

NORTH DEVON COUNCIL

Minutes of a meeting of Policy Development Committee held at Barum Room - Brynsworthy on Thursday, 7th November, 2024 at 6.30 pm

PRESENT: Members:

Councillor

Councillors Bishop, Bulled, Bushell, P Leaver, Patrinos, Williams, Wilson and Worden

Officers:

Head of PMO and Environmental Health and Housing, Chief Executive, Finance Manager and Head of Governance

38. APOLOGIES

Apologies for absence were received from Councillors Clayton and Spear.

39. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 12TH SEPTEMBER 2024 (ATTACHED).

RESOLVED that the minutes of the meeting held on 12 September 2024 (circulated previously) be approved as a correct record 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 by the meeting as a matter of urgency.

41. DECLARATIONS OF INTEREST.

There were no declarations of interest received.

42. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 2 OF 2024/25.

The Committee considered a report by the Director of Resources and Deputy Chief Executive (circulated previously) regarding the Performance and Financial Management Quarter 2 of 2024/25 together with the minute extract of the Strategy and Resources Committee held on 4 November 2024 (circulated previously).

The Finance Manager highlighted the following:

- The revenue budget for 2024/25 was approved at Council on 21 February 2024 at £16,432,690.

- As at 30 September 2024, the latest forecast net budget was £16,438,690, which produces a budget deficit of £6,000. Details were shown in “Appendix A – Variations in the Revenue Budget” of the agenda.
- As part of the previous year’s outturn we contributed an additional £250,000 into the insurance reserve to mitigate against higher costs in 2024/25 and it was planned to use £243,000 from this reserve to offset the additional costs in this financial year.
- The original budget for 2024/25 includes a forecast to achieve £250,000 worth of salary vacancy savings. The current position forecasts we will achieve £256,000 based on known vacancies to date.
- There was still pressure on the Temporary Accommodation budget and we are funding the anticipated additional cost of £186,000 from in year Temporary Accommodation grant.
- The additional costs of £199,000 for Works units transport and SFS lease costs have been mostly offset set in year by £170,000 from the SFS vehicle reserve. The variances were due to the increased costs of borrowing within the finance lease payments combined with an increase in vehicle purchase prices that SFS have experienced.
- Pay and Display income has continued to follow the 2023/24 trend of slightly lower volumes, combined with the effect of the capital works being undertaken at Queen Street car park. We were now forecasting a £200,000 reduction.
- We are now estimating income growth from Business Rates to be an additional £200,000.
- As at 1 April 2024 the Collection Fund reserve balance held was £1,790,180. 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 £1,246,078 balance that would be utilised in 2024/25 £1,012,856 and 2025/26 £233,222 to mitigate timing differences of business rate reliefs awarded in 2023/24 that from an accounting perspective impact over the next two financial years; thus leaving the fund reserve with a residue balance of £544,099 protection against future volatility.
- At the 30 September 2024 total external borrowing, excluding finance leases, was £6,000,000. 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, we are estimating a reduction in borrowing costs and a potential underspend of £125,000 on the interest payable revenue budget.
- The Budget and Financial Framework report to Full Council 21st Feb 2024 outlined the Capital Programme for the 2024/25 financial year of £20,258,368. Project underspends from 2023/24 and further variations totalling £3,769,590 were approved as part of the performance and financial management report to Strategy and Resources Committee, to produce a revised Q1 2024/25 Capital Programme of £24,027,958.

- The table at paragraph 4.4.3 of the agenda report detailed the overall variations of minus £1,275,722 proposed to the 2024/25 capital programme.
- The overall revised Capital Programme for 2024/25 to 2026/27 taking into account the budget variations above was £32,203,706 and was broken down as follows:
 - 2024/25 £22,752,236
 - 2025/26 £8,239,505
 - 2026/27 £1,211,965
- The actual spend for 2024/25 as at 30 October 2024 is £4,903,000.
- The Programme of £32,203,706 was funded by Capital Receipts (£320,000), External and Internal Borrowing (£13,740,884), External Grants and Contributions (£16,066,037) and Reserves (£2,076,785).
- Appendix E of the agenda report provided details of the Corporate Plan, Key Results and Performance Indicators updates.

Following questions from the Committee, the Finance Manager advised the following:

- The £250,000 worth of salary vacancy savings were due to the time period taken to recruit and for the posts to be filled.
- Following the Government's announcement on the Budget and changes to National Insurance contributions, it was anticipated that it would cost the Council an additional £400,000. The Government had indicated that it may support Local Authorities and Public Services with this additional cost. However, confirmation would not be received until the Financial Settlement announcement was made in December 2024.
- The £200,000 reduction in car parking income was in relation to the reduction in pay and display income, and not related to excess charges.

