

South Hams Council



Title:	Agenda																												
Date:	Thursday, 11th February, 2021																												
Time:	2.00 pm																												
Venue:	Via Teams																												
Full Members:	<p style="text-align: center;">Chairman Cllr Rowe Vice Chairman Cllr Foss</p> <p><i>Members:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Cllr Abbott</td> <td style="width: 33%;">Cllr Long</td> </tr> <tr> <td>Cllr Austen</td> <td>Cllr McKay</td> </tr> <tr> <td>Cllr Baldry</td> <td>Cllr O'Callaghan</td> </tr> <tr> <td>Cllr Bastone</td> <td>Cllr Pannell</td> </tr> <tr> <td>Cllr Birch</td> <td>Cllr Pearce</td> </tr> <tr> <td>Cllr Brazil</td> <td>Cllr Pennington</td> </tr> <tr> <td>Cllr Brown</td> <td>Cllr Pringle</td> </tr> <tr> <td>Cllr Chown</td> <td>Cllr Reeve</td> </tr> <tr> <td>Cllr Hawkins</td> <td>Cllr Rose</td> </tr> <tr> <td>Cllr Hodgson</td> <td>Cllr Smerdon</td> </tr> <tr> <td>Cllr Holway</td> <td>Cllr Spencer</td> </tr> <tr> <td>Cllr Hopwood</td> <td>Cllr Sweett</td> </tr> <tr> <td>Cllr Jackson</td> <td>Cllr Taylor</td> </tr> <tr> <td>Cllr Kemp</td> <td>Cllr Thomas</td> </tr> </table>	Cllr Abbott	Cllr Long	Cllr Austen	Cllr McKay	Cllr Baldry	Cllr O'Callaghan	Cllr Bastone	Cllr Pannell	Cllr Birch	Cllr Pearce	Cllr Brazil	Cllr Pennington	Cllr Brown	Cllr Pringle	Cllr Chown	Cllr Reeve	Cllr Hawkins	Cllr Rose	Cllr Hodgson	Cllr Smerdon	Cllr Holway	Cllr Spencer	Cllr Hopwood	Cllr Sweett	Cllr Jackson	Cllr Taylor	Cllr Kemp	Cllr Thomas
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Cllr Kemp	Cllr Thomas																												
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 - 16
to approve as a correct record the minutes of the meeting of the Council held on 17 December 2020;	
2. Urgent Business	
the Chairman to announce if any item not on the agenda should be considered on the basis that he considers it as a matter of urgency (any such item to be dealt with under 'Business Brought forward by the Chairman');	
3. Exempt Information	
to consider whether the consideration of any item of business would be likely to disclose exempt information and if so the category of such 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. Business Brought Forward by the Chairman	
to consider business (if any) brought forward by the Chairman;	
6. Revenue Budget Proposals for 2021/22	17 - 36
7. Capital Budget Proposals for 2021/22	37 - 50
8. Business Grants Scheme	51 - 84
9. Review of Democratic Decision Making	85 - 92
10. Ivybridge Regeneration Project - Update	93 - 170
11. Questions	
to consider the following question received in accordance with Council Procedure Rule 8.	
(a) From Cllr Abbott to Cllr Birch (Chairman of the Overview and Scrutiny Panel)	

'Will the Chair of the Overview and Scrutiny Panel be

prepared to request the Panel to scrutinise the means of reporting back to Council and to evaluate the benefit to the Council of it being represented on the Outside Bodies?'

12. Notice of Motion

to consider the following motions received in accordance with Council Procedure Rule 10.1

a) From Cllrs Bastone and Holway

1. This Council supports the adoption of the Healthy Homes principles and notes:

- *The powerful evidence which demonstrates the link between people's homes and their health, wellbeing and life chances.*
- *That the COVID-19 emergency has reinforced the need for healthy environments which provide space for recreation, children's play and walkable streets.*
- *That well-designed homes that meet all our citizens' needs over their lifetimes can radically reduce costs to NHS and social care budgets.*
- *That people have a basic right to live in environments free from unacceptable pollution.*
- *That homes must be affordable to heat and built to as near zero carbon standards as possible.*
- *That current government policy to deregulate planning is creating thousands of substandard homes through conversion of existing buildings into homes through permitted development.*
- *That this council is determined to create the highest quality places for residents which will be a fitting legacy for future generations.*

2. This Council agrees (or to the extent that the below concern Executive functions, recommends to the Executive) to:

- *Adopt the Healthy Homes Principles so that:*
- *all new homes must be safe in relation to the risk of fire;*
- *all new homes must have, as a minimum, the liveable space required to meet the needs of people over their whole lifetimes, including adequate internal and external storage space;*
- *all main living areas and bedrooms of a new dwelling must have access to natural light;*
- *all new homes and their surroundings must be designed to be inclusive, accessible, and adaptable to suit the needs of all;*
- *all new homes should be built within places that prioritise and provide access to sustainable transport and walkable*

- services, including green infrastructure and play space;*
- *all new homes must secure radical reductions in carbon emissions in line with the provisions of the Climate Change Act 2008;*
 - *all new homes must demonstrate how they will be resilient to a changing climate over their full lifetime;*
 - *all new homes must be built to design out crime and be secure;*
 - *all new homes must be free from unacceptable and intrusive noise and light pollution;*
 - *all new homes must not contribute to unsafe or illegal levels of indoor or ambient air pollution and must be built to minimise, and where possible eliminate, the harmful impacts of air pollution on human health and the environment, and;*
 - *all new homes must be designed to provide year-round thermal comfort for inhabitants.*
 - *Review all policies, processes and procedures to ensure that new homes meet the requirements of the principles. Draw up a list of appropriate suggested changes to any JLP policies in time for when work begins on the JLP first revision, detailing how South Hams, with partner LPAs, envisages delivering on the requirements of these principles.*
 - *Review the corporate plan to ensure the healthy homes principles are a priority.*
 - *Make the principles an integral part of activity throughout the council, including all decision making on housing and planning in so far as policy will permit.*
 - *Investigate ways to ensure that future local plans ensure that all new development is in line with the Healthy Homes Principles at the earliest possible date.*

3. This Council calls on the Government to:

- *Return full powers of conversion of buildings to residential use to local Planning Authorities requiring full planning applications to be submitted.*
- *Support the Healthy Homes Bill being promoted by Baron Nigel Crisp.*

b) By Cllrs Hopwood and Austin

'All types of businesses from the cake maker to the carpenter play a major role in our communities. They help to support economic growth from the ground up. Following the pandemic, these often innovative and dynamic small businesses are going to be key to our recovery.

The principle of shopping locally and supporting local trades is something that we can all do as we support each other to grow and thrive in the coming years and that can begin as local as your own street, community or village. As a Council

(and elected Members) we can support and encourage support local and be 'Support Local' advocates within our communities.'

c) By Cllrs Pannell and Abbott

'Recognising the duty placed on Members of the Council "to represent their communities and bring their views into the Council's decision making process", "act as an advocate for constituents" and "to contribute to the good governance of the area" (Articles of the Constitution 2.3 Roles and functions of all Councillors) Council resolves to amend, with immediate effect, the Council Constitution to give Members more opportunity to ask questions, thus:

1. ORDINARY MEETINGS:

In addition to the annual meeting, delete three and insert five ordinary meetings of the Council will take place in accordance with a programme decided at the Council's annual meeting. (Part 4: Rules of Procedure: Council Procedure Rules).

2. MEETINGS OF THE EXECUTIVE

2.3.2 Members of the public may speak only to ask questions at the start of the meeting in accordance with Article 3 of the Council's Constitution and the guidance currently in place. Add "and Members of the Council may ask questions at the start of the meeting"; and

2.4 What business? At each meeting of the Executive, the following business will be conducted: i) consideration of the minutes of the last meeting; ii) declarations of interest, if any; iii) public questions; insert iv) Members' questions, v) the Executive Forward Plan etc."

13. Reports of Bodies

to receive and as may be necessary approve the minutes and recommendations of the under-mentioned Bodies

(* Indicates minutes containing recommendations to Council).

(a) Audit Committee - 15 October 2020	171 - 176
(b) Overview & Scrutiny Panel - 19 November 2020	177 - 182
(c) Development Management Committee - 2 December 2020	183 - 192

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(d) Executive* - 17 December 2020	193 - 198
(e) Development Management Committee - 6 January 2021	199 - 206
(f) Joint O&S Panel and DM Committee - 14 January 2021	207 - 212
(g) Executive* - 28 January 2021	213 - 224

Agenda Item 1

MINUTES OF THE MEETING OF THE SOUTH HAMS DISTRICT COUNCIL HELD REMOTELY VIA TEAMS ON THURSDAY 17 DECEMBER 2020

MEMBERS

* Cllr R Rowe – Chairman

* Cllr R J Foss – Vice-Chairman

* Cllr V Abbott	* Cllr M Long
* Cllr L Austen	* Cllr J McKay
* Cllr K J Baldry	* Cllr D M O’Callaghan
* Cllr H D Bastone	* Cllr G Pannell
* Cllr J P Birch	* Cllr J A Pearce
* Cllr J Brazil	* Cllr J T Pennington
* Cllr D Brown	* Cllr K Pringle
* Cllr M Chown	* Cllr H Reeve
* Cllr J D Hawkins	* Cllr J Rose
* Cllr J M Hodgson	* Cllr P C Smerdon
* Cllr T R Holway	* Cllr B Spencer
* Cllr N A Hopwood	* Cllr J Sweett
* Cllr S Jackson	* Cllr B Taylor
* Cllr K Kemp	* Cllr D Thomas

* Denotes attendance

∅ Denotes apology for absence

Officers in attendance and participating:

For all items: Chief Executive; Deputy Chief Executive; Director of Governance and Assurance; Section 151 Officer; Director of Place and Enterprise; Monitoring Officer; Head of Practice – Commissioning and Contracts; Head of Strategy and Projects; Democratic Services Manager; and Climate Change Specialist

23/20 **CLLR DAVID MAY**

The Chairman introduced the meeting and advised those in attendance that this was the first Council meeting since Cllr David May (District Council Member from May 2003 to 2 December 2020) had sadly passed away.

In paying tribute to David, the Chairman stated that he had been a much loved and highly respected Member of Council who would be greatly missed.

Members then proceeded, as a mark of respect, to observe a moment’s reflection in his memory.

24/20 **MINUTES**

The minutes of the meeting of the Council held on 24 September 2020 were approved as a true and correct record.

25/20

DECLARATIONS OF INTEREST

Members 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.

26/20

CHAIRMAN'S ANNOUNCEMENTS

The Chairman advised that she had recently attended the funeral of Mrs Kath Pennington and, on behalf of the Council, she proceeded to extend her best wishes to Cllr Pennington at this sad time.

27/20

COVID-19 RECOVERY AND RENEWAL PLAN

The Council considered a report that sought to adopt the COVID-19 Recovery and Renewal Plan and the draft Consultation and Engagement Strategy.

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

- (a) the omission of SMART targets. Whilst welcoming the concept of the Recovery and Renewal Plan and the inclusion of some indicative timescales, a Member still remained of the view that SMART targets should be incorporated. With regard to the number of ways that could be used to measure outcomes (e.g. methods of measuring social value), a Member highlighted an online tool that was available to calculate an organisation's local economic impact on its community;
- (b) the Team Devon Business and Economy Plan. In response to a request, it was agreed that a link to the Plan would be made available to all Members;
- (c) the Plan being an evolving one. Members recognised that the Plan would be a live document that would continue to evolve.

It was then:

RESOLVED

1. That the COVID-19 Recovery and Renewal Plan (as attached at Appendix A of the presented agenda report) be adopted; and
2. That the Consultation and Engagement Strategy and Year 1 Delivery Plan (as set out at Appendix C of the presented agenda report) be adopted.

Consideration was given to a report that provided an update to Members; set out the progress made to date; and recommended that the Council now adopted the draft Climate Change and Biodiversity Strategy.

In her introduction, the Leader highlighted that all Members had been in receipt of a detailed paper that had been prepared by Cllr McKay in advance of this meeting. To enable for the contents of the paper to be suitably evaluated, the Leader had requested that a meeting be arranged between lead officers, herself, Cllr McKay and Cllr Birch (in his capacity as the Chairman of the Overview and Scrutiny Panel) in the upcoming weeks.

The Leader also advised those in attendance that, at the appropriate time, she would be proposing parts 1 and 5 of the report recommendation and an additional part 6 that would read as follows:

'That the remaining funds within the one-off Earmarked Reserve (£380,000) be allocated in accordance with Sections 6.5 and 6.6 of the presented agenda report.'

In the ensuing discussion, particular reference was made to:

(a) the Community Forum. A detailed debate took place on the Forum during which the following points were raised:

- It was noted that the first meeting of the Forum had been particularly positive and well received;
- In response to disappointment being expressed that Members (in an observing capacity) were prohibited from attending meetings of the Forum, the Leader committed to reviewing this current arrangement; and
- With regard to the recruitment and selection process that had been followed, officers advised that 86 expressions of interest had been received to serve on the Forum. It was confirmed that there was a gender and geographical balance on the Forum and that representatives were from a mix of the business sector, community interest companies and local town and parish councils. Officers also agreed to list the representatives on the website;

(b) the role of the Climate Change and Biodiversity Working Group. An amendment to the recommendation was **PROPOSED** and **SECONDED** that read as follows:

'That the Climate Change and Biodiversity Working Group continue to meet on a quarterly basis to review and consider (as needed) the Action Plan and work as it goes forward.'

In support of the amendment, some Members felt that, whilst Climate Change was an Executive function of the Council, it would be unfortunate to disband the Working Group and it should be retained and meet on an ad-hoc basis. In contrast, other Members stated their opposition to the amendment and considered that part 3 of the recommendation provided for an adequate set of governance arrangements for the Climate Change and Biodiversity Strategy and Action Plan.

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

- (c) the Executive Forward Plan and Overview and Scrutiny Panel Work Programme. In the event of part 3 of the recommendation being approved, it was confirmed that reports relating to the Climate Change and Biodiversity Strategy and Action Plan would be included on both the Executive Forward Plan and the Overview and Scrutiny Panel Work Programme.

It was then:

RESOLVED

1. That the Climate Change and Biodiversity Strategy (as set out at Appendix 1 of the presented agenda report and including an updated Action Plan) be adopted;
2. That it be noted that the Action Plan will be a continually evolving document and that delegated authority be granted to the Director of Governance and Assurance, in consultation with the lead Executive Member for Climate Change and Biodiversity, to make revisions to the Plan as and when deemed necessary;
3. That the Terms of Reference of the Executive and Overview and Scrutiny Panel be updated to enable the strategic oversight and implementation of the Strategy and Action Plan to be a function of the Executive and performance against the Action Plan to be monitored by the Overview and Scrutiny Panel on a six-monthly basis;
4. That the verbal feedback from the Climate Change Community Forum session held on 9 December 2020 be noted;
5. That thanks be put on record to the Members of the Climate Change and Biodiversity Working Group for developing the draft Strategy and Action Plan;
6. That the remaining funds within the one-off Earmarked Reserve (£380,000) be allocated in accordance with Sections 6.5 and 6.6 of the presented agenda report.

PLANNING DELEGATION SCHEME

Members considered a report that sought to approve a revised Planning Delegation Scheme.

In discussion, the following points were raised:-

- (a) The ability for any Member of Council to call any Planning Applications, Listed Building Consents, Advertisement Consents and Tree Preservation Orders to the Development Management Committee was highlighted;
- (b) Some minor amendments to the draft Scheme were **PROPOSED** and **SECONDED** as follows:
 - Section 2.1: to add the words '28 day' before '*public consultation period*'; and
 - Section 2.2: to add the word '*Member*' before '*the consultation period referred to in paragraph 1.2.2*' and replacement of the word '*issues*' with the term '*reasons*'.

When put to the vote, these amendments were declared **CARRIED**.

It was then:

RESOLVED

That the Council approves the changes to the Scheme of Delegation (as set out at Appendix A of the presented agenda report), subject to:

- Section 2.1: adding the words '28 day' before '*public consultation period*'; and
- Section 2.2: adding the word '*Member*' before '*the consultation period referred to in paragraph 1.2.2*' and replacement of the word '*issues*' with the term '*reasons*'.

RESOURCE AND WASTE MANAGEMENT STRATEGY FOR DEVON AND TORBAY

The Council considered a report that presented the draft Resource and Waste Management Strategy for Devon and Torbay for approval for a public consultation exercise.

In discussion, reference was made to:-

- (a) the absence of any reference to Plymouth City Council. When questioned, officers advised that Plymouth City Council had decided to opt out of the partnership and develop its own Strategy;
- (b) the consultation process. The lead Executive Member confirmed that any Member could respond in their own right during the public consultation exercise;

- (c) the targets in the draft Strategy being unambitious. In citing the 60% recycling target as an example, a Member was of the view that the targets should be far more ambitious;
- (d) a wish to encourage and enable increased commercial recycling provision. A Member stated that too much commercial waste was ending up in landfill. In reply, officers advised that the Council was currently giving consideration to how it could increase the capacity for commercial recycling.

It was then:

RESOLVED

1. That the draft Resource and Waste Management Strategy for Devon and Torbay be approved for public consultation; and
2. That delegated authority be given to the Head of Contracts and Commissioning, in consultation with the lead Executive Member for Environment, to make any minor changes considered necessary to the draft Strategy, prior to public consultation.

31/20

ANNUAL REVIEW OF HEALTH AND SAFETY POLICY STATEMENT

Consideration was given to a report that sought Council agreement to adopt a revised Health and Safety Policy Statement.

It was then:

RESOLVED

That the revised Health and Safety Policy Statement (as set out at Appendix A of the presented agenda report) be agreed and signed by the Head of Paid Service and the Leader of the Council.

32/20

QUESTIONS ON NOTICE

It was noted that four questions had been received in accordance with Council Procedure Rule 8:

(a) Question from Cllr Brazil to Cllr Baldry (lead Executive Member for Environment)

How much extra money will be raised by the changes to Parking Permit charges? (Please include the two 20% increases in subsequent years)

In reply, Cllr Baldry informed that the permit changes were designed to ensure fairness and transparency by linking them to the Pay & Display charges in the area and not to raise additional income. It was also to increase the turnover of vehicles within a number of Council owned off street car parks. It was anticipated that the new permit pricing structures could lead to a change in peoples parking habits, possibly with fewer permits being purchased by up to 15%.

For these reasons, there has been no additional income built into our future year's revenue budget for 2021/22 as although the prices would increase, demand was predicted to reduce and therefore the overall income in 2021/22 was predicted to be the same and have a cost neutral impact on the Budget. There could be an increase of £40,000 in 2022/2023 (i.e. the subsequent year). The income would of course be monitored regularly and reported to Members through the quarterly revenue budget monitoring reports as it was difficult to predict customer behaviour.

(b) From Cllr Brazil to Cllr Pearce (Leader of Council)

How much money, by way of Government Grant, has been given to business rated holiday and second homes as a result of the COVID-19 Pandemic?

Cllr Pearce advised that the total Government Business grants paid to self-catering accommodation was **£13.265 million**.

Cllr Pearce proceeded to inform that, when the first round of Business Grants of £10,000 and £25,000 were announced by the Government in March 2020, the Council lobbied the Treasury for second homes to be excluded from eligibility of these grants. It did not seem fair that second homes that were paying Council Tax were still contributing to the cost of local services through paying their Council Tax, and yet those second homes that were business rated (through the business rates loophole of being able to be business rated if they were available to let for more than 140 days) were eligible for grants of £10,000 and in some cases £25,000. The Council held off paying these grants for a couple of weeks until a response was received from the Treasury, whose view was that they were eligible and therefore the Council had no choice but to pay these grants as we were responsible for administering a Government Business Grants scheme.

