

South Hams Executive



Title:	Agenda
Date:	Thursday, 17th September, 2020
Time:	10.00 am
Venue:	Via Skype
Full Members:	<p style="text-align: center;">Chairman Cllr Pearce Vice Chairman Cllr Bastone</p> <p><i>Members:</i> Cllr Hopwood Cllr Hawkins Cllr Baldry Cllr May</p>
Interests – Declaration and Restriction on Participation:	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.
Committee administrator:	Democratic.Services@swdevon.gov.uk

1. Minutes	1 - 4
to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Executive held on 30 July 2020;	
2. Urgent Business	
brought forward at the discretion of the Chairman;	
3. Division of Agenda	
to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;	
4. Declarations of Interest	
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;	
5. Public Question Time	5 - 6
a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules;	
6. Executive Forward Plan	7 - 12
7. Reports of Other Bodies	
(a) Overview & Scrutiny Panel - 16 July 2020	13 - 18
(b) Joint Development Management Committee and O&S Panel - 3 September 2020	19 - 26
8. Recovery Plan to the Covid-19 Crisis	
To follow	
9. Amended Draft Budget 2020/21	27 - 52
10. Signing up to the Coastal Concordat	53 - 58

11. Ivybridge Regeneration Project - Update 59 - 76

12. Exclusion of Public and Press

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”;

13. Community Housing Delivery Programme: Progress Report and Capital Requirements 77 - 94

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**MINTUES OF A MEETING OF
THE EXECUTIVE
HELD VIA SKYPE ON THURSDAY 30 JULY 2020**

Members in attendance by skype:			
* Denotes attendance			
∅ Denotes apologies for absence			
*	Cllr K J Baldry	*	Cllr N A Hopwood
*	Cllr H D Bastone (Vice Chairman)	∅	Cllr D W May
*	Cllr J D Hawkins	*	Cllr J A Pearce (Chairman)

Also in attendance
Cllrs Abbott, Austen, Birch, Brazil, Brown, Holway, Long, O’Callaghan, Pennington, Pringle, Reeve, Rowe, Smerdon, Spencer, Taylor

Officers in attendance and participating		
All items		Chief Executive; Director of Place and Enterprise; S151 Officer; Democratic Services Manager; Head of Environmental Health and Licensing; Senior Specialist Legal; Specialist Democratic Services

E.01/20 MINUTES

The minutes of the Executive meeting held on 18 June 2020 were confirmed as a true and correct record.

E.02/20 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 but none were made.

E.03/20 PUBLIC QUESTION TIME

No questions were received.

E.04/20 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 with the following amendments:

- The Devon District Procurement Strategy was deferred to early 2021 to enable officers more time to consider the consequent

impact of the recovery plans and to make sure that any adopted procurement strategy aligns to those, along with the Climate Change and Biodiversity Action Plan.

- Environment FCC contract review was moved from 17 September 2020 meeting to 22 October 2020 meeting

E.05/20 **MONTH 3 REVENUE BUDGET MONITORING 2020/21 (to end of June 2020)**

The Lead Member for Budget Monitoring and Operational Finance presented Members with a report that enabled them to monitor income and expenditure variations against the approved budget for 2020/21, particularly in light of the impact of the Covid 19 pandemic, and provided a forecast for the year end position. The report set out an overall projected shortfall of £1.313 million for 2020/21.

The projected £1.3 m shortfall was noted as primarily due to the impact of the Covid-19 pandemic and included the Central Government grant already received. Officers confirmed that finances were being monitored on a monthly basis and figures would be revised subsequently to this monitoring. There would be a Members Budget Workshop on 27 August 2020 to explore options for an amended budget for 2020/21. It was reinforced the importance of Members attending this workshop. Officers were thanked for all the work involved.

It was then **RESOLVED** that the Executive note:

- i) the significant forecast income and expenditure variations for the 2020/21 financial year and the overall projected shortfall of £1.313 million (14.0% of the total annual Budget of £9.411 million).
- ii) the loss of income streams already experienced by the Council in April 2020, May, and June 2020 of £1.247 million in total as shown in Section 6 of the presented agenda report.

E.06/20 **WRITE OFF REPORT**

The Executive considered a report that informed Members of the debt written off during Quarter 4 up until March 2020. The report advised that Debts up to the value of £5,000 could be written off, under delegated authority, by the Section 151 Officer. The report stated that permission needed to be sought from the Executive to write off individual debts with a value of more than £5,000.

Officers clarified that there were nine individual cases over £5,000, all of which were in relation business rates debt, and related to either insolvency or bankruptcy.

It was then **RESOLVED** that the Executive:

1. noted that, in accordance with Financial Regulations, the S151 Officer had authorised the write-off of individual South Hams District Council debts totalling £57,837.35 as detailed in Tables 1 and 2 of the presented agenda report; and
2. approved the write off of an individual debt in excess of £5,000 totalling £237,831.07, as detailed in Table 3 of the presented agenda report.

E.07/20 **CHANGES TO PEST CONTROL SERVICE**

The Lead Member for Health and Wellbeing presented the Committee with a report outlining the changes to the costs involved in providing the pest control service to residents due to the end of the last contract and following the procurement process for a new contract.

Reduction in service was expected to be 50% but officers would monitor this and undertake a review if this was significantly different. The importance of a review being undertaken was recognised by Members and an additional recommendation was **PROPOSED** and **SECONDED** that sought to present the outcome of a review back to the Executive in twelve months time, When put to the vote, this addition was declared **CARRIED**.

It was then **RESOLVED** that the Executive:

1. approved the removal of free pest control (rats and mice treatments) service for residents and replace it with a free service for benefit recipients only (Option 4 refers at paragraph 4.4 of the presented agenda report);
2. accepted and approved the tender from Terminix to deliver the service in South Hams area; and
3. request that officers undertake a twelve month review, with the outcome then reported back to the Executive

E.08/20 **EXCLUSION OF PUBLIC AND PRESS**

RESOLVED

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 item of business as the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Act is involved.

E.09/20 **URGENT ITEM: FUSION UPDATE**

Members considered an exempt report that outlined the proposed

approach to further support of the Fusion Leisure Group. It was noted that this item had been brought forward as an urgent item in light of the associated time constraints.

The Lead Member for Health and Wellbeing updated on the current situation with the Fusion Leisure Group following the impacts due to the Covid-19 pandemic.

Members sought clarification about facilities available to residents, potential long term impact, what Fusion would be paying for and what these monies would cover.

There followed a full and frank discussion and it was then **RESOLVED** that the Executive **RECOMMENDED** to Council:

1. To provide interim financial support of £88,000 (as set out in Appendix A of the report) to Fusion, on terms to be agreed by the Director of Place and Enterprise, in consultation with the Section 151 Officer, to secure positive health and wellbeing outcomes in the District, which are the re-opening of the new pool and dryside in Ivybridge and the dryside facilities in Kingsbridge;
2. That the cost of £88,000 is funded from the Economic Regeneration Earmarked Reserve and it is noted that this interim financial support covers the months of July, August and September for leisure provision.
3. That a future decision on leisure provision for the months of October 2020 onwards is taken at the Council meeting on 24th September 2020.

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.09/20 WHICH WAS A RECOMMENDATION TO THE SPECIAL COUNCIL MEETING HELD ON 30 JULY 2020, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY 10 AUGUST 2020 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 10:00 am and concluded at 11:21 am)

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 September 2020. 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 regular basis. The Plan is published in hard copy and on the Council's website (www.southhams.gov.uk)

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 Democratic Services on 01803 861105 or by e-mail to democratic.services@swdevon.gov.uk

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

NON-KEY DECISIONS TO BE TAKEN BY THE EXECUTIVE

Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of Consultation
Council	Title: Recovery Plan to the Covid-19 Crisis Purpose: to consider the recommendations of the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee on the draft Recovery Plan	Cllr Pearce / Drew Powell	Report of the Director of Governance and Assurance	17 Sept 2020	To be considered at the joint Overview and Scrutiny Panel / Development Management Committee meeting on 3 Sept 2020
Council	Title: Amended Draft Budget 2020/21 Purpose: To consider a report that presents an amended budget for 2020/21 in light of the impact of Covid-19	Cllr Pearce / Lisa Buckle	Report of the Section 151 Officer	17 Sept	To be considered at the joint Overview and Scrutiny Panel / Development Management Committee meeting on 3 Sept 2020
Strategic Planning / Environment	Title: Coastal Concordat Purpose of report: To outline to Members the protocol for formal processes where these are shared across administrative boundaries / responsibilities	Cllr Pearce / Rob Sekula	Report of Head of Place Making Practice	17 September 2020	
Homes	Title: Community Housing Update Report Purpose: To update Members on the community housing programme and bring forward recommendations for St Anne's Chapel and South Brent.	Cllr Bastone / Rob Ellis	Report of Community Housing Lead	17 September 2020	
Enterprise	Title: Regeneration Projects Update Purpose: to update the Council on any commercial investment opportunities	Cllr Bastone / Chris Brook	Report of Director of Place and Enterprise	22 October 2020	
Strategy	Title: Housing Strategy 2021-2026 Purpose of report: To present the draft Housing Strategy to Members for comment and to recommend to commence the formal public consultation, prior to adoption from 1 st April 2021.	Cllr Pearce / Chris Brook	Report of Director of Place and Enterprise	22 October 2020	

Council	<p>Title: Medium Term Financial Strategy for the five years 2021/22 to 2025/26</p> <p>Purpose of the report: 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.</p>	Cllr Pearce / Lisa Buckle	Report of S151 Officer	22 October 2020	
Enterprise	<p>Title: Revenue Budget Monitoring up to August 2020</p> <p>Purpose: A revenue budget monitoring report to monitor income and expenditure variations against the approved revenue budget for 2020/21 up to August 2020.</p>	Cllr Bastone / Lisa Buckle	Report of S151 Officer	22 October 2020	
Council	<p>Title: Capital Budget Monitoring Quarter 1 and Quarter 2</p> <p>Purpose of report: The report advises Members of the progress on individual schemes within the approved capital programme for 2020/21, including an assessment of their financial position</p>	Cllr Bastone / Lisa Buckle	Report of S151 Officer	22 October 2020	
Environment	<p>Title: FCC Contract Review</p> <p>Purpose: To provide Members with a review of the FCC contract performance</p>	Cllr Baldry / Jane Savage	Report of Head of Commissioning and Contracts	22 October 2020	
Environment	<p>Title: New waste Service update</p> <p>Purpose of report: To provide an update to Members on progress on the new waste service</p>	Cllr Baldry / Jane Savage	Report of Head of Commissioning and Contracts	22 October 2020	
Enterprise	<p>Title: Revision to the Commercial Investment Strategy</p> <p>Purpose: To incorporate the changes to the PWLB following the outcome of the consultation and make recommendations relating to regeneration.</p>	Cllr Bastone / Chris Brook	Report of Director of Place and Enterprise	22 October 2020	
Environment	<p>Title: Outcome of TAP Consultation on Parking Charges increase</p>	Cllr Baldry / Emma Widdicombe	Report of Senior Specialist Parking	22 October 2020	Car parking and street car parking enforcement to be discussed with Devon County Council to

	Purpose of report: To outline where the 4% increase in car parking charges, agreed at Full Council 13 th February, will be applied in SHDC car parks				talk to about joint enforcement.
Homes	Title: Gypsy and Traveller update and options Purpose of report: To provide an update to Members for future options on Gypsy, Traveller and Caravan dwelling community	Cllr Bastone / Alex Rehaag	Report of Senior Specialist Affordable Housing	22 October 2020	
Enterprise	Title: Release of S106 Funds for Affordable Housing Projects Purpose of report: To seek approval for Affordable Housing S106 expenditure on a Community Led Housing Scheme in Stoke Gabriel	Cllr Bastone / Cassandra Harrison	Report of Specialist (Place Making)	22 October 2020	
Homes	Title: Council Tax Reduction Scheme Purpose of report: To seek approval for revised Council Tax Reduction scheme	Cllr Hawkins / Issy Blake	Report of the Head of Housing, Revenues and Benefits	3 December 2020	
Council	Title: Write Off Report for Quarter 2 Purpose of report: 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.	Cllr Bastone / Lisa Buckle	Report of Strategic Finance Lead	3 December 2020	
Council	Title: Revenue Budget Monitoring to October Purpose of report: A revenue budget monitoring report to monitor income and expenditure variations against the approved revenue budget for 2020/21, and to provide a forecast of the year end position	Cllr Bastone / Pauline Henstock	Report of Head of Finance	3 December 2020	
Council	Title: Draft Revenue Budget Proposals 2021/22 Purpose: To present Budget proposals for 2021/22	Cllr Pearce / Lisa Buckle	Report of Strategic Lead of Finance	3 December 2020	
Council	Title: Capital Budget Monitoring Quarter 2 Purpose of report: The report advises Members of the progress on individual schemes within the approved	Cllr Bastone / Pauline Henstock	Report of Head of Finance	3 December 2020	

	capital programme for 2020/21, including an assessment of their financial position				
Strategy / Homes	Title: To present for consideration the final Housing Strategy, with adoption from April 2021 Purpose: To present the final housing strategy and the outcome of stakeholder consultation, including the draft annual action plan	Cllr Pearce / Issy Blake	Report of the Head of Housing, Revenues and Benefits	3 December 2020	
Council	Title: Draft Capital Programme Proposals 2021/22 Purpose: To present Capital Programme proposals for 2021/22	Cllr Pearce / Lisa Buckle	Report of Strategic Lead of Finance	3 December 2020	
Health & Well-being	Title: Domestic Abuse Policy Purpose: To outline the proposed policy for dealing with Domestic Abuse and seek agreement thereon	Cllr Hawkins/ Louisa Daley	Report of Specialist – Community Safety	3 December 2020	

