

NORTH DEVON COUNCIL

Minutes of a meeting of Strategy and Resources Committee held at Barum Room - Brynsworthy on Monday, 3rd February, 2020 at 10.00 am

PRESENT: Members:

Councillor Worden (Chair)

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

Officers:

Chief Executive, Head of Resources, Senior Solicitor/Monitoring Officer, Accountancy Services Manager, Project and Procurement Officer and Head of Place

Also Present:

Councillors D. Spear, Tucker and York

90. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Wilkinson.

91. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 6TH JANUARY 2020 (ATTACHED).

In pursuance to minute 80, Councillor Yabsley advised that he had sought assurance from officers that he would be involved and kept informed of the process in relation to the operator achieving compliance with the noise related planning conditions associated with Batsworthy Cross Windfarm and would report back to the Committee.

RESOLVED that the minutes of the meeting held on 6th January 2020 (circulated previously) be approved as a correct record and signed by the Chair.

92. DECLARATIONS OF INTERESTS.

There were no declarations of interest announced.

93. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 3 OF 2019/20

The Committee considered a report by the Head of Resources (circulated previously) regarding the Performance and Financial Management report for Quarter 3 of 2019/20.

The Accountancy Services Manager highlighted the following:

- As at 31st December 2019, the latest forecast net expenditure was £12,512,000, which produced a forecast budget surplus of £6,000. Quarter 2 forecast a budget deficit of £87,000. Details were shown in Appendix A – Variations in the Revenue Budget. The main variances supporting the £93,000 positive movement from quarter two to quarter three included savings within Temporary Accommodation and ICT Software and Devon WAN contract.
- The original budget for 2019/20 included a forecast to achieve £239,000 worth of salary vacancy savings. This was reduced to £214,000 as a result of a virement in respect of the redesign of the salary pay structure. The current position forecasts this will be exceeded by £17,000.
- A review of procedures and processes within Works and Recycling was carried out at quarter two and a targeted spend had been set in respect of the vehicle workshop, challenging resources across all Works and Recycling manual sections and to reduce sickness levels. As a result of these changes a reduction in overtime and agency costs was factored within the quarter 2 projections. The current figures indicated that these targeted reductions were being achieved, although it would continue to be closely monitored until the end of the financial year.
- The sale of recyclable material continued to be an uncontrollable variable where there had recently been a reduction to zero for glass and cardboard, although the sale price of plastic had increased significantly. The continued volatility remained a risk on-going and would be monitored closely.
- At the 31st December 2019, a £200,000 increase to business rates growth had already been factored into the budget, the growth was now estimated to be £1,702,000.
- Appendix B – “Movement in reserves and balances” detailed the movements to and from earmarked reserves in 2019/20.
- Appendix C – “Strategic Contingency Reserve” detailed the Strategic Contingency Reserve movements and commitments.
- Appendix D – “Capital Programme”. The Budget and Financial Framework report to Executive 4th February 2019 outlined the Capital Programme for the 2019/20 financial year of £9,609,022.
- Variations of £908,967 were proposed to the 2019/20 Capital Programme as detailed in paragraph 4.4.3 of the report.
- Variations of £528,428 were proposed to the 2020/21 Capital Programme as detailed in paragraph 4.4.4 of the report.
- Variations of £171,413 were proposed to the 2021/22 Capital Programme as detailed in paragraph 4.4.5 of the report.
- The revised Capital Programme for 2019/20 taking into account the budget variations was £8,102,276.
- Actual spend on the 2019/20 Capital Programme, as at 31st December 2019 was £3,795,934.
- The overall Capital Programme for 2019/20 to 2021/22 was £31,275,809.

- The Programme of £31,275,809 was funded by Capital Receipts (£14,082,815), External Grants and Contributions (£14,618,838) and Reserves (£2,574,156).
- Once funds had been included in the Capital Programme the Constitution required a separate decision to release those funds. Accordingly the HGV ramp scheme needed the funds to be released so that spending can start within the following three months.
- Treasury Management and Debt Management as detailed in paragraphs 4.5 and 4.6 of the report.

