

# South Hams Executive



<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Thursday, 18th July, 2019</b>
<b>Time:</b>	<b>10.00 am</b>
<b>Venue:</b>	<b>Repton Room - Follaton House</b>
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Pearce  <b>Vice Chairman</b> Cllr Bastone</p> <p><i>Members:</i> Cllr Hopwood Cllr Hawkins  Cllr Baldry Cllr May</p>
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
<b>Committee administrator:</b>	Member.Services@swdevon.gov.uk

<b>1. Minutes</b>	<b>1 - 14</b>
to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Executive held on 6 June 2019;	
<b>2. Urgent Business</b>	
brought forward at the discretion of the Chairman;	
<b>3. Division of Agenda</b>	
to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;	
<b>4. Declarations of Interest</b>	
Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting;	
<b>5. Public Question Time</b>	<b>15 - 16</b>
a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules;	
<b>6. Executive Forward Plan</b>	<b>17 - 24</b>
<b>7. Ivybridge Regeneration</b>	<b>25 - 38</b>
<b>8. Investing in Kingsbridge</b>	<b>39 - 52</b>
<b>9. Dartmouth Health and Wellbeing Hub Development</b>	<b>53 - 64</b>
<b>10. Commercial Investment Strategy</b>	<b>65 - 84</b>
<b>11. Adoption of the Totnes Air Quality Action Plan</b>	<b>85 - 104</b>
<b>12. Medium Term Financial Position for 2020/21 onwards</b>	<b>105 - 128</b>
<b>13. Write Off Report</b>	<b>129 - 136</b>
<b>14. Crowdfunding</b>	<b>137 - 140</b>

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<b>15. Car Parking Order amendments</b>	<b>141 - 144</b>
<b>16. South Hams Special Area of Conservation: Habitats Regulations Assessment Guidance</b>	<b>145 - 184</b>
<b>17. Restructure of the Senior Leadership Team</b>	<b>185 - 222</b>
<b>18. Exclusion of Public and Press</b>	
- to consider the following resolution to exclude the public and press:-	
“That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following items of business in order to avoid the likely disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”;	
<b>19. IT Procurement</b>	<b>223 - 238</b>

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**MINUTES OF A MEETING OF  
THE EXECUTIVE  
HELD AT FOLLATON HOUSE ON THURSDAY 6 JUNE 2019**

<b>Members in attendance:</b>			
* Denotes attendance			
∅ Denotes apologies for absence			
*	Cllr K J Baldry	*	Cllr N A Hopwood
∅	Cllr H D Bastone	*	Cllr D W May
*	Cllr J D Hawkins	*	Cllr J A Pearce

<b>Also in attendance and participating</b>		
Item 7	E.06/19	Cllrs Birch, Hodgson, Holway, Rose and Sweett
Item 9	E.08/19	Cllrs Pannell and Pennington

<b>Also in attendance and not participating</b>	
Cllrs Jackson, Mckay, Reeve and Taylor	

<b>Officers in attendance and participating</b>		
All items		Chief Executive, Deputy Chief Executive and Specialist Democratic Services
Item 7	E.06/19	Specialists Manager
Item 8	E.07/19	Commissioning Manager
Item 9	E.08/19	Senior Specialist Environmental Health
Item 10	E.09/19	Head of Assets Practice

**E.01/19      MINUTES**

The minutes of the Executive meeting held on 14 March 2019 were confirmed as a true and correct record and signed off by the Chairman.

**E.02/19      URGENT BUSINESS**

The Chairman advised that she had exercised her discretion to allow for one item of urgent business to be considered at this meeting that related to the recent IT connectivity issues.

The Chief Executive apologised to Members for the recent problems that they had experienced with the connectivity of their IT devices. The cause did not relate to the devices themselves, but a problem that affected the whole Council, including officers. The Deputy Chief Executive added that the problem had taken longer to rectify as the European Elections and the closure of accounts both had to take place before any updates were applied to the system. A report setting out more detail would be presented to the Overview and Scrutiny Panel at its meeting on 13 June 2019.

E.03/19      **DECLARATIONS OF INTEREST**

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting and the following were made:

Cllr N A Hopwood declared a Disclosable Pecuniary Interest in Item 9: 'Devon Wide Housing Assistance Policy' (Minute E.08/19 below refers), and she left the meeting for the duration of this item.

E.04/19      **PUBLIC QUESTION TIME**

It was noted that the following public questions had been received in accordance with the Executive Procedure Rules, for consideration at this meeting. The responses are shown in italics. Supplementary questions were asked as shown.

Cllr Pearce responded to each of the following questions:

**Question 1 from John Cummings:**

"Will SHDC ensure that its Executive members and other councillors are trained and briefed about the IPCC and IPBES reports and that they obtain the knowledge required to engage in informed debate on climate change and biodiversity loss?"

Response:

*The Climate Change report going to the Executive on June 6, 2019 includes a recommendation to the Executive for the convening of an all Member Workshop to help scope the challenges, set the priorities and inform the content of the draft Action Plan. The workshop will include briefing and training for Members and will involve external experts(s).*

Supplementary question:

"Will the Council consider taking up offers to talk to councillors about climate change which have already been made, such as that from David Ramsden OBE, Founder of the Barn Owl Trust?"

Response:

*Cross Panel experts will be identified through work likely to be led by Exeter University and organised by Devon County Council.*

**Question 2 from Gill Coombs:**

"Does the Council have, or is it planning, a procurement policy to buy locally whenever possible? This would not only support local businesses and the local economy, but would avoid the carbon footprint of long distance transportation."

Response:

*The Council procures products and services through a range of methods including frameworks at present and are bound to a degree by financial and legislative rules and laws.*

*There are discussions underway with Plymouth City Council, one of our Joint Local Plan partners, to develop a procurement policy to support local business and reduce carbon. Procurement will form part of the Action Plan recommended in the Climate Change Report.*

Supplementary Question:

Does the Council agree that, given the emergency, financial considerations are less important and Climate Change will be given priority?

Response:

*In recommending to full Council that a Climate Change Emergency is declared, the importance of responding to the challenges of climate change is recognised. The Council has a duty to manage a range of conflicting priorities whilst delivering key services to the community and setting a balanced budget. The proposed Action Plan will look at the costs and potential economic benefits of meeting the climate change challenge.*

**Question 3 From Trudy Turrell:**

“Now Plymouth City Council, Devon County Council and soon West Devon Borough Council, have declared a Climate Emergency with a 2030 date, the South and West Devon Joint Local Plan becomes conflicting and unworkable. Will the JLP be reviewed and rewritten to comply and achieve the zero carbon target?”

Response:

*The Joint Local Plan (JLP) sets, in Policy DEV32, a carbon reduction target in line with formal Government policy / targets that is to be achieved through effective implementation of its policies. Officers are currently preparing the JLP Supplementary Planning Document (JLP SPD), which elaborates on this policy and a number of other relevant policies. It is not possible to introduce in the SPD ‘new policies’ or targets, but that document can set a clear and high bar for prospective developers on the basis that responding positively to climate change in a rounded and effective way is commensurate with good design.*

*If and when the Government formally revises climate change targets it is likely that these will be enshrined in a revised National Planning Policy Framework and / or National Planning Policy Guidance. Such updated policies would be material considerations which could take precedence over JLP policies. There is, therefore, no need to review the JLP.*

*The Council is also working with Neighbourhood Planning Groups to support the inclusion in NPs of detailed policies and further specific measures that seek to address climate change in a balanced and effective way.*

Supplementary question:

“Now that we are moving away from prioritising the economy and so building extra homes to boost the local economy. Will SHDC now halt the building of 2077 surplus/additional houses allocated in the Joint Local Plan, which are 27% above even the JLPs own assessment of housing needs?”

Response:

*The JLP identifies a minimum number of homes to meet identified housing need, consistent with the JLP vision and strategy and delivering a prosperous and sustainable economy.*

*The Council does not consider that the declaration of Climate Change emergency necessarily equates to the economy being less of a priority, rather it is a matter of how potentially competing objectives are achieved.*

*Housing need will be considered in the first review of the plan.*

**Question 4 from Christopher Snow:**

“Solar photovoltaic panels were installed on the roof of Follaton House in 2012 to reduce heating bills. Has there been an assessment of the economic viability of installing more panels on this building and on other properties used by this council or rented by tenant organisations?”

*Prior to the installation of the panels on the roof of Follaton House, a full appraisal was undertaken to assess the capacity of the roof for solar generation. Whilst it would be physically possible to install more panels than we have, the constraints of the listed building and aspect of the remaining roofs meant that what has been installed was the optimal solution.*

Response:

*We have installed PV on other buildings we own and occupy, such as in Island Square, Salcombe (12kw). It is however economically challenging to install PV panels on buildings we own but rent out to tenants.*

**Question 5 from Peter Scott:**

“As a partner in the ‘South West Devon Strategic Energy Study’ (2013), how is this council implementing this report’s recommendations, and those of DCC’s and RegenSW’s ‘Devon Community Energy Impact Report’ (2018), and how will it evaluate the income, investment and employment opportunities outlined in these reports?”

Response:

*The Council has delivered a range of outputs, as detailed in the Climate Change Report to the Executive on June 6 2019, supporting the recommendations of the reports detailed above. Moving forward, the proposed Action Plan will detail future proposals, primarily with reference to the above and the IPCC, IPBES reports and emerging evidence.*



Supplementary question:

“Could the Executive please recommend to the Devon Climate Emergency Response Group that they invite RegenSW to be a member of their committee?”

Response

*The inclusion of RegenSW will be discussed with partner organisations.*

**Question 6 from Barbara Phillips:**

“Will SHDC agree to set up a Citizens Assembly and an expert advisory panel to help it to draft and implement a Climate Emergency Action Plan?”

Response:

*The Council recognise the need to engage with the community and relevant experts in developing the proposed action plan. As it stands there is a proposal emerging from the Devon Climate Emergency Response Group to produce a Devon Carbon Plan which will include the creation of a Citizens Panel which officers recommend that the Council support in principle.*

Supplementary question:

How will SHDC obtain the advice of local energy experts?

Response

*Cross Panel experts will be identified through work likely to be led by Exeter University and organised by Devon County Council. Ongoing, and including the letting of Council contracts, the Council will continue to liaise with local groups to identify suitable experts to deliver services and advice.*

**Question 7 from Leilani van Koten:**

“In light of UNISON’s ‘Divest from Carbon’ campaign, launched last year, are UNISON and past and present council employees being consulted about whether their pensions should be invested in fossil fuel industries and other industries contributing to the Climate Emergency?”

Response:

*The Council’s past and present employees are enrolled into the Devon Pension Fund, administered by Devon County Council. Investment strategy is set by the DCC Investment and Pension Fund Committee. UNISON representatives are included as non-voting members of the Committee. Each year Devon County Council holds an Annual Consultative Meeting which is open to all members of the Pension Fund. This includes presentations on the Pension Fund’s investment strategy and performance, and provides the opportunity for pension fund members to ask questions and raise issues. The last two annual consultative meetings have both included presentations on responsible investment including issues around climate change. The Devon Pension Fund’s approach is to manage the risks in relation to climate change and to promote change through engagement with companies rather than through disinvestment. The Devon Pension Fund is a member of the International Investors Group on Climate Change (IIGCC).*

Supplementary Question:

Will you be taking the advice of the Pensions Minister, Guy Operman, who said on Monday that Pension Schemes should be supported for moving people's money out of fossil fuels and into renewables because the financial risks from the climate crisis are 'too important to ignore'?

Response:

*The Devon Pension Fund's approach and current policy is to manage the risks in relation to climate change and to promote change through engagement with companies rather than through disinvestment.*

*Any issues relating to the Pension Fund are a matter for the Devon County Council Investment and Pension Fund Committee and do not fall within the remit of South Hams District Council.*

**Question 8 from Gordon Nicholson:**

"In response to the IPCC and IPBES reports, how many hectares of public space owned by this council have potential for being converted to woodland or forest and so increase local carbon storage, flood mitigation and biodiversity – and how is this option being assessed?"

Response:

*This concept will be considered within the emerging action plan. It would require community support and buy in, given that a significant amount of our land is public open space which serves a recreational purpose to our towns and villages.*

*It's quite hard to ascertain exactly how much land has the potential for planting, but we have about 40 Ha of amenity grass and informal space, some of which may be viable.*

Supplementary Question:

Would your Climate Action Plan contain proposals for increasing tree cover in and around council car parks?

Response

*In developing the Action Plan the issue of trees on council owned land will be explored.*

**Question 9 from Robert Vint:**

"As a signatory to the 'Devon, Plymouth and Torbay Declaration on Climate Change and Fuel Poverty' (2007), what options are the Council investigating to ensure that all housing, especially social housing, is now built or retrofitted to zero carbon standards or other affordable warmth standards exceeding minimum building regulations?"

Response:

*In terms of new housing and carbon reduction, policy DEV32 requires a 20% uplift above building regs for houses on major schemes through onsite renewables and solar orientation. If that can't be achieved, we may look at fabric first solutions that respond positively to the energy hierarchy.*

*All schemes, regardless of scale, must now provide us with an energy assessment and an indication of which renewable/carbon-reduction technologies have been considered.*

*The only way to ensure zero carbon homes through the building control process is to change building regs themselves, and that sits with central government, not at LPA. Lobbying Government is an option that will be considered within the emerging action plan.*

*For existing housing, the Council is working with LiveWest, the main stockholder of Social Housing across the District. LiveWest utilise a fabric first principal where they lead on the design and specification of new build homes, and incorporate low and zero carbon heating systems (for example, ASHP, GSHP, solar and district heating networks) where appropriate and financially viable. In addition, they are committed to updating the thermal performance of social homes across District. This has enhances the SAP rating of these properties and reduces the annual fuel costs for residents.*

*In addition, the Environmental Health Team secure carbon reduction whilst tackling fuel poverty across the District through:*

- Enforcing the minimum energy standards for private rental properties.*
- Allowing energy efficiency measures to be installed under the ECO LA flex scheme. The council has published a statement of intent, which widens the eligibility criteria for ECO (Energy Company Obligation), so that more households can benefit from grants from energy companies. The energy efficiency measures, include insulation and traditional heating methods, however renewables for example heat pumps and photovoltaics are included. The council sign a declaration, confirming the household is eligible for the energy company. Under the councils housing assistance policy, where there is a shortfall in ECO funding for a measure, the council can top it up. Last year the council signed 553 declarations and issued 20 ECO top grants.*
- Other areas include supporting the local community energy groups and Citizen's advice through clear referral pathways and exchange of knowledge.*

Supplementary question:

If the Council wished to strengthen or update the Sustainable Construction standards in the JLP what would be the quickest way to make such changes?

Response

*Consideration is being given to inclusion in the JLP Supplementary Planning Document of stronger standards with respect to achieving climate change objectives. The SPD will be the subject of public consultation in later summer / autumn this year, with adoption anticipated early 2020.*

*A comprehensive update won't be possible until the Government issues formal advice and enacts legislation. Such new guidance is likely to include updates to the National Planning Policy Framework and National Planning Policy Guidance, which could take precedence over JLP policies if they are then deemed to be out of date.*

*Irrespective of the above the JLP will be revised with a view to adopting in 2024 / 2025.*

**Question 10 from Ella Dangerfield:**

*“As IPCC/IPBES reports say achieving global net carbon neutrality by 2050 only gives a 55%-66% chance of avoiding global warming of over 1.5 degrees C, and as UK carbon emissions per capita are almost twice the global average, will SHDC join 47+ councils in seeking net carbon neutrality by 2030?”*

Response:

*The Council recognises the contents of the report. The Climate Change report going to the Executive on June 6<sup>th</sup> 2019 recommends that:*

- 1. The Council declares a Climate Change Emergency;*
- 2. An Action Plan that outlines how the Council will address the Emergency, and meet or exceed the targets set by the Intergovernmental Panel on Climate Change (IPCC), to be brought to Council for approval within 6 months;*
- 3. The Council commits to collaborating with Devon County Council and other agencies to address the Emergency. Pending the outcome of the report it is envisaged that the action plan will look at the feasibility of setting specific dates.*

Supplementary question:

*Will the Council assess what it would need to do to meet a 2025 or 2030 target for becoming carbon neutral before it finalised it's own targets for a Climate Action Plan?*

Response

*Working with partner organisations the Council will explore a wide range of scenarios and options, including the most challenging targets.*

**Question 11 from Cllr Hodgson:**

*“Can the Leader confirm that a SHDC Task & Finish / working group will be established to develop a strategy and action plan for South Hams District Council further to the proposed Members Workshop to take forward the Climate Emergency declaration and include cross party Councillor membership to ensure an informed and representative response?”*

Response:

*Pending the outcome of the report to Executive and the outputs of the Member Workshop, the most appropriate vehicle to develop the proposed action plan will be established. The exact form this will take cannot be confirmed at this stage but will clearly include Members.*

In the absence of the Lead Member for Strategic Assets, Cllr Bastone, the Lead Member for Enterprise (Cllr May) responded to the following question:

**Question 12 from Mike Mills:**

“Can you advise the outcome of the Impact Study conducted on the Health & Wellbeing Centre Project in Dartmouth and the proposals to re-provide an overflow car park ?”

Response:

*It is noted that the Health and Wellbeing Centre Project will have an impact on the capacity of the over flow car park. This is expected to be C 40 spaces, as the current car park capacity is 120-130 and the proposed car park is C. 90. The car park that serves the H&W centre will be available for parking for the Park and Ride (P&R) as well. The two operations have broadly compatible parking patterns, the P&R at weekends and the H&W centre during the week. There is no proposal to re-provide an overflow car park at this time.*

Supplementary Question:

Can you advise why an impact study was not used as set out in best practice?

Response

*The Council has not made a decision on the Health and Wellbeing Hub. When it does so, the benefits and risks of the proposal will be set out for the Members to consider, including any loss of Park and Ride overflow parking and any associated impact (as set out in the response above).*

Cllr Pearce responded to the following question:

**Question 13 from Emily Price:**

“Opportunities for investing in solar photovoltaic panels over Council owned car parks were assessed by this council in 2013. What were the findings of that assessment and what further research is planned into solar energy investment opportunities for the council?”

Response:

*One of the strands of the response to the climate emergency will need to review this fully to consider: Current grid capacity, planning policy, economic viability and feed in tariff levels. South Hams commercial acquisition strategy also gives it the opportunity to invest in solar PV projects should they be forthcoming and judged a good use of public finance.*

Cllr Baldry responded to the following question as Lead Member for Environment.

**Question 14 from Jay Tompt:**

“What percentage and tonnage of South Hams domestic waste disposed of in black bin bags and currently incinerated at Devonport is plastic, paper, card, compostable waste or other material that could be recycled rather than burned – and how can these figures be reduced?”

Response:

*We have based the following calculations on information gained from a waste analysis carried out in the South Hams in 2017 and applied to the tonnages from last year to give an up to date response.*

*Under the current recycling service, we estimate that the following domestic waste was incinerated at the Devonport Energy from Waste plant:*

*1% of plastic or 231 tonnes for the year, 3% paper or 558t for the year, 3% card or 438 tonnes for the year. In addition 26% of the black sack waste was compostable equivalent to 4363 tonnes for the year. The majority of this compostable waste is food waste.*

*We expect to reduce these figures significantly from September 2020 when a new recycling scheme is introduced which will put the emphasis from disposal to recycling by changing the recycling collection to weekly and extending the amount of materials that can be collected from the kerbside to include glass, plastic pots, tubs and trays, printer cartridges and textiles. This will mean that, based on the 2017 waste audit, 48% could potentially be removed from grey bin collections from this date if the new recycling service is fully utilised by residents.*

Cllr Hawkins responded to the following question as Lead Member for Wellbeing.

**Question 15 from Colin Moore:**

“After 2003 Council Home Repair Grants were replaced by Home Improvement Loans and Landlord Loans provided via partner organisations. What proportion of tenants in the South Hams currently live in fuel poverty and how many have benefitted from such loans to reduce fuel poverty over the previous year?”

Response:

*Households that experience fuel poverty are now based on the “Low income, high cost” methodology, where required fuel costs are above the national average, and where spending that amount would be left with a residual income below the official fuel poverty line. The key elements in determining fuel poverty are income, fuel prices and fuel consumption.*

*Department for Business, Energy and industrial Strategy statistics 2018 reported that in 2016 out of the 38,828 households in the South Hams 3,918 were experiencing fuel poverty (10.1%). Devon average is 10.9% The Council does not offer grants to Social Housing tenants specifically to tackle fuel poverty as this is the responsibility of the Registered Provider (Housing Association),*

*The Council does provide disabled facilities grants that may deal with the insulation properties of a social house where certain conditions prevail.*

*Total numbers of loans/grants by SHDC to owner occupiers/private tenants in 18/19;*

*In 2018/19 we provided 49 properties with Eco top up grants from SHDC – a contribution towards central heating/insulation measures. We have facilitated approx. 500 Eco installations facilitated by our ECO declaration (The Energy Company Obligation (ECO) is a government energy efficiency scheme in Great Britain to help reduce carbon emissions and tackle fuel poverty)*

*2 Wessex Loans provided for upgrades to heating and double glazed windows.*

Supplementary Question:

Does the Council have any target dates for the elimination or reduction of Fuel Poverty within the District?

Response:

*The Council is currently working towards the government target of 'ensuring that as many fuel poor homes as is reasonable practicable achieve a minimum energy efficiency rating of Band C, by 2030' (Department of Energy and Climate Change). The Council's Fuel Poverty target will be included in the discussions regarding the Action Plan, where consideration may be given towards developing a local target.*

#### E.05/19 **EXECUTIVE FORWARD PLAN**

Members were presented with the Executive Forward Plan setting out items on the agenda for Executive meetings for the next four months and noted its content without any comment.

#### E.06/19 **CLIMATE CHANGE**

Members were presented with a report that outlined recent developments with regard to climate change and set out proposals to investigate how the council could further reduce its carbon footprint in response to the IPCC report and the declaration of a 'Climate Change Emergency'.

The Leader introduced the report and, as part of her introduction, updated the Members following her attendance at the Devon Districts Forum and Devon Local Government Steering Group meetings held on 31 May 2019. In so doing, she advised that Teignbridge District Council had now started to commission scoping work for a district council and this Council had agreed to share the costs with them as this would be a sensible way of moving forward.

The Leader concluded by stating that the intention was to take an informed and evidence based approach working with partners and the public.

During discussion, points raised included the following:

- How to work with local town and parish councils. The Leader responded that this could be addressed as part of the scoping work;
- How to address biodiversity and habitat loss as part of the Action Plan. The Leader responded that this should be raised in the Member workshop;
- Whether the workshop invitation could be extended to staff and tenants, and whether steps could be taken to make Follaton plastic free. The Lead Member for Customer Satisfaction responded that the Waste Working Group had undertaken work on the use of plastics and an update would be sought;
- That work had been done by other agencies that could support some of the initiatives being discussed such as DCC who had produced an Action Plan on what they could do about plastics and the work of Devon Pensions on assessing their carbon footprint;
- Whether it would be possible to host a forum on the Council website to enable residents to share their ideas and experiences.

Members supported the report and thanked the Leader for the work undertaken to produce the report in a short space of time. The Leader asked that thanks be noted to the Specialists Manager who had written the report.

It was then:

### **RESOLVED**

That the Executive **RECOMMEND** to Council that:

1. The Council declares a Climate Change Emergency;
2. An Action Plan be developed that outlines how the Council will address the Emergency, and meet or exceed the targets set by the Intergovernmental Panel on Climate Change (IPCC), including an assessment of the viability of a 2030 target, to be brought to Council for approval within 6 months;
3. The Council commits to collaborating with Devon County Council, all the Devon District Councils, Plymouth City Council and other agencies, to address the Emergency;
4. The Action Plan identifies key performance indicators measured against any relevant national standards;



That the Executive **RESOLVES** to:

5. approve the convening of an all Member Workshop to help scope the challenges, set the priorities and inform the content of the draft Action Plan; and
6. delegate authority to the Head of Paid Service, in conjunction with the Leader, who has the responsibility for the Climate Change programme, to sign the Devon-wide Declaration on Climate Change.

#### E.07/19 **CUSTOMER SATISFACTION ACTION PLAN PROGRESS**

The Executive was presented with a report that detailed progress made since March 2019 on improving customer satisfaction and also included recommended next steps to continue to improve the customer experience by further honing the Council website, to pre-empt customer needs and manage expectations.

The Lead Member for Customer Satisfaction introduced the report, and gave an example of service improvements. She also asked that an additional recommendation be included, that the Action Plan Progress report be presented to Executive on a quarterly basis, rather than monthly.

It was then:

**RESOLVED** that:

1. The progress made to date in improving customer satisfaction as detailed in section 3 of the report be noted;
2. The next steps as outlined in section 5 of the report be supported; and
3. That future progress reports be presented on a quarterly basis.

#### E.08/19 **DEVON WIDE HOUSING ASSISTANCE POLICY**

Members were presented with a report that provided an outline of proposals to change the existing policy to better utilise the budget with more flexible assistance packages that will be available to a greater number of vulnerable residents.

The Lead Member for Wellbeing introduced the report, and the Senior Specialist Environmental Health responded to questions.

It was then:

**RESOLVED**

That Council be **RECOMMENDED** that the existing 2018-19 Homes Assistance Policy be updated with the revised 2019-21 Devon Housing Assistance Policy.

E.09/19 **GRANTING OF LONG LEASES IN DARTMOUTH, SALCOMBE AND KINGSBRIDGE**

Members were presented with a report that set out the details of three new long leases that were proposed for a term greater than 15 years.

The Lead Member for Assets introduced the report.

It was then:

**RESOLVED**

1. That the granting of three long leases be approved, to formalise the historic use of an area in Dartmouth and to support the commemoration of 150 years of the Salcombe and Kingsbridge Lifeboat; and
2. That final agreement of the Heads of Terms be delegated to the Head of Assets Practice in consultation with the Lead Member for Assets.

**(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.06/19 (1), (2), (3) and (4), AND E.08/19 WHICH WERE RECOMMENDATIONS TO THE SPECIAL COUNCIL MEETING TO BE HELD ON 25 JULY 2019, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY 17 JUNE 2019 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).**

(Meeting commenced at 10.00 am and concluded at 11.05 am)

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Chairman

## **PUBLIC QUESTIONS AT EXECUTIVE MEETINGS**

The Council at its meeting on 21 June 2001 agreed that 15 minutes should be set aside at the beginning of the Council's monthly Executive meetings to allow members of the public to ask questions.

Any member of the public who wants to raise a question at a meeting should:-

- (a) submit the question in writing to the Democratic Services Manager by 5.00 pm on the Monday prior to the Executive meeting. This will allow a detailed answer to the question to be given at the meeting. If advance notice of the question cannot be given, the Chairman of the meeting has the discretion to allow questions on matters which are felt to be urgent;
- (b) ensure that normally questions are no longer than 50 words in length;
- (c) ensure that the question does not relate to a specific planning matter (this is specifically excluded from the public question time);
- (d) ensure that the question relates to something over which the Council has some control and is suitable to be considered, ie, that it is not derogatory to the Council or relates to matters which the Council could consider confidential.

For any further advice on questions for Executive meetings, please contact Kathryn Trant (Member Services Manager).

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## **SOUTH HAMS DISTRICT COUNCIL: EXECUTIVE LEADER'S FORWARD PLAN**

This is the Leader of Council's provisional forward plan for the four months starting July 2019. It provides an indicative date for matters to be considered by the Executive. Where possible, the Executive will keep to the dates shown in the plan. However, it may be necessary for some items to be rescheduled and other items added.

The forward plan is published to publicise consultation dates and enable dialogue between the Executive and all councillors, the public and other stakeholders. It will also assist the Council's Overview and Scrutiny Panel in planning their contribution to policy development and holding the Executive to account.

Local authorities are required to publish updated forward plans on a monthly basis. The Plan is published in hard copy and on the Council's website ([www.southhams.gov.uk](http://www.southhams.gov.uk))

**Members of the public are welcome to attend all meetings of the Executive, which are normally held at Follaton House, Totnes, and normally start at 10.00 am. If advance notice has been given, questions can be put to the Executive at the beginning of the meeting.**

*The Executive consists of six Councillors. Each has responsibility for a particular area of the Council's work.*

*Leader of the Council – Cllr Judy Pearce*

*Deputy Leader – Cllr Hilary Bastone*

*lead Executive Member for Health and Wellbeing – Cllr Jonathan Hawkins*

*lead Executive Member for Communities and Enterprise – Cllr David May*

*lead Executive Member for Environment – Cllr Keith Baldry*

*lead Executive Member for Customer Service Delivery – Cllr Nicky Hopwood*

Further information on the workings of the Executive, including latest information on agenda items, can be obtained by contacting the Member Services Section on 01803 861185 or by e-mail to [democratic.services@southhams.gov.uk](mailto:democratic.services@southhams.gov.uk)

**All items listed in this Forward Plan will be discussed in public at the relevant meeting, unless otherwise indicated**

**KEY DECISIONS TO BE TAKEN BY THE EXECUTIVE**

<b>Portfolio Area</b>	<b>Report Title and Summary</b>	<b>Lead Officer/ Member</b>	<b>Documents to be considered in making decision</b>	<b>Date of Decision</b>	<b>Consultees and means of Consultation</b>
<b>OTHER DECISIONS</b>					
	<b>Title:</b> Coastal Concordat <b>Purpose of report:</b> To consider the Concordat agreed between SHDC and Marine Management Organisation in respect of planning matters below the mean low tide	Tom Jones	Report of the Head of Place Making Practice  Coastal Concordat	Date tbc	
Deputy Leader – Strategic Assets  Page 88	<b>Title:</b> Dartmouth Health Hub Update Report <b>Purpose of Report:</b> To report on progress and seek approval for next steps, including any finance requirements	Chris Brook/ Cllr Bastone	Report of Head of Assets Business case	18 July 2019	NHS led public consultation and stakeholder engagement Meetings with Town Council
Deputy Leader – Strategic Assets	<b>Title:</b> Kingsbridge Commercial proposals <b>Purpose of report:</b> To seek approval for the business case for a commercial opportunity for a hotel in Kingsbridge, to include the granting of a long lease.	Chris Brook/ Cllr Bastone	Report of HOP Lead Assets Business Case for development	18 July 2019	Meetings with Town Council
Deputy Leader – Strategic Assets	<b>Title:</b> Ivybridge Commercial Development Opportunity <b>Purpose of report:</b> To report on progress and seek approval for next steps, including any finance requirements	Chris Brook/ Cllr Bastone	Report of Head of Assets	18 July 2019	Meetings with Town Council
Leader – Council	<b>Title:</b> Restructure of SLT <b>Purpose of report:</b> To approve the Senior Leadership Team structure, roles and salaries and request the Chief Executive to review and implement changes to the Extended Leadership Team	Sophie Hosking & Andy Wilson/ Cllr Pearce	Report of the Chief Executive , LGA Peer Review and SLT Consultation Paper responses	18 July 2019	Staff consulted via consultation paper
Communities	<b>Title:</b> Crowdfunding <b>Purpose of report:</b> To approve the proposed creation of a South Hams Crowdfund, details set out in the report	Nadine Trout/ Cllr May	Report of the Commissioning Manager	18 July 2019	

Environment	<p><b>Title:</b> Electric charging points in car parks – update to Off Street Parking Order</p> <p><b>Purpose of report:</b> To seek approval for amending the Off Street Parking Order</p>	Cathy Aubertin/ Cllr Baldry	Report of Environment Services Head of Practice	18 July 2019	
Deputy Leader – Strategic Assets	<p><b>Title:</b> Commercial Acquisition Strategy – Renewable Energy</p> <p><b>Purpose of report:</b> to amend the current acquisition strategy to widen the geographic constraints for investment in the renewable energy sector</p>	Chris Brook/ Cllr Bastone	Report of Head of Assets	18 July 2019	Internal consultees
Council	<p><b>Title:</b> IT Procurement Update</p> <p><b>Purpose of the report:</b> Proposal for the approach for the ICT Procurement, including proposals for joint arrangements with South Hams District Council</p>	Mike Ward/ Cllr Bastone	Report of Head of IT  IT Evaluation Report Appendix	18 July 2019	Lead Member Support Services
Wellbeing Page 19	<p><b>Title:</b> To consider the adoption of an Air Quality Action Plan for Totnes as required under the Environment Act 1995</p> <p><b>Purpose of report:</b> The Air Quality Action Plan is a legal framework of measures that the Council with its partners will be seeking to undertake to address poor air quality in an Air Quality Management Area. The report follows on from the adoption by the Council of its Clean Air Strategy and air quality action plans for Ivybridge and Dean Prior. I will also provide an update on the proposals for Ivybridge.</p>	James Kershaw/ Cllr Hawkins	Report of Senior Specialist Environmental Health	18 July 2019	
Council	<p><b>Title:</b> Budget Update report for 2020/21</p> <p><b>Purpose of report:</b> To give an update on the outline financial modelling for the budget position for 2020/21, including asking Members for an early indication on the Council Tax Support Grant for 2020/21 for Town and Parish Councils</p>	Lisa Buckle/ Cllr Pearce	Report of s151 Officer	18 July 2018	
Council	<p><b>Title:</b> Write Off Report for Quarter 4 2018/2019</p> <p><b>Purpose of report:</b> The Council is responsible for the collection of: Housing Rents, Sundry Debts including Housing Benefit Overpayments, Council Tax and</p>	Lisa Buckle/ Cllr Bastone	Report of Strategic Lead Finance	18 July 2019	

	National Non-Domestic Rates. The report informs members of the debt written off for these revenue streams.				
Leader – Strategic Assets	<b>Title:</b> Formation of a wholly owned company <b>Purpose of Report:</b> To consider the formation of a wholly owned company to facilitate commercial activity	Chris Brook/ Cllr Pearce	Report of Head of Assets	19 September 2019	
Enterprise	<b>Title:</b> Accommodation Strategy <b>Purpose of report:</b> To make recommendations for a future accommodation strategy	Chris Brook/ Cllr May	Report of Head of Assets	19 September 2019	
Leader	<b>Title:</b> Draft Corporate Strategy Delivery Plans <b>Purpose of report:</b> To consider the feedback gathered by Members from their community engagement	Nadine Trout/ Cllr Pearce	Report of the Commissioning Manager	19 September 2019	
Environment	<b>Title:</b> Grounds maintenance service <b>Purpose of report:</b> To consider the future provision of a grounds maintenance service, and opportunities for income growth in respect of service area	Steve Mullineaux & Cathy Aubertin/ Cllr Baldry	Report of the Group Manager Commercial Services and Head of Environment Services Practice	19 September 2019	
Homes	<b>Title:</b> Homeless Strategy Year 3 <b>Purpose of the report:</b> To set out Year 3 of the Strategy	Issy Blake/ Cllr Pearce	Report of the Head of Housing, Revenues and Benefits	19 September 2019	
Council	<b>Title:</b> Write Off Report for Quarter 1 <b>Purpose of report:</b> The Council is responsible for the collection of: Housing Rents, Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates. The report informs members of the debt written off for these revenue streams.	Lisa Buckle/ Cllr Bastone	Report of Strategic Lead of Finance	19 September 2019	
Council	<b>Title:</b> Revenue Budget Monitoring Quarter 1 <b>Purpose of report:</b> A revenue budget monitoring report to monitor income and expenditure variations against	Pauline Henstock/ Cllr Bastone	Report of Head of Finance	19 September 2019	



	the approved revenue budget for 2019/20, and to provide a forecast of the year end position				
Council	<b>Title:</b> Capital Budget Monitoring Quarter 1 <b>Purpose of report:</b> The report advises Members of the progress on individual schemes within the approved capital programme for 2019/20, including an assessment of their financial position	Pauline Henstock/ Cllr Bastone	Report of Head of Finance	19 September 2019	
Council	<b>Title:</b> Medium Term Financial Strategy for the five years 2020/21 to 2024/25 <b>Purpose of the report:</b> To set the strategic intention for all of the different strands of funding available to the Council. This brings together all known factors affecting the Council's financial position and its financial sustainability, to provide a long term financial forecast.	Lisa Buckle/ Cllr Pearce	Report of Strategic Lead of Finance	19 September 2019	
Communities/ Wellbeing 2021	<b>Title:</b> Partnership Funding Levels 2020/21 <b>Purpose of the report:</b> To review Partnership Funding Levels for 2020/21 onwards and to consider moving from a grants basis to a commissioning model	Nadine Trout/ Cllr May and Cllr Hawkins	Report of Head of Housing, Revenues and Benefits Practice	19 September 2019	
Communities/ Wellbeing	<b>Title:</b> Council Tax Reduction Scheme 2020/21 <b>Purpose of the report:</b> It is an annual requirement for the Council to revisit its existing council tax support scheme	Issy Blake/ Cllr May and Cllr Hawkins	Report of Head of Housing, Revenues and Benefits Practice	19 September 2019	
Council	<b>Title:</b> Customer Satisfaction Quarterly Updates <b>Purpose of report:</b> To update Members on progress with Customer Satisfaction	Nadine Trout/ Cllr Pearce	Report of Commissioning Manager	19 September 2019	
Enterprise	<b>Title:</b> Langage Enterprise Proposals <b>Purpose of the report:</b> To make recommendations to facilitate development, growth and enterprise at Langage Energy Park	Chris Brook/ Cllr May	Report of Head of Assets	31 October 2019	





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## **NOT FOR PUBLICATION**

Appendix A to this report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

Report to: **Executive**

Date: **18 July 2019**

Title: **Ivybridge regeneration**

Portfolio Area: **Strategic Assets – Cllr Hilary Bastone**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **After Call In 29 July 2019**

Author: **Chris Brook** Role: **Head Of Assets Practice**

Contact: **Email: [Chris.Brook@swdevon.gov.uk](mailto:Chris.Brook@swdevon.gov.uk)**

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### **Recommendation: that the Executive RESOLVES to:**

1. Approve the revised business case contained within Appendix A.
2. Instructs officers to seek to finalise the land assembly and stakeholder engagement
3. Approve a maximum spend of £50k
4. Bring back a further report to the Executive upon the conclusion of recommendation 2.

### **1. Executive summary**

1.1. Following a decision by the Executive in March 2019 (minute ref E.82.18) to approve the principle of a regeneration project in Ivybridge this report provides further information, business case and justification as requested by the Executive.

1.2. The development would offer new employment opportunities for around 60 people and the mix of uses would generate approximately 1,800 to 2,200 customers a day into the centre of Ivybridge.

1.3. The project cost is approximately £11m representing a significant investment in the community of Ivybridge.

## **2. Background**

2.1. In March 2019, the Executive resolved the following:

- 1) That the findings of the Ivybridge 'Vox Pops' consultation be noted;
- 2) That the submission of an Expression of Interest to the Government's Future High Street Fund in respect of Ivybridge be supported; and
- 3) That the principle of a supermarket development within the Council owned Leonards Road and Glanvilles Mill car parks be approved, subject to an acceptable detailed business case and agreement with third parties. (NB. These will need to be in place before a final decision on progressing a development).

2.2. Since then, the project, which includes; construction of a supermarket on part of Leonard's Road car park, relocating a police station, a net increase in parking provision and the relocation of other facilities, has now been worked up in more detail and a business case prepared as set out in Appendix A, which due to commercial sensitivity is exempt.

2.3. The scheme design has been developed based on feedback on the initial proposals and consultations with the Town Council, businesses and local residents. The proposed Scheme now includes a more comprehensive approach and includes proposals for integration and improved car parking and access to the historic town centre and the newly refurbished leisure centre.

2.4. The police station, scout hut and skate park would need to be relocated within the immediate vicinity of the development site. Discussions have been undertaken with the Police Authority and Fusion Leisure, although more dialogue is needed..

2.5. Heads of Terms have been agreed with Aldi Stores Ltd a national supermarket operator. The supermarket's business model of only stocking ~1,800 product lines (instead of a more typical 20,000 to 40,000) requires shoppers to visit other stores to complete their typical weekly shopping. It is for this reason that this style of store would assist with the sustainability of shops and high streets in close proximity. The strategy is to increase regular footfall within the town centre, stimulate linked trips and reduce the need to shop in out of town locations.

2.6. The car parks areas (Leonard's Road and Glanville's Mill) are to be re-planned, and together with riverside works will open-up sightlines and improve pedestrian routes into the Glanville Centre and the High Street. The existing car park charging structure will be reviewed with an aspiration to provide 90 minutes free parking for all town centre users. The new car park will provide 272 spaces

- an increase of 57 spaces. The reconfiguration includes improved access to the leisure centre with a drop-off point and coach bays.

2.7. The development would offer new employment opportunities for around 60 people and the mix of uses would generate approximately 1,800 to 2,200 customers a day into the centre of Ivybridge.

2.8. There are no other sites in the centre of Ivybridge which would be suitable for such development. If an out of town location (such as a proposed site south of A38 development) came forward, it is considered likely to have a further detrimental effect on central Ivybridge footfall and commerce, when added to Tesco's location on the A38. As stated in Peter Brett Associates Retail & Leisure Study dated May 2013 already 92.4% of convenience consumer spend is leaving the town centre with 55.9% going to the Tesco Extra at Lee Mill.

2.9. Initial positive conversations have been had with the land owner south of the A38 regarding the Council leasing some land to provide a long stay park and walk car park, utilising the existing footpath under the A38 by the river. This could provide a further 50 parking spaces.