The same issue had happened in November 2020 when the second round of business grants was announced due to the second national lockdown in November 2020. As Chair of the Devon Districts Forum, Cllr Pearce informed that she wrote a detailed letter to the Rt Hon Alok Sharma MP, Secretary of State for Business, Energy and Industrial Strategy (BEIS), which had the support of all eight Devon MPs and Devon County Council.

Self-catering holiday accommodation (second homes) was eligible for a Local Restrictions Support Grant of £1,334 or higher for the lockdown period. The point was made that it was inherently unfair for these types of self-catering holiday lets (second homes) to receive further public money when November was the lowest month of the year for holiday lettings income and many of these single households would have had no rental income in November in a normal year.

Unfortunately, Cllr Pearce confirmed that no response had ever been received from the Secretary of State for BEIS or from the Co-Director of BEIS and these properties therefore remained eligible for the Government Grant.

The Council had lobbied the Government to close the business rates loophole on multiple occasions. Devon had a large proportion of second homes and many of these had taken advantage of the current business rates tax loophole which allowed second homeowners to avoid paying any Council Tax or Business Rates on their properties. Currently, owners of second homes could apply to the Valuation Office to register their domestic properties for business rates if their property was available to let for a minimum of 140 days per year. If registered for business rates, a large proportion of these properties qualified for small business rates relief and were eligible for 100% small business rate relief and this in turn meant that they had no Business Rates to pay.

As Leader of the Council, Cllr Pearce clarified that she had highlighted this problem to the Treasury at the highest level, by personally giving evidence to the Treasury Select Committee in the Summer. The Council had also lobbied vigorously on this issue through providing evidence to the Government Business Rates Review and through the Council's response to the Comprehensive Spending Review. We had lobbied through the District Councils' Network, our Chief Executive had lobbied through the Local Government Association and other national bodies on the inequity of the current system and, in turn, their responses to the recent national consultations on the Business Rates Review and the Comprehensive Spending Review had also lobbied the Government to change the current system.

Finally, Cllr Pearce informed that the Business Rates Review conducted by the Government was due to publish its results in the Spring of 2021 and we remained hopeful that this issue would be addressed in the future overhaul of the Business Rates system.

(c) From Cllr Brazil to Cllr Pearce (Leader of the Council):

What is the average total Council Tax (Band D) for local residents in the South Hams, including the precepts for the Fire Brigade and Police?

In her response, Cllr Pearce stated that, as per Section 4.14 of the Executive report on the Draft Revenue Budget Proposals for 2021-22, **an average Band D council tax bill in South Hams for 2020/21 was £1,990.82.**

This was made up of £170.42 for the South Hams District Council share (9%), £1,439.46 for Devon County Council (72%), £221.64 for the Police (11%), £88.24 for the Fire (4%) and £71.06 for an average Parish/Town (4%).

(d) From Cllr Brazil to Cllr Pearce (Leader of the Council):

Taking into account Small Business Rate Relief, how much Council Tax or Business Rates do Business Rated holiday and second homes pay in the South Hams and how long has this been the case?

In response, it was noted that the Business Rates paid by self-catering accommodation property of any rateable value size, net of small business rates relief, was in the region of £1.23 million.

This was in an average year prior to the COVID pandemic where these businesses had received a 100% business rates holiday for Retail, Hospitality and Leisure.

The Council Tax paid by unoccupied but furnished property (which would include second homes) was in the region of £8.3million.

This information was based on live data on the Business Rates and Council Tax system and it was not possible to go back to previous years on a Live system without significant resourcing implications.

33/20

MOTIONS ON NOTICE

It was noted that four motions had been received in accordance with Council Procedure Rule 10:

(a) By Cllrs Hodgson and Rose

'With the draft Climate and Biodiversity Action Plans emerging from South Hams District Council Climate, Devon County Council as well as many of our town and parish council's, we are reaching an important point at which we need to commence implementation. This Council therefore commits to reviewing and aligning our other plans and policies as well as our practices (where possible) to ensure we meet our targets on carbon reduction and prioritise proactive protection and conservation of our natural environment and wildlife heritage. By doing so we will ensure a prosperous future for our people, our wildlife and our planet for generations to come.'

In discussion, it was noted that, if approved, the motion would send a clear message to the public that Climate Change and Biodiversity was a key consideration for the Council that was to be embedded into its culture and working practices.

It was then:

RESOLVED

With the draft Climate and Biodiversity Action Plans emerging from South Hams District Council Climate, Devon County Council as well as many of our town and parish council's, we are reaching an important point at which we need to commence implementation. This Council therefore commits to reviewing and aligning our other plans and policies as well as our practices (where possible) to ensure we meet our targets on carbon reduction and prioritise proactive protection and conservation of our natural environment and wildlife heritage. By doing so we will ensure a prosperous future for our people, our wildlife and our planet for generations to come.

(b) By Cllrs Hodgson and Rose

'The new Government planning proposals could strike at the heart of South Hams and undermine the future and quality of our natural and built heritage and outstanding landscape. This Council therefore commits to recruit more Conservation officers into its planning team to enable applications and appraisals for new and extended protective designations of our AONB and Conservation areas to ensure their future protected.'

In her introduction, the proposer put forward an updated motion (that was subsequently seconded) that read as follows:

'The new Government planning proposals could strike at the heart of South Hams and undermine the future and quality of our natural and built heritage and outstanding landscape. This Council therefore commits to recruit additional, appropriately qualified Conservation Officers into its planning team, to enable timely Conservation Area appraisal, designation and management, and to provide much needed capacity for the effective handling of casework related to designated and non-designated buildings heritage within the South Hams, to ensure their future is fully protected.'

The proposer proceeded to inform that her motion had been submitted in response to the Central Government proposed planning reforms. In highlighting the reforms, the proposer was of the view that these were likely to have a major detrimental impact on the South Hams. To ensure a consistency of approach, the proposer was of the view that there was a need for increased capacity within the planning service and specifically for additional Conservation Officers to be recruited.

In the ensuing debate, reference was made to:-

- Central Government having updated its planning policy guidance since this meeting agenda had been published. As part of this updated guidance, the Leader informed that the housing numbers had been revised. As a result, the housing numbers for the South Hams that were set out in the adopted Joint Local Plan still stand and will not be altered;
- current legislation providing considerable protection to Conservation Areas;
- a review into the capacity of the planning team that would include Conservation Officers. On the basis that a review was imminent, an amendment to the motion was **PROPOSED** and **SECONDED** that read as follows:

'The new Government planning proposals could strike at the heart of South Hams and undermine the future and quality of our natural and built heritage and outstanding landscape. This Council therefore seeks to encourage timely Conservation Area appraisal, designation and management, and will comply with its statutory obligations when making decisions relating to designated and non-designated heritage assets within the South Hams, to ensure their future is fully protected.'

In the debate on the amendment, reference was made to:-

- Neighbourhood Planning Groups being very well versed in the production of local Conservation Area Appraisals;
- the incredible natural resources within the South Hams being acknowledged and a Member emphasised that there was a need for the Council to do everything within its powers to protect these resources;
- the amendment not specifically making reference to a review into the capacity within the planning service;

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

It was then:

RESOLVED

The new Government planning proposals could strike at the heart of South Hams and undermine the future and quality of our natural and built heritage and outstanding landscape. This Council therefore seeks to encourage timely Conservation Area appraisal, designation and management, and will comply with its statutory obligations when making decisions relating to designated and non-designated heritage assets within the South Hams, to ensure their future is fully protected.

(c) By Cllrs Brazil and Baldry

'Any increase in housing numbers proposed by the Government would be a disaster for the South Hams. Yet more of our countryside would disappear under concrete. This Council will challenge the government by way of Judicial Review if anything but objectively assessed housing numbers are forced upon us. Housing numbers should reflect both local need and type of housing only.'

In the debate on the motion, the following points were raised:

- A Member expressed her concerns at the reference to Judicial Review in the motion. In particular, since the Council had produced its Joint Local Plan in partnership with Plymouth City Council and West Devon Borough Council, it would require the support of those two neighbouring authorities to invoke a Judicial Review. At the request of the Chairman, the Monitoring Officer confirmed that these comments were correct. As a result, an amendment was **PROPOSED** and **SECONDED** that read as follows:

'Any increase in housing numbers proposed by the Government would be a disaster for the South Hams. This Council will challenge the Government by whatever means are considered appropriate and reasonable at the time if anything but objectively assessed housing numbers are forced upon us. Housing numbers should reflect both local need and type of housing only.'

In discussion on the amendment, reference was made to:

- the tone of the motion being diluted by the amendment. Furthermore, the view was expressed that the motion, as originally drafted, was a statement of intent for local residents that demonstrated that the Council was prepared to stand by them and oppose planning reforms;
- the extensive costs of invoking a Judicial Review against Central Government. To counter this view, other Members were of the view that these costs could be offset via Crowdfunding;

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

- A further amendment was then **PROPOSED** and **SECONDED** as follows:

'Any increase in housing numbers proposed by the Government would be a disaster for the South Hams. This Council will seek to challenge the Government by Judicial Review (if appropriate) working with other local stakeholders if anything but objectively assessed housing numbers are forced upon us. Housing numbers should reflect both local need and type of housing only.'

In support of his amendment, the proposer highlighted the closeness of the vote on the previous amendment and felt that there was a desire from a number of Members to include a statement of intent (i.e. by including the potential for Judicial Review) within the motion.

At this point, the Monitoring Officer reiterated that, in order to invoke a Judicial Review, there was a need for appropriate grounds. As drafted, reference to 'any increase' (e.g. an increase of one house) could imply that the Council would trigger a Judicial Review and that would clearly be an unreasonable course of action. As a result, the Monitoring Officer cautioned against the Council voting in favour of the amendment.

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

It was then:

RESOLVED

Any increase in housing numbers proposed by the Government would be a disaster for the South Hams. This Council will challenge the Government by whatever means are considered appropriate and reasonable at the time if anything but objectively assessed housing numbers are forced upon us. Housing numbers should reflect both local need and type of housing only.

(d) By Cllrs Abbott and Birch

'Whilst recognising the valuable work being undertaken by the SHDC Officers in addressing the issues arising out of the Covid-19 pandemic Council resolves to assist those residents and businesses within the District who are affected by the import and/or export problems arising at the end of the Transition Period for leaving the European Union. In identifying such residents and businesses the officers allocated to providing such assistance be supported by Members in locating those in need.'

In his introduction, the proposer put forward an updated motion (that was subsequently seconded) that read as follows:

'Whilst recognising the valuable work being undertaken by the SHDC Officers in addressing the issues arising out of the Covid-19 pandemic, Council resolves to assist those residents and businesses within the District who are affected by the import and/or export problems arising at the end of the Transition Period for leaving the European Union using our established joint working arrangements across Devon and that are reflected in our existing work programmes and resources to do so.'

In discussion, reference was made to:

- the comments of the proposer. The proposer highlighted some of the global pressures that were continuing to harm residents and businesses and stressed the likelihood that 2021 was to be another difficult year. As a service provider, the proposer felt that the Council should continue to support local residents and businesses in these uncertain times;
- widespread support being expressed for the updated motion;
- the motion recognising that support would be provided from within the existing resources of the Council.

It was then:

RESOLVED

Whilst recognising the valuable work being undertaken by the SHDC Officers in addressing the issues arising out of the Covid-19 pandemic, Council resolves to assist those residents and businesses within the District who are affected by the import and/or export problems arising at the end of the Transition Period for leaving the European Union using our established joint working arrangements across Devon and that are reflected in our existing work programmes and resources to do so.

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REPORTS OF BODIES

RESOLVED

That the minutes and recommendations of the undermentioned Bodies be received and approved subject to any amendments listed below:-

- (a) Development Management Committee – 9 September 2020
- (b) Development Management Committee – 7 October 2020
- (c) Overview & Scrutiny Panel – 8 October 2020
- (d) Salcombe Harbour Board – 19 October 2020

In presenting the minutes, the Chairman of the Board wished to put on record his thanks to the Harbour Master and his team for their efforts in delivering such a fantastic service during the COVID-19 Pandemic.

SH.13/20: 2021/22 Budget

RESOLVED

That the proposed 2021/22 Budget (as set out within the agenda report presented to the Board meeting) be approved.

SH.14/20: Fees and Charges 2021/22

RESOLVED

That the proposed Fees and Charges (as set out at Appendix 1 of the presented agenda report) be approved for implementation from 1 April 2021, subject to the establishment of a Hardship Fund (up to £10,000) to be funded from the General Reserve.

SH.15/20: Enforcement of Byelaws and Harbour Directions

RESOLVED

That the revised Enforcement Policy (as detailed at Appendix 1 of the presented agenda report) be adopted and, in the meantime, the draft Policy be uploaded on to the Council website.

(e) Executive – 22 October 2020

E.25/20: Medium Term Financial Strategy for Five Years 2021/22 to 2025/26

RESOLVED

1. That the strategic intention be set to raise Council Tax by the maximum allowed in any given year, without triggering a Council Tax Referendum, to endeavour to continue to deliver services. (NB. the actual Council Tax for any given year will be decided by Council in the preceding February);
2. That the Council continue to respond to Government consultations on Business Rates Reform;
3. That the Council continue to actively lobby and engage with the Government, Devon MPs, South West Councils and other sector bodies such as the District Councils' Network and the Rural Services Network, for a realistic Business Rates baseline to be set for the Council for 2022 onwards, when the Business Rates reset happens;
4. That the Council continue to lobby in support of the Government eliminating Negative Revenue Support Grant in 2021/22 (and thereafter) and continue to lobby for Rural Services Delivery Grant allocations that adequately reflect the cost of rural service provision; and
5. That the Council maintains an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million.

E.26/20: Capital Programme Monitoring

RESOLVED

3. That the anticipated underspend (£93,500) on Play Parks be used to set up a Play Area Renewals Revenue Earmarked Reserve to be used for replacement play area equipment as required (as set out in section 3.11 of the presented agenda report to the Executive meeting).
- (f) Development Management Committee – 4 November 2020
- (g) Licensing Committee – 5 November 2020

L.3/20: Review of Statement of Licensing Policy for 2021-26

RESOLVED

2. That the draft Licensing Policy (as detailed at Appendix A of the agenda report presented to the Committee) be adopted for the period from 7 January 2021 to 6 January 2026, subject to inclusion of the minor grammatical amendments (as set out in the detailed Committee minutes).
- (h) Executive – 3 December 2020

(Meeting commenced at 2.00pm and concluded at 5.50pm)

Chairman

**SOUTH HAMS DISTRICT
COUNCIL**

11 FEBRUARY 2021

**2021/22
REVENUE BUDGET PROPOSALS**

2021/22 REVENUE BUDGET PROPOSALS – FINAL RECOMMENDATIONS

Purpose of the Report

This report provides an update of our overall financial position and details the formal proposals of the Executive to achieve a balanced budget. The minutes of the Executive meeting of 28 January 2021 are included elsewhere on this agenda and provide a more complete picture of the decisions taken.

The General Fund Revenue Budget, Medium Term Financial Strategy (MTFS) and the recommendations for the 2021/22 financial pressures and savings are summarised in Appendices A to F of this report. The MTFS has been rolled forward to enable Members to look ahead to future years in considering their spending plans and council tax levels.

The Final Local Government Finance Settlement has been announced on 4th February and the main change is that the Lower Tier Services Grant has increased by £24 to £82,147 in the Final Settlement. This small amendment of £24 has been amended in Appendix B and the income from business rates has been reduced by £24 to produce a balanced budget of the same amount (£9,676,767).

There will be a one year Spending Round for 2021/22 and plans for a more substantial Spending Review for 2022/23 onwards. So effectively this is a 'roll-forward' Finance Settlement from the Government for 2021/22 for one year. The point is being made by Councils, the Local Government Association (LGA) and the District Councils' Network that Councils need more certainty of their funding longer term post 2021.

The Council no longer receives any Government Grant (Revenue Support Grant) to fund its services and the Council has to be self-sufficient. The Council Tax Referendum limits for District Councils will be the higher of £5 or 1.99% for 2021/22.

The Council's Net Budget would be £9.68 million for 2021/22, for all of the services it delivers. Negative Revenue Support Grant (RSG) will be eliminated by the Government for 2021/22. The Business rates multiplier has been frozen for 2021/22 and the Devon Business Rates Pool is one of 22 Pools nationally for 2021/22.

For 2021/22, the funding amount for the Rural Services Delivery has been increased by £4million to £85million nationally. South Hams District Council's share of this is £428,206 for 2021/22. This is Government grant to recognise the additional cost of delivering services in rural areas.

This report sets out the revenue budget proposals for a balanced budget for 2021/22. The Council is currently forecasting a budget gap of £0.51m for 2022/23. The cumulative aggregated Budget Gap by 2025/26 is £3.9million.

As part of these Revenue Budget Proposals, it is also proposed to allocate £500,000 for funding the Recovery and Renewal Plan and a further £200,000 funding for the Climate Change Action Plan.

2021/22 REVENUE BUDGET PROPOSALS – FINAL RECOMMENDATIONS

Statutory Powers: Local Government Act 1972, Section 151
Local Government Finance Act 1992

RECOMMENDATIONS:-

(The references in the Recommendations below refer to the Appendices in this report or to the relevant Section of the 2021/22 Revenue Budget report presented to the Executive at its meeting on 28 January 2021).

It is RECOMMENDED that:

- i) Council Tax is increased by £5 (which equates to a Band D council tax of £175.42 for 2021/22, an increase of £5 per year or 10 pence per week. This is a 2.93% increase). This equates to a Council Tax Requirement of £6,718,291.
- ii) The financial pressures in Appendix B of £696,761 be agreed.
- iii) The net contributions to/(from) Earmarked Reserves of £414,600 as shown in Appendix D, including the proposed use of £746,000 of New Homes Bonus funding to fund the 2021/22 Revenue Budget be agreed;
- iv) The savings of £122,191 as shown in Appendix A be agreed;
- v) Partnership funding levels set out in Section 5 of the Executive report of 28 January 2021, including a £10,000 contribution to the CVS in 2021/22 and 2022/23 be agreed;
- vi) The allocation of £500,000* for funding for the Recovery and Renewal Plan and a further £200,000* funding for the Climate Change Action Plan be approved, to be funded by:
 - a. *withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;*
 - b. *utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme);*
 - c. *using £450,000 of funding from the Business Rates Retention Earmarked Reserve*
*(*This funding is to be put into an Earmarked Reserve for the purpose stated)*

2021/22 REVENUE BUDGET PROPOSALS – FINAL RECOMMENDATIONS

- vii) An amount of £380,789 (the fifth tranche of COVID funding as set out in 11.2 and 1.9 of the Executive report of 28 January 2021), is approved to be transferred into a COVID Earmarked Reserve, to protect against future COVID losses in 2021/22.
- viii) The Council should set its total net expenditure for 2021/22 as shown in Appendix B as £9,676,767.
- ix) The minimum level of the Unearmarked Revenue Reserve is maintained at £1.5million.
- x) That the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates are noted. This is a requirement of Part 2 of the Local Government Act 2003.