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**MINUTES OF THE MEETING OF THE
OVERVIEW & SCRUTINY PANEL
HELD AT FOLLATON HOUSE, TOTNES ON
THURSDAY, 16 JULY 2020**

Panel Members in attendance:			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr L Austen	*	Cllr H Reeve
*	Cllr J P Birch (Chairman)	*	Cllr J Rose
*	Cllr M Chown	*	Cllr P C Smerdon (Vice Chairman)
*	Cllr S Jackson	*	Cllr B Spencer
*	Cllr J McKay	*	Cllr J Sweett
*	Cllr D M O'Callaghan	*	Cllr D Thomas
*	Cllr J T Pennington		

Other Members also in attendance:
Cllrs V Abbott, K J Baldry, H D Bastone, J Brazil, D Brown, J D Hawkins, J M Hodgson, T R Holway, N A Hopwood, G Pannell, J A Pearce, K Pringle, R Rowe and B Taylor

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Deputy Chief Executive and Democratic Services Manager
7	O&S.4/20	Head of Housing, Revenue and Benefits, Senior Housing Specialist and Housing Specialist
8	O&S.5/20	Head of Commissioning and Contracts and Senior Specialist (Waste Strategy and Commissioning)
9	O&S.6/20	Head of IT

O&S.1/20 MINUTES

The minutes of the meeting of the Overview and Scrutiny Panel held on 27 February 2020 were confirmed as a correct record and signed by the Chairman.

O&S.2/20 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting but there were none made.

O&S.3/20 PUBLIC FORUM

In accordance with the Public Forum Procedure Rules, the Chairman informed that no questions had been received for consideration but there were none received.

O&S.4/20 EXECUTIVE FORWARD PLAN

The Panel was presented with the most recently published Executive Forward Plan.

In response to a request for an update on the 'Formation of a Wholly Owned Company' proposal, officers advised that legal advice had been sought on the most appropriate means of structuring such a Company and it was agreed that a more detailed update would be presented to the Panel meeting to be held on 8 October 2020.

(a) Homelessness Strategy Action Plan

The Panel considered a report that sought to recommend to the Executive that the Homelessness Strategy Action Plan for 2020-21 be adopted.

In the ensuing debate, particular reference was made to:-

- (i) the Young Devon project begin particularly well received in local schools;
- (ii) the work of lead officers. A number of Members in attendance paid tribute to the excellent work undertaken by those lead officers working on the homelessness prevention agenda. As a consequence, an additional recommendation (as below) was **PROPOSED** and **SECONDED** and, when put to the vote, was declared **CARRIED**:

'That the Panel thank the Housing Team for the production of an excellent report and for all of their hard work.'

- (iii) the impact of the COVID-19 pandemic. When questioned, officers confirmed that, whilst the service had not seen a significant spike in instances of Domestic Violence, it was already becoming apparent that the impacts on both mental health and financial hardship were proving to be very significant;
- (iv) the Action Plan providing focus towards moving rough sleepers into temporary accommodation. Officers proceeded to assure the Committee that they monitored the rough sleeper situation particularly closely;
- (v) widespread support being expressed for the adoption of the Action Plan.

It was then:

RESOLVED

1. That, with effect from 1 April 2020, the Executive be **RECOMMENDED** to adopt the Homelessness Strategy Action Plan 2020/21 (as attached at Appendix 3 of the presented agenda report); and
2. That the Panel thank the Housing Team for the production of an excellent report and for all of their hard work.

O&S.5/20 **WASTE SERVICE UPDATE – PRESENTATION AND BRIEFING NOTE**

The Head of Commissioning and Contracts conducted a presentation that provided an update on the proposed revisions to the Waste and Recycling Service.

During discussion, the following points were raised:-

- (a) The importance, as the project evolved, of both regular Member involvement and awareness and a clear Communications Strategy were stressed by a number of Members;
- (b) It was confirmed that the new Service was being developed to reflect the public wish to increase recycling provision. For example, officers advised that the new Service would include the provision for kerbside collection of glass materials;
- (c) With regard to the disposal of single use gloves and face masks, it was confirmed that Government guidance was that these could not be recycled at this present time. In recognising that there was an organisation that was offering to recycle these products, it was requested that officers look to signpost residents to the availability of this service;
- (d) In response to a specific staffing matter raised, officers advised that they would report the issue to the contractor and ask that all of their staff be reminded of their Code of Conduct;
- (e) The lead Executive Member encouraged his fellow Members to refrain from raising day-to-day operational issues with the lead officers. Instead, the Member requested that such matters be raised either via the Localities Service or the 'report online' functionality on the Council website;
- (f) The Committee was assured that all Members would have advanced sight of the proposed round reviews prior to them being implemented. This assurance was welcomed by a number of Members;

- (g) It was hoped that the public confusion over what currently could (and could not) be recycled would be overcome through the new Service;
- (h) A Member felt that the cost implications arising from the new Service should be considered at a future meeting of the Audit Committee. Since the Member was a serving Audit Committee Member, the Chairman encouraged him to raise it at a future meeting of that Committee at the time when the future Work Programme was being discussed.

It was then:

RESOLVED

That the Panel thank lead officers for their presentation and supporting Briefing Note that outlines the delay to the Waste and Recycling Service.

O&S.6/20 ICT UPDATE

A report was considered that provided an overview of work that had been completed in the IT service area during the previous twelve months as part of a continuous programme of work designed to further improve its security, resilience, availability and capability. In addition, the report also highlighted proposed improvements to be implemented over the year ahead.

In discussion, the following points were raised:

- (a) Officers confirmed that a detailed training programme would be made available to Members during the proposed roll-out of Microsoft Teams and Office365;
- (b) Members were advised that, whilst the service had been required to work from home during the Pandemic, this had not resulted in any impact on service delivery or the progress of the Future IT project;
- (c) With regard to the constraints arising from regular software and security updates, all Members were encouraged to shut down their IT devices at the end of each day to minimise the impact of any disruption.

It was then:

RESOLVED

That the Panel note the continuous improvement and evolution of the Council's IT platform to meet the needs of its ambitious and successful service delivery model.

O&S.7/20 OVERVIEW AND SCRUTINY ANNUAL REPORT

The Panel considered a report that presented its Annual Report for 2019/20.

In debate, Members recognised the impressive amount of work that had been undertaken by the Panel during 2019/20 and the Chairman, Vice-Chairman and lead officers were subsequently thanked for their work in supporting the effectiveness of the Overview and Scrutiny function.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** that the Overview and Scrutiny Annual Report for 2019/20 be approved.

O&S.8/20 TASK AND FINISH GROUP UPDATES

(a) Locality Service

The Panel recognised that the Locality Service would be central to the Council's Recovery Plan to the COVID-19 Pandemic. As a result, Members noted that the draft Plan was next to be considered at a joint meeting of the Panel and Development Management Committee that was to be held on 3 September 2020.

It was therefore considered appropriate for a further update from the Group to be presented to the Panel meeting to be held on 8 October 2020.

Finally, the Panel agreed a proposal whereby Cllr Sweett replaced Cllr Birch as a serving Member of the Task and Finish Group.

O&S.9/20 ANNUAL PANEL WORK PROGRAMME

During consideration of the latest version of the Panel's Annual Work Programme, the following additions, amendments and deletions were made to the Programme:

- The Chairman put forward a proposal to establish a Task and Finish Group to develop a Consultation and Engagement Strategy. In discussion, Members were supportive of this suggestion and it was **PROPOSED** and **SECONDED** and when put to vote was declared **CARRIED** that:

'1. A Consultation and Engagement Strategy Task and Finish Group (comprising of Cllrs Birch, Chown (subject to his availability to partake), Reeve, Rose (Group Chairman), Spencer and Thomas) be established; and

2. The Group be tasked with presenting its concluding report to the Panel meeting to be held on 19 November 2020.'

- The Panel was reminded of its earlier request (Minute O&S.4/20 above refers) to receive an update on the proposed formation of a Wholly Owned Company at its meeting to be held on 8 October 2020.

(Meeting started at 10.00 am and concluded at 11.50 am)

Chairman

**MINUTES OF THE JOINT MEETING OF THE
OVERVIEW & SCRUTINY PANEL AND THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD REMOTELY VIA SKYPE ON
THURSDAY, 3 SEPTEMBER 2020**

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

Other Members also in attendance:
Cllrs K Baldry, H Bastone, J Hawkins, N Hopwood and J Pearce

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Senior Leadership Team and Democratic Services Manager

OSDM.6/20 MINUTES

The minutes of the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee held on 4 June 2020 were confirmed as a true and correct record.

OSDM.7/20 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting but there were none made.

OSDM.8/20 PUBLIC FORUM

In accordance with the Public Forum Procedure Rules, the Chairman informed that no questions had been received for consideration during the agenda item.

OSDM.9/20 EXECUTIVE FORWARD PLAN

The Joint Meeting was presented with the most recently published Executive Forward Plan.

In introducing the Plan, the Chairman confirmed that, in accordance with the adopted Procedure Rules, there had been no prior requests for updates to be received on any of the items listed.

OSDM.10/20 AMENDED BUDGET 2020/21

Members considered a report that sought to recommend a series of options in order to produce an amended Revenue Budget for 2020/21.

In her introduction, the Leader of Council thanked Members for their invaluable contributions during the recent Budget Workshop and wished to put on record her gratitude for the hard work of the Section 151 Officer and her finance colleagues in producing such a comprehensive draft amended Budget for 2020/21.

In discussion, particular reference was made to:-

- (a) car parking income. In light of the summer season in the South Hams being busier than previously envisaged, a Member asked whether this had seen a positive impact on car parking income. In reply, officers advised that the information was still being compiled but would be available in time for the Executive meeting to be held on 17 September 2020;
- (b) the leisure contract. The Joint Meeting was reminded that a further report on the leisure contract was to be considered by the Council at its meeting to be held on 24 September 2020;
- (c) an amendment to part 1 of the motion. An amendment was **PROPOSED** and **SECONDED** that read as follows:

'That the Joint Meeting recommend to the Executive to recommend to Council that the options 1 to 4 (as set out in Section 5.2 of the presented agenda report) be agreed (totalling £433,000) and the remainder of £880,000 be taken from the Unearmarked Reserve, in order to produce an Amended Revenue Budget for 2020-21.'

In their support for the amendment, some Members were of the view that it would be more appropriate (bearing in mind the nature of the COVID-19 pandemic being deemed an Emergency) for Unearmarked Reserves to be used to balance the Revenue Budget for 2020-21. In contrast, other Members felt that it would not be prudent to use Unearmarked Reserves and believed that Members should trust the advice of their highly respected Section 151 Officer.

When put to the vote, the amendment was declared **LOST**.

It was then:

RECOMMENDED

That the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee **RECOMMEND** to the Executive to **RECOMMEND** to Council that:

1. the ten options totalling £1,313,000 (as summarised below) be approved in order to produce an Amended Revenue Budget for 2020/21:
 - use the third tranche of COVID-19 funding received from Central Government (£121,000);
 - use the New Burdens Government Grant funding received for the administration of the Business Rates Grants (£170,000);
 - utilise the 2019-20 Statement of Accounts underspend (£112,000);
 - use funding from the Strategic Change Transformation Programme (T18) Earmarked Reserve (£30,000);
 - cease the 2020/21 annual contribution towards building up a budget for future years for the Follaton Roof and Follaton Lift (£80,000);
 - use funding from Unearmarked Reserves (£200,000);
 - use funding from the Economic Regeneration (Business Rates Pilot Gain) Earmarked Reserve (£127,000);
 - cease the Repairs and Maintenance (R&M) contribution for the R&M Earmarked Reserve (£80,000);
 - use funding from the Business Rates Retention Reserve (£343,000); and
 - cease making a contribution to the Planning Earmarked Reserve in 2020/21 (£50,000);
2. Unearmarked Reserves be replenished through a range of measures to be agreed as part of the Medium Term Financial Strategy as set out at Section 5.8 of the presented agenda report;
3. it be noted that the future capacity of Reserves (as set out at Section 5.13 of the presented agenda report) may have to be called upon to meet any future financial challenges and/or additional requirements; and
4. the funding within the Business Rates Retention Fund be earmarked for employment land opportunities (as outlined at Section 8.7 of the presented agenda report).