2.10. The masterplan for the project is shown below.



### 3. Outcome / Outputs

3.1 Having run a competitive process with a number of supermarket operators, we have now secured the key part of the business case which is the rental returns over 25 years (please see Appendix A). There are however a number of other outputs that will need to be secured before the project can proceed as follows:

3.2 **Devon and Cornwall Police.** The project still requires agreement to be reached with this key stakeholder.

3.3 **Fusion Lifestyle.** The project team have an ongoing dialogue with Fusion Lifestyle. Given the investment in the Ivybridge Leisure Centre, they are rightfully cautious of any project that could impact upon the investment.

Officers are working with them to improve and consider: Site lines, coach drop off, parking capacity, construction phasing and impact. It is too early in the project to have closed out these concerns fully but these issues will be addressed as part of the ongoing business case.

3.4 **Car parking tariff changes.** The supermarket provider requires 90 minutes free parking for their shoppers. This is to ensure that their shoppers have time to complete their shop in the supermarket (20mins on average) and then continue their shopping with other providers in the town. This is essential for the project to meet its regeneration aims.

3.5 To change car parking tariffs and the extent of the car parks, the Council will need to go through a public consultation process and ensure that the impact of it was thoroughly understood and agreed by the Council.

3.6 If the income currently derived from the car park is lost, the business case for taking forward these proposals is very marginal if the income cannot be replaced. A specialist car park consultant will be commissioned to model the numbers to consider the likely effect against the existing structure. Whilst this project is being recommended for its economic and employment benefits, not its business case, the income margin must be considered.

3.7 The project team shall be commissioning third party analysis of the car parking data and using comparables from similar regeneration projects to get a sensitivity analysis on projected parking income.

3.8 **Park and Walk south of the A38.** This option is being pursued as a result of previous concern from stakeholders that car parking tariff changes in Leonard's Road and Glanville's Mill car parks would displace long stay parking to the detriment of Ivybridge. This option is yet to be formalised with the land owner and may also require separate planning approval. The exact terms on which this aspect of the project may be delivered are therefore not clear at this stage.



#### **4. Specific Options available and consideration of risk**

4.1 Development and investment projects carry inherent risk and the following should be considered by the Executive as part of their deliberations:

- a.** Financial exposure during the construction phase prior to occupation by the tenant. This risk shall be eliminated via the use of an agreement to lease between Aldi and South Hams District Council. This would also apply for the Police, Foodstore and other aspects, but are subject to negotiation.
- b.** Borrowing is within the agreed limits agreed by Council in September 2018.
- c.** Construction cost over run. This risk needs to be managed. A reputable contractor will be selected from a regional construction framework and employed using a standard form of contract. Project management will be outsourced and client side contingency costs are built into the business case.
- d.** Planning. There is no certainty that the proposals will get planning approval.
- e.** Tenant covenant (strength / risk of going bust). The Foodstore operator is a national covenant with a very strong balance sheet. The Council would not consider entering into a 25 year lease were that not the case. It is possible however that any business can falter over that time frame and the Council would need to seek other operators of a similar nature to take over the operation of the facility were that to happen.
- f.** Maintenance and Insurance. The lease would include an obligation on the tenant to maintain and insure the building.
- g.** Commercial return. The borrowing structure proposed for the project is based on fixed interest and repayment of 50% of the loan over the term. The lease is would contain an inflation linked upwards only 5 year rent review. As such the commercial return of the project improved over the life of the investment.
- h.** Public land. The project does not sell off any land owned by the Council. At the end of the investment period, the Council will own the land and the asset upon it, with no debt against either.

#### **5. Proposed Way Forward**

5.1 That the Executive approve the recommendations included in this report.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The appendix to this report is exempt from publication because it contains information about the Council's financial and proposed commercial affairs as defined in Paragraph 3 of Schedule 12A to the Local Government Act 1972. The public interest test has been applied and it is considered that the public interest lies in not disclosing this report at this time because it contains financial and commercially sensitive information which could prejudice the Council if such information was disclosed at this time.</p> <p>These proposals are consistent with the Council's powers to borrow and invest under the Local Government Act 2003 and section 1 Localism Act 2011 (the general power of competence). Section 1 of the Local Government Act 2003 provides a power to the Council to borrow for the purposes of any enactment. There is an overriding duty toward prudent management of risk, and officers, including the Council's section 151 officer, owe a fiduciary duty in relation to given transactions.</p> <p>Any future development will be subject to the normal Council planning process and any decision by Executive does not infer that planning permission for the proposed developments would be granted.</p>
Financial implications to include reference to value for money		<p>The financial considerations are contained within Exempt Appendix A.</p> <p>Recommendation 2 is that a budget envelope of £50,000 is kept within and to bring a further report back to the Executive as per Recommendation 4.</p>
Risk		All development projects carry risk. Reference section 4 above for further details.
Supporting Corporate Strategy		Enterprise
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		N/A.
Safeguarding		N/A

Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		N/A

**Supporting Information**

**Appendices:**

Appendix A – Ivybridge Business case

**Background Papers:**

Council and Executive reports

**Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>
Relevant Head of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>

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## **NOT FOR PUBLICATION**

Appendices A and B to this report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

Report to: **Executive**

Date: **18 July 2019**

Title: **Investing in Kingsbridge**

Portfolio Area: **Strategic Assets – Cllr Hilary Bastone**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **After Call In  
29 July 2019**

Author: **Chris Brook** Role: **Head Of Assets Practice**

Contact: **Email: [Chris.Brook@swdevon.gov.uk](mailto:Chris.Brook@swdevon.gov.uk)**

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### **That the Executive:**

1. Approves the revised business case for the project as set out in the Report and Appendix A.

### **1. Executive summary**

- 1.1. The Kingsbridge Hotel development project and business case was approved by the Executive in December 2018 (minute reference E.62.18). Since then the business case for the Kingsbridge Hotel proposal has changed and it requires a further approval so as to proceed. The cost of the project has increased from £9.1m to C. £10.13m.
- 1.2. The scale of the development has also changed from 76 rooms to 85 but the height reduced from 5 storeys to 4.

### **2. Background**

- 2.1. In December 2018 the Executive approved the project and business case for the development of a hotel in Kingsbridge at £9.1m. Since then the Heads of Terms have been finalised with the proposed hotel operator and the details of the project and business have changed.

- 2.2. As such, the new business case for this proposal is being brought back for consideration by the Executive.
- 2.3. The scheme design has been developed and the proposal is now for a 4 storey, 85 bedroom hotel. Some new parking will be provided, but the majority of the hotel users will use the parking provided in the adjacent Council owned car park, as is typical in these situations.
- 2.4. Heads of Terms have been agreed for the terms of the Agreement for Lease. This will be for a 25-year term on a full repairing and insuring basis.
- 2.5. The Council would procure a design and build contract via an OJEU compliant framework.
- 2.6. Based on an 80% occupancy rate (the UK average for the last 3 financial years) and 1.5 person/room, this would potentially bring of 37,200<sup>1</sup> additional visitors to Kingsbridge per year with a commensurate additional food and beverage spend of around £525,000 in the local area per annum.
- 2.7. The hotel will not have an associated pub, but will have a restaurant offer.
- 2.8. This project will deliver an initial net yield of ~1% which is within the range set out in the adopted Commercial Investment Strategy. It also performs very strongly when measured against the two other objectives of; supporting regeneration and the economic activity of the District and enhancing economic benefit & business rates growth.
- 2.9. Proposed plans and a Visual Impact Assessment have been prepared which suggests that the proposal has minimal impact on the key strategic views within the town. However this is only an initial reaction and it will require full consideration as part of the planning process. Discussions with Kingsbridge Town Council are ongoing and they have raised a number of relevant concerns including but not limited to the car parking capacity in the adjacent car park.
- 2.10. Through an informal consultation with local high-street businesses the Council has learned that there is strong support for this investment as a result of the increased footfall and trade envisaged from it.
- 2.11. The project programme envisages approximately two years between approval and completion, should this project move forward.
- 2.12. The financial structuring of the project has been reassessed with a two-stage funding arrangement being envisaged. The Council would borrow short term on an interest only basis in the

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<sup>1</sup> This includes an assumption that all visitors are "new" rather than just switching their accommodation choice. Whilst there are no hotels in Kingsbridge, it is possible that other accommodation sectors may be affected by a change in market share.



first year, then funding longer term would be with the PWLB with costs being re-financed and 50% of the borrowing being repaid.

- 2.13. A business case template is provided in Appendix A, which due to commercial sensitivity is exempt.

### **3. Outcome / Outputs**

- 3.1 Whilst the height of the proposed building has reduced by one storey, the room count has increased from 76 to 85 and the associated cost of development has increased to C. £10m. This is still within the borrowing limits set by the Council in September 2018 (minute reference 30/18).
- 3.2 The hotel operator's own assessment of the room occupancy rate is unchanged at 80%, so a pro-rata increase in the number of stays in the hotel is therefore expected.
- 3.3 There is no equivalent hotel offer in the South Hams and no hotels in Kingsbridge, so market share cannot be taken from the hotel sector in Kingsbridge. It is possible that other accommodation sectors such as AirBnB may be affected.
- 3.4 During the construction phase, the project is likely to employ around 90 people and once operational will employ 24 staff in non-seasonal jobs.
- 3.5 Whilst the economic developments should rightfully be stress tested, the various metrics used to assess this are all very positive. Further analysis to ensure that these benefits are not over exaggerated is recommended as part of this project should it get Executive support.

### **4. Specific Options available and consideration of risk**

- 4.1 A full project Risk Register is included in Exempt Appendix B. This will be reviewed on a monthly basis by the project team. The risk profile of the project has reduced since the last report was considered in December 2018 in two areas. Firstly the reduction in building height has helped reduce (but not eliminate) the risk of getting planning approval. Secondly, having board approval for the Heads of Terms from the hotel operator, combined with the decision to use a framework to procure the construction contractor has reduced the time frame for delivery.
- 4.2 Further work has been and continues to be done on assessing the car parking utilisation of the local car parks. It is clear that usage patterns in the adjacent car park is different than it had been in previous years, linked to a change in car parking permits, moving cars onto the adjacent car park from the Quay car park.
- 4.3 The project will continue to assess car parking demand and make changes as required to ensure it managed in the best way possible, balancing the needs of day trippers, hotel guests and residents.

- 4.4 Development and investment projects carry inherent risk. The following should be considered by the Executive as part of their deliberations:
- a. Financial exposure during the construction phase prior to occupation by the tenant. This risk has been eliminated via the use of an agreement to lease. No construction contracts would be placed until this agreement was in place between the Hotel operator and the Council.
  - b. Construction cost over run. This risk needs to be managed. A reputable contractor shall be selected from a regional construction framework and employed using a standard design and build form of contract. Project management would be outsourced and client side contingency is built into the business case.
  - c. Planning. There is no certainty that the proposals will get planning approval, although the proposals are in line with the Local Plan. Appendix A sets out the predicted cashflow expended prior to a decision on the planning application and spend prior to that decision is therefore "at risk".
  - d. Tenant covenant (strength / risk of going bust). The hotel operator is a national covenant with a very strong balance sheet. The Council would not consider entering into a 25 year lease were that not the case. It is possible however that any business can falter over that time frame and the Council would need to seek other operators of a similar nature to take over the operation of the facility were that to happen.
  - e. Maintenance and Insurance. The lease would include an obligation on the tenant to maintain and insure the building.
  - f. Commercial return. The borrowing structure proposed for the project is based on fixed interest and repayment of the loan over the term. The lease is would contain an inflation linked upwards only 5 year rent review. As such the commercial return of the project improved over the life of the investment.
  - g. Public land. The project does not sell off any land owned by the Council. At the end of the investment period, the Council will own the land and the asset upon it, with 50% of the borrowing repaid. The Council would need to refinance the other 50% at the end of the 50 years.

## **5. Proposed Way Forward**

- 5.1 That the Executive approve the recommendation and amended business case set out in this report included in this report.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The appendices to this report are exempt from publication because they contain information about the Council’s financial and proposed commercial affairs as defined in Paragraph 3 of Schedule 12A to the Local Government Act 1972. The public interest test has been applied and it is considered that the public interest lies in not disclosing this report at this time because it contains financial and commercially sensitive information which could prejudice the Council if such information was disclosed at this time.</p> <p>These proposals are consistent with the Council’s powers to borrow and invest under the Local Government Act 2003 and section 1 Localism Act 2011 (the general power of competence).</p> <p>Section 1 of the Local Government Act 2003 provides a power to the Council to borrow for the purposes of any enactment.</p> <p>There is an overriding duty toward prudent management of risk, and officers, including the Council's section 151 officer, owe a fiduciary duty in relation to given transactions.</p> <p>Legal due diligence will be carried out as part of the development process.</p> <p>Any future development will be subject to the normal Council planning process and any decision by Executive does not infer that planning permission for the proposed developments would be granted.</p>
Financial implications to include reference to value for money		The financial considerations are contained within Appendix A.
Risk		All development projects carry risk. Reference section 4 above for further details and Appendix B – Project Risk Register.
Supporting Corporate Strategy		Enterprise
Comprehensive Impact Assessment Implications		

Equality and Diversity		N/A.
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		N/A

**Supporting Information**

**Appendices:**

Exempt Appendix A – Business case

Exempt Appendix B – Project Risk Register

**Background Papers:**

None

**Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>
Relevant Head of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>

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**NOT FOR PUBLICATION**

Appendix A to this report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

Report to: **Executive**

Date: **18 July 2019**

Title: **Dartmouth Health and Wellbeing Hub Development**

Portfolio Area: **Strategic Assets – Cllr Hilary Bastone**

Wards Affected: **Dartmouth**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **After Call In  
29 July 2019**

Author: **Chris Brook** Role: **Head Of Assets Practice**

Contact: **Email: Chris.Brook@swdevon.gov.uk**

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**Recommendations: That the Executive RESOLVES to:**

1. Approve the project to deliver a Health and Wellbeing HUB in Dartmouth and associated business case in Appendix A.
2. Approve the borrowing identified in the business case under the delegation provided by the Commercial Investment Strategy.
3. Delegate to the Head of Assets Practice the authority to enter into leases (and associated legal agreements) associated with the project with a term longer than the delegated limit of 15 years.
4. Recognises the minimal impact that the proposals may have on total parking capacity in Dartmouth and instruct officers to bring forward proposals for consideration by local members to mitigate that loss.

**1. Executive summary**

- 1.1. Torbay and South Devon NHS Foundation Trust (the Trust) have been looking for a site to help deliver integrated healthcare and a sustainable GP practice for people in Dartmouth.
- 1.2. Following a previous attempt to co-locate with a care provider at the top of town that was not able to complete, the Trust

approached South Hams District Council (SHDC) with a proposal to use part of the Park & Ride car park overflow.

- 1.3. This report considers the relative merits of this proposal and asks for approval to deliver a key health facility in line with our Wellbeing and Enterprise themes.

## **2. Background**

- 2.1. Following an informal update to the Executive in December 2018 (minute Ref E.62/18), whereby general support was given for the principle of a Health and Wellbeing Hub (H&W Hub) in Dartmouth, officers have been working with the Trust to move the project forward. A Memorandum of Agreement has been signed between the Council and the Trust and a Collaboration Agreement is being prepared.
- 2.2. These agreements would allow the Council to deliver the project utilising a pre tendered supply chain (companies that can work for the Council) that includes; The Trust, Morgan Sindall, Ashley House and Arcadis. This approach has been approved by our procurement and legal advisors.
- 2.3. The financial aspects of the project have now been defined and as such, the Council is in a position to decide if it would like to proceed with the development, which will cost approximately £4m.
- 2.4. The project is structured on the basis that the Council will provide land and finance, and the Trust will provide the development via the supply chain and then take a lease of the building. By working in partnership in this way, the Trust is able to secure a site for the facility and the Council can access competitive borrowing rates to fund the construction.
- 2.5. The project delivers against our core theme of Wellbeing, in so far as it aligns the current best practice of trying to locate health facilities alongside leisure facilities, such that preventative care measures can be best addressed. It also aligns with our Commercial Investment Strategy under the Enterprise theme.
- 2.6. The project would address the current capacity challenge and inflexible accommodation offer constraining the existing GP practice in the town centre and provide a facility for services from the now closed hospital and Dartmouth Clinic. In short, it would provide significant health care benefits to the population of Dartmouth and the surrounding parishes and help improve capacity for health care which is under strain.
- 2.7. The key outcomes for the project are therefore to provide:
  - 2.8. A modern GP facility with capacity to expand
  - 2.9. Space for the provision of services from the NHS Trust and;
  - 2.10. Dartmouth Caring (3<sup>rd</sup> sector- charity)
  - 2.11. Good access for the population of Dartmouth and the surrounding parishes including;

- 2.12. Convenient car parking for those travelling by car and the most convenient location for those using public transport.
- 2.13. The development would be located on the existing park and ride overflow site, which as it is a field, has a capacity of 120-130 cars (depending on how well they park). The proposed development would utilise about half of this space and the other half would become a formal car park, which as it will be formally laid out will be able to provide approx. 90 spaces.
- 2.14. It is anticipated that this car park would be available for both the H&W Hub and as a P&R overflow facility as the usage of each is broadly compatible.
- 2.15. The existing P&R car park is not utilised or impacted as part of this project.

### **3. Outcomes/outputs**

- 3.1 Should the Executive support the principle, business case (in appendix A) and outcomes of this project, the next steps will be to enter into an agreement to lease with the NHS Trust. Following that the design phase can commence leading to a planning application.
- 3.2 The Council would pay for the construction of the facility and upon completion, the Trust's lease would commence in accordance with its terms, which include a length of 30 years.
- 3.3 Further details of the terms of the lease are contained in Appendix A as is the business case that it underpins.
- 3.4 The project timelines are only loosely defined at this stage, but it is anticipated that a planning application would be submitted in early 2020 and construction completed in 2021. The agreement to lease will set out a firm timeline for the project, but be subject to planning approval.
- 3.5 Success for this project will be defined by the delivery of a modern fit for purpose Health and Wellbeing Hub that will benefit the population of Dartmouth and the surrounding parishes.

### **4. Options available and consideration of risk**

- 4.1 An alternative delivery option available to the Council would be to dispose of the site to the NHS Trust. Whilst this would ensure that the project could continue, it would not provide best value to the Council as it would not retain the land or generate a long term revenue income. Furthermore, it does not align with the adopted commercial strategy of investing in commercial projects to increase the portfolio. It is therefore not recommended by the Head of Assets Practice.
- 4.2 The risks that need consideration for the proposed course of action are as follows:
  - a. Loss of P&R overflow parking of about 30-40 spaces. There will be no impact to the coach parking or formal P&R parking capacity. It is not felt that weekend capacity would be

unduly affected as the H&W Hub would not have high demand during those periods and the car park would therefore be available. In accordance with recommendation 4 of this report, officers shall seek to mitigate the loss of parking identified and have already undertaken feasibility design work which suggests this is possible.

Increase in parking capacity in the town car parks and reduction in congestion. The existing health facilities in the town are significant trip generators and have no parking facilities. The public car parks that currently provide that parking will have a net increase in capacity which can be used by others. Locating the health hub on a bus route will also encourage public transport trips to the facility further increasing parking capacity.

- b. Parking income. The overflow park and ride generates approximately £20k-£30k a year. The car park that will serve the H&W Hub will also be a pay and display car park, and a suitable tariff will need to be derived that is compatible with the facility and the P&R. It is not anticipated that this income would be unduly effected, but it is a consideration.
- c. Development risk. As with all construction projects, risks exist which should they arise result in an increase in cost, delay in programme or both. The development risk in this project is felt to be quite low, but a budget contingency has been built into the business case as is best practice.
- d. Tenant default. The lease would be between the Trust and the Council, so the risk of tenant default is virtually zero, given it is government backed. The Trust would have sub-leases with the other tenants who may have a higher risk of default.
- e. Finance. The business case is based on an estimate of the interest rate for prudential borrowing at 2.5% and borrowing over the asset life of 50 years. Should the interest rate fluctuate between the date of the report and the borrowing being taken out, the business case would be affected positively or negatively. In reality, a conservative estimate has been used, such that it is more likely that the position set out will be improved upon.
- f. Project management and internal resource. Whilst the project will be essentially outsourced to a lean supply chain for delivery, there will still be an internal resource requirement from within Assets and legal. Due to the timing of this project aligning with those projects already approved in December 2018, a small budget has been included in the business case to ensure capacity is available to the Council to deliver the project.
- g. Procurement. The project will utilise the supply chain of the Trust, which has been appointed via an OJEU compliant procurement process. The Council will be able to utilise this

agreement as it has entered into a Collaboration Agreement with the Trust. As with any procurement, there can be a risk of challenge.

- h. The project is subject to gaining planning approval. Should planning not be granted, the costs incurred up to that point would have been spent at risk. These costs are not anticipated to be in excess of £250,000.

4.3 The risks set out above have been evaluated by the following officers:

<b>Risk</b>	<b>Officer</b>
a,c,d,f,h	Head of Assets Practice
b,	Head of Environment Services Practice & Head of Assets Practice
e	Section 151 Officer
g	External legal and procurement advisors

4.4 The project has been discussed with the Town Council, local Councillors and the Executive. Of the risks set out, the loss of overflow parking has consistently been identified as the major concern. Officers have worked up preliminary solutions to mitigate the parking loss, which will be worked up should the project be approved.

4.5 There are however clear benefits the project would bring and therefore the Executive will have to balance the relative merits of the project against this identified risk and those set out in 4.2 and 4.3 above.

## **5. Proposed Way Forward**

5.1 That the Executive approves the recommendations set out in this report so as to deliver this key Wellbeing project and deliver much needed benefits to the community of Dartmouth and surrounding parishes.

5.2 Approval would result in the delivery of a key Wellbeing project for this authority, which does have a sustainable financial business case in line with the adopted Commercial Property Strategy. As such it also aligns and delivers against the core Council theme of Enterprise.

5.3 That officers continue to look for ways to mitigate the overflow parking loss, based on operational evidence of need where it is

viable and reasonable and shall consult the local members on these proposals.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Appendix A to this report is Exempt from publication because it contains information about the Council's financial and proposed commercial affairs as defined in Paragraph 3 of Schedule 12A to the Local Government Act 1972.</p> <p>The public interest test has been applied and it is considered that the public interest lies in not disclosing Appendix A at this time because it contains financial and commercially sensitive information which could prejudice the Council if such information was disclosed at this time.</p> <p>These proposals are consistent with the Council's powers to borrow and invest under the Local Government Act 2003 and section 1 Localism Act 2011 (the general power of competence).</p> <p>Section 1 of the Local Government Act 2003 provides a power to the Council to borrow for the purposes of any enactment.</p> <p>There is an overriding duty toward prudent management of risk, and officers, including the Council's section 151 officer, owe a fiduciary duty in relation to given transactions.</p> <p>Any future development will be subject to the normal Council planning process and any decision by the Executive does not infer that planning permission for the proposed developments would be granted.</p> <p>The Council has powers to enter into collaboration arrangements with other public bodies pursuant to regulation 12 Public Contracts Regulations 2015. The Collaboration Agreement makes it clear that it is not an agreement for provision of services or works. The agreement and subsequent Agreement for Lease needs to be drafted in such a manner that ensures that the arrangement is one that is purely a land transaction as opposed to a development agreement with specific obligations on the [NHS] to undertake specific works or services. If structured in this manner, then, there are no procurement risks to the Council. The Council has further powers under Local Government Act 1972 and Localism Act 2011. The collaboration agreement will need to be reviewed in order to ensure compliance with regulation 12 Public Contracts Regulations 2015. The arrangement also needs to consider state aid implications. At the moment, there are no obvious and identifiable activity that state aid is engaged.</p>

Financial implications to include reference to value for money		<p>Borrowing decisions will be taken prudently in line with the Council's treasury management strategy and by officers within that function. The Council must confirm that the borrowing required is available and is proportional to the Council's financial situation.</p> <p>The full figures relating to expenditure and income are set out in exempt Appendix A.</p> <p>The borrowing must be within the agreed limits agreed by the Council at its meeting on 27 September 2018 (minute reference 30/18)</p>
Risk		The risks associated with this project are set out in section 4.1 of this report.
Supporting Corporate Strategy		Wellbeing & Enterprise
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		The project will be designed such that it meets or exceeds current best practice in terms of accessibility.
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		There are strong positive impacts of this project aligned to Health and Wellbeing as set out in the report.
Other implications		N/A

### **Supporting Information**

#### **Appendices:**

Exempt Appendix A: Business Case

#### **Background Papers:**

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>
Relevant Head of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>

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Report to: **Executive**  
Date: **18 July 2019**  
Title: **Commercial Investment Strategy**  
Portfolio Area: **Strategic Assets – Cllr J Pearce**  
Wards Affected: **All**  
Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:  
**After Full Council 25 July, 2019**

Author: **Chris Brook** Role: **Head Of Assets Practice**  
Contact: **Email: [Chris.Brook@swdevon.gov.uk](mailto:Chris.Brook@swdevon.gov.uk)**

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**That the Executive RECOMMENDS to Council:**

1. To approve the Commercial Investment Strategy in Appendix A.

**1. Executive summary**

- 1.1. The South Hams Commercial Investment Strategy is currently constrained to investment within the authority's area, as it targets investment and enterprise benefits to the District.
- 1.2. Recently the Authority has prioritised tackling Climate Change declaring a Climate Change Emergency and targeting proactive measures to meet these challenges.
- 1.3. Opportunities exist for South Hams to invest, off market, in shovel ready (a construction ready project with all approvals in place including planning approval) renewable energy generation assets (large-scale solar) which will deliver multiple benefits of:
  - attractive investor return
  - directly linked to tackling climate change targets and the authority's low carbon agenda
  - providing a "hedge" against forward energy price rises
  - the opportunity to generate enhanced financial returns in the future from "bolt on" energy storage

- 1.4. The pursuit of such opportunities will require the Authority to relax its geographical investment restriction in this regard as, firstly, it is highly unlikely suitable investments will be identified within the South Hams District and secondly, locality of generation makes no difference as to how the generation and consumption of power is tracked and reported.
- 1.5. The Commercial Investment Strategy has been amended accordingly and is attached at Appendix A.

## **2. Background**

- 2.1. In September 2018, South Hams District Council adopted a Commercial Investment Strategy. This Strategy has four core aims;
  - 2.1.1. To support regeneration and the economic activity of the District
  - 2.1.2. To enhance economic benefit & business rates growth
  - 2.1.3. To assist with the financial sustainability of the Council as an ancillary benefit
  - 2.1.4. To help the Council continue to deliver and/or improve frontline services in line with the Council's adopted strategy & objectives.
- 2.2. This Strategy is devised and adopted specifically to promote Enterprise in the District, a core theme of the Council. The Strategy presents a significant challenge in terms of acquiring identifying suitable investments of sufficient scale which will yield a sufficient return within South Hams.
- 2.3. In May 2019, the Executive approved a report to tackle Climate Change which included the following specific recommendations:
  - The Council declares a Climate Change Emergency
  - An Action Plan be developed that outlines how the Council will address the Emergency, and meet or exceed the targets set by the Intergovernmental Panel on Climate Change (IPCC), including an assessment of the viability of a 2030 target, to be brought to Council for approval within 6 months
  - Continue to work with partners across the county and region to deliver this goal through all relevant strategies and plans
  - Report an Action Plan to Full Council within six months outlining how the Council will address the Emergency, and meet or exceed the targets set by the IPCC
- 2.4. In June 2019 UK Government implemented, by statutory instrument, an amendment to the Climate Change Act 2008 committing to net zero emissions by 2050. This legislative change

will bring into effect comprehensive recommendations contained in a report published in May 2019 by the UK Committee on Climate Change, "Net Zero, the UK's Contribution to Stop Global Warming".

- 2.5. The IPCC and UK Committee on Climate Change reports are clear that the generation of renewable energy will need to play a significant part in reaching that target of net zero by 2050. "Net Zero The UK's Contribution to Stopping Climate Change" sets out that not only will the UK's electricity need to go from 50% low carbon sources, to 100%, but due to electrification in other sectors (such as cars), there will be a doubling in the overall electricity requirement.
- 2.6. In this context, that means the quadrupling of low carbon energy including (but not limited to) solar power, hydropower and windpower.
- 2.7. As an organisation we consume energy from the national grid, through a supplier the same way as anyone else. Our current approach to our electricity procurement does not give priority to low carbon sourced power ("Green Electricity"). Furthermore, for us as an organisation to have a meaningful impact on our Scope 2 emissions (indirect emissions from things we can directly control) we need to draw our electricity from entirely new low carbon sources (i.e. "additionality"), rather than simply sharing in existing low carbon energy generation currently available.
- 2.8. It is feasible for low carbon electricity to be generated outside of area, but be bought and consumed in area, to the direct benefit of our district such that the generation source (units of power generated) is tracked and linked to consumption. This can be done through a sleeving arrangement with an energy supplier who will track and report energy generation and consumption through the Renewable Energy Guarantees of Origin (REGO) scheme administered by Ofgem. Consequently, beyond a perception of local investment being a good thing, it makes no difference whether an investment in a renewable energy generation facility is within the district of South Hams or another part of the UK.
- 2.9. Beyond the Authority's electricity consumption, there would be an opportunity for us to supply "partner organisations" (such as our Leisure Centres) with green power through a White Label supply arrangement.
- 2.10. Aligning our Commercial Investment Strategy with our Climate Change declaration would allow us to deliver both an attractive investment return as well as directly linking such an investment to delivering on climate change targets. To do so, we will need to lift our geographic constraint as to where investment can be made as, firstly sizeable renewable energy investments are extremely unlikely within South Hams District and secondly it makes no difference to the way energy is consumed or reported.

### **3. Prospective Investment Opportunities**

- 3.1 The large scale solar market was “kick started” in the UK through renewable energy subsidies (Renewable Obligation Certificates). The sector attracted strong pension fund grade investors due to these investments being low risk with predictable income-streams and operational costs.
- 3.2 In April 2016 Government removed subsidies, recognising over-support of the sector. This has led to a significant slow down in solar development activity. Additionally capacity in the grid network is constrained, limiting opportunities to develop new solar facilities where there is an economic grid connection
- 3.3 The cost of solar panels has significantly reduced which, alongside projected energy cost increases, has meant that it is economically attractive to develop unsubsidised large scale solar. An investment case is particularly attractive to Local Authority Investors, who have access to a low cost and long term borrowing facility through the Public Works Loan Board.
- 3.4 The range of benefits that such investments can bring are:
  - a. An attractive base case investment return starting at ~5.5% per annum and rising steadily to over 10% over the life of a project
  - b. An opportunity to procure electricity used by the Authority from the the facility which can provide a “hedge” against forward energy price increases.
  - c. A major contribution towards meeting South Hams’ carbon reduction strategy.
  - d. Innovation in energy storage technology, integrated with smart grid management, providing an opportunity to bolt on battery storage to enhance the base case economic return at a future time.
  - e. Links to South Hams potential rollout of electric vehicle charge points.
  - f. A “liquid” investment asset

### **4. Specific Options available and consideration of risk**

- 4.1 Subject to the revised Strategy in Appendix A, South Hams will be able to take advantage of existing off market opportunities in the sector which do not exist within the District.
- 4.2 For the avoidance of doubt, the change to the strategy to widen the geographic area of investment is ONLY for the purposes of investment in Renewable Energy, no other sectors.
- 4.3 This presents a direct opportunity to realise the benefits set out in Section 3.

- 4.4 The risks associated with investment in Solar PV are well understood as the technology is proven. The panels themselves are warrantied for 30 years (the investment life) to not drop below 80% of their original capacity over that time frame. Evidence from the oldest PV panels shows that further degredation is broadly linear, so the panels do actually continue to have a value after 30 years.
- 4.5 The inverter technology used to scale up the power for transmission into the grid has a shorter life expectancy and as a rough rule of thumb, last half as long as panels. A replacement programme and associated cost is built into any business case to mitigate that risk.
- 4.6 Land management and rent are also agreed by contract at the time of investment so are able to be costed accurately into the business case. The "plant operation" is also outsourced and costed.
- 4.7 The remaining and most significant risk of any shovel ready Photovoltaic (PV) investment is therefore the forward energy price by which the investor realises a return.
- 4.8 Forward energy price modelling exists and would be evaluated as part of any proposed investment. Whilst modelling is never a perfect science, there are overarching global factors that all point towards future price rises such as; demand increase, a move away from "cheap and dirty" sources, instability in oil rich areas of the world, the high cost of nuclear energy in the medium term.
- 4.9 In spite of this, it is imperative that any business case uses a conservative energy unit price as part of the initial assessment, so as not to provide any unrealistic bias or expectation.
- 4.10 Any PV investment would be supported by thorough technical and legal due diligence to appropriately interrogate and quantify the risks as part of the decision making process.
- 4.11 It should be noted that where other types of renewable energy investments come forward, the risks and benefits will be considered on a case by case basis utilising the existing scheme of delegation.

## **5. Proposed Way Forward**

- 5.1 That the Executive recommend to Council the proposed revised Commercial Investment Strategy set out in Appendix A.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		Previous advice on the relevant powers and appropriate vehicles for delivering these proposals has been sought from external specialist advisers and legal counsel. Legal counsel opinion has been obtained which sets out the various powers available to the Council, which supports the Council's investment strategy, including the widening of the geographic area of investment as described in Appendix A.
Financial implications to include reference to value for money		Borrowing decisions will be taken prudently in line with the Council's treasury management strategy and by officers within that function. The Council must confirm that the borrowing required is available and is proportional to the Council's financial situation. The Council has approved a borrowing limit of £60 million for the Commercial Investment Strategy.
Risk		The risks associated with this project are set out in section 4.1 of this report.
Supporting Corporate Strategy		Enterprise & Environment
Comprehensive Impact Assessment Implications		
Equality and Diversity		N/A.
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		Positive alignment with meeting UK renewables targets and biodiversity associated with PV sites.

### **Supporting Information**

#### **Appendices:**

Appendix A – Commercial Investment Strategy – Tracked Changes shown

Appendix B – Commercial Investment Strategy (clean version with changes accepted)



**Background Papers:**

None

**Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>
Relevant Head of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>

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## Appendix A – SHDC Commercial Investment Strategy (tracked changes shown)

This strategy replaces the Council's Commercial Property Strategy which was approved on 27th September 2018. *The tracked changes show the differences/changes from the Strategy approved in September 2018.*

### Overall Objectives:

The Council's Commercial Investment strategy has multiple objectives as stated below:

- To support regeneration and the economic activity of the District
- To enhance economic benefit & business rates growth
- To assist with the financial sustainability of the Council as an ancillary benefit
- To help the Council continue to deliver and/or improve frontline services in line with the Council's adopted strategy & objectives.

### Desired Outcomes:

The following outcomes are desired by the application of this strategy. Each acquisition or development opportunity will be assessed on its fit with meeting the objectives stated above and should deliver one or more of the following outcomes (benefits):

- ✓ Job creation or safeguarding
- ✓ Health & Wellbeing
- ✓ Town centre regeneration
- ✓ Tourism / Increased footfall
- ✓ Business rate growth
- ✓ Improved asset utilisation
- ✓ [Climate change mitigation](#)
- ✓ A minimum net yield return of 2% is targeted. However, in some circumstances, e.g. where community benefits are likely to be achieved, a lower return may be acceptable.

This strategy will be achieved by acquisitions and developments within the South Hams District. This will include the focussed acquisition of existing commercial property assets and the development of new properties which are to be let to third parties. [The strategy will also consider investments in the renewable energy sector which will not be constrained geographically \(refer to "location" section of this strategy for further detail\).](#)

### Risk

- The risks of acquiring property may be mitigated through the acquisition of assets with secure, long income streams, although this risk will be weighed up against the social and economic benefits of acquisitions to support commerce and trade in the District
- Acquisitions are to be made in a careful and controlled manner, with specific analysis of risk criteria carried out in the 'due diligence' stage prior to the completion of each purchase
- The portfolio will be relatively risk-averse, targeting tenants of strong financial standing and minimum unexpired lease terms of four years at the date of acquisition. However, these criteria will be considered on a case by case basis and can be outweighed in order to meet the strategy objectives

### Location:

- [Wherever opportunities arise within the District, in order to acquire or develop good properties which achieve some or all of the Council's multiple objectives and desired outcomes as stated above and are deemed as an acceptable risk.](#)

- [Where investments in renewable energy are considered, the geographical constraint will not apply. Instead a relative preference of location shall be used, as follows: Within area > Devon Business Rates Pool Area > LEP Area > South West Peninsula > Rest of UK\\*](#)
- [\\* The UK wide investment area would only be considered subject to further legal advice, but it is included as this strategy recognises that as a result of the national grid, geography is not a barrier to investing in renewable energy for the district.](#)

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**Tenant mix:**

- Where possible, a mix of tenants will be sought to create a balanced portfolio
- The final decision over the appropriateness of any tenant would be reviewed at the time of acquisition
- SHDC owns a significant number of commercial units already within the District, mainly smaller units and tenants with relatively low credit ratings. This reflects the historic policy of supporting small start-ups which has proved successful and continues to be. Newer acquisitions are likely to be for larger units which may have single tenant occupancy.

**Lease length:**

- A minimum 4 years unexpired (mean unexpired term for multi-let properties) is preferable, however this is flexible if it helps achieve the strategy objectives
- For multi-let properties, a mix of lease expiry dates are preferred, thereby limiting void risk (unless the property is purchased with a view to re-development)
- Properties would preferably be let to sound tenants on leases with a preference for 'Full Repairing and Insuring' leases for single occupiers and through internal repair obligations and a service charge for multi-let properties.
- There may be overriding community benefit and/or economic reasons to move away from these criterion and these will be considered on a case by case basis.

**For all of the above:**

The final decision over the definition of "good", "secure", "strong", "long", "careful", "controlled", "acceptable", "balanced" and "risk-averse" will be agreed between the property acquisition advisers (including legal due diligence) and the ~~Officers~~ ~~individuals~~ delegated with the responsibility to conclude the acquisition of the properties. This discretion will be based on both the risk to the capital value of the asset and its' fit with the strategy objectives.

**Yield:**

- The Council will only acquire properties where the running cost does not require Council subsidy. Per acquisition, a target minimum net yield (an ancillary benefit) of 2.0% is to be sought, after acquisition, management, maintenance, capital repayment and funding costs
- However, the Council may opt to accept a lower net yield return if the community benefits of job creation or safeguarding, tourism, town centre regeneration, business rate growth or effective asset utilisation are deemed more important than a purely financial return

**Value & Cost:**

- Larger lot sizes are favoured - smaller size properties have disproportionately higher management costs and expose the Council to greater property void risks, but the economic and trade benefits of buying smaller units may outweigh this
- Acquisition costs are forecast not to exceed 7% (Stamp Duty Land Tax (SDLT) / Legal / Agents / Due Diligence). These costs are to be contained within the overall strategy budget

**Funding:**

- Acquisitions and development initiatives will be funded using predominantly borrowing or any other unallocated or available Council reserve or capital receipt
- This is to be secured on a case by case basis on the most commercially advantageous terms available predominantly through borrowing or any other unallocated or available Council reserve or capital receipt
- [It is envisaged in December 2018, Full Council will need to approve a revised Treasury Management Strategy which would increase the borrowing limits of the Council to £60m \(capped at no more than £30m borrowing before 30<sup>th</sup> April 2019\), to facilitate implementation of this strategy. Currently borrowing levels are capped at £60m.](#)
- The borrowing term will not exceed the expected remaining life of the property, but the Council wishes to secure borrowing over a maximum 50 year term.
- Capital repayments will seek to repay a minimum of 50% of the capital value of any acquired property or borrowing for property development

#### **Tax Implications:**

- Due to the Council holding acquired or developed assets, it is not anticipated that there will be any corporation tax or income tax implications from this strategy
- Some properties may be VAT elected, meaning VAT must be charged to tenants. This will be dealt with on a case by case basis and will be covered by the due diligence connected with that acquisition. The Council is able to charge and recover VAT
- Capital Gains Tax would not apply to assets sold from Council ownership

#### **Exit Strategy:**

- The Council is not looking to actively trade commercial property within the first 5 years of ownership of any acquired property, however this is flexible if required to meet this strategy's objectives
- If it is determined that the most prudent action is to sell an individual asset, this will be considered on a case by case basis and will be acted upon in consultation with Executive Members, the S151 officer and the Head of Paid Service
- It is proposed that all properties will be held as Council Assets. This may change if the Council were to set-up a trading company and it was found to be commercially advantageous for such a vehicle to hold the asset
- It is important to note that there would be early repayment charges if borrowing used to acquire [or develop](#) a commercial property ~~was~~ere to be repaid before the end of the loan term. However, Public Works Loan Board (PWLB) lending is not secured against property, so would not inhibit the asset being traded during the loan period. An alternative asset could be purchased (& held) with any sale receipt.

#### **Governance Arrangements:**

- Acquisitions and developments must conform to the adopted commercial [property investment](#) strategy. Any deviation from the agreed strategy will require Council approval.
- Before a final decision to proceed with a development or acquisition is made, local ward members will be briefed and be able to share their views with Executive Members.

- Executive Members, along with the Head of Paid Service and S151 officer, will consider each and every proposal on its own merits and specifically how each proposal meets the Council's multiple objectives and desired outcomes.
- Executive Members will consider proportionality on a case by case basis for each acquisition as part of the decision making process, with information provided to them and the s151 officer, the Head of Paid Service and the Leader of the Council.
- Officers, working with their specialist advisors in the market will sift opportunities and only present to Executive Members, opportunities that closely meet the Strategy. They will then lead the Executive Members into debate over the specific benefits and risks of each opportunity before the Executive Members make a decision. In this way, risk will be transparent through the process.
- Projects and their outcomes will be kept under constant review by officers and reports to Executive and Audit Committee.