In response to a question regarding variations to the Capital Programme in relation to the Leisure Centre project, the Accountancy Services Manager advised that the funds had been included within the Capital Programme following approval by full Council and calculation of the final costs for the project.

In response to questions, the Head of Resources advised the following:

- There was a slight increase in the level of outstanding Council Tax as a result of an increase in the number of people being billed due to the Council Tax Reduction scheme. The Council billed approximately £50m per annum. The collection of Council Tax was in line with the target of between 97-98%.
- There had been an increase in the number of write offs. This was mainly due to an increase in insolvency cases and voluntary arrangements whereby the Council had to write off the outstanding debt. The Council billed approximately £35m for business rates and combined with Council Tax the Council had approximately £90m debt to collect. In comparison to the total amount of overall debt, the outstanding amount for collection was relatively small.
- The Council had a recovery process in place to collect outstanding debt and some cases were taken to court to seek a liability order.
- If a customer passed away, the outstanding debt would be written off.
- The movement in aged debt from 2018 to 2019 included circa £180,000 in relation to housing deposits and £1,270,000 for planning Section 106 fees, for which there are payment plans in place for these areas of debt.
- It was not anticipated that the number of insolvency cases would decrease, however the Government was providing assistance to businesses by providing additional rate relief.
- The Council worked with individual customers in relation to payment plans and instalment plans were agreed in some circumstances.
- The acquisition of the sub lease interest at Plot 1, Seven Brethren bank, Barnstaple had been completed and the final cost had been included within the capital programme. These costs included any works required to be undertaken.
- Works to the Pannier Market roof had been delayed as a specialist team was required to undertake the works. Works were due to commence in 2020/21 and may need to continue into 2021/22. There was a need to plan the works carefully in relation to VAT implications.

- Officers were in the process of contacting the tenant of the public house that the Council owned in Castle Street in relation to works that the Council needed to undertake and discuss long term plans.
- Targeted spend had been set in relation to the vehicle workshop and the resources within the Works and Recycling service to reduce costs. Although the costs had reduced, an overspend of £222,000 was forecast for the end of the financial year.
- Following a report presented to the Executive in April 2019 in relation to the Watersports Centre project, the Project Team had undertaken a significant amount of work to explore alternative options in order to reduce the funding gap. The options had been informally presented to the Ward Members and Ilfracombe Town Council. It was anticipated that a report outlining the options would be presented to the Committee in April 2020. The report would also include revenue streams to offset borrowing implications.
- The updates in relation to service plan actions detailed in Appendix E were in relation to the service plans for 2019/20. Outstanding actions would be included within the service plans for 2020/21. The Quarter 4 report would include revised completion dates and updated progress notes.
- The number of Disabled Facility Grants completed and monies paid (Service Plan action LEHH019, Appendix E) was a cumulative figure. The completion number had increased as the Council was now working with North Devon Homes, some funds had been re-circulated through the Devon fund which had enabled the team have more resources to assist with the processing of applications.

The Chief Executive advised that as part of the “Vanguard” process causes of overtime spend were being analysed. It was anticipated that once the causes had been identified, these would be addressed within the next few weeks. A robust service needed to be in place prior to consideration of moving to a three weekly waste collection service. A report would be brought to the Committee at the appropriate time.

RESOLVED:

- (a) That the actions being taken to ensure that performance is at the desired level be noted;
- (b) That the contributions to/from earmarked reserves be approved as detailed in paragraph 4.2 of the report;
- (c) That the movements on the Strategic Contingency Reserve (paragraph 4.3) be noted;
- (d) That funds be released for the capital schemes listed in paragraph 4.4.12;
- (e) That the sections dealing with Treasury Management (section 4.5), and Debt Management (sections 4.6 and 4.7) be noted;

RECOMMENDED:

- (f) That the variations to the Capital Programme 2019/20 to 2021/22 (paragraphs 4.4.3 to 4.4.5) be approved.

