0.351m)
 - Rural services delivery grant (£0.364m)
 - Revenue support grant (£0.248m)
 - Services grant (£0.019m)
 - Funding guarantee grant (£1.435m)
 - Total funding (£16.302m)
- The details of strategic grants to be paid out could be seen at Appendix B of the report. No reduction to the levels of grants awarded were being planned.
- The only minor change being made was to the Go North Devon grant that was being redirected to Mid-Devon Mobility and Age Concern.
- The Council were looking to support organisations such as Citizens Advice and the Voluntary Services in other ways.
- The launch of the North Devon Community Lottery would provide organisations a chance of an additional income source.
- Appendix C of the report showed the details of the Earmarked reserves.
- The General Fund forecast level as at 31 March 2025 was £1.238m; this was 7.6% of the net budget with the recommended level being between 5-10%.
- Earmarked reserves forecast level as at 31 March 2025 was £6.201m
- Assurance was given that the budget was robust and in accordance with the Local Government Act 2003.
- Appendix D of the report showed the refreshed Medium Term Financial Strategy for 2024-2030. The forecast cumulative budget gap/(surplus) was show as:

Years	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	£m	£m	£m	£m	£m	£m
Budget Gap/(surplus)	0	0.562	3.020	3.409	3.147	3.366

- Section 4.1.5.16 of the report detailed what had not been included in the model.
- It was fundamental that bridging future year budget gaps would be by creating further income generation and net revenue gains through the Commercialisation Strategy.
- The Capital programme included investment plans for the 2023-24 to 2025-26 of £36.826m and was broken down as follows:
 - 2023-24 £12.711m
 - 2024-25 £20.259m
 - 2025-26 £3.856m
- Appendix E of the report detailed individual project detail of the Capital programme for 2023-24 to 2025-26.
- The programme would be funded by:
 - Capital receipts / borrowing (£15.018m)
 - External grants and contributions (£18.923m)
 - Reserves (£2.885m)

- Total Funding (€36.826m)
- Section 4.3.1 to 4.3.9 of the report detailed the risks that could affect financial plans, a summary of those risks are as follows:
 - Government grants
 - Key areas of income
 - Capital receipts
 - Savings plans
 - Increase in demand for services
 - Localisation council tax support
 - Business rate retention; and
 - Welfare reform
- The budget setting timeline was as follows:
 - 17 January 2024, Full Council set Tax Base
 - 5 February 2024, Strategy and Resources committee to consider draft budget and recommendations
 - 12 February 2024, Policy and Development committee to scrutinise the budget recommendations
 - 21 February 2024, Full Council meeting to set the Budget and Council Tax.
- Going forwards options to be considered included:
 - Commercial ventures – for additional income opportunities
 - Acquisition of further properties – reduction in cost of Temporary accommodation costs; and
 - Housing opportunities – explore alternative delivery models
 - Refresh the Commercialisation Strategy (last approved November 2020).

Councillor R Knight congratulated the Director of Resources and Deputy Chief Executive on his masterful response to the consultation questions as seen in Appendix F of the report.

Councillor Prowse commented that producing a balanced budget without cutting services was a credit to the whole team.

RESOLVED that:

- (a) The latest forecast for Budget 2023-24 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 2024-2030 as shown in section 4.1.5 of the report be noted; and

RECOMMENDED that:

- (e) That there be an increase of 2.99% (£6.11) in the level of Council Tax charged by North Devon Council for 2024-25 with a Band D Council Tax level of £210.39;
- (f) 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 2024-25 General Revenue Account Budget;
- (g) The Medium Term Financial Strategy 2024-2030 as detailed in section 4.1.5 of the report as part of the Policy Framework be adopted; and
- (h) The Capital Programme 2023-24 to 2025-26 as highlighted in section 4.2 of the report be approved.

91. TREASURY MANAGEMENT STRATEGY STATEMENT 2024/25

The Committee considered a report by the Head of Governance (circulated previously) regarding the Treasury Management Strategy Statement 2024/25.

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

- Section 5.1 of the report detailed how Capital expenditure would be financed.
- Section 5.2 of the report detailed the Capital financing requirement.
- Section 5.4 of the report detailed Year end resources.
- Section 6.1 of the report detailed external debt figures.
- Section 6.3 of the report detailed forecasts of interest rates.
- The investment strategy could be seen at section 7 of the report.
- If it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing could be postponed.
- If it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be looked to be drawn whilst interest rates were lower.
- Any decisions would be reported to the Leader and the Lead Member for Resources and Commercialisation.

RECOMMENDED that Council approve the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2024/25, including the Treasury Management and Prudential Indicators for 2024/25 to 2026/27.

92. 10 YEAR CAPITAL STRATEGY 2024 TO 2034

The Committee considered a report by the Head of Governance (circulated previously) regarding the 10 Year Capital Strategy 2024 to 2034.