Officer contact:

Lisa Buckle, Corporate Director for Strategic Finance (S151 Officer)

lisa.buckle@swdevon.gov.uk

Part 1: The Executive's considerations in arriving at its final proposals for financial pressures, savings and Council Tax (Executive meeting held on 28 January 2021).

1. Over the last six months, the Executive has given the budget very detailed consideration and has sought views on budget proposals. This process has enabled and informed Members in their consideration of the appropriate level of service provision and council tax levels.
2. The Executive are recommending increasing council tax by £5 and are recommending that Full Council approve this. This would mean the council tax would increase to £175.42 for 2021/22 (a 2.93% increase), an increase of £5 per year or 10 pence per week.
3. Council in December 2020 set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to enable the continued delivery of services. It was recognised that this measure would increase the base budget for ensuing years and protect the delivery of services and the Council's financial resilience. To balance the budget of £9.68 million, the Council has identified £0.25 million in savings. The Council is still forecasting a £0.51 million budget gap by 2022/23.

2021/22 REVENUE BUDGET PROPOSALS – FINAL RECOMMENDATIONS

4. The Executive also recommends a capital works programme for 2021/22 amounting to £2,380,000. This is covered in detail in a separate report 'Capital Budget Proposals for 2021/22' on this Council Agenda. Projects include:-
 - Public Sector Renewals (including Disabled Facility Grants)
 - Waste fleet replacement programme
 - Provision of car parking adjacent to the Dartmouth Health and Wellbeing Hub

5. Sensitivity analysis and risk analysis – The figures within the Budget proposals have been subject to a sensitivity analysis and a risk analysis. This has identified a potential adverse revenue effect of £1.27 million (from the sensitivity analysis in Appendix F). Revenue Reserves are recommended to be maintained at a minimum of £1.5 million. The S151 Officer therefore confirms the robustness of the Budget Proposals and the adequacy of the reserves.

Part 2: Conclusion

6. The above paragraphs summarise the overall position faced by the Council and the considerations of the Executive in arriving at its final proposals to achieve a balanced budget.

7. The proposed budget will leave the Council on a stable financial footing with a level of reserves which will help us manage the uncertainty of the future reform of Local Government Finances.

8. The Council no longer receives any Government Grant (Revenue Support Grant) to fund its services and the Council has to be self-sufficient. The Council is currently forecasting a budget gap of £0.51m for 2022/23. The aggregated Budget Gap by 2025/26 is £3.9million. The Peer Review report in 2019 stated that it will be important to ensure that financial self-sufficiency becomes the byword over the medium term and focus is maintained to achieve this.

9. The Council continues to do everything it can to make sure that residents, businesses and front-line services come first. Forward planning has allowed us to ease the pressures on front line services and for those in our community who face financial difficulties in these unprecedented times.

2021/22 REVENUE BUDGET PROPOSALS – FINAL RECOMMENDATIONS

10. Looking ahead, South Hams District Council adopted its Climate Change and Biodiversity Strategy in December 2020 which aims to reduce its organisational carbon emissions (Scope 1, 2 and 3 emissions) to net-zero by 2030 and to help the District of South Hams reach Zero Carbon by 2050. The Council is also aiming for a 10% Biodiversity Net Gain in the habitat value of its green and wooded public open space by 2025. As part of next year's budget for 2021/22, it is proposed to allocate a further £200,000 to the climate change action plan, which can be used for projects that tackle both climate change and help a green recovery from the pandemic.
11. This budget also proposes to allocate £500,000 to the Council's Recovery and Renewal Plan. It is important that we take a strategic approach to recovery, to ensure that we learn from the response, understand the new challenges we face and emerge as an organisation that is fit for purpose and financially sustainable. The Council will follow the principle of 'Build Back Better' in our Recovery Plan, so that the opportunities to learn and become more efficient and effective are realised wherever possible.
12. Local Government finances are increasingly stretched and there is a great deal of financial uncertainty for District Councils from 2021 onwards. The next few years will be challenging as the Council moves into the Recovery phase and the Government's Fair Funding Review and the reset of the Business Rates baseline will be introduced, coupled with receiving no Government Grant and the cessation of the current New Homes Bonus scheme.
13. This is a budget to maintain frontline services, allocate £500,000 to the Council's Recovery and Renewal Plan and a further £200,000 to the climate change action plan, whilst also preserving the longer term future of the Council. Strong financial management over many years and the continual drive for efficiency has enabled the Council to accommodate service pressures while still maintaining a low level of council tax. I commend the budget proposals to the Council.

Councillor J Pearce
Leader of the Council

2021/22 REVENUE BUDGET PROPOSALS – FINAL RECOMMENDATIONS

APPENDICES

Appendix A – Summary of Budget pressures, savings and income generation and contributions to Earmarked Reserves

Appendix B – Summary of Budget Position for the years 2021/22 to 2025/26

Appendix C – Schedule of Reserves

Appendix D – Analysis of Contributions to/(from) Earmarked Reserves

Appendix E – Summary of Revenue Budget for 2021/22

Appendix F – Sensitivity Analysis and Risk Analysis of the MTFS

BACKGROUND PAPERS

Executive 28 January 2021 – Draft Revenue Budget Proposals for 2021-22

Joint Development Management Committee and Overview and Scrutiny Panel –

Draft Revenue Budget Proposals for 2021-22

Council 17th December 2020 – Climate Change and Biodiversity Strategy and Action Plan update

Executive 17th December 2020 – Draft Revenue Budget Proposals for 2021-22

Executive 17th December 2020 – Revenue Budget Monitoring report

(Month 7)

Council 24th September 2020 – Amended Budget Proposals 2020-21

Council 24 September 2020 – Climate Change and Biodiversity Strategy and Action Plan Update

Council 24th September 2020 – Strategic Leisure Options (Fusion Update)

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BUDGET PROPOSALS 2021/22
(This shows the changes to the existing Base Budget)

APPENDIX A

	(Amended Budget)					
	BASE 2020/21	Yr1 2021/22	Yr2 2022/23	Yr3 2023/24	Yr4 2024/25	Yr 5 2025/26
	£	£	£	£	£	£
BUDGET PRESSURES						
Inflation and increases on goods and services (Business Rates Multiplier is being frozen in 2021/22)	110,000	90,000	110,000	110,000	110,000	110,000
Triennial Pension revaluation (increase in Pension Employer primary rate contributions)	140,000					
Salaries - provision for pay award at 1% for 21/22 onwards (the actual pay award for 20/21 was 2.75% and therefore 21/22 includes an extra 0.75% to build this extra amount for 2020/21 into the base budget as 2% was budgeted for 2020/21)	140,000	123,000	70,000	70,000	70,000	70,000
Waste collection, recycling and cleansing contract (estimate)	130,000	130,000	130,000	130,000	130,000	130,000
National Living Wage and National Insurance	70,000	70,000	70,000	70,000	70,000	70,000
Two planning enforcement officers (SHDC share of the cost - Council September 19)	50,078					
Localities service - seasonal staffing posts - Executive report 28.1.2021		25,000				
Employer's pension costs - Waste collection, recycling and cleansing contract	25,000					
Depot annualised costs - Waste collection, recycling and cleansing contract	60,762	60,761				
Devon aligned service for waste	175,000	175,000				
Implementation costs for Devon aligned service for waste (one-off) This is additional staffing support for implementation such as roadshows, communications and customer services support.	125,000	(125,000)				
Reduction in recycling income	95,000					
ICT future service provision	150,000					
Housing Benefit overpayment recoveries (to reduce income target to Nil in 21/22)	100,000	145,000				
Payment collection expenses	25,000					
Maintenance of trees	40,000					
Climate Change Policy Officer (SHDC share of cost - 2 year temporary post)	25,000		(25,000)			
Housing Posts (make three temporary posts permanent - SHDC share of costs - to be funded by Government grant - Flexible Homelessness Grant funding)	48,700					
Economy Post - 50% of cost (shdc share), for two years	25,000		(25,000)			
SLT/ELT Restructure - redundancy/pension strain costs	25,000			(25,000)		
Dartmouth Ferry - management recharge from Salcombe Harbour	21,100					
Large and hazardous fly tipping costs (outside of the FCC contract)	20,000					
Partnership funding (increase in the base budget - as 5.1 of the report)		3,000				
TOTAL BUDGET PRESSURES	1,600,640	696,761	330,000	355,000	380,000	380,000
 Changes to contributions to Earmarked Reserves						
Reduce the contribution from the New Homes Bonus Reserve (assumes a contribution of £564,143 in 2020/21 and contributions in future years equating to £0.746m in 2021/22 and £0.546m in 22/23)	(64,143)	(181,857)	200,000	100,000	150,000	96,000
Dartmouth Ferry - increase annual contribution to reserve (except in 21/22 and 22/23)	30,000			30,000	30,000	30,000
Transformation Project (T18) - Approved at 11 December 2014 Council <i>Contribution to Strategic Change Reserve to meet pension strain costs</i>	(90,000)	30,000				
Funding from the Economic Regeneration (Business Rates Pilot Gain) Earmarked Reserve (one-off in 2020-21)	(127,000)	127,000				
Repairs and Maintenance Reserve - reduce annual contribution of £55,000 in 2020-21	(55,000)	80,000		25,000		
Cease making a contribution to the Planning Earmarked Reserve in 2020-21	(50,000)	50,000				
Funding from the Business Rates Retention Earmarked Reserve (one-off 20-21)	(343,000)	343,000				
Contribution from the Flexible Homelessness Government Grant for three housing posts (SHDC share of costs)	(48,700)					
Total changes in contributions to Earmarked Reserves (as per Appendix D)	(747,843)	448,143	200,000	155,000	180,000	126,000

BUDGET PROPOSALS 2021/22
(This shows the changes to the existing Base Budget)

APPENDIX A

SAVINGS AND INCOME GENERATION IDENTIFIED

	BASE 2020/21	Yr1 2021/22	Yr2 2022/23	Yr3 2023/24	Yr4 2024/25	Yr 5 2025/26
Savings from re-procurement of contracts (e.g. leisure contract)	(165,000)		(186,000)			
Procurement of waste collection, recycling and cleansing contract (Note - The employer's pension costs of £290,000, the depot annualised costs of £22,200 and the increase to the Vehicle Earmarked Reserve of £60,000 are deducted from this figure to show the total net annual saving as per the report to Council on 6th December 2018)	(129,674)	(129,672)				
Income from economic regeneration projects within the District			(40,000)	(58,000)		
Public Conveniences - Pay on Entry, contributions and transfer to Parish Council/ closure 1.9.2019 where agreement has not been reached for transfer - Includes rate relief from 2021 - Savings as set out in the Executive report 22nd November 2018. Figures have been updated to reflect the proposals set out within the Public Conveniences update report to the Executive on 19th December 2019	(55,203)	(54,537)				
Senior Leadership Team - Interim arrangement (£34,000) - Restructure (£60,000) as per July 2019 Council report - a total of £94,000	(60,000)					
Review ICT contracts	(6,300)					
Digital Downloads of Planning applications	(3,500)					
Implement e-billing for Council Tax	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Council Tax Support Grant -Reduction by 50% per annum over two years	(37,000)	(37,000)				
Car parking pay & display fees - increase by 4%	(80,000)					
Commercial Investment Strategy	(75,000)					
Employment Estates income	(25,000)	(10,000)				
Treasury Management income	(20,000)					
Corporate Consultancy income	(10,000)					
Cancellation of the IEG4 Contract & implementation of the Northgate Citizen access portal	(12,000)	(12,000)				
Review of fees and charges - boat storage fees (£2,000) and Street Naming and Numbering (£1,500)	(4,100)	(3,500)				
Dartmouth Lower Ferry income	(20,000)					
Triennial Pension Revaluation - no secondary pension contributions payable due to the pension Deficit being Nil at 31.3.2019	(200,000)					
3rd tranche of COVID funding received from the Government (one-off in 20-21)	(121,000)	121,000				
Cease the 2020-21 annual contribution towards building up a budget for future years for the Follaton Roof and Follaton Lift (one-off in 20-21)	(80,000)	80,000				
Use of New Burdens Government grant funding received for the administration of the Business Rates Grants (one-off in 20-21)	(170,000)	170,000				
TOTAL SAVINGS AND INCOME GENERATION	(1,275,877)	122,191	(228,100)	(60,100)	(2,100)	(2,100)

Line	Appendix B - Council Tax is increased by the higher of £5 or 1.99% each year	BASE	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
		Amended 2020/21 Budget £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
No.	Modelling for the financial years 2021/22 onwards						
1	Base budget brought forward	8,832,752	9,410,672	9,676,767	9,467,832	9,630,639	9,804,930
2	Budget pressures (as per Appendix A)	1,600,640	696,761	330,000	355,000	380,000	380,000
	One -off budget shortfall identified for 2020-21 (as per Amended Budget report)	1,313,000	(1,313,000)				
3	Savings already identified (as per Appendix A)	(1,275,877)	122,191	(228,100)	(60,100)	(2,100)	(2,100)
4	Changes in contributions to Earmarked Reserves (App A)	(747,843)	448,143	200,000	155,000	180,000	126,000
6	Funding from Unearmarked Reserves (Amended Budget 2020-21) (£200,000 plus £112,000 Statement of Accounts for 2019-20 Accounts)	(312,000)	312,000				
7	Projected Net Expenditure:	9,410,672	9,676,767	9,978,667	9,917,732	10,188,539	10,308,830
	Funded By:- (See Note 1 below regarding New Homes Bonus funding)						
8	Council Tax income - Modelling a £5 increase in 2021/22 onwards	6,562,617	6,718,291	6,945,867	7,175,442	7,407,018	7,640,594
9	Collection Fund Surplus/(Deficit)	60,000	(30,397)	(9,087)	(9,087)	0	0
10	Localised Business Rates (estimate of business rates resources received in the year)	2,155,000	2,353,520	2,360,000	2,370,000	2,380,000	2,390,000
11	Tariff/Top Up Adjustment amount (negative RSG - phased in from 2022/23)		0	(270,000)	(360,000)	(450,000)	(500,000)
12	Business Rates Pooling Gain	225,000	125,000	0	0	0	0
13	Rural Services Delivery Grant (assumes a 3% increase in future years)	408,055	428,206	441,052	454,284	467,912	481,950
14	Lower Tier Services Grant	0	82,147	0	0	0	0
15	Total Projected Funding Sources	9,410,672	9,676,767	9,467,832	9,630,639	9,804,930	10,012,544
	Budget Gap per year						
16	(Projected Expenditure line 7 - Projected Funding line 15)	0	0	510,835	287,093	383,608	296,287
	Actual Predicted Cumulative Budget Gap	0	0	510,835	797,928	1,181,537	1,477,823
	Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)	0	0	510,835	1,308,763	2,490,300	3,968,123
	Modelling Assumptions:						
	Council Tax (Band D) (Modelling the higher of £5 or a 1.99% increase)	170.42	175.42	180.42	185.42	190.42	195.42
	Council Tax Base (Assumes an increase in Band D Equivalent properties of 200 per annum)	38,508.49	38,298.32	38,498.32	38,698.32	38,898.32	39,098.32

Note 1 - New Homes Bonus Funding

The modelling for 2021/22 includes a contribution of £746,000 from New Homes Bonus (NHB) funding to fund the Base Budget. This reduces to £546,000 in 2022/23 and a phased reduction in 2023/24 onwards. Although the NHB scheme is due to be replaced in 2022/23, it is assumed that a successor scheme will be implemented that will also be based on housing growth.

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RESERVES - PROJECTED BALANCES (EXCLUDES SALCOMBE HARBOUR)						APPENDIX C
	Cost Centre	Opening balance 01.04.2020 £000s	Additions to Reserve 2020/21 £000s	Predicted Spend 2020/21 £000s	Projected balance 31.03.2021 £000s	Comments
EARMARKED RESERVES						
Specific Reserves - General Fund						
Affordable Housing	S0822	(706)	0	211	(495)	Funding of Capital Programme commitments and £40K set up costs of the Community Benefit Society, Wholly Owned Company (E.78/19)
Beach Safety	S0839	(14)			(14)	
Capital Programme	S0820	(26)	(182)	208	0	Capital Programme commitments
Community Housing Fund	S0854	(494)		351	(143)	Community Housing schemes
Community Parks and Open Spaces	S0826	(37)	(17)	25	(29)	South Devon Tennis Courts, Cycling Design Work Plym to Tavistock etc.
Covid Earmarked Reserve (subject to Council approval)	New code	0	(100)	0	(100)	It is recommended that the COVID-19 LA Support Grant (4th tranche of £100K) is put into a COVID Earmarked Reserve as per Recommendation 3 of the December Executive Revenue Budget Monitoring report. There is a further recommendation as part of this report for the fifth tranche of COVID funding of £380,789 to also be transferred into the COVID Earmarked Reserve. This funding will not be received until April 2021.
Dartmouth Ferry Repairs & Renewals	S0830	(446)	(117)	118	(445)	Dart Lower Ferry Workshops engineering (health and safety urgent works) £94k, additional fleet refurbishment works £24k
District Elections	S0838	0	(10)		(10)	
Economic Initiatives	S0831	(6)		4	(2)	Pop up Business School
Economic Regeneration (Business Rates pilot gain 2018/19)	S0858	(319)		280	(39)	Spend commitments include £65,000 for the Ivybridge Regeneration project (Executive 18th June 2020), £88,000 Fusion Leisure support payments July to Sept, and £127,000 contribution to Base Budget (part of Amended Budget 20/21)
Emergency Climate Change Projects Reserve	S0852	0	(400)	20	(380)	Set up of this reserve approved Exec 6th Feb 20 E74/19, funded by contribution from New Homes Bonus Reserve. As per the Executive report on 22nd October 2020, to utilise £20,000 to support the delivery of the Green Homes Grant scheme. There is a report on Council on 17.12.20 'Climate Change and Biodiversity Strategy and Action Plan update', which proposes initiatives for the £380,000.
Environmental Health Initiatives	S0857	(20)		11	(9)	EH student specialist salary costs
Homelessness Prevention	S0851	(112)			(112)	This reserve has been created following underspends on Homelessness Prevention Costs in previous years.
ICT Development	S0836	(122)	(50)	122	(50)	Commitments include £83,000 towards the Future IT Procurement, Council 13/2/20 E75/19
Innovation Fund (Invest to Earn)	S0850	(9)		9	0	Commitment to Community Housing Fund Reserve
Joint Local Plan	S0860	(21)			(21)	This is a new reserve for Joint Local Plan funding
Land and Development	S0829	(211)	(7)	104	(114)	Commitments include £103.5k Fusion Leisure monthly support due to temporary closure of leisure facilities during Covid 19 pandemic (April, May and June), £55k Follaton House Arboretum & Wedding Venue works
Leisure Services	S0858	(57)		14	(43)	Commitments include Playing Pitch Strategy £13k
Maintenance, Management and Risk Management Reserve (MMRM)	S0861	(8)	(29)		(37)	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	S0828	(268)	(58)	0	(326)	Commitment of £200,000 relates to Batson Harbour Workshops (2019/20 £200K Capital Programme)
Members Sustainable Community Locality	S0846	(28)			(28)	This reserve holds the unspent balances.
New Homes Bonus	S0804	(1,696)	(1,199)	2,089	(806)	The NHB allocation for 20/21 was £1.199m. Commitments include £564k contribution to base revenue budget, £400k to Emergency Climate Change Projects Reserve and the Capital Programme budget 2018/19 & 2019/20. At Council in February 2020, it was approved to transfer the unallocated balance of £235,016 (from the 20/21 NHB allocation) 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	S0834	(44)			(44)	
Pay & Display Equipment Renewals	S0833	(144)	(21)		(165)	This reserve provides for the periodic replacement of Pay & Display machines.
Pension Fund Strain Payments Reserve	S0810	(29)	(99)	99	(29)	This reserve is used to fund pension strain costs
Planning Policy & Major Developments	S0840	(187)			(187)	This reserve is for all planning matters and is also to meet appeal costs.
Renovation Grant Reserve	S0823	(7)			(7)	
Repairs & Maintenance	S0827	(203)	(13)	28	(188)	Commitment (£28K) relates to Mobile Phone Signal improvement works at Follaton House
Revenue Grants	S0821	(608)		54	(554)	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.
Section 106 Deposits	S0842	(38)			(38)	This reserve comprises deposits with no repayment conditions - created as a result of IFRS