94. REVIEW OF CHARGES AND FEES FOR SERVICES 2020/21

The Committee considered a report by the Head of Resources (circulated previously) regarding the review of Charges and Fees for Services 2020/21.

The Head of Resources highlighted the following:

- It was proposed that the fees and charges be increased by 3% which was in line with inflation with the exception of the services outlined in paragraphs 4.3 to 4.8 in the report.

In response to questions, the Head of Resources advised the following:

- The review of the Trade Waste Service from Holiday homes had been reviewed replacing the weekly collections with fortnightly collections. This was to align the service with others part of the Waste and Recycling service. However, clarification would be sought as to whether customers had been consulted on the proposed changes to the frequency of collections and the reason for the proposed change. This information would be presented to the Policy Development Committee at its meeting on 13th February 2020 and circulated to Councillors prior to Council on 26th February 2020.
- The charges for the collection of Trade Waste were still competitive. The Trade Service would be reviewed as part of the Works and Recycling Service Plan for 2020/21 to ensure that the service was more efficient and fees covered the costs of the provision of the service. Once this review had been completed work would be undertaken to promote the service.
- The Barnstaple Town Centre Manager sat on the Pannier Market Traders Committee. There was currently no Councillor appointed to the Committee.

The Chief Executive advised that previously the Leader of the Council informally sat on the Pannier Market Traders Committee and that a formal appointment of a representative on the Committee would be made if required.

RECOMMENDED:

- (a) That there be a 3% increase in fees for 2020/21 financial year, for the following services:

Allotments – Appendix A
Trade Waste – Appendix C
Cemetery fees – Appendix F
Sports pitches – Appendix G
Pannier Market Charges (subject to consultation with the traders committee)
Appendix H

Bulky Collections – Appendix I

- (b) That the remaining fees be varied by the elements outlined in paragraphs 4.3 to 4.8 in the report.

95. REVENUE BUDGET 2020/21, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY 2020-2024

The Committee considered a report by the Head of Resources (circulated previously) regarding the Revenue Budget 2020-21, Capital Programme and Medium Term Financial Strategy 2020-2024.

RESOLVED that as part of the budget setting process that in future a briefing be arranged for the Committee to gain a full understanding prior to formal consideration of the budget.

The Head of Resources highlighted the following:

- Government settlement December 2019. The provisional 2020-21 settlement (included the Rural Services Delivery Grant) was £3.317m. In cash terms this was £48,000 more than 2019/20 (1.5% increase) in line with last year. The Fair Funding Review had been delayed by one year until April 2021. The New Homes Bonus in-year allocation had been allocated for 2020/21 only. There were no legacy payments on the 2020/21 allocation. The Government was intending to consult on the future of housing incentive in Spring 2020 to move towards a new, targeted approach. The Rural Services Delivery Grant matched the 2019/20 level. Council Tax levels for District Councils could be increased by up to 2% or £5 whichever was higher. The referendum in relation to Council Tax levels for Town and Parish Councils had been deferred.
- The reduction in Government funding for 2012/13 to 2020/21. Funding had reduced from £28.1bn to £18.5bn (34%) to 2019/20. There were potential significant changes to core funding from the Government from 2021/22 onwards and the Council needed to put plans in place to become more commercial and improve efficiencies across the whole Council.
- Medium Term Financial Plan (2019-23) approved by Council in February 2019 was based on a number of financial assumptions about the future which included: funding from Central Government, retained Business Rates income and future Council Tax levels, cost pressures and saving plans, and contributions to and from reserves (e.g. vehicle replacement). The forecast budget gap as at this time last year from 2021/22 onwards was outlined.
- New Homes Bonus changes introduced in 2017 and potential changes for 2021/22 year onwards.
- New Homes Bonus provisional level of funding to 2020/21. The level of funding for 2019/20 was £1,445,670. The Medium Term Financial Plan assumed £1.446m, therefore there was an additional £391,000. It was recommended that £250,000 be placed into a reserve for transformation and delivery of the corporate plan. For 2021/22 the projected income was £814,531, therefore there was a potential reduction of over £1m funding on the current level. For 2022/23 the projected income was £434,860, therefore was

a potential reduction of over £1.4m funding on the current level. There was uncertainty around future funding and design of the new scheme for 2021/22.