OSDM.11/20 **CORONAVIRUS (COVID-19) RECOVERY AND RENEWAL PLAN DEVELOPMENT UPDATE**

The Joint Meeting was presented with a report that summarised what continued to be a highly effective response to the challenges of the Pandemic; detailed key recovery actions already completed or underway; and proposals to develop and implement the first iteration of the Council's long/medium term recovery and renewal plans.

The Chairman informed of his intention for the Meeting to consider the draft Recovery and Renewal Plan on a theme by theme basis:

Theme 1: Business and Economy

In discussion, the following points were raised:

- (a) The lead Executive Member advised that, whilst still very much in its infancy, he was committed to developing the Business Forum concept as the Plan continued to evolve;
- (b) An addition was **PROPOSED** and **SECONDED** for inclusion in the Plan that read as follows:

To include the following addition in accordance with action 1.5:
'Engage with existing businesses to understand what support they need':

'Support taxpayers who currently find themselves excluded from meaningful support.'

The proposer highlighted that there were still local taxpayers who were not able to obtain meaningful support from Central Government for a variety of reasons and he considered it to be important for the Council to do everything that it could to assist these people.

The Joint Meeting proceeded to recommend that this addition should be included in the draft Plan;

Theme 2: Place and Environment

In discussion, reference was made to:

- (a) the importance of the Climate Change and Biodiversity agenda being an underpinning issue throughout every aspect of the draft Plan;
- (b) increasing wildflower spaces and protecting wildlife corridors. Some Members singled out these actions for particular focus and felt that the Council should place significant emphasis on these matters. In addition, the view was expressed that the Council should look towards working in partnership with those local town and parish councils who had also declared a Climate Change and Biodiversity Emergency;

- (c) the need to utilise external advisors. To deliver on a number of the proposed actions, a Member felt that the Council should be looking to take advantage of the wealth of external local knowledge and expertise that was residing within the South Hams area;
- (d) the proposal to influence the development of active travel schemes. Support was expressed for the inclusion of this action within the draft Plan.

Theme 3: Residents, Communities and Partnerships

The Joint Meeting expressed its support for the content of the draft Plan as presented.

Theme 4: Service Recovery and Redesign

The Joint Meeting expressed its support for the content of the draft Plan as presented.

Theme 5: Communications and Governance

In discussion on this Theme, particular reference was made to:

- (a) the format of the Council Constitution. The need to re-design the Council Constitution to ensure that it was a more reader friendly document was recognised;
- (b) an amendment to the draft Plan was **PROPOSED** and **SECONDED** that read as follows:

'To consider utilising three day fallow periods before and after a single meeting to open up our rooms without the need for cleaning, together with broadcast streaming to include off-site attendees.'

In debate, there was support expressed for this matter to be considered at a future meeting of the Accommodation Strategy Member Working Group and it was therefore recommended that this amendment should be included in the draft Plan.

Theme 6: Financial Stability

A Member was of the view that this Theme was the most important contained within the draft Plan and the focus of the Council should be on the delivery of its statutory services.

Recommendation

Once all of the Themes had been considered by Members, an additional two parts to the report recommendation were **PROPOSED** and **SECONDED** as follows:

6. *That the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee **RECOMMEND** to Council that a Member Working Group be formed to oversee the work of the Recovery Management Team/Group/Strategy (as set out at Appendix 1 of the presented agenda report). The remit of this Working Group will be to set priorities and direct officers accordingly. This Group to become effective immediately following the Full Council meeting to be held on 24 September 2020; and*
7. *That the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee invite a representative and relevant officer from Team Devon to an informal meeting of all Members to set out its plans and actions in respect of all those items listed in Appendix 1 to the presented agenda report as being its initial responsibility for instigation.*

In discussion on the amendment, the following points were raised:

- (a) When questioned, the Chief Executive informed that Team Devon consisted of a set of working relationships between Devon County Council and the District Councils across Devon;
- (b) With regard to the proposal to establish a Member Working Group, supporters of the amendment emphasised the importance of elected Members overseeing the work of the Recovery Management Team.

When put to the vote, the amendment was declared **CARRIED**.

It was then:

RECOMMENDED

That the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee **RECOMMEND** to the Executive to:

1. Note the Council's continuing response to the Coronavirus (COVID-19) Pandemic;
2. Note the outputs of the Member Workshops as detailed in Appendix 1 of the presented agenda report;
3. Note progress on the development of the Recovery and Renewal Action Plan ('the Plan');
4. Take into account the conclusions of the Joint meeting on the Plan (as set out in the detailed minutes above);
5. Request that an update on progress against development of the Plan be brought back to an additional Joint Meeting of the Overview and Scrutiny Panel / Development Management Committee to be arranged to take place at 2.00pm on 19 November 2020;

That the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee **RECOMMEND** to Council that:

6. A Member Working Group be formed to oversee the work of the Responsible Team/Group/Strategy (as set out at Appendix 1 of the presented agenda report) specifically the Recovery Management Team. The remit of this Working Group being to set priorities and direct officers accordingly, with this Group to become effective immediately following the Full Council meeting to be held on 24 September 2020; and

That the Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee:

7. Invite a representative and relevant officer from Team Devon to an informal meeting of all Members to set out its plans and actions in respect of all those items set out in Appendix 1 to the presented agenda report as being its initial responsibility for instigation.

(Meeting started at 10.00 am and concluded at 12 noon)

Chairman

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Agenda Item 9

Report to: **Executive**

Date: **17th September 2020**

Title: **Amended Budget 2020/21**

Portfolio Area: **Budget Setting Process – Cllr Judy Pearce**

Wards Affected: **All**

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

Date next steps can be taken: **Council 24th September 2020**

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance (S151 Officer)**

Contact: lisa.buckle@swdevon.gov.uk

Recommendations:

That the Executive resolves to recommend to Council:-

- 1) To recommend to Council the ten options set out in 5.2 totalling £1,313,000, in order to produce an Amended Revenue Budget for 2020-21,
- 2) To recommend to Council to replenish unearmarked reserves through a range of measures to be agreed as part of the medium term financial strategy (MTFS) as per 5.8,
- 3) To note the future capacity of reserves set out in 5.13 which may have to be called upon to meet any future financial challenges and/or additional requirements,
- 4) To recommend to Council to earmark the funding within the Business Rates Retention Fund for employment land opportunities as set out in 8.7.
- 5) To approve Tranche 4 of the Discretionary Business Grants Policy (attached in Appendix 2), to confirm that in accordance with the Government guidance, Town and Parish Councils are able to apply to the scheme if they meet the eligibility criteria (as Section 11).

1. Executive summary

- 1.1 Covid 19 has caused financial strain for all Councils up and down the country where Councils find themselves being caught in a 'perfect storm'. Councils have to manage both the increased costs of coping with Covid19 and supporting vulnerable people in the community and the loss of key income streams such as car parking income and council tax income.
- 1.2 The factors affecting the Council's finances are issues affecting the whole Local Government sector. The Council is well-placed to meet the financial challenges arising from Covid19, due to its prudent financial management over previous years.
- 1.3 Due to the rapidly changing financial position, the Council is now undertaking monthly revenue budget monitoring reports (as opposed to quarterly). The latest revenue budget monitoring report for Month 3 (end of June) predicts a budget shortfall of £1.313 million for 2020/21. This equates to 14% of the overall budget set of £9.411 million. The options set out in 5.2 are being proposed, in order to produce an Amended Budget for 2020-21. The ten options were considered by the Joint Overview and Scrutiny Panel and Development Management Committee on 3rd September 2020 and were recommended to the Executive. The minute from the meeting is in Section 5.14 of this report.
- 1.4 This figure will change throughout the financial year as more information comes to light on items such as the collectability of outstanding debt and arrears and how income streams have been affected by the pandemic.
- 1.5 This position is after taking into account the £0.9 million Government grant already received for Covid-19 and the estimated £1.455 million Government funding that the Council is anticipating towards income losses on sales, fees and charges (the Government 'income guarantee scheme'). More detail on this is in section 3.10.
- 1.6 This forecast shortfall is based on a range of assumptions which have been made as to how much the income streams of the Council could be affected by Covid19. Projections could improve and it is difficult to predict as we don't know how quickly things will bounce back. We will be monitoring our finances on a monthly basis and as actual figures emerge, we will refine these figures and our assumptions.
- 1.7 Financial Stability is one of the themes within the Recovery and Renewal Plan which is a separate agenda item on this Committee agenda. The action plan, setting out the areas being progressed and the timescales within which this will take place, is set out in Appendix 1 of the Recovery Plan.

- 1.8 On 4th August, the Government issued new guidance on the Discretionary Business Grants scheme which stated that Town and Parish Councils were eligible to apply to the scheme if they met the eligibility criteria. The deadline for applications was 28th August.
- 1.9 Applications have been received from Dartmouth Town Council, Ivybridge Town Council and a charitable Trust associated with Totnes Town Council. The maximum grant allocation is £25,000 and only one grant per Town or Parish Council can be awarded. It is proposed that the Executive recommend approval of Tranche 4 of the Discretionary Business Grants Policy (set out in Appendix 2) to Council on 24th September. Tranche 4 is specifically just for Town and Parish Councils. Approval of Tranche 4 would allow payments for eligible grant applications (for the applications received) to be made to Town and Parish Councils by the end of September.

2. Background

- 2.1 On 13 February 2020, the Council approved the Revenue Budget for 2020-21 of £9.41 million. During March 2020, the Covid 19 pandemic started to affect the finances of Councils up and down the country. Income Losses in April, May and June totalled £1.247 million from areas such as ferry income, car parking income, planning income, rental income and the business rates pooling gain.
- 2.2 Prudent financial management in the past has meant that the Council was in a relatively healthy position financially before the pandemic hit. Since 2010, we have had to redesign our services to balance the books. We have done this by sharing a single workforce with West Devon Borough Council, generating an ongoing annual saving of £3.9 million for South Hams and by reducing our staffing levels by 30% through our Transformation Programme.

3 LATEST REVENUE BUDGET MONITORING POSITION

- 3.1 The latest revenue budget monitoring report for Month 3 (end of June) predicts a budget shortfall of £1.313 million for 2020/21. This equates to 14% of the overall budget set of £9.411 million. In this report, assumptions have been made as to how much the income streams of the Council could be affected by Covid19. For example for car parking losses, the report assumes a 30% drop in income levels from 1st July 2020. Projections could improve and it is difficult to predict as we don't know how quickly things will bounce back. We will be monitoring our finances on a monthly basis and as actual figures emerge, we will refine these figures and our assumptions.
- 3.2 The shortfall predicted will change throughout the financial year as more information comes to light on items such as the collectability of outstanding debt and arrears and how income streams have been affected by the pandemic.

- 3.3 The unprecedented nature and scale of the Covid19 pandemic has resulted in severe financial pressure on every Local Authority. Councils are still under a legal obligation to manage their finances to ensure that they provide best value whilst not operating with an overall budget deficit.
- 3.4 Section 30(6) of the Local Government Finance Act 1992 requires precepting authorities to set a balanced budget on an annual basis. A Council's budget must be "balanced", meaning that Councils must ensure that their planned spending can be met by taxation, grants and other income raised in the year, or by the use of their reserves.
- 3.5 Section 25 of the Local Government Act 2003 requires the Council's Chief Finance Officer (known as the S151 Officer), to report to Full Council on the robustness of the Council's budget and the overall adequacy of its reserves.
- 3.6 Balancing the Council's Budget has become more challenging over the years as the demand for services and the reduction in government grant funding via the austerity programme has reduced the financial flexibility of Councils.
- 3.7 Each month, Councils complete a national return that informs the Government of how much COVID-19 is affecting the finances of Councils. The point has been made that these income losses have had a much bigger impact (in proportion to Net Budgets) on District Councils, than they have on County Councils and Unitaries.
- 3.8 A lobbying letter from South West Councils was sent to the Rt Hon Robert Jenrick MP (Secretary of State for Housing, Communities and Local Government). This letter set out that the latest Government returns to MHCLG showed a financial challenge to South West Councils of over £1 billion across the region.
- 3.9 The Society of District Council Treasurers (SDCT) has engaged Local Government Futures (who are specialists in the field of Local Government Finance), to put together evidence to show the losses experienced by District Councils. This will then be used for the purpose of lobbying the Government for further funding for District Councils. In a letter from the Chairman of the District Councils' Network to the Chancellor, the financial needs of District Councils were set out, as well as stating that no part of the public sector is better placed than District Councils to catalyse and lead the recovery and that we will rise to the challenge.