#### ***Development on Council Owned Land***

- The Council will delegate the authority and decision making function relating to 'Development on Council Owned Land' to the Executive, assuming that the proposed expenditure complies with the Council approved total borrowing limits.
- This delegation is to include the granting of associated leases in excess of 15 years as and when required, as recommended by the Assets CoP Lead, on a project by project basis
- In parallel, the Council's Senior Leadership Team (SLT) are required to approve any development. Any project will be subject to Due Diligence and Legal Searches and occasionally other data as need arises.
- Specialists will be commissioned to act on behalf of the Council to source suitable development and tenant opportunities and manage the due diligence process.
- Officers will provide Members of the Executive with a set of data and an indicative cash flow for each project under investigation. These will aid decision making on whether to proceed or not.

#### ***Commercial ~~InvestmentProperty~~ Acquisitions within the South Hams***

- The Council will delegate the authority and decision making function relating to 'Commercial ~~InvestmentProperty~~ Acquisitions in the South Hams' to the Head of Paid Service and Section 151 Officer, in consultation with Members of the Executive, assuming that the proposed expenditure complies with the Council approved total borrowing limits.
- In the event of three or more Executive Members expressing their opposition to the proposal, then the matter will proceed no further.
- In parallel, the Council's Senior Leadership Team (SLT) are required to approve any acquisition. Any project will be subject to Due Diligence and Legal Searches and occasionally other data as need arises.
- Assuming the bid remains as per that authorised at the time of sign off, the final sign off prior to exchange and payment of deposit (typically 10%) is made by the S151 officer and Head of Paid Service. If anything has changed, the Executive Members will need to vote again in order to proceed.
- This process of delegated authority is required because there is often very little time (a number of days) to secure a bid on a property, especially if it is off market. Off market bids avoid price inflation caused by competing bidders.

- The Executive Members have been made aware that they will be required to process and respond to information similar to that in Appendix B in a very quick timeframe (minimum two working days) so as to provide their decision. They may also be asked to attend meetings on similarly short notice. These meetings may be held virtually to expedite decision making.
- When South Hams District Council acquire a Commercial [InvestmentProperty](#) in line with this strategy, a report will be presented (for noting purposes) to the subsequent meeting of the Executive.

**Running / Review**

- If the management of acquired or developed assets cannot be managed in-house by existing resources, it will be outsourced to property professionals.
- The cost of this management is to be deducted before calculating the net yield.
- The Executive will receive regular reporting to confirm portfolio composition and performance. Regular portfolio performance reporting will be presented to Audit Committee as required.

**Disposal**

- Once acquired, decisions relating to the ownership of any acquired or developed properties will be dealt with in-line with the Council’s constituted scheme of delegation.
- Disposal will be considered if the portfolio breaches the approved strategy. Decisions to be made in consultation with Executive Members, the S151 officer and the Head of Paid Service.

**Resources:**

- The work to filter, appraise and recommend investment and development opportunities will be undertaken within the Assets CoP. This will be supplemented by specific consultant advice as required and associated costs built into the business case for each project.
- The Assets CoP has strong relationships with a number of local and national consultants who will be required to support the projects. Examples of this include (but are not limited to): CCD Properties (development specialists), Arcadis (building technical due diligence), Womble Bond Dickinson (legal due diligence) and Savills (commercial property investment advice).

**Risk assessment and due diligence**

**The Authority assesses the risk of loss before entering into and whilst holding property investments/property opportunities by carrying out appropriate due diligence checks and implementing mitigation measures in managing risk:**

- The tenants need to be of good financial standing (this is assessed using Dun & Bradstreet credit rating reports and annual accounts). The number of tenants e.g. sole tenant or multi tenanted will be assessed.
- The property condition such as date of construction and any imminent or significant refurbishment or modernisation requirements (forecast capital expenditure).
- How the property investment meets the Council’s multiple objectives as set out in the Council’s strategy e.g. economic regeneration, business growth.
- The lease must meet certain standards, such as being in a commercial popular location and have a number of years left on the lease providing a certain and

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contractually secure rental income stream into the future. Any break clauses will be assessed along with the number of unexpired years, bank guarantees and rent reviews.

- The location will be within the South Hams District Council's boundary as set out in the Commercial Investment Strategy (apart from renewable energy investment which may have a wider geographic spread). The population of the catchment area, the economic vibrancy and known or anticipated market demand as well as proximity to travel infrastructure and other similar properties will be assessed.
- Rental income paid by the tenant must exceed the cost of repaying the borrowed money from the Public Works Loan Board (which is itself funded by the Government). The surplus is then an ancillary benefit which supports the Council's budget position and enables the Council to continue to provide services for local people.
- The gross and net yield are assessed against the Council's criteria.
- The prevailing interest rates for borrowing at the time.
- Debt proportionality considerations.
- The life and condition of the property is assessed by a valuer and the borrowing is taken out over the life of the asset. The amount of management and maintenance charges are assessed as well as the ease of in-house management. 10% of all rental income (or an amount as deemed prudent) is put into a Maintenance and Management Reserve to cover any longer-term maintenance issues.
- The potential for property growth in terms of both revenue and capital growth will be assessed.
- The risks are determined by the property sector e.g. office, retail, industrial, associated with specific properties and the mix of sectors within the Council's portfolio.
- Details of acquisition costs e.g. stamp duty land tax, legal costs
- The documented exit strategy for a purchase/new build.
- The legal and technical due diligence checks will also identify any specific problems such as anomalies in the title deed, restrictive use classes, indemnities, local competition, construction or refurbishment requirements.
- The Council engages the use of external advisors to assist in undertaking elements of the due diligence checks such as technical, legal, accounting, property and taxation advice.
- The Council undertakes sensitivity analysis of the interest repayments on its borrowing requirements as a percentage of its available reserves to ensure there is sufficient coverage in the event that rental income is below that forecasted. This ensures that the Council has the available reserves to enable service delivery to be maintained in the short to medium term, whilst alternative solutions are implemented.

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## **Appendix B – SHDC Commercial Investment Strategy (tracked changes accepted – clean version)**

This strategy replaces the Council's Commercial Property Strategy which was approved on 27th September 2018. *The tracked changes show the differences/changes from the Strategy approved in September 2018.*

### **Overall Objectives:**

The Council's Commercial Investment strategy has multiple objectives as stated below:

- To support regeneration and the economic activity of the District
- To enhance economic benefit & business rates growth
- To assist with the financial sustainability of the Council as an ancillary benefit
- To help the Council continue to deliver and/or improve frontline services in line with the Council's adopted strategy & objectives.

### **Desired Outcomes:**

The following outcomes are desired by the application of this strategy. Each acquisition or development opportunity will be assessed on its fit with meeting the objectives stated above and should deliver one or more of the following outcomes (benefits):

- ✓ Job creation or safeguarding
- ✓ Health & Wellbeing
- ✓ Town centre regeneration
- ✓ Tourism / Increased footfall
- ✓ Business rate growth
- ✓ Improved asset utilisation
- ✓ Climate change mitigation
- ✓ A minimum net yield return of 2% is targeted. However, in some circumstances, e.g. where community benefits are likely to be achieved, a lower return may be acceptable.

This strategy will be achieved by acquisitions and developments within the South Hams District. This will include the focussed acquisition of existing commercial property assets and the development of new properties which are to be let to third parties. The strategy will also consider investments in the renewable energy sector which will not be constrained geographically (refer to "location" section of this strategy for further detail).

### **Risk**

- The risks of acquiring property may be mitigated through the acquisition of assets with secure, long income streams, although this risk will be weighed up against the social and economic benefits of acquisitions to support commerce and trade in the District
- Acquisitions are to be made in a careful and controlled manner, with specific analysis of risk criteria carried out in the 'due diligence' stage prior to the completion of each purchase
- The portfolio will be relatively risk-averse, targeting tenants of strong financial standing and minimum unexpired lease terms of four years at the date of acquisition. However, these criteria will be considered on a case by case basis and can be outweighed in order to meet the strategy objectives

### **Location:**

- Wherever opportunities arise within the District, in order to acquire or develop good properties which achieve some or all of the Council's multiple objectives and desired outcomes as stated above and are deemed as an acceptable risk.

- Where investments in renewable energy are considered, the geographical constraint will not apply. Instead a relative preference of location shall be used, as follows: Within area > Devon Business Rates Pool Area > LEP Area > South West Peninsula > Rest of UK\*

\* The UK wide investment area would only be considered subject to further legal advice, but it is included as this strategy recognises that as a result of the national grid, geography is not a barrier to investing in renewable energy for the district.

#### **Tenant mix:**

- Where possible, a mix of tenants will be sought to create a balanced portfolio
- The final decision over the appropriateness of any tenant would be reviewed at the time of acquisition
- SHDC owns a significant number of commercial units already within the District, mainly smaller units and tenants with relatively low credit ratings. This reflects the historic policy of supporting small start-ups which has proved successful and continues to be. Newer acquisitions are likely to be for larger units which may have single tenant occupancy.

#### **Lease length:**

- A minimum 4 years unexpired (mean unexpired term for multi-let properties) is preferable, however this is flexible if it helps achieve the strategy objectives
- For multi-let properties, a mix of lease expiry dates are preferred, thereby limiting void risk (unless the property is purchased with a view to re-development)
- Properties would preferably be let to sound tenants on leases with a preference for 'Full Repairing and Insuring' leases for single occupiers and through internal repair obligations and a service charge for multi-let properties.
- There may be overriding community benefit and/or economic reasons to move away from these criterion and these will be considered on a case by case basis.

#### **For all of the above:**

The final decision over the definition of "good", "secure", "strong", "long", "careful", "controlled", "acceptable", "balanced" and "risk-averse" will be agreed between the property acquisition advisers (including legal due diligence) and the Officers delegated with the responsibility to conclude the acquisition of the properties. This discretion will be based on both the risk to the capital value of the asset and its' fit with the strategy objectives.

#### **Yield:**

- The Council will only acquire properties where the running cost does not require Council subsidy. Per acquisition, a target minimum net yield (an ancillary benefit) of 2.0% is to be sought, after acquisition, management, maintenance, capital repayment and funding costs
- However, the Council may opt to accept a lower net yield return if the community benefits of job creation or safeguarding, tourism, town centre regeneration, business rate growth or effective asset utilisation are deemed more important than a purely financial return

#### **Value & Cost:**

- Larger lot sizes are favoured - smaller size properties have disproportionately higher management costs and expose the Council to greater property void risks, but the economic and trade benefits of buying smaller units may outweigh this
- Acquisition costs are forecast not to exceed 7% (Stamp Duty Land Tax (SDLT) / Legal / Agents / Due Diligence). These costs are to be contained within the overall strategy budget

#### **Funding:**

- Acquisitions and development initiatives will be funded using predominantly borrowing or any other unallocated or available Council reserve or capital receipt
- This is to be secured on a case by case basis on the most commercially advantageous terms available predominantly through borrowing or any other unallocated or available Council reserve or capital receipt
- Currently borrowing levels are capped at £60m.
- The borrowing term will not exceed the expected remaining life of the property, but the Council wishes to secure borrowing over a maximum 50 year term.
- Capital repayments will seek to repay a minimum of 50% of the capital value of any acquired property or borrowing for property development

**Tax Implications:**

- Due to the Council holding acquired or developed assets, it is not anticipated that there will be any corporation tax or income tax implications from this strategy
- Some properties may be VAT elected, meaning VAT must be charged to tenants. This will be dealt with on a case by case basis and will be covered by the due diligence connected with that acquisition. The Council is able to charge and recover VAT
- Capital Gains Tax would not apply to assets sold from Council ownership

**Exit Strategy:**

- The Council is not looking to actively trade commercial property within the first 5 years of ownership of any acquired property, however this is flexible if required to meet this strategy's objectives
- If it is determined that the most prudent action is to sell an individual asset, this will be considered on a case by case basis and will be acted upon in consultation with Executive Members, the S151 officer and the Head of Paid Service
- It is proposed that all properties will be held as Council Assets. This may change if the Council were to set-up a trading company and it was found to be commercially advantageous for such a vehicle to hold the asset
- It is important to note that there would be early repayment charges if borrowing used to acquire or develop a commercial property was to be repaid before the end of the loan term. However, Public Works Loan Board (PWLB) lending is not secured against property, so would not inhibit the asset being traded during the loan period. An alternative asset could be purchased (& held) with any sale receipt.

**Governance Arrangements:**

- Acquisitions and developments must conform to the adopted commercial investment strategy. Any deviation from the agreed strategy will require Council approval.
- Before a final decision to proceed with a development or acquisition is made, local ward members will be briefed and be able to share their views with Executive Members.
- Executive Members, along with the Head of Paid Service and S151 officer, will consider each and every proposal on its own merits and specifically how each proposal meets the Council's multiple objectives and desired outcomes.

- Executive Members will consider proportionality on a case by case basis for each acquisition as part of the decision making process, with information provided to them and the s151 officer, the Head of Paid Service and the Leader of the Council.
- Officers, working with their specialist advisors in the market will sift opportunities and only present to Executive Members, opportunities that closely meet the Strategy. They will then lead the Executive Members into debate over the specific benefits and risks of each opportunity before the Executive Members make a decision. In this way, risk will be transparent through the process.
- Projects and their outcomes will be kept under constant review by officers and reports to Executive and Audit Committee.

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- The documented exit strategy for a purchase/new build.
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- The Council undertakes sensitivity analysis of the interest repayments on its borrowing requirements as a percentage of its available reserves to ensure there is sufficient coverage in the event that rental income is below that forecasted. This ensures that the Council has the available reserves to enable service delivery to be maintained in the short to medium term, whilst alternative solutions are implemented.

Report to: **Executive**

Date: **18 July 2019**

Title: **Adoption of the Totnes Air Quality Action Plan**

Portfolio Area: **Environment – Cllr Baldry**

Wards Affected: **Dartington, Littlehempston and Marldon, and Totnes Wards**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:  
Referral to Full Council for adoption on the 25 July 2019

Author: **James Kershaw** Role: **Senior Specialist**

Contact: **01803 861287 /email: james.kershaw@swdevon.gov.uk**

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## **Recommendations:**

1. That the Executive consider the proposed Air Quality Action Plan for Totnes (attached at Appendix 1) and **RECOMMEND** to Full Council that the Action Plan is adopted.

### **1. Executive summary**

- 1.1 In December 2018 the Council determined to adopt the Clean Air Strategy and Air Quality Action Plans for Ivybridge and Dean Prior, however at the time the action plan for Totnes was still being rewritten following public consultation.
- 1.2 This report asks that the Air Quality Action Plan for Totnes be considered, it having now been consulted on and reworked subsequently.

### **2. Background**

- 2.1 The Environment Act 1995 lays down a number of statutory duties for Local Authorities regarding the management of air quality in their districts. Once an Air Quality Management Area (AQMA) has been declared under Section 82 of the Act, then the Council is under a duty to produce an action plan describing how it intends to tackle the problem and within what timescale.

- 2.2 In April 2016 Members considered a report recommending that the AQMA for Totnes be amended to incorporate True Street Junction. This Order was duly made following decision at Full Council on the 25th June 2016. A copy of the Council's AQMAs can be found on our website, along with the annual status reports we produce for DEFRA each year (<https://southhams.gov.uk/article/3902/Air-Quality>).
- 2.3 Following the amendment to the AQMA order the Council was under a legal duty to undertake a review of its Air Quality Action Plan (AQAP). Following the declaration, meetings were held with Devon County Council highways team to ascertain what measures would have a positive impact and be deliverable.
- 2.4 As part of the previous public consultation events the author sought comments on the AQAP with the local parishes and town Councils, and he also attended various public meetings and sought proposals that could have a positive impact.
- 2.5 Following the previous public consultation the AQAP plan has been developed in conjunction with the current and former Totnes and Dartington members.
- 2.6 This revised AQAP has a number of additional measures that were not fully explored previously and it is believed that the plan has improved because of this.

### **3. Outcomes/outputs**

- 3.1 The proposals within the AQAP plan will hopefully be delivered through partnership working with Devon County Council. The County has a pot of money available due to S.106 receipts from developments within the Totnes, Dartington and Berry Pomeroy areas.
- 3.2 Following the adoption of the Air Quality Action Plan further meetings will be held with Devon County Council to finalise a project plan to deliver these measures in a timely manner.
- 3.3 Certain projects such as the installation of electric vehicle charging points are being progressed at the moment. The Council along with Devon County Council were successful in obtaining grant funding to pay towards the installation costs. It is hoped that there will be units installed in Totnes in the 2020/21 financial period.
- 3.4 As required by legislation the Council will continue to monitor levels of Nitrogen Dioxide in the air quality management area and report on the results through the annual status report for DEFRA.



#### 4. Options available and consideration of risk

4.1 The Air Quality Action Plan highlights a number of options that are available and analyses the cost/environmental benefit of each approach. Certain options such as the promotion of a by-pass for Totnes or compulsory purchase of properties are not deemed appropriate to consider further at this time, whilst other options remain available.

#### 5. Proposed Way Forward

5.1 The tables on pages 12 and 13 of the AQAP list the proposed measures that is believed should be sought to be delivered.

5.2 Should the AQAP plan be delivered then it is highly likely to have a positive impact on air quality for the residents of Totnes, Dartington and Berry Pomeroy as well as other surrounding parishes. As well as providing improvements to services in those areas.

#### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The UK government has a duty imposed on them by the European Union directive 96/62/EC and 99/30/EC.</p> <p>The UK Government were successfully sued by pressure group Climate Earth in April 2015, due to their inaction in resolving air quality problems. The Localism Act 2013 allows the UK Government to pass any fines received in European Courts to local authorities if the fine is due to the failure of an authority.</p> <p>The Council has a legal duty under the Environment Act 1995 to review and assess air quality in their area. It also has a duty to prepare adequate plans to address air quality deficiencies within its area.</p> <p>The objective limits that the Council should be achieving are set in the Air Quality Regulations 2000, and the Air Quality (England) (Amendment) Regulations 2002.</p>
Financial implications to include reference to value for money		<p>There is no immediate financial implications to the Council due to this recommendation. The Council has previously approved the setting up of a reserve to pay towards the cost of delivering electric vehicle charging points in our car parks.</p>

		Should the Council fail in its duty to manage the air quality problems in its area then there is a risk that any future fines received by the UK government could be passed down to the local authority.
Risk		Should the Council fail to adopt an appropriate air quality action plan then we could be viewed as being in breach of our legal duties.
Supporting Corporate Strategy		<p>The adoption of an appropriate air quality action plan supports the Environment part of the corporate strategy by helping to protect, conserve and enhance the built environment in Totnes and the surrounding areas.</p> <p>The action plan will also have a positive impact on the health and wellbeing of the occupants of the properties within the air quality management area as it will help to reduce their exposure to nitrogen dioxide and other emissions associated with road transport.</p>
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		None foreseen
Safeguarding		None foreseen
Community Safety, Crime and Disorder		None foreseen
Health, Safety and Wellbeing		
Other implications		

**Supporting Information**

**Appendices:**

Appendix 1: Air Quality Action Plan for Totnes

**Background Papers:**

None

**Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes/No</b>
SLT Rep briefed/sign off	<b>Yes/No</b>

Relevant Heads of Practice sign off (draft)	<b>Yes/No</b>
Data protection issues considered	<b>Yes/No</b>
Accessibility checked	<b>Yes/No</b>

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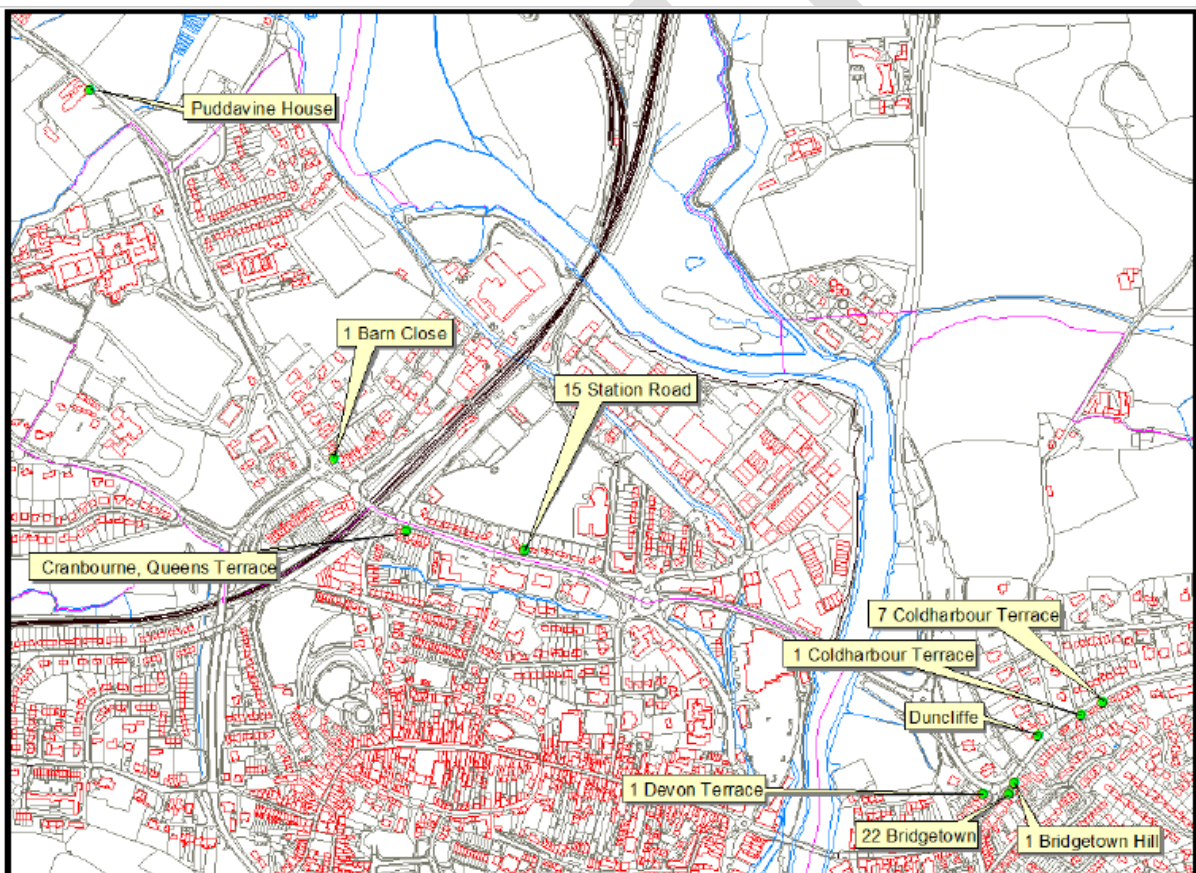
## Air Quality Action Plan for Totnes

The options below recognise the limited opportunities for improvements to the stretch of road within the AQMA, and the fact that journeys along this route have a number of different starting locations and destinations (i.e. it is not as simple as Torbay to Plymouth, or Totnes to Plymouth).

### Source apportionment

Some work was commissioned by South Hams in 2010 to identify the types of vehicles responsible for the poor air quality in Western Road. This was used to formulate options for the air quality action plan.

The map below shows the receptor locations assessed;



Receptor No.	Receptor Location
1	1 Barn Close
2	Cranbourne, Queens Terrace
3	22 Bridgetown
4	1 Bridgetown Hill
5	Duncliffe, Bridgetown Hill
6	1 Coldharbour Terrace
7	7 Coldharbour Terrace
8	Puddavine House
9	1 Devon Terrace
10	15 Station Road

The table below shows the results of this source apportionment work;

Receptor	Annual Mean Concentration ( $\mu\text{g}/\text{m}^3$ )							
	Bkgd	MCL	Cars	Bus	LGV	OGV	HGV	Total <sup>a</sup>
1	9.8	0.1	8.6	1.5	2.8	5.8	2.3	31.0
2	16.6	0.2	10.7	2.0	3.2	6.2	2.5	41.4
3	16.6	0.1	8.4	1.3	2.5	3.5	1.2	33.5
4	16.6	0.2	11.4	2.0	3.4	5.1	1.6	40.2
5	10.2	0.2	9.5	1.8	2.8	4.5	1.3	30.2
6	10.2	0.2	12.8	2.4	3.8	6.0	1.7	37.2
7	10.2	0.2	12.1	2.3	3.6	5.7	1.6	35.7
8	9.3	0.1	9.1	1.6	2.2	5.6	2.6	30.5
9	16.6	0.2	9.9	1.6	3.1	4.4	1.5	37.3
10	16.6	0.2	10.6	1.9	3.0	5.7	2.3	40.3
	Bkgd	MCL	Cars	Bus	LGV	OGV	HGV	Total
1	31.7	0.4	27.8	4.8	9.0	18.7	7.5	100
2	40.0	0.5	25.8	4.8	7.8	15.0	6.0	100
3	49.4	0.4	25.0	3.8	7.3	10.4	3.7	100
4	41.2	0.5	28.2	5.0	8.4	12.8	4.0	100
5	33.7	0.5	31.4	5.9	9.4	14.8	4.4	100
6	27.4	0.6	34.5	6.5	10.3	16.1	4.7	100
7	28.5	0.6	34.0	6.4	10.1	15.9	4.6	100
8	30.5	0.4	29.9	5.2	7.3	18.2	8.5	100
9	44.5	0.4	26.7	4.2	8.2	11.9	4.1	100
10	41.1	0.5	26.3	4.7	7.4	14.3	5.7	100

Considering the source apportionment work that has been carried out, a significant proportion of the pollution in Totnes is due to car travel. Therefore the options available should consider means of reducing the reliance of private motor vehicles.

Officers worked with Devon County Council to assess the costs and effectiveness of the proposed actions for reducing air pollution and these have then been given a subjective score out of 5 for both the impact on air quality and cost benefit. The air quality score is based on the scale of improvement expected to occur by delivering the option.

The cost score is a subjective assessment of the cost of implementing the option, with 5 being a very low cost (£100's) and 1 being very high (£000,000's)

The two scores will be amalgamated to form a cost effectiveness value as shown below;

		Cost				
		5	4	3	2	1
Air Quality Impact	5	Very High	Very High	High	Medium	Low
	4	Very High	High	Medium	Low	Low
	3	High	Medium	Medium	Low	Very Low
	2	Medium	Medium	Low	Low	Very Low
	1	Medium	Medium	Low	Very Low	Very Low

[Totnes option 1: Changes to the nature of pedestrian crossings along the A385](#)

In 2012, Devon County Council published a Totnes Transport Strategy. This report highlighted the difficulties with the A385 corridor through Totnes, including the number of pedestrian crossings and potential impacts of traffic at peak times.

Some of the work has been done such as improvements to the pedestrian crossings at Redworth Junction.

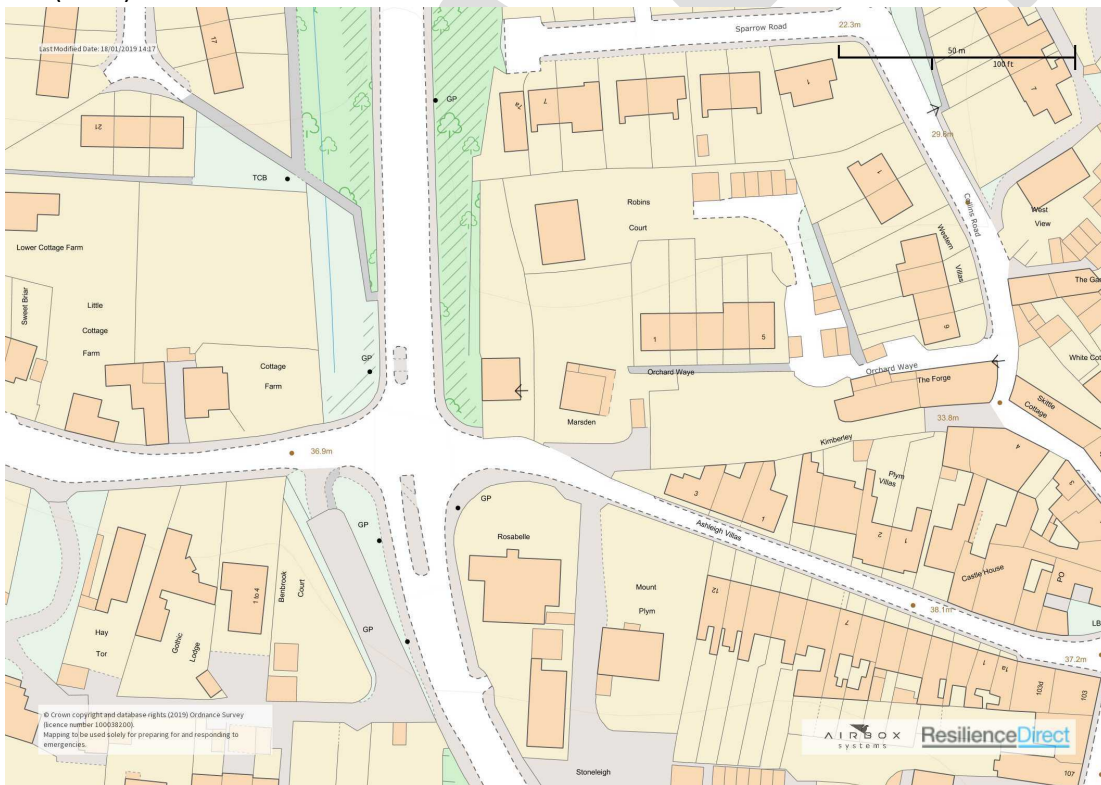
There are also a number of other crossings in the Totnes area that if improved would make pedestrian journeys more comfortable and safer. Careful consideration needs to be given by Devon County Council and South Hams District Council to proposals to ensure that they are safely designed, and achieve a benefit to air quality.

The following are a list of proposed crossings that would warrant further investigation;

- Changeover of traffic light controlled crossing on Bridgetown Hill to a Zebra Crossing



- Consideration of a new pedestrian crossing closer to the junction of Blackpost Lane to serve the new developments at Great Court Farm.
- Review of pedestrian crossing options on junction of Plymouth Road and Western By-Pass (A381)



The earlier report commissioned by Devon County Council also considered a new pedestrian crossing utilising an underpass from Totnes Train Station across the A385. However having discussed with Devon County Council they are not minded to proceed with this option due to the technical difficulties of infrastructure projects adjacent to railway lines, they have also highlighted some of the other constraints with this project which they foresee as being; the high cost of the project, the



potential limited expected use of an underpass, the strategy proposed to retain the existing crossing facility, and the limited air quality benefit.

The local community still would like this crossing considered, and have requested that rather than completely ignore this option, it should be put on hold and reviewed once expected works at Totnes station are undertaken that may make this option more viable. It is suggested that this option is reviewed in 3 years' time.

### **Air quality impact of option 1: 2**

A previous study on air quality impacts of the Devon County report found through modelling that there would be limited improvements to air quality from highway improvements. This is because the number of pedestrians that will transfer from using the car to walking is minimal even with these improvements to walkways, and the potential improvements to highway flows are not expected to be large.

### **Cost of option 1: 2 – 4**

Depending upon the nature of the changes the cost does vary, replacing a Light controlled crossing to a pelican crossing is likely to be a low and reasonable cost, however options such as a pedestrian underpass to the railway station are likely to be more expensive (£00,000's).

It is therefore proposed to progress to feasibility and design stage of the crossings on Bridgetown hill, and on Plymouth Road/Western By-pass.

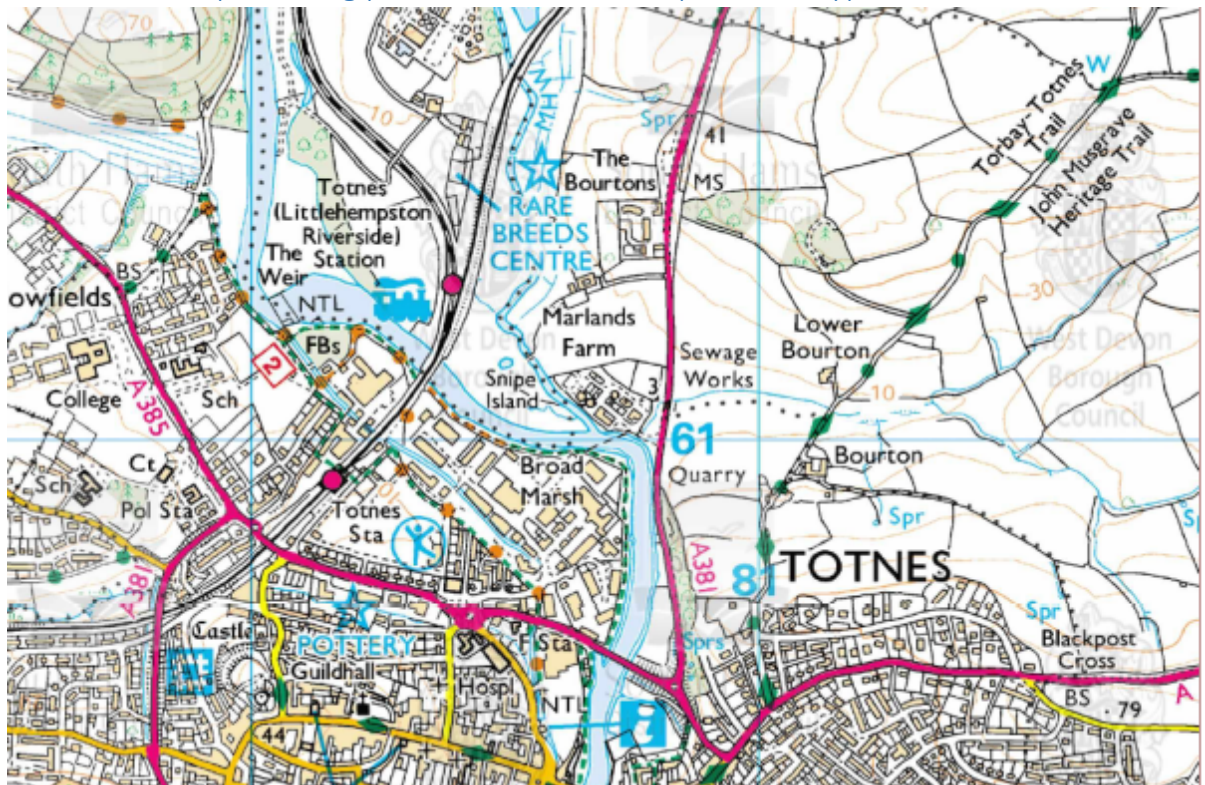
### **Cost effectiveness of option 1: Medium**

#### [Totnes option 2: A Bypass to Totnes](#)

This option has been discussed in a number of previous air quality action plans, in the 2012 Totnes Transport Strategy a by-pass was excluded on the basis of a very high cost of implementation as well as significant environmental impact. Furthermore, the multiple entry points into the town would require dual bypasses to effectively remove all the through traffic out of Totnes.

There has been no technical work carried out on the basis of the above, however there has been an indicative route produced by a group of residents looking for the by-pass to be brought forward. The considered route went to the north of the A385 through a number of green fields, and required multiple crossings of the river Dart and other streams, meaning a considerable environmental impact would be felt.

Map showing potential location of Option 2 A Bypass to Totnes



#### **Air quality impact of option 2: 4**

The level of impact depends upon the amount of traffic that would use the new road, as well as the location of the by-pass. However previous studies have shown that the vast majority (approximately 70%) of journeys on the A385 are through traffic, therefore the potential impact is great, however if we were to progress this option further work on trips would need to be had to quantify the actual benefit.

#### **Cost of option 2: 1**

The cost of such a large bypass is likely to be very high due to the technical challenges posed by any route, the need to compensate landowners etc.

#### **Cost effectiveness of option 2: Medium**

Whilst this option is possible there would need to be extensive technical feasibility studies undertaken to assess the proposed routes including environmental impact assessments, topographic studies and structural assessments.

Due to the potential cost, impact to the environment, and unquantifiable benefit to air quality it is not felt appropriate to explore this option further at this time.

#### **Totnes option 3: Promotion of public transport alternatives for commuting traffic**

The 2012 report highlighted that Totnes is served by railway station enabling journeys to Plymouth, Bristol, London et al. It was recognised that there are times of the day at which the station is not well served. It is not felt that there would be much support Regionally or Nationally to increasing the number of trains stopping at Totnes.

Other work has been carried out previously to increase the use of public transport in neighbouring authority areas (Torbay) and this work should be supported as it would lessen the number of car journeys on the A385. This work has focussed on ensuring that trains between Torquay and Newton Abbot tie-in with trains to Plymouth to make this an attractive option to commuters.

The report also highlights the potential improvements to signage for bus connections to Totnes for visitors to the area.

**Air quality impact of option 3: 1**

Whilst the promotion of public transport alternatives to private cars will have some positive impacts on car journey numbers it is not believed it will have a great impact, as not all areas are highly served by public transport.

**Cost of option 3: 5 - 3**

The suggested improvements in signage are likely to be low cost, whilst any increases in services will be of a higher cost and would need to be assessed for their business case.

**Cost effectiveness of option 3: Medium to Low**

#### Totnes option 4: Promotion of Ultra Low Emission Vehicles (ULEVs)

This would be carried out in two ways; firstly a policy that required developers to positively plan for the uptake of ULEVs by providing the infrastructure necessary to support charging points at home. This is viewed as good practice by the Institute of Air Quality Management for all new developments.

It would also involve the Council supporting a low carbon economy through providing charging places in their car parks. The Councils have signed up to a project to obtain funding to provide charging points in all of the main towns within the two districts.

#### **Air Quality Impact of option 4: 2/5 (short term) 4/5 (Long Term)**

In the short term (i.e. next 5- 10 years) this is unlikely to have a significant improvement to air quality along A385 due to the current low percentage of ULEVs in the fleet of vehicles in the local area.

However the promotion of the infrastructure will allow for a greater uptake in the future of these vehicles which will have the potential to eliminate the vast majority of local air quality problems.

#### **Cost of Option 4: 5 – 3**

The cost of installing electric charging points on new developments is fairly inexpensive (£250/ property). The Council is considering the installation of electric vehicle charging points in its car parks, and has signed up to delivering at least 2 charging points in one of the car parks. Four charging points have been installed at Follaton House.

#### **Cost Effectiveness of option 4: Medium to Very High**

#### Totnes option 5: Promotion of Green Travel Vouchers

This is a Devon County Council policy whereby new developments contribute towards a bus service and bike vouchers for new households. The scheme aims to actively encourage households to consider alternative forms of travel to offset their impact.

The uptake of the scheme by households is hard to quantify and therefore the level of off-setting is not determinable, but this is viewed as good practice. It is suggested in Totnes that the scheme should also include the promotion of rail travel to Plymouth and Exeter through the provision of rail cards, further discussions would be needed with the railway companies on this.

#### **Air Quality Impacts of Option 5: 1/5**

Unlikely to have a significant impact on air quality as there is not a sufficient benefit to new homeowners to discourage private car use, however the promotion of these vouchers is seen nationally as good practice.

#### **Cost of Option 5: 5/5**

The cost of this scheme is fairly low compared to other options outlined above, and is good practice nationally as recognised by the Institute of Air Quality Management.

### **Cost Effectiveness of option 5: Medium**

#### [Totnes Option 6: Developers to pay for Green Travel Planning](#)

Currently on larger developments developers will offer to undertake a green travel plan for the new development which actively seeks to promote more sustainable methods of transportation with the new householders.

The quality and delivery of these plans has been varied across the various developments that have happened in Devon. As such it is proposed that in future the production of these plans be secured by planning obligation to the local authorities, the types of development where s.106 contributions would be sought needs to be determined but the following would be an indicative list;

- Development that involves the building of 10 or more residential units or a site area of more than 0.5 Ha
- More than 1000m<sup>2</sup> of floor space for all other uses or a site area greater than 1Ha

### **Air Quality impact of option 6: 2/5**

The potential impact of this option is dependent upon the alternative options available to householders and employees of traveling to and from work and other key journeys. However currently Totnes is well served by a number of bus routes, and is a serviced stop on the South West railway, allowing access to Plymouth and Exeter City centres.

### **Cost of option 6: 3/5**

The cost of delivering green travel plans is currently held by developers. By proposing to make this a planning obligation, this enables a more consistent quality of green travel plans and supports the aim of Plymouth City Council and South Hams District Council to offset the impact of current and future developments on the road network in both areas.

### **Cost effectiveness of option 6: Low**

#### [Totnes option 7: Compulsory/Voluntary Purchase of the principle at risk residential premises.](#)

Poor air quality is determined based on sensitive receptors being exposed to unacceptable levels of air pollution. Sensitive receptors are determined as being residential dwellings, schools and hospitals.

The Council does have powers to compulsory purchase properties, however the impact on the community of forcing people out of their homes cannot be underestimated, and the health benefit of alleviating the air quality exposure step compared to the socio-economic impact could be viewed politically as being unacceptable.

A more moderate option would be for the Council to write to all of the owners of the properties to offer to purchase their property at any point in the future should they be wishing to sell.

#### **Air quality impact of option 7: 5/5**

Should all of the properties exposed to unacceptable levels of pollution no longer be deemed as a sensitive receptor then there would no longer be an Air Quality Management Area needed for the area.

#### **Cost of option 7: 1/5**

Due to the number of properties in the area exposed to unacceptable levels (approximately 10) and the house values in this area the cost of implementing this option would likely be in the millions. There would however be an asset in the Council's ownership which could be changed to a less/none sensitive receptor such as offices. It is unlikely that s.106 monies could be used to pay for this option and therefore funding would have to be identified from Council reserves, this seems to exclude this option even if it was preferred.