- The 2020/21 Business Rate retention forecast income was £1.986m. The 2020/21 draft budget (above baseline funding) included £1.658m income. Reform of Local Government funding from 2021/22 onwards.
- Local Government Finance funding reforms which included: Spending Review for the period 2021/22; a review of relative needs and resources; Business Rates retention pilots; Business Rates baseline reset; Fair Funding review; New Homes Bonus review; reforms to Local Government funding would change the level of resources available and impact on the revenue budget; indicative allocations would be announced in Autumn 2020.
- Council Tax levels for 2019/20 Band D properties had been increased by £5.33 (equivalent to 2.99%). For 2020/21 Rural Councils could increase levels by up to 2% or £5 (whichever higher). By increasing the level by £5 for 2020/21 would increase NDC's proportion of Council Tax for Band D properties from £183.35 to £188.35 (increase of 2.73%). Devon County Council could increase its proportion of Council Tax by up to 2% and an additional 2% for Adult Social care.
- Strategic Grants (Appendix B) – it had been recommended that the level of strategic grants not be reduced. The Medium Term Financial Plan supported the principle of a planned reduction for 2020/21 of around 9%, however the Government finance settlement had been slightly better than forecast, therefore no reduction was recommended for 2020/21.
- Draft Revenue Budget 2020/21 which included: cost pressures and savings; options to balance the budget and how it would be funded. Business rates retention and New Homes Bonus were both at risk of change for 2021/22 year onward.
- Draft Revenue Budget 2020/21 (Appendix A) showed a balanced budget and assumed:
 - 2.73% (£5.00) increase in Council Tax (each 1% equated to circa £63,000).
 - Strategic Grants have not been reduced as originally planned.
 - Parish Grants removed following report and decision made by Strategy and Resources Committee on 4 November 2019 and replaced with new Climate and Environment Grants scheme for smaller Parish Councils outlined in January 2020.
 - Additional one-off core Government funding placed into a Transformation Reserve to deliver the Corporate Plan.
- Reserves (Appendix C). General fund balance forecast level at 31 March 2021 was £1.161m (8.7% of net budget). The recommended level was between 5-10%. Earmarked reserves forecast level at 31 March 2021 was £3.336m. In compliance with the Local Government Act 2003, the Chief Financial Officer assured the Committee of the robustness of the estimates and the adequacy of the proposed financial reserves.
- Medium Term Financial Strategy 2020-24 was based on a number of financial assumption about the future which included: funding from Central Government; retained Business Rates income and future Council Tax levels; cost pressures and savings plans; and contributions to and from reserves (e.g. vehicle replacement). Paragraph 5.1.5.6 outlined the assumption on

loss of core funding and New Homes Bonus. Paragraphs 5.1.5.8 and 5.1.5.11 in the report provided further detail on the budget gap and what was not included. Appendix D detailed the modelled financial projections.