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

- It was likely that following the Government's Budget announcement that there would be an impact on homelessness due to the increase in tax burden whereby households may experience financial difficulties. The Government had announced additional funding for homelessness but we do not yet know the allocation for North Devon.
- The Government had not made an announcement regarding discounts for Council Tax for single occupancy. The Government had announced that the UK Shared Prosperity Fund would continue for a further year, which was around 40% of the previous allocation. Confirmation for the allocation for North Devon had not yet been announced.
- He advised that the District Council Network were active in lobbying Government on behalf of District Councils and that he would obtain a steer from the network regarding lobbying in response to the Government's Budget and the impact on homelessness. He would advise Members of the outcome.
- It was very difficult for Local Authorities to plan for the future with one year financial settlements from the Government.

- Following the General Election, the proposal for the Devon Combined Authority for Devon and Torbay had been put on hold. This had now been given the go ahead and would be in place by February 2025. It had always been made clear that Plymouth could be part of this deal also. There was concern that District Councils would not have much of a say in the main decisions to be made by the CCA. Since the new Labour Government was in place, they had made clear their preference from devolution deals covering a wider geographical areas with Mayoral arrangements. The suggestions for wider geographical areas was currently not clear and he was not aware of any formal discussions taking place with Government regarding the size of areas. The English Devolution White Paper is expected in November and this would provide more detail. The funding associated with new Combined Authority was £16m capital funding. Projects from Northern Devon had been well represented and North Devon had been successful in obtaining funding for Community Land Trust and Ilfracombe Healthy Home projects whereby the funding was required to spent by March 2025.

In response to questions from the Committee, the Head of PMO and Environmental and Housing advised the following:

- There were approximately 80 households every evening that were in temporary accommodation. An update report was provided by the Service Manager on a weekly basis.

RESOLVED that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

43. MID-YEAR TREASURY MANAGEMENT REPORT 2024/25.

The Committee considered a report by the Head of Governance (circulated previously) regarding the Mid-Year Treasury Management Report 2024/25 together with the minute extract of the Strategy and Resources Committee held on 4 November 2024 (circulated previously).

The Head of Governance highlighted the following:

- The Treasury Management Strategy Statement (TMSS) for 2024/25 was approved at full Council on 21 February 2024.
- The revised Capital Financing Requirement (CFR) was around £37million. It was projected that the CFR would be funded from £18million external borrowing, £5million financial leases, £14million internal borrowing from reserves.
- The underlying TMSS approved previously required revision in the light of economic and operational movements during the year. The proposed changes were set out as follows:

Prudential Indicator 2024/25	Original Estimate	Revised Prudential Indicator
	£000	£000

Capital Financing Requirement	36,322	37,291
Maturity Structure of borrowing Under 12 months – Upper Limit	70%	90%

- The change to the upper limit for borrowing under 12 months would allow greater flexibility for short-term borrowing, given the current interest rate forecast.
- The Council held £6.2million of investments as at 30 September 2024 (£1.8million at 31 March 2024) and the investment portfolio yield for the first six months of the year was 4.72% against the benchmark 7 day average SONIA rate of 5.12%.

In response to questions from the Committee, the Head of Governance advised the following:

- The table on page 94 of the report detailed the Interest Rate Forecasts. It was anticipated that there would be further cuts in interest rates. The Council would therefore be looking for short term borrowing.
- It was too soon to know the impact of the US election on the UK economy and our borrowing rates. PWLB rates are linked to UK government gilt yields so we would have to see how the market responds.

RESOLVED, that the decisions and recommendations of the Strategy and Resources Committee be endorsed.

44. MONITORING OF THE COUNCIL'S PERFORMANCE INDICATORS.

The Vice-Chair recommended the establishment of a Member task and finish working group to review the Council's Performance Indicators and make recommendations back to the Committee. He advised that the working group would meet first and then meet with officers prior to reporting back to the Committee.

The Chief Executive suggested that the working group be provided with a copy of the Performance Management framework, Performance Indicators and the Corporate Plan in advance of their first meeting. The Strategy and Resources Committee had reviewed the current Performance Indicators and he suggested that members of the Strategy and Resources Committee also be involved in the review process.

The Head of PMO and Environmental Health also suggested that the working group be provided with the operational level performance indicators in advance of their first meeting.

RESOLVED that a Member task and finish working group to review the Council's Performance Indicators and make recommendations back to the Committee be established and that Councillors Bishop, Bushell, Jones and Patrinos be appointed to the group.

45. CITIZEN'S ADVICE (CA) HALF YEAR IMPACT REPORT (ATTACHED).

The Committee considered a request from the Citizens Advice for Torridge, North, Mid and West Devon to attend a future meeting of the Committee to expand on the local work of Citizens Advice.

RESOLVED that a representative of the Citizens Advice for Torridge, North, Mid and West Devon be invited to attend the next meeting of the Committee to expand on the local work of Citizens Advice.