#### **Cost effectiveness of option 7: Low**

#### **Totnes option 8: Improvements to cycling routes and connectivity of hamlets to Totnes by cycling**

There are currently a low number of journeys into and through Totnes that are carried out on bicycle, this may be due to topography as well as the lack of identified and maintained cycle routes. There are a number of community organisations with aspirations to improve cycling provision to and through Totnes, some co-ordination of effort by the local authorities would be beneficial in progressing some of these projects.

The aspirational routes include;

- A new cycle path linking Totnes to Littlehempston and other villages north
- A safe and comfortable cycle route linking Totnes and Torbay
- A safe and comfortable cycle route linking Kingsbridge with routes north.
- Increase in number of cycle lanes in and around Totnes

#### **Air quality impact of option 8: 1/5**

It is not envisaged that significant journeys will be replaced by improving the cycling routes, however where there is no safe route option then there is no alternative currently but to use private vehicles.

#### **Cost of option 8: 1/5 – 3/5**

Further work is required to cost some of these routes, some may only require minimal resurfacing works to road surfaces, whereas others may require purchase of land to deliver an accessible route. Devon County Council does have a Cycling and Walking Strategy and none of the above schemes currently sit within this strategy. The strategy has preference when limited funds from national funding schemes become available. There is the potential

that funding from S.106 agreements could be utilised to pay for improvements to cycling infrastructure.

### **Cost effectiveness of option 8: Low to Very Low**

#### Totnes option 9: Promotion of cycling for shorter journeys

As previously mentioned there are a number of key issues as to why the uptake of cycling in Totnes is not as great as it could be including the lack of cycle infrastructure and topography. However there are cycle paths and routes linking Dartington with Totnes. Therefore the aim would be to consider the uptake of cycling through:-

- The installation of cycle hoops on the Plains and other key locations around Totnes
- Consider the commencement of an e-bike service to install electric bike docking stations and e-bike hire racks in key locations (near Morrison's, Follaton House, and Train Station).

### **Air quality impact of option 9: 1/5 – 2/5**

Previous transport studies have shown that approximately 70% of the traffic on the A385 is through traffic, with only 30% of traffic having Totnes as a destination for their journey. However with the growth of Dartington and Totnes there is a need to off-set as many short distance journeys as possible.

### **Cost of option 9: 1/5 – 5/5**

The cost of some of the proposed measures varies, the installation of bike hoops is likely to be fairly low i.e. £1000's, whereas the cost of each e-bike hub is approximately £40,000 and in order to have the maximum benefit the scheme would require multiple hubs.

On this basis the cost per user of e-bikes is likely to be very high.

### **Cost effectiveness of option 9: Medium to Very Low**

#### Totnes option 10: Promotion of and support for community bus schemes

There are multiple community bus schemes in the area of Totnes however the main scheme is known as Bob the Bus. This operation is well supported with a large number of volunteer drivers and a number of diverse routes in the local area.

Currently the service only runs 5 days a week Monday- Friday and only between the hours of 09:00 and 16:30. There is an aspiration by the charity that they expand their services to cover additional days and extend their hours, however this would require additional funding.

There a number of villages in close proximity to Totnes whose residents rely on Totnes for services which currently are poorly serviced by bus provision and therefore utilise private cars and taxis for journeys to/from Totnes.

There is also concerns over the impact of proposed regulatory changes to community bus companies due to the current exclusion of needing a full licence to operate possibly being changed.

This option would look at securing funding for Bob the Bus and other bus providers from new developments to support the extension of the bus network for a period of time with the hope that the new routes become self-sufficient.

#### **Air quality impact of option 10: 1/5 – 2/5**

Previous transport studies have shown that approximately 70% of the traffic on the A385 is through traffic, with only 30% of traffic having Totnes as a destination for their journey. However with the growth of Dartington and Totnes there is a need to off-set as many short distance journeys as possible.

A low cost bus service which is convenient to use and cheaper than private car and parking use may help to alleviate this burden.

#### **Cost of option 10: 2/5 – 3/5**

The cost of support is likely to be in the 10's,000 but this will depend on the scale of the route proposed and the likely number of passengers who will use the service.

#### **Cost effectiveness of option 10: Very low to low**

##### [Shortlist of options for Totnes](#)

In the short term a study should be undertaken by Devon County Council to consider the safety and designs for the possible pedestrian improvements identified. Also working with neighbouring authorities, the community and cycling organisations a local cycling strategy should be devised so that funding can be sought and allocated where appropriate.

There is the potential for greater use of cycling for short local journeys within Totnes and the immediate area, therefore we need to consider what infrastructure is available to support cycling through the consideration of the installation of cycling racks and e-bike hubs.

The government has been forthright in their promotion of ultra-low emission vehicles and their roadmap to zero carbon emissions from transport. We will seek to support the uptake of electric vehicles through the provision of electric vehicle charging points in our car parks and requiring points on all new housing developments.

There is no intention to consider further the option of compulsory/voluntary purchase at this time. Nor are we considering further the by-pass proposals for Totnes due to the cost and environmental damage caused by the proposals.



## Air Quality Action Plan for Totnes

Measure No.	Measure	EU Category	EU Classification	Lead Authority	Planning Phase	Implementation Phase	Key Performance Indicator	Progress to Date	Estimated Completion Date
1	Carry out a review of pedestrian crossing points on the A385 corridor and associated highway locations.	Traffic Management and Promoting Travel Alternatives	Promotion of walking	DCC	2019	2020	Carry out a safety and design review of the proposed crossing locations.	Some modelling work done on some of the options have shown a moderate beneficial impact on air quality.	2020
2	Installation of an Electric Vehicle Charging Points within Council car parks	Reduction in Emissions	Other	SHDC	2019	2020	Install two evcp within one of the Totnes Public Car Parks	Grant application made to fund the installation of the EVCP.	2020
3	Promotion of alternatives to private car use through the use of green travel vouchers	Alternatives to Private car use	Other	SHDC	2019	2020	Delivery of green travel vouchers and appointment of green travel planner for new developments.	Conversations had with a green travel planning co-ordinator to estimate costs of a post so that planning contributions can be sought.	2020
4	Installation of bike racks and e-bike hubs in key locations to promote cycling usage to replace short journeys.	Promoting Travel Alternatives and Transport Planning and Infrastructure	Promotion of cycling and Public Hire Schemes	DCC	2019	2021	Delivery of cycle hoops on the Plains in Totnes.  Discussions with an E-bike provider to look at installing e-bike hubs at the following locations:- The Plains, Totnes The train station Follaton House Shops at Dartington	The cycle hoops are procured just awaiting installation.  Conversation had to get estimates for price of e-bike hubs est. £40,000 per hub.	2022

Measure No.	Measure	EU Category	EU Classification	Lead Authority	Planning Phase	Implementation Phase	Key Performance Indicator	Progress to Date	Estimated Completion Date
5	Seeking contributions to support additional community bus routes	Transport Planning and Infrastructure	Bus Route Improvements	SHDC/DCC	2019	2019	Additional bus routes being offered by Bob the Bus and other Community Bus Companies	Conversation with Bob the Bus to seek to support the development at Baltic Wharf, Totnes for a period of 5 years.	ongoing
6	Development of a regional cycling strategy to consider infrastructure improvements	Transport Planning and Infrastructure	Cycle network	SHDC/DCC	2019	2020	Development of a cycling strategy for adoption so that s.106 and other funding can be secured to deliver the infrastructure	Meeting organised with DCC, Torbay Council, Teignbridge District Council, South Hams District Council and Sustrans to gather initial thoughts and aspirations towards delivery of new regional cycling routes	2025

Report to: **Executive**  
Date: **18<sup>th</sup> July 2019**  
Title: **Medium Term Financial Position for 2020/21 onwards**  
Portfolio Area: **Cllr J Pearce – Budget Setting Process**  
Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Recommendation to Council 25th July 2019

Author: **Lisa Buckle** Role: **Strategic Finance Lead (S151 Officer)**  
**Pauline Henstock** **Head of Finance Practice (Deputy S151 Officer)**

Contact: **Email: [lisa.buckle@swdevon.gov.uk](mailto:lisa.buckle@swdevon.gov.uk)**  
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**Recommendations:****It is recommended that the Executive:**

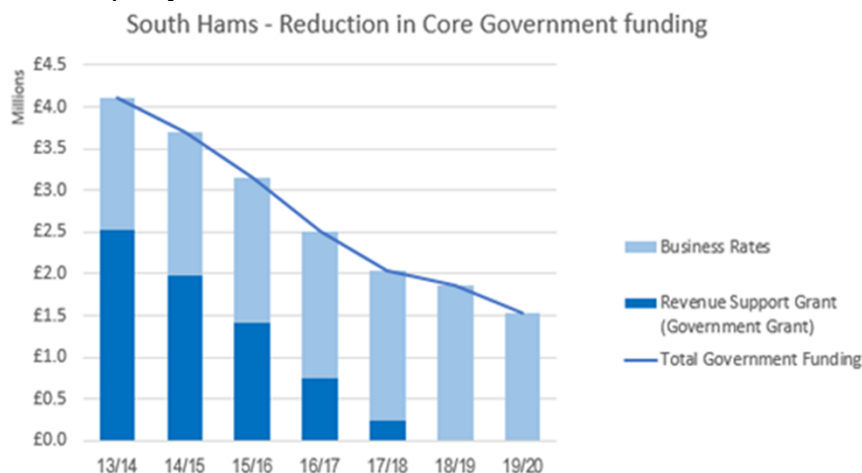
- (i) Notes the forecast budget gap for 2020/21 of £0.45m and the position for future years.
- (ii) Notes the current options identified and timescales for closing the budget gap in 2020/21 and in future years, to achieve long term financial sustainability as set out in Section 7.
- (iii) Recommends to Council that the Council consults with all of the Town and Parish Councils within the District, on the basis that the District Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils with effect from 1<sup>st</sup> April 2020 by 50% per annum over the next two years as set out in 4.15, in order to allow time for Town and Parish Councils to plan for the reduction in their budget setting processes.

## 1. Executive summary

- 1.1 The Council's Medium Term Financial Position (MTFP) is based on a financial forecast over a rolling five year timeframe to 2024/25. The Council, along with other local authorities, has faced unprecedented reductions in Government funding since the Comprehensive Spending Review 2010. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £4 million as shown in 2.1.
- 1.2 South Hams has continued to work in partnership with West Devon Borough Council which has allowed South Hams District Council to achieve annual savings of £3.9 million and more importantly protect all statutory front line services. Between both Councils the annual shared services savings being achieved are over £6 million. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.
- 1.3 South Hams District Council is currently forecasting a £0.45 million budget gap in 2020/21. It is important to note that this is a snapshot (a position statement) in July 19 and future Member decisions on the budget strategy will inform future figures within the Medium Term Financial Strategy (MTFS), which will be presented to Members at the Executive meeting on 19<sup>th</sup> September 2019.
- 1.4 This is the starting point for developing a meaningful five year strategy that sets out the strategic intention for all of the different strands of funding available to the Council. The Council will then be able to rely on this to inform future decisions.

## 2 BACKGROUND AND UPDATE ON THE BUDGET 2020/21

- 2.1 Over the past four years, South Hams District Council has had a 39.5% reduction in Government funding. The Council now receives **no main Government Grant (Revenue Support Grant)** – this has been reduced to zero. Core Government funding has been reduced by £4million per year since 2009/2010, as shown below.



In 2009/10, South Hams District Council received £5.5m in Core Government funding. By 2019/20 this has been reduced to £1.5 million as shown.

- 2.2 Negative Revenue Support Grant (RSG) for 2019/20 of £400,000 was eliminated by the Government for one year. There has been no news on what will happen to negative RSG from 2020/21 onwards and therefore the modelling in this report has assumed negative RSG will remain for 2020/21 onwards in some form (e.g. as part of the business rates baseline reset). It is currently estimated to be £400,000 per annum which would be deducted off the Council's business rates funding and represents negative Government grant (it is effectively the Council's further predicted funding cuts). The Council would need to pay this money (£400,000) over to the Government out of its business rates income.
- 2.3 It is thought that the Council Tax Referendum limits for District Councils for 2020/21 will remain the same (the higher of £5 or 2.99%).
- 2.4 The Council is awaiting an announcement from the Government on the Spending Review for 2019 (called SR2019). This is expected to be announced around September time. The Spending Review 2019 might not proceed as planned and therefore there may only be a one year Spending Review, followed by a further Spending Review in 2020. There are questions around whether the reforms around Business Rates, the Fair Funding Review and New Homes Bonus will all be delayed.

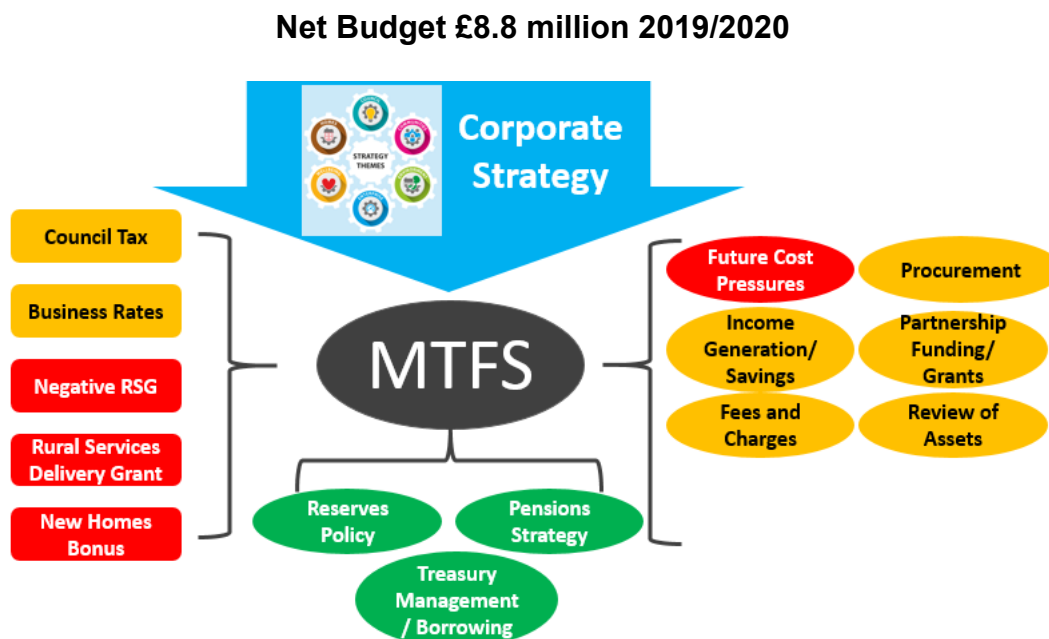
### **3 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES**

- 3.1 The last pay offer covered the two years up to 31 March 2020. A 1% pay increase has been modelled from 2020/21. The Medium Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council.
- 3.2 The report assumes inflation will run at 2.5% over the five year period. The Consumer Prices Index (CPI) was 2.1% in April 2019.
- 3.3 The predicted interest rate forecast from our treasury management advisors, Link Services, is that interest rates will remain at 0.75% up to December 2019. By June 2021 the bank base rate is predicted to increase to 1.5%.
- 3.4 An increase in council tax of the higher of £5 or 2.99% for the next five years has been modelled for council tax purposes. This would equate to a Band D council tax for South Hams of £170.42 in 2020/21 as shown in Appendix B and equates to a council tax increase of 3.02% (an increase of £5). A 1% increase in council tax generates £64,000.
- 3.5 It has been assumed that the number of properties within the District will increase by 600 per annum from 2020/21 to 2024/25 – this is an increase of approximately 1.6% and is based on projections from the Strategic Planning team.

#### 4. THE COMPONENTS MAKING UP A MEDIUM TERM FINANCIAL STRATEGY (MTFS)

4.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Appendix C of the MTFS report to Council on 27<sup>th</sup> September 2018 went through each of these components in detail and made recommendations where appropriate.

Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFS where the Council has a degree of control. Red items signal components where the Council has hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.



#### Council Tax

4.2 Council on 27<sup>th</sup> September 2018 (Council Minute 31) has set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to enable continued delivery of services. The actual council tax for any given year will be decided by Council in the preceding February. (The council tax for 2020/21, the SHDC share, will be set at the Council meeting on 13<sup>th</sup> February 2020). The Council will reconsider the Medium Term Financial Strategy on 19<sup>th</sup> September 2019.

### **Business Rates**

- 4.3 Estimates have been made of the Baseline funding Level for 2020/21 onwards as set out in Appendix B. This is £1.94m for 2020/21 and £1.99m for 2021/22. Rural Services Delivery Grant has been modelled at £408,055 per annum. Negative RSG of £400,000 per annum from 2020/21 has been assumed to be deducted from the business rates funding. The Council will continue to lobby for negative RSG to be withdrawn by the Government (negative RSG was withdrawn for one year in 2019/20 – it is unknown what will happen to negative RSG for 2020/21 onwards. The Council is awaiting announcements from the Government on this. See Section 2.2.

### **New Homes Bonus (NHB)**

- 4.4 The Government has stated that 2019/20 represents the final year of NHB funding and from 2020 onwards they will explore how to incentivise housing growth most effectively and will consult on this issue. The financial modelling has included using £500,000 of New Homes Bonus funding for 2020/21 to fund the revenue base budget and this has then been reduced to £350,000 in 2021/22 and £250,000 in 2022/23 for modelling purposes. The Council is awaiting announcements from the Government on how New Homes Bonus is going to be reformed.

- 4.5 For 2019/20 there are no changes to the New Homes Bonus baseline of 0.4% (the previous concern was that this could be increased to 0.6%). The baseline is the proportion of housing growth which is deducted as 'natural growth as such' before New Homes Bonus is paid to a Council – this is the equivalent of 179 properties for South Hams. So the Council receives no New Homes Bonus on the first 179 properties of property growth per year. The Council's New Homes Bonus allocation for 2019/20 was £1,226,862.

### **Pensions Strategy (Actuarial Valuation)**

- 4.6 The Council has taken specialist pension advice on the options for the Council's Pension position (informing the actuarial valuation), with the aim of reducing the current deficit contributions, increasing affordability, whilst best managing the pension deficit. Options were presented to the Council's Audit Committee on 31st January and this work is being progressed by the S151 Officer in accordance with the timetable for the Triennial Pension Revaluation.

### **Treasury Management and Borrowing Strategy**

- 4.7 The Council has taken external treasury management advice on the Council's overall borrowing levels and debt levels. The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million. In March 2019, the Council considered its Capital Strategy and Treasury Management Strategy which contained the new requirements issued by MHCLG in February 2018 of the new guidance. Members received training on the new requirements in November 2018.
- 4.8 The Council will re-consider its borrowing limit as part of the MTFs in September 2019, but officers will not be recommending any change to the current borrowing limit of £75 million.

### **Partnership Funding/Grants**

- 4.9 A report to review all Partnerships Grants for 2020/21 is on the Forward Plan to be considered in September at the Executive meeting on 19<sup>th</sup> September.

### **Commercial Property and Review of Assets**

- 4.10 On 14<sup>th</sup> June 2018, the Executive considered a report on Council Owned Asset Investment and Development opportunities. The Council has prepared business cases on the Commercial Development opportunities and a summary report was presented to the Executive on 13<sup>th</sup> December (Minute E.62/18). There are further reports on this Executive agenda regarding some of these projects.
- 4.11 The Council's Asset Base is £91 million at 31 March 2019. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.

### **Council Tax Support Grant (CTSG) for 2020/21 onwards**

- 4.12 Following Council Tax Benefit being abolished in 2014, District Councils around the country introduced Council Tax Reduction Schemes. The schemes were discount schemes instead of a state welfare benefit and meant that working age claimants paid an amount towards their Council Tax bill. (Note the District Council has since moved to a banded scheme – Minute 58/18, Council on 21<sup>st</sup> February 2019)
- 4.13 The changes in 2014 had the effect of reducing the council tax base not only for the District Council but also for Town and Parish Councils. The Government provided financial support for local authorities (Council Tax Support Grant) to assist Town and Parish Councils in dealing with the effects of the benefit changes on their Council Tax Base. The Council paid this grant over to Town and Parish Councils and over the past four years the grant has been reduced by 9.85% per annum, in line with the reduction in Grant which the District Council was receiving. As the last financial settlement was a four years settlement (from 2016/17 to 2019/20), four years of reduction of 9.85%



per annum for the Council Tax Support Grant were agreed with Town and Parish Councils.

- 4.14 As the last Spending Review ended in 2019/20, the Council needs to consider the level of Council Tax Support Grant for Town and Parish Councils for 2020/21 onwards. The Council has consulted with other Devon District Councils and they have ceased paying the council tax support grant, as shown in the table below. West Devon had taken the same approach as South Hams and will also be considering this in this year's budget setting process.

<b>Last year of payment</b>	
Teignbridge	2018/19
North Devon	2019/20
Mid Devon	2018/19
East Devon	2019/20
Torridge	2017/18

- 4.15 In previous years' modelling of the Medium Term Financial Strategy, it was modelled that the Council would cease payments in 2020/21. It is recommended to Council that the Council consults with all of the Town and Parish Councils within the District, on the basis that the District Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils with effect from 1<sup>st</sup> April 2020 (by a 50% reduction per annum over the next two years), in order to allow time for Town and Parish Councils to plan for the reduction in their budget setting processes. This is also in line with the reduction of the Grant to Nil that other Devon District Councils have implemented as set out in 4.14 and given the number of years which have passed since Council Tax Benefit was abolished in 2014. The Council is mindful of the need for the District Council and the Town and Parish Councils to work together collaboratively to deliver services to our residents to effect real change for our communities.
- 4.16 The Parishes and Towns would need to consider increasing their Precepts in order to absorb the reduction in Council Tax Support Grant. This ranges from £20,040 for Totnes and £16,250 for Ivybridge, to £7 for Woodleigh. The levels of Council Tax Support Grant for 2019/20 are shown in Appendix D, and the percentage that the grant equates to as a % of their Precept for 2019/20 is also shown. The total Council Tax Support Grant paid to all Town and Parish Councils equates to £74,473 as per Appendix D.
- 4.17 **Income Generation/Savings**  
The Council's Extended Leadership Team have been directed by the Executive to present further budget options to Members for income generation/savings/reduced expenditure for 2020/21, taking into consideration the Council's corporate strategy and the latest budget position.

## 5 BUDGET PRESSURES, SAVINGS AND INCOME GENERATION

5.1 Financial modelling has been undertaken for the next five years to predict the Council's financial situation for the short and medium term.

5.2 **Appendix A** to the Medium Term Financial Position sets out the Budget Pressures forecast for the next five years and the additional savings and income forecast. **These figures in Appendix A show the changes to the existing base budget.**

(As set out in Appendix A)	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Cost Pressures	1,060,762	515,761	335,000	335,000	335,000
(Reduction)/ Increase in contribution to Earmarked Reserves	(30,000)	180,000	130,000	130,000	78,000
Savings and additional income	(495,085)	(390,412)	(139,196)	(12,100)	(2,100)

## 6. OVERALL POSITION – BUDGET GAP

6.1 Appendices A and B illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £8.8 million in 2019/20. A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if Council Tax is increased by the higher of 2.99% or £5 (Appendix B).

6.2 The following table illustrates the predicted budget gap from 2020/21 onwards for the Council as shown in Appendices A and B:

Cumulative Budget Gap	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	Total Aggregated Budget Gap £
Modelling in Appendix B	451,534	400,188	359,193	434,512	533,109	2,178,536

- 6.3 In the modelling in Appendix B, the budget gap is predicted to be £451,534 in 2020/21 (the £400,188 in 2021/22 assumes the budget gap in 20/21 of £451,534 has not been closed). The aggregated Budget Gap is £2.18 million over the five years.

## 7 FINANCIAL SUSTAINABILITY AND TIMESCALES

- 7.1 The Council is progressing various options for closing the budget gap in 2020/21 and future years, to achieve long term financial sustainability. The table below sets out a timescale for those options and the various strands that the Council is exploring.

Option	Possible Budget Impact	Timescale
<p><b>Pensions Strategy</b> The Council has received specialist pensions advice on its Pensions position (informing the actuarial valuation). Options were reported to the January Audit Committee and the S151 Officer is progressing this work with the Pensions team at Devon County Council and the actuaries.</p>	<p>Up to £200,000</p>	<p>Report to the Audit Committee in January 2019. New pension contributions for the three years 2020/21 to 2022/23 are likely to be notified to the Council by December 2019.</p>
<p><b>Council Tax Support Grant</b> The grant to Town and Parish Councils has been reduced by 9.85% over the four year period of the finance settlement from 2016/17 to 2019/20. It is recommended to Council that the Council consults with all of the Town and Parish Councils within the District, on the basis that the District Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils with effect from 1<sup>st</sup> April 2020 (by a 50% reduction per annum over two years), in line with the reduction to Nil that other Devon District Councils have implemented as set out in 4.14 and given the number of years which have passed since Council Tax Benefit was abolished in 2014. Further details are set out in 4.12 to 4.16</p>	<p>£74,000 for 2020/21 Onwards  (This reduction has already been modelled in)</p>	<p>To be considered as part of the 2020/21 Budget process</p>

<b>Option</b>	<b>Possible Budget Impact</b>	<b>Timescale</b>
<p><b>Asset Review/ Corporate Property Strategy</b>            There was a separate report on the Executive agenda in December 2018 for 'Commercial Development Opportunities'.</p>	<p>Initial income projections have been included within this budget report.</p>	<p>Regular updates will be provided to Members.</p>
<p><b>Extended Leadership Team (ELT) Budget options</b>            The Council's Extended Leadership Team have been directed by the Executive to present further budget options to Members for income generation/savings/reduced expenditure for 2020/21, taking into consideration the Council's corporate strategy and the latest budget position.</p>	<p>To be quantified</p>	<p>September 2019</p>
<p><b>Senior Leadership Team (SLT) Restructure</b>             There is a separate report on this Executive agenda on the restructure of the Senior Leadership Team (SLT). The combined restructures of SLT and the Extended Leadership Team (ELT) would achieve ongoing annual revenue savings estimated to be at least £120,000 per annum (£60,000 per annum for each Council)</p>	<p>£60,000</p>	<p>SLT restructure by September 2019 and ELT restructure by December 2019</p>
<p><b>Funding Options</b></p>		
<p><b>Negative Revenue Support Grant</b>            Negative Revenue Support Grant (RSG) for 2019/20 of £400,000 was eliminated by the Government for one year. There has been no news on what will happen to negative RSG from 2020/21 onwards and therefore the modelling in this report has assumed negative RSG will remain for 2020/21 onwards in some form (e.g. as part of the business rates baseline reset).</p>	<p>Negative RSG of £400,000 for 2020/21 onwards has been built into this budget report.</p>	<p>The position for 2020/21 onwards is not known and it is assumed that negative RSG of £400,000 per annum will be in place.</p>

Option	Possible Budget Impact	Timescale
<p>It is currently estimated to be £400,000 per annum which would be deducted off the Council's business rates funding and represents negative Government grant (it is effectively the Council's further predicted funding cuts). The Council would need to pay this money (£400,000) over to the Government out of its business rates income.</p>		
<p><b>New Homes Bonus allocations for 2020/21 onwards</b></p> <p>The Government has stated that 2019/20 represents the final year of NHB funding and from 2020 onwards they will explore how to incentivise housing growth most effectively and will consult on this issue.</p> <p>The financial modelling has included using £500,000 of New Homes Bonus funding for 2020/21 to fund the revenue base budget and this has then been reduced to £350,000 in 2021/22 and £250,000 in 2022/23 for modelling purposes</p> <p>It is not known what NHB allocations (or a similar scheme) will be in future years when the NHB scheme is replaced. This remains a risk for the Council.</p>	<p>To be assessed</p> <p>It is not known what NHB allocations (or a similar scheme) will be in future years when the NHB scheme is replaced.</p>	<p>Awaiting further announcements from the Government</p>
<p><b>Contributions to Earmarked Reserves</b></p> <p>The Council could vary the amount of contribution into some of the Earmarked Reserves. This will be considered in more detail as part of the budget process. Contributions to Earmarked Reserves are shown in Appendix E.</p>	<p>To be Assessed</p>	<p>To be decided as part of the Budget Process</p>

Option	Possible Budget Impact	Timescale
<p><b>Use of Reserves as a temporary measure</b>  The Council could temporarily utilise Reserves to balance an element of the 2020/21 budget, whilst longer term solutions are being implemented. This would be a very short term solution though.</p> <p>The current levels of Reserves are £1.9 million Unearmarked Reserves and Earmarked Reserves of £13.3 million.</p>	To be Assessed	To be decided as part of the Budget Process

## 8. CAPITAL PROGRAMME AND PRUDENTIAL BORROWING

- 8.1 The Capital Programme is set by the Council annually and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing. Bids to the Capital Programme will be presented to Members by December 2019.
- 8.2 **Commercial Property Acquisition Strategy** – The Council has agreed a commercial property acquisition strategy of up to £60 million. No purchases have yet been made but there was a report on the December 2018 Executive agenda regarding proposed projects. Purchases made within the strategy will be capital expenditure. A report on the updated Commercial Investment Strategy is a separate report on this Executive agenda
- 8.3 **Prudential Borrowing** - The Council will consider the use of prudential borrowing to support capital investment to deliver services and will ensure that the full costs of borrowing are taken into account when investment decisions are made.
- 8.4 An overall Borrowing Limit (£75 million) has been approved as part of the Medium Term Financial Strategy, with £60 million being for the Commercial Property Strategy and £15 million for other borrowing requirements.

## 9. Sensitivity Analysis and Risk Analysis

9.1 The Council carries out sensitivity analysis and risk analysis of its Budget Proposals on an annual basis. This will form part of the Medium Term Financial Strategy presented to Members in September 2019.

## 10. Earmarked and Unearmarked Reserves

10.1 The current levels of Reserves are £1.9 million Unearmarked Reserves and Earmarked Reserves of £13.3 million. The Council's Net Budget is £8.83 million for 2019/20. Therefore Unearmarked Reserves equate to 21.5% of the Council's Net Budget. A full list of Earmarked Reserves is shown in Appendix C.

10.2 **Budget Monitoring** - The first revenue budget monitoring report for 2019/20 will be presented to Members at the Executive on 19th September 2019.

## 11 NEXT STEPS

11.1 This report is a snapshot (a position statement) in July 19 and future Member decisions on the budget strategy will inform future figures within the Medium Term Financial Strategy (MTFS), which will be presented to Members at the Executive meeting on 19<sup>th</sup> September 2019. The MTFS is the starting point for developing a meaningful five year strategy that sets out the strategic intention for all of the different strands of funding available to the Council. This was approved at Council in September 2018. The Council is now able to rely on this to inform future decisions. An updated MTFS for September 2019 will be presented to Members in September so that the strategic intentions for 2020-21 can be approved.

## 12. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The preparation of the Budget annually is evidence that the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.
Financial Implications to include reference to value for money	Y	In the modelling in Appendix B, the budget gap is predicted to be £451,534 in 2020/21 (the £400,188 in 2021/22 assumes the budget gap in 20/21 of £451,534 has not been closed). The aggregated Budget Gap is £2.18 million over the five years.

Risk	Y	Each of the budget options taken forward by Members will consider the risks of the option.
Supporting Corporate Strategy		The Budget report supports all six of the Corporate Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Comprehensive Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

#### Supporting Information

##### Appendices:

Appendix A – Budget pressures and savings

Appendix B – Modelling of the Budget (MTFS) Position

Appendix C - Schedule of Earmarked Reserves as at 31 March 2019

Appendix D – Council Tax Support Grant

Appendix E – Contributions to Earmarked Reserves

#### Background Papers

Council – 21st February 2019 – Budget Proposals 2019-20 onwards update report

Executive – 13<sup>th</sup> September 2018 – Medium Term Financial Strategy 2019/20 to 2023/24

#### Approval and clearance of report

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	Yes



**BUDGET PROPOSALS 2020/21 JULY 2019**  
**(This shows the changes to the existing Base Budget)**

**APPENDIX A**

	<b>BASE</b>	<b>Yr1</b>	<b>Yr2</b>	<b>Yr3</b>	<b>Yr 4</b>	<b>Yr 5</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>BUDGET PRESSURES</b>						
Inflation and increases on goods and services	220,000	110,000	110,000	110,000	110,000	110,000
Torr Quarry Transfer Station	142,500					
Triennial Pension revaluation		25,000				
Salaries - provision for pay award at 1% for 20/21 onwards	280,000	70,000	70,000	70,000	70,000	70,000
Waste collection, recycling and cleansing contract (estimate)		130,000	130,000	130,000	130,000	130,000
National Living Wage and National Insurance	50,000	50,000	25,000	25,000	25,000	25,000
Additional Level 5 Planning Specialist post (shdc share of costs of 60%)	29,000					
Employer's pension costs - Waste collection, recycling and cleansing contract	290,000					
Depot annualised costs - Waste collection, recycling and cleansing contract	22,200	60,762	60,761			
Devon aligned service for waste		175,000	175,000			
Implementation costs for Devon aligned service for waste (one-off) This is additional staffing support for implementation such as roadshows, communications and customer services support.		125,000	(125,000)			
Reduction in recycling income	125,000					
Blue and Clear recycling bag processing (safe working practice requirement)	75,000					
Haulage contract	60,000					
Reduction in Housing Benefit administration subsidy and Council Tax Support Admin Grant	15,000					
Car parking costs - collection fees	25,000					
ICT future service provision		150,000				
ICT support contracts - increase the budget to better align to actual expenditure	50,000					
Housing Benefit overpayment recoveries		100,000	70,000			
Payment collection expenses		25,000				
Maintenance of trees		40,000				
<b>TOTAL BUDGET PRESSURES</b>	<b>1,383,700</b>	<b>1,060,762</b>	<b>515,761</b>	<b>335,000</b>	<b>335,000</b>	<b>335,000</b>

**Changes to contributions to Earmarked Reserves**

Reduce the contribution from the New Homes Bonus Reserve (assumes a contribution of £500,000 in 2019/20 and 2020/21 with reduced contributions from 2021/22 onwards)	141,084		150,000	100,000	100,000	50,000
Vehicle Fleet Replacement Reserve (Council 6th December 2018)	60,000					
Contribution to Economic Regeneration Projects Reserve (Business Rates Pilot gain). This contribution is one-off for 2018/19 only.	(475,000)					
Reduce contribution to Land and Development Reserve	(43,000)					
Dartmouth Ferry - to increase annual contribution to £235,000 by 2024/25		30,000	30,000	30,000	30,000	28,000
Transformation Project (T18) - Approved at 11 December 2014 Council Contribution to Strategic Change Reserve to meet pension strain costs	(150,000)	(60,000)				
<b>Total changes in contributions to Earmarked Reserves</b>	<b>(466,916)</b>	<b>(30,000)</b>	<b>180,000</b>	<b>130,000</b>	<b>130,000</b>	<b>78,000</b>

**BUDGET PROPOSALS 2020/21 JULY 2019**  
**(This shows the changes to the existing Base Budget)**

**APPENDIX A**

<b>SAVINGS AND INCOME GENERATION IDENTIFIED</b>	<b>Yr1</b>	<b>Yr2</b>	<b>Yr3</b>	<b>Yr 4</b>	<b>Yr 5</b>	<b>Yr 5</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Boat Storage Charges (as per Fees and Charges report)	(3,000)					
Duty Planning - charged appointment basis (as per Fees and Charges report)	(9,000)					
Savings from re-procurement of contracts (e.g. leisure contract)	(22,000)	(165,000)	(105,000)	(76,000)	0	
Procurement of waste collection, recycling and cleansing contract (Note - The employer's pension costs of £290,000, the depot annualised costs of £22,200 and the increase to the Vehicle Earmarked Reserve of £60,000 are deducted from this figure to show the total net annual saving as per the report to Council on 6th December 2018)	(658,351)	(129,674)	(129,672)			
Income from Commercial Developments (Executive 13/12/18)		(34,458)	(81,453)	(41,096)		
Planning fee income	(40,000)					
Dartmouth Lower Ferry	(25,000)					
Public Conveniences - Pay on Entry, contributions and transfer to Parish Council/ closure 1.9.2019 where agreement has not been reached for transfer - Includes rate relief from 2020 - Savings as set out in the Executive report 22nd November 2018	(118,275)	(112,053)	(5,187)			
Other budget savings (cessation of Communities Together Fund)	(7,000)					
Reduce partnership grant funding to the CVS (£12,600) and South Devon AONB (£9,700)	(22,300)	(5,000)				
Advertising on website and e-bulletins	(3,500)					
Corporate consultancy income	(20,000)					
Energy Certificate for Eco Schemes	(10,000)					
Food and Health and Safety advice	(3,000)					
Increase investment in CCLA from £1.5m to £3.5m (treasury management income) - Appendix F	(60,000)					
Dartmouth Park and Ride - charging review			(30,000)	(20,000)	(10,000)	
Interim Senior Leadership Team arrangements	(34,000)					
Review ICT contracts	(10,300)	(6,300)				
Review cleaning contract Follaton	(5,000)					
Vehicle Trackers	(2,900)					
Digital Downloads of Planning applications	(3,500)	(3,500)				
Implement e-billing for Council Tax	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Council Tax Support Grant - proposal to reduce by 50% per annum over two years	(8,000)	(37,000)	(37,000)			
<b>TOTAL SAVINGS AND INCOME GENERATION</b>	<b>(1,067,226)</b>	<b>(495,085)</b>	<b>(390,412)</b>	<b>(139,196)</b>	<b>(12,100)</b>	<b>(2,100)</b>

Line	BASE	Yr 1	Yr 2	Yr 3	
No.	2019/20	2020/21	2021/22	2022/23	20
	£	£	£	£	
<b>Appendix B - Council Tax is increased by the higher of £5 or 2.99% each year</b>					
No. Modelling for the financial years 2020/21 onwards					
1	8,983,194	8,832,752	8,916,895	9,273,590	9,641
2	1,383,700	1,060,762	515,761	335,000	331
3	(1,067,226)	(495,085)	(390,412)	(139,196)	(12)
4	(466,916)	(30,000)	180,000	130,000	131
<b>5</b>	<b>8,832,752</b>	<b>9,368,429</b>	<b>9,222,244</b>	<b>9,599,394</b>	<b>10,091</b>
<b>Projected Net Expenditure:</b>					
<b>Funded By:-</b>					
(See Note 1 below regarding New Homes Bonus funding)					
6	6,315,689	6,608,840	6,911,535	7,226,334	7,551
7	112,000	100,000	100,000	100,000	101
8	1,897,008	1,944,000	1,994,000	2,046,000	2,091
9		(400,000)	(400,000)	(400,000)	(400)
10	100,000	100,000	100,000	100,000	101
11		156,000	160,000	160,000	161
12	408,055	408,055	408,055	408,055	401
<b>13</b>	<b>8,832,752</b>	<b>8,916,895</b>	<b>9,273,590</b>	<b>9,640,389</b>	<b>10,011</b>
<b>Total Projected Funding Sources</b>					
<b>Budget Gap per year</b>					
<b>14</b>	<b>0</b>	<b>451,534</b>	<b>(51,346)</b>	<b>(40,995)</b>	<b>71</b>
<b>(Projected Expenditure line 5 - Projected Funding line 13)</b>					
<b>Actual Predicted Cumulative Budget Gap</b>					
	<b>0</b>	<b>451,534</b>	<b>400,188</b>	<b>359,193</b>	<b>431</b>
<b>Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)</b>					
	<b>0</b>	<b>451,534</b>	<b>851,722</b>	<b>1,210,915</b>	<b>1,641</b>
<b>Modelling Assumptions:</b>					
Council Tax (Band D) (Modelling the higher of £5 or a 2.99% increase)	165.42	170.42	175.51	180.75	111
Council Tax Base (Assumes an increase in Band D Equivalent properties of 600 per annum)	38,179.72	38,779.72	39,379.72	39,979.72	40,511

**Note 1 - New Homes Bonus Funding**

The modelling for 2020/21 includes a contribution of £500,000 from New Homes Bonus (NHB) funding to fund the Base Budget. Appendix A shows the movement between years of the funding from NHB. Funding from NHB will reduce from 2021/22 onwards.