- Capital Programme for 2019/20 to 2022/23. Investment plans for 2019/20 to 2021/22 totalled £31.276m. 5 business cases for capital funding had been submitted. The cost to the Council was £1.936m. The Project Appraisal Group had scored all of the business cases as “high”. The Watersports Centre potential funding bid had not been included and would be presented to a future Committee. Business cases had been submitted for the following projects:
 - Online consultation software system
 - ICT projects 22-23
 - Vehicle replacement
 - Boyton House re-furbishment
 - Disabled Facility Grants
- The projects would be funded by earmarked reserves (£0.553m) and the borrowing need would increase by £1.383m.
- Future year borrowing costs had been included in the Medium Term Financial Plan. The borrowing costs would increase to £1.278m by 2023-24 (an increase of £0.578m). Borrowing costs increase would be offset by the Leisure Centre maintenance savings and new Leisure Centre contract revenue subsidy income (£0.496m). Without any further capital receipts in addition to the amount that had been forecast already, it was estimated that borrowing costs could increase to £1.480m in 2029-30 due to additional future year vehicle and ICT replacements.
- Draft Capital Programme (Appendix E). The total Capital Programme 2019-20 to 2022-23 was £34.191m which would be recommended to Council for approval on 26 February 2020.
- How the total Capital Programme 2019-20 to 2022-23 would be funded.
- Projected underlying need to borrow in accordance with the 10 year Capital Strategy.
- Risks identified that could affect financial plans.
- Timeline – Council at its meeting on 15 January 2020 approved the Council Tax base; the budget and capital programme would be considered by the Committee on 3 February 2020 and Policy Development Committee on 13 February 2020; Council on 26 February 2020 to consider the approval of the budget and capital programme and setting of Council Tax.

In response to questions, the Head of Resources advised the following:

- 50% growth forecast income for Business Rates above baseline was the net growth in changes in business rates.
- The new Climate Environment Grant scheme contribution of £20,000 would be included within the Strategic Grants appendix presented to Council on 26th February 2020. Consideration could be given at year end to any underspend from the Community Councillors Grant scheme being placed into a reserve.
- It was anticipated that the Commercialisation Strategy would be brought to the Committee for consideration at its meeting in April 2020.
- The forecast budget was prudent and included the potential risks identified.

- The Council had lobbied the Government through the Rural Services Network on fairness of the rural and urban finance settlement.
- Universal Credit did not have a direct cashable cost on the Council, however had a potential impact on homelessness. Measures had been implemented to reduce costs for the provision of temporary accommodation.
- The level of earmarked reserves changed. However, as the Chief Financial Officer he was satisfied with the level of reserves currently held.

In response to questions, the Chief Executive advised that the changes to the ICT infrastructure did not result in an immediate direct cashable benefit to the Council. However, the direct impact was in relation to the number of ways that customers could contact the Council and less telephone calls to the Customer Services centre. There was currently an increase in demand in contact to the Customer Services centre, which was being investigated. The Council needed to adopt a more commercial approach to bridge the funding shortfall to enable the Council to continue to provide core services.

RESOLVED:

- (a) That the latest forecast for Budget 2019-20 and the proposed contributions to earmarked reserves be noted;
- (b) That the Chief Financial Officer's assurance on the adequacy of the reserves and the robustness of the budget in paragraph 5.1.4.5 of the report be noted;
- (c) That the Chief Financial Officer's highlighted areas of risk identified within the budget process set out in paragraphs 5.1.4.6 and 5.3 of the report be noted;
- (d) That the latest Medium Term Financial forecast for 2020-2024 as shown in paragraph 5.1.5 of the report be noted;
- (e) That subject to approval of (i) below, that funds are released for the capital schemes listed in paragraph 5.2.2 of the report;

RECOMMENDED:

- (f) That there be an increase of 2.73% in the level of Council Tax charged by North Devon Council for 2020-21 (in accordance with the revised referendum limit ability of £5.00 per Band D property) with a Band D Council Tax level of £188.35;
- (g) That the actions identified in sections 5.1.2 to 5.1.4 of the report, which were required to ensure a balanced budget was achieved and therefore recommend to Council the approval of 2020-21 General Revenue Account Budget;
- (h) That the Medium Term Financial Strategy 2020-2024, in

paragraph 5.1.5 of the report, as part of the Policy Framework be adopted;

- (i) That the Capital Programme 2019-20 to 2022-23 as highlighted in paragraph 5.2 of the report be approved.

96. ADJOURNMENT OF MEETING

RESOLVED that the meeting be adjourned to enable a five minute comfort break.