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

- The Capital Strategy was a high-level longer term review of the capital priorities, capital investment ambition, available resources, affordability and risk management in the context of ensuring the long-term financial sustainability of this authority.
- The report was broken down into two time frames; firstly the medium term and secondly the long term from 2028-29 through to 2033-34.
- Ongoing financial commitments of the Council were identified in section 4.5 of the report.
- The total Capital Financing Requirement, or borrowing need, for 2028-29 was projected at just over £36 million and dropped to just over £30 million for year 2033-34.
- The projected External Borrowing figure was just over £23 million and dropped to just over £19 million for year 2033-34.

RECOMMENDED that Council approve the Capital Strategy 2024/25 to 2033/34.

93. TOWN CENTRE HUB

The Committee considered a report by the Head of Customer Focus (circulated previously) regarding the Town Centre Hub.

The Head of Customer Focus highlighted the following:

- The project formed part of the overall objective of the Customer Focus Programme which was presented and adopted by members in December 2021.
- Units 38 and 39 had been empty since the Council purchased Green Lanes in November 2021 and even though the units had been actively marketed over the past two years, there had been no commercial interest from retailers during this time. Reported feedback had said it was the wrong shape and size for modern retailers; not big enough for larger requirements and too large for others. If the Council did not occupy the unit then it would take considerable additional investment to create a space to interest potential retailers.
- Units 38 and 39 being vacant within Green Lanes was currently a cost already borne by the Council as Landlord and had been since the shopping centre was acquired in November 2021. The current business rates and service charges for the units were approximately £50,000 per annum, which was currently built into the Green Lanes revenue budget. If the Council were to occupy the premises, there was the opportunity to create an additional income stream by sharing with third parties.
- It was proposed to revert to pre-Covid19 opening hours of 9am-5pm Monday to Friday. Customer Services currently see approximately 100-130 customers per week on the 3 mornings a week that Lynton House was open. There was no 'passing trade' along Commercial Road and so the only people seen were those who had made a special trip to come into town to visit the Council for a purpose.
- With a current footfall of approximately 10,000 per day into Green Lanes along with a more central location, it was anticipated that there would be an increased number of people coming in to see and speak to staff regarding a variety of services.

- This was seen as a positive opportunity to further humanise both North Devon Council and our staff by having a more regular presence in our residents' day-to-day lives.
- Community engagement brought together diverse perspectives to improve the impact of policies and projects on people. The Hub would enhance what was currently offered by having the space for public consultations for both physical documentation and screens with information. There would be a hot-desk space for officers to locate themselves during consultations when expertise was required on-site.
- Self-serve kiosks would be available to encourage customers to interact with us digitally, with staff on-site to help those who needed assistance.
- Alongside Customer Services, there would be a daily presence from those services which had the most regular customer interactions, namely Housing and Revenues & Benefits.
- The Police had provided a commitment to occupy the premises alongside the Council with a daily presence from members of the neighbourhood team, which would further benefit retailers in both Green Lanes and the whole town centre.
- Green Lanes had a significantly improved accessibility for the public. A bus stop directly outside the Boutport Street entrance made it easier for those who relied on public transport.
- As well as the main public toilets, there was also a newly opened Changing Places toilet facility, for those with complex disabilities, situated within a few metres of the entrance to units 38 and 39.
- A public consultation on the proposed hub provision was carried out between 30/10/23 and 11/12/23 (details shown at Appendix A of the report) and the results showed significant support for the proposal, with around 90% in support and/or making suggestions for the scheme.

The Chair summarised that this location of a Hub in the town centre would be a very good visual presence for the Council with more people able to access information and/or have questions answered.

In response to question. The Head of Customer Focus advised the following:

- The telephone customer services team had already relocated to Brynsworthy and the face-to-face team would be located into the Hub so Lynton House occupation would be able to be reviewed.
- In this new location, there would be no need for security and this would be a cost saving to the Council.
- The Citizens Advice Bureau team had moved back to their offices at Bridge Buildings as improvement works had been completed there.
- Staffing could be considered with a view that the Hub could be potentially open at weekends.
- Housing officers would be present at the Hub to help with people entering housing crises.

RESOLVED:

- (a) That the Town Centre Hub, as part of the Customer Focus Programme, with associated benefits to the wider Council and Community be endorsed;

RECOMMENDED:

- (b) That a one-off infrastructure cost of £220,000 be funded from the earmarked Transformation Reserve; and
(c) Subject to (b) above, that Full Council vary the Capital Programme by £220,000 and that funds be released.

94. LAND AT ST GEORGES ROAD BARNSTAPLE - JOINT MARKETING WITH ADJOINING DEVON COUNTY COUNCIL LAND

The Committee considered a report by the Property Manager (circulated previously) regarding Land at St George's Road, Barnstaple – Joint Marketing with Adjoining Devon County Council Land.

The Property Manger highlighted the following:

- The site was surplus to requirements and this proposal provided the opportunity to generate a capital receipt and would support a housing scheme in the St. George's Road area of the town. A request had been made to Devon County Council to include Affordable Housing providers in the disposal process.

RESOLVED that North Devon Council market our asset alongside Devon County Council's site and agree the freehold disposal. The disposal mechanism to be delegated for approval by the Head of Place, Property and Regeneration in consultation with the Leader and the Lead Member for Place, Property and Regeneration.

Chair

The meeting ended at 12.08 pm

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