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**Appendix C - Earmarked Reserves as at 31 March 2019**

	31.3.2018	Transfers (Out)	Transfers In	31.3.2019
	£000	£000	£000	£000
<b>Specific Reserves - General Fund</b>				
16/17 Budget Surplus Contingency	25	(25)	0	0
Affordable Housing	998	(10)	0	988
Beach Safety	14	0	0	14
Building Control	0	0	0	0
Business Rates Retention	(8,641)	0	13,755	5,114
Capital Programme	791	(888)	181	84
Community Housing Fund	1,671	(386)	0	1,285
Community Parks and Open Spaces	111	(21)	17	107
District Elections	68	0	10	78
Economic Initiatives	49	(22)	0	27
Economic Regeneration Reserve	0	(96)	475	379
Environmental Health Initiatives Reserve	20	0	0	20
Ferry Repairs & Renewals	459	(91)	87	455
Homelessness Prevention Reserve	82	0	30	112
ICT Development	140	(64)	50	126
Innovation Fund (Invest to Earn)	25	(8)	0	17
Joint Local Plan Reserve	0	(136)	167	31
Land and Development	67	(36)	63	94
Leisure Services Reserve	87	(30)	0	57
Marine Infrastructure Reserve	152	0	58	210
Members Sustainable Community Locality	53	(47)	0	6
New Homes Bonus	869	(991)	1,277	1,155
On-Street Parking	44	0	0	44
Pay & Display Equipment Renewals	102	0	21	123
Pension Fund Strain	0	(99)	99	0
Planning Policy & Major Developments	228	(153)	50	125
Renovation Grant Reserve	7	0	0	7
Repairs & Maintenance	249	(316)	112	45
Revenue Grants	372	(119)	325	578
S106 Monitoring Reserve	137	(13)	0	124
S106 Technical Support Reserve	0	0	20	20
Section 106 Deposits (no conditions)	38	0	0	38
Strategic Change	0	(210)	210	0
Support Services Trading Reserve	20	0	23	43
Sustainable Waste Management	4	0	25	29
Vehicles & Plant Renewals	1,023	(249)	490	1,264
<b>Sub-Total</b>	<b>(736)</b>	<b>(4,010)</b>	<b>17,545</b>	<b>12,799</b>
<b>Specific Reserves - Salcombe Harbour</b>				
Pontoons	162	0	51	213
Renewals	111	(35)	41	117
Revenue Account Reserve	143	0	21	164
<b>Sub-Total</b>	<b>416</b>	<b>(35)</b>	<b>113</b>	<b>494</b>
<b>TOTAL - Earmarked Revenue Reserves</b>	<b>(320)</b>	<b>(4,045)</b>	<b>17,658</b>	<b>13,293</b>

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Council Tax Support Grant as a percentage of the 2019/20 Precept

<u>Parish/Town</u>	<b>Council Tax Support Grant allocation for 2019/20</b>	<b>Precept 2019/20</b>	<b>Council Tax Support Grant as percentage of the Precept 2019/20</b>
	£	£	%
South Huish	54	8,619	0.63%
Cornworthy	60	7,500	0.80%
Buckland-Tout-Saints	41	4,588	0.89%
South Pool	60	6,090	0.99%
Diptford	93	9,407	0.99%
Bigbury	160	16,000	1.00%
North Huish	32	2,968	1.08%
Ringmore	59	5,400	1.09%
Ashprington	95	8,500	1.12%
Wembury	370	31,000	1.19%
Dittisham	163	11,837	1.38%
Woodleigh	7	500	1.40%
Chivelstone	79	5,600	1.41%
Ermington	384	26,616	1.44%
Buckfastleigh West	70	4,793	1.46%
Salcombe	1,350	91,350	1.48%
Churchstow	120	8,052	1.49%
Thurlestone	302	19,863	1.52%
Holbeton	157	10,320	1.52%
Kingswear	636	40,253	1.58%
Harford	16	990	1.62%
Newton & Noss	912	54,604	1.67%
Halwell & Moreleigh	152	9,100	1.67%
Charleton	144	8,450	1.70%
East Portlemouth	131	7,600	1.72%
Holne	128	6,762	1.89%
Slapton	176	9,099	1.93%
Stoke Gabriel	513	24,487	2.09%
Dartmouth	6,812	323,197	2.11%
Ugborough	497	22,500	2.21%
Stokenham	920	40,760	2.26%
Malborough	612	26,890	2.28%
Staverton	382	16,657	2.29%
Strete	277	12,000	2.31%
Aveton Gifford	574	24,550	2.34%
Littlehempston	81	3,290	2.46%
Brixton	699	28,301	2.47%
Kingston	164	6,500	2.52%
Yealmpton	1,049	41,000	2.56%
Rattery	177	6,823	2.59%
Bickleigh	2,201	81,667	2.70%
East Allington	460	17,000	2.71%
Loddiswell	795	28,291	2.81%
Stoke Fleming	493	17,503	2.82%
Dean Prior	109	3,791	2.88%
West Alvington	174	5,743	3.03%
South Milton	134	4,366	3.07%
Harberton	409	13,291	3.08%
Blackawton	435	14,065	3.09%
Modbury	1,027	32,140	3.20%
Dartington	958	29,042	3.30%
Cornwood	633	18,307	3.46%
Ivybridge	16,250	450,806	3.60%
Shaugh Prior	456	11,684	3.90%
South Brent	2,471	62,479	3.95%
Totnes	20,040	494,000	4.06%
Frogmore & Sherford	315	7,750	4.06%
Marldon	555	12,693	4.37%
Kingsbridge	6,871	148,645	4.62%
Sparkwell	549	10,263	5.35%
Berry Pomeroy	430	7,500	5.73%
	<b>74,473</b>	<b>2,463,842</b>	3.02%

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## ANALYSIS OF CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES

Estimate 2019/20			Estimate 2020/21	
To £	(From) £		To £	(From) £
181,600		Capital Programme	181,600	
16,900		Community Parks & Open Spaces	16,900	
10,000		District Elections	10,000	
87,000		Ferry major repairs & renewals	117,000	
	(500,000)	New Homes Bonus		(500,000)
20,800		Pay & Display Equipment	20,800	
99,000		Pension Fund Strain Payments	99,000	
55,000		Repairs and maintenance	55,000	
60,000		Strategic Change Reserve		
0		Strategic Issues	0	
550,000		Vehicles & Plant Renewals	550,000	
7,000		Land and Development Reserve	7,000	
50,000		IT Development Reserve	50,000	
25,000		Sustainable Waste Management	25,000	
50,000		Planning Policy and Major Developments	50,000	
2,000		Interest credited to reserves	2,000	
1,214,300	(500,000)	<b>TOTALS</b>	1,184,300	(500,000)
<b>714,300</b>		<b>GRAND TOTAL</b>	<b>684,300</b>	

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Report to: **Executive**

Date: **18 July 2019**

Title: **Write Off Report**

Portfolio Area: **Support Services – Cllr Bastone**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **N / A**

Author: **Lisa Buckle** Role: **Section 151 Officer**

Contact: **Ext. 1413 lisa.buckle@swdevon.gov.uk**

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## **Recommendations:**

The Executive notes that, in accordance with Financial Regulations, the s151 Officer has authorised the write-off of individual South Hams District Council debts totalling £63,798.63 as detailed in Tables 1 and 2.

The Executive approves the write off of an individual debts in excess of £5,000 totalling £67,493.14, as detailed in Table 3.

### **1. Executive summary**

The Council is responsible for the collection of: Housing Rents, Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates.

The report informs members of the debt written off for these revenue streams. Debts up to the value of £5,000 can be written off by the s151 Officer, under delegated authority. Permission needs to be sought from the Executive to write off individual debts with a value of more than £5,000.

This report covers the period 1<sup>st</sup> January 2019 to 31<sup>st</sup> March 2019.

### **2. Background**

The Council's sound financial management arrangements underpin delivery of all the Councils priorities, including the commitment to providing value for money services.

This report forms part of the formal debt write-off procedures included in these financial arrangements.

South Hams District Council's collection rates for 2017/18 were; Council Tax 98.15% & Business Rates 97.68%.

In the fourth quarter of 2018/19 the Council has collected £9.7 million in Council Tax and £5.3 million in Business Rates. The total collectable debt for 2018/19 (as at 31<sup>st</sup> March) for Council Tax is £70.5 million and for Business Rates is £31.2 million.

Debts are recovered in accordance with the Council's Recovery Policy which is published on our website.

### **3. Outcomes/outputs**

In accordance with good financial management principles the Council has, for the revenue streams detailed in this report, made a total bad debt provision of £2,940,746.58. This provision recognises that a proportion of the Authority's debts will prove irrecoverable and ensures that the value of debtors within the Authority's accounts is a fair reflection of the amount that will eventually be recovered.

All debts, taxes and rates within the Service's control are actively pursued, and in most instances are collected with little difficulty. In cases where payment is not received on time, a reminder will be issued promptly to the debtor. If this fails to secure payment, a final reminder and/or a summons will also be issued and if necessary the debt passed to an appropriate collection agent such as the Civil Enforcement Agents or the Council's Legal Department in order to secure payment.

Sometimes, however, if the debtor is having difficulty making the payment, special arrangements are used to effect recovery, and this may mean extending the period of time to collect the debt.

In some cases pursuit of an outstanding debt is not possible for a variety of reasons, such as bankruptcy or liquidation and such cases with arrears under £5,000 are written off by the Section 151 Officer under delegated authority. Cases where the debt exceeds £5,000 must, however, be approved by the Executive prior to the debt being written off.

A record is kept of debts written off, together with the reason for doing so, so that if there is a realistic chance of recovery in the future a debt may be resurrected and pursued again.

The Service has access to Experian's Citizenvue database which is currently the most reliable means of tracing absconded debtors. Each case is checked against this system before a decision is taken to write off the debt. A periodic review of write offs against this system may also be carried out to resurrect debts where appropriate.

#### 4. Options available and consideration of risk

Executive can either approve to the debt being written off or not. Should the write off of an individual debt not be approved, it will remain on the appropriate system as an outstanding balance. In cases of insolvency there is no option available to the Council but to stop any action to collect the debt. With any case where the debt remains on the appropriate Council system, it may result in additional time and cost spent to pursue the debts when there is no realistic prospect of recovery.

#### 5. Proposed Way Forward

The Executive approves the write off of individual debts in excess of £5,000 as detailed in Table 3.

#### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The relevant powers for this report are contained within the following legislation;  Section 151 Local Government Act 1972 Section 44 Local Government Finance Act 1988 (Non Domestic Rate) Section 14 Local Government Finance Act 1992 (Council Tax)
Financial implications to include reference to value for money		South Hams District Council debts totalling £131,291.77 to be written-off
Risk		Any risk to reputation is managed carefully by prompt recovery of amounts due wherever possible.  This risk is also mitigated by taking a balanced view and ensuring that resources are not expended on debts which are not cost effective to pursue  The obvious risk of debtors subsequently being able to pay a debt which has been written off is mitigated by the activity outlined in Part 3.
Supporting Corporate Strategy		Council - Delivering efficient and effective services
Comprehensive Impact Assessment Implications		
Equality and Diversity		All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place.

Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		A bad debt provision is built into the financial management of the Authority

### **Supporting Information**

#### **Appendices:**

Table 1 – Council debt under £5,000 written off by the Section 151 Officer

Table 2 – Non-Domestic Rate debt under £5,000 written off by the Section 151 Officer

Table 3 – Summary of items over £5,000 where permission to write off is requested

Table 4 – National & Local Collection Statistics re 2017 / 18 Collection Rates

Table 5 – Quarterly income in 2017 / 18 relating to all years

Table 6 – Previous Year Write Off Totals

#### **Background Papers:**

Section 151 Local Government Act 1972

Section 44 Local Government Finance Act 1988 (Non Domestic Rate)

Section 14 Local Government Finance Act 1992 (Council Tax)

Recovery Policy

#### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Heads of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>

**TABLE 1 SUMMARY OF SOUTH HAMS DISTRICT COUNCIL DEBT UNDER £5,000 WRITTEN OFF BY S151 OFFICER**

TYPE OF DEBT	NUMBER OF CASES		No of people / business	REASON FOR W/OFF	Financial Year 2018/19			Totals for Comparison purposes			
	<£1000	>£1000			Quarter 4	Cumulative Total		Equivalent Quarter 2017/18		Grand Total 2017/18	
					Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
<b>HOUSING BENEFIT</b>	24	1		Overpaid Entitlement	7,912.93	65	20,405.06	96	32,246.95	191	75,345.85
	-	2		Insolvency / Bankruptcy	2,742.19	2	2,742.19	-	-	7	7,131.54
	-	-		Absconded	-	-	-	-	-	-	-
	1	-		Deceased	113.70	5	3,258.73	-	-	14	3,228.68
	4	-		Not cost effective to pursue	52.84	31	550.52	10	155.68	19	244.07
	6	1		Uncollectable old debt	2,710.77	85	44,194.17	-	-	293	65,941.62
Total	35	4			13,532.43	188	71,150.67	106	32,402.63	524	151,891.76
<b>COUNCIL TAX</b>	-	-		Absconded	-	-	-	4	3,355.00	20	15,089.66
	14	8		Insolvency / Bankruptcy	25,174.89	65	84,033.83	22	22,751.53	43	49,137.29
	-	-		Deceased	-	8	5,458.81	1	31.69	6	964.86
	4	-		Small balance	32.94	8	106.89	1	25.66	9	98.26
	1	-		Other (inc. CTR overpayment)	19.70	11	4,452.54	33	25,819.94	44	30,551.03
	-	-		Uncollectable old debt	-	-	-	1	138.02	1	138.02
Total	19	8			25,227.53	92	94,052.07	62	52,121.84	123	95,979.12
<b>SUNDRY DEBTS</b>	45	3	48	Absconded	14,220.94	49	15,492.94	-	-	-	-
	5	-	5	Insolvency / Bankruptcy	2,196.16	6	2,301.59	-	-	2	6,374.98
	13	-	13	Not able to pursue	3,022.25	16	4,102.25	-	-	-	-
	1	1	2	Other*	5,029.46	2	5,029.46	1	117.81	3	1,210.18
	18	-	18	Not economical to collect	129.19	65	11,205.62	466	95,205.69	466	95,205.69
	-	-	-	Small balance	-	-	-	-	-	6	2.13
Total	82	4	86		24,598.00	138	38,131.86	467	95,323.50	477	102,792.98
<b>HOUSING RENTS</b>	-	-		Insolvency / Bankruptcy	-	-	-	-	-	-	-
	-	-		Not cost effective to pursue	-	-	-	-	-	1	90.10
	-	-		Absconded	-	-	-	-	-	1	38.19
	-	-		Uncollectable old debt	-	-	-	-	-	-	-
	-	-		Other	-	-	-	-	-	-	-
	-	-		Deceased	-	-	-	-	-	-	-
Total	-	-			-	-	-	-	-	2	128.29
<b>Grand Total</b>	<b>136</b>	<b>16</b>			<b>63,357.96</b>	<b>418</b>	<b>203,334.60</b>	<b>635</b>	<b>179,847.97</b>	<b>1,126</b>	<b>350,792.15</b>

\*Sundry debtor cases 'Other' both relate to debtors who have now passed away

**TABLE 2 SUMMARY OF NON DOMESTIC RATE DEBT UNDER £5,000 WRITTEN OFF BY S151 OFFICER**

TYPE OF DEBT	NUMBER OF CASES		No of people / business	REASON FOR W/OFF	Financial Year 2018/19			Totals for Comparison purposes			
	<£1000	>£1000			Quarter 4	Cumulative Total		Equivalent Quarter 2017/18		Grand Total 2017/18	
					Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
<b>NON-DOMESTIC RATE</b>	-	-	-	Absconded	-	-	-	-	-	4	6,157.55
	1	-	1	Insolvency / Bankruptcy	440.67	13	13,655.99	-	-	8	14,662.58
	-	-	-	Other	-	-	-	-	-	1	12.53
	-	-	-	Uncollectable old Debt	-	-	-	-	-	-	-
	-	-	-	Deceased	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>1</b>		<b>440.67</b>	<b>13</b>	<b>13,655.99</b>	<b>1</b>	<b>2,192.49</b>	<b>13</b>	<b>20,832.66</b>

**TABLE 3 SUMMARY OF ITEMS OVER £5,000 WHERE PERMISSION TO WRITE OFF IS REQUESTED**

Page 134 TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2018/19			Totals for Comparison purposes			
			Quarter 4	Cumulative Total		Equivalent Quarter 2017/18		Grand Total 2017/18	
			Amount (£)	Case	Amount	Cases	Amount	Cases	Amount
<b>NON-DOMESTIC RATE</b>	2	Insolvency / Bankruptcy	18,318.50	8	82,356.99	1	12,633.07	2	20,030.54
	-	Absconded	-	-	-	-	-	-	-
	-	Uncollectable old Debt	-	-	-	-	-	-	-
	-	Other	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>		<b>18,318.50</b>	<b>8</b>	<b>82,356.99</b>	<b>1</b>	<b>12,633.07</b>	<b>2</b>	<b>20,030.54</b>
<b>HOUSING BENEFIT</b>	-	Deceased	-	-	-	1	7,102.70	2	14,286.24
	-	Overpaid Entitlement	-	-	-	-	-	2	13,168.64
	-	Uncollectable	-	1	18,294.69	2	11,948.42	3	17,507.09
	-	Insolvency / Bankruptcy	-	1	12,479.10	-	-	2	18,551.90
<b>Total</b>	<b>-</b>		<b>-</b>	<b>2</b>	<b>30,773.79</b>	<b>3</b>	<b>19,051.12</b>	<b>9</b>	<b>63,513.87</b>
<b>COUNCIL TAX</b>	-	Absconded	-	-	-	-	-	-	-
	1	Insolvency / Bankruptcy	7,234.06	3	17,985.43	-	-	-	-
	-	Other (inc. CTR overpayment)	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>		<b>7,234.06</b>	<b>3</b>	<b>17,985.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SUNDRY DEBTORS</b>	2	Insolvency / Bankruptcy	22,604.30	2	22,604.30	1	35,090.72	2	47,367.88
	-	Uncollectable old debt	-	-	-	3	26,561.20	3	26,561.20
	2	Customer deceased	19,336.28	2	19,336.28	-	-	-	-
<b>Total</b>	<b>4</b>		<b>41,940.58</b>	<b>4</b>	<b>41,940.58</b>	<b>4</b>	<b>61,651.92</b>	<b>5</b>	<b>73,929.08</b>
<b>Grand Total</b>	<b>7</b>		<b>67,493.14</b>	<b>17</b>	<b>173,056.79</b>	<b>8</b>	<b>93,336.11</b>	<b>16</b>	<b>157,473.49</b>



**TABLE 4 NATIONAL & LOCAL COLLECTION STATISTICS RE 2017-18 COLLECTION RATES**

Total amount collected in 2017-18 relating to 2017-18 financial year only (net of refunds relating to 2017-18)

	Council Tax			Non Domestic Rates		
	Collectable Debit i.r.o. 17/18 - £000s	Net Cash Collected* i.r.o. 17/18 - £000s	Amount Collected i.r.o. 17/18 - %age	Collectable Debit i.r.o. 17/18 - £000s	Net Cash Collected* i.r.o. 17/18 - £000s	Amount Collected i.r.o. 17/18 - %age
All England	28,319,489	27,501,263	97.1	25,287,466	24,873,246	98.4
Shire Districts	12,943,776	12,683,211	98.0	7,946,252	7,824,084	98.5
East Devon	100,360	99,336	99.0	33,789	33,517	99.2
Exeter	62,885	60,142	95.6	80,695	79,137	98.1
Mid Devon	50,115	49,092	98.0	15,924	15,793	99.2
North Devon	58,567	56,830	97.0	32,078	31,423	98.0
Plymouth	118,686	115,110	97.0	91,798	90,519	98.6
<b>South Hams</b>	<b>66,496</b>	<b>65,264</b>	<b>98.2</b>	<b>30,935</b>	<b>30,216</b>	<b>97.7</b>
Teignbridge	84,735	83,541	98.6	30,644	30,464	99.4
Torbay	75,843	72,525	95.6	35,501	34,210	96.4
Torrige	40,914	40,108	98.0	11,297	11,126	98.5
West Devon	37,196	36,025	97.6	10,499	10,289	98.0

\* Net Cash Collected is total 2017-18 receipts net of refunds paid, in respect of 2017-18 only

**TABLE 5 QUARTERLY INCOME IN 2017-18 RELATING TO ALL YEARS**

Total amount collected in 2017-18 relating to any financial year (net of all refunds in 2017-18)

	Council Tax Net Cash Collected* £000s	Non Domestic Rates Net Cash Collected* £000s
Quarter 1 - Receipts collected between 1 <sup>st</sup> April – 30 <sup>th</sup> June	19,915	10,299
Quarter 2 - Receipts collected between 1 <sup>st</sup> July – 31 <sup>st</sup> September	17,922	7,695
Quarter 3 - Receipts collected between 1 <sup>st</sup> October – 31 <sup>st</sup> December	18,872	7,698
Quarter 4 - Receipts collected between 1 <sup>st</sup> January – 31 <sup>st</sup> March	9,137	5,084

\* Net Cash Collected is total receipts in 2017-18 net of refunds paid, irrespective of the financial year (previous, current or future years) to which they relate

**TABLE 6 PREVIOUS YEAR WRITE OFF TOTALS**

		2017-18	2016 - 17	2015 - 16	2014 - 15	2013- 14	2012 - 13
HOUSING BENEFIT	Under £5,000 cases	151,891.76	68,357.34	57,038.07	102,138.53	75,357.30	87,095.83
HOUSING BENEFIT	£5,000 or over cases	63,513.87	5,394.07	7,177.42	0.00	14,903.19	61,925.43
Total		215,405.63	73,751.41	64,215.49	102,138.53	90,260.49	149,021.26
COUNCIL TAX	Under £5,000 cases	95,979.12	93,486.69	54,831.67	97,927.30	117,528.97	96,025.52
COUNCIL TAX	£5,000 or over cases	0.00	0.00	0.00	0.00	23,090.93	6,782.09
Total		95,979.12	93,486.69	54,831.67	97,927.30	140,619.90	102,807.61
SUNDRY DEBTS	Under £5,000 cases	102,792.98	1,321.50	9.03	6,584.63	2,723.23	12,811.29
SUNDRY DEBTS	£5,000 or over cases	73,929.08	0.00	0.00	0.00	0.00	0.00
Total		176,722.06	1,321.50	9.03	6,584.63	2,723.23	12,811.29
HOUSING RENTS	Under £5,000 cases	128.29	270.00	0.00	3,113.38	1,037.83	3,143.83
HOUSING RENTS	£5,000 or over cases	0.00	0.00	0.00	0.00	0.00	0.00
Total		128.29	270.00	0.00	3,113.38	1,037.83	3,143.83
NON DOMESTIC RATES	Under £5,000 cases	20,832.66	32,812.78	37,074.12	75,016.54	70,809.92	39,115.54
NON DOMESTIC RATES	£5,000 or over cases	20,030.54	47,128.00	252,084.33	166,412.60	44,546.85	76,663.15
Total		40,863.20	79,940.78	289,158.45	241,429.14	115,356.77	115,778.69
<b>GRAND TOTAL</b>		<b>529,098.30</b>	<b>248,770.38</b>	<b>408,214.64</b>	<b>451,192.98</b>	<b>349,998.22</b>	<b>383,562.68</b>

Report to: **Executive**  
Date: **18 July 2019**  
Title: **Crowdfunding**  
Portfolio Area: **Communities – Cllr David May**  
Wards Affected: **All Wards**  
Urgent Decision: **N** Approval and clearance obtained:

Date next steps can be taken:  
(e.g. referral on of recommendation or implementation of substantive decision)

**After call in  
period 29 July  
2019**

Author: **Nadine Trout** Role: **Commissioning Manager**

Contact: [Nadine.Trout@swdevon.gov.uk](mailto:Nadine.Trout@swdevon.gov.uk) or **01803 861234**

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## **RECOMMENDATION**

### **That the Executive:**

#### **1. Approve the proposed creation of a South Hams Crowfund as detailed in paragraph 5.**

#### **1. Executive summary**

1.1 This report provides an overview of how crowdfunding works and how the Council might use an underspend from the Town and Parish (TAP) Fund to create a South Hams crowfund.

#### **2. Background**

2.1 Crowdfunding is the practice of funding a project by raising money from a large number of people (i.e. a crowd), who each contribute a relatively small amount, typically via the internet.

2.2 In spring 2018 Devon County Council partnered with Devon and Cornwall Police to procure a crowdfunding web presence to support local projects seeking grant funding. As a result <https://welcome.crowdfunder.co.uk/crowdfund-devon/> was created.

2.3 Crowfund Devon was initially created as a 12 month pilot but due to its success it has been extended for another 12 months until April 2020.

2.4 For every £1 pledged by Devon County Council to projects on Crowfund Devon a further £8.25 was pledged by the public.

2.5 Crowdfunding is increasingly being used by local authorities as a means to allocate funding in an effective and transparent manner. East Devon Council, Exeter City Council, Teignbridge District

Council, Torridge District Council and West Devon Borough Council have all made funds available on Crowdfund Devon.

- 2.6 In recent years South Hams District Council has administered Town and Parish (TAP) and Community Together Funds for Devon County Council. However, earlier this year Devon County Council announced that it would no longer be making funds available for TAP or Communities Together type schemes. The County Council has instead agreed to distribute funds online via Crowdfund Devon or through their own in-house project schemes. The following link provides a useful summary of Devon County Council's current community grant offering:  
[www.devon.gov.uk/communities/how-do-i/getting-support-and-funding/sources-of-grant-funding](http://www.devon.gov.uk/communities/how-do-i/getting-support-and-funding/sources-of-grant-funding)
- 2.7 Final appraisal of the Town and Parish and Communities Together Funds has revealed that there is a TAP underspend in South Hams of approximately £27,000. Devon County Council has indicated that it would be happy for South Hams District Council to retain these funds to support local communities. Ideally, Devon County Council would like these funds made available on the Devon Crowdfund website.
- 2.8 Experience from other local authorities shows that it is really important to keep crowd funding criteria as simple as possible. It is also important to make authorisation as quick as possible. Projects on Crowdfund Devon have limited time to raise funds – typically 4 weeks at most.

### **3 Outcomes/outputs**

- 3.1 The purpose of Crowdfund Devon is to create social and economic impact as follows:
- Empower citizens to change things
  - Leverage budgets
  - Creates places people love
  - Build cohesion
  - Build civic pride
  - Help the local economy

### **4 Options available and consideration of risk**

- 4.1 Do nothing further  
Hand the £27,000 Town and Parish funding back to Devon County Council.
- 4.2 Consider further options  
Devon County Council's preference is for the TAP underspend to be used on Crowdfund Devon. However, if Executive does not wish to allocate funding on Crowdfund Devon it could consider an alternative use of TAP funds and seek Devon County Council's

support. At the time of writing no alternative use of the funds has been identified.

4.3 Take action option

Utilise TAP funding to create a funding resource on Crowdfund Devon for South Hams based projects.

**5. Proposed Way Forward**

5.1 It is proposed option 4.3 above is pursued. In order to make the awarding of South Hams District Council funds on Crowdfund Devon as simple as possible it is proposed the Council use the following funding criteria:

- a. Project funding is open to all South Hams based community led projects and must benefit people located in the South Hams District i.e. at least 75% of the people benefitting from the project should live in South Hams.
- b. The project looks to help support the reduction of demand on Council services; or commits to an aspect of building local capacity; or demonstrates added benefit for the South Hams area, for example using local businesses or developing the skills of local people.
- c. Projects must raise 25% of their target from the "crowd" before they will be considered eligible for Council funding.
- d. The Council could pledge up to 50% of a project's funding target (up to maximum value of £5,000).
- e. The Council's minimum pledge for eligible projects is £100.
- f. The money pledged by the Council will only be released if the full fundraising target has been reached.

5.2 It is proposed that in the first instance the Commissioning Manager would oversee the awarding of funds and the approval process. Before pledging funds on behalf of the Council the Commissioning Manager will consult with relevant ward Members. Members will be required to respond within 5 working days. If a response is not received from a relevant Member within 5 working days and the project clearly meets the funding criteria, a pledge would be made.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council has the powers to provide this service under the General Powers of Competence in the Localism Act 2011.  The Executive has a responsibility to provide Leadership to the overall activities of the Council.
Financial implications to include reference to value for money	N	There are no financial implications as a result of this report that have not already been budgeted for.
Risk	Y	The approach is considered low risk as it using a method to distribute funds that has already been successfully piloted by other local authorities.
Supporting Corporate Strategy	Y	<i>Community Theme - Council and residents working together to create strong and empowered communities.</i>
Comprehensive Impact Assessment Implications		
Equality and Diversity		None – no policy or service change is proposed in this report.
Safeguarding		None – no policy or service change is proposed in this report.
Community Safety, Crime and Disorder		None – no policy or service change is proposed in this report.
Health, Safety and Wellbeing		None – no policy or service change is proposed in this report.
Other implications		-

Report to: **Executive**

Date: **18 July 2019**

Title: **Car Parking Order amendments**

Portfolio Area: **Environment Services (Cllr Keith Baldry)**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Consideration by Council on 25 July 2019

Author: **Cathy Aubertin** Role: **Head of Environment Services Practice**

Contact: [Cathy.Aubertin@swdevon.gov.uk](mailto:Cathy.Aubertin@swdevon.gov.uk)

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**Recommendations: That the Executive RECOMMENDS to Council:**

that the Off-Street Parking Places Order be amended to include reference to Electric Charging Points in accordance with paragraph 3.2 to enable future provision and enforcement of the Electric Charging Point bays.

**1. Executive summary**

- 1.1 The report recommends that the Off-Street Parking Places Order is updated to allow for the future provision of Electric Charging Points, and to allow enforcement of the same.
- 1.2 The recommendation will enable the Council to continue to manage off-street parking in an efficient and effective manner, in line with the Council theme of delivering efficient and effective services.
- 1.3 If the Council does not add this update to the Off-Street Parking Places Order will mean that enforcement will not be possible in respect of Electric Charging Point parking bays.

**2. Background**

- 2.1 It is anticipated that the Council will receive funding in the next couple of years to install Electric Charging Points (ECPs) in off-street car parks.

- 2.2 To ensure that these are not misused once they are in place, it is recommended that the facility be added to the Parking Order, so that enforcement may be undertaken in response to any such misuse, and to encourage responsible use.

### 3. Outcomes/outputs

3.1 All amendments to the Off-Street Parking Places Order must be consulted on and, following consideration of this recommendation by the Council, a 21-day public consultation exercise will be undertaken. Should a large number of objections be received in respect of either recommendation, the matter will be referred back to the Executive for further consideration.

3.2 It is recommended that the following wording be included in the Parking Order –

“no parking in designated electric vehicle charging bays unless the vehicle is an electric vehicle, and the vehicle is connected to the electric vehicle charging point and is being charged.”

### 4. Options available and consideration of risk

4.1 If the Parking Order is not amended to reflect future provision of ECP bays, the Council will not be able to enforce in this respect.

### 5. Proposed Way Forward

5.1 That the proposed amendment to the Off-Street Parking Places Order proceed in accordance with the recommendation, and following a 21-day public consultation exercise.

5.2 These amendments will ensure that we continue to manage parking effectively.

5.3 Should a large number of objections be received, the matter will be referred back to the Executive for further consideration.

### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Council has power to provide off-street parking under the Road Traffic Regulation Act 1984 (as amended).</p> <p>The Council has the power to deal with the provision, management and control of car parks.</p> <p>The Council has the powers to provide this service under the General Powers of Competence in the Localism Act 2011.</p>



Financial implications to include reference to value for money		The cost of undertaking a public consultation will be in the region of £500 and can be funded by the Car Parking budget.
Risk		
Supporting Corporate Strategy		Council - delivering efficient and effective services.
Comprehensive Impact Assessment Implications		
Equality and Diversity		No implications.
Safeguarding		No implications.
Community Safety, Crime and Disorder		No potential positive or negative impact on crime and disorder reduction.
Health, Safety and Wellbeing		No implications.
Other implications		None.

### **Supporting Information**

#### **Appendices:**

None.

#### **Background Papers:**

None.

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes/No</b>
SLT Rep briefed/sign off	<b>Yes/No</b>
Relevant Heads of Practice sign off (draft)	<b>Yes/No</b>
Data protection issues considered	<b>Yes/No</b>
Accessibility checked	<b>Yes/No</b>

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Report to: **Executive**

Date: **18 July 2019**

Title: **South Hams Special Area of Conservation:  
Habitats Regulations Assessment Guidance**

Portfolio Area: **Cllr J Pearce – Strategic Planning**

Wards Affected: **Marldon, Littlehempston, Dartmouth and  
East Dart, West Dart, Blackawton and Stoke  
Fleming, Totnes, Dartington and Staverton,  
Allington and Strete, Loddiswell and Aveton  
Gifford, South Brent, Ermington and  
Ugborough, Ivybridge East, Charterlands,  
Salcombe and Thurlestone, Kingsbridge,  
Stokenham**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **After the call in  
period ending  
29<sup>th</sup> July 2019**

Author: **Rob Sekula** Role: **Specialist – Place Making  
and Assets**

Contact: **01822 813701/ Rob.Sekula@swdevon.gov.uk**

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## **Recommendations: That Executive Resolves to:**

1. Approve the South Hams Special Area of Conservation Habitats Regulations Assessment Guidance (as attached at Appendix 1) with any other minor amendments of detail being delegated to the Specialist (Place Making and Assets) in consultation with the Strategic Planning Portfolio Holder.
2. Note the Statement of Community Involvement (as attached at Appendix 2) summarising comments to the consultation process.

### **1. Executive summary**

- 1.1 The proposed South Hams Special Area of Conservation (SAC) Habitats Regulations Assessment Guidance (the 'Guidance' – see Appendix 1) will be used to determine whether a Habitats Regulation Assessment (HRA) Screening is required on any application submitted within the South Hams SAC consultation area and provides advice on the information that applicants may need to submit with a planning application in order for the Local Planning Authority (LPA) to undertake the HRA.

- 1.2 Once approved by all LPAs affected by the South Hams SAC, the Guidance will update and replace the *South Hams SAC Greater Horseshoe Bat Consultation Zone Planning Guidance* published by Natural England in 2010. The Guidance takes on board feedback from applicants, consultants and planners as well as new data and knowledge on greater horseshoe bats since the 2010 guidance was introduced.

## **2. Background**

- 2.1 The South Hams SAC, and associated Consultation Area, lies within five local planning authority areas: Dartmoor National Park Authority, Devon County Council, South Hams District Council, Teignbridge District Council and Torbay Council. An officer group of representatives from each of the above authorities and Natural England, forming the South Hams SAC Greater Horseshoe Bats Steering Group, seek to ensure legal duties associated with the Conservation of Habitats and Species Regulations (2017) are met with regards to development and the South Hams SAC.
- 2.2 LPAs have a legal duty (under the Habitats Directive and Habitats Regulations) to ensure that there will be no *adverse effect on the integrity* of the South Hams SAC population of greater horseshoe bats as a result of any plan or project. Any which will lead to an *adverse effect on the integrity* of the South Hams SAC will be refused, other than in exceptional circumstances.
- 2.3 Greater horseshoe bats are one of Britain's rarest bats with about 30% of the population found in South Devon. The South Hams SAC has been designated (under the EC Habitats Directive and UK Habitats Regulations) by Natural England to help protect the bats and includes both maternity and hibernation roosts vital to the survival of the species. SACs form part of a network of designated sites across Europe and have the highest level of protection. Five greater horseshoe bat roosts are designated as part of the SAC, including the Bulkamore Iron Mine SSSI and High Marks Barn SSSI within the South Hams administrative boundary.
- 2.4 This Guidance will update and replace the '*South Hams SAC Greater Horseshoe Bat Consultation Zone Planning Guidance*' published by Natural England in 2010. It provides advice on which applications may have a *likely significant effect* on the SAC greater horseshoe bat population and which may therefore require the relevant LPA to carry out a HRA. It also provides advice on the information that applicants may need to submit with a planning application in order for the LPA to undertake the HRA.
- 2.5 A draft version of the guidance was published for consultation from 16<sup>th</sup> April until 13<sup>th</sup> June 2018. It has since been amended to take into consideration comments raised during the consultation.
- 2.6 The draft version of the guidance was initially prepared with the intention of becoming a Supplementary Planning Document (SPD) but its status and scope has since been revisited due to legal challenges taking place nationally on the legality of SPD.

- 2.7 The final version of the Guidance is provided at Appendix 1 and a summary of comments and responses is provided at Appendix 2. The original consultation draft is available at the following link <https://www.devon.gov.uk/planning/planning-policies/other-county-policy-and-guidance/south-hams-sac-spd-consultation>
- 2.8 The Guidance has been prepared jointly by the authorities in partnership with Natural England. The new document will accord with the Council's 5 Year Corporate Strategy in terms of the 'Environment' theme and protecting and conserving our natural environment.

### **3. Outcomes/outputs**

- 3.1 The guidance will help inform which developments are likely to require HRA screening at an early stage and provide advice on information applicants may need to submit with their planning application. The non-statutory guidance will be used primarily at validation stage for planning applications received by the partner authorities to determine whether HRA is required.
- 3.2 The joint guidance approach will enable clarity and consistency across the five LPAs assisting planners, developers, planning applicants and consultant ecologists. By providing clarity and consistency on HRA requirements, the guidance aims to reduce costs and unnecessary delays to both applicants and LPAs.

### **4. Options available and consideration of risk**

- 4.1 The partner authorities originally consulted on a document envisaged to be a SPD – this forming the basis of the report brought to Executive Committee in March 2018. However, following the receipt of consultation responses and a review of legal challenges taking place elsewhere in the country on the legality of SPDs, further consideration has been given to the scope and status of the document.
- 4.2 Case law has confirmed (in relation to the Planning & Compulsory Purchase Act 2004 Regulations and the Town and Country Planning (England) Regulations 2012) that it is not possible to provide SPD as the basis on which planning applications can be determined. Instead determinations can only be made on the parent policy to which the document relates (i.e. policies contained in the Joint Local Plan).
- 4.3 It is not the purpose of the Guidance to introduce policy and accordingly it has been agreed that it is most appropriate that the document is a Guidance document not SPD.
- 4.4 It will be given the same weight as has previously been delivered by the *South Hams SAC Greater Horseshoe Bat Consultation Zone Planning Guidance* published by Natural England in 2010.
- 4.5 A full public consultation was held from 16<sup>th</sup> April until 13<sup>th</sup> June 2018 on a draft version of the Guidance which included statutory consultees, partners and the wider public. An invited stakeholder workshop session and public drop in was held at Dartmoor National Park Authority Offices, Bovey Tracey on 1<sup>st</sup> May 2018. A summary of the comments received and officer responses are

contained in the Statement of Community Involvement (Appendix 2).

- 4.6 A number of refinements and changes have been made to the guidance following the public consultation process:
- amendments to SAC Consultation Area map
  - addition of a 'reviewing the guidance' section
  - revised Landscape Connectivity Zone with explanation
  - clarification to HRA requirement flowchart
  - clarification of survey requirements for HRA
  - addition of list of references

## 5. Proposed Way Forward

- 5.1 The South Hams SAC Consultation Area defines (as shown within Appendix 1 and as a high-resolution version at Appendix 3), as closely as possible the geographical extent of the greater horseshoe bat population associated with the SAC component roosts in the area. The 2010 *South Hams SAC Greater Horseshoe Bat Consultation Zone Planning Guidance* had previously defined Designated Roosts, Sustenance Zones and Strategic Flyways as the main features used and populated by greater horseshoe bats.
- 5.2 More recent evidence collected from a wider source of datasets has, however, shown that many of the bats are also likely to travel through the South Devon landscape (outside of the Sustenance Zones and not confined to the Strategic Flyways) to access other smaller roosts at certain times of year (male bats can be found in small roosts during the summer and both males and females will fly to mating roosts in the autumn and spring). The bats may also travel between Designated Roosts (with stop overs at transitional roosts on the way).
- 5.3 All existing evidence (from research and records) indicates that the bats using this landscape are dispersed in low numbers, using a complex network of sheltered hedges, woodland edge, stream corridors etc. to move around the landscape. In order to maintain Favourable Conservation Status of the population it is therefore important that we keep sufficient connectivity across the whole of this landscape (allowing landscape scale permeability), rather than just protecting a number of flyways.
- 5.4 The net result of this work has been a more robust delineation of an area within which greater horseshoe bats are known to use. The Guidance has therefore replaced the 2010 Strategic Flyways with a wider 'Landscape Connectivity Zone' to protect the complex network of flight lines which link the Designated Roosts.
- 5.5 A further change arising from the shift away from flyways and to the Landscape Connectivity Zone is how applications are screened for HRA. Once the Guidance is in place, HRA will be limited to those applications picked up by the flow chart shown on Page 11 of Appendix 1. This approach better reflects how different types of uses have different impacts on greater horseshoe bats, thereby reducing the burden for applications where there is likely to be no impact and ensuring that other

applications which may have an impact will have an HRA, regardless of whether or not they fall within a tightly defined flyway.