RESOLVED that it being 12.30 pm, the meeting be reconvened.

97. ORDER OF AGENDA

RESOLVED that item 14 be considered prior to item 9 on the agenda.

98. APPROVAL AND RELEASE OF SECTION 106 PUBLIC OPEN SPACE FUNDS - BERRYNARBOR

The Committee considered a report by the Project, Procurement and Open Space Officer (circulated previously) regarding the allocation of section 106 public open space funds towards projects in Berrynarbor.

The Project, Procurement and Open Space Officer highlighted the project details as detailed in paragraphs 4.1 to 4.3 and the financial implications as detailed in paragraphs 5.1 to 5.3 of the report.

RESOLVED:

- (a) That £5,274.32 be allocated to Berrynarbor Parish Council towards the refurbishment of Manor Hall;
- (b) That £7,593.10 be allocated to Berrynarbor Parish Council towards the provision of new play equipment at Manor Hall;
- (c) That £9,074.58 be allocated to Berrynarbor Parish Council towards the provision of new play equipment at the Recreation Field;

RECOMMENDED:

- (d) That Council vary the capital programme by £21,942 and that funds be released, subject to a Funding Agreement upon such terms and conditions as may be agreed by the Senior Solicitor, for external projects.

99. TREASURY MANAGEMENT STRATEGY STATEMENT 2020/21

The Committee considered a report by the Chief Financial Officer (circulated previously) regarding the Treasury Management Strategy Statement 2020-21.

The Head of Resources highlighted the following:

- The Council was required to receive and approve three reports each year which included: Prudential and treasury indicators and treasury strategy (first report), Mid Year Treasury Management report (second report) and an Annual Treasury report (third report).
- The Council's investment priorities were security of funds first, portfolio liquidity second and then yield, (return).
- The Capital Prudential Indicators 2020-21 to 2022-23 as detailed in paragraph 5.1.
- The Council's Capital Financing Requirement projections as detailed in paragraph 5.2.
- Core funds and expected investment balances as detailed in paragraph 5.3.
- Minimum revenue provision (MRP) policy statement as detailed in paragraph 5.5. The MRP was based on the estimated life of the assets in accordance with the regulations.
- Current portfolio position and borrowing levels would increase as detailed in paragraph 6.1. No difficulties were envisaged in the repayment of borrowing.
- Treasury indicators limits to borrowing activity and the operational boundary as detailed in paragraph 6.2.
- The majority of investment returns were short-term.
- Appendix B would be superseded by the Commercialisation Strategy when this comes forward.
- Economic background as detailed in Appendix C.

RECOMMENDED that the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2020/2021, including the Treasury Management and Prudential Indicators for 2020/21 to 2022/23, be approved.

100. 10 YEAR CAPITAL STRATEGY 2020-2030

The Committee considered a report by Chief Financial Officer (circulated previously) regarding the 10 Year Capital Strategy 2020 to 2030.

The Head of Resources highlighted the following:

- Prior to 2019, the Council only reviewed capital expenditure and financing over a short period of 2-3 years. The revised Prudential and Treasury Management code required all local authorities to prepare a Capital Strategy.
- The capital strategy document covered the ten year period from 2020 to 2030 and would be reviewed annually by Full Council prior to each financial year.
- The Council's Capital Project Governance and appraisal process as detailed in paragraph 4.3 of the report.
- The Capital Strategy for years 2020/21 to 2023/24 (Medium Term) as detailed in paragraph 4.4 of the report.

- The Capital Strategy for years 2024/25 to 2029/30 (Long Term) as detailed in paragraph 4.5 of the report.
- The Watersports Centre potential funding bid had not been included in the Strategy and would be presented to a future Committee.

RECOMMENDED that the Capital Strategy 2020/21 to 2029/30 be approved.

101. COUNCIL TAX DISCOUNTS

Councillors Lane, Prowse and Yabsley declared personal interests in the above item as benefit from Council Tax discounts as owned properties that were empty.