- 3.10 ***On 2nd July, the Rt Hon Robert Jenrick MP announced a new comprehensive package of support for Councils, to address spending pressures and losses in income streams. There were three central pillars of support announced:-***
- A new scheme to compensate Councils for losses of income, though not in their entirety (an 'income guarantee' scheme). Councils have to meet the first 5% of losses of all budgeted sales, fees and charges and only some categories of income are allowable under the scheme. For the categories allowed, once the 5% is deducted, the Government will reimburse 75pence in every £1.
 - An extra £500million to cover extra COVID19 expenditure costs (the District Council's allocation of this funding has been announced at £121,361)
 - To allow council tax and business rate losses in income to be repaid over the next 3 years of budget cycles, instead of just the next one year
- 3.11 We are very pleased that our lobbying has been successful but there is still further work to do on this.
- 3.12 The main element of the announcement is that the Government will compensate Councils for their income losses above the first 5% of their budgeted income from sales, fees and charges. Income losses above the first 5% will be compensated by the Government paying for 75 pence in every pound of the losses thereafter. This is only the income losses from sales, fees and charges and excludes any rental income and investment income.
- 3.13 This has been estimated at £1.455 million for the Council based on the income shortfalls to date. The government grant funding of £1.455 million anticipated from the 'income guarantee scheme' has already been factored into the projected shortfall of £1.313 million. Guidance from the Government has been published and the claim form is to be shortly released by the Government. The first claim form released in September covers the period 1 April 2020 to 30 July 2020. The second claim form is released in December and covers the period 1 August 2020 to 30 November 2020 and the final claim form is released in April 2021 (for the period 1 December 2020 to 31 March 2021) and is paid in May 2021.
- 3.14 The Government announcement is below:
<https://www.gov.uk/government/news/comprehensive-new-funding-package-for-councils-to-help-address-coronavirus-pressures-and-cover-lost-income-during-the-pandemic>
- 3.15 On 19 March 2020, £1.6bn emergency funding was announced to help local authorities respond to the COVID-19 pandemic. On 18 April 2020, a further £1.6bn funding for local authorities was announced. On 2 July 2020, a further £500m funding for local authorities was announced as part of a new funding package for councils to address coronavirus pressures. South Hams District Council has received

£1,021,868 from this £3.7bn of funding (being £0.9million from the first two tranches and £121,361 from the 3rd tranche).

- 3.16 It is recognised that Town and Parish Councils have also similarly had their finances adversely affected by the pandemic. The Council is lobbying alongside NALC (National Association of Local Councils) for a separate financial package of support for Town and Parish Councils.

4 Medium Term Financial Strategy (MTFS)

- 4.1 Whilst looking to set an Amended Budget for 2020-21, the longer term position for the medium term will be borne in mind. The last Medium Term Financial Strategy in February 2020 showed an anticipated Budget Gap for 2021/22 of £0.57million. The aggregated Budget Gap by 2024/25 was £3.2 million.

- 4.2 The key variables will be items such as New Homes Bonus, negative RSG, business rates and council tax collection rates and previous income assumptions around the leisure contract. In the next Medium Term Financial Strategy (being presented in October), various scenarios and modelling around these key variables will be shown and we are pressing the Government for some early announcements on things like negative RSG and NHB (or its replacement) to inform our MTFS which we are currently modelling.

- 4.3 It should be noted that the financial landscape for Councils is ever-changing and there is still a great deal of uncertainty that Councils are working with in planning their finances for the longer term, in particular the items listed in 4.2

- 4.4 Negative Revenue Support Grant provides a 'cliff-edge' for many Councils and it would be an untenable position to introduce this in 2021-22, when there is a need to provide stability for Councils in the current financial climate. It is accepted that this would cost the Government over £150million but it would also benefit over 160 Councils. (In 2019-20 negative RSG totalled £152.9m and affected 168 Councils).

- 4.5 Sparsely populated rural Councils also need the certainty that Rural Services Delivery Grant will be continued for 2021-22, at least at its present value of £81 million in total.

5 Options to address the Budget Shortfall of £1.3million in 2020-21

- 5.1 A Member Budget Workshop took place on 27th August, to explore all options with Members on their preferred approach to addressing the Budget Shortfall identified for 2020-21 of £1.313million. Nineteen responses were received from Members on the SurveyMonkey tool used to capture Members' views on the options. The prioritisation question (the last question on the SurveyMonkey answered by Members) has also been factored into the results.

- 5.2 Each of the below options were supported by the substantial majority of Members who expressed a view:

COVID impact on the Revenue Budget		£
<i>Budget shortfall identified for 2020-21 from the Month 3 Revenue Budget Monitoring report to the Executive on 30th July 2020</i>		1,313,000
Options to address the budget shortfall		£
As per 5.3	Use the 3 rd tranche of COVID funding received from the Government (SHDC share £121,361)	121,000
As per 5.4	Use the New Burdens Government grant funding received for the administration of the Business Rates Grants	170,000
As per 5.5	Utilise the 2019-20 Statement of Accounts underspend	112,000
As per 5.6	Use funding from the Strategic Change Transformation Programme (T18) Earmarked Reserve	30,000
As per 5.7	Cease the 2020-21 annual contribution towards building up a budget for future years for the Follaton Roof and Follaton Lift	80,000
As per 5.8	Use funding from Unearmarked Reserves	200,000
As per 5.9	Use funding from the Economic Regeneration (Business Rates Pilot Gain) Earmarked Reserve	127,000
As per 5.10	Cease the repairs and maintenance (R & M) contribution for the R & M Earmarked Reserve	80,000
As per 5.11	Use funding from the Business Rates Retention Reserve	343,000
As per 5.12	Cease making a contribution to the Planning Earmarked Reserve in 2020-21	50,000
TOTAL		1,313,000

- 5.3 The Council has received a 3rd tranche allocation of COVID Government funding totalling **£121,361**. The funding was the Council's allocation from the £500 million of un-ring fenced grant funding from the Government, to respond to spending pressures.
- 5.4 The Council has paid out over £42 million in Business Grants and the **£170,000** is a New Burdens funding grant (un-ringfenced) from the Government to compensate Councils for the cost of administering the Business Grants on behalf of the Government.

- 5.5 The Statement of Accounts for 2019-20 were presented to the Audit Committee in July 2020 and these showed that the final outturn was an underspend against the budget for 2019-20 of **£112,000**. This underspend on last year's budget could be used to finance part of the budget shortfall in 2020-21.
- 5.6 The Strategic Change Transformation Programme (T18) Earmarked Reserve was created in 2015/16 and funded the T18 (Transformation Programme) set up costs. There are Nil commitments against this reserve and the reserve has an uncommitted balance of **£30,000**.
- 5.7 Cease the 2020-21 annual contribution towards building up a budget for future years for the Follaton Roof and Follaton Lift (**£80,000**). This is an annual amount being contributed every year, to build up a sinking fund for the Follaton Roof and Lift. To date, there is £160,000 currently already in the sinking fund.
- 5.8 Unearmarked Reserves currently stand at £1.9million (prior to the Accounts 2019-20 underspend of £112K being added to the balance) and the Council has agreed that a minimum level of Unearmarked Reserves of £1.5million should be held. The suggested maximum Unearmarked Reserves could be reduced by is £400,000. The proposal is to utilise **£200,000** of Unearmarked Reserves to fund the shortfall of £1.313m in 2020-21. If this were to happen, it is suggested that a future plan for how Unearmarked Reserves would be replenished should be in place. The proposal is to replenish unearmarked reserves through a range of measures to be agreed as part of the medium term financial strategy (MTFS).
- 5.9 Use funding from the Economic Regeneration Earmarked Reserve which was created to hold the 2018/19 Business Rates Pilot gain. This was additional business rates income that was generated in 2018/19 due to the Devon area having Pilot status for Business Rates. Commitments total £192,000 including £65,000 for the Ivybridge Regeneration project (Executive 18/6/20) and £88,000 for Leisure for July, August and September (Council July 2020). The uncommitted balance is **£127,000**.
- 5.10 Cease making a contribution to the Repairs and Maintenance Earmarked Reserve in 2020-21 (amount **£80,000**). The Repairs and Maintenance Earmarked Reserve has a balance of £203,000, with a £28,000 commitment against this reserve to date.
- 5.11 Use funding from the Business Rates Retention Earmarked Reserve which has a balance of £6.1million, of which at least £900,000 is uncommitted. It is proposed to use **£343,000** of funding from this reserve. Commitments mainly relate to (a) £3.5m ringfenced for Employment for the creation of local jobs (Council Feb 2018) and the acquisition of 10 acres of employment land at Sherford and to extend the lease of the starter units at Langage from 21 years to 125 years, funded from this reserve. Some of this Reserve is also needed to be retained to manage the volatility of

Business Rates income in 2020-21 and in future years, as well as appeal costs and arrears. The Business Rates system is being reviewed and redesigned by the Government as well as business rates baselines being reset in future years.

- 5.12 Cease making a contribution to the Planning Earmarked Reserve in 2020-21 (amount **£50,000**). The Planning Earmarked Reserve has a balance of £187,000, with no current commitments against this reserve.
- 5.13 The further options that were supported in the priority ranking were to reduce Unearmarked Reserves further than £200,000 and/or to make further use of a portion of the unallocated funding in the Business Rates Retention Earmarked Reserve. Any decision that Members subsequently take at Full Council on 24th September in relation to additional funding for leisure, please see section 6 below, would potentially require a call on these further options. All such decisions would require difficult choices to be made.
- 5.14 On 3rd September 2020, the Joint Overview and Scrutiny Panel and Development Management Committee considered a report on the Amended Budget 2020/21. The ten options were considered by the Joint Overview and Scrutiny Panel and Development Management Committee on 3rd September 2020 and were recommended to the Executive (Minute OSDM.10/20 refers).
- 5.15 A national pay award has just been reached which equates to a 2.75% increase from 1st April 2020. The Council had budgeted for 2% within its budget and therefore the extra 0.75% would cost an extra £52,500. This will be shown within the next revenue budget monitoring report for 2020/21 and will be reflected within the Medium Term Financial Strategy and incorporated within the budget setting process for 2021/22. This will form part of the year end outturn reported in the Council's Accounts for 2020-21.

6. Leisure provision

- 6.1 Leisure is one of the hardest hit sectors of industry from the lockdown restrictions of the pandemic. Government mandated the closure of leisure centres in March 2020 and they had to remain closed until the announcement of an opening date of 25th July 2020.
- 6.2 The current Government guidance now allows Leisure Centres to reopen with restrictions in place which limit the capacity of the facilities and key guidelines around operating practices to ensure social distancing, enhancing cleaning regimes and changes in ventilation of facilities.
- 6.3 The Covid19 pandemic and a lack of central Government support have created very challenging conditions for Fusion. At a Special Council meeting on 30 July 2020, Council agreed to provide interim financial support of £88,000 to Fusion to secure positive health and

wellbeing outcomes in the District, which were the re-opening of the new pool and dryside in Ivybridge and the dryside facilities in Kingsbridge. The cost of mothballing both centres in April, May and June has also been funded by the Council at a cost of £34.5K per month. An amount of £103,500 was approved by Council (Minute Reference CM97/19) to be funded from the Land and Development Earmarked Reserve. Therefore financial support to date for Fusion has totalled £191,500.

- 6.4 At the 24th September Council meeting, the Council will be taking a strategic decision on leisure provision for the months of October 2020 onwards, alongside the decision on the Amended Budget 2020-21 Proposals set out in this report.
- 6.5 The costs of further interim support to Fusion for the months of October 2020 to March 2021 will be set out within the 24th September Council report and these costs are not included within the £1.313million budget shortfall identified within the recent revenue budget monitoring report and would be in addition to this. Options as to how any further support to Fusion could be financed will be set out within this Council report.
- 6.6 The Council is continuing to lobby alongside South West Councils and through the Local Government Association for a specific package of Government support for the provision of leisure facilities. The Department for Culture and Media has also put a specific request for funding to the Treasury and there may be future Government support targeted at the leisure sector but we await announcements on this.
- 6.7 Members will be aware from the previous report that decisions about the operation of the District's leisure centres from October 2020 to March 2021 include a range of potential additional costs from £113,000* to £243,000. These decisions will be a matter for Full Council on 24th September 2020.
* This figure is for the mothballing of Dartmouth, for Ivybridge having the wet and dryside both open (Ivybridge is cost-neutral over the financial year to March 2021) and for Kingsbridge having the dryside open. The Totnes leisure centre is contracted by Tadpool. These figures are taken from the Council report on 30th July 2020.