Section 106 Monitoring	S0929	(133)		22	(111)	This reserve funds the cost of an officer to oversee the administration of S106 deposits and how they are spent
Section 106 Technical Support	S0862	(16)		16	0	To meet the salary costs of a S106 technical support officer.
Strategic Change Reserve (T18)	S0849	(30)		30	0	Contribution to the Base Budget as per the Amended budget 20/21
Support Services Trading					(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	S0856	(43)				
	S0837	(54)	(25)		(79)	Reserve was created for one-off waste management costs
Vehicles & Plant Renewals						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 for new fleet.
	S0832	(1,183)	(550)	1,733	0	
Sub Total excluding the Business Rates Reserve		(7,319)	(2,877)	5,548	(4,648)	
Business Rates Retention	S0824	(6,192)	0	586	(5,606)	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) employment land opportunities - Amended Budget 24.9.2020 (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. As part of the Amended Budget for 2020-21, it was agreed to use £343,000 from this reserve towards the 2020-21 budget shortfall of £1.3million. In addition, at Council in September 2020, it was approved to use £243,000 from this Reserve for further financial support for Fusion (the Council's leisure operator), so as to deliver improved health and wellbeing outcomes.
TOTAL EARMARKED RESERVES		(13,511)	(2,877)	6,134	(10,254)	
TOTAL UNEARMARKED RESERVES (General Fund Balance)		(1,898)	(69)	200	(1,767)	Note: This Unearmarked Reserve has a minimum balance of £1.5million (set by Members as part of the budget process). The predicted underspend for 2020-21 of £69,000 (as set out in this report) would be added to this Unearmarked Reserve. The Amended Budget set for 2020-21 approved the use of £200,000 from this Reserve to fund the Base Budget in 2020-21.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		(15,409)	(2,946)	6,334	(12,021)	

ANALYSIS OF CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES

Amended Budget 2020/21 Estimate 2020/21			Estimate 2021/22		Estimate 2022/23	
To £	(From) £		To £	(From) £	To £	(From) £
181,600		Capital Programme	181,600		181,600	
16,900		Community Parks & Open Spaces	16,900		16,900	
10,000		District Elections	10,000		10,000	
117,000		Ferry major repairs & renewals	117,000		117,000	
	(564,143)	New Homes Bonus (replacement scheme in 22/23)		(746,000)		(546,000)
	(48,700)	Flexible Homelessness Gov Grant		(48,700)		(48,700)
20,800		Pay & Display Equipment	20,800		20,800	
99,000		Pension Fund Strain Payments	99,000		99,000	
0		Repairs and maintenance	80,000		80,000	
	(30,000)	Strategic Change Reserve		0		0
550,000		Vehicles & Plant Renewals	550,000		550,000	
7,000		Land and Development Reserve	7,000		7,000	
50,000		IT Development Reserve	50,000		50,000	
25,000		Sustainable Waste Management	25,000		25,000	
0		Planning Policy and Major Developments	50,000		50,000	
	(127,000)	Economic Regeneration (Pilot Gain)		0		0
	(343,000)	Business Rates Retention Reserve		0		0
2,000		Interest from Reserves	2,000		2,000	
1,079,300	(1,112,843)	TOTALS	1,209,300	(794,700)	1,209,300	(594,700)
(33,543)		GRAND TOTAL	414,600		614,600	

Shaded items denote one-off funding changes with regards to the Amended Budget for 20/21 (agreed by Council September 2020)

OPTION 1b See Executive Report 28.1.2021 - (Minute OSDM.15/20 refers)

		Estimate 2021/22	
		To £	(From) £
Recovery and Renewal Plan		500,000	
Climate Change Action Plan		200,000	
Business Rates Retention Reserve			(450,000)
Reduce Planning contribution to the Reserve			(50,000)
New Homes Bonus funding			(200,000)
GRAND TOTAL		700,000	(700,000)

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Service Group	SLT Budget Holder	2021 Base Net Budget	2021 Adjusted COVID-19 Base Budget	2021 Virements	2021 Revised Net Budget	21/22 Pressures/(Savings)	21/22 Reversal of COVID-19 Pressures	21/22 Budget Preparation Virements	21/22 Salary Estimate Virements	21/22 Final Base Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
a) Customer Service & Delivery	Steve Mullineaux	7,251,382	8,237,382	(104,978)	8,132,404	346,440	(986,000)	0	62,478	7,555,322
b) Place & Enterprise	Chris Brock	(1,730,463)	178,537	52,000	230,537	(3,216)	(1,909,000)	0	(2,100)	(1,683,779)
c) Governance & Assurance	Drew Powell	4,649,438	5,026,438	1,700	5,028,138	141,728	(377,000)	0	10,900	4,803,766
d) Strategic Finance	Lisa Buckle	576,858	(1,753,142)	51,278	(1,701,864)	334,000	1,959,000	0	(71,278)	519,858
Total		10,747,215	11,689,215	0	11,689,215	818,952	(1,313,000)	0	0	11,195,167
Contributions to/(from) Earmarked Reserves		596,457	(33,543)							414,600
Contributions to/(from) Unearmarked Reserves		0	(512,000)							0
Reversal of Depreciation		(1,933,000)	(1,933,000)							(1,933,000)
Net Budget Total		9,410,672	9,410,672							9,676,767
Funded by:										
Localised Business Rates		2,155,000	2,155,000							2,353,520
Business Rates Pooling Gain		225,000	225,000							125,000
Council Tax (modelling an increase of £5 in 21/22)		6,562,617	6,562,617							6,718,291
Collection Fund Surplus/(Deficit)		60,000	60,000							(30,397)
Rural Services Delivery Grant		408,055	408,055							428,206
Lower Tier Services Grant		0	0							82,147
Total		9,410,672	9,410,672							9,676,767

a) Customer Service & Delivery	ELT Budget Holder	2021 Base Net Budget	2021 Adjusted COVID-19 Base Budget	2021 Virements	2021 Revised Net Budget	21/22 Pressures/(Savings)	21/22 Reversal of COVID-19 Pressures	21/22 Budget Preparation Virements	21/22 Salary Estimate Virements	21/22 Final Base Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
S1010 Customer Contact Centre	Sarah Moody	435,500	435,500	(146,000)	289,500	9,100	0	0	(100)	298,500
S1020 Planning Applications and Advice	Pat Whymer	(807,600)	(532,600)	0	(532,600)	(1,500)	(275,000)	0	0	(809,100)
S1040 Local Land Support	Pat Whymer	(143,000)	(92,000)	0	(92,000)	0	(51,000)	0	0	(143,000)
S1304 Grounds Maintenance	Sarah Moody	522,195	522,195	0	522,195	7,300	0	0	18,600	548,095
S1501 General Health	Ian Luscombe	11,000	11,000	0	11,000	0	0	0	0	11,000
S1503 Public Health	Ian Luscombe	(16,323)	(16,323)	0	(16,323)	0	0	0	0	(16,323)
S1531 Licensing	Ian Luscombe	(190,900)	(110,900)	0	(110,900)	0	(80,000)	0	0	(190,900)
S1533 Pest Control	Ian Luscombe	13,500	13,500	0	13,500	0	0	0	0	13,500
S1534 Pollution Control	Ian Luscombe	(4,100)	8,900	0	8,900	0	(13,000)	0	0	(4,100)
S1535 Food Safety	Ian Luscombe	2,750	2,750	0	2,750	0	0	0	0	2,750
S1536 Health & Safety at Work	Ian Luscombe	9,900	9,900	0	9,900	0	0	0	0	9,900
S1544 Community Safety	Ian Luscombe	5,600	5,600	0	5,600	0	0	0	0	5,600
S1545 Emergency Planning	Ian Luscombe	9,600	9,600	0	9,600	0	0	0	0	9,600
S1550 Housing Standards	Ian Luscombe	1,000	1,000	0	1,000	0	0	0	0	1,000
S1551 Homelessness	Isabel Blake	153,300	281,300	(18,500)	262,800	0	(128,000)	0	0	134,800
S1552 Housing Advice	Isabel Blake	3,000	3,000	0	3,000	0	0	0	0	3,000
S1555 Private Sector Housing Renewal	Ian Luscombe	0	0	0	0	0	0	0	0	0
S1565 Housing Benefit Payments	Isabel Blake	13,000	158,000	0	158,000	145,000	(145,000)	0	0	158,000
S1568 Housing Benefit Administration	Isabel Blake	(195,300)	(195,300)	0	(195,300)	0	0	0	0	(195,300)
S1571 Council Tax Collection	Isabel Blake	(386,600)	(308,600)	0	(308,600)	0	(78,000)	0	0	(386,600)
S1574 Council Tax Support	Isabel Blake	(151,000)	(84,000)	0	(84,000)	0	0	0	0	(84,000)
S1998 Case Management Customer Service & Delivery	Sarah Moody	2,135,978	2,135,978	4,522	2,140,500	(5,400)	0	0	131,200	2,266,300
S1999 Specialists Customer Service & Delivery	Catherine Bowen	2,010,400	2,010,400	23,000	2,033,400	57,722	0	0	(6,722)	2,084,400
S2734 Farnier Markets	Ian Luscombe	(90,900)	(57,900)	0	(57,900)	0	(33,000)	0	0	(90,900)
S4001 Senior Leadership Team	Andy Bates	581,100	581,100	0	581,100	8,300	0	0	7,300	596,500
S4002 Extended Leadership Team	Andy Bates	581,100	581,100	0	581,100	15,000	0	0	24,400	620,500
S4004 Corporate Training & Occupational Health	Andy Wilson	38,900	38,900	900	39,800	0	0	0	0	39,800
S4005 Case Management Service Based Training	Sarah Moody	25,800	25,800	0	25,800	0	0	0	0	25,800
S4015 Specialists Service Based Training	Catherine Bowen	29,500	29,500	0	29,500	0	0	0	0	29,500
S4041 Internal Audit	Catherine Bowen	74,600	74,600	2,200	76,800	1,700	0	0	(10,500)	68,000
S4082 Landline Telephones	Mike Ward	39,700	39,700	0	39,700	0	0	0	0	39,700
S4084 ICT Support Contracts	Mike Ward	568,820	568,820	3,000	571,820	7,457	0	0	0	579,277
S4085 Mobile Phones	Mike Ward	19,000	19,000	0	19,000	0	0	0	0	19,000
S4086 ICT Hardware Replacement	Mike Ward	36,600	36,600	0	36,600	0	0	0	0	36,600
S4087 Photocopiers/MFD's	Mike Ward	33,900	33,900	0	33,900	0	0	0	0	33,900
S4100 Specialists Human Resources CoP	Catherine Bowen	90,800	90,800	6,300	97,100	3,000	0	0	1,600	101,700
S4101 Specialists Legal CoP	Catherine Bowen	142,300	142,300	0	142,300	4,700	0	0	(4,800)	142,200
S4102 Specialists Design CoP	Catherine Bowen	49,500	49,500	0	49,500	1,700	0	0	(800)	50,400
S4103 Specialists Finance CoP	Catherine Bowen	193,900	193,900	12,000	205,900	5,900	0	0	(4,300)	207,500
S4104 Specialists ICT CoP	Catherine Bowen	247,900	247,900	2,000	249,900	10,000	0	0	(7,900)	252,000
S4150 Case Management Support Services	Sarah Moody	407,400	407,400	5,600	413,000	6,300	0	0	(3,700)	387,600
S4155 Case Management Digital Mail Room	Sarah Moody	72,600	72,600	0	72,600	3,300	0	0	(1,900)	74,000
S4160 Corporate Management	Pauline Henstock	149,600	149,600	0	149,600	0	0	0	0	149,600
S4185 Specialists Strategy & Projects	Catherine Bowen	81,100	81,100	0	81,100	3,000	0	0	(13,000)	71,100
S4196 ICT Customer Support	Sarah Moody	95,100	95,100	0	95,100	3,100	0	0	(35,100)	63,100
S4199 Central Service Overheads	Catherine Bowen	77,900	77,900	0	77,900	0	0	0	(3,800)	74,100
S6040 Borrowing Costs	Pauline Henstock	716,662	716,662	0	716,662	60,761	0	0	0	777,423
S6050 Interest & Investment Income	Pauline Henstock	(203,000)	(203,000)	0	(203,000)	0	(183,000)	0	0	(203,000)
Total		7,251,382	8,237,382	(104,978)	8,132,404	346,440	(986,000)	0	62,478	7,555,322

b) Place & Enterprise	Budget Manager	2021 Base Net Budget	2021 Adjusted COVID-19 Base Budget	2021 Virements	2021 Revised Net Budget	21/22 Pressures/(Savings)	21/22 Reversal of COVID-19 Pressures	21/22 Budget Preparation Virements	21/22 Salary Estimate Virements	21/22 Final Base Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
S1030 Economic Development	Sarah Gibson	(700)	(700)	0	(700)	0	0	0	0	(700)
S1060 Community Development	Sarah Gibson	132,400	132,400	0	132,400	3,000	0	0	0	135,400
S1070 Environmental Initiatives	Sarah Gibson	46,300	46,300	0	46,300	0	0	0	0	46,300
S1104 Land & Investment Properties	Laura Wotton	(911,600)	(911,600)	0	(911,600)	0	0	0	0	(911,600)
S1165 Follaton House Offices	Laura Wotton	235,139	267,139	0	267,139	1,700	(32,000)	0	1,000	237,939
S1301 Community Parks & Open Spaces	Laura Wotton	108,900	185,900	(12,400)	173,500	0	(77,000)	0	0	96,500
S1305 Cemeteries & Burials	Laura Wotton	28,500	28,500	0	28,500	0	0	0	0	28,500
S1306 Countryside Recreation	Laura Wotton	500	500	0	500	0	0	0	0	500
S1311 Outdoor Sports & Recreation	Laura Wotton	137,879	157,879	0	157,879	24,621	(20,000)	0	0	162,500
S1365 Flood Defence & Land Drainage	Laura Wotton	46,400	46,400	0	46,400	0	0	0	0	46,400
S1367 Coast Protection	Laura Wotton	53,700	83,700	0	83,700	0	(30,000)	0	0	53,700
S1400 Employment Estates	Laura Wotton	(404,943)	(185,943)	(12,400)	(198,343)	(10,000)	(219,000)	0	(11,000)	(438,343)
S1558 Housing Strategy	Sarah Gibson	2,800	2,800	0	2,800	0	0	0	0	2,800
S2002 Beach & Water Safety	Cam Sims-Sterling	42,500	42,500	0	42,500	0	0	0	0	42,500
S2005 Salcombe Harbour	Cam Sims-Sterling	0	0	0	0	0	0	0	0	0
S2010 Dartmouth Lower Ferry	Cam Sims-Sterling	26,100	271,100	0	271,100	12,500	(245,000)	0	10,200	48,800
S2030 Tolnes Depot	Laura Wotton	27,400	27,400	0	27,400	0	0	0	0	27,400
S2043 Iybridge Depot	Laura Wotton	24,475	24,475	0	24,475	0	0	0	0	24,475
S2044 Tom Quary Depot	Laura Wotton	11,000	11,000	0	11,000	0	0	0	0	11,000
S2101 Car & Boat Parking	Laura Wotton	(1,713,750)	(427,750)	(15,900)	(443,650)	2,700	(1,286,000)	0	(700)	(1,727,650)
S2310 Dog Warden Service	Laura Wotton	5,000	5,000	0	5,000	0	0	0	0	5,000
S2400 Public Conveniences	Sarah Gibson	458,937	458,937	0	458,937	(46,737)	0	0	0	412,200
S2841 Repairs & Maintenance	Laura Wotton	(92,700)	(92,700)	92,700	0	9,000	0	0	(1,600)	7,400
S2884 Supervisors Vehicles	Laura Wotton	5,300	5,300	0	5,300	0	0	0	0	5,300
Total		(1,730,463)	178,537	52,000	230,537	(3,216)	(1,909,000)	0	(2,100)	(1,683,779)

c) Governance & Assurance	Budget Manager	2021 Base Net Budget	2021 Adjusted COVID-19 Base Budget	2021 Virements	2021 Revised Net Budget	21/22 Pressures/(Savings)	21/22 Reversal of COVID-19 Pressures	21/22 Budget Preparation Virements	21/22 Salary Estimate Virements	21/22 Final Base Budget
		£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
S1310 Leisure Centres	Jane Savage	(176,300)	(176,300)	0	(176,300)	0	0	0	0	(176,300)
S2017 Street and Beach Cleaning	Jane Savage	1,099,747	1,099,747	0	1,099,747	35,100	0	0	0	1,134,847
S2701 Waste & Recycling Collection Contract	Jane Savage	2,778,367	3,039,367	32,500	3,071,867</					

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Sensitivity analysis and risk analysis of the Medium Term Financial Strategy (MTFS)

1. The budget assumes approximately £7.5 million of income from fees and charges, recycling and investments. Given the position of the economy there is a risk that income could fall or be less than anticipated. A 10% reduction in income would result in a loss of £750,000.
2. The MTFS relies on proposed savings over the next 5 years of £542,000. A 5% reduction in the savings would equate to £27,100.
3. The MTFS assumes budget pressures over the next 5 years of £2.1 million. A 5% increase in the budget pressures would equate to £105,000.
4. Council Tax Income has been modelled based on an extra 200 Band D Equivalent properties per annum increase. If this figure were to actually be say 150 properties (i.e. 50 properties less), this would mean that Council Tax Income would be £8,750 less.
5. Council Tax has been assumed in the MTFS to increase by the higher of £5 or 1.99% over each of the five years. For example, for 2021-22 this would equate to a Band D of £175.42 (an increase of £5). The additional council tax income this would generate is £191,492. If council tax for 2021/22 were to remain at £170.42, the income from council tax would be overstated by this amount in the MTFS.
6. If Council Tax income collection fell by 1% (collection in 19/20 was 98.3% – the national average was 96.8%), this would mean a reduction of council tax income of around £70,000. Similarly if Business Rates income collection fell by 3% (collection in 19/20 was 98.67% - the national average was 98%), this would mean a reduction in business rates income of £60,000.
7. Income from investments has been assumed to increase in line with the expected interest rate forecasts. A 0.25% variation in interest rates on investment income equates to £60,000.

Borrowing Levels

Exempt Appendix G of the Medium Term Financial Strategy from September 2018 gave advice on the borrowing level for the Council and the Interest payments on the borrowing as a percentage of available Reserves. The table below shows the impact that Interest payable at 2% on borrowing has on this Indicator.

