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Dear Councillor

SOUTH HAMS OVERVIEW AND SCRUTINY COMMITTEE - THURSDAY, 20TH JANUARY, 2022

I refer to the agenda for the above meeting and attach papers in connection with the following item(s).

Agenda No	Item
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| 8. | <u>Consideration of Views arising from the Informal meeting of the Joint Overview & Scrutiny and Development Management Committee on 13 January 2022 (Pages 1 - 4)</u> |
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Yours sincerely

Darryl White
Democratic Services Manager

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Notes of the Joint Informal Meeting of the Development Management and Overview and Scrutiny Committees held via Teams on Thursday, 13 January 2022

Committee Members in attendance:			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr V Abbott	*	Cllr J McKay
∅	Cllr L Austen	*	Cllr O'Callaghan
*	Cllr J P Birch (Chairman)	*	Cllr G Pannell
*	Cllr J Brazil	*	Cllr J T Pennington
*	Cllr D Brown	*	Cllr K Pringle
*	Cllr M Chown	*	Cllr H Reeve
*	Cllr R J Foss	∅	Cllr J Rose
*	Cllr J M Hodgson	*	Cllr R Rowe
*	Cllr T R Holway	*	Cllr P C Smerdon (Vice Chairman)
∅	Cllr S Jackson	*	Cllr B Spencer
*	Cllr K Kemp	*	Cllr B Taylor
*	Cllr M Long	*	Cllr D Thomas

1. Draft Revenue and Capital Budget Proposals for 2022/23 to 2024/25

The Joint Meeting gave informal consideration to the draft Revenue and Capital Budget Proposals for 2022/23 to 2024/25 prior to their onward formal consideration by:

- The Overview and Scrutiny Committee Meeting to be held on 20 January 2022;
- The Executive Meeting to be held on 27 January 2022; and
- The Full Council Meeting to be held on 10 February 2022.

The Section 151 Officer took Members through a paper that set out the proposals page by page and responded to questions.

Upon the conclusion of her introduction, Members were invited to discuss the Proposals during which the following recommendation was put forward:

'That the ten recommendations ((i) to (x)) that were set out in the paper are supported by the Joint Meeting.'

At this point, the following four part amendment was put forward to the meeting:

1. *Recognising that the Council has declared both a Climate Change and Biodiversity Emergency and Housing Emergency the Executive be urged to give priority to the development and execution of projects in respect of both in 2022/23;*
2. *The sum of £3.5 million allocated out of the Business Retention Reserve to employment in 2018/19 remains unspent. It is proposed that out of this sum £1.0 million be reallocated to the proposed Affordable Housing Reserve Fund and £250,000 be reallocated to the Climate Change & Biodiversity Reserve;*

3. *Recognising the poor waste service provided to residents by FCC, the Council's waste collection contractor. it is proposed that council taxpayers be given a financial credit for the deductions recovered from FCC when the Council comes to consider its budget for 2023/24 onwards; and*
4. *The proposals set out at items i) to x) of the recommendations of the report be noted.*

In discussion, reference was made to:

- (a) part 3 of the amendment. In the event of this part being put forward for further consideration by the Overview and Scrutiny Committee on 20 January, then it was recognised that the lawfulness of such a proposal would need to be considered further;
- (b) the provision of financial credits to Council Taxpayers. Some Members expressed their opposition to this proposal and expressed the view that the Council should look to reinvest in initiatives such as Community Composting Schemes;
- (c) a lack of detail to support part 2 of the amendment; and
- (d) the ten recommendations that were set out in the papers already ensuring a balanced budget. As a result, a Member questioned the merits of amending what was already a set of balanced budget proposals for 2022/23.

In light of the differing views expressed, it was agreed that three separate votes would be undertaken on the amendment (parts 1 and 2 combined, part 3 and part 4). In so doing, parts 1, 2 and 4 were agreed by a majority of Members and part 3 was not.

It was therefore:

RECOMMENDED

That the following proposals be put forward to the Overview and Scrutiny Committee meeting to be held on 20 January 2022 for further consideration:

1. That, recognising that the Council has declared both a Climate Change and Biodiversity Emergency and Housing Emergency, the Executive be urged to give priority to the development and execution of projects in respect of both in 2022/23;
2. That the sum of £3.5 million allocated out of the Business Retention Reserve to employment in 2018/19 remains unspent. It is proposed that out of this sum £1.0 million be reallocated to the proposed Affordable Housing Reserve Fund and £250,000 be reallocated to the Climate Change & Biodiversity Reserve; and
3. That the following ten proposals be noted:
 - i) *The proposed increase in Council Tax for 2022/23 of £5 (Band D of £180.42 for 2022/23 – an increase of 10 pence per week or £5 per year – equates to a 2.85% increase);*

- ii) *The financial pressures shown in Appendix A of the informal agenda paper amounting to £1,044,600;*
- iii) *The net contributions to/(from) Earmarked Reserves of £561,600 as shown in Appendix D of the informal agenda paper, including the proposed use of £500,000 of New Homes Bonus funding to fund the 2022/23 Revenue Budget as set out in 3.30 of the report and £100,000 from the Business Rates Retention Earmarked Reserve as set out in 3.21 of the informal agenda paper;*
- iv) *That £407,557 of the New Homes Bonus grant allocation for 2022/23 is allocated to an Affordable Housing Earmarked Reserve as a one-of contribution for 2022/23 as set out in 3.30 to 3.31 of the informal agenda paper;*
- v) *The savings of £404,000 as shown in Appendix A of the informal agenda paper;*
- vi) *That South Hams District Council continues to be part of the Devon Business Rates Pool for 2022/23;*
- vii) *The proposed Capital Programme Proposals for 2022/23 of £1,665,000 and the proposed financing of the Capital Programme as set out in Appendix E of the informal agenda paper;*
- viii) *That Unearmarked Reserves should continue to have a minimum level of £1.5million (as set in the Medium Term Financial Strategy in September 2021), but an operating level of a minimum of £2million;*
- ix) *That the Executive recommend to Council to transfer £280,000 from Unearmarked Reserves to a Financial Stability Earmarked Reserve as part of the process of closing the 2021/22 Accounts, to be available for any future financial pressures from future local government funding reforms and any other budget pressures (the predicted year-end balance of Unearmarked Reserves at 31.3.22 is £2.28m as set out in 7.8). (This would leave an operating level of £2m for Unearmarked Reserves); and*
- x) *That the Executive recommend to Council to transfer a one-off amount of £200,000 into a Community Composting Earmarked Reserve in 2021/22 as part of the process of closing the 2021/22 Accounts. A scheme is to be set up with a one-off budget of £200,000 in 2022/23 for community composting, aligned to savings in the green waste element of the waste contract in 2021/22, as per 3.40 of the informal agenda paper.*

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