46. WORK PROGRAMME AND SPECIAL MEETINGS HELD IN 2024/25 - TO CONSIDER AND DISCUSS THE ONGOING PROGRESS OF ACTIONS FROM THE SPECIAL MEETINGS OF THE COMMITTEE:

(a) **Water quality within the North Devon area held on 29th February 2024:**

The Chair advised that as Councillor Jones was not present at the meeting that an update paper on the actions from the special meeting of the Committee held on 29 February 2024 would be circulated to the Committee for their information.

The Chief Executive highlighted the following:

- Devon Housing Commission report had highlighted that infrastructure in terms of water supply and waste water was a blockage to the provision of more housing.
- Following on from this report, it had been suggested that a Water Summit for Devon District Councils be held and that representatives from the Water Industry and Local Authorities be invited to attend to discuss this issue. Representatives from the Environment Agency, South West Water, OfWat, University of Exeter and Government Agencies had been invited to attend. The event had been arranged by East Devon District Council and would be held on 12 December 2024 from 9 am until 12pm at the Exeter Science Park. East Devon District Council had experienced particular problems with sewage discharge at Exmouth. Each District Council could send four representatives and that further information had been sent to Councillors Clayton, Jones and Patrinos.

(b) **Agriculture within the North Devon area held on 23rd May 2024: To consider the impact of agriculture within the North Devon area. Councillor Bulled to report.**

Councillor Bulled, Lead Member for Agriculture advised that she had not been able to arrange an Agricultural Working Group and that the farm visit that took place on 24 September 2024 had been very interesting. She invited the Chief Executive to provide an update.

The Chief Executive provided an update on the farm visit that took place on 24 September 2024. He highlighted the following:

- Following the tour, a roundtable meeting had been held whereby it was identified that planning was a major issue for farmers. If farmers wanted to build a new slurry store, which could be a mandatory requirement, they could apply for funding from the Environment Agency. Planning consent would also be required, whereby the Environment Agency was a consultee and quite often responded differently to the consultation process.
- It was anticipated that a meeting would be arranged in the new year with representatives from the Environment Agency and Natural England, along with the councils own planning team, to consider streamlining the process.
- The Council provided a pre-app planning advice service which was a chargeable service. When farmers were submitting planning applications they were being requested to provide a variety of documents, which can cause a blockage, as they hadn't been aware that the documents were required prior to submitting their planning application. Therefore, the Council would waive the pre-app fee for certain applications from the agriculture industry and notify the National Farmers Union accordingly. By going through the pre-app process, applicants would be made aware in advance of the information that was required to be provided alongside their planning application and given a steer on whether planning permission would be granted or not. Existing guidance had been produced for farmers in relation to common applications. This was being updated and would also be shared with the National Farmers Union.
- North Devon+ were in daily contact with farmers in relation to the Future Farm Resilience programme and would also be instrumental in promoting the guidance to the agricultural industry.

Councillor Bulled, Lead Member for Agriculture advised that she had submitted a notice of motion for inclusion on the agenda for the next Council meeting on 20 November 2024 in relation to protecting British family farms and preserving rural communities following the Government's budget.

(c) **Dental provision within the North Devon area held on 18th July 2024:**

Councillor Patrinos advised that Ian Roome MP had set up a Dental Task Group which he had been invited to attend. He advised that he would attend meetings of this Task Group and report back any actions required to the Committee. This item would now be removed from the Committee's work programme.

(d) **Scoping Paper - Health inequalities and GP Surgeries (attached).**

The Committee considered a draft scoping paper in relation to Health Inequalities and GP Surgeries (circulated previously).

Councillor Bushell advised that since the publication of this report, he had obtained information regarding the potential closure of pharmacies and requested that this also be included within the scoping paper.

The Chief Executive advised that One Northern Devon were already looking at health inequalities which was a bigger subject than just the closure of GP and pharmacies. One Northern Devon worked with Devon County Council, North Devon District Hospital, statisticians, the Police and the DWP to gather data. He suggested that the Committee receive a presentation from One Northern Devon in the first instance to gain an understanding of the wider subject and the Committee could then consider which particular areas to focus on.

RESOLVED that a representative from One Northern Devon be invited to provide a presentation to the Committee at its meeting on 12 December 2024 to outline the work that they are carrying in relation to health inequalities.

(e) **To consider the work programme for 2024/25 (attached).**

The Committee considered the work programme for 2024/25 (circulated previously).

RESOLVED that the work programme for 2024/25 be approved subject to the inclusion of the following:

- (a) 12 December 2024 – Presentation by One Northern Devon on their work on Health Inequalities
- (b) 12 December 2024 – Presentation by Citizens Advice, Torridge, North, Mid and West Devon on the local work of Citizen's Advice
- (c) 12 December 2024 – Update to be provided following the Water Summit meeting held on 12 December 2024

Chair

The meeting ended at 7.55 pm

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