7 The Collection Fund - Council Tax and Business Rates Income

- 7.1 The Collection Fund holds all payments in and out relating to Council Tax and Business Rates. As such any losses incurred will be suffered by the Collection Fund in the year and then distributed to the Council and Precepting Authorities in future years. A large part of the reductions in income will affect the Council's financial position in 2021/22 onwards, although it does affect the cashflow position of the Council in 2020/21.

- 7.2 **Council Tax: The net collectable debt for Council Tax is £78m for 2020/21.** By June 2020, SHDC collected 28.9% of the yearly total (compares against 29.73% in 2019/20) – the 0.83% drop equates to £648,000 (SHDC share £58,320). This is how much council tax income is down by in June 2020, compared against June 2019. Collection Fund losses for Council Tax could total £2.6m for the full year 2020-21 (SHDC share £234,000).
(The collection rate was 98.3% for Council Tax in 2019-20)
- 7.3 **Business Rates: The net collectable debt for Business Rates is £18.6 million for 2020/21.** (Prior to the pandemic, this was predicted to be over £30million and the additional NNDR reliefs for the total value of the expanded retail discount and nursery discount for 2020-21 total £13.778million).
- 7.4 By June 2020, SHDC has collected 30.16% of the yearly total (compared to 31.05% in 2019/20). Business rates losses could total between £0.5million to £1.0 million and the Council's share would be 40%. No pooling gain for Business Rates has been assumed for 2020/21. (The collection rate was 98.67% for NNDR in 2019-20).
- 7.5 Council Tax and Business Rates form a large share of the funding for the Council's budget and therefore these income streams are funding the essential services being delivered.
- 7.6 In the next Spending Review the Government will also determine what support Councils will need, to help them meet the pressures of income losses from council tax and business rates. The Government has said that they are bringing in changes to allow Councils to spread their Collection Fund losses (for losses in Council Tax and Business Rates income) over the next three years instead of over the next one year. So this will allow council tax and business rate losses in income, to be repaid over the next 3 years of budget cycles, instead of just the next one year. The Government will also agree an apportionment of irrecoverable council tax and business rate losses, between central and local Government for 2020 to 2021. More details are awaited on this from the Spending Review, to be able to understand the detail of how Councils will be supported by this.
- 8. Review of Earmarked Reserves and General Fund Reserves**
- 8.1 As part of the Budget Workshop on 27th August, the Council also undertook a review of its Earmarked Reserves through reviewing the commitments against the Earmarked Reserves, its unallocated balance and the contributions to/from Earmarked Reserves for 2020/21 also.
- 8.2 A schedule of Earmarked Reserves is attached at Appendix 1, which shows Earmarked Reserves have a balance of £13.998 million at 31.3.2020. Reserve levels will be kept under constant review.

- 8.3 The Council's level of Unearmarked Reserves currently stands at £1.9 million (prior to the Accounts underspend for 2019-20 going into Unearmarked Reserves). As part of the Medium Term Financial Strategy and at Council in February 2020, Members have set a minimum balance for Unearmarked Reserves of £1.5 million, based on a risk assessment basis and a sensitivity analysis.
- 8.4 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances (this was recommended at £1.5million being the minimum level). Since February 2020, the financial risks which all Councils face will have increased. Section 25 of the Local Government Act 2003 requires the S151 officer to report on the adequacy of the Council's financial resources on an annual basis.
- 8.5 Unearmarked Reserves currently stand at £1.9million (prior to the Accounts 2019-20 underspend of £112K being added to the balance) and the Council has agreed (February 2020) that a minimum level of Unearmarked Reserves of £1.5million should be held. The suggested maximum Unearmarked Reserves could be reduced by is £400,000. The proposal in 5.8 is to utilise £200,000 of Unearmarked Reserves to fund the shortfall of £1.313m in 2020-21. If this were to happen, it is suggested that a future plan for how Unearmarked Reserves would be replenished should be in place.
- 8.6 It is proposed to replenish unearmarked reserves through a range of measures to be agreed as part of the medium term financial strategy (MTFS). The results of the Members' Budget Survey were such that 55.6% of Members supported using Unearmarked Reserves, with some Members wishing to take as much as £900,000 from Unearmarked Reserves. This would reduce Unearmarked Reserves by nearly half and would mean that Unearmarked Reserves were significantly below the previously minimum level approved by Members of £1.5 million (approved at Full Council on 13th February 2020).
- 8.7 The Business Rates Retention Earmarked Reserve has a balance of £6.1million, of which at least £900,000 is uncommitted. There is a current commitment against this Reserve for the acquisition of 10 acres of employment land at Sherford. As this opportunity no longer looks to be achievable by the Council to make a purchase, **it is proposed that this funding is instead earmarked for employment land opportunities (rather than specifically being for Sherford).**
- 8.8 All other uncommitted amounts in all other Earmarked Reserves (see Appendix 1) will remain subject to review until further notice, with the exception of Reserves for the Salcombe Harbour Board, as these are subject to decisions by the Salcombe Harbour Board.

9. Spending Review and Business Rates Retention

- 9.1 The Government has also confirmed that the Review of Relative Needs and Resource and 75% business rates retention will no longer be implemented in 2021-22. This was to enable Councils to focus on meeting the immediate public health challenge posed by the pandemic.
- 9.2 The Chancellor has confirmed that the 2020 Spending Review will be finalised this Autumn and will cover the years 2021/22 to 2023/24.
- 9.3 Auditing regulations for the Council's accounts has also been changed. There have been amendments to the statutory audit deadlines for 2019/20 for all Local Authorities, meaning that the deadline for final, audited accounts has been extended to 30 November 2020.

10. Options available and consideration of risk

- 10.1 The financial forecasts are based on a number of assumptions including the level of income losses and support from the Government. In addition there are a number of uncertainties that could affect the financial position either now or in the future. These include whether there is a second wave and additional restrictions imposed.

11. Discretionary Business Grants Policy

- 11.1 On 4th August, the Government issued new guidance on the Discretionary Business Grants scheme which stated that Town and Parish Councils were eligible to apply to the scheme if they met the eligibility criteria. The deadline for applications was 28th August. Applications have been received from Dartmouth Town Council, Ivybridge Town Council and a charitable Trust associated with Totnes Town Council.
- 11.2 It is proposed that the Executive recommend approval of Tranche 4 of the Discretionary Business Grants Policy (set out in Appendix 2) to Council on 24th September. Tranche 4 is specifically just for Town and Parish Councils. Approval of Tranche 4 would allow payments for eligible grant applications (for the eligible applications received) to be made to Town and Parish Councils by the end of September.
- 11.3 The maximum grant allocation is £25,000 and only one grant per Town or Parish Council can be awarded. The eligibility criteria are set out in Tranche 4 of the Discretionary Business Grants Policy (Appendix 2).

11.4 So far the Council has paid £1,403,000 to 308 businesses under the Discretionary Business Grants Policy (Tranches 1 to 3). The Council's Government grant allocation (budget) is £2,317,250. Final payments will be made by the end of September, in accordance with the Government guidance.

11.5 The Discretionary Business Grants Policy was developed in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy on 1st May 2020 which set out the circumstances whereby a grant payment may be made by the Council to a business who has not previously qualified for a direct business grant and is suffering a significant fall in income due to the COVID19 crisis.

12. Proposed Way Forward

12.1 Members are recommended to recommend to the Council in September to approve the options outlined in Section 5.2 for balancing the Council's Amended Budget for 2020-21.

13. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Local Government Finance Act 1992 places a legal requirement on Council to approve not only the budget but also any changes to the budget proposed during the year. Council has a legal duty to ensure that the budget is balanced and that any changes to the budget are fully funded.
Financial implications to include reference to value for money	Y	<p>The budget monitoring report identifies an overall predicted shortfall of £1.313 million which is 14% of the overall budget set for 2020/21 of £9.411 million, due to the current pressures on the Council's income targets due to the Covid 19 situation and extra expenditure incurred.</p> <p>Following a Members' Budget Workshop on options for setting an Amended Budget for 2020-21, it is proposed to Council in September to approve the options set out in 5.2 totalling £1.313 million, in order to produce an Amended Revenue Budget for 2020-21.</p>

		<p>It is proposed to replenish unearmarked reserves through a range of measures to be agreed as part of the medium term financial strategy (MTFS) as per 5.8.</p> <p>To recommend to Council to earmark the funding within the Business Rates Retention Fund for employment land opportunities as set out in 8.7.</p> <p>It is also proposed to approve Tranche 4 of the Discretionary Business Grants Policy (attached in Appendix 2), to confirm that in accordance with the Government guidance, Town and Parish Councils are able to apply to the scheme if they meet the eligibility criteria. The maximum grant allocation is £25,000 and only one grant per Town or Parish Council can be awarded. The deadline for applications was 28th August. Further information is set out in Section 11.</p>
Risk	Y	See 10.1
Supporting Corporate Strategy		The budget monitoring process supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change – Carbon / Biodiversity Impact		None directly arising from this report.
<i>Comprehensive Impact Assessment Implications</i>		
Equality and Diversity		None directly arising from this report.
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

Appendix 1 – Schedule of Earmarked Reserves

Appendix 2 – Discretionary Business Grant Scheme (Tranche 4 for Town and Parish Councils)

Background Papers:

Joint Overview and Scrutiny Panel and Development Management Committee – 3rd September 2020 – Amended Budget for 2020/21
Executive – 30th July 2020 - Month 3 Revenue Budget Monitoring 2020/2021
Special Council – 30th July 2020 – Fusion Interim Support

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A

South Hams Earmarked Reserve Balances				APPENDIX 1
	31.3.2019	31.3.2020	Annual budgeted reserve contribution originally agreed for 20/21	Notes
	£000	£000	£000	
Specific Reserves - General Fund				
Affordable Housing	988	706		£666k has been committed for the Capital Programme and £40k set up costs of the Community Benefit Society, Wholly Owned Company (E.78/19)
Beach Safety	14	14		Nil commitments
Business Rates Retention	5,114	6,192		This relates to a timing issue on the accounting adjustments required for the localisation of business rates. This reserve also deals with any volatility in Business Rate income e.g. due to appeals. Commitments mainly relate to (a) £3.5m ringfenced for Employment for the creation of local jobs (Council Feb 2018) (b) the acquisition of 10 acres of employment land at Sherford and (c) on 31 October 2019 the Executive recommended to Council to use up to £200k to fund the cost of extending the lease of the starter units at Langage from 21 years to 125 years, funded from this reserve. The uncommitted balance is at least £900,000.
Capital Programme	84	26	181.6	An annual contribution of £181,600 is paid into the Capital Programme Reserve from the Revenue Budget. This contribution is used annually to fund the Capital Programme and this reserve is fully committed in 2020/21.
Community Housing Fund	1,285	493		This reserve holds the Community Housing Fund grant received in 2016/17 of just under £1.9m (Government grant). £300k has been committed to date for 2020/21. The Reserve is for Community Housing Schemes.
Community Parks and Open Spaces	107	38	16.9	£17k has been committed in respect of South Devon Tennis Courts
District Elections	78	0	10	This reserve was fully utilised in 2019/20 to fund the cost of District Elections.
Economic Initiatives	27	6		Commitments amount to £4,000 in 2020/21
Economic Regeneration (Business Rates Pilot Gain)	379	319		This reserve was created to hold the 2018/19 Business Rates Pilot Gain. This was additional business rates income that was generated in 2018/19 due to the Devon area having Pilot status for Business Rates. Commitments total £192,000 including £65,000 for the Ivybridge Regeneration project (Executive 18/6/20) and £88,000 for Leisure for July, August and September (Council July 2020). The uncommitted balance is £127,000.
Emergency Climate Change Projects	0	0	400	Set up of this reserve for £400,000 in 2020/21 approved by Executive on 6/2/20 E74/19 and Council (Feb 20), funded by a contribution from New Homes Bonus Reserve
Environmental Health Initiatives	20	20		Commitment of £11k in 2020/21 relates to the employment of an Environmental Health student specialist for 12 months
Ferry Repairs & Renewals	455	446	117	Commitments include fleet refurbishment £24k and engineering works at Dartmouth Lower Ferry Workshops (health & safety urgent works) £94k
Homelessness Prevention	112	112		This reserve has been created following underspends on Homelessness Prevention Costs in previous years.
ICT Development	126	122	50	Commitments of £103,000 in 2020/21 include £83,000 towards the Future IT Procurement, Council 13/2/20 E75/19
Innovation Fund (Invest to Earn)	17	9		Nil commitments
Joint Local Plan	31	21		This is a new reserve for Joint Local Plan Funding
Land and Development	94	210	7	Commitments include £103.5k Fusion Leisure monthly support for April, May and June and £55k Follaton House Arboretum & Wedding Venue works
Leisure Services	57	57		Commitment for £13K for Playing Pitch Strategy
Maintenance, Management and Risk Management (MMRM)	0	8		This is a new reserve set up to manage the ongoing maintenance costs of the Council's Commercial Property. The contributions to the reserve equate to 10% of the rental income, this is anticipated to be £29,000 in 2020/21.
Marine Infrastructure	210	268	58	£200k earmarked for Batson Harbour Workshops as per 19/20 Capital Programme (E.70/18). Annual contributions of £58K are made by Salcombe Harbour.
Members Sustainable Community Locality	6	28		This reserve holds the unspent balances.
New Homes Bonus	1,155	1,697	-564.1	£1.199m will be received in NHB grant in 2020/21. Commitments in 2020/21 include £564k contribution to the base revenue budget, £400k to the Emergency Climate Change Projects Reserve and funding of the Capital Programme. At Council in February 2020, it was approved to transfer the unallocated balance of £235,016 into the New Homes Bonus Earmarked Reserve, with its future use to be decided when more details are known about the Spending Review for 2021/22 and following a Government consultation document on a replacement scheme for NHB. The uncommitted balance is £235,016.
On-Street Parking	44	44		
Pay & Display Equipment Renewals	123	144		This reserve provides for the periodic replacement of Pay & Display machines.
Pension Fund Strain Payments	0	29		This reserve is used to fund pension strain costs