Total Borrowing	Interest repayments at 2%	Level of Reserves (€1.8m Unearmarked Reserves and €10.3m Earmarked Reserves) – predicted levels at 31.3.2021	Interest payments (at 2%) as % of available Reserves
€75m	€1,500,000	€12,100,000	12.4%

8. The capital programme is funded by capital receipts, grants, and contributions. Realistic assumptions about these have been made for the future.
9. Known liabilities have been provided for and there are no significant outstanding claims.

Summary & conclusion

Sensitivity analysis and risks are identified above with a potential total adverse revenue effect for 2021/22 of **€1.27 million**. However, revenue reserves are recommended to be maintained at a minimum of €1.5 million. I therefore confirm the robustness of the Medium Term Financial Strategy and the adequacy of the reserves.

Mrs Lisa Buckle, Corporate Director for Strategic Finance (S151 Officer)

Report to: **Council**
Date: **11 February 2021**
Title: **Capital Budget Proposals for 2021/22**
Portfolio Area: **Budget Proposals – Cllr Pearce**
Wards Affected: **All**

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

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

Contact: **Tel. 01803 861413**
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Recommendations:

That Council be RECOMMENDED to approve:

- a) The Capital Programme for 2021/22, which totals £2,380,000 (Appendix A)**
- b) The financing of the 2021/22 Capital Programme of £2,380,000 from the funding sources set out in Section 4.**

1. Executive summary

- 1.1** The report sets out the Capital Bids to the 2021/22 Capital Programme totalling £2,380,000 and a suggested way that these Bids can be funded. All items in this proposed Capital Programme are based on budget estimates and will be subject to the normal project appraisal procedures.

- 1.2** The Council has limited resources, in the form of capital receipts, to fund Capital Projects in 2021/22.

Consideration needs to be given to the funding options for the 2021/22 Capital Programme. The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing.

- 1.3** The Prudential Code for capital, which came into effect from 1st April 2004, replaced the previous Government regulated limits on capital expenditure and borrowing. In its place Councils now have the power to determine their own appropriate levels of capital expenditure and borrowing for capital purposes, based on the principles of affordability, prudence and sustainability.

- 1.4** The Code requires the Council, in setting its capital spending plans, to assess the impact on its revenue account and council tax levels. Section 4 demonstrates that there are sufficient capital funds (which includes £500,000 PWLB borrowing) in 2021/22 to fund the bids which have been submitted by project officers within the Council.

2. Background

- 2.1** The capital programme for 2020/21 was approved by Council on 13 February 2020 (72/19 and E.75/19 refer).

- 2.2** A new Capital Programme is proposed for 2021/22. The Head of Finance Practice invited bids for capital funding from all service areas, for a new capital programme during October 2020 on the strict proviso that all bids must go towards meeting a strategic priority. All capital bids received would be ranked against a prescribed priority criteria set out in the bid process.

- 2.3** The submitted capital bids have now been assessed against the categories in each priority. Priority 1 categories include meeting strategic priorities and statutory obligations (e.g. Health and Safety, DDA etc) and other capital works required to ensure the existing Council property assets remain open. Priority 2 categories link to good asset management whereby the capital work proposed would either generate capital/revenue income or reduce revenue spending. A capital

bid that will enable rationalised service delivery or improvement is also considered a Priority 2 category to meet the Council's aims and objectives.

2.4 The programme outlines the principles of the projects proposed for capital expenditure and includes an estimate of predicted costs including fees. All projects will be subject to project appraisals as required under the Council's Asset Strategy.

2.5 The Draft Capital Budget Proposals were considered by the Executive on January 28th 2021. The same recommendations were made to Council on 11th February, 2021 (Minute E.60/20).

3. Outcomes/outputs

Members are requested to give their views on the proposals for the Capital Programme for 2020/21. Appendix A sets out the capital bids which total £2,380,000.

3.1 Capital Programme 2021/22

3.2 Follaton House – roof repairs

The proposed capital programme includes a contribution of £50,000 into a reserve for Follaton House roof repairs. £50,000 per annum is transferred to this fund which has a current balance of £200,000. The Amended Budget for 2020/21, following the impact of Covid-19, removed the budgeted annual contribution for 2020/21. Approval is now sought to reinstate this contribution from 2021/22 and include the usual £50,000 for 2021/22 (as the Council now has more certainty of its financial position, following the Covid funding announced in Government support measures). The total bid for 2021/22 will therefore be £100,000 in total.

3.3 Follaton House – Replacement Lifts

The proposed capital programme includes a contribution of £30,000 into a reserve for replacing lifts at Follaton House. The balance in this fund is £30,000, 2019/20 being the first year. The Amended Budget for 2020/21 (following the impact of Covid-19) removed the budgeted annual contribution for 2020/21, approval is now sought to reinstate this contribution from 2021/22.

There are two lifts which are maintained under contract and regularly serviced. They are increasingly requiring repair and lift engineers have advised that parts are becoming increasingly obsolete. The building is on three levels and different sections of the building are leased to tenants. Replacements will be required in the next few years.

3.4 Coastal Asset repairs - 5 year planned programme

There is no capital budget required in 2021/22 as sufficient accumulated funds are available for the current programme of coastal asset repairs. The budget will be carried forward to 2022/23. 2020/21 is year 1 of a five year programme as shown below:

Capital budget for Coastal Asset repairs (2020/21 approved, 2022/23 to 2025/26 budgets to be confirmed)

2020/21 000's	2021/22 000's	2022/23 000's	2023/24 000's	2024/25 000's	2025/26 000's	Total 000's
£300		£300	£300	£300	£300	£1,500

There are also resources available from the previous 5 year programme in the sum of £458,000 giving a total budget of £758,000 for 2021/22.

Note: The resources carried forward from the previous 5 year programme were as a result of Environment Agency funding being secured by the Council for coast protection works.

3.5 Waste Fleet Replacement

The Waste Fleet is a Council asset which is maintained and repaired by the Waste Contractor, FCC. The Council and FCC liaise over the timing of purchasing vehicle replacements. Contributions are made into the Vehicle Replacement Reserve annually and are sufficient to fund all replacements until the end of the contract term.

The proposed Revenue Budget includes an annual contribution of £550,000 into the Vehicle Earmarked Reserve (as approved by Council on 6th December 2018: Frontline Services - Waste & Cleansing Procurement report – Minute CM41/18)

3.6 Private Sector Renewals (including Disabled Facilities Grants)

This budget is used to fund Private Sector Renewals, primarily Disabled Facilities Grants (DFG's). DFG's are mandatory, means tested and enable people to live independently within their own home. Adaptations range from simple stair lifts and Level Access Showers through to full extensions.

The budget of £1,100,000 will be funded from the Better Care Fund (Government Grant). The demand for DFG's is not under our control and cannot be predicted at this stage.

3.7 Dartmouth Health and Wellbeing Hub – Car Parking Provision

Progress with the Health Hub project is being made, with planning now approved in December 2020 and contractor tenders being analysed ahead of works starting in Q2 2021. The project approval and funding envelope has always been for the building works, not for any associated car park improvements to the existing overflow car park. This capital bid is for the cost of upgrading the overflow car park to a tarmacadam finish, with drainage, signage and white lining.

The price to undertake the works will be based on the tendered quote. The winning bidder for the building will also undertake the car park upgrade works. The car park will be used a short stay car park during the week to support the Health Hub and a long stay car park at weekends to support the Park & Ride service. For consistency, the short stay tariffs will be aligned to the adjacent leisure car park and the long stay to the Park & Ride.

Business Case:

The Transport Statement supporting the planning application states 162 expected trips per day to the Health Hub once complete.

162 daily trips at 5 days per week, 52 weeks of the year is 42,120 trips per annum. At the hour tariff of 70p charged at the leisure centre, this equates to **£29,484** per annum.

Additionally, the upgrading and formalising of the existing overflow car park will see the facility being utilised more efficiently with a gain of circa 25 spaces. Furthermore, the car park will not be impacted by adverse weather conditions which make parking impossible.

The overflow is generally used in peak periods only. Assuming 18 weekends at full P&R car park capacity (summer plus Easter/Whitsun/Oct Half Term), equates to 25 spaces @ 36 days per year @ £5 per day = **£4,500**

In total, this equates to an annual additional car parking income of circa **£35,000** per annum.

Based on an estimated construction price of £500k, the estimated pay back period is approximately 14 years.

Aside from the financial position, the improved car parking facility will include EV charging points (3 No.) and allow the current summer P&R usage to be on an all-weather surface.

An extract of the Minute from the Executive meeting on 18 July 2019, on the Dartmouth Health and Wellbeing Hub Development is set out below as background information:

Extract of the Minute from the Executive meeting on Thursday 18 July 2019

E.16/19 DARTMOUTH HEALTH AND WELLBEING HUB DEVELOPMENT
Members were presented with a report that asked for consideration of the relative merits and approval of a proposal to deliver a key health facility at Dartmouth in line with the Council's Health and Wellbeing theme. The Deputy Leader introduced the report. Members were generally supportive of the proposals and each of the local Ward Members spoke in support. The benefits of the scheme to the surrounding parishes was discussed. The Leader did advise that the facilities to be included within the Hub would be decided by the NHS Trust and would not be a matter for the District Council.

Page 18 Executive 18.07.19 It was then: RESOLVED that:

1. The project to deliver a Health and Wellbeing HUB in Dartmouth and associated business case in exempt Appendix A be approved;
2. The borrowing identified in the business case under the delegation provided by the Commercial Investment Strategy be approved;

3. Authority be delegated to the Head of Assets Practice to enter into leases (and associated legal agreements) associated with the project with a term longer than the delegated limit of 15 years; and
4. The minimal impact that the proposals may have on total parking capacity in Dartmouth be recognised and officers instructed to bring forward proposals for consideration by local members to mitigate that loss.

3.8 Replacement Payroll & HR Software

Officers are currently looking at a replacement Payroll and HR system. The current software is outdated and nearing end of life resulting in additional support payments. The market has been tested and the costs benchmarked.

The cost is being shared 50/50 with West Devon Borough Council, £15,000 represents South Hams District Council's 50% share.

3.9 Replacement of IT Hardware

The Hardware in need of replacement includes the existing servers and data storage. The existing equipment is approaching end of life and is subject to reliability issues and storage space limitations. Additional annual support payments will be required as the original supplier support has ended.

The servers were purchased in March 2017 and the current support and maintenance ends in early March 2021. Our existing servers are running more virtual servers than they are specified for. While a number of our applications are Cloud based, such as the Netcall LoCode platform, Goss Website, Northgate Land Charges and Concerto Asset Management, the Councils still have 146 virtual servers on the cluster including the new Northgate Assure solution and Northgate Information at Work document management system.

New servers and storage will be more reliable and more responsive. The new hardware will reduce the likelihood of system outages and recover quicker should the necessity arise. This approach is more cost effective than attempting to move all of our server and storage capacity to the cloud.

The cost is being shared 50/50 with West Devon Borough Council, £85,000 represents South Hams District Council's 50% share.

3.10 Slapton Public Conveniences

Further to the closure of the Slapton Middle Car Park toilet, an allocation of £150,000 can be included within the Capital Programme for 2021/22, for the construction of a replacement toilet, if an appropriate site can be found. This figure excludes land values or other associated costs.

Officers will investigate where a replacement toilet could be located, recognising the former location is unsustainable due to coastal erosion. Should an acceptable location be found, a further report seeking approval will be brought to the Executive.

3.11 Batson Creek, Salcombe

A report on the capital projects within Batson Creek, Salcombe has been included on the Executive Forward Plan for March 2021. This is just for noting purposes on the timeframe for these capital projects being reported to the Executive.

4 FINANCING THE CAPITAL PROGRAMME

4.1 Capital bids shown in Appendix A total £2,380,000. Funding of £2,380,000 is therefore required. The table below shows the recommended way that these projects are financed:-

Capital Programme 2021/22	£
<i>Appendix A bids</i>	2,380,000
Funded By:	
Capital Programme Reserve (See Note 1 below)	130,000
Vehicle & Plant Renewals Reserve	550,000
Capital Receipts	100,000
Better Care Grant funding towards Disabled Facilities Grants (estimated)	1,100,000
Borrowing	500,000
TOTAL	2,380,000

Note 1 - This assumes the Council continues to make a revenue contribution to the Capital Programme Reserve in 2021/22 of £181,600.

5. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	Y	<p>The Executive is responsible for control of the Council's capital expenditure. The Head of Finance and Assets Practices are responsible for providing Capital Monitoring reports to the Executive, detailing the latest position of the Council's Capital Programme. Council is responsible for setting the Capital Programme and approving the Capital Budget, following consideration and recommendation from the Executive.</p>
Financial Implications to include reference to Value for Money	Y	<p>The report sets out the Capital Bids to the 2021/22 Capital Programme totalling £2,380,000 and a suggested way that these bids can be funded. All items in this proposed Capital Programme are based on budget estimates and will be subject to the normal project appraisal procedures.</p> <p>Section 4 demonstrates that there are sufficient capital funds (which includes PWLB borrowing of £0.5m) in 2021/22 to fund the bids which have been submitted by project officers within the Council.</p> <p>The regular monitoring of the Capital Programme ensures the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources.</p>
Risk	Y	<p>There is a risk that the Capital Programme does not meet the Council's strategic priorities in line with the Council's Asset Strategy and the opportunity to assess emerging projects, which could contribute to the Council's priorities. The mitigation is that there is a project appraisal for each proposal.</p>

		<p>This is taken into account when assessing possible implementation timescales. Complex capital programmes have a relatively long lead-in period. The Council demonstrates that capital investment contributes to strategic priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage.</p>
Supporting Corporate Strategy		<p>The Capital Programme supports all six of the Corporate Themes of the Council, Homes, Enterprise, Communities, Environment and Wellbeing.</p>
Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and a Climate Change Action Plan was presented to Council in December 2019. Following this report, a strategy will be implemented as to how the Council could finance the items within the Action Plan, whether that is from external grant sources or some funding from the Council's own resources.</p> <p>The Council has Earmarked £400,000 in a Climate Change Earmarked Reserve as part of the 2020-21 Budget.</p>

		<p>On 17th December 2020, Council adopted the Climate Change and Biodiversity Strategy. The Council has committed to the following aims;</p> <ul style="list-style-type: none"> a) to reduce its organisational carbon emissions (Scope 1, 2 and 3 emissions) to net-zero by 2030; b) to commit to working with partners through the Devon Climate Emergency Response Group to aim to reduce the District of South Hams' carbon emissions to net-zero by 2050 at the latest; c) That the Council aim for a 10% Biodiversity Net Gain in the habitat value of its green and wooded public open space by 2025; <p>The report also set out the proposed initiatives for the £400,000 in the Climate Change Earmarked Reserve. (£20,000 has already been allocated to support the delivery of work to improve the energy efficiency of the existing housing stock in light of the successful Green Homes Grant bid – Minute E.31/20 refers</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:

Appendix A – Summary of Capital Bids for 2021/2022

Background papers

Capital Programme for 2021/22 – Executive 28th January, 2021

Capital Programme for 2020/21 – Council 13th February 2020
(72.19 and E. 75/19 refer).

Proposed Capital Projects 2021/22 - 2023/24 - PART I							
Priority Criteria							
Statutory Obligations			1	Compliance, H&S, DDA			
			2	Essential to keep Operational Assets open			
Good Asset Management			3	Rationalise service delivery or service improvement			
			4	Generate income, capital value or reduce revenue costs			
Service	Site	Project	Lead officer	Proposed 2021/22 £'000	Proposed 2022/23 £'000	Proposed 2023/24 £'000	Priority code / notes
HQ	Follaton House	Refurbishment of roof to old house and replacement guttering	ST	100	50	50	1,2
Page 4 of 6	Follaton House	Replacement Lifts	ST	30	30	30	1,2
	Assets	SHDC Coastal Assets Repairs	LW/DF		300	300	1
Commercial Services		Waste Fleet Replacement	JS	550	550	550	1,2,3
Public Sector Renewals (inc Disabled Facility Grants)			IL	1,100	1,100	1,100	1
Assets	Dartmouth Health and Wellbeing Hub	Provision of car parking adjacent to Hub	LW	500			1,3,4

Support Services		Replacement Payroll and HR Software (this cost is being shared 50/50 with West Devon Borough Council, £15,000 represents SHDC's 50% share of the cost)	NH	15			3
Support Services	Follaton House	Replacement of IT Hardware (this cost is being shared 50/50 with West Devon Borough Council £85,000 represents SHDC's 50% share of the cost)	MW	85			3,4
Total				2,380	2,030	2,030	

Report to: **Council**
Date: **11th February 2021**
Title: **Business Grants**
Portfolio Area: **Finance / Enterprise – Cllr Hilary Bastone**

Wards Affected: **Which Wards/all**

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

Date next steps can be taken:

Author: **Chris Brook** Role: **Director Place and Enterprise**

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

Recommendations:

1. To note the Local Restrictions Support Grant (LRSG) (Closed) Addendum & the Closed Business Lockdown Payment (CBLP) Scheme details set out within the report.
2. To note changes made to the operation of the Additional Restrictions Grant (ARG) and LRSG (Open) under the scheme of delegation.
3. To allocate a further £500,000 (20%) under the ARG scheme towards strategic economic recovery projects and priorities.
4. ARG funding not issued by 31st December 2021 in the form of direct business grants will be retained in a business support earmarked reserve for sustained economic support activities.
5. To delegate authority to Director for Place and Enterprise in consultation with Leader, Portfolio Holder for Finance and the S151 Officer to approve subsequent grant policies should we move back into local restrictions.

1. Executive summary

- 1.1. The grant application process has been improved to streamline access to the multiple grants currently available. This has reduced processing and grant payment times for the businesses applying.
- 1.2. Recognising the need to maximise support to businesses and a lack of uptake in the November lockdown, we have fundamentally revised the ARG policy to increase eligibility criteria and allow a greater number of businesses to apply. We are supporting businesses with the application process to these grants both internally (often via Councillors) and externally via Business Information Point (BIP).
- 1.3. Recognising that it is difficult to design a grant scheme that works for all business, there is a clear intention within the guidance provided by BEIS that the ARG funding is designed to provide wider 'business support'. There are immediate issues and measures set out in Section 6 that will help to support the sustained recovery of the business sector, funded from the ARG.
- 1.4. Whilst the funding for ARG is until March 2022, it is considered essential to commit to wider business support activities from this point forward, especially given the relatively positive outlook of the COVID vaccination programme.
- 1.5. The report also sets out an update on the various schemes that have been running since going into national restrictions from 5th November 2020.

2. Background

- 2.1. Now that we have moved into another period of national restrictions there are further business grant schemes that have been implemented. These are the:
 - Local Restrictions Support Grant (Closed) Addendum scheme (LRSG (C) Addendum) – running from 5 January – until national restrictions end.
 - One off top up closed business lockdown payment of up to £9K
 - Additional restrictions grant (ARG) – to widen out support under our existing discretionary grant scheme to cover further periods of restrictions.
- 2.2. In addition to the above schemes we are still live with a number of other grant schemes that are available to support businesses since the start of national restrictions - 5 November 2020. We then moved into Tier 2 on 2 December and then into Tier 3 on 31 December before national restrictions started on 5 January 2021. Set out under appendix 1 is a timeline of the different schemes, the payments available under these schemes and the current status of these schemes.
- 2.3. With all the different schemes that are now available to businesses it is appreciated how confusing it has become. Also, having moved into Tier 3 for 5 days this has added another layer of complexity because certain sectors that could remain open under Tier 2 had to close

under Tier 3 (hotels, restaurants, pubs, etc). This means that they are no longer eligible under the open scheme but instead can claim under the LRSG (Closed) scheme for that short period. We need to account to government for each scheme separately.