- 5.6 A series of Advice Notes are being prepared on such matters as greater horseshoe bat ecology and mitigation (current best practice and lighting issues) to help clarify further more detailed/technical aspects and assist with designing developments and assessing proposals. These will be widely circulated to interested parties and placed on the Devon County Council Strategic Planning and Policy website with links to other useful guidance.
- 5.7 Each LPA is now going through due process to approve the guidance, and the joint Guidance will be fully adopted once all partner authorities have confirmed approval. The recommendation asks that minor amendments of detail arising from the different Committees of partner authorities are delegated to the Specialist (Place Making and Assets) in consultation with the Strategic Planning Portfolio Holder.
- 5.8 Once approved by the Council, the Guidance will hold interim status until agreed by all partner authorities in the South Hams SAC Consultation Area.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The LPA is required to consider whether proposed developments are likely to have a significant effect on the South Hams SAC (by HRA screening) taking account of new data and knowledge on greater horseshoe bats. Where there is likelihood of significant effect, a proposed development can only be permitted if it would not adversely effect the integrity of the South Hams SAC taking into account impact avoidance and reduction measures, other than in exceptional circumstances (by Appropriate Assessment).</p> <p>This new Guidance will assist the LPA with a consistent HRA screening approach, contributing to meeting the requirements upon the LPA under the Conservation of Habitats and Species Regulations (2017).</p>
Financial implications to include reference to value for money	Y	<p>The new Guidance may result in more HRA screenings to be undertaken by existing staff due to the increased size of the Consultation Area, this will be met by existing staff and budgets. This is offset to a degree by the increased clarity of types of proposed development that require HRA screening in the flowchart within the Guidance.</p>

		Without the new Guidance, the potential for cost associated with challenge/appeal/JR of planning decisions may increase based on new data and knowledge on greater horseshoe bats.
Risk	Y	The new Guidance will reduce risk, particularly in terms of the LPAs legislative compliance with the Habitats Regulations when considering development proposals.  The approach reflects the Duty to Cooperate, by applying consistency to the approach to the South Hams SAC across five LPAs.
Supporting Corporate Strategy	Y	The new Guidance supports the Environment theme, by contributing to protecting and enhancing the natural environment.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	
Safeguarding	N	
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing	N	
Other implications	N	

### **Supporting Information**

#### **Appendices:**

- 1 - South Hams Special Area of Conservation: Habitats Regulations Assessment Guidance
- 2 - Statement of Community Involvement: Consultation Summary
- 3 - High resolution map of South Hams SAC Consultation Area

#### **Background Papers:**

Report to SHDC Executive Committee, 15<sup>th</sup> March 2018 - *South Hams Special Area of Conservation – Joint Supplementary Planning Document – Approval for consultation*, Item E.74/17 at:

<http://mg.swdevon.gov.uk/ieListDocuments.aspx?CIId=149&MIId=498&Ver=4>

#### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>

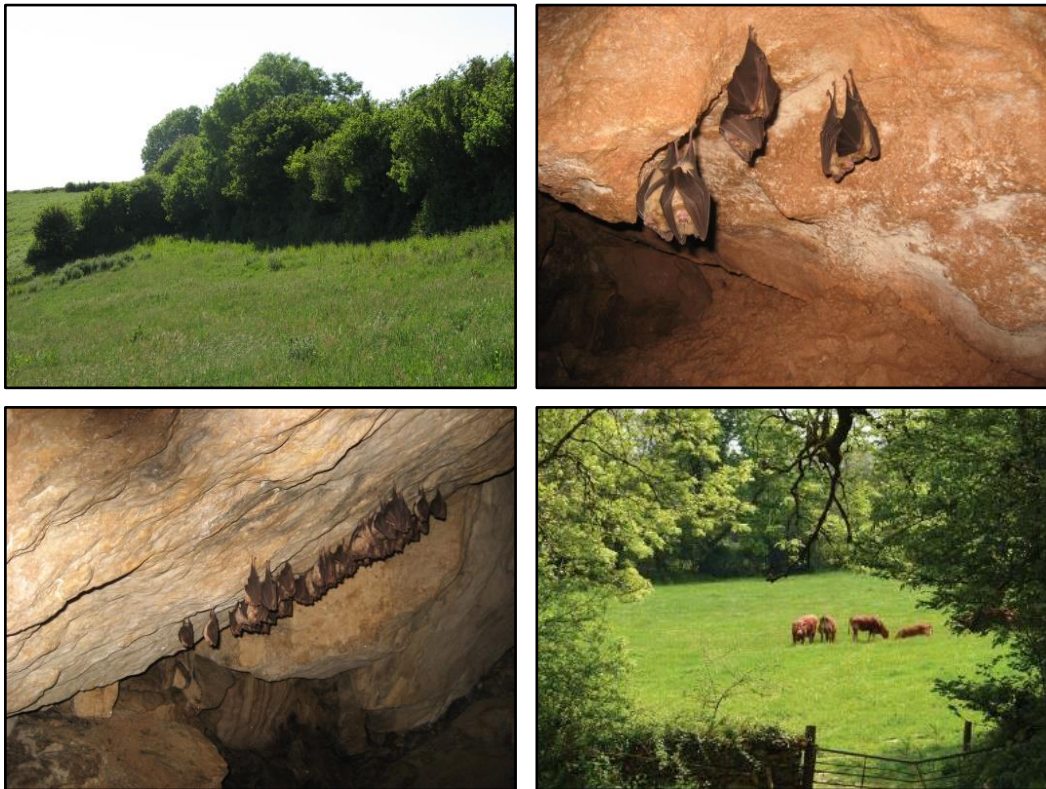


Relevant Head of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>

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# South Hams Special Area of Conservation (SAC)

## Greater Horseshoe Bats



### Habitats Regulations Assessment Guidance

June 2019



**Photo credit:** Dave F Wills

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# 1 Introduction

Every effort has been made to avoid technical terms and acronyms in this document. However, some terms and acronyms have had to be included due to the technical nature of this document and to reduce its length. Technical terms are highlighted in **orange text** when first used and defined, along with any acronyms, in the Glossary.

## 1.1 South Hams SAC and greater horseshoe bats

- 1.1.1 Greater horseshoe bats are one of Britain's rarest bats and are confined to South West England and South Wales [1]. Over 2500 greater horseshoe bats are found in South Devon (a significant proportion of the British population) and the Buckfastleigh **maternity roost** is thought to be the largest in Europe [2].
- 1.1.2 The **South Hams Special Area of Conservation (SAC)** has been designated, in part<sup>1</sup>, to ensure the **favourable conservation status** of this population of greater horseshoe bats. SACs, sometimes referred to as **European Sites**, form part of a network of designated sites across Europe. They are designated under the EU **Habitats Directive** and UK **Habitats Regulations**.
- 1.1.3 This legislation requires **Local Planning Authorities (LPAs)**, and other **competent authorities**, to assess **plans or projects** which may have a likely significant effect on a European Site, alone or in-combination with other plans or projects. Such plans or projects can only proceed if the competent authority is convinced they will not have an **adverse effect on the integrity** of a European Site, other than in exceptional circumstances [3]. These requirements are known as **Habitats Regulations Assessment (HRA)** requirements [4] [5] [6].

## 1.2 What is the purpose of this document?

- 1.2.1 This document is aimed at those preparing and validating **planning applications** in the South Devon area which may impact on the South Hams SAC population of greater horseshoe bats. It provides advice on which applications may have a likely significant effect on the SAC greater horseshoe bat population. It also provides advice on the information that applicants may need to submit with a planning application in order for the LPA to undertake an HRA.
- 1.2.2 This guidance is relevant to five LPA areas: Dartmoor National Park Authority, Devon County Council, South Hams District Council, Teignbridge District Council and Torbay Council (referred to in this document as the LPAs) – see Figure 1. Contact details for the LPAs are given in Appendix 1.

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<sup>1</sup> The South Hams SAC is also designated to protect habitats including sea cliffs, heathland, semi-natural grasslands, scrub, caves and woodland see <http://publications.naturalengland.org.uk/publication/6279422093033472>

- 1.2.3 By providing clarity on HRA requirements, the guidance aims to reduce costs and unnecessary delays to both applicants and LPAs.
- 1.2.4 This document updates and replaces the South Hams SAC Greater Horseshoe Bat Consultation Zone Planning Guidance published by Natural England in 2010 [7]. The update takes on board feedback from applicants, consultants and planners as well as new data and knowledge on greater horseshoe bats. For those familiar with the 2010 Guidance, an explanation of changes is provided in Appendix 2.
- 1.2.5 This approach taken here can also be used to identify other plans or projects that may be required to meet HRA requirements relating to the South Hams SAC greater horseshoe bat population.
- 1.2.6 Additional advice on technical issues such as lighting will be added to the Devon County Council website as required at:  
<https://new.devon.gov.uk/environment/wildlife/wildlife-and-geology-planning-guidance>
- 1.2.7 This guidance relates specifically to HRA requirements relating to the South Hams SAC greater horseshoe bat population. However, it is important to remember that all bats, including greater horseshoe bats, along with their breeding sites and resting places, are fully protected through separate legislation. The presence of any protected species is a **material consideration** when an LPA is considering a proposal that, if carried out, would be likely to result in harm to the species or its habitat [5] [8]

### 1.3 What are the HRA requirements for Local Planning Authorities and Applicants?

#### Local Planning Authorities

- 1.3.1 Simplistically, HRA requirements for LPAs include screening followed, if necessary, by an **appropriate assessment**. For more information please see Defra guidance (please note that this is draft)  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/82706/habitats-simplify-guide-draft-20121211.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/82706/habitats-simplify-guide-draft-20121211.pdf)
  - **Stage 1 – HRA Screening:** An assessment of whether the proposal will, on its own or in-combination with other plans or projects, have a likely significant effect on the SAC's population of greater horseshoe bats before avoidance or reduction measures have been taken into account.

The flow chart in section 3 should be used to identify whether an application may have a likely significant effect on the South Hams SAC greater horseshoe bat population. Where it is clear that there is no likelihood of significant effect there is no need for further screening. However, where there may be a likely significant effect the LPA will need to use information provided by the applicant to undertake a **detailed HRA** screening. Where screening cannot rule out a likely significant effect then appropriate assessment must be carried out.

  - **Stage 2 - Appropriate Assessment:** An assessment of whether the proposal will adversely affect the integrity of the European Site taking into account avoidance and/or reduction measures. The Precautionary Principle applies, so

to be certain, the LPA should be convinced that no reasonable scientific doubt remains as to the absence of such effects.

The LPA must secure any required avoidance and *mitigation* measures e.g. through conditions attached to the planning permission, or a legal obligation agreed with the applicant.

Note that for the purposes of this document the term detailed HRA refers to both detailed *HRA screening* (where, using the Flow Chart in Section 3, likely significant effect cannot be immediately screened out) and, when required, appropriate assessment.

### Applicants

- 1.3.2 It is the applicant's responsibility to provide the LPA with sufficient information to enable them to undertake HRA requirements.

### Information provided in this document

- 1.3.3 To help LPAs and applicants meet these requirements, this document includes:

**Section 2**

Background information on the South Hams SAC Greater Horseshoe Bat Consultation Area.

**Section 3**

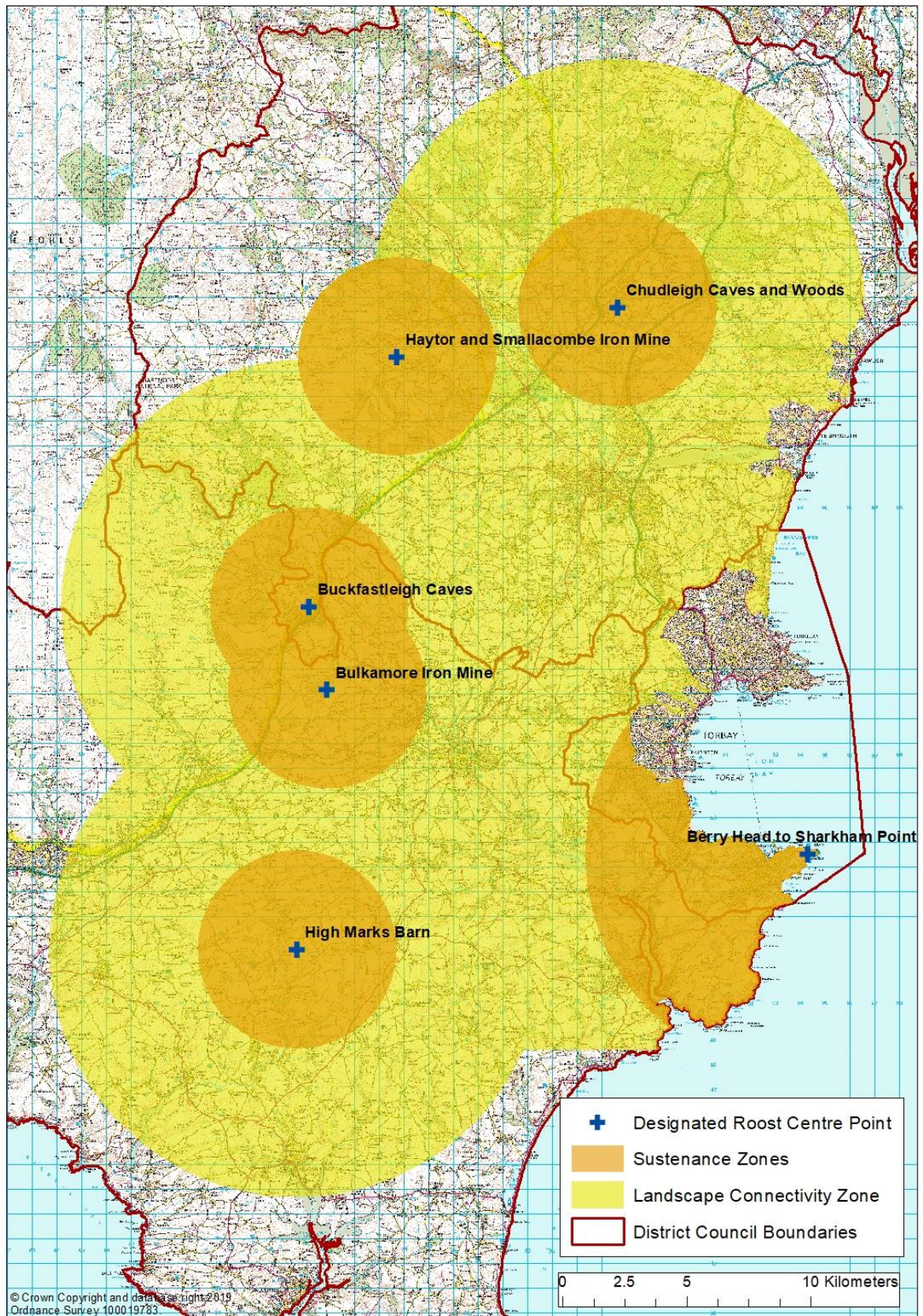
A flow chart to help clarify when an application may have a likely significant effect on a European Site and therefore when detailed HRA is required.

**Section 4**

Guidance on the information required from the applicant.



**Figure 1:** South Hams SAC greater horseshoe bat Consultation Area  
For a more detailed map see: <http://map.devon.gov.uk/DCCViewer>



## 2 The South Hams SAC Consultation Area

### 2.1 General greater horseshoe bat ecological requirements

2.1.1 Greater horseshoe bats use a network of Roosts, **Foraging Habitats** and **Commuting Routes**. Definitions of these features are given below. Greater horseshoe bats are very sensitive to light levels and avoid lit areas [9].

Roosts - structures used by bats for shelter and protection

2.1.2 A variety of structures are used throughout the year for hibernating, raising young bats (maternity roosts), feeding, mating and resting. Greater horseshoe bats can live in excess of 30 years and remain faithful to their roosts for generations. Large numbers of bats can be found in **hibernation roosts** (used by bats during the winter) and maternity roosts (used during the summer by mothers and their young, some males may also be present). Other roosts tend to be used throughout the year by individuals or small numbers of bats at a time [10,11].

Foraging Habitat – areas where bats feed

2.1.3 Greater horseshoe bats feed in different habitats during the year as availability of their prey changes. Examples of Foraging Habitats include cattle grazed pastures, meadows, the edges of broadleaved woodland, stream corridors, wetlands, tree lines, tall and thick hedges, scrub, orchards and parklands - any places where prey is found (moths, dung beetles, cockchafer beetles and dung flies, crane flies, parasitic wasps and caddis flies) [12,13]. Adult greater horseshoe bats using maternity roosts largely forage within 4km of the roost while juveniles hunt mainly within 1km of the roost and are highly dependent on grazed pasture [12,13].

Commuting Routes - the routes bats use to move through the landscape, often linear landscape features.

2.1.4 Greater horseshoe bats have a 'weak' **echolocation** call (which bats use to navigate). They therefore generally fly close to the ground (up to ~ 2m) and close to linear landscape features such as hedges, woodland edge and vegetated watercourses which they use for navigation. Bats may use different Commuting Routes at different times of the year [11].

### 2.2 The South Hams SAC Greater Horseshoe Bat Consultation Area

2.2.1 The South Hams SAC Greater Horseshoe Bat **Consultation Area** (referred to in this document as the Consultation Area) has been developed to help clarify where and when impacts, on Roosts, Foraging Habitat and Commuting Routes, may have a likely significant effect on the SAC greater horseshoe bat population. The Consultation Area is shown on Figure 1 and consists of the features discussed below.

Designated Roosts - the six maternity and/or hibernation roosts designated as **SSSIs** and believed to support an important proportion of the total greater horseshoe bat population across South Devon.

2.2.2 Five of the **Designated Roosts** are included within the South Hams SAC designation. The sixth roost at High Marks Barn SSSI is considered integral to the SAC population. It was not included in the original SAC designation but is part of the SAC Consultation Area. The six Designated Roosts are listed in Table 1 and shown on Figure 1.

2.2.3 Proposals impacting on these roosts may have a likely significant effect on the SAC greater horseshoe bat population – see the flow chart in Section 3.

**Table 1: The Designated Roosts**

Site Name	Roost description	Maternity	Hibernation
Berry Head to Sharkham Point SSSI and NNR	Caves on sea cliffs	✓	✓
Buckfastleigh Caves SSSI (supports the largest known maternity roost in the UK)	Cave complex and barns	✓	✓
Bulkamore Iron Mine SSSI	Large disused mine		✓
Chudleigh Caves and Woods SSSI	Cave complex	✓	✓
Haytor and Smallacombe Iron Mines SSSI	Disused mines		✓
High Marks Barn SSSI (supports the second largest maternity roost in England)	Large agricultural barn	✓	

**Sustenance Zones** - the area within 4km of the Designated Roosts which includes critical Foraging Habitat and Commuting Routes<sup>2</sup>. See Figure 1.

2.2.4 The **Sustenance Zones** are based on research which shows that on average adult greater horseshoes using maternity roosts largely forage within 4km of the roost [12,13,14,15,16,17,18,19]. Due to the difficulties in monitoring hibernating bats, the distances which they travel from hibernation roosts to forage in the winter is currently unknown. It is possible that due to weather conditions, and the weaker physical condition of bats during the winter, they may forage closer to roosts within the hibernation Sustenance Zones. This needs to be considered when assessing impacts and carrying out HRA.

2.2.5 Proposals impacting on Foraging Habitat and Commuting Routes in Sustenance Zones may have a likely significant effect on the SAC greater horseshoe bat population – see the flow chart in Section 3.

2.2.6 Note that urban areas within Sustenance Zones may provide less suitable conditions for greater horseshoe bats.

<sup>2</sup> Due to its location next to the sea and urban development within Brixham Town the Berry Head Sustenance Zone is based on a sustenance area equivalent to a 4km radius circle. Note

Landscape Connectivity Zone - The area that includes a complex network of Commuting Routes used by the SAC population of greater horseshoe bats and providing connectivity between the Designated Roosts. See Figure 1 and Appendix 2 for further explanation.

2.2.7 Evidence from records held by Devon Biodiversity Records Centre and research conducted by the University of Sussex [20] indicate that greater horseshoe bats commuting through the **Landscape Connectivity Zone** are dispersed and found in relatively low numbers compared to within the Sustenance Zone. Only proposals which could severely restrict the movement of bats at a landscape scale (impacting on landscape scale permeability) may, therefore, have a likely significant effect on the SAC greater horseshoe bat population – see the flow chart in Section 3.

2.2.8 Pinch points - known, or potential, Commuting Routes which are restricted e.g. due to urban encroachment or proximity to the sea / estuaries.

2.2.9 Further restriction of **Pinch Points** could severely restrict the movement of bats and may therefore have a likely significant effect on the SAC greater horseshoe bat population – see the flow chart in Section 3.

Existing Mitigation Features – can include roosts, Commuting Routes and Foraging Habitat created, enhanced or protected to meet HRA greater horseshoe bat requirements for approved development.

2.2.10 Impacts on these features may have a likely significant effect on the SAC greater horseshoe bat population – see the flow chart in Section 3.

Designated Roosts, Sustenance Zones, the Landscape Connectivity Zone, Pinch Points and **Existing Mitigation Features** (greater horseshoe bats) are all shown on the Devon County Council (DCC) Environment Viewer at: <http://map.devon.gov.uk/DCCViewer>.

Where new Pinch Points and Mitigation Features are identified they will be added to the Viewer. Foraging Habitats and Commuting Routes are not mapped on the Viewer. For records of greater horseshoe bats please contact Devon Biodiversity Records Centre (contact details in Appendix 1).

## 3 Flow chart

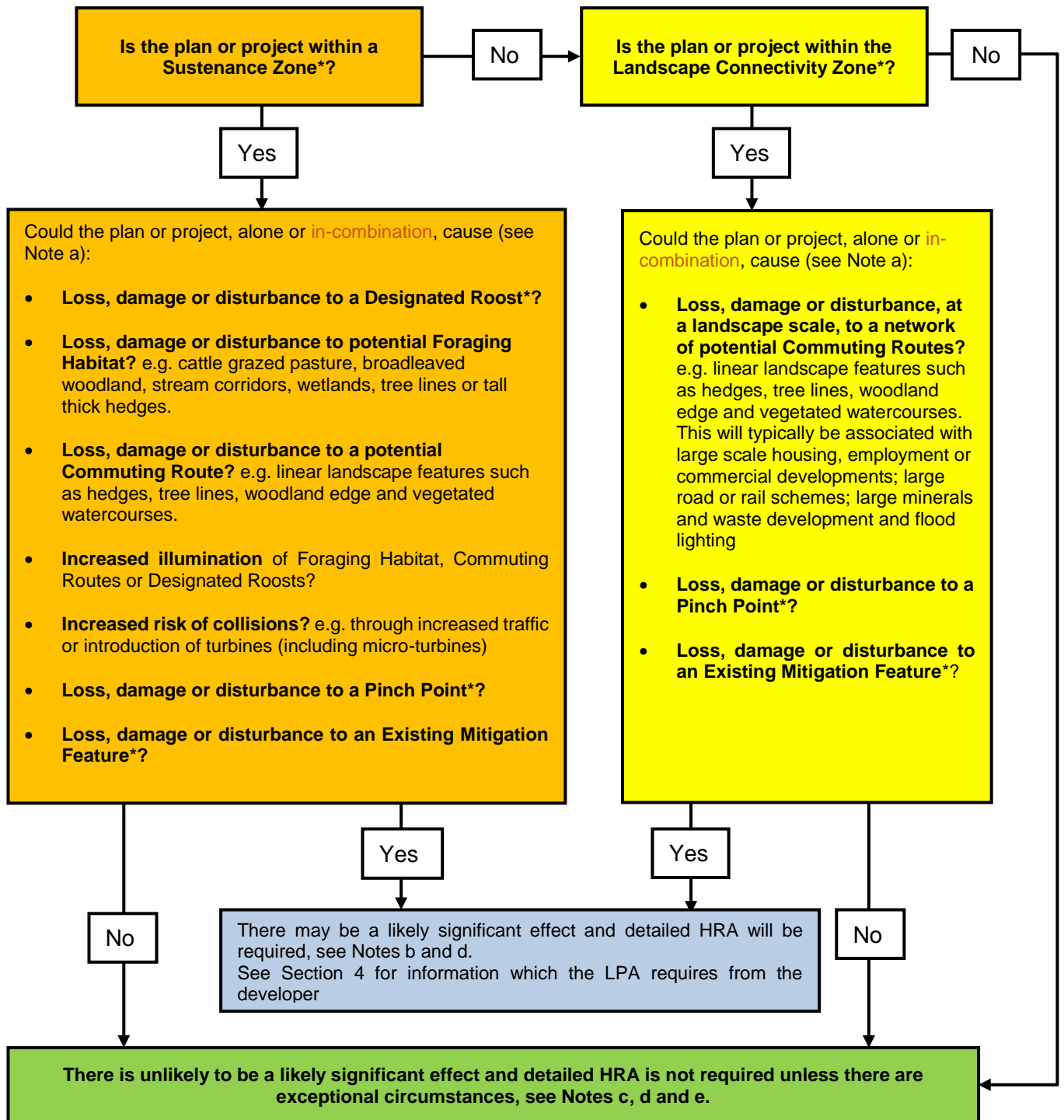
### 3.1 Clarifying when an application may have a likely significant effect on the South Hams SAC greater Horseshoe bat population

3.1.1 As early as possible in planning of a development (pre-application stage) the LPA and applicant should discuss the proposal and, using existing knowledge, follow the Flow Chart and associated Notes below to clarify whether there may be a likely significant effect on the SAC. Please remember that this Flow Chart only relates to the South Hams SAC greater horseshoe bat population.

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that the boundaries of all the Sustenance Zones have changed slightly from those within the 2010 South Hams SAC guidance (see Appendix 2).

\*Feature is mapped on the DCC environment viewer at <http://map.devon.gov.uk/DCCViewer>



### 3.1.2 Flow Chart Notes:

- a. If there is any degree of uncertainty regarding how to answer questions in the flow chart e.g. whether there is loss, damage or disturbance to a potential Foraging Habitat or Commuting Route, an ecologist should be consulted. Examples of how a proposal could adversely affect greater horseshoe bat habitats include:
  - Foraging Habitat
    - Building on pasture, wetland, or converting to improved grassland
    - Felling woodland
    - Altering drainage of wetland areas.
    - Indirect impacts that would lead to deterioration of the feature e.g. introducing public access to a Foraging Habitat
    - Increased illumination of Foraging Habitat through internal, external and vehicular lighting sources.
  - Commuting Routes
    - Removal of a hedgerow / tree line
    - Increased illumination of sections of hedgerow/tree lines, including from internal, external and vehicular lighting sources
    - Building in close vicinity to a hedgerow / tree line
    - Having an indirect impact e.g. a change in management to hedgerows bordering residential gardens.
- b. It may be possible for the LPA to screen out **likely significant effects** relatively quickly where it is considered that, due to factors such as location, site characteristics, size/type of the application or numbers of greater horseshoe bats found the proposal will not have a likely significant effect on the SAC greater horseshoe bat population.
- c. Detailed HRA may be required in circumstances not listed on the flow chart if, following survey, the LPA or Natural England consider that the development could have a likely significant effect on the SAC population of greater horseshoe bats. This could include the discovery of a roost which is likely to provide significant functional support to the SAC (e.g. a roost which meets SSSI criteria or a significant mating site) or the in-combination impacts of small projects in the Landscape Connectivity Zone.
- d. Where detailed HRA is not required the LPA should formally record that likely significant effects have been screened out.
- e. Note that the applicant and LPA must ensure that other wildlife impacts (including impacts on bats as **European Protected Species**) are identified and mitigated appropriately through the planning process. See the Devon County Council website and Natural England standing advice for more information - <https://new.devon.gov.uk/wildlife-and-geology-planning-guidance> and <https://www.gov.uk/guidance/bats-surveys-and-mitigation-for-development-projects>

## 4 Information required for detailed HRA

### 4.1 Overview

Please note that the following information only relates to the HRA in relation to the South Hams SAC greater horseshoe bat population. For the majority of applications, the information provided by the applicant for HRA will form part of a broader Ecological Impact Assessment.

#### Pre-application Stage

- 4.1.1 Where detailed HRA screening is required the applicant should commission a suitably qualified ecological consultant, with experience of greater horseshoe bat survey and mitigation, to provide the LPA with the following:
- Greater horseshoe bat survey results and analysis, where required (see Section 4.2 below)
  - Impact Assessment
  - Avoidance, mitigation measures and monitoring details (see 4.3 below)
- 4.1.2 LPAs cannot recommend consultants but can provide a list of ecological consultants known to them. See: <https://new.devon.gov.uk/environment/wildlife/wildlife-and-geology-planning-guidance>
- 4.1.3 The information provided should be up to date and follow current published guidance<sup>3</sup>. Departures from published guidance need to be fully justified in writing and agreed with the LPA.
- 4.1.4 It is advised, particularly for large or complex applications, that applicants seek pre-application advice on HRA requirements, survey and potential avoidance/mitigation measures from the LPA as well as from Natural England's Discretionary Advice Service. If detailed HRA is required and insufficient information is submitted the LPA may be unable to validate the application or may need to request further information or new mitigation measures which could affect design/layout. These scenarios may lead to delays and increased cost.
- 4.1.5 Applicants and LPAs should use Natural England's Conservation Objectives and related Supplementary Advice for the South Hams SAC when developing and assessing an application which may affect the SAC. See <http://publications.naturalengland.org.uk/publication/6279422093033472>

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<sup>3</sup> Including guidance from the Chartered Institute for Ecologists and Environmental Managers (CIEEM) <https://www.cieem.net/> and the [British Standard for Biodiversity](#) (BS 42020:2013).

- 4.1.6 Outline applications are subject to HRA requirements. It is acknowledged that not all design and layout details will be known. However, where detailed HRA is required appropriate survey must be undertaken and any required avoidance/mitigation measures and principles secured (such as locations of areas safeguarded from detrimental light spillage) in order to provide the LPA with the confidence required that there will be no likely significant effect or, (where appropriate assessment is required) no adverse effect on the SAC greater horseshoe bat population. These measures and principles must then be followed when developing details for the reserved matters application.

#### Submission of a Planning Application

- 4.1.7 The applicant submits the information required for HRA as part of the planning application. If insufficient information is supplied, the LPA may not be able to validate the application.

#### Use of HRA in Determining a Planning Application

- 4.1.8 The LPA uses the information provided to undertake an HRA and, when required, consults Natural England. Note: The LPA must consult Natural England on all Appropriate Assessments.
- 4.1.9 If insufficient information has been supplied the LPA may have to request further information. This can lead to a delay in determining the application.
- 4.1.10 The LPA will secure any mitigation measures required to ensure the project will not adversely affect the integrity of the SAC via conditions and/or legal obligations agreed with the developer.
- 4.1.11 If the LPA is unable to conclude that the application will have no adverse effect on the integrity of the South Hams SAC, the application will be refused (except for in exceptional circumstances) [3].

## **4.2 Survey Requirements**

- 4.2.1 Current national guidance should be followed as well as any local guidance. At time of writing this is Bat Surveys for Professional Ecologist, Good Practice Guidelines (Bat Conservation Trust, 2016). Exact survey requirements will need to reflect the sensitivity of the site and the nature, location and scale of the proposals. Early dialogue with the LPA and Natural England is therefore encouraged.
- 4.2.2 There is currently no national guidance available to inform winter bat activity surveys in the Sustenance Zones around hibernation roosts. Some foraging will occur during hibernation but at reduced rates to other times of year. The ecological consultant should discuss and agree any winter survey requirements with the LPA and Natural England.
- 4.2.3 Survey that is more than 2/3 years old will generally be considered out of date as per the *British Standard for Biodiversity* BS 42020, however see para 4.2.5.



- 4.2.4 Surveys and assessment of the results should be informed by any relevant greater horseshoe bat data from Devon Biodiversity Records Centre (see contact details in Appendix 1) and from projects within the vicinity of the proposal where data are available. New bat data should be shared with the Devon Biodiversity Records Centre in accordance with good practice guidelines.
- 4.2.5 In some circumstances it may be possible for the LPA and Natural England to agree to mitigation requirements without the need for a survey / full survey. Note that HRA will still be required. Circumstances may include:
- A minor development proposal where there is certainty (as evidenced by a competent ecological consultant) that impacts on greater horseshoe habitat can be avoided or are negligible.
  - A situation in which survey (or further survey) would not contribute further to the identification of impacts and avoidance/mitigation requirements.
  - A situation in which the LPA and Natural England agree that there is sufficient existing survey information for the site (see British Standard for Biodiversity BS2020 for more information).

### **4.3 Avoidance, Mitigation and Monitoring Principles**

- 4.3.1 The development should be designed (using the 'mitigation hierarchy'<sup>4</sup> as the standard approach) to avoid impacts through:
- Avoiding loss, damage or disturbance to greater horseshoe bat roosts, Foraging Habitats and Commuting Routes and maintaining connectivity to offsite habitats.
  - Where appropriate, creating sufficiently wide and dark buffers along or around habitats to protect them from impacts.
  - Designing any lighting schemes to prevent impacts on known or potential greater horseshoe bat habitat.
  - Designing the scheme to avoid future impacts e.g. impacts from the future introduction of householder lighting, safety lighting or householder hedge management.
- 4.3.2 Where it is not possible to avoid all impacts the applicant should put forward measures to reduce impacts (mitigation) and ensure no adverse effect on the integrity of the SAC. Required measures may include:
- Creating or enhancing new dark corridors through the development site to maintain a connected network of Commuting Routes for bats.

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<sup>4</sup> See Guidelines for Ecological Impact Assessment in the UK and Ireland (September 2018) Chartered Institute for Ecologists and Environmental managers (CIEEM) <https://www.cieem.net/> and the British Standard for Biodiversity (BS 42020:2013)

- Creating or enhancing new Foraging Habitat in suitable locations within the same Sustenance Zone.
  - Maintaining Commuting Routes across road and transport routes by creating safe greater horseshoe bat crossings following best practice. This could include, for example, culverts, underpasses and green bridges.
  - Imposing controls or restrictions on relevant operations, e.g. cutting turbine speeds.
  - Creating or enhancing a roost.
  - Contributing to any South Hams SAC strategic greater horseshoe bat fund which combines funding to deliver permanent high-quality greater horseshoe bat habitat and roosts in priority locations to increase population resilience. The LPAs will provide further advice where this is relevant.
- 4.3.3 There must be sufficient certainty that mitigation measures will be effective in ensuring no adverse effect on the integrity of the SAC and that they can be delivered. For example:
- Measures must be in place and functioning before impacts occur.
  - All financial and legal details relating to the delivery of mitigation requirements must be clear.
  - Measures should be secured and implemented to reflect the duration of the impacts. Where impacts are permanent and irreversible measures will need to be secured *in-perpetuity*.
- 4.3.4 All mitigation should follow current best practice.
- 4.3.5 Mitigation measures must be considered in the context of the wider area e.g. Commuting Routes through a development site must connect to routes outside the site.
- 4.3.6 Monitoring (which ensures that mitigation has been carried out as agreed and is effective) and appropriate follow up measures must be agreed with the LPA and implemented by the developer. Any required remedial measures must be completed to a timetable agreed with the LPA.
- 4.3.7 All avoidance, mitigation and monitoring information (relating to purpose, timing, delivery, long-term management etc) must be provided to the LPA in appropriate detail, at the agreed stage in the planning process, and in an agreed format. Generally, information required for the LPA to assess the planning application should be included in an Ecological Impact Assessment or, when required, an Environmental Statement. Further detailed information may be required through conditions imposed on any planning permission and in documents such as a Construction Environmental Management Plan (CEMP), and Landscape and Ecological Management Plan (LEMP).

Note: Whilst not required for HRA both the developer and LPA should seek enhancements for greater horseshoe bats in line with any national and local net gain policy and guidance.

## 5 Reviewing the South Hams SAC HRA Guidance

This guidance will be reviewed and updated as required. This may be as a result of national policy or legislative changes, the discovery of a greater horseshoe bat roost which meets the criteria for SSSI designation, or evidence of greater horseshoe bats from the SAC population using areas outside the Landscape Connectivity Zone where evidence indicates there is a functional link to the South Hams SAC.

The DCC Environment Viewer will be updated to show new Pinch Points or Mitigation Features.

## Glossary

Adverse effect on integrity	Where the competent authority is unable to confirm that the plan or project, without taking into account measures to avoid or reduce harmful effects (mitigation), will not have a likely significant effect on the SAC then the LPA will ask for further information in order to undertake an appropriate assessment and ensure that the plan or project will not have an adverse effect on the integrity of the site. The integrity of a European site can be defined as, 'the coherence of its ecological structure and function, across its whole area, which enables it to sustain the habitat, complex of habitats and/or the levels of populations of the species for which it was classified.' [5] In practical terms this means the habitats necessary to maintain a healthy and viable population of greater horseshoe bats.
Appropriate Assessment	Stage 2 of HRA requirements required where a likely significant effect, alone or in-combination, can't be ruled out. An assessment of whether the proposal will adversely affect the integrity of the European Site taking into account avoidance and/or reduction measures. The Precautionary Principle applies, so to be certain, the LPA should be convinced that no reasonable scientific doubt remains as to the absence of such effects.
British Standard for Biodiversity	BS42020 – The first British Standard on biodiversity management. Consistent with the European Biodiversity Strategy and UN Aichi targets. The British Standard offers a coherent methodology for biodiversity management.
Commuting Routes	Linear features used as flight lines by greater horseshoe bats e.g. hedgerows, tree lines, woodland edge and vegetated watercourses.
Competent Authority	For the purpose of the Habitats Regulations, a Competent Authority includes any Minister of the Crown, government department, statutory undertaker, public body of any description or person holding a public office. For planning applications, the Competent Authority would typically be the relevant Local Planning Authority.
Consultation Area	The combined area of the Sustenance Zone and Landscape Connectivity Zone (Figure 1). Based on current evidence the LPAs consider that applications outside the consultation zone will not have a likely significant effect on the South Hams SAC population of greater horseshoe bats.
Designated Roosts	The six greater horseshoe bat maternity and/or hibernation roosts designated as SSSI. These are thought to support an important proportion of the total greater horseshoe bat population across South Devon. Five of the roosts are within the South Hams Special Area of Conservation. See Figure 1.
Detailed HRA	Where it is clear from the Flow Chart in Section 3 that the application may have a likely significant effect on the South Hams SAC, alone or in-combination with other plans or projects, the LPA will need sufficient information from the applicant to produce a detailed HRA screening,

	and then, when necessary, an appropriate assessment. These two stages are referred to in this guidance as 'detailed HRA'.
Echolocation	The sonar-like system used by bats to detect and locate objects by emitting usually high-pitched sounds that reflect off the object and return to the animal's sensory receptors, either their ears or in the case of horseshoe bats, their nose 'leaves'.
European sites (sites protected under European legislation)	Sites within the European Union (EU) network of classified Special Protection Areas (SPAs) and Special Areas of Conservation (SACs) designated under Article 4 of the EU Habitats Directive (EEC/92/43). Also referred to as Natura 2000 sites.
European Protected Species	Species of plants and animals (other than birds) protected by law through the European Union and listed in Annexes II and IV of the European Habitats Directive.
Existing Mitigation Features (greater horseshoe bats)	Roosts, Commuting or Foraging Habitat created, enhanced or protected to meet Habitats Regulations requirements for approved projects relating to the South Hams SAC greater horseshoe bat population.
Favourable Conservation Status	Article 1 of the Habitats Directive defines conservation status for habitats as "the sum of the influences acting on a natural habitat and its typical species that may affect its long-term natural distribution, structure and functions as well as the long-term survival of its typical species. Furthermore, the Directive states that the conservation status may be considered 'favourable' when: (a) its natural range and areas it covers within that range are stable or increasing; and (b) the specific structure and functions which are necessary for its long-term maintenance exist and are likely to continue to exist for the foreseeable future; and (c) there is and will probably continue to be, a sufficiently large habitat to maintain its populations on a long-term basis'
Foraging Habitat	Feeding areas for greater horseshoe bats, primarily cattle grazed pasture, semi-natural woodland, unimproved pastures, meadows, hedges and watercourses.
Habitats Directive	South Hams SAC has been designated under the European Council Directive 92/43/EEC on the Conservation of Natural Habitats and of Wild Fauna and Flora ("the Habitats Directive") as part of a European network of strictly protected sites important conservation sites that will make a significant contribution to conserving habitats and species listed in Annex I and Annex II of the Directive. These habitat types and species are those considered to be most in need of conservation at a European level (excluding birds).
Habitats Regulations	Various obligations of the Habitats Directive are transposed into domestic legislation by the Conservation of Habitats and Species Regulations 2017 (SI No. 2017/1012) ("The Habitats Regulations"). The Habitats Directives continues to have a direct effect in the UK and prevail in the event of a conflict between their provision and those of the Habitats Regulations. Decisions of the Court of the European Court of Justice are directly binding on UK competent authorities.

Habitats Regulations Assessment (HRA)	The assessment, required by the Habitats Directive and Habitats Regulations, carried out by the competent authority to assess the effects of projects or proposals on European protected sites. Stage 1 includes screening for likely significant effects. Stage 2 (Appropriate Assessment) assesses whether it is possible to avoid an adverse effect on site integrity.
HRA Screening	An assessment of whether the proposal will, on its own or in combination with other plans or projects, have a likely significant effect on the SAC's population of greater horseshoe bats before avoidance or reduction measures have been taken into account. The flow chart in section 3 should be used to identify whether an application may have a likely significant effect on the South Hams SAC greater horseshoe bat population. Where it is clear that there is no likelihood of significant effect there is no need for detailed screening. However, where there may be a likely significant effect the LPA will need to use information provided by the applicant to undertake a detailed HRA screening. Where screening cannot rule out a likely significant effect then appropriate assessment must be carried out.
Hibernation roost	Roosts where bats hibernate during the winter (greater horseshoe bats in South Devon largely use caves and disused mines but occasionally also use buildings with stable, cool temperatures and high humidity e.g. unheated cellars and ice houses).
In-combination effects	Effects that occur from a plan or project, in combination with other plans or projects to protect sites from cumulative effects of more than one project when the effects of project acting on the site alone would not be likely to be significant. Projects generally include [6]: Projects started but not finished Projects with consent but not started Applications lodged and not determined Refusals subject to appeal Known projects not needing consent Proposals in adopted plans Firm proposals in final draft plans
In-perpetuity	For the purposes of HRA, mitigation must cover the duration of impacts. Where impacts are permanent and irreversible mitigation should be delivered 'in-perpetuity'. Legal counsel may need to be sought in some cases when a defined time frame is required under The Perpetuities and Accumulations Act 2009.
Landscape Connectivity Zone	The area that includes a complex network of Commuting Routes used by the SAC population of greater horseshoe bats and providing connectivity between the Designated Roosts.
Likely significant effects	Effects, considered in HRA screening, which would undermine the SAC's Conservation Objectives. If, on the basis of information provided, a likely significant effect cannot be ruled out then Stage 2 of the HRA (an appropriate assessment) must be undertaken by the competent authority.