South Hams Earmarked Reserve Balances				APPENDIX 1
	31.3.2019	31.3.2020	Annual budgeted reserve contribution originally agreed for 20/21	Notes
	£000	£000	£000	
Planning Policy & Major Developments	125	187	50	This reserve is for all planning matters and is also to meet appeal costs.
Renovation Grants	7	7		Comprises proceeds from repayments
Repairs & Maintenance	45	203	80	£28,000 has been committed in 2020/21 for the Mobile Phone Signal improvement works at Follaton House
Revenue Grants	578	607	-48.7	This reserve comprises of government grants received for specific initiatives or new burdens and are held in the reserve for accounting purposes. The annual contribution of £48,700 from this reserve relates to the funding of three housing posts which were made permanent in the 2020/21 budget process and are funded from the Flexible Homelessness Support Grant.
S106 Monitoring	124	133		This reserve funds the cost of an officer to oversee the administration of S106 deposits and how they are spent
S106 Technical Support	20	16		To meet the salary costs of a S106 technical support officer.
Section 106 Deposits	38	38		This reserve comprises deposits with no repayment conditions - created as a result of IFRS
Strategic Change (Transformation Programme T18)	0	30		Reserve was created in 15/16 and funded T18 (Transformation Programme) set up costs. There are Nil commitments against this reserve. The uncommitted balance is £30,000.
Support Services Trading	43	43		Reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme. Reserve maybe required in the future.
Sustainable Waste Management	29	54	25	Reserve was created for one-off waste management costs
Vehicles & Plant Renewals	1,264	1,183	550	Earmarked for the Fleet Replacement Programme as part of the Waste Contract. An annual contribution of £550,000 is made to this reserve. All committed.
Sub-Total	12,799	13,510		
Specific Reserves - Salcombe Harbour				
Pontoons	213	162	65	Annual contributions are made by Salcombe Harbour to enable the repairs/replacement of the pontoons
Renewals	117	136	40	Annual contributions are made by Salcombe Harbour to enable assets to be replaced on a rolling programme
Revenue Account	164	190		This reserve accounts for any surplus/deficit made by Salcombe Harbour and is also used to fund one off items that can't be funded from Salcombe Harbour's revenue account.
Sub-Total	494	488		
TOTAL - Earmarked Revenue Reserves	13,293	13,998	1,157.5	



South Hams
District Council

**South Hams District Council
Discretionary Business Grant Scheme
Tranche 4
2020/21**

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1.0 Purpose of the scheme

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Discretionary Business Grants Scheme.
- 1.2 The new Discretionary Business Grant Scheme has been developed in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 1st May 2020 which sets out circumstances whereby a grant payment **may** be made by the Council to a business who has not previously qualified for a direct business grant and is suffering a significant fall in income due to the COVID-19 crisis.
- 1.3 This document sets out the criteria for the final tranche (Tranche 4) of the scheme. This final tranche has been developed in response to a Government announcement on 4th August from the Department of Business, Energy and Industrial Strategy (BEIS) which stated that Town and Parish councils are also eligible for Discretionary Grant Funds if they meet all the scheme criteria.
- 1.4 This scheme is in addition to the previous policy which covered tranches 1, 2 and 3 and which applied more widely to both national and locally set priority businesses.

2.0 Funding

- 2.1 Central Government originally provided the Council with a sum of £2,317,250 which represented 5% of the projected allocation for the Direct Business Grants. The funding level is finite and therefore the Council, although keen to ensure that grants are given to the maximum number of businesses, is conscious that its expenditure cannot exceed that amount.
- 2.2 The Council will limit the total awards to the level of funding available from Central Government.

3.0 Eligibility criteria for Tranche 4 only.

- 3.1 Paragraph 3.2 outlines the criteria that will need to be met in respect of **all** Tranche 4 applications. Any business failing to meet the criteria or failing to provide the Council with sufficient information to determine whether they meet the criteria, will not be awarded a Discretionary Business Grant.
- 3.2 Assistance *may* be given to businesses that meet the following criteria:
 - Businesses that have been provided by Town Council and Parish Councils (as defined by the Local Government Finance Act 1988);
 - Businesses with relatively high ongoing fixed property-related costs;
 - Businesses which can demonstrate that they have suffered a fall in income due to the COVID-19 crisis; and
 - Businesses must have been trading on 11th March 2020.

3.3 In addition, businesses which are **eligible** for any of the following are **ineligible for any Discretionary Business Grant**:

- Small Business Grant Fund;
- Retail, Hospitality and Leisure Grant;
- The Fisheries Response Fund;
- Domestic Seafood Supply Scheme (DSSS);
- The Zoos Support Fund;
- The Dairy Hardship Fund;

4.0 Definitions - Eligibility Criteria (Tranche 4 only)

4.1 For the sake of clarity the following definitions are provided in respect of the criteria set out in paragraphs 3.2 and 3.3:

- **Businesses that have been provided by Town Councils as defined by the Local Government Act 1972**
 - This current tranche, (Tranche 4) has been designed for all businesses which are the responsibility and run by either a Town or Parish Council as defined within Part 1 of the Local Government Act 1972;
 - Grants will only be paid in respect of premises which are occupied **not** unoccupied.
- **Businesses must have relatively high ongoing fixed premises related costs** – for the purpose of this scheme, the Council determines fixed premises-related costs to be;
 - Payments of mortgage, lease, rent or licence for business premises or mooring charges and fees;
 - The payments must represent a high proportion of expenses in relation to the overall income of the business; and
 - The payments are unavoidable and are ongoing.
- **Businesses must demonstrate that they have suffered a fall in income due to the COVID-19 crisis** – the Council has determined that applicants certify that there has been a fall in income due to the COVID-19 crisis and not a general failure of business;
- **Businesses must be trading on 11th March 2020** – the Council will require the business to certify that the it was trading on 11th March 2020 and was not dormant, subject to a winding up order, in administration or subject to striking off;

- **Eligible to a grant under the Small Business Grant Scheme or the Retail Hospitality or Leisure Scheme¹** – where the business is either eligible to receive or has received a grant under either of the two schemes administered by the Council, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Fisheries Response Fund** – as administered by the Marine Management Organisation (MMO) and funded by HM Treasury and the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Domestic Seafood Supply Scheme (DSSS)** as administered by the Marine Management Organisation (MMO) and funded by HM Treasury and the Maritime and Fisheries Fund. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Zoos Support Fund** as administered by the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;
- **Eligible to assistance under the Dairy Hardship Fund** as administered by the Department for Environment, Food and Rural Affairs. Where the business or person is eligible to assistance under this fund, no Discretionary Business Grant shall be awarded;

5.0 How will grants be provided to businesses?

- 5.1 The Council is fully aware of the importance of grants to assist businesses and support the local community and economy.
- 5.2 In all cases, a simple application form **is** required, and this can be completed on-line at the Council's website:
<https://www.southhams.gov.uk/discretionarygrants>
 Supplementary information may be required.
- 5.3 An application for a Discretionary Business Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.

¹ **Eligibility Criteria for either the Small Business Grant or Retail Hospitality and Leisure Grant** as determined by the Department for Business, Energy & Industrial Strategy and administered by the Council;

6.0 How much grant will be payable

- 6.1 Central Government has determined that there shall be a 'cap' on grants of £25,000 per business and that the next level of grant shall be £10,000. However, the Council under Central Government guidance, has the following discretion:
- (a) Whether to award grants at the £25,000 or £10,000 level; and
 - (b) To determine whether grants of less than £10,000 should be awarded.
- 6.2 Only **one** Discretionary Business Grant will be awarded per Town Council or Parish Council and the Council will determine the amount of the grant awarded for each on a case by case basis taking into account the following factors:
- the fall in business income due to the COVID-19 crisis;
 - the amount of fixed on-going premises costs; and
 - the number of employees.
- 6.3 In deciding the level of grant, the Council will look at all the businesses affected which are run by individual Town or Parish Councils and will consider the cumulative effect of the crisis.

7.0 Limitation of funds and applications

- 7.1 All monies paid through the Discretionary Business Grant scheme will be funded by Central Government and paid to the Council under S31 of the Local Government Act 2003. However, as mentioned in paragraph 2, the funds are limited and, as such, the Council is not able to award a grant where funds are no longer available.
- 7.2 All applications must be made online by midnight 28th August 2020 in line with Central Government guidelines. No applications will be accepted after this date.
- 7.3 Claims are available on the Council's website as shown in paragraph 5.2. All claims will be made online and this will also include the provision of such evidence as required by the Council.
- 7.4 As there is potentially insufficient funds available for all grant applicants, not all applicants will be successful, and some businesses will be left disappointed.

8.0 EU State Aid requirements

- 8.1 Any Discretionary Business Grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).

- 8.2 Any grant awarded is required to comply with the EU law on State Aid.² This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission Covid-19 Temporary Framework.
- 8.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

9.0 Scheme of delegation

- 9.1 The policy has been approved under Part 3(a) of the Council Constitution: Scheme of Delegation. The Head of Paid Service used delegated authority in consultation with the Leader and Deputy Leader of the Council.
- 9.2 Officers of the Council will administer the scheme and the Corporate Director for Strategic Finance and the Director – Place and Enterprise are authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Central Government guidance.

10.0 Notification of decisions

- 10.1 Applications will be considered by designated officers of the Council.
- 10.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after the closure of the application period.

11.0 Reviews of decisions

- 11.1 All grants will be approved by the S151 Officer, Director of Place and Enterprise and Head of Customer Improvement. This decision will be final and there will be no appeal process.

12.0 Complaints

- 12.1 The Council's 'Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about this scheme.

13.0 Other scheme conditions

- 13.1 The Council has been informed by Treasury that all grants are taxable. Applicants should make their own enquiries to establish any tax position or liability.

14.0 Managing the risk of fraud

- 14.1 Neither the Council, nor the Government will accept deliberate manipulation of the scheme and fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.
- 14.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.
- 14.3 The Council reserves the right to reclaim any grant paid in error.

15.0 Data Protection

- 15.1 All information and data provided by businesses shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.
- 15.2 The Council will not make available lists of businesses that have applied or that have been successful for grant payment.

Report to: **Executive**

Date: **17th September 2020**

Title: **Signing up to the Coastal Concordat**

Portfolio Area: **Leader – Strategic Planning**

Wards Affected: **Those adjacent to the coast or tidal estuary**

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

Date next steps can be taken: **After call in**

Author: **Rob Sekula** Role: **Senior Specialist – Natural Resources and Green Infrastructure**

Contact: **01822 813701/email: rob.sekula@swdevon.gov.uk**

Recommendation: that the Executive Committee

1. Agrees to sign up to the Coastal Concordat with immediate effect

1. Executive summary

- 1.1 The Coastal Concordat is an agreement between the main regulatory bodies and coastal Local Planning Authorities, providing a framework within which the separate processes for the consenting of coastal developments in England can be better coordinated. The Concordat offers benefits to applicants, regulators and advisors alike by reducing unnecessary regulatory duplication, providing better sign-posting, streamlining assessments and increasing transparency and consistency of advice.
- 1.2 The Department for Environment, Food and Rural Affairs (Defra) contacted the District Council inviting it to sign up to the Concordat, and to assist them with meeting the commitment in the Government's 25 Year Environment Plan for all Local Authorities with a coastal interest in England to be signed up by 2021.