3. Local Restrictions Support Grant (Closed) Addendum Scheme

- 3.1. This mirrors the scheme that was in place for the November lockdown and provides support to businesses that have been mandated to close by government because they provide in-person services. This includes non-essential retail, leisure, personal care, sports facilities and hospitality businesses.
- 3.2. Businesses that have chosen to close but were not required to, will not be eligible for this grant. For example; businesses in the supply chain to the retail, leisure and hospitality sector fall outside this scheme so although clearly impacted they would need to be supported via our discretionary ARG scheme.
- 3.3. Other types of businesses that are excluded are those that are able to conduct their main service because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (eg accountants, solicitors, estate agents, etc). In addition those businesses that have already received support to the maximum of state aid rules, or in administration, insolvent or where a striking off notice has been made will not be eligible.
- 3.4. As the government will not be reviewing the restrictions until middle of February, businesses will be entitled to a payment equivalent to 6 weeks.
- 3.5. The payment levels are linked to rateable values and are shown in the table below but are also included in appendix 1.

Rateable value	Payment amount based on 42 day period
£15K or under	£2,001
Over £15K & below £51K	£3,000
£51K and above	£4,500

- 3.6. Payments do not need to be paid in arrears and we are currently approving payments.
- 3.7. For these first 42 day payments, applications must be submitted by 31 March 2021 as the scheme closes on this date and final payments must be made by 30 April 2021.
- 3.8. Government guidance on this scheme is available here: <https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

4. Closed business lockdown payment (CBLP) - one off top-up payment

- 4.1. In addition to the LRS (Closed) Addendum scheme the government are providing a one off top up payment to eligible businesses that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses (applicable 5 January onwards). The level of payments are set out below:

Rateable value	Payment amount
£15K or under	£4,000
Over £15K & below £51K	£6,000
£51K and above	£9,000

- 4.2. This is a government mandated scheme and there is no discretion for Members to alter criteria or payments.

5. Additional Restrictions Grant

- 5.1. The previous ARG scheme was approved by the Executive in December 2020, following the receipt of £1,740,080 to administer to businesses that were not eligible for the LRS Closed scheme, and undertake wider business support measures. The funding was to last until March 2022.
- 5.2. The government has since announced a further top up to the ARG funding allocation, of £772,861, which was announced on the 15th of January. This money is also to last until March 2022.
- 5.3. As of Wednesday 04th February, the Council has paid out the following in ARG direct business support grants:

South Hams ARG Payments Breakdown

	£	No.
ARG - November	£183,748	188
ARG - January	£40,082	19
ARG Retail Lockdown	£14,000	3
	£237,830	210

- 5.4. Having reviewed the take up of the ARG during the November lockdown, which was low and listened to the feedback from businesses the scheme has been amended so as to make larger payments to eligible businesses, and therefore boost uptake and financial support.
- 5.5. The threshold to access the grant has also been significantly lowered. The previous scheme set the bar at having to evidence a 50% reduction in turnover or profit. The updated scheme has a requirement to evidence a 10% impact in turnover or profit.

- 5.6. The government requires the scheme to have such a mechanism within it, but it is entirely within the Council's gift as to where it is set. It is hoped that this far easier test allows nearly all businesses who are impacted to access grant support.
- 5.7. This same change to the definition of "impact" has been applied to the LRSG (Open) Policy (in Appendix 3) to allow greater access. A slight relaxation to the policy of not paying second home owners from the LRSG (Open) grant has also been made such that now, only those whose main residence is in Devon are eligible.
- 5.8. The previous scheme aligned ARG payments to the rates set out in the LRGS Open scheme of £500, £934, £1400 or £2100, per 28 day period depending on the Rateable Value (RV) of the premises.
- 5.9. The new scheme aligns the payments to the LRSG Closed scheme set out in the table below for a 28 day period:

Non-Business Rated	£1,334
£15,000 exactly or under	£1,334
Over £15,000 but less than £51,000	£2,000
£51,000 exactly or over	£3,000

- 5.10. This recognises that many businesses that are not forced to close and therefore are not eligible for the LRSG Closed payment, face large running costs remaining open, but have minimal trade. They are may not be able to take advantage of furlough schemes, have higher running and stock costs and continue to have premises related payments.
- 5.11. There is also some disquiet amongst food shops that sell "less essential" foodstuffs such as sweets who understandably believed they should close. However, as technically, they are not mandated to close, they may have inadvertently ruled themselves out of the LRSG Closed payments. Aligning the payment thresholds ensures all businesses are treated consistently.
- 5.12. A further group of businesses has emerged as requiring support. Those premises which are mainly non retail, but have a small retail element are not mandated to close and yet face a significant impact as a result of not being able to trade through their retail / customer facing part of the building.
- 5.13. They are not eligible for the CBLP payment, and so are at a significant disadvantage. The ARG scheme has been revised to match the CBLP grant awards for this and subsequent periods where the ARG scheme is live. It is strictly limited to businesses with an element of retail use within their hereditament (premises).
- 5.14. The ARG one off payments for businesses such as these will be:

Rateable value	Payment amount
£15K or under	£4,000
Over £15K & below £51K	£6,000

£51K and above

£9,000

- 5.15. It is the Council's aspiration that uptake will be sufficient to issue the entire additional allocation amount of £772k to businesses during this lockdown period.
- 5.16. Previously an approach of dividing up the money into thirds had been agreed. The 1st lockdown in November resulted in about 7% of the available money being applied for. Given this, should demand in this lockdown exceed the £772k figure, grants will continue to be made from the money not allocated during the 1st lockdown. Direct grant awards to businesses is our priority.

6. ARG Strategic Economic Recovery Projects and Support

- 6.1. The Council has previously approved £50k of ARG funding to be put towards business support measures (such as BIP, LEAF / LAG etc).
- 6.2. It is proposed to set aside a further £500k from the fund towards strategic economic recovery projects and priorities.
- 6.3. By way of example, these may include:
- 6.3.1. The extension of the COVID support officers beyond their current 6 month term which ends in spring.
 - 6.3.2. Town marketing activities including a programme of vacant shop window dressing (temporary facades that improve the aesthetic, have a local place focus and expedite re-letting).
 - 6.3.3. The ability to support and engage with the LEP Coastal Productivity Plan, as part of wider business support, provided by a business support role within the Council.
 - 6.3.4. Gap funding employment units that would have a tangible benefit to the local economy, for example the marine economy.
- 6.4. The spending of the funding set aside should link to the Recovery Plan, particularly (but not exclusively) section 1; ensuring adequate infrastructure, broadening supply chains, regeneration & commercial and Section 2; Built Environment.
- 6.5. Looking further ahead towards the economy and placemaking ambitions of the Corporate Strategy, multiple business connectivity, tourism and town centre stimulus strands will doubtless emerge and will require funding to stimulate the economy and improve South Hams for all businesses.
- 6.6. For the avoidance of doubt, having undertaken modelling of the ARG revised scheme set out in section 5, it can be said with some confidence that this proposal will not impact the availability of direct grant funding to eligible businesses.
- 6.7. The approach set out is consistent with that taken by other authorities in Devon. East Devon are setting aside £950k representing about a third of their ARG allocation, and Plymouth CC are setting aside C. £750k for business support and strategic economic priorities.

7. Outcomes/outputs

- 7.1. The key outputs of the changes made to the ARG policy are:
- 7.1.1. Consistency and fairness of grant awards across multiple grant schemes
 - 7.1.2. Increased uptake of the ARG scheme
 - 7.1.3. Greater grant payments to businesses recognising the need for those not mandated to close
 - 7.1.4. Reduced threshold for access – 10% impact not 50% impact.
 - 7.1.5. Increased support for businesses with an element of retail within their hereditament that are not mandated to close.
 - 7.1.6. Greater funding to support strategic economic recovery and support projects into the future.

8. Options available and consideration of risk

- 8.1. BEIS had made it clear that there would be no further funding for the ARG and yet further funding has now been made available. It is unknown how long the scheme will need to operate for and there is no clarity of future restrictions. However, following a very low number of applications for the original ARG, action must be taken to boost uptake and support businesses where it is needed.
- 8.2. There is a risk that the demand for ARG support and the funding do not align and the Council will have to stand by the choices it has made in the ARG scheme. Previously this was; an on demand approach to payment and a “soft” cut off initially of 1/3rd of the funding. That soft cut off was not reached following the November ARG and the top up funding is also unallocated at the current time. In the unlikely event that the top up funding and 1st third be paid out to businesses in direct grant support, then the remaining funds apart from that set aside for wider business support will be made available.
- 8.3. Should this occur, it should be seen as a success, as the Council would have successfully issued over a £1m in ARG grants in line with the guidance and aspirations set out from Government, via BEIS.
- 8.4. Members will be kept informed of the demand and performance of the ARG through the member’s bulletin and other channels including as required, member briefings.

9. Proposed Way Forward

- 9.1. That the Council note and support the recommendations set out in this report, so as to maximise the flow of grant money to businesses in need at this critical time.
- 9.2. Furthermore, that the need for future wider business support in the form of strategic economic projects and priorities will be critical to the South Hams economy and financial provision for those crucial future interventions needs to be made.

10. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		None
Financial implications to include reference to value for money		The funding award of £1,740,080 and subsequent additional allocation of £772,861 is to be spent through the ARG scheme (including wider business support) and no other purpose. It is to support the ARG until March 2022 or until it is spent, whichever is the soonest.
Risk		The policy is being administered in line with the current government advice on fraud. A balance of speed of processing Vs fraud checks and audit has been struck. As set out in the recommendations and report, any funds remaining as at December 31 st 2021 will be placed in a business support earmarked reserve.
Comprehensive Impact Assessment Implications		
Supporting Corporate Strategy		Enterprise
Equality and Diversity		None
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		
Other implications		

Supporting Information

Appendices:

Appendix 1 – Summary of Grants timeline

Appendix 2- ARG Policy Version 2

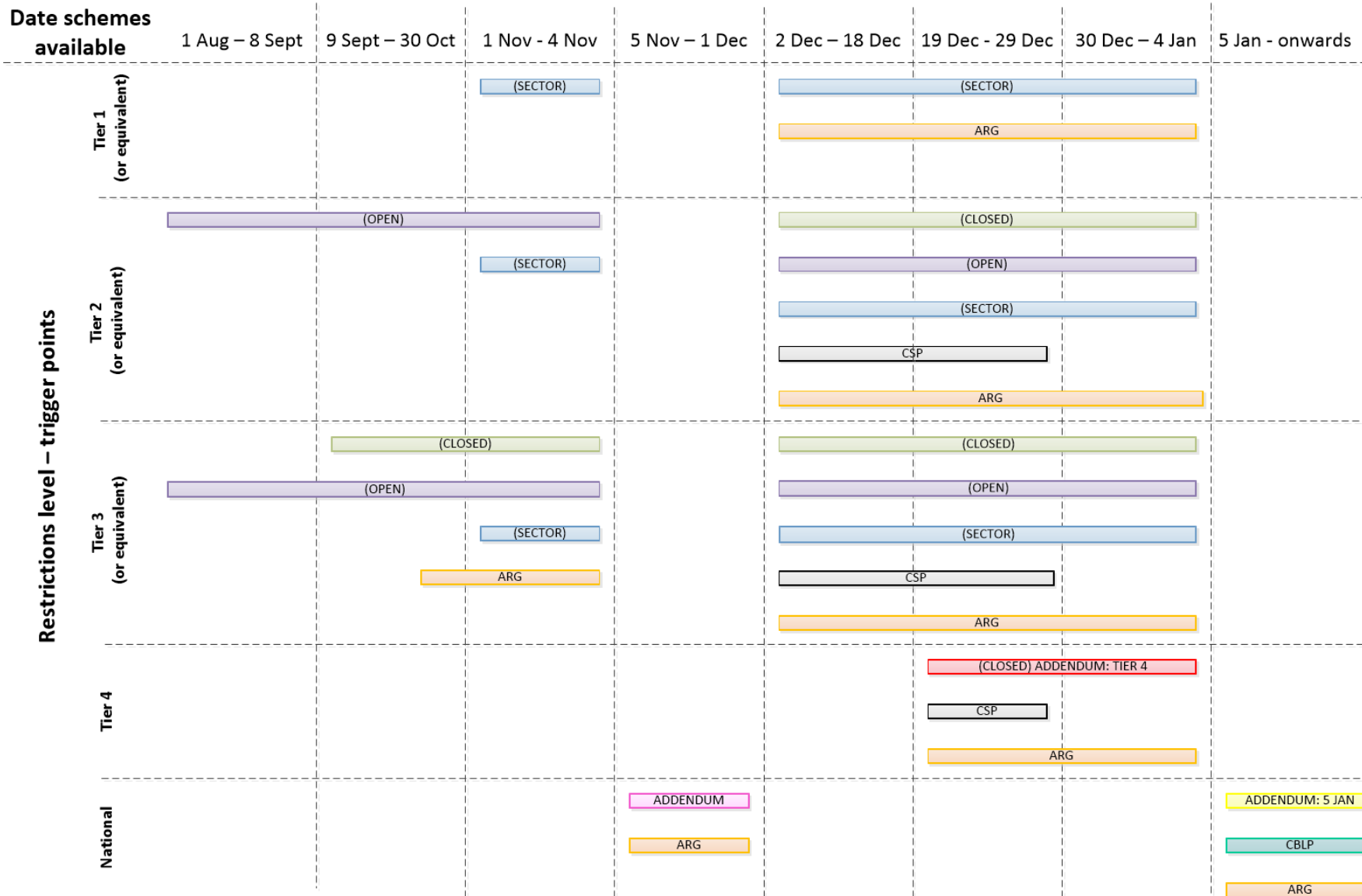
Appendix 3 – LRSG (Open) Version 2

Background Papers:

Executive Report, December 2020

Appendix 1

Covid-19 business support grants Dates, trigger points and eligibility periods



KEY:

- Local Restrictions Support Grant (Sector)
- Local Restrictions Support Grant (Closed)
- Local Restrictions Support Grant (Open)
- Additional Restrictions Grant
- Christmas Support Payment for wet-led pubs
- Local Restrictions Support Grant (Closed) Addendum
- Local Restrictions Support Grant (Closed) Addendum: Tier 4
- Local Restrictions Support Grant (Closed) Addendum: 5 January onwards
- Closed Businesses Lockdown Payment



South Hams District Council Additional Restrictions Grants (ARG) Scheme Version 2

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Overview

South Hams District Council (the Council) recognises the incredibly challenging trading conditions that exist at the moment. In response to this situation, this revised ARG policy increases the payment amounts to align with the LRGS Closed payment thresholds. This recognises the reality that staying open for limited trading opportunities, can be as, if not more expensive than being mandated to close. The threshold for accessing the grant payments has also been revised from 50% impact in trade to just 10%, to increase uptake.

Furthermore it introduces a “one off” lockdown payment from the ARG, similar to the Closed Business Lockdown Payment (CBLP), for those business that have not been mandated to close, and therefore cannot access the CBLP payment, but who do have retail premises as part of their business unit (hereditament).

The Council hopes that these steps will address any perceived or actual inequity of circumstance businesses face as a result of national policy implementation. The Council will continue to strive to make fair and fast payments to those businesses in need, within the framework set out by national government.

Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 or higher local restrictions;

‘COVID-19’ (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’; means the Government department responsible for the scheme and guidance;

‘Effective date’; means, for eligibility of the grant, the date of the local restrictions or the date of widespread national restrictions. For the purpose of this scheme the date cannot be before 14th October 2020;

‘Hereditament(s); means the assessment defined within Section 64 of the Local Government Finance Act 1988;

‘Local Covid Alert Level’ (LCAL) means the level of alert determined by Government and Local Authorities for the area. LCALs have four Tiers. Tier 1 (Medium): Tier 2 (High), Tier 3 (Very High) and Tier 4 (Stay at home). For the purposes of these schemes the definitions used are LCAL1, LCAL2, LCAL3 and LCAL 4.

‘Local lockdown’; means the same as **‘Local restrictions’;**

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Local restrictions’; and **‘Localised restrictions’** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made

using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

'Local Restrictions Support Grant Scheme (Closed)'; means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th September 2020 and amended on 9th October 2020 and which is applicable to businesses forced to close under either LCAL3 or where national restrictions are in place;

'Local Restrictions Support Grant Scheme (Closed) Addendum'; means the changes made to the Local Restrictions Support Grant Scheme (Closed) due to widespread nationwide restrictions;

'Ratepayer'; means the person who, according to the Council's records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions or widespread national restrictions;

'State Aid Framework'; means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020; and

'Temporary Framework for State aid'; means the same as the **'State Aid Framework'**.

1.0 Purpose of the Scheme and background.

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Additional Restrictions Grant Scheme (ARG). The Council, as the Business Rates Billing Authority is responsible for payment of these grants.
- 1.2 This discretionary grant scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy which sets out the basic circumstances whereby an additional restriction grant payment may be made by the Council to a business which has to close or are severely affected due to localised or widespread national restrictions being put in place to manage coronavirus and save lives.
- 1.3 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application.
- 1.4 This scheme applies for the period of the current widespread national lockdown and any subsequent ones, including Tier 3 local restrictions from the end of the national lockdown that commenced on the 5th Jan 2021. National restrictions are nationally binding widespread restrictions imposed by Parliament under legislation. The current national restrictions are made under the Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020.
- 1.5 Additional Restrictions Grant funding will be available for the 2020/21 and 2021/22 financial years only.

2.0 Funding

- 2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, Local Authorities receive funding when local restrictions (LCAL3 or higher) or widespread national restrictions are imposed.
- 2.2 The Council has been allocated funds which will be used to;
 - support businesses during the widespread national restrictions;
 - provide strategic Economic Development projects both during and post the COVID-19 crisis; and
 - provide funding in case of further national or LCAL3 (or higher) restrictions before 31st March 2022.

3.0 Eligibility criteria and awards

- 3.1 The Council is able to use this funding for business support activities and Government envisage that this will primarily take the form of discretionary grants although it will also be used for wider business support activities.
- 3.2 If Local Authorities use the Additional Restriction Grant for direct business support grants, Government has stated that the same conditions of grant **must** apply as for the Local Restrictions Support Grant (Closed) scheme. However, the Council will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.
- 3.3 Government has stated that the Council *may* also consider making grant payments to those businesses which, while not legally forced to close are nonetheless impacted by the restrictions put in place to control the spread of COVID-19. Government has also stated that the Council may also wish to assist businesses which are outside of the rating system and which are effectively forced to close but, in all cases, will be awarded subject to evidence of need.
- 3.4 This document details the eligibility criteria for the widespread national restriction period 5th November 2020 until 2nd December 2020 and the subsequent widespread national restriction from 5th January 2021.