LPA – Local Planning Authority	The Local Planning Authority is the Authority responsible for planning and development management functions.
Material consideration	A material consideration is a matter that should be taken into account in deciding a planning application or in an appeal against a planning decision.
Maternity roost	The place where, during summer, female greater horseshoe female bats gather to have and raise their pups.
Mitigation	Measures to avoid and reduce significant adverse effects on the integrity of the South Hams SAC population of greater horseshoe bats.
Permitted development	Permitted development rights are a national grant of planning permission which allows certain building works and changes of use to be carried out without having to make a planning application. Permitted development rights are subject to conditions and limitations to control impact and to protect local amenity. Rules relating to permitted development are set out in the General Permitted Development Order.
Pinch Point	Known or potential greater horseshoe bat commuting routes which are significantly restricted e.g. due to urban encroachment. or proximity to the sea / estuaries. Further restriction to a Pinch Point could significantly impact on the movement of greater horseshoes and potentially have a likely significant effect on the SAC.
Plans or projects	Plans or projects in the context of HRA are defined as [6]  A plan is: Any new document (or modification, modification alteration or revocation) whatever form or title it may have Which goes beyond mere aspiration and sets out an intended course of action OR A detailed proposal for doing, planning, regulating or achieving something OR An intention/decision about what is going to be done BUT Excluding statements of general aspiration or political will or general intentions  A project is capable of being: Anything that requires any form of new or renewed or periodically renewable authorisation or any variation, modification or revocation of an authorisation
Planning applications	As well as planning applications this term includes prior approval notices and non-material amendments.
SAC - South Hams Special Area of Conservation	South Hams Special Area of Conservation. Designated for its internationally important greater horseshoe bat population and habitats including dry heaths, semi-natural dry grasslands, scrub, woodland, cliffs and caves.

SSSI - Site of Special Scientific Interest	An area or site that is designated by Natural England under the Wildlife and Countryside Act 1981 for its nationally important biodiversity.
Sustenance Zone	The area within 4kms of Designated Roosts which includes critical Foraging and Commuting Habitat for greater horseshoe bats.



## Appendix 1 – Contact Details

Dartmoor National Park Authority  
Parke  
Bovey Tracey  
Newton Abbot  
Devon  
TQ13 9JQ  
[planning@dartmoor.gov.uk](mailto:planning@dartmoor.gov.uk)  
01626 832093

Devon County Council  
  
AB2 Lucombe House  
County Hall  
Exeter  
EX2 4QD  
[planning@devon.gov.uk](mailto:planning@devon.gov.uk)  
01392 381222

South Hams District Council  
Follaton House  
Plymouth Road  
Totnes  
Devon  
TQ9 5Natural England  
[DM@swdevon.gov.uk](mailto:DM@swdevon.gov.uk)  
01803 861234

Teignbridge District Council  
Forde House  
Brunel Road  
Newton Abbot  
Devon  
TQ12 4XX  
[Planning@teignbridge.gov.uk](mailto:Planning@teignbridge.gov.uk)  
01626 215735

Torbay Council  
Tor Hill House  
Union Street  
Torquay  
TQ2 5QW  
[planning@torbay.gov.uk](mailto:planning@torbay.gov.uk)  
[01803 208804](tel:01803 208804)

Natural England  
[consultations@naturalengland.org.uk](mailto:consultations@naturalengland.org.uk)  
Discretionary Advice Service Form:  
<https://www.gov.uk/government/publications/charged-environmental-advice-service-request-form>  
0300 060 3900

Devon Biodiversity Records Centre - <http://www.dbrc.org.uk/>  
[DBRC@dbrc.org.uk](mailto:DBRC@dbrc.org.uk)  
01392 274128

## Appendix 2 – Overview of updates to the 2010 Guidance

This guidance updates and replaces the South Hams SAC Greater Horseshoe Bat Consultation Zone Planning Guidance published by Natural England in 2010.

### **Evolving the Strategic Flyways into a Landscape Connectivity Zone**

#### Strategic Flyways

Strategic Flyways were mapped for the 2010 guidance using a combination of greater horseshoe bat data available at that time (including radiotracking data) and knowledge of greater horseshoe bat ecology. The Strategic Flyways were drawn to connect known roosts (particularly the Designated SAC roosts) and were based on contiguous landscape features which were thought most likely to be used by greater horseshoe bats (especially river corridors and sheltered valleys). For clarity it should be noted that, except for those used by radiotracking studies, there was no evidence for the majority of Strategic Flyways, as to whether or not they were used by greater horseshoe bats. The flyways were made 500 metres wide to offer several pathways and provide alternative routes to accommodate variance in weather.

The introduction of Strategic Flyways through the 2010 guidance was critically important in raising awareness of the importance of commuting routes (through the South Devon landscape) in supporting the SAC's population of greater horseshoe bats, and the potential for applications to have a likely significant effect on the SAC population of greater horseshoe bats away from the Designated Roosts and Sustenance Zones.

#### Data update

Since 2010 the number of records of greater horseshoe bats held by Devon Biodiversity Records Centre (DBRC) has increased, in part due to the Devon Bat Survey which began as part of the Devon Greater Horseshoe Bat Project in 2016. During 2015/16 in order to ensure that the evidence base for this Guidance was as complete as possible, the LPAs collated further records from planning applications and from local experts (through one-to-one meetings and a 2017 workshop with ecological consultants, bat workers and Devon Bat Group members). These records were added to the DBRC data set. The methodology for this work is available from Devon County Council and the majority of the bat data (other than in situations in which the source of the data does not want it shared) is available through DBRC's standard data services.

It is important to be aware that the updated evidence base is composed of ad hoc records and does not provide a complete picture of greater horseshoe bat distribution and activity. Blank spaces do not equate to no bats. However, the evidence base does illustrate that there are records of greater horseshoe bats and small roosts (away from the Designated roosts) across much of the South Devon landscape.

In addition to the evidence base collated by the LPAs, a University of Sussex research study collected data during 2016 from static recorders placed at increasing distances from three SAC maternity roosts (Buckfastleigh, Chudleigh and High Marks Barn). These data support the findings of the evidence review that SAC greater horseshoe bats are widely dispersed across the landscape at increasing distance from the designated roosts, using a complex and widely distributed network of commuting routes [20].

### Implications

All existing evidence (from research and records) indicates that away from Designated Roosts and Sustenance Zones greater horseshoe bats are dispersed across the landscape in low numbers. They use a complex network of sheltered hedges, woodland edge, stream corridors etc to move around the landscape between the Designated Roosts and also between other smaller roosts as required through the year (mating roosts, day roosts, hibernation roosts, transitional roosts etc). Schofield (1996) highlights the importance of maintaining access to smaller roosts in order to help ensure future population resilience. He states that regular use of satellite roosts over a number of years could promote the establishment of new maternity roosts as more individuals use them [21].

In order to maintain long term Favourable Conservation Status of the population it is therefore important that we maintain sufficient connectivity across the whole of this landscape (allowing landscape scale permeability), rather than just protecting a number of Flyways.

In order to achieve this broader landscape connectivity, the Strategic Flyways have been replaced with a Landscape Connectivity Zone (LCZ). This change was agreed at a Steering Group meeting which included Professor Fiona Matthews (greater horseshoe bat expert) and Steve Markham (bat consultant and one of the authors of the 2010 guidance).

The LCZ has been drawn up, using best available evidence and following the precautionary principle, to include the landscape most likely to be regularly used by the majority of the bats forming the SAC greater horseshoe bat population, noting that there will always be some movement of bats into and out of this zone and that very little is known on how bats use the landscape throughout the year.

The LCZ includes:

The landscape between the Designated Roosts - included to maintain landscape permeability between these key roosts.

The landscape up to 10kms from Designated Maternity Roosts. 10kms is based on:

Advice from Billington and Rawlinson (2006) to CCW to identify key radial zones which extend 10kms from roosts [22]. They state, 'only a small part of this area is likely to be used for foraging, but flight routes may lead further connecting to other roost sites. The aim should be to maintain habitat links through the area..... Before any major developments are allowed within 10km of any greater horseshoe roost .... detailed studies should be made to consider potential impacts'

Jones et al (1995) recorded many individuals flying distances of 10km from maternity roosts to hibernate [23].

This landscape includes all of the smaller roosts (largely day and night roosts) identified through radiotracking to be used by bats from the Designated Maternity Roosts [16,17,18,19]

As bats occur at a low density in this zone it is considered that impacts on individual commuting routes would be unlikely to have a significant effect on the population as a whole. However, impacts on a network of commuting routes within this area could result in a significant number of bats having to find new, longer routes across the countryside (potentially reducing their ability to survive due to using up energy pre and post hibernation) or being prevented from accessing roosts altogether. These impacts could have a likely significant effect on the South Hams SAC population as a whole.

Given that greater horseshoe bats in the Landscape Connectivity Zone are found in low numbers it is considered that there is sufficient evidence to reasonably assume that impacts on roosts and habitat beyond this boundary will impact on so few bats that there will not be a likely significant effect on the SAC's greater horseshoe bat population (unless there is evidence to the contrary).

The LPAs are committed to working with DBRC and others to keep records of greater horseshoe bats as up to date as is reasonably possible and to work with partners to ensure that surveys of any potentially significant roosts are undertaken. The LCZ boundary will be updated to reflect any new findings where appropriate.

#### Amended boundaries to the Sustenance Zones

Note that all the boundaries of the 2010 Sustenance Zones have been amended. The boundaries are now 4km from the centre of the roosts rather than 4km from the edge of the mapped SSSI. Due to its location next to the sea and urban development within Brixham Town the Berry Head Sustenance Zone remains (as for the 2010 Guidance) based on a sustenance area equivalent to a 4km radius circle.

#### Survey

In 2016 the Bat Conservation Trust (BCT) published new survey guidelines. The LPAs and Natural England have agreed that these guidelines should replace the survey specification in the 2010 South Hams SAC guidance.

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## Appendix 2

### South Hams SAC Greater Horseshoe Bat HRA Guidance Statement of Community Involvement: Consultation Summary

The guidance was subject to a full 8-week consultation beginning in April 2018. Within the early stages of the consultation, a consultation event was held involving key stakeholders, local interest groups and interested residents.

A total of 35 responses were received from the following organisations (individuals not listed):

Abbotskerswell Parish Council	Harberton Parish Council
BSG Ecology	Mineral and Resources Planning Association
Buckfastleigh Town Council	Natural England (no comment)
Corylus Ecology	Paignton Neighbourhood Planning Association
CPRE Teignbridge	PCL Planning
Dartington Hall Trust	Rattery Parish Council
Devon Bat Group	Sibelco
Devon Wildlife Trust	South West Water (no comment)
Eagle One Homes Ltd	Torquay Neighbourhood Plan Forum
Green Ecology	Wolborough Residents Association

The following headings provide a summary of the key themes of responses received and the changes made to the document in response to these comments in agreement with the relevant Local Planning Authorities and Natural England. The summary does not necessarily include all comments in detail, but the representations in full are available on the Devon County Council website at:

[www.devon.gov.uk/planning/planning-policies/other-county-policy-andguidance/south-hams-sac-spd-consultation](http://www.devon.gov.uk/planning/planning-policies/other-county-policy-andguidance/south-hams-sac-spd-consultation)

#### Status

A number of the responses raised concerns regarding the contents of the document and whether it was appropriate to be adopted as SPD rather than DPD. Further comments sought to elevate the status of the SPD to a DPD so that further protection and more prescriptive policy could be adopted to conserve and enhance the SAC. Whilst it is not thought that the document consisted of policy that guided the use of land and therefore could not have been SPD, it was not sufficient to require DPD status. In light of this and Legal Advice sought by the LPAs, the Steering Group agreed to amend the contents of the document to make clear that the document is only intended as a screening document and to seek approval of the document from members as guidance.

The document is intended to be used by those preparing and validating planning applications to determine whether HRA is required and therefore identify the survey effort and potential mitigation that may be required.

#### Structure

Various responses commented on the structure of the document and noted that it was legible and clear to follow. However, a small number of responses noted that the document used technical and inaccessible language. In response to this, the guidance has been edited to remove technical terminology and the glossary updated to ensure that necessary technical terms are fully defined.

A number of comments also raised that the purpose of the document was not clear. This point has been addressed through the redrafting of the document as guidance and the purpose made clear.

### **Strategic Flyways**

Some consultation responses queried the principle of replacing the strategic flyways concept with the Landscape Connectivity Zone. Concerns included that there was little evidence for doing so and the replacement of strategic flyways would lessen the protection of GHBs from development pressure. Whilst these concerns are acknowledged, the approach taken in the new guidance (i.e. the LCZ) is considered to be more precautionary and better based on evidence than the flyways.

The designation of flyways was based on the best available evidence at the time. A review of this and further evidence demonstrated that GHBs make use of the wider landscape to travel between roosts and therefore protection of commuting routes and connectivity will give a greater level of protection and ensure all developments likely to have a significant effect on the integrity of the South Hams SAC undergo HRA.

### **Landscape Connectivity Zone**

Responses to the consultation raised concerns regarding the chosen boundary of the LCZ and whether this responded appropriately to evidence. The approach to the LCZ consulted upon looked at existing landscape features and a boundary was determined based on a best assumption of where bats may use the landscape to connect between roosts.

In response to the consultation, the boundary of the LCZ has been changed regarding the maximum average distance that it is known a GHB will fly to connect to alternative roosts and to connect the maternity roosts to the other designated roosts. This approach is considered to be more proportionate and precautionary than the previous position and provides adequate protection for commuting and connectivity.

Whilst it is acknowledged that there are roosts beyond the boundary of the LCZ which may be important to the South Hams SAC, the guidance is focused on the designated roosts. It is important to note that roosts and GHBs outside of the LCZ will still be protected through legislation.

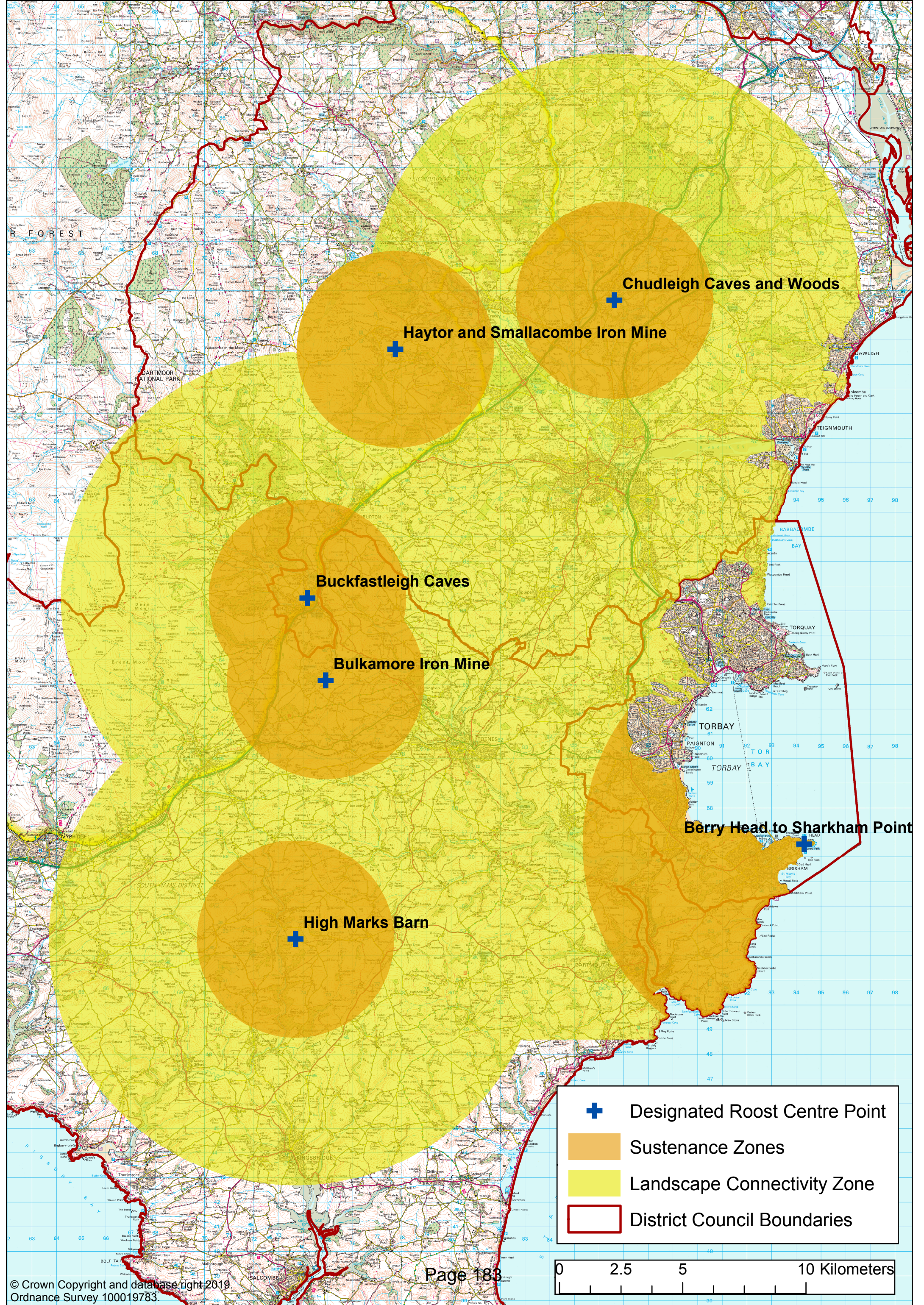
### **Sustenance Zones**

A small number of responses questioned the size of the Sustenance Zones. The 4km zones have not been changed in response to the consultation as the distance selected is based on evidence as outlined in the guidance.

### **Monitoring and Review**

Responses to the consultation highlighted the need for the document to include detail as to how the approach will be monitored and reviewed. Information has now been included on this topic and a section included on how the proposed approach will be monitored for success and reviewed in light of new evidence.





**Haytor and Smallacombe Iron Mine**

**Chudleigh Caves and Woods**

**Buckfastleigh Caves**

**Bulkamore Iron Mine**

**High Marks Barn**

**Berry Head to Sharkham Point**

- + Designated Roost Centre Point
- Sustenance Zones
- Landscape Connectivity Zone
- District Council Boundaries



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Report to: **Executive**  
Date: **18 July 2019**  
Title: **Restructure of the Senior Leadership Team**  
Portfolio Area: **Leader**  
Wards Affected: **All**  
Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:  
**Council meeting on 25 July, 2019**

Author: **Sophie Hosking** Role: **Chief Executive**  
**Andy Wilson** **Head of Practice for HR**  
Contact: **01803 863643/email: directors@swdevon.gov.uk**

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## **Recommend that the Council:**

1. Approves the Senior Leadership Team structure, roles and salaries set out in section 3, paragraph 4.5 (Option 4) and Appendix A of this report with effect from 1 September 2019.
2. Requests the Chief Executive to review and implement changes to the Extended Leadership Team and pay structure to take account of the new Senior Leadership Team structure, other recent changes in the organisation and benchmarking data by the end of December 2019.
3. Note that the combined restructures will achieve ongoing annual revenue savings estimated to be at least £120,000 per annum (£60,000 per annum for each Council)

## **1. Executive summary**

- 1.1 This report follows the request of Council at the 21 February 2019 meeting for the Chief Executive to bring a report recommending a new management structure (minute reference 55/18 Review of Staffing Establishment).  
<https://mg.swdevon.gov.uk/ieListDocuments.aspx?CIId=151&MIId=1138&Ver=4>

- 1.2 The Council shares its workforce completely with West Devon Borough Council and the costs of the management team are divided between the two Councils.
- 1.3 The Council has been running on an interim structure since February 2018 following the departure of one of the Executive Directors and is currently carrying two further vacancies out of the 5 remaining senior leadership team (SLT) posts. On 14<sup>th</sup> December 2017 Council agreed a report 'Head of Paid Service Replacement'.(Minute reference 53/17)  
<https://mg.swdevon.gov.uk/ieListDocuments.aspx?CIId=151&MIId=491&Ver=4>
- 1.4 There is an urgent need to appoint to a permanent structure to ensure stability, clarity of roles and sufficient capacity to meet the challenges of delivering the objectives of the two Councils.
- 1.5 The recent implementation of the waste collection contract with FCC and the transfer of operational staff has also led to a need to review our operational and contract management requirements.
- 1.6 The report from the Corporate Peer Challenge carried out in November 2018 on both Councils, recommended a review of the management structure to ensure that there is the capacity to fulfil the Councils' ambitions, particularly in relation to place-shaping and financial sustainability. The report also made recommendations in relation to good governance.
- 1.7 This report proposes a Senior Leadership Team structure made up of 5 posts as follows:
  - Chief Executive
  - Director of Customer Service and Delivery
  - Director of Place and Enterprise
  - Director of Strategic Finance
  - Director of Governance and Assurance
- 1.8 It is intended that one of the Directors will also take on the responsibilities of the role of Deputy Chief Executive.
- 1.9 The restructure of the SLT will have an impact on the Extended Leadership Team (ELT) and this report recommends a review of ELT roles, responsibilities and remuneration following the appointments to the new SLT. An indication of savings that are expected to be achieved as a result of the combined changes to SLT and ELT are set out in the report below.
- 1.10 In developing this proposal various options have been considered including making the current interim arrangements permanent, or reducing the number of roles in the SLT. These options are discussed below in paragraph 4.

## **2. Background**

- 2.1 South Hams DC and West Devon BC have a long history of working together and first appointed a joint Chief Executive in 2007. In 2010 the Councils appointed a shared management team across both the Councils and in 2014 set out plans for a transformation programme (known as T18) which included a fully shared workforce across both Councils. This joint working and shared workforce has achieved combined annual savings of £6million for the Councils.
- 2.2 In 2015 the two Councils appointed a single new Senior Leadership Team (SLT) to lead the shared workforce and implement the T18 transformation programme. Originally this team consisted of 6 postholders - 2 Executive Directors (Level 1 posts), 4 Group Managers (Level 2 posts) plus the S151 officer. The team was reduced by one member in March 2016 when two of the Group Manager roles were merged and the base budget was adjusted accordingly.
- 2.3 In February 2018 one of the Executive Directors resigned to take up a new role elsewhere. The remaining Executive Director took on both Executive Director roles on an interim basis. Adjustments were made to other SLT roles and to some ELT roles, including the S151 officer taking up her full Level 2 role as Group Manager for Strategic Finance and the allocation of Deputy Chief Executive responsibilities to one of the other Group Managers. Details of the interim arrangements can be found in the 14<sup>th</sup> December 2017 Council report (Minute 53/17).  
<https://mg.swdevon.gov.uk/ieListDocuments.aspx?CIId=151&MIId=491&Ver=4>
- 2.4 On 21 February 2019 the remaining Executive Director (Sophie Hosking) was confirmed by both Councils as Chief Executive and tasked with bringing forward proposals for a new structure that would address the changing needs of both Councils. At this point a saving of £68k (£34k for each Council) was taken out of the base budget for 2019/20 onwards to account for the reduction from 2 Executive Director posts to one Chief Executive. Members requested that further savings be sought from the restructure proposals.
- 2.5 In May 2019, two of the current Group Managers posts became vacant due to the postholders pursuing new career opportunities. This has left only 3 members of SLT in place out of the original 7 appointed in 2015 to cover all the duties of the senior leadership responsibilities across both Councils. Recruitment to the vacancies is on hold pending the proposed restructure and this is causing significant pressure on the remaining 3 members of the Senior Leadership Team.

- 2.6 In putting together the proposals for the new SLT structure a number of issues have been considered including:
- i. Recommendations from the recent Corporate Peer Challenge
  - ii. Operational and contract management requirements resulting from the establishment of the new waste contract with FCC
  - iii. Shift in organisational focus since 2015 and the changing priorities of the new Councils
  - iv. The two current Group Manager vacancies
  - v. Government funding and Brexit
  - vi. Benchmarking information from other organisations
  - vii. Value for money
  - viii. Impact on Members, staff, customers and external partners
- 2.7 Corporate Peer Challenge. The report from the Corporate Peer Challenge made particular reference to the Councils' need to become more outwardly focused and engage more with the communities they serve, and with external partners, to achieve their ambitions for housing and economic growth.  
<http://mg.swdevon.gov.uk/ieListDocuments.aspx?CIId=149&MIId=1148&Ver=4>  
The Councils' current SLT structure is inwardly focused and the restructure provides an opportunity to address this deficit. In addition the Peer report recommends a continued focus on achieving financial sustainability and good governance.
- 2.8 Operational changes. On 1<sup>st</sup> April 2019 the Council entered into a contract with FCC for the operation of the Council's waste collection and street cleansing services. This involved the transfer of all the operational staff (c.90 employees) who were previously directly employed by South Hams District Council. This has resulted in a significant change of focus within the management team from that of direct employment to contract management and presents an opportunity to make some savings in the wider management team. However, it is also necessary for the proposed structure to recognise the increased importance of effective contract management given the size and value of the new contract. There is also a short term (18 month) management requirement to oversee significant changes to the waste and recycling service.
- 2.9 Change in organisational priorities. Since 2015 there has been a significant change of focus in our organisational activity. Initially the Councils were very internally focused on transforming the workforce and our ways of working to achieve the savings required to keep the Councils financially viable. The focus then shifted more towards strategic planning (the Joint Local Plan) and commercial activity. Looking ahead, there is a new focus on climate change mitigation as well as taking a stronger and more pro-active role in shaping our communities, particularly in relation to housing and economic development.

- 2.10 Vacant posts. In April and May this year, 2 posts within the current SLT became vacant when the Group Manager for Business Development and the Group Manager for Commercial Services left to take up new roles elsewhere. This provides the opportunity to completely reconsider how the responsibilities of the new SLT are divided up in the new structure. It also gives an urgency to getting the new structure in place as soon as possible as there are currently only 3 SLT members covering the whole workload across both Councils (the Chief Executive and the remaining 2 Group Managers).
- 2.11 Financial settlement and Brexit. We continue to face challenging times and uncertainty in relation to our finances and the impact of the UK's impending departure from the EU and we will require a strong leadership team to meet these challenges. Our current 4 year funding settlement with the government ends this financial year (2019/20) and as yet there is no indication as to what funding arrangements are being proposed for 2020/21 onwards.
- 2.12 Benchmarking with other Councils. A further consideration when putting together the proposals has been a review of the appropriate remuneration for the SLT roles in order to attract and retain the right calibre of staff. Benchmarking information has been gathered for comparison purposes from District Councils locally and nationally and also from other Councils with shared management teams. However it should be noted that there are no simple comparisons as all Councils vary in complexity, size, the range of activities and how their management teams are structured.
- 2.13 Value for money. This is a key consideration for the Councils and by sharing a management team the Councils effectively get the benefit of a strong team of 5 senior managers for half the cost, in addition to the cost savings identified at paragraph 3.5 below.
- 2.14 Impact. The appointment of the senior leadership team affects all Members as the team provides essential support to Members to develop strategy and deliver the Councils' statutory obligations and their aspirations for the communities they serve.
- 2.15 The SLT appointments also impact on all staff as an effective team is crucial to achieve a high performing workforce.
- 2.16 Relationships with partners, our communities and other organisations, and our ability to play our part in the public sector within Devon, regionally and nationally, is also dependent on the capacity of the SLT.

### **3. Outcomes/outputs**

- 3.1 The desired outcome of the restructure is to have a revised SLT in place in September that will meet the requirements of both Councils. It is anticipated that appointments will be made internally, however should this not be the case, a longer timeframe will be necessary.
- 3.2 Following the appointment of the SLT there will then be a review of ELT and this is intended to be completed and implemented by the end of December 2019. It is expected that the reorganisation of the SLT responsibilities, the likelihood of internal appointments to the SLT posts and the recent changes in operational requirements will give the opportunity to make some further savings from the combined restructures.
- 3.3 Benchmarking of equivalent posts in other organisations along with independent advice from the Local Government Association (LGA) and the resulting salary recommendations is intended to ensure fair and appropriate salaries for the jobs, whilst recognising the additional complexity of working across 2 Councils. This is important in order to attract and retain high calibre officers. However it should be noted that the salaries recommended in this report are at the lowest end of the scales recommended by the LGA following their independent evaluation of the roles and consideration will be given to introducing a link between performance and financial reward in the future. Any performance related pay scheme will be the subject of a separate consultation process.
- 3.4 The benchmarking work has also revealed anomalies in the remuneration of our Extended Leadership team and it is proposed that the ELT review will include re-evaluation of the ELT salary framework.
- 3.5 As mentioned above in paragraph 3.2, it is anticipated that financial savings for both Councils will result from the combined restructures of SLT and ELT. It not possible to predict the exact savings generated until both the SLT and ELT reviews are completed however it is anticipated that it will be in the region of a minimum of £120,000 per annum (approximately £60,000 per annum for each Council – Note the actual split of the saving between both Councils will be calculated in accordance with the shared services apportionments completed annually). This is in addition to the annual £68,000 saving (£34,000 each Council) that has already been taken as a saving in the Budget process for 2019/20 with regards to the former Executive Director post as detailed in paragraph 2.4 above.



- 3.6 The proposed future structure of SLT is made up of 5 posts as follows:
- Chief Executive
  - Director of Customer Service and Delivery
  - Director of Place and Enterprise
  - Director of Strategic Finance
  - Director of Governance and Assurance
- 3.7 It is intended that one of the Directors will also fulfil the role of Deputy Chief Executive.
- 3.8 There are four key outcomes that need to be achieved by the new proposed arrangements:
- Customer facing: To improve the customer experience by making our services easier to use and more responsive, reducing failure demand and becoming more efficient as a result; this will lead to cost reduction or investment in services.
  - Community facing: To engage with our communities in our strategic planning role with the aim of promoting and supporting appropriate housing development (with a focus on affordable housing), economic growth and resilience, protecting our environment and mitigating against climate change.
  - Financial: To achieve financial sustainability; developing new and existing income streams to support our core functions – through treasury management, investment and development of the Council's assets, selling services, fees and charges and increasing the tax base.
  - Governance and assurance: To make sure we do things properly, ethically and lawfully.
- 3.9 Rationale for a new structure. The Senior Leadership Team (SLT) is responsible for advising and supporting Councillors to set the direction and strategy of the Councils and our communities and for ensuring the delivery of those strategies. The SLT are collectively responsible for: setting the working culture of the organisation; modelling and embedding the IMPACT behaviours; organising our resources to deliver easy-to-use services; ensuring efficient and effective ways of working; strong governance arrangements; good communication and positive relations with our communities; improving the local tax base (housing and business) whilst also finding ways to generate income and decrease reliance on government grant and local taxes.
- 3.10 The Councils have statutory responsibilities to provide various services to our residents, communities and businesses and regulatory responsibilities in respect to various activities in our communities. The other key purpose of the Councils relates to the strategic planning role, shaping our communities and responding to social, economic and environmental requirements. The Councils require a financial strategy to support these objectives. Council funding comes primarily from local taxes (Council tax and Business

rates), New Homes bonus (or its replacement) and any income generated by council activities, investment or use of council assets. Underpinning the success of the Councils is effective decision making and committee processes; strong governance and assurance; good contract and project management, and efficient systems and processes.

- 3.11 The proposed new SLT structure will be led by the Chief Executive whose role is to act as principal adviser to the Leaders and all elected Members. Also, as the statutory Head of Paid Service, the Chief Executive provides leadership and direction throughout the organisation. This role is accountable for the performance of the organisation and meeting the Councils' strategic objectives through efficient and effective deployment of resources to ensure that residents receive services of the highest standard.
- 3.12 The 4 directorships are not generic roles. Whilst all 4 Directors will act across all functions of the organisation and across both Councils they will have their own discrete responsibilities and requirements. Individual Directors roles are focused along the following lines:
- 3.13 Strategic Director of Customer Service and Delivery. This post is key to delivery of our statutory services and our regulatory roles as well as some discretionary services. Most of the Councils' employees will report up to this role. The post holder must be a very effective resource manager. The Director will have oversight of most of the Councils' directly delivered services as well as the internal support services. However, whilst directly line managed through this directorate many of the staff will be accountable to other Directors for specific projects or pieces of work. For example, specialists may be assigned to work on a commercial development project for the Place and Enterprise Director, or have tasks to do that fulfil functions sat within Governance and Assurance, or they may be required to carry out work to support the financial strategy. The bulk of the support functions will also report to this director (e.g. IT, HR, technical finance, legal etc). The focus of this role is to improve the customer experience and provide efficient services within the resource constraints. The post holder must have strong management skills particularly in relation to people and performance.
- 3.14 Strategic Director of Place and Enterprise. This role is focused on our communities, housing, economy and commercial strategies, the Joint Local Plan and our response to climate change. Given that our funding is made up of Council tax, business rates and New Homes Bonus it is important to support the provision of much needed and affordable homes through our housing strategy, as well as initiatives that support our economic wellbeing and our local businesses. At the same time the Councils own assets and can act as developer and investor. The Director needs to be able to

balance the Councils' commercial interests with the interests of the local communities. The role is also likely to have responsibility for the place-based commercial activities (e.g. Salcombe Harbour and Lower Dartmouth Ferry) as well as responsibility for our relationship with AONB teams. An important aspect to the role is the relationship with external organisations, partners and stakeholders (e.g. the LEP, Homes England, developers and the business sector) to promote the interests of our communities and influence the local, regional and national agenda. A key requirement is to draw in external funding to support place-shaping initiatives. This Director will also have responsibility for the Councils' response to climate change. Great communication and negotiation skills, commercial acumen and the ability to build successful relationships are essential requirements for this role.

- 3.15 Corporate Director of Governance and Assurance. The focus of this role is to ensure that we do things properly, ethically and lawfully and that we have sound governance in place. This key role encompasses the entire decision making processes for Members from start to finish and their scrutiny, audit and assurance functions to ensure that Members are confident in their decision making roles. The Director will have oversight of the Councils' risk and opportunities registers and business continuity arrangements and is also responsible for ensuring vital, Council-wide compliance with regulations for health and safety, procurement, information governance, FOI, Ombudsman and complaints procedures. A critical function of this role will be oversight and management of our major contracts (Waste and Leisure). It is also the responsibility of the role holder to ensure that we have strong, consistent project management applied throughout the organisation. Highly developed organisational skills alongside a methodical and pragmatic approach are key requirements for this role alongside political astuteness and a strong track record of working with Members.
- 3.16 Corporate Director of Strategic Finance (and S151 Officer). Financial sustainability is a critical Council objective. This Director is responsible for developing and reviewing the Councils' Medium Term Financial Strategy with Councillors and other key financial strategies (capital strategy, treasury management strategy, investment strategy etc). The post holder has oversight of the budget setting process and future funding strategies. The Director is also responsible for representing the Council on key financial issues and policies at a regional and national level – e.g. Business rates policy, national funding formulae, spending reviews etc. This role provides financial assurance across the whole organisation and ensures that financial implications of all policies and proposals are properly considered and tested during the development stages. The Director is responsible for ensuring that the Councils' commercial activities are properly assessed and monitored, risks are identified and mitigation in place. This Director is also the Councils' S151 Officer(Chief Finance Officer). The post holder must

be a qualified accountant with a recognised body and will need to have an extensive knowledge of Local Government finance.

- 3.17 Deputy Chief Executive (Additional responsibility). The role of Deputy Chief Executive is a set of duties and responsibilities which will be assigned to a member of the Senior Leadership Team (SLT) and will be in addition to his/her normal duties as a Strategic or Corporate Director. This role will support the Chief Executive and Lead Members and will enable the provision of independent support and advice to both Councils simultaneously where necessary and will deputise for all responsibilities of the Chief Executive in her absence.
- 3.18 Role profiles for each of the proposed new SLT roles are attached at Appendix A.
- 3.19 Evaluation of the above roles revealed that the roles of Director for Customer Service & Delivery and Director for Strategic Finance are not considered to be significantly different to the existing roles of Group Manager for Customer First and Support Services and Group Manager for Strategic Finance respectively. Therefore, should this restructure be agreed it is proposed to appoint the existing postholders in accordance with the Councils Managing Organisational Change policy.
- 3.20 As mentioned above, an independent HR specialist from the Local Government Association has reviewed and evaluated the proposed Director roles, and that of the Chief Executive, and has made recommendations for the salary ranges for all 5 roles. This report proposes using the lowest end of the salary ranges suggested by the LGA advisor.
- 3.21 The LGA senior role job evaluation tool used the following criteria to assess the 5 SLT roles:
- Knowledge requirement
  - Creative thinking required/policy direction involved
  - Impact on People / Organisations
  - Responsibility for resources
- 3.22 The evaluation tool identified that the Customer Service & Delivery and Place & Enterprise roles carry a slightly greater level of responsibility overall and we have therefore designated these roles as Strategic Directors and the remaining two roles (Strategic Finance and Governance & Assurance) as Corporate Directors.
- 3.23 Acting upon the advice of the LGA and taking into account factors such as:
- the relationship to the salaries of the Chief Executive and the Directors;
  - the market rate for similar roles in other local authorities and associated bodies;

- the added complexity of working across two Councils and comparison with Councils with similar arrangements;
  - outcome of the role evaluation
- it is proposed that the following salary structure is adopted:

<b>Chief Executive</b>	
<b>Spot salary</b>	<b>Salary</b>
<b>CE</b>	<b>£120,000</b>

<b>Spinal Column Point</b>	<b>Salary pa</b>
<b>D1</b>	<b>£64,000</b>
<b>D2</b>	<b>£68,000</b>
<b>D3</b>	<b>£72,000</b>
<b>D4</b>	<b>£76,000</b>

To reflect the differing levels of responsibility, the following salary ranges are proposed:

<b>Role</b>	<b>Salary range</b>
Strategic Director	<b>D2 - D4</b>
Corporate Director	<b>D1 - D3</b>

- 3.24 For the duties of Deputy Chief Executive, an additional responsibility allowance of the greater of £8000 pa or 6.5% of the annual salary payable to the Chief Executive will be paid. The payment will not be consolidated and will not attract an annual cost of living increase, however it will maintain a relationship with the Chief Executive's salary in accordance with recommended practice.
- 3.25 The current cost (as at June 2019) of the Senior Leadership Team (SLT) structure and the Extended Leadership Team (ELT) structure is £1.708 million (this cost is shared across both Councils). The cost of the new proposed SLT and ELT structure is £1.588 million - £0.12 million less.
- 3.26 It not possible to predict the exact savings generated until both the SLT and ELT reviews are completed however it is anticipated that it will be in the region of a minimum of £120,000 per annum (approximately £60,000 per annum for each Council – Note the actual split of the saving between both Councils will be calculated in accordance with the shared services apportionments completed annually). This is in addition to the annual £68,000 saving (£34,000 each Council) that has already been taken as a saving in the Budget process for 2019/20 with regards to the former Executive Director post as detailed in paragraph 2.4 above.

- 3.27 Some of the savings will be deferred until 2021 in order to meet budget pressures for service changes to waste collection and recycling in both Councils. The Councils could alternatively decide to meet this temporary cost from the Strategic Waste Earmarked Reserve, instead of deferring some of the saving.
- 3.28 There will be a one-off cost pressure if there are any redundancies as a result of the combined restructure which would also delay some of the benefit of the savings achieved, although a payback period would be calculated.

#### **4. Options available and consideration of risk**

- 4.1 When developing the proposal a range of different options were considered including:
- Reverting to separate management structures for each Council;
  - Confirming the current interim structure and roles and appointing to the vacant posts against the current job descriptions;
  - Reducing the number of posts or not appointing to one or both of the current vacancies and increasing the scope of the remaining roles accordingly; and
  - Retaining a structure of 1 Chief Executive and 4 Directors but reviewing the responsibilities of roles in order to create a new team that better reflects the current and anticipated requirements of the two Councils.
- 4.2 Option 1: Separate Management Structures. It is not considered feasible to revert to separate management teams for each Council due to the complexity of unpicking the current arrangements and the enormous financial cost to both Councils associated with re-establishing separate arrangements.
- 4.3 Option 2: Confirm interim structure. The option of making the interim structure permanent and recruiting to the current vacancies would not address the recent operational changes resulting from the new waste collection and street cleaning contract. Nor does it take into account the changing priorities of the new Council administrations or the recommendations of the Corporate Peer Challenge.
- 4.4 Option 3: Reducing the number of posts. There are two vacancies in the current interim arrangements and consideration has been given to whether one or both of these vacancies could be taken as savings and a new team established with fewer postholders. Not appointing to either of the two vacancies, and continuing to distribute the responsibilities amongst the remaining SLT members and some members of ELT, would result in financial savings to the Councils however it is not considered sustainable to continue to operate at this level of resourcing for any longer than is absolutely necessary. There would be significant risks to the effective operation of the Councils and to the well-being of the 3 remaining

members of the team. Not appointing to one of the vacancies could generate a smaller financial saving but there would be a significant risk that the Councils would not have the capacity at a senior level to effectively meet their statutory duties or their commitments to their communities.