2. Background

- 2.1 The original Coastal Concordat for England dated 11 November 2013 was an agreement between the Department for Environment, Food and Rural Affairs, the Department for Communities and Local Government (now the Ministry of Housing, Communities and Local Government (MHCLG)), the Department for Transport, the Marine Management Organisation, the Environment Agency, Natural England and the Local Government Association Coastal Special Interest Group. Whilst signed by these Government Departments and advisory bodies, there was limited sign up from Local Planning Authorities.
- 2.2 Following periodic reviews in 2018 and 2019 by representatives of the above departments and bodies of the effectiveness of the Concordat with a view to updating the agreement, the principles of the Concordat were clarified.
- 2.3 The Government's 25 Year Environment Plan ([A Green Future: Our 25 Year Plan to Improve the Environment](#)) states (p107): *"We will continue to implement a marine licensing regulatory regime that supports sustainable development while protecting the natural capital and wellbeing of the marine environment and all local authorities with a coastal interest will be signed up to the Coastal Concordat by 2021"*.
- 2.4 Following completion of the 2019 review and to meet the timescale committed to in the 25 Year Environment Plan, in 2020 Defra contacted Local Authorities with a coastal interest to encourage them to sign up to the new Concordat. Within the South West, Plymouth City, Cornwall and Dorset Councils are known to have signed up to the Concordat, and North Devon have resolved to do so.
- 2.5 The Concordat applies to the consenting of coastal developments in England where several bodies have a regulatory function, and is designed to form the basis of agreements between the main regulatory bodies and coastal local planning authorities. It provides a framework within which the separate processes for the consenting of coastal developments in England can be better coordinated.
- 2.6 The Concordat is based on five high level principles, as set out below:
 - Applicants seeking regulatory approval should be provided with a **first point of entry** into the regulatory system for consenting coastal development, guiding them to the organisations responsible for the range of consents, permissions and licences which may be required for their development
 - Regulators should agree a single lead authority for coordinating the requirements of Environmental Impact Assessments or Habitats Regulations Assessments
 - Where opportunities for dispensing or deferring regulatory responsibilities are legally possible and appropriate, they should be taken.
 - Where possible, at the pre-application stage, competent authorities and statutory advisors should agree the likely environmental and habitats assessment evidence

requirements of all authorities at all stages of the consenting process.

- Where possible, regulators and statutory advisors should each provide coordinated advice to applicants from across their respective organisations.

3. Outcomes/outputs

- 3.1 The benefits of working under the principles of the Concordat for applicants and regulators include:
 - Upfront signposting for the applicant
 - Reduced duplication of evidence requirements
 - Streamlined regulatory processes (one body may take a lead on Environmental Impact Assessment, Habitats Regulations Assessment, and/or Marine Conservation Zone Assessments).
 - Transparency and consistency of advice
 - Time and cost savings for regulators, authorities and applicants
 - Meets the commitment in the 25 Year Environment Plan
- 3.2 In practice, if a planning application was screened in as a Concordat project (if it was terrestrial with elements on or below the Mean High Water Mark (MHW), and requiring multiple consents), the Council would have an advisory role as the 'first point of entry,' with an officer signposting the applicant to other Concordat bodies and highlighting at this early stage that they may need to secure a consent, licence or permission from them.
- 3.3 The applicant would then contact the other regulatory bodies to find out about the regulatory regime for which they are responsible and it would remain the responsibility of the applicant to obtain all necessary consents.
- 3.4 The most appropriate body would initiate a discussion between relevant Concordat adopters covering (where required):
 - a. Timescales, roles, contact details
 - b. Potential lead authorities for EIA/HRA/MCZ if applicable
 - c. Opportunities to dispense with/defer regulatory responsibilities
 - d. Common evidence requirements
 - e. Arrangements for communication of the outcome of the discussion with the application

4. Options available and consideration of risk

- 4.1 Signing the Concordat does not remove any of the statutory responsibilities or duties of the Council or relinquish any powers, but it does set up a mechanism by which the production of evidence supporting decision making can be streamlined, and in some cases it will be appropriate to appoint a lead authority to coordinate relevant assessment processes and parallel tracking of assessments is recommended. This will lead to some limited efficiencies for the Council.
- 4.2 There will be a small number of planning applications which will trigger use of the Coastal Concordat and accordingly the efficiency savings will be minimal to the Council. There is no

apparent disbenefit to the Council, and the principles of the Concordat are sensible and would assist with a better passage through the regulatory system for applicants.

- 4.3 There is no financial cost to signing the Concordat, or additional resource implication. Some basic training will be given to planning application validating officers as well as a document signposting other regulatory bodies.
- 4.4 It is anticipated that when the Local Validation List is next revised, a requirement for a Coastal Development Statement will be introduced (consistent with the approach of Plymouth City Council) whereby developments around or below the MHWL will need to submit basic information about the proposal, location (with respect to the MHWL), and which (if any) other regulatory bodies they have contacted. This will assist the Council's validating officers with their initial assessment in relation to the Coastal Concordat at validation.

5. Proposed Way Forward

- 5.1 It is proposed that the Council should sign up to the Coastal Concordat. If resolved to sign up by the Executive, an officer will write to Defra to confirm that the District Council has adopted the Coastal Concordat and will be working under its principles.
- 5.2 In advance of signing up to the Concordat, Council officers will provide basic training about the principles and requirements of working under the Concordat (and the regulatory functions of other bodies) to planning application validating officers. Officers will prepare signposting information that can be sent by validating officers to applicants/developers. Officers will also ensure that the requirement for a Coastal Development Statement is included in the Council's forthcoming updated Local Validation List.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Concordat does not remove any of the statutory responsibilities or duties of the Council or relinquish any powers.</p> <p>The Concordat relates to the functions below which are undertaken by the Council:</p> <ul style="list-style-type: none"> - Planning applications (Town and Country Planning Act 1990) - Habitats Regulations Assessment (Habitats Regulations, 2017) - Environmental Impact Assessment (EIA Regulations 2017) - Marine Coastal Zone Assessment (Marine and Coastal Access Act, 2009)

		The Council has a duty to monitor and review its use of resources in order to ensure value for money, deliver efficiencies and ensure transparency in its operations.
Financial implications to include reference to value for money		There is no financial cost to signing the Concordat, or additional resource implication.
Risk		<p>The Government has committed within the 25 Year Environment Plan to all coastal Local Authorities signing up to the Coastal Concordat by 2021. The implications of not signing up are not known.</p> <p>The main apparent implication of not signing up to the Concordat is that planning applicants/developers would not benefit from the efficiencies and streamlining when dealing with the Council (and other regulatory bodies).</p> <p>The Council may receive some negative press or contact if it does not sign up. For example, the Dart Harbour Authority has previously written to the Council asking that it sign up to the Concordat. It would also not be in the spirit of partnership working with other regulatory bodies (e.g. Natural England, the Environment Agency, and the Marine Management Organisation).</p>
Supporting Corporate Strategy		Signing the Concordat is consistent with the Corporate Priorities for the Environment (protecting, conserving and enhancing our natural environment) and the Council (delivering efficient and effective services).
Climate Change - Carbon / Biodiversity Impact		<p>There are no direct impacts, however it is noted that the Concordat will make evidence gathering related to the natural environment (and impacts upon it) consistent across the regulatory functions.</p> <p>This may be beneficial in enabling timely and robust assessments (with respect to EIA, HRA and the MCZ).</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report
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:

None

Background Papers:

None

Approval and clearance of report

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

NOT FOR PUBLICATION

This report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial affairs relating to the business affairs of the Council or a third party) (applies to Appendices 1, 3 and 4)

Report to: **Executive**

Date: **17th September 2020**

Title: **Ivybridge Regeneration Project - Update**

Portfolio Area: **Enterprise – Cllr Bastone**

Wards Affected: **All**

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

Date next steps can be taken:

Author: **Laura Wotton** Role: **Head of Assets**

Contact: **Email: laura.wotton@swdevon.gov.uk**

The Executive Recommends to Council :

Further to the update provided by this report, to continue to support the project as it moves forward to planning and tender stage and make a decision on progressing the project further at a subsequent meeting of the Executive and Council.

1. Executive summary

This report sets out the current position and makes recommendations with respect to the Ivybridge Regeneration Project at Leonards Road.

Following a report to the Executive (June 2020) regarding the Ivybridge regeneration project at Leonards Road Car Park to boost footfall to the town, the following recommendation was made:

To spend a further £65,000 from the Economic Regeneration Earmarked Reserve, on commissioning further work to provide advice in order to move the project forward in the following areas:

- *Planning*
- *Ecology*

- *Automated Number Plate Recognition (ANPR) & car park lease structure to facilitate a pay on exit solution*
- *Agreement to lease documents*
- *Treasury management advice*

Request that officers bring a subsequent report back to the Executive and Council in September with a recommendation for the project to move to the planning and tender stage, on the satisfactory conclusion of the work commissioned in Recommendation 3

Work has been ongoing by the Ivybridge Regeneration Project team since the recommendation of the Executive in June 2020. The project is progressing on the basis as set out within Item 1.2 above and this report will provide an update as to the current position. A further report will then be made to the Executive in December 2020.

By December 2020, it is anticipated there will be adequate information available in relation to key project risks to make a recommendation as to whether to proceed to the planning, tender and ultimate construction stage of the Ivybridge Regeneration scheme.

The decision to delay the full recommendation until the December date was made in order to:

- Commission an economic assessment of Ivybridge Town Centre – on Friday 31st July 2020, a meeting was held with Ivybridge Town Council (ITC), The Leader and Deputy Leader of the Council and local members, SHDC Chief Executive and Director of Place & Enterprise, at which greater clarity as to the benefits of the proposed development to Ivybridge catchment was requested. Therefore, an Economic Assessment has been commissioned.
- Consult with Key Stakeholders – once in receipt of the Economic Assessment and prior to returning to the Executive, an opportunity to consult further with ITC and other key stakeholders.
- Provide the Executive with greater confidence as to the likely success of the project – a number of assessments are ongoing with results awaited. These will not be available prior to the September Executive and the results of these will provide a more informed position and therefore greater confidence in the required decision to commit to spend circa £450,000 at risk for the submission of the full planning application.

This report should be read in conjunction with the Executive Report of **18 June 2020**

2. Background

Maintaining Ivybridge town centre as a retail and social destination is important for the growing community who live in the town and wider catchment area.

South Hams District Council wish to reinvigorate the town and create a vibrant, thriving centre widely used and enjoyed by the populous.

3. Outcomes/outputs

The previous Executive recommendation focussed on the completion of a number of key areas of work, prior to a return to the Executive for further consideration of the viability and desirability of the Ivybridge Regeneration Scheme.

A budgeted spend to complete this work was agreed at £65,000.

These costs have been reviewed and are sufficient to continue with works until the return to the Executive for further decision in December 2020.

The outcome of this report will be the provision of a project update to Executive focussing on these key themes only. There is no request for further funds.

4. Project Programme

Please see Appendix 1 which illustrates the Project Programme. This is a revised programme with workstreams to submission of the planning submission only in spring 2021.

The full programme is as reported to Executive in June 2020 with construction and completion dates as previously reported. The full programme will be updated further to the December decision, as appropriate.

5. Project Update

5.1 Project Team

To provide clear leadership, governance and project management, a project team has been established with roles identified and allocated. Please refer to Appendix 2 Project Organogram.

This illustrates the reporting hierarchy for the project and provides details of both the core and wider project team, within SHDC and externally through consultants and contractors.

5.2 Planning

A number of key activities are required to inform the projects viability ahead of returning to the Executive in December 2020.

5.2.1 Planning Consultant

Further to the assessment of a number of planning consultants, Bell Cornwell were appointed. An independent planning assessment of the site is being prepared as a precursor to a formal pre-application being made on the conclusion of key technical studies

5.2.2 Flood Risk Assessment (FRA)

Further to the assessment of a number of consultants and associated quotations, a FRA consultant has been appointed. An Initial FRA is being prepared based on provisional feedback from DCC & the Environment Agency.

5.2.3 Highways

Ross Johnson, SHDC Project Manager has met on site with a representative of the Devon Council County Highways team and further to their feedback on the principles of the development, a Highway Consultant has been appointed. An initial TRACS assessment has been completed on the revised design layouts to accommodate DCC's feedback.