Eligibility Criteria - widespread national restriction period

- 3.5 For the purposes of this scheme the Council has decided that the following eligibility criteria must be met in order to receive an Additional Restriction Grant (ARG) during the widespread national restriction period.
- 3.6 In line with Government guidance, the Council's Additional Restrictions Grants (ARG) scheme will support businesses that have had their trade affected by the current restrictions. This includes closed businesses that don't pay business rates as well as businesses that have not been required to close but are still impacted by the restrictions.
- 3.7 The Council particularly encourages applications from businesses both within and which supply the retail, hospitality and leisure sectors, including the events sector. In prioritising support to those businesses most adversely impacted by the current restrictions, the Council will be proactive in communicating the availability of the Additional Restrictions Grants (ARG) to retail, hospitality and leisure related businesses, including those with whom the Council had contact in relation to the previous Local Authority Discretionary Business Grants. Businesses in these sectors will still have to evidence they have been impacted as set out in 3.9 below.
- 3.8 Businesses and organisations which are not included within the specific list of exclusions detailed within this scheme will be able to apply to the Additional Restrictions Grants (ARG) scheme if sufficient evidence can be provided that they have been impacted by the current national restrictions or future Tier 3 / 4 local restrictions. This includes non-

excluded home-based and mobile businesses that can evidence they are registered companies or sole traders.

- 3.9 Each application will be considered on a case-by-case basis and the Council considers ‘impact’ to describe an evident drop in the businesses’ normal trading, income or service provision of at least 10% compared to a more representative period of comparable trading. It should be shown that this decreased level of trade is a direct consequence of the period of national restrictions, and not as a result of more predictable (e.g. seasonal) fluctuations in demand.
- 3.10 Full details on how to claim are shown in Section 4.
- 3.11 To prevent an overspend from the Council’s allocation of funding, applications will not be accepted from any business that is eligible for an award from the Local Restrictions Support Grant (Closed) Scheme.
- 3.12 Only one Additional Restrictions Grants (ARG) will be awarded to any business covering the national restriction period (5th Nov 2020 to 2nd Dec 2020) and for the subsequent national restriction which commenced on 5th January 2021 the Council will make an initial payment to cover an initial period of 6 weeks. The Council will make further payments on a pro-rata basis if the current national restriction period is extended. This scheme will apply for future national lock downs and local restrictions for which the ARG is open.

Award Levels

3.13 The Council has decided the following grant award levels for the widespread national restrictions. The awards shown reflect a 28-day payment period. Any other period will be calculated on a pro-rata period. The ARG funding amounts set out below match exactly the funding available through the LRGS Closed (addendum) scheme, so no business will be worse off as a result.

Total payment per 28 days (where the widespread national restrictions are for a greater period, payments will be calculated pro-rata)	
Where the business suffers a financial impact; or where the business is closed, and the business is not subject to Non-Domestic rating;	£1334
Where the business suffers a financial impact and is subject to Non-Domestic rating (Business Rates); RV £0 - £15,000	£1334
Where the business suffers a financial impact and is subject to Non-Domestic rating (Business Rates); RV over £15,001 - £50,999	£2,000
Where the business suffers a financial impact and is subject to Non-Domestic rating (Business Rates); RV £51,000	£3,000

In taking decision on the appropriate level of grant, the Council will take into account the level of fixed costs faced by the business in question, whether they are unable to trade online and the consequent scale of coronavirus losses.

3.14 ARG “one off” lockdown payment

Businesses that are not mandated to close, pay business rates and have a customer facing retail element to their hereditament (for example, they are predominantly a manufacturer but have a small retail unit as well) will also be eligible for an additional ARG payment matched to the Closed Business Lockdown Payment (CBLP) grant scheme amounts.

Those businesses will receive a one off payment in relation to the national lockdown that started on 5th January. Should any future national lockdown periods occur, the same principle will apply, subject to there being available funding.

The grant amount is based on the rateable value of your business. If your business has a rateable value of:

- exactly £15,000 or under on 5 January 2021, you will receive £4,000
- £15,001 and less than £51,000 on 5 January 2021, you will receive £6,000
- exactly £51,000 or above on 5 January 2021, you will receive £9,000

The Council has decided to implement the ARG “one off” lockdown payment, because it recognises that footfall has dramatically fallen, and open businesses are generally just as impacted as those mandated to close. Furthermore, they have additional and ongoing costs, as staff may not be furloughed and premises need to be occupied, heated and stocked.

Excluded businesses

3.14 The following businesses will **not** be eligible for an award:

- (a) Businesses which can obtain a grant under the Local Restrictions Support Grant Scheme (Closed);
- (b) Businesses in areas outside the scope of the restrictions, as defined by Government and not subject to a widespread national restriction;
- (c) Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the COVID-19 Temporary State Aid Framework; and
- (d) Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local restriction or widespread national restriction.

3.15 In addition to the above and to ensure limited grant funds are prioritised to those businesses most impacted by the current national restrictions, the following businesses and hereditaments are specifically excluded from Council’s Additional Restrictions Grants (ARG) scheme:

- Any properties or parts of properties used for personal use
- Charitable business receiving other help from public funds;
- Show homes;
- Car parking;

- Storage containers; Containers; Storage premises;
- Yards, land or properties used for storage only;
- Advertising or advertising stations or hoardings;
- Communication stations or telecommunication equipment;
- Solar panel sites;
- ATM's, cash machines or equivalent;
- Schools / Academies / Educational establishments and premises (which are publicly funded);
- Lockers; Beach huts or similar structures;
- Businesses in the accommodation sector that advertise solely on home sharing websites
- Businesses in the accommodation sector that are second homes, whole homes or part homes that are also let to paying guests and
- Businesses that are able to trade as they are not wholly dependent on providing 'in person' services from the premises.

The Effective Date

- 3.16 The effective date for eligibility is the date of any widespread national restriction. Businesses **must** have been trading on the day prior to national restrictions to be eligible to receive grant support.

Who can receive the grant?

- 3.17 Government has stated that the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date. Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.
- 3.18 Where the Council has reason to believe that the information it holds about the ratepayer or applicant at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer or applicant.
- 3.19 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.20 Where any business or individual misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any person is found to have falsified records in order to obtain a grant.

4.0 How will grants be provided to Businesses?

- 4.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Council's Additional Restrictions Grant (ARG) scheme together with the Local Restrictions Support Grant (Closed) will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.
- 4.2 Full details of the Council's scheme, including how to apply are available online at: www.southhams.gov.uk/businesscovid19
- 4.3 The application form is available to complete and end date for each application period is shown on the Council's website.
- 4.4 All applicant businesses will be required to upload up to date bank statement(s) (for the account used by the business). This must contain the name of account, sort code and account number for verification purposes. The statement(s) should include recent transactions to show trading at the beginning of the national lockdown.
- 4.5 The Council will undertake both pre- and post-payment anti-fraud checks. Any attempt to fraudulently claim public grant funding will result in funds being recovered and legal action being taken.

- 4.6 In all cases, businesses will be required to confirm that they are eligible to receive the grants. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.
- 4.7 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 4.8 An application for an Additional Restriction Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.
- 4.9 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

5.0 EU State Aid requirements

- 5.1 Any 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).
- 5.2 Any grant awarded is required to comply with the EU law on State Aid. 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.
- 5.3 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.

6.0 Scheme of Delegation

- 6.1 This scheme is considered a matter of urgency by the Head of Paid Service under Part 3a of the scheme of delegation and shall be delegated to him in consultation with the Chairman and Vice-Chairman of the Executive subject to a report being made to the next meeting of the Executive.
- 6.2 Officers of the Council will administer the scheme and the S151 Officer, Director of Place and Enterprise are authorised to make technical amendments to the scheme, and, to determine individual awards as required outside of the levels specified in 3.13 in rare circumstances.
- 6.3 The Council reserves the right to change this scheme at any time.

7.0 Notification of Decisions

- 7.1 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 an application is received.

8.0 Reviews of Decisions

8.1 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.

9.0 Complaints

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

10.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)

10.1 The Council has been informed by Government that all payments under the scheme are taxable.

10.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.

10.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

11.0 Managing the risk of fraud

11.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or 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.

11.2 Fraud tools such as the digital due diligence tool Spotlight and the National Fraud Initiative (NFI) tool will be used as part of the assurance process.

11.3 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

12.0 Recovery of amounts incorrectly paid

12.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

13.0 Data Protection and use of data

- 13.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

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South Hams
District Council



West Devon
Borough
Council

South Hams District Council
Local Restrictions Support Grant (OPEN)
Scheme
(2nd December 2020 onwards)
Version 2

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Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 local restrictions;

‘COVID-19’ (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’; means the Government department responsible for the scheme and guidance;

‘Effective date’; means, for eligibility of the grant, the date of the local restrictions or the date of widespread national restrictions. For the purpose of this scheme the date cannot be before 9th September 2020;

‘Hereditament(s); means the assessment defined within Section 64 of the Local Government Finance Act 1988;

‘In-person services’ means services which are wholly or mainly provided by the business to their customers face to face and which **cannot** be provided by other means such as online or remotely by telephone, email, video link, or written communication;

‘Local Covid Alert Level’ (LCAL) means the level of alert determined by Government and Local Authorities for the area. LCALs have four Tiers. Tier 1 (Medium): Tier 2 (High), Tier 3 (Very High) and Tier 4 (Stay at home). For the purposes of these schemes the definitions used are LCAL1, LCAL2, LCAL3 and LCAL 4.

‘Local lockdown’; means the same as **‘Local restrictions’;**

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Local restrictions’; and **‘Localised restrictions’** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

‘Local Restrictions Support Grant Scheme (Closed); means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th September 2020, amended on 9th October 2020 and which is applicable to businesses forced to close under either LCAL2, LCAL3 or where national restrictions are in place;

Local Restrictions Support Grant Scheme (Open); means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 22nd October 2020 and which is applicable to businesses that are still open but impacted by the restrictions imposed by LCAL2 and LCAL3;

Local Restrictions Support Grant Scheme (Sector); means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy &

Industrial Strategy made on 9th October 2020 (effective from 1st November) and which is applicable to businesses that have been required to close on a national basis since 23rd March 2020 due to restrictions being put in place to manage coronavirus;

'Rateable value'; means the rateable value for the hereditament shown in the Council's local rating list at the date of the local restrictions;

'Ratepayer'; means the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions;

'State Aid Framework'; means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020; and

'Temporary Framework for State aid'; means the same as the **'State Aid Framework'**.

1.0 Purpose of the Scheme and background.

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Local Restrictions Support Grant Scheme (Open).
- 1.2 The grant scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 22nd October 2020 which sets out circumstances whereby a grant payment may be made by the Council to businesses that are not legally required to close but which are impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives.
- 1.3 Whilst the awarding of grants will be the Council's responsibility, the Department for Business, Energy & Industrial Strategy (BEIS) has set down certain criteria which **must** be met by each business making an application. The Department has also indicated the types of business which should be given the grant.
- 1.4 The scheme applies where local restrictions either under LCAL2 (High) or LCAL3 (Very High) are put in place on or after 1st August 2020.
- 1.5 Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 1.6 Grants under this scheme will be available for the 2020/21 financial year only.
- 1.7 Where there is a widespread national restriction, this scheme will be replaced by the Council's Local Restrictions Support Grant Scheme (Closed) and potentially the Additional Restrictions Grant (ARG) scheme.

2.0 Funding

- 2.1 Local Authorities, subject to local eligibility, will receive funding to meet the cost of payments to businesses within the business rates system based on an assessment of the number of eligible business hereditaments.

3.0 Eligibility criteria.

- 3.1 The Local Restrictions Support Grant (Open) is primarily aimed at hospitality, hotel, bed & breakfast and leisure businesses. The Council does have the discretion as to how to award grant funding to individual businesses and will award to businesses outside of these sectors.

3.2 Government, whilst wanting Councils to exercise their local knowledge and discretion, has strongly suggested that the Council follow their criteria for the awards. The Council has decided to adopt these principles, and, in all cases, the Council will only consider businesses for grants where **all** of the criteria are met.

Eligibility criteria determined by the Council.

3.3 The Council has determined the following criteria:

- (a) Businesses that were established and trading on the day prior to the introduction of LCAL 2-type (High) or LCAL 3-type (Very High) restrictions within the area are eligible;
- (b) All businesses can apply however, those that provide hospitality, hotel, bed & breakfast and leisure businesses will be considered as priority;
- (c) All businesses that are not legally required to close but which are impacted by the localised restrictions on socialising are eligible. Each business will be required to certify to the Council that they have been impacted by the restrictions.

4.0 The grant award, award periods and excluded businesses

Where the business is shown in the local non-domestic rating list

4.1 The Council has decided that the following awards shall be granted:

- (a) Grants of up to £667 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions (LCAL2 or LCAL3);
- (b) Grants of up to £1,000 per 14-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions (LCAL2 or LCAL3);
- (c) Grants of up to £1,500 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions (LCAL2 or LCAL3).

Where the business is NOT shown in the local non-domestic rating list

4.2 In addition to the above, the Council has decided that the following awards will be available to businesses who are not currently shown in the non-domestic rating list, who are able to remain open but who are impacted by the restrictions will receive a grant of £667 per 14-day period.

Award periods

4.3 It should be noted that, in all cases, grants will be paid for every 14-day period that the criteria are met. Any business failing to meet the criteria will not be awarded a grant.

5.0 Excluded businesses

- 5.1 The following businesses will **not** be eligible for an award:
- (a) Businesses that are able to continue to trade and are not impacted as they can continue to provide their services normally;
 - (b) Businesses in areas outside the scope of the localised restrictions, as defined by Government;
 - (c) Businesses that are primarily used as second homes or self-catering accommodation will not be eligible, unless the property owner's main residence is also within Devon County boundary;
 - (d) Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the COVID-19 Temporary State Aid Framework;
 - (e) Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local restriction or national restriction; and
 - (f) Specific businesses subject to national closures since 23rd March 2020 will not be eligible for this funding. They will be provided support through the strand of the Local Restrictions Support Grant (Sector) for nationally mandated business closures.

6.0 The Effective Date

- 6.1 The effective date for eligibility of grants under this scheme is the date of the local restrictions.
- 6.2 Where a business is shown in the local non-domestic rating list the Rateable Value used in determining the level of grant will be that shown for the hereditament in the local rating list as at the effective date. Any changes to the local rating List (Rateable Value or to the hereditament) after that date, including changes which have been backdated to this date, will be ignored for the purposes of eligibility.
- 6.3 The Council is not required to adjust, pay or recover grants where the local rating list is subsequently amended retrospectively to the effective date.

7.0 Who can receive the grant?

- 7.1 Government has stated that the person who will receive the grant will be, where the business has a hereditament in the local non-domestic rating list, the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date. Where the business is not subject to rating, the Council will decide who should receive the grant.
- 7.2 Where grants are awarded to businesses who are not liable for rates, the Council shall decide who shall be awarded the grant.

- 7.3 Where the Council has reason to believe that the information it holds about the ratepayer or business at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 7.4 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 7.5 Where any business or individual misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any business or individual is found to have falsified records in order to obtain a grant.

8.0 How will grants be provided to Businesses?

- 8.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Local Restrictions Support Grant (Open) scheme will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.
- 8.2 Details of how to obtain grants are available on the Council's website:
www.southhams.gov.uk/businesscovid19
- 8.3 In all cases businesses will be required to confirm that they are eligible to receive the grants. This includes where the Council already has bank details for the business and are in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.
- 8.4 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 8.5 An application for a Local Restrictions Support Grant (Open) is deemed to have been made when a duly completed application form is received via the Council's online procedure.
- 8.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

9.0 EU State Aid requirements

- 9.1 Any Local Restrictions Support 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).
- 9.2 Any grant awarded is required to comply with the EU law on State Aid. 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.

- 9.3 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.

10.0 Scheme of Delegation

- 10.1 This scheme is considered a matter of urgency by the Head of Paid Service under Part 3a of the scheme of delegation and shall be delegated to him in consultation with the Chairman and Vice-Chairman of the Executive subject to a report being made to the next meeting of the Executive.
- 10.2 Officers of the Council will administer the scheme and the S151 Officer, Director of Place and Enterprise are authorised to make technical amendments to the scheme, and, to determine individual awards as required outside of the levels specified in 3.3 in rare circumstances.
- 10.3 The Council reserves the right to change this scheme at any time.

11.0 Notification of Decisions

- 11.1 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 an application is received.
- 11.2 Applications will be considered on behalf of the Council by a multidisciplinary team including processing by external approved partners.
- 11.3 All applications that are approved will be prioritised based on information supplied by the applicant and paid in priority order up to the limit of funds. Acceptance of the application will not be confirmation of funds being paid

12.0 Reviews of Decisions

- 12.1 All grants will be approved by the S151 Officer, Director of Place and Enterprise and Head of Customer Improvement. The Council will operate an internal review of all refused application prior to informing the applicant so the Council's decision will be final.
- 12.2 Only material errors in submitting the initial application will be reviewed

13.0 Complaints

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

14.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)

- 14.1 The Council has been informed by Government that all payments under the scheme are taxable.
- 14.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.
- 14.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

15.0 Managing the risk of fraud

- 15.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or 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.
- 15.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

16.0 Recovery of amounts incorrectly paid

- 16.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

17.0 Data Protection and use of data

- 17.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

Report to: **Council**

Date: **11 February 2021**

Title: **Enhancing the Democratic Decision Making Process**

Portfolio Area: **Council – Leader Cllr Judy Pearce**

Wards Affected: **All**

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

Date next steps can be taken: If the recommendations are approved, a further report will be presented to the next Council meeting on 25 March 2021

Author: **Andy Bates** Role: **Chief Executive**
Drew Powell **Director of Governance and Assurance**

Contact: Drew.powell@swdevon.gov.uk

RECOMMENDATIONS:

That Council be RECOMMENDED to:

- 1. Support the overarching aims and principles as set out in Section 4, with any consequential amendments being made to the Council's Constitution;**
- 2. Request that a further report be presented to the next Council meeting, to be held on 25 March 2021, that focuses on proposed revisions to:**
 - a. the frequency and timing of meetings (Sections 4.8-4.11 refer);**
 - b. The Public Participation Schemes at formal Member Meetings, including the introduction of a Scheme at Full Council meetings (Section 4.14 refers);and**
 - c. The role and purpose of Working Groups, and Task and Finish Groups (Section 4.16 refers);**
- 3. Instruct officers to continue to consult with Members prior to the next Council meeting on 25 March 2021; and**

4. Instruct officers to draft the Calendar of Meetings for 2021/22 with the provision for Overview and Scrutiny Panel meetings to take place two weeks after an Executive meeting, and provision for six scheduled meetings of Council per Municipal Year.

1. Executive summary

- 1.1 It is essential that Members and officers operate within a local governance framework of checks and balances to ensure that decision-making is lawful, informed by objective advice, transparent, and consultative.
- 1.2 There is also a duty to ensure that our governance processes support efficiency and value for money in delivering services to the community.
- 1.3 Further, Members have a critical role to play in representing the views and interest of the communities they serve, advocating on their behalf, and of seeking to ensure the Council understands and responds to the needs of residents.
- 1.4 Prompted by issues and challenges raised by Members over the autumn, these principles have been the subject of a series of discussions, which have involved all Members over the past few months.
- 1.5 Throughout these discussions, a clear consensus has developed of the need to promote an inclusive approach where all Members can contribute fully to the Council's decision-making process, and the importance of putting emphasis upon:
 - Strengthening and enhancing democracy;
 - Clarifying the role and purpose of committees;
 - Developing the principles of an integrated system and the important inter-relationship between committees;
 - Streamlining the flow of information into, and between, committees and reducing duplication; and
 - Increasing opportunities for all Members to contribute their knowledge and expertise as effectively as possible, in order to maximise our collective impact.
- 1.6 This report seeks approval to:
 - Bring forward changes to enhance and improve the democratic decision making process, with the intention of the new arrangements coming into effect for the new Municipal Year (from May 2021); and to
 - Instruct officers to undertake further work with a view to bringing forward further recommendations as outlined in Recommendation 2.