- 4.5 Option 4: Developing a new team that meets the Councils' requirements. This option recommends developing a senior leadership team that has the capacity to meet the Councils' needs and addresses the four key requirements outlined in paragraph 3.8. It is proposed that the team will comprise of the Chief Executive and 4 Directors – details and role profiles can be found at Appendices A and B. This option will meet the recommendations of the Corporate Peer Challenge, the changes to the organisations' operational requirements and the changing priorities and focus of the Councils. It will provide capacity, resilience and expertise at the appropriate level within the organisation. The proposal will increase the current cost of SLT by approximately £22,500 (4.4%) but will reduce requirements within the ELT which will result in an overall saving of £120,000 (7%) on the current arrangements. This is the recommended option (Option 4).
- 4.6 Consultation. All current members of SLT and ELT have been consulted on the proposals including the process for appointing to the posts. The consultation has also been posted on the staff intranet for all staff. A copy of the consultation document can be found at Appendix B. In response, questions were raised about role responsibilities, salary levels and the differentiation between the Strategic and Corporate Directors, the recruitment process and the timing of the proposed ELT restructure. We do not propose to make any significant changes but we have clarified with consultees the points raised and we have made minor changes to the role profiles.
- 4.7 The Head of HR practice has also consulted with our recognised Unions through the Joint Consultative Committee.
- 4.8 Leaders and Deputy Leaders of both Councils have been consulted during the development of the proposal.
- 4.9 Independent advice has been provided by the senior HR specialist at the LGA concerning the development and evaluation of the role profiles, and the benchmarking and recommendations relating to salaries.

## **5. Proposed Way Forward**

- 5.1 It is proposed that the Councils approve Option 4 and agree the SLT structure, roles and salaries as set out in section 3 of this report and Appendix A.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The proposal is in accordance with the Councils Managing Organisational Change policy and compliant with all relevant employment law legislation, including the Equality Act 2010</p> <p>The Head of Paid Service is responsible for staffing arrangement of the Council. However, it is considered appropriate that the Council considers the proposals within this report given that it concerns a senior management restructure which is significantly different from the current arrangements.</p> <p>Both Councils need to agree the restructure proposals; in the event that common agreement cannot be reached alternative proposals will need to be considered.</p>
Financial implications to include reference to value for money		<p>The proposal will increase the current cost of SLT by approximately £22,500 (4.4%) but will reduce requirements within the ELT which will result in an overall saving of a minimum of £120,000 (7%) (being approximately £60,000 each Council) on the current arrangements.</p> <p>This is in addition to the annual £68,000 saving (£34,000 each Council) that has already been taken as a saving in the Budget process for 2019/20 with regards to the former Executive Director post as detailed in paragraph 2.4 above.</p> <p>Some of the savings will be deferred until 2021 in order to meet budget pressures for service changes to waste collection and recycling in both Councils. The Councils could alternatively decide to meet this temporary cost from the Strategic Waste Earmarked Reserve, instead of deferring some of the saving.</p> <p>There will be a one-off cost pressure if there are any redundancies as a result of the combined restructure which would also delay some of the benefit of the savings achieved, although a payback period would be calculated.</p>



		<p><u>Value for money.</u> This is a key consideration for the Councils and by sharing a management team the Councils effectively get the benefit of a strong team of 5 senior managers for half the cost, in addition to the cost savings identified at paragraph 3.5.</p>
Risk		<p>Risk 1: That one of the Councils does not agree the proposal or that one Council proposes amendments that are not supported by the other Council.</p> <p>Risk 2: that the Council proposes one of the other options in paragraph 4 which would incur delay and further costs and not support the needs of the organisation.</p> <p>Risk 3: That it is not possible to make an internal appointment to the SLT roles resulting in the need to look externally which would incur cost and significant delay.</p>
Supporting Corporate Strategy		This proposal supports all 6 themes of the corporate strategy.
Comprehensive Impact Assessment Implications		
Equality and Diversity		The proposed selection process is non discriminatory and in line with usual practice.
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		None

### **Supporting Information**

#### **Appendices:**

Appendix A – Proposed new SLT role profiles

Appendix B – Copy of consultation document

#### **Background Papers:**

Council – 14<sup>th</sup> December 2017 – Head of Service Replacement

Council – 21<sup>st</sup> February 2019 – Establishment Review

Executive - 14<sup>th</sup> March 2019 – Peer Challenge Action Plan

### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed/sign off	<b>Yes</b>
SLT Rep briefed/sign off	<b>Yes</b>
Relevant Heads of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
Accessibility checked	<b>Yes</b>

# Strategic Director of Customer Service and Delivery



<b>LEVEL:</b>	Level 2 (Band A Impact Behaviours)
<b>ACCOUNTABLE TO:</b>	Chief Executive
<b>SALARY:</b>	£68,000 - £76,000
<b>LOCATION:</b>	Totnes / Tavistock / Agile

## Job Purpose

The Director of Customer Service and Delivery will work closely with all other Directors across the Senior Leadership Team to lead strategic and operational activity across two Councils working together with a shared workforce. The focus of this role is to lead on service delivery and improve the customer experience by providing efficient services within the resource constraints. It is key to the delivery of our statutory services and our regulatory roles, as well as some discretionary services. This role will have overall management of most of the Councils' workforce and oversight of the majority of the Councils' directly delivered services as well as the internal support services. This role is the key driver for ongoing service delivery improvements and efficiencies through strong resource and performance management, sound working policies and established cross functional working practices.

## Role Profile

- Lead a diverse range of professional services, that are high quality, effective and continuously improving
- Provide strong and effective resource management across a range of externally and internally facing services, leading a matrix management team operating in a complex political environment
- Ensure continuous improvement and measure added value through robust performance management across a range of services
- Drive the digital agenda for the council creating new customer-centric operating models using the newest available technology to achieve greater efficiency
- Provide dynamic and inspirational leadership across the organisation, driving a high performing, supportive culture that can be embedded at all levels
- Responsible for significant delegated financial budgets and resources ensuring they are allocated effectively for the delivery of high quality services, achieving compliance with relevant policies and guidelines
- Develop and promote cutting edge partnerships with a range of stakeholders at both a local and national level
- Demonstrate a forward-thinking and commercial approach, effectively managing risk to reduce cost, create income generation opportunities and achieve inward investment
- Translate future strategic demands into tangible and measurable policies and projects that add value whilst providing clear direction and credibly communicating the future vision
- Lead a culture of continuous improvement within Customer Service & Delivery and across the Councils, effectively anticipating and responding to change and promoting a collaborative culture, sharing knowledge across the organisation
- Harness innovation and creativity in service delivery models and champion development opportunities, to enrich the workforce and maximise engagement and productivity
- Understand the demographic of our communities and ensure that this is central to service delivery and the style and culture of the organisation as a provider and employer
- Ensure appropriate business continuity plans and emergency response procedures are in place for the areas of specific responsibility

## The Senior Leadership Team

All Director roles, along with the Chief Executive, form the Senior Leadership Team (SLT) across both Councils which is collectively accountable for the following:

- ◆ Responsible for working effectively with Councillors, providing advice and support to set the direction and strategy of the Councils and communities.
- ◆ Ensuring the strategic priorities in the Councils' Corporate Themes are translated methodically and transformed into high quality, cost effective service delivery.
- ◆ Setting the working culture of the organisation; leading by example, role modelling the Councils' IMPACT behaviour framework and upholding the Councils values and ethics.
- ◆ Ensuring high performance and successful outcomes through the engagement of staff and effective organisation and deployment of resources to ensure delivery of easy to use services.
- ◆ Delivering efficient and effective ways of working with strong governance arrangements in place, whilst creating and promoting a culture of flexibility to respond effectively to shifts in priority.
- ◆ Demonstrating and promoting excellent internal and external communication; enhancing existing partnerships and creating pathways to build further positive relations within our communities and beyond to increase growth and development by generating income and reducing reliance on government grant and local taxes.
- ◆ Providing outstanding strategic leadership across the organisation; promoting economic growth, effectively managing assets and delivering the priorities in the Councils' Corporate Strategy to make a positive impact on the lives of local people.
- ◆ Empowering members of the Extended Leadership Team (ELT) by defining and expanding their areas of responsibility, ensuring a risk management culture to support their independence and flexibility.

## Areas of Specific Responsibility

The Director of Customer Service and Delivery will have direct responsibility for the resources to deliver the majority of the Councils' external and internal services. In summary, these functions include:

Community of Practice	Functions
Customer Services	Customer Contact Centre
Development Management	Planning, Enforcement, Green Space, Land Charges, TPOs, LLPG, Street Naming
Environmental Health	Environmental Health, Health & Safety, Private Sector Housing, Housing Standards, Business Continuity, Emergency Planning, Pollution, Anti-social Behaviour / Nuisance, Community Safety Partnership, DFGs, Licensing
Environment Services	Waste, Parking, Grounds Maintenance, Building Maintenance, Events, Car Parks, Public Toilets, Environmental Protection, Markets, Localities, Fleet, Contract Monitoring, Education & Communications (Waste & Leisure)
Housing, Revenues & Benefits	Housing Advice, Homelessness, Safeguarding, Council Tax, NNDR, Benefits
Support Services	Finance, Legal, ICT, IT Security, HR, Payroll, Communications, Design, Creditors, Debtors / Recovery, Insurance, DMR

The Director will also have responsibility to support the Director of Place and Enterprise by providing specialist and case management support for:

Community of Practice	Functions
Assets	Engineering, Estates and Facilities
Commercial	Property acquisition and development
Climate Change	Developing and delivering the Councils' response
Place Making	Urban Fringe delivery, Trees / Landscape, Biodiversity, S106, Neighbourhood Planning, Green Infrastructure

# Person Specification

## Impact Behaviours

The Councils have developed and adopted a behavior framework known as 'Impact'. The framework aims to enhance both individual and organisational performance by outlining measurable behaviours that describe how we need to perform our roles. All members of the Senior Leadership Team are expected to demonstrate Band A Impact Behaviours.

## Experience/Skills – Essential

- A successful track record as a senior manager, including specific experience of managing customer service operations and effectively managing resources in an organisation of equivalent size or larger than South Hams and West Devon Councils
- Strong management skills, particularly in relation to people and performance
- Success in terms of their contribution to the advancement and development of organisations through the formulation of key policies, corporate objectives, commissioning and strategy
- Excellent track record in delivering successful, productive partnerships between organisations, across geographical, political or commercial boundaries
- Appreciation and understanding of the dynamics of working in a complex, political environment and across two Councils
- Evidence of using personal influence to implement innovation in the delivery of services, service improvement or other areas of organisational performance
- A commitment to quality, customer focused services and the benefits that flow from a corporate approach to service delivery
- A track record of gaining traction with others, including peers to generate change and development in organisations
- Thorough and pragmatic understanding of the dynamics between elected members and officers, decision-making in local authorities and the relationship between other agencies
- Excellent written and verbal communication skills
- The ability to drive and motivate for change through effective leadership

## Knowledge – Essential

Gained through a combination of professional qualifications and/or significant experience in related services, the core knowledge requirements for the role include:

- Solid knowledge of the range and role of customer and support services and exemplary practice in the wider market.
- Understanding of external market opportunities for customer service delivery.
- An appreciation of the potential technology presents to advance and extend customer services.
- A good understanding of current policy and strategy impacting local government services, contract and project management.

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# Corporate Director of Governance and Assurance



<b>LEVEL:</b>	Level 2 (Band A Impact Behaviours)
<b>ACCOUNTABLE TO:</b>	Chief Executive
<b>SALARY:</b>	£64,000 - £72,000
<b>LOCATION:</b>	Totnes / Tavistock / Agile

## Job Purpose

The Director of Governance and Assurance will work closely with all other Directors across the Senior Leadership Team to lead strategic and operational activity across two Councils working together with a shared workforce. Future success of the Councils will be underpinned by effective decision making and committee processes. Therefore the focus of this role is to ensure that processes and procedures are carried out properly, ethically and lawfully and that the Councils have sound governance in place. This role encompasses the decision making processes for Members and their scrutiny, audit and assurance functions, along with responsibilities across both Councils for consistency and transparency in both statutory and non-statutory procedures.

The post holder will be required to be the Councils' nominated Data Protection Officer as required by the General Data Protection Regulation (GDPR).

## Role Profile

- Responsible for working with Councillors and officers across the organisations to ensure there is sound governance in place to allow the Councils to operate lawfully and consistently.
- Ensuring there is strong project management applied throughout the organisation to achieve council-wide consistency and transparency.
- Responsibility for ensuring Council-wide compliance with regulations for health and safety, procurement, information governance, Data Protection, FOI, Ombudsman and complaints procedures, and has oversight of the Councils' risk and opportunities registers.
- Maintain a strategic oversight of all Council contracts with additional engagement and management of major contracts.
- Provide dynamic and inspirational leadership across the organisation, driving a high performing, supportive culture that can be embedded at all levels.
- Responsible for significant delegated financial budgets and resources ensuring they are allocated effectively for the delivery of high quality services, achieving compliance with relevant policies and guidelines.
- Develop and promote cutting edge partnerships with a range of stakeholders at both a local and national level.
- Demonstrate a forward-thinking and commercial approach, effectively managing risk to reduce cost, create income generation opportunities and achieve inward investment.
- Translate future strategic demands into tangible and measurable policies and projects that add value whilst providing clear direction and credibly communicating the future vision.
- Lead a culture of continuous improvement within Governance and Assurance and across the Councils, effectively anticipating and responding to change and promoting a collaborative culture, sharing knowledge across the organisation.
- Harness innovation and creativity in service delivery models and champion development opportunities, to enrich the workforce and maximise engagement and productivity.
- Understand the demographic of our communities and ensure that this is central to service delivery and the style and culture of the organisation as a provider and employer.
- Ensure appropriate business continuity plans and emergency response procedures are in place for the areas of specific responsibility.

## The Senior Leadership Team

All Director roles, along with the Chief Executive, form the Senior Leadership Team (SLT) across both Councils which is collectively accountable for the following:

- ◆ Responsible for working effectively with Councillors, providing advice and support to set the direction and strategy of the Councils and communities.
- ◆ Ensuring the strategic priorities in the Councils' Corporate Themes are translated methodically and transformed into high quality, cost effective service delivery.
- ◆ Setting the working culture of the organisation; leading by example, role modelling the Councils' IMPACT behaviour framework and upholding the Councils values and ethics.
- ◆ Ensuring high performance and successful outcomes through the engagement of staff and effective organisation and deployment of resources to ensure delivery of easy to use services.
- ◆ Delivering efficient and effective ways of working with strong governance arrangements in place, whilst creating and promoting a culture of flexibility to respond effectively to shifts in priority.
- ◆ Demonstrating and promoting excellent internal and external communication; enhancing existing partnerships and creating pathways to build further positive relations within our communities and beyond to increase growth and development by generating income and reducing reliance on government grant and local taxes.
- ◆ Providing outstanding strategic leadership across the organisation; promoting economic growth, effectively managing assets and delivering the priorities in the Councils' Corporate Strategy to make a positive impact on the lives of local people.
- ◆ Empowering members of the Extended Leadership Team (ELT) by defining and expanding their areas of responsibility, ensuring a risk management culture to support their independence and flexibility.

## Areas of Specific Responsibility

The Director of Governance and Assurance will ensure compliance across both Councils and will be directly responsible for the following functions:

Monitoring Officer & Constitution	Audit
Member Services	Electoral Services
Contract Oversight & Management (Waste, Leisure & IT)	Procurement
Programme Board	Project Management
Business Intelligence	FOI
Complaints and Ombudsman	Information Governance V.CoP
Health & Safety V.CoP	Data Protection
Corporate Risk Register	

In addition to the above, The Director of Governance and Assurance, working closely with the Director of Customer Service and Delivery and will have indirect responsibility for:

- |  |              |
|--|--------------|
| Business Continuity/Emergency Planning | ICT Security |
|--|--------------|



# Person Specification

## Impact Behaviours

The Councils have developed and adopted a behavior framework known as 'Impact'. The framework aims to enhance both individual and organisational performance by outlining measurable behaviours that describe how we need to perform our roles. All members of the Senior Leadership Team are expected to demonstrate Band A Impact Behaviours.

## Experience/Skills – Essential

- Ability to demonstrate an understanding of sound governance and effective council wide compliance with processes and procedures.
- A successful track record as a senior manager, including specific experience of managing contracts and projects in an organisation of equivalent size or larger than South Hams and West Devon Councils.
- Strong management skills, particularly in relation to people and performance.
- Highly developed organisational skills with a methodical and pragmatic approach.
- A proven, strong track record working with Members.
- Success in terms of their contribution to the advancement and development of organisations through the formulation of key policies, corporate objectives, commissioning and strategy.
- Excellent track record in delivering successful, productive partnerships between organisations, across geographical, political or commercial boundaries.
- Appreciation and understanding of the dynamics of working in a complex, political environment and across two Councils.
- Evidence of using personal influence to implement innovation in the delivery of services, service improvement or other areas of organisational performance.
- A commitment to quality, customer focused services and the benefits that flow from a corporate approach to service delivery.
- A track record of gaining traction with others, including peers to generate change and development in organisations.
- Thorough and pragmatic understanding of the dynamics between elected members and officers, decision-making in local authorities and the relationship between other agencies.
- Excellent written and verbal communication skills
- The ability to drive and motivate for change through effective leadership.

## Knowledge – Essential

Gained through a combination of professional qualifications and/or significant experience in related services, the core knowledge requirements for the role include:

- Knowledge and sound understanding of decision making processes within local government and high political astuteness.
- A solid understanding of current policy and strategy impacting local government services, contract and project management

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# Strategic Director of Place and Enterprise



<b>LEVEL:</b>	Level 2 (Band A Impact Behaviours)
<b>ACCOUNTABLE TO:</b>	Chief Executive
<b>SALARY:</b>	£68,000 - £76,000
<b>LOCATION:</b>	Totnes / Tavistock / Agile

## Job Purpose

The Strategic Director of Place and Enterprise will work closely with all other Directors across the Senior Leadership Team to lead strategic and operational activity across two Councils working together with a shared workforce. The role particularly focuses on our communities, housing, economy and commercial strategies, together with the Joint Local Plan to support the provision of much needed and affordable homes, as well as initiatives that support our economic wellbeing and our local businesses. There will be particular emphasis on building and maintaining relationships with external organisations, partners and stakeholders to promote the interests of our communities and influence the local, regional and national agenda. This role is key to deliver the Councils' corporate objectives by drawing in external funding to support place-shaping initiatives and respond to social, economic and environmental requirements whilst balancing the Councils' commercial interests with the interests of the local communities.

## Role Profile

- Effectively manage the Councils' income streams to support the provision of much needed and affordable homes through our housing strategy, as well as initiatives that support our economic wellbeing and our local businesses.
- Identify and secure external funding to support place-shaping initiatives.
- Develop and implement strategies for investment of Council assets whilst maintaining a balance between the Councils' commercial interests with the interests of the local communities.
- Lead the Councils' response to climate change
- Build successful relationships with a range of stakeholders locally, regionally and nationally to grow existing, and implement new working partnerships.
- Provide dynamic and inspirational leadership across the organisation, driving a high performing, supportive culture that can be embedded at all levels.
- Responsible for significant delegated financial budgets and resources ensuring they are allocated effectively for the delivery of high quality services, achieving compliance with relevant policies and guidelines.
- Demonstrate a forward-thinking and commercial approach, effectively managing risk to reduce cost, create income generation opportunities and achieve inward investment.
- Translate future strategic demands into tangible and measurable policies and projects that add value whilst providing clear direction and credibly communicating the future vision.
- Lead a culture of continuous improvement within Place and Enterprise and across the Councils, effectively anticipating and responding to change and promoting a collaborative culture, sharing knowledge across the organisation.
- Harness innovation and creativity in service delivery models and champion development opportunities, to enrich the workforce and maximise engagement and productivity.
- Understand the demographic of our communities and ensure that this is central to service delivery and the style and culture of the organisation as a provider and employer.

## The Senior Leadership Team

All Director roles, along with the Chief Executive, form the Senior Leadership Team (SLT) across both Councils which is collectively accountable for the following:

- ◆ Responsible for working effectively with Councillors, providing advice and support to set the direction and strategy of the Councils and communities.
- ◆ Ensuring the strategic priorities in the Councils' Corporate Themes are translated methodically and transformed into high quality, cost effective service delivery.
- ◆ Setting the working culture of the organisation; leading by example, role modelling the Councils' IMPACT behaviour framework and upholding the Councils values and ethics.
- ◆ Ensuring high performance and successful outcomes through the engagement of staff and effective organisation and deployment of resources to ensure delivery of easy to use services.
- ◆ Delivering efficient and effective ways of working with strong governance arrangements in place, whilst creating and promoting a culture of flexibility to respond effectively to shifts in priority.
- ◆ Demonstrating and promoting excellent internal and external communication; enhancing existing partnerships and creating pathways to build further positive relations within our communities and beyond to increase growth and development by generating income and reducing reliance on government grant and local taxes.
- ◆ Providing outstanding strategic leadership across the organisation; promoting economic growth, effectively managing assets and delivering the priorities in the Councils' Corporate Strategy to make a positive impact on the lives of local people.
- ◆ Empowering members of the Extended Leadership Team (ELT) by defining and expanding their areas of responsibility, ensuring a risk management culture to support their independence and flexibility.

## Areas of Specific Responsibility

The Director of Place and Enterprise will be directly responsible for the following functions:

Joint Local Plan	Affordable Housing
Commercial Property and Assets	AONB
Strategic Planning	Town & Parishes Liaison
Neighbourhood Planning	New Income Streams
Salcombe Harbour	Dartmouth Ferry
Funding Applications & Grants	Representing SHWD Interests at Regional Level (HotSW, LEP, etc.)
Climate change response	Economic Development

In addition, and working closely with other Directors, the Director of Place and Enterprise will have indirect responsibility for aspects of:

Private Sector Housing/Housing Standards	Pollution, Antisocial Behaviour/Nuisance
Community Safety Partnership	Planning (DM)
Urban Fringe delivery team	Bio Diversity/S106/Community
Car parking (strategy)	Public Conveniences (strategy)

# Person Specification

## Impact Behaviours

The Councils have developed and adopted a behavior framework known as 'Impact'. The framework aims to enhance both individual and organisational performance by outlining measurable behaviours that describe how we need to perform our roles. All members of the Senior Leadership Team are expected to demonstrate Band A Impact Behaviours.

## Experience/Skills – Essential

- Proven strength in communication and successful negotiation with a strong sense of business/commercial acumen.
- A successful track record as a senior manager, effectively managing resources in an organisation of equivalent size or larger than South Hams and West Devon Councils.
- Strong management skills, particularly in relation to people and performance.
- Success in terms of their contribution to the advancement and development of organisations through the formulation of key policies, corporate objectives, commissioning and strategy.
- Excellent track record in delivering successful, productive partnerships between organisations, across geographical, political or commercial boundaries.
- Appreciation and understanding of the dynamics of working in a complex, political environment and across two Councils
- Evidence of using personal influence to implement innovation in the delivery of services, service improvement or other areas of organisational performance.
- A commitment to quality, customer focused services and the benefits that flow from a corporate approach to service delivery.
- A track record of gaining traction with others, including peers to generate change and development in organisations.
- Thorough and pragmatic understanding of the dynamics between elected members and officers, decision-making in local authorities and the relationship between other agencies.
- Excellent written and verbal communication skills
- The ability to drive and motivate for change through effective leadership

## Knowledge – Essential

Gained through a combination of professional qualifications and/or significant experience in related services, the core knowledge requirements for the role include:

- Solid knowledge of community initiatives with an understanding of the needs of the local communities and issues impacting on both a local and national level
- A good understanding of the management of external funding streams and income generation opportunities
- A good understanding of current policy and strategy impacting local government services, contract and project management

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# Corporate Director of Strategic Finance (& S151 Officer)



<b>LEVEL:</b>	Level 2 (Band A Impact Behaviours)
<b>ACCOUNTABLE TO:</b>	Chief Executive
<b>SALARY:</b>	£65,000 - £73,000
<b>LOCATION:</b>	Totnes / Tavistock / Agile

## Job Purpose

The Director of Strategic Finance will work closely with all other Directors across the Senior Leadership Team to lead strategic and operational activity across two Councils working together with a shared workforce. A sustainable financial future is a critical objective for both Councils, and the focus of this role is to implement a robust financial strategy including developing and reviewing the Councils' Medium Term Financial Strategy with Councillors together with having an oversight of the budget setting process and implementing other key financial and future funding strategies. This is a cross cutting role, involving both corporate and strategic activities to engage with all areas of the organisation. The Councils require a sound financial strategy to support the corporate objectives and this role is key in providing financial assurances relating to all aspects of existing funding streams, income generation and investment or use of Council assets.

The post holder will be required to be the Section 151 Officer for both Councils in accordance with section 151 of the Local Government Act 1972 which requires every local authority to appoint a suitably qualified officer responsible for the proper administration of its affairs.

## Role Profile

- Responsible for financial budgets across the whole organisation, ensuring that financial implications of all policies and proposals are properly considered and tested during the development stages.
- Responsible for ensuring that the Councils' commercial activities are properly assessed and monitored, risks are identified and mitigation in place.
- Responsible for representing the Council on key financial issues and policies at a local, regional and national level.
- Responsible for carrying out the duties of the Section 151 Officer across two Councils in line with current legislation
- Provide dynamic and inspirational leadership across the organisation, driving a high performing, supportive culture that can be embedded at all levels
- Develop and promote cutting edge partnerships with a range of stakeholders at both a local and national level
- Demonstrate a forward-thinking and commercial approach, effectively managing risk to reduce cost, create income generation opportunities and achieve inward investment
- Translate future strategic demands into tangible and measurable policies and projects that add value whilst providing clear direction and credibly communicating the future vision
- Lead a culture of continuous improvement within Strategic Finance and across the Councils, effectively anticipating and responding to change and promoting a collaborative culture, sharing knowledge across the organisation
- Harness innovation and creativity in service delivery models and champion development opportunities, to enrich the workforce and maximise engagement and productivity
- Understand the demographic of our communities and ensure that this is central to service delivery and the style and culture of the organisation as a provider and employer
- Ensure appropriate business continuity plans and emergency response procedures are in place for areas of specific responsibility.

## Key Statutory Responsibilities

The Director of Strategic Finance is also the Councils' S151 officer. The post holder must be appropriately qualified and will need to have an extensive knowledge of Local Government finance.

## The Senior Leadership Team

All Director roles, along with the Chief Executive, form the Senior Leadership Team (SLT) across both Councils which is collectively accountable for the following:

- ◆ Responsible for working effectively with Councillors, providing advice and support to set the direction and strategy of the Councils and communities.
- ◆ Ensuring the strategic priorities in the Councils' Corporate Themes are translated methodically and transformed into high quality, cost effective service delivery.
- ◆ Setting the working culture of the organisation; leading by example, role modelling the Councils' IMPACT behaviour framework and upholding the Councils values and ethics.
- ◆ Ensuring high performance and successful outcomes through the engagement of staff and effective organisation and deployment of resources to ensure delivery of easy to use services.
- ◆ Delivering efficient and effective ways of working with strong governance arrangements in place, whilst creating and promoting a culture of flexibility to respond effectively to shifts in priority.
- ◆ Demonstrating and promoting excellent internal and external communication; enhancing existing partnerships and creating pathways to build further positive relations within our communities and beyond to increase growth and development by generating income and reducing reliance on government grant and local taxes.
- ◆ Providing outstanding strategic leadership across the organisation; promoting economic growth, effectively managing assets and delivering the priorities in the Councils' Corporate Strategy to make a positive impact on the lives of local people.
- ◆ Empowering members of the Extended Leadership Team (ELT) by defining and expanding their areas of responsibility, ensuring a risk management culture to support their independence and flexibility.

## Areas of Specific Responsibility

The Director of Strategic Finance and has direct responsibility for the following functions:

S151	Medium Term Financial Strategy (MTFS)
Budget Process	Capital Strategy / Capital Programme
Treasury Management Strategy	Business rates strategy (pooling, pilots, appeals etc).
Assurance and due diligence for commercial strategy (investment and development)	Borrowing strategy and proportionality
Pension strategy	Statement of accounts

In addition to the above, the Director of Strategic Finance will have responsibility for all finance related functions across both Councils, yet the responsibility for the delivery of the service and the management of resources will remain with the Director of Customer Service and Delivery.



# Person Specification

## Impact Behaviours

The Councils have developed and adopted a behavior framework known as 'Impact'. The framework aims to enhance both individual and organisational performance by outlining measurable behaviours that describe how we need to perform our roles. All members of the Senior Leadership Team are expected to demonstrate Band A Impact Behaviours.

## Experience/Skills – Essential

- ◆ A successful track record as a senior manager, including specific experience of financial management and generating growth in a number of ways.
- ◆ Success in terms of their contribution to the advancement and development of organisations through the formulation of key policies, corporate objectives, commissioning and strategy.
- ◆ Excellent track record in delivering successful, productive partnerships between organisations, across geographical, political or commercial boundaries.
- ◆ Appreciation and understanding of the dynamics of working in a complex, political environment and across two Councils
- ◆ Evidence of using personal influence to implement innovation in the delivery of services, service improvement or other areas of organisational performance.
- ◆ A commitment to quality, customer focused services and the benefits that flow from a corporate approach to service delivery.
- ◆ A track record of gaining traction with others, including peers to generate change and development in organisations.
- ◆ Thorough and pragmatic understanding of the dynamics between elected members and officers, decision-making in local authorities and the relationship between other agencies.
- ◆ Excellent written and verbal communication skills
- ◆ The ability to drive and motivate for change through effective leadership

## Qualifications – Essential

According to the Section 113 Local Government Finance Act 1988 – the job holder must be a member of one of the following bodies:

- ◆ Institute of Chartered Accountants
- ◆ Chartered Association of Certified Accountants
- ◆ Chartered Institute of Public Finance and Accounting
- ◆ Chartered Institute of Management Accountants

## Knowledge – Essential

Gained through a combination of professional qualifications and/or significant experience in related services, particularly financial management including the use of large financial management systems, the core knowledge requirements for the role include:

- ◆ Solid knowledge and understanding of financial management procedures, particularly in local government
- ◆ A good understanding of current policy and strategy impacting local government services, contract and project management
- ◆ A sound understanding of commercial due diligence

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# Review of the Senior Leadership Team - Consultation



## Introduction

The report from the Corporate Peer Challenge carried out in November 2018 on both Councils recommended a review of the management structure to ensure that there is the capacity to fulfil our ambitions, particularly in relation to place-shaping and financial sustainability. The report also made recommendations in relation to good governance.

The Council has been running on an interim senior leadership structure since February 2018 following the departure of one of the Executive Directors and is currently carrying two further vacancies out of the five remaining Senior Leadership Team (SLT) posts.

There is now an urgent need to appoint to a permanent structure to ensure stability, clarity of roles and sufficient capacity to meet the challenges of delivering the objectives of two Councils.

This paper sets out for consultation the proposed new structure and the approach to achieving it.

The final proposals will inform a report to each Council in July 2019. It is anticipated that the revised structure will be put in place by 1 September 2019.

## Section 1: Background

The current SLT has its origins in the T18 Transformation Programme and originally consisted in January 2015 of:

- ◆ Executive Director for Strategy and Commissioning (Level 1)
- ◆ Executive Director for Service Delivery and Commercial Development (Level 1)
- ◆ Group Manager for Customer First (Level 2)
- ◆ Group Manager for Support Services (Level 2)
- ◆ Group Manager for Commercial Services (Level 2)
- ◆ Group Manager for Business Development (Level 2)
- ◆ Section 151 Officer (Level 3)

The following further changes have subsequently occurred:

- ◆ **March 2016** – Group Manager Customer First left and duties transferred to Group Manager for Support Services
- ◆ **February 2018** – Executive Director for Strategy & Commissioning left and interim arrangement agreed by Councils. The remaining Executive Director took both roles and subsequent changes made to responsibilities of other roles, including allocation of Deputy Chief Executive duties to a Group Manager and the S151 Officer becoming Group Manager for Strategic Finance.
- ◆ **February 2019** – appointment by both Councils of remaining Executive Director as Chief Executive
- ◆ **April 2019** – 2 vacant posts following departure of Group Managers for Business Development and Commercial Services

As well as the changes in personnel, a number of other factors impact the composition of SLT:

- ◆ The decision not to proceed with the commissioning model and the formation of the LACC.
- ◆ The South Hams decision to seek a partner to deliver its Waste and Recycling service with effect from April 2019 and the impact on the Group Manager role following the transfer of 86 employees and significant service delivery functions
- ◆ The completion of the initial workstream to create a framework under which the Councils could pursue its commercial interests
- ◆ The recommendations of the Peer Challenge Review, in particular the capacity required in relation to place-shaping, financial sustainability and good governance
- ◆ The new priorities emerging from election of new Councils
- ◆ The challenging local and national framework and the need for strong focussed leadership
- ◆ Importance of building and sustaining key external relationships and to exert greater place, regional and national influence
- ◆ Importance of strong leadership on staff

## Section 2: The proposed new SLT structure

The proposal is limited to the Senior Leadership Team. It is proposed that a further review will take place in autumn 2019 to review and restructure the Extended Leadership Team (ELT) and this will be the subject of a separate consultation. It is not proposed to make any redundancies as part of the review and it is proposed that vacant roles are filled through internal appointments.

It is proposed that the role of Chief Executive is supported by a SLT of 4 roles:

**Director of  
Customer Service  
and Delivery**

**Director of  
Place and  
Enterprise**

**Director of  
Strategic  
Finance**

**Director of  
Governance and  
Assurance**

The senior leadership roles and are mapped against the Band A Impact Behaviours.

The roles have the following generic responsibilities (not exhaustive):

- ◆ for advising and supporting Councillors to set the direction and strategy of the Councils and our communities and for ensuring the delivery of those strategies
- ◆ setting the working culture of the organisation
- ◆ modelling and embedding the IMPACT behaviours
- ◆ organising our resources to deliver easy-to-use services
- ◆ ensuring efficient and effective ways of working
- ◆ strong governance arrangements
- ◆ good communication and positive relations with our communities
- ◆ improving the local tax base (housing and business) whilst also finding ways to generate income and decrease reliance on government grant and local taxes;

The 4 directorships are not generic roles. Whilst all 4 Directors will act across all functions of the organisation and across both Councils they will have their own discrete responsibilities and requirements. Individual Directors are focused along the following lines:

## Strategic Director of Customer Service and Delivery

- ◆ This post is key to delivery of our statutory services and our regulatory roles as well as some discretionary services.
- ◆ Most of the Councils' employees will report up to this role.
- ◆ The post holder must be a very effective resource manager.
- ◆ The Director will have oversight of most of the councils' directly delivered services as well as the internal support services. However, whilst directly line managed through this directorate many of the staff will be accountable to other Directors for specific projects or pieces of work. For example, specialists may be assigned to work on a commercial development project for the Place and Enterprise, or have tasks to do that fulfil functions sat within Governance and Assurance, or they may be required to carry out work to support the financial strategy.
- ◆ The bulk of the support functions will also report to this director (e.g. IT, HR, technical finance, legal etc).
- ◆ The focus of this role is to improve the customer experience and provide efficient services within the resource constraints.
- ◆ The post holder must have strong management skills particularly in relation to people and performance.

## Strategic Director of Place and Enterprise

- ◆ This role is focused on our communities, housing, economy and commercial strategies and the Joint Local Plan.
- ◆ Given that our funding is made up of Council tax, business rates and New Homes Bonus it is important to support the provision of much needed and affordable homes through our housing strategy, as well as initiatives that support our economic wellbeing and our local businesses.
- ◆ At the same time the Councils own assets and can act as developer and investor. The Director needs to be able to balance the Councils' commercial interests with the interests of the local communities.
- ◆ The role is also likely to have responsibility for the Councils' place-based commercial activities (e.g. Salcombe Harbour and Lower Dartmouth Ferry).
- ◆ An important aspect to the role is the relationship with external organisations, partners and stakeholders (e.g. the LEP, Homes England, developers and the business sector) to promote the interests of our communities and influence the local, regional and national agenda.
- ◆ A key requirement is to draw in external funding to support place-shaping initiatives.
- ◆ Great communication and negotiation skills, commercial acumen and the ability to build successful relationships are essential requirements for this role.

## Corporate Director of Governance and Assurance

- ◆ The focus of this role is to ensure that we do things properly, ethically and lawfully and that we have sound governance in place.
- ◆ This role encompasses the decision making processes for Members and their scrutiny, audit and assurance functions.
- ◆ The Director is also responsible for ensuring Council-wide compliance with regulations for health and safety, procurement, information governance, FOI, Ombudsman and complaints procedures, and has oversight of the Councils' risk and opportunities registers and business continuity arrangements.
- ◆ An important part of the role is ensuring that we have strong, consistent project management applied throughout the organisation.
- ◆ A critical function of this role will be oversight and management of our major contracts (Waste and Leisure).
- ◆ Highly developed organisational skills alongside a methodical and pragmatic approach are key requirements for this role alongside political astuteness and a strong track record working with Members.

## Corporate Director of Strategic Finance (and S151 Officer)

- Financial sustainability is a critical Council objective.
- This Director is responsible for developing and reviewing the Councils' Medium Term Financial Strategy with Councillors and other key financial strategies (capital, treasury management etc).
- The post holder has oversight of the budget setting process and future funding strategies.
- The Director is also responsible for representing the Council on key financial issues and policies at a regional and national level – e.g. Business rates policy, national funding formulae, spending reviews etc.
- This role provides financial assurance across the whole organisation and ensures that financial implications of all policies and proposals are properly considered and tested during the development stages.
- The Director is responsible for ensuring that the Councils' commercial activities are properly assessed and monitored, risks are identified and mitigation in place.
- This Director is also the Councils' S151 officer. The post holder must be appropriately qualified and will need to have an extensive knowledge of Local Government finance.

## Deputy Chief Executive

The role of Deputy Chief Executive is a set of duties and responsibilities which will be assigned to a member of the Senior Leadership Team (SLT) and will be in addition to their normal duties as a Strategic or Corporate Director.

This role will support the Chief Executive and Lead Members and will enable the provision of independent support and advice to both Councils simultaneously where necessary and will deputise for all responsibilities of the Chief Executive in their absence.

***Full role descriptions and person specifications are at Appendices A - D***

## Section 3: Job Evaluation and Salary range

Using a LGA senior role job evaluation tool, the 4 roles were assessed against the following criteria:

- Knowledge requirement
- Creative thinking required/policy direction involved
- Impact on People / Organisations
- Responsibility for resources

The tool identified that the Customer Service & Delivery and Place & Enterprise roles had a slightly greater level of responsibility and we have therefore designated these roles as Strategic Directors and the remaining two roles as Corporate Directors.

Acting upon the advice of the LGA and taking into account factors such as:

- the relationship to the salary of Chief Executive
- the market rate for similar roles in other local authorities and associated bodies
- the added complexity of working across two Councils
- outcome of the role evaluation

It is proposed that the following salary structure is adopted:

Spinal Column Point	Salary pa
D1	£64,000
D2	£68,000
D3	£72,000
D4	£76,000

To reflect the differing levels of responsibility, the following salary ranges are proposed:

Role	Salary range
Strategic Director	D2 - D4
Corporate Director	D1 – D3

The range recognises the progression that will be made by postholders in the first three years of the role.

## Special Responsibility Allowances

The salary range includes all responsibility payments for carrying out additional duties, including Monitoring Officer (and Deputy Monitoring Officer), Section 151 Finance Officer (and Deputy and all current responsibility allowances will be consolidated into the proposed new salary range.

Where the significant additional responsibilities are carried out by an officer other than a member of SLT, a special responsibility allowance may still be payable.

The exception is the special responsibility allowance payable to the officer acting as the Deputy Chief Executive. The Chief Executive will assign the duties after inviting expressions of interest from within the SLT. An additional responsibility allowance of the greater of £8000 pa or 6.5% of the annual salary payable to the Chief Executive will be paid. The payment will not be consolidated and will not attract an annual cost of living increase.

## Pay assimilation and progression

Existing staff appointed to the SLT with a salary within the relevant range will be assimilated to the nearest salary point.

Staff appointed from a salary lower than the relevant range will be appointed to the lowest point of the range.

Progression through the salary range will be by annual incremental progression, subject to satisfactory performance.

## Performance related pay

Consideration will be given to introducing a link between performance and financial reward in the future. Any performance related pay scheme will be the subject of a separate consultation process.

## Section 4: Selection Process

In accordance with the Councils' Managing Organisational Change policy, the roles of Strategic Director for Customer Service & Delivery and Corporate Director for Strategic Finance are considered to be not significantly different to the existing roles of Group Manager for Customer First and Support Services and Strategic Finance respectively. **Therefore it proposed to slot in the existing post holders.**

The roles of Strategic Director for Place & Enterprise and Corporate Director for Governance & Assurance are considered to be significantly different to any existing role and applications are invited for the new roles.

It is proposed that the roles are advertised internally in the first instance. An external advert will only be considered if a suitable candidate is not identified.

Applications are sought from candidates who can meet the requirements set out in the respective person specification. The Chief Executive will shortlist applicants in consultation with the LGA.

The shortlisted applicants will then asked to participate in an assessment centre consisting of:

- ◆ a structured assessment against IMPACT Band A behaviours
- ◆ a 20 minute presentation against a given topic
- ◆ a psychometric tool
- ◆ a topic discussion with the two Leaders

The assessment panel will be chaired by the Chief Executive and advised by a panel consisting of senior Members from both Councils and an independent advisor.

The proposed dates for assessment are 4, 5 and 6 September 2019.

It is proposed that the successful candidates will start their new role from 9 September 2019.

## Section 5: Consultation

Comments and suggestions are invited on the proposals set out in this consultation paper. The final proposals will form the basis of a Report to Council in July.

Responses to the consultation should be addressed to [SLTconsultation@swdevon.gov.uk](mailto:SLTconsultation@swdevon.gov.uk) and received by midnight on Wednesday 3 July 2019.



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