The Committee considered a report by the Revenues and Benefits Manager (circulated previously) regarding Council Tax Discounts relating to certain properties for the financial year commencing 1 April 2020.

The Head of Resources highlighted the following:

- Section 12 (2) of the Local Government Finance Act 2012 allowed local authorities to set a council tax rate for long term empty properties of up to 200% of the normal liability. A 'long term empty property' must have been unoccupied and substantially unfurnished for at least two years
- From 1 April 2020 the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 enabled Councils to charge a maximum of 300% of the normal liability against property that has been unoccupied and unfurnished for at least 5 years.
- From 1 April 2021 the Act also enabled Councils to charge a maximum of 400% of the normal liability against property that had been unoccupied and unfurnished for at least 10 years.
- The changes were a drive by Government to bring empty properties back into use.

RECOMMENDED that Council makes the following determinations in relation to the classes of dwellings set out below for the financial year commencing 1 April 2020 :

(a) Class A and Class B

Unoccupied and furnished properties
Set a 0% discount, thereby levying full council tax

(b) Classes A and B do not include any dwelling –

- a) Which consists of a pitch occupied by a caravan or a mooring occupied by a boat
- b) Where a qualifying person in relation to that dwelling is a qualifying person in relation to another dwelling in England, Wales or Scotland which is job related
- c) Which for a qualifying person is job related where that

person is a qualifying person in relation to another dwelling in England, Wales or Scotland

(c) Class C

Unoccupied and substantially unfurnished properties
Set a discount of 100%, for up to three months.

(d) For the purpose of Class C, in considering whether a dwelling has been unoccupied for any period, any one period, not exceeding six weeks, during which it was occupied shall be disregarded;

(e) Properties which have been unoccupied and substantially unfurnished for over two years, levy the empty home premium of 200% of the normal liability;

(f) Properties which have been unoccupied and substantially unfurnished for over five years, levy the empty home premium of 300% of the normal liability;

(g) That from April 2021 properties which have been unoccupied and substantially unfurnished for over ten years, levy the empty home premium of 400% of the normal liability.

102. DEVON AND SOMERSET FIRE AND RESCUE AUTHORITY - JUDICIAL REVIEW

The Chief Executive advised that the item had been placed on the agenda for consideration following the notice of motion put forward by Councillor Patrinos at the Council meeting on 20 November 2019 whereby it had been resolved that the Council earmark a £3,000 contribution to the funding of a potential Judicial Review. The Devon and Somerset Fire and Rescue Authority had now taken its decision which had been made public. The proposals for Barnstaple fire station had been delayed and the other proposed changes were not at the scale as proposed as part of the consultation.

Councillor Patrinos advised that the proposals had not been implemented as anticipated. It had been agreed that two fire stations would be closed, both of which were located in East Devon. However, it was anticipated that further changes would be proposed in the future and that the Council needed to be prompt in terms of funding a potential Judicial Review.

Councillor Yabsley declared a personal interest as a Members of Devon and Somerset Fire and Rescue Authority.

RESOLVED that the present position in relation to Devon and Somerset Fire and Rescue Authority and potential further changes would be proposed in the future be noted.

103. CONTINUATION OF MEETING

RESOLVED that it being 1.00 pm that the meeting continue in order for the remaining business to be transacted.

104. MEMORANDUM OF UNDERSTANDING JOINT VENTURE WITH NORTH DEVON HOMES

The Committee considered a report by the Head of Resources (circulated previously) regarding a proposed Memorandum of Understanding with North Devon Homes.