Traffic flow analysis is being undertaken to inform negotiations on the Clean Air Initiative and potential S106 contribution requirement

5.2.4 Site Assessment

Further to the assessment of a number of consultants and associated quotations, the Ground Investigation assessment works have been instructed. This will involve a number of intrusive surveys being completed, including trial pits and boreholes. It is anticipated the initial intrusive survey works will take place during September 2020.

Statutory Services searches are in progress.

5.3 Ecology

The ecological survey works have been instructed and the extended Phase 1 Survey is now complete.

Results from the Phase 1 survey indicated the Ivybridge site as a potential Medium Value site for bats. Stage 2 Surveys have since been instructed and are ongoing (started in July and will continue to September), before completion in spring 2021. Results so far have revealed no roosting bats on site. Furthermore, to date no concerns have been raised regarding any other protected species.

5.4 Economic Impact Study

A meeting was held with Ivybridge Town Council (ITC), The Leader and Deputy Leader of the Council and local members, SHDC Chief Executive and Director of Place & Enterprise on 31st July 2020, to update the Town Council of progress with the Ivybridge Regeneration Project.

During this meeting, ITC wished to understand more regarding the economic impact of the proposed Aldi development as an anchor store within the regeneration scheme. In particular, whether an Aldi store was an appropriate anchor and what positive improvements this could make to the Town, its wider catchment and its communities.

In order to address this, it was decided to commission a report to look in detail at Ivybridge as a retail centre, the current trends of the community including the spend profile and anticipated leakage from the town.

CACI, a consultant who has a detailed understanding of consumer characteristics and their shopping demands and spends, has been appointed to provide the economic report.

The preliminary findings of this have been reported back to the Ivybridge Regeneration Project team and a subsequent meeting held with CACI. A second version of the draft report is expected soon and the final report will be shared in due course. In addition, the report will be shared and discussed with ITC and other key stakeholders prior to returning to the December Council meeting.

In summary, the draft report provides positive outcomes. Some of the key conclusions are as follows:

- Compared to the benchmark centres, there is capacity for Ivybridge to grow the proportion of value brands, of which Aldi would satisfy, as well as more accessible premium brands to appeal to affluent households currently shopping elsewhere.
- Placing an Aldi in Ivybridge would grow the Quaternary catchment and encourage a greater proportion of shoppers to visit the town. This in turn would encourage cross shopping with the existing offer and independents.
- 92% of all households in the catchment, index above the UK average on visiting Aldi at least once a month, indicating brand affinity in the area will be very strong
- Affluent households across the catchment will continue to use butchers and bakers in the town as they index above the UK average for choosing quality over price. They will then use Aldi for their everyday supplies.
- Ivybridge sits in the top half of all retail centres in the South West and has risen up the ranking since 2017 (and since the ITC commissioned report of 2013). It is important to introduce new brands to the area to ensure that Ivybridge does not drop in future rankings.

5.5 Parking

5.5.1 ANPR Technology

The previous Executive Report, suggested a car park regime utilising ANPR (Automatic number plate recognition) technology allowing "Pay on Exit" for customers with a change to the parking tariff system to provide 90 minutes free for Aldi customers and a maximum stay of 4 hours (short stay only).

The use of ANPR by local authorities to issue enforcement notices is not legally possible, so the suggestion was to use SHDC's dormant limited company Servaco to facilitate this arrangement and allow SHDC to retain the car park operation and associated revenue.

External legal advice (Gowlings) was commissioned and concluded as follows:

1. ANPR can be used by the Council (or its subsidiary) as part of an enforcement solution but only where the additional use of barriers or enforcement officers is utilised.

2. A subsidiary of the Council does not fall outside of the above constraints on local authorities because the land in question remains controlled by the Council (through its shareholding and the controls that need to be placed on the company in order for it to be Teckal compliant and avoid having to compete for the opportunity (to provide car parking services) via an OJEU competition)

Therefore the use of Servaco (or another subsidiary of the Council) does not allow SHDC to utilise ANPR technology to issue enforcement notices without a physical ticket being placed on a vehicle and/or given to an individual.

5.5.2 Proposed Car Park Regime

The advantages of an ANPR system largely relate to officer and administrative savings, as they remove the need for physically present monitoring and associated ticketing. Additionally, it drives greater compliance with any parking regimes.

However, as in this instance an ANPR system must be coupled with a barrier system, this removes the efficiencies gained by an ANPR system. Evidence gathered from other local authorities suggests barriers systems are not only costly to install but vulnerable to vandalism, break down and user error. They are therefore both costly from a monetary management perspective and officer time. We found no other local authority who advocated the use of barriers in a similar scenario to that of Ivybridge.

Furthermore, Aldi do not welcome barriered car park systems, which they regard as unwelcoming and not customer friendly. Nor do DCC's highways department, as they anticipate associated issues with traffic queueing on the highway if there is a problem with the barrier opening.

Therefore, an alternative car park regime has been identified and subsequently discussed with Aldi who are in support, as follows:

- **Upper Tier Car Park** – 100 dedicated spaces let to Aldi to be used as 90 minute free car parking within the demise of their fully repairing and insuring lease. The remaining 20 or so spaces will be segregated from the Aldi spaces (coloured hatching and possible physical barrier i.e. bollard system) to be SHDC administered Reserved Parking Permit Bays
- **Lower Tier Car Park** – SHDC long stay car park with circa 125 spaces with a range of tariff options (short & long stay and permit holders). It is proposed to mirror this regime in all SHDC car parks in Ivybridge.

It is believed that this solution will offer a more balanced car park tariff with a blend of long and short stay uses as well as some permit parking. A detailed car park report with associated costings will be brought back to Executive in the December 2020 report. However initial indications are, even with a 65% loss of income on short stay tariffs Aldi (shared trips), with an increase in tariffs particularly for all day parking, the impact is fairly cost neutral.

As stated, work is ongoing to test this and compile a detailed analysis to inform the decision in December 2020.

5.5.3 EV Charging Points

Further to agreement with Highways England, two electric charging points have already been installed within the car park at Ivybridge, albeit they are currently awaiting a grid connection before they can be utilised. These will be unaffected by the proposals.

5.6 Lease Arrangements

5.6.1 Appointment of Solicitors

External solicitors, Gowlings have been appointed to represent SHDC in respect of the Aldi project. The Crown Commercial Framework has been utilised to facilitate their procurement. Initial advice relates to the use of ANPR within SHDC/WDBC car parks but they are instructed to represent us across the project. The scope has been set and subsequent appointment made in consultation with our internal legal team.

5.6.2 Heads of Terms

Draft Heads of Term's (HoTs) will be updated in the main to reflect the revised parking position. In consultation with our legal team (internal and external), these revised HoT's will be prepared and reissued to Aldi.

Aldi are aware of this position and positive negotiations are continuing with a view to entering the Agreement to Lease in accordance with the programme (subject to reaching mutually agreeable terms and achieving board/council approval).

5.7 Treasury Management Advice

The report to the Executive on 18 June 2020 set out the business case which included the proposed borrowing structure for the project, which is based on fixed interest and repayment of 50% of the loan over the term of 50 years. The Council would need to refinance the other 50% at the end of the 50 years. The June Executive report also set out that there was a current consultation paper on borrowing from the PWLB for commercial schemes primarily for yield. It is the view of the S151 Officer that the primary purpose of this scheme is regeneration, which would be one of the four categories permitted for PWLB borrowing (the others being service delivery, housing and refinancing). The consultation ended on 31 July 2020.

Treasury management advice was sought on the borrowing structure, interest rate risk and a view on the recent PWLB consultation on borrowing. A summary of the initial advice is set out in Appendix 4.

5.8 Photovoltaic (PV) Installations

There is an opportunity to install PV panels on the available roof space of the proposed Aldi building. Investigations are ongoing as to the viability of any PV Installation and we are working with our energy consultants to produce a costed scheme with anticipated pay back periods. This will be available ahead of the December 2020 Executive.

6 Project Costs

Please see Appendix 3 which illustrate the Project Costs and updated spend against the £65,000 set out and agreed previously by the Executive.

At this stage, there is no requirement to increase this budget which will be sufficient to conclude the activities identified previously and bring the report back to the December 2020 Executive.

7 Consultation

Consultation with key stakeholders, including ITC, PL21 and neighbouring landowners (Glanvilles Mill owners) and occupiers, will be undertaken in accordance with the attached programme and ahead of the December 2020 Executive.

A further meeting will be scheduled with ITC as promised at the meeting with The Leader and Deputy Leader of the Council and local members, SHDC Chief Executive and Director of Place & Enterprise on 31st July 2020, to provide an update of progress ahead of the December Executive Meeting.

This consultation will include the bridges, skate park, footpaths and cycle ways and any environmental enhancements or mitigation.

Buildings adjacent to the proposed development site, such as the youth club building, now fall outside the project proposals and will not be directly impacted by the regeneration scheme. Consultation with adjacent owners/occupiers will however be undertaken as appropriate as the scheme progresses.

8. Summary

The progress with the project has been positive to date. Whilst the project team has encountered some technical issues these have been addressed in updated iterations of the design concept.

For example, a large surface water drainage pipe has been identified which runs between the town hall and proposed Upper Tier Car Park. Due to its diameter, the pipe has a wide easement which restricts the development. In order to address this, rather than a diversion of the main, the Upper Tier Car Park has been realigned to accommodate the pipe in its existing locality. Whilst this has reduced the number of available spaces slightly, the cost and programme implications of a diversion were significant and this revised design has mitigated this.

As the results of the various reports are returned, the project concept will be revised accordingly. Draft layouts (pre-planning) will be included in the December 2020 report.

9. Impact Assessment

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	Y	<p>Appendices 1, 3 and 4 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	Y	<p>Council have approved a spend of £65,000 from the Economic Regeneration report to fund the advice set out in the Executive Summary in Section 1. This report gives an update on each element of the advice sought. There are no further financial implications and the total project spend at risk remains £65,000 as approved by the June 2020 Executive. The intention of the £65,000 spend is to further understand the risks in relation to certain elements of the project.</p> <p>In addition, Minute E.14/19 (July 2019) agreed expenditure of £50,000 for this project previously and all of this previous budget has been utilised.</p>
Risk	Y	<p>All development projects carry risk. These are as previously reported in the Risk Register appended to the June 2020 Executive Report.</p>

		This will be revised in accordance with the work commissioned as set out above and will be updated for the December 2020 Executive Report.
Supporting Corporate Strategy		Commercial Investment Policy and Treasury Management Policy
Climate Change - Carbon / Biodiversity Impact		Aldi's UK and Ireland operation is carbon neutral. The council will utilise its procurement policy that allows the tender process to consider the carbon footprint of the supply chain when awarding contracts. Furthermore, the Council will challenge the design team to utilise best practice in the design of the project (including material choices) to minimise embodied energy in the construction phase.
Comprehensive Impact Assessment Implications		
Equality and Diversity		There are no Equality and Diversity implications
Safeguarding		There are no Safeguarding implications
Community Safety, Crime and Disorder		There are implications crime and disorder reduction
Health, Safety and Wellbeing		There are no implications on Health, Safety and Wellbeing
Other implications		There are no other implications

Supporting Information

Appendices:

- Appendix 1 – Project Programme (Exempt from publication)
- Appendix 2 – Project Team Organogram
- Appendix 3 – Project Costs (Exempt from publication)
- Appendix 4 – Treasury management advice (Exempt from publication)

Background Papers:

Ivybridge Regeneration Project – June 2020 Executive Report

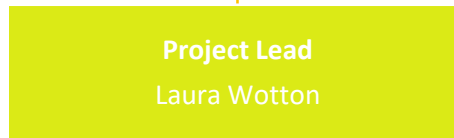
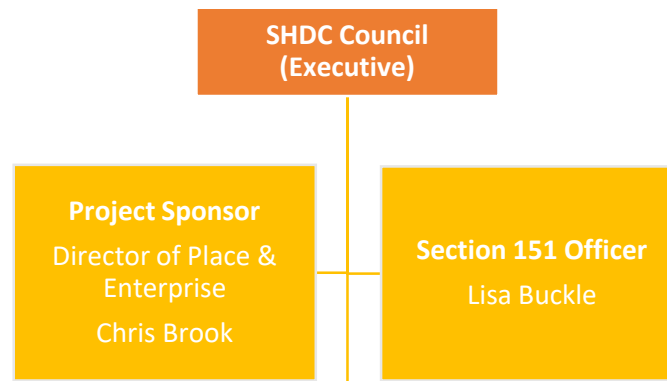
Approval and clearance of report

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

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Ivybridge Regeneration Project Organogram September 2020



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