The Head of Resources highlighted the following:

- A report was presented to Executive on 5 June 2017, advising of the assets and Estates preferred option to dispose. It was agreed that the Head of Resources be given delegated power to dispose of the listed assets through whichever method deemed appropriate bearing in mind the need to 'obtain best value'.
- In a report to Leadership on 23 July 2018 the Estate officers advised that the surplus assets had been re-evaluated led by recent changes in the Council's requirements to deliver short and long term Temporary Accommodation (TA) for homeless households, in accordance with its responsibilities under the Housing Act 1996 and Children Act 2004, where the Council must establish a suitable stock of its own accommodations. The initial desk top exercise included reviewing surplus assets against the costs of purchasing land and to support our case to land bank and "hold off" disposal in order to maximise the potential from our own assets. The second task reviewing potential joint partnerships with North Devon Homes (NDH) for the Council to develop/secure the Council's long term objectives for TA. Reviewing our surplus assets it was identified that NDH had a number of sites which adjoined our land, creating a common interest.
- The obligations on NDH would be to take on the initial steps to facilitate the redevelopment, including the initial risk and costs; such as carrying out all relevant investigations into the likelihood of obtaining planning. To date on all potential sites, NDH have already submitted pre-planning applications and feedback had been positive.
- The projects would be completely self-financing with NDH taking on risk and any upfront costs. If any unforeseen costs were identified then this will be picked up in the viability study.
- Approvals on each agreed scheme would need to be agreed by both the Council and NDH.
- The draft Memorandum of Understanding contained in Appendix A of the report.
- Agreed schemes as detailed in Schedule 1 of the Memorandum of Understanding.

Councillor Worden confirmed that the Lead Member for Housing was supportive of the report and Memorandum of Understanding.

In response to questions, the Head of Resources advised the following:

- Clarification would be sought regarding the leaseholder's area of land on the site of Pill Garden, Braunton.
- The term "surplus" asset was an accounting terminology which the Council was required to use in its accounts.
- Allotments at Merryside Villas, Witheridge had not been used for a long time.
- For all schemes, the Council would be looking at the long term benefit for the Council.

In response to questions, the Chief Executive advised that:

- Any schemes would go through the development phase and presented to the Committee for agreement.
- The Council was working with NDH as owned adjoining land to the schemes identified and also had the same ethos as the Council in relation to climate change. Consideration would also be given to using some land for wild flower meadows etc.

RESOLVED:

- (a) That the contents of this report, appendix A outlining the Memorandum of Understanding and that individual development schemes would be subject to further reports being presented to the Committee be noted;
- (b) That delegated power be given to the Head of Resources to agree the Memorandum of Understanding with North Devon Homes and that this non-binding Memorandum of Understanding (MoU) sit over the arrangement to set out the principles that govern how both parties would work together as a Joint Venture.

105. THE FUTURE HOMES STANDARD: 2019 CONSULTATION ON CHANGES TO PART L (CONSERVATION OF FUEL AND POWER) AND PART F (VENTILATION) OF THE BUILDING REGULATIONS FOR NEW DWELLINGS

The Committee considered a report by the Head of Place (circulated previously) regarding the Future Homes Standard 2019 consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the building regulations for new dwellings.

The Head of Place highlighted the following:

- The Government's 2019 Spring Statement included a commitment that, by 2025, they will introduce a Future Homes Standard for new build homes to be futureproofed with low carbon heating and 'world-leading' levels of energy efficiency. Energy efficiency requirements for new homes were set by Part L (Conservation of Fuel and Power) and Part 6 of the Building Regulations.

- The consultation document sets out the Government's plans for achieving the Future Homes Standard, including proposed options to increase the energy efficiency requirements for new homes in 2020 as a stepping stone to the Future Homes Standard.
- A draft response to the consultation was detailed in Appendix A. The Building Control team had been consulted and provided responses which had been included within the draft response.

Councillor Lane declared a personal interest as a developer.

In response to a question, the Head of Place advised that the Council would wait until the regulations had been made and then consider whether to produce a Supplementary Planning Document.

RESOLVED that Officers submit on behalf of the Council the draft consultation response document as detailed in Appendix A in response to the "Future Homes Standard: 2019 Consultation on Changes to Part L (Conservation of Fuel and Power) and Part F (Ventilation) of the Building Regulations for New Dwellings".

Chair

The meeting ended at 1.27 pm

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