2. Background

- 2.1 Delivering good governance as a Council is dependent on a number of key principles: one of which is the need to take informed and transparent decisions, which are subject to effective scrutiny and the management of risk.
- 2.2 Another is the importance of engaging with the community and other stakeholders to ensure robust public accountability.
- 2.3 At present Members and officers work within the existing governance framework, the adopted Council Constitution, and established practice to deliver against these principles.
- 2.4 The last time the Council undertook a detailed review of its governance arrangements was in December 2014, so it is timely to do so again now. At that time, the Council took the decision, to come into effect from the start of the May 2015 Council administration, to:
 - Reduce the size of the Executive;
 - Disband its three Scrutiny Panels (Corporate Performance and Resources; Community Life and Housing; and Economy and Environment) and replace it with one Overview and Scrutiny Panel; and
 - Make it a requirement for all 31 Members to either serve on the Executive; Overview and Scrutiny Panel; or the Development Management Committee.
- 2.5 The potential to improve the clarity, efficiency, and accountability of decision-making has been identified through a number of different sources.
- 2.6 The LGA Peer Review in November 2018 identified as one of its six key recommendations, the need to 'Strengthen the Council's Political Governance Arrangements'.
- 2.7 The Council's adopted Recovery and Renewal Plan, which was developed by the full Membership and adopted on 17th December 2020 (minute 27/20 refers), echoed this and recognised the need for the Council's Constitution to be reviewed in order to reflect current ways of working, and to be more accessible.
- 2.8 In addition to this, Members and officers have highlighted a number of issues that could potentially be improved including reducing the number of reports that go to more than one Committee, reducing the duration of meetings and removing reports that are simply for noting.
- 2.9 Conversely, Members have highlighted the benefits and value of the informal all Member Briefings and of introducing a Question and Answer sessions with the Senior Leadership Team.

- 2.10 Reflecting on these recommendations and issues, the Chief Executive worked with the Director of Governance and Assurance and the Democratic Services Manager on a paper to analyse potential enhancements and improvements.
- 2.11 This working document, and the broad range of proposals therein, formed the basis for a series of meetings involving all Members, through a range of different forums.
- 2.12 The Chief Executive met with Members on the following dates:
- 21/10/20 - Leader, Chair of Overview and Scrutiny, and Leader of the main Opposition Group
 - 29/10/20 - Informal discussion with the Executive
 - 09/11/20 - the four Group Leaders, Chairs of Overview and Scrutiny, Executive and Audit
 - 12/11/20 - Leader and Chair of Development Management
 - 16/11/20 - Conservative Group
 - 30/11/20 - Liberal Democrat Group
 - 15/12/20 - Green Group
 - 18/01/21 - Independent Group
- 2.13 The consensus during these discussions was in support of the need to improve the clarity, efficiency, and accountability of decision-making through the broad areas for improvement set out in section 4 below.
- 2.14 As ideas begin to be developed in time for the next Council meeting on 25 March 2021, the importance of ongoing consultation between the Council's officers and all Members is recognised. To reflect the importance, officers have included this requirement as a standalone recommendation.

3. Outcomes

- 3.1 By implementing the proposed enhancements and changes to the current decision-making framework and arrangements, it is envisaged that improvements can be made to secure greater transparency, accountability, clarity of roles, and efficiency of the democratic process.
- 3.2 In order to test the effectiveness of the new approach it is proposed that a review of the new arrangements be undertaken following the first year in operation, with officers asked to report back and to recommend any modifications in Sept 2022. The Chief Executive will undertake the review with the Leader in full consultation with committee chairs and political group leaders, in the same way the current proposals were formulated.

4. Proposals and Areas for Development

4.1 A key starting point in enhancing the democratic decision-making process is understanding what the core component parts of the system are and how they should work in harmony.

4.2 To achieve this, it is important to consider the primary roles of the relevant committees.

4.3 The powers of local government and of local authority committee are set out formally in the Local Government Act 1972 and revised in the Local Government Act 2000 to cover requirements for the Executive and Overview & Scrutiny functions. Broadly speaking this defines the roles of our main committees as follows:

4.4 Executive

The Executive sets the strategic direction and is responsible for deciding upon all matters within the Budget and Policy Framework as approved by Full Council. It has oversight of the implementation of the Council's plans and strategies and of the use of its resources. The Executive is also responsible for any functions that are not specifically reserved to the full Council by law or local choice.

4.5 Overview and Scrutiny Panel

The Overview and Scrutiny Panel has a key role to play in:

- Scrutinising the work of the Council and key partners, including holding the Executive to account;
- Assisting in policy development and review; and
- Oversight of corporate performance;

4.6 Audit Committee

The Audit Committee has an essential role to play in ensuring good governance, including to:

- keep under review the Council's financial and information systems;
- oversee stewardship of Council resources;
- monitor internal and external audit performance and risk management systems; and
- ensure compliance with Codes of Practice and policies relating to the Council's financial administration.

4.7 Development Management Committee

The Development Management Committee is responsible for all of the Council's functions relating to planning and development control.

Areas for Development

- 4.8 With this clarity of role and the relationships between committees in mind, it is then essential to ensure that meetings take place in the right order and at the correct frequency to support effective decision-making.
- 4.9 An initial proposal therefore, is that, in developing the calendar of meetings for 2021-22, the Overview and Scrutiny Panel should meet two weeks after the Executive as opposed to in advance. This will reinforce the key role that the Panel undertakes in terms of pre-policy development and scrutiny.
- 4.10 Alongside the calendar of meetings, officers are in the process of developing an organisational forward plan that, from an operational perspective, is aimed to improve forward planning, consultation and engagement, and resource management.
- 4.11 In addition, a move to six scheduled Council meetings per year, as opposed to four, is proposed as this will help speed up key decisions, involve the full membership, and potentially reduce the size of the agenda of the existing four Council meetings.
- 4.12 To further improve efficiency and accessibility of meetings, it is recommended that consideration be given to taking steps to ensure meetings are not overly long. A number of other councils have a procedural rule, which means that meetings have to formally resolve to carry on after, for example three hours, or else all outstanding business is deferred to a future meeting. An alternative would be to streamline the rules of debate, for example, ensuring contributions are relevant and time limited (max 3 minutes); to introduce a rule that amendments which are substantially similar are not to be put if amendments have already debated and lost; and to put an overall limit on the time allowed for public questions and motions (links to 4.14). All of these are matters of detail for further debate and inclusion within the proposed review of the Council's constitution.
- 4.13 Officers are looking into a range of options in this regard and it is proposed to bring a report back to Members at the next Council meeting to be held on 25 March 2021.
- 4.14 Another area where it is considered that greater clarity, transparency, and accountability can be achieved relates to public participation and Members' questions and motions at formal meetings. It is proposed that officers review the arrangements for the Executive, Overview and Scrutiny Panel and Council meetings, and develop proposals for an enhanced scheme, including for Members to give notice of questions at Executive meetings, which will be brought back to Council for consideration on 25 March 2021.

- 4.15 Working Groups and Task and Finish Groups play a vital role in policy and service development. However there has been a degree of inconsistency in when and how the groups are formed, their purpose, and their duration.
- 4.16 It is proposed that a review and rationalisation of existing groups is undertaken with a view to providing greater clarity to Members and officers on the role and governance arrangements for these Groups. It is recommended that a refined list of Working Groups be presented to the Council Meeting on 25 March 2021 thereby enabling Group Leaders to submit their nominations to a revised list of Working Groups in advance of the Annual Council meeting in May 2021.
- 4.17 It has long been recognised that the iterative changes to the adopted Council Constitution over time have resulted in a document that is difficult to navigate and far from user-friendly. Members are reminded that a key point that arose during the Member Workshops on the Governance Theme, within the Council's draft Recovery Plan, was that the Constitution required a full review and this would be undertaken in the upcoming months, with a priority being given to the changes needed to implement the proposals arising from this report.

5. Proposed Way Forward

- 5.1 The report sets out a range of issues and options to improve the clarity, efficiency, and accountability of decision-making. It is recommended that the overarching aims and principles contained within this report are supported by Members and a further report presented back to the next Council meeting on 25 March 2021.

Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council's governance and decision-making powers are enshrined in legislation, primarily the Local Government Acts of 1972 and 2000. These set out what the Council can and cannot do, together with providing discretionary powers to determine its procedural rules within these parameters. Only the Council can make decisions regarding the Constitution and decision making processes
Financial implications to include reference		There are no direct financial implications arising from this report.

to value for money		
Risk		The report sets out a range of proposals to enhance the democratic decision-making process. Failing to consider and implement changes may result in the decision making process being inefficient and unclear to stakeholders.
Supporting Corporate Strategy		Supports all six corporate themes
Climate Change - Carbon / Biodiversity Impact		There are no direct impacts on climate change and biodiversity however maintaining effective decision-making through virtual committee meetings has the potential to reduce the need for travel and the associated carbon emissions.
Comprehensive Impact Assessment Implications		
Equality and Diversity		No direct implications.
Safeguarding		No direct implications.
Community Safety, Crime and Disorder		No direct implications
Health, Safety and Wellbeing		No direct implications
Other implications		No direct implications

Background Documents:

Council Constitution

Annual Council Agenda and Minutes – 16 May 2019

Appendices:

None

Report to: **COUNCIL**
Date: **11 February 2021**
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: Immediately following this meeting.

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

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

RECOMMENDATION

That Council RESOLVES to:

- 1) approve the Ivybridge Regeneration project through to planning, tender, construction and lease (subject but not limited to the regulatory statutory planning process and the total scheme cost being within the £9 million financial envelope),**
- 2) approve the financial case as set out within this report and the borrowing of £9 million from the Public Works Loans Board (PWLB) to finance the regeneration project,**
- 3) approve the spend of up to £450,000, funded from the Business Rates Retention Earmarked Reserve, recognising these will be abortive costs if the project does not proceed at any given stage pre-construction,**
- 4) approve the procurement strategy and any associated contract awards,**
- 5) approve variation of parking tariffs in principle, subject to final tariff design by the Head of Assets in consultation with the Commercial Portfolio Holder and Leader of the Council**
- 6) delegate authority to the Head of Assets in consultation with Director of Place & Enterprise and Monitoring Officer to enter the Agreement for Lease (and subsequent lease of 25 years + 15 years) with the proposed Foodstore tenant.**

1. Executive Summary

This report makes recommendations with respect to the Ivybridge Regeneration Project at Leonards Road.

Following previous reports to the Executive (June & September 2020) regarding the Ivybridge Regeneration Project at Leonards Road Car Park proposed 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 December 2020 (delayed to January 2021) 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.

N.B. Prior to this approval, £50,000 approved (Minute E.14/19 July 2019) plus £65,000 above = Total Approved Spend of £115,000

Since this time, work has been ongoing by the Ivybridge Regeneration Project team. This report will serve to provide an update and make recommendations to the Council as to the progression of the project to the planning, tender, construction and lease stage of the Ivybridge Regeneration scheme.

The decision to delay the full recommendation until the December 2020 (now January 2021) date was made in order to allow the following actions:

- Commission an economic assessment of Ivybridge Town Centre
- Consult with Key Stakeholders.
- Provide the Council with greater confidence as to the likely success of the project.

This report should be read in conjunction with the Executive Reports of **18 June 2020 and 17th September 2020**.

A version of this report was also presented to the Executive at its meeting on 28 January 2021 and Members recommended at that meeting that the Council approve each of the 6 report recommendations (Minute E.62/20 refers).

2. Background

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

The Council in response to the challenges Ivybridge high street faces, wish to reinvigorate the town and create a vibrant, thriving centre widely used and enjoyed by the populous. The project aims not only to provide an anchor retail unit but to improve the town centre parking provision, town centre access, wheeled sports facility and the public realm.

This multi benefit approach aligns with our adopted commercial investment strategy of inward investment in the district where the following tests are met:

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

A proposed site layout plan can be found in Appendix 1 of this report.

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 consideration of the viability and desirability of the Ivybridge Regeneration Scheme.

The outcome of this report will be the provision of a project update to Executive. It will give consideration to the technical and economic viability of the project and whether it will succeed in regenerating Ivybridge town centre. It will also provide detail of continued risk areas and associated mitigation to be considered when deciding whether to continue further with the project.

Ultimately, having considered the benefits and challenges set out, it will be a political decision as to whether or not this Council wishes to commit to the regeneration project with an investment up to £9m for one of the district's key towns.

4. Technical Viability

4.1 Planning Position

A pre-planning application was submitted by our independent planning consultant Bell Cornwall. Advice was received on 23rd December 2020 and is included within Appendix 2.

In summary, the pre planning advice concluded as follows:

'The proposal is to take place on a sustainable brownfield site, allocated for regeneration in the Ivybridge Neighbourhood Plan. Whilst there is some policy conflict as noted above, the proposal is considered broadly policy compliant.'

Specific areas of consideration and associated comments are summarised below.

4.1.2 Layout , Design and Landscape

The current layout balances the design requirements for store size and parking allocations. It is a tightly constrained site but a number of points were raised as part of the pre-application advice which will need to be addressed:

- Concern in relation to the design of the proposed Foodstore. It was noted a standard 'box' design does not respond to the local character nor nearby buildings and does not enhance the wider site. The store would have to have a high quality bespoke design. In particular the blank Gable end with refrigeration facing the public realm next to the B3213 should be reviewed.
- Care being taken with lighting to minimise the impact to protected species and to ensure the building does not cause a loss of light to the Town Hall.
- Seeking advice in relation to pedestrian access and with regards the lower floor of the car park.
- Provision of detailed elevations for the car park, noting it is important to create a good view from the Town Centre side back into the site.

It is considered these can be adequately addressed within any planning application.

4.1.3 Highways

Following discussions with the DCC Highways Officer the initial concerns regarding the safe access of delivery lorries have been overcome. Remaining concerns are the impact of the development on the existing cycle path network and ensuring new safe routes linking the new developments to the town centre are provided. However, it is considered these can be adequately addressed with an S106 agreement following a successful planning application.

DCC have quoted **a figure of £60,000 to be secured in the s106 legal agreement.**

4.1.4 Amenity

There are no nearby residential properties affected, although care must be taken to not unduly impact upon Town Hall users. A noise report for the refrigeration units has been requested and will be provided within any planning application.

4.1.5 Drainage/Flood Risk

Detailed feedback has been provided direct from the EA who have raised an objection with regard to flood risk. The two main concerns are the location of the new store within flood zone 2 and 3 and construction of the new car park in close proximity to the river Erme.

The NPPF requires all new developments in flood zone 2 or 3 will need to pass the Sequential and Exception tests to demonstrate there are no preferable sites which could deliver this scheme in an area of lower flood risk.

The pre-planning advice stated due to the regeneration aims of the development and its inclusion in the INP as a site allocation, the LPA are happy to adopt a more flexible approach and the sequential test can conclude the development, as it is site specific regeneration, cannot take place anywhere else; this will be covered in more detail in the application Planning Statement. Supermarkets are classed as less vulnerable so the Exceptions Testing is not necessary (clarification should be sought from the EA), however, the EA's concerns must be addressed and demonstrate the development will be safe for its lifetime and not increase the risk of flooding elsewhere.

Due to the high water table the surface water drainage will have to be an attenuated discharge to the river. An uncontrolled discharge to river Erme was requested but DDC have confirmed this is only permitted for tidal waters. The site is also within a Critical Drainage Area (CDA) so the discharge will have to be limited to the Green Field Runoff Rate. This means the drainage costs will be higher than normal but as expected for a site within a CDA.

It is considered these issues can be adequately addressed within any planning application.

4.1.6 Ecology

Stage 1 and 2 ecology surveys have been undertaken, to date no problems have been identified but final surveys will be carried out in 2021. Pre-application advice from the LPA:

'In line with JLP Policy DEV26, development is expected to protect and enhance biodiversity. The SPD requires major developments to provide a 10% Biodiversity Net Gain; the DEFRA matrix will be needed to accompany any application submission. Consideration should be given as part of this to seeking the improvements suggested by the EA (fish migration, improvements to the riparian corridor)

The area indicated on the plans for such enhancements should be included in the application site red line, and it is anticipated its maintenance would need to be secured in an s106 legal agreement.'

A full mitigation plan will be worked up with the design and submitted with the planning application.

4.1.7 Trees

To construct the new car park there are number of trees to be felled. To ensure support from the Council's Tree Specialist these will need to be adequately replaced as part of the site wide landscaping scheme.

The project team have also been working with the town council and local groups to provide a landscaping scheme which improves the public realm. A number of options have been identified and talks are ongoing, the final options will be worked up as part of detailed design prior to planning submission.

4.1.8 Contaminated Land/Ground Investigations

Phase 1 and 2 Geotechnical investigations have found no evidence of contamination on the site and no adverse comments have been received from the Environmental Health Team.

4.1.9 Retail Impact Assessment

Discussions are ongoing regarding sequential testing and the necessary RIA. It is considered these can be adequately addressed within any planning application.

4.1.10 Other matters

- **Skate Park** - The development involves the loss of the skate park. Adequate replacement provision or a contribution towards its replacement will be needed.

- **Signage** – Details for signage is requested to be submitted alongside the application.
- **Car Parking** – Concern has been raised in relation to the car parking regime in particular, whilst providing more total parking than currently on site it resulting in significantly less public parking to serve the Town Centre. It is considered this can be adequately addressed within any planning application.

4.2 Site Assessment

4.2.1 Utility Service Enquiries

The necessary utility service checks have been undertaken with the following result:

- Wales & West – No gas within the site
- WPD – No main electric within the site
- BT – No telecoms within the site
- SWW – No Sewers or mains supplies within the site. However there is a large Surface water sewer on the northern boundary with a 3.8m No Build easement.

Due to the diameter of the large surface water drainage pipe identified running between the town hall and proposed Upper Tier Car Park, the pipe has a wide easement which restricts development. To address this, rather than a diversion, 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 a revised design mitigates this.

4.2.2 Ground investigation

John Grimes Associates carried out borehole investigations during October/ November 2020. The presence of granite boulders required additional testing to find bedrock level. These boulders and the high water table pose a risk to the project and are likely to add additional cost,

- Large granite boulders may need to be removed or structural supports move to avoid them
- High water table mainly poses a problem during construction. Dewatering will be required to keep the excavations dry and stable.

Provision has been made within the project cost residual risks to account for additional costs which may be incurred through construction.

5 Economic Regeneration

5.1 Discount Foodstore

Negotiations are ongoing with the potential occupier of the foodstore element of the project. The proposed occupier, discount retailer Aldi, was selected after a competitive tender process and draft Heads of Terms for an Agreement to Lease are provisionally agreed.

The further development of the project and some continued negotiation over key items have resulted in revisions to the original Heads of Terms (HoTs). They have

also been subject to legal review and scrutiny by both our internal and external legal teams. Positive negotiations are continuing. The latest draft of the HoT's are included in Appendix 3.

In order to understand the impact of a discount retailer on Ivybridge and following discussions with Ivybridge Town Council (ITC), an economic impact study was commissioned.

The final report has now been provided and can be found in Appendix 4. This report has been shared and discussed with ITC.

Some of the key conclusions are as follows:

- There is capacity for Ivybridge to grow the proportion of value brands, of which Aldi would satisfy.
- Placing an Aldi in Ivybridge would 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 average on visiting Aldi at least once a month, indicating brand affinity in the area will be very strong.
- Households across the catchment will continue to use butchers and bakers in the town as they index above 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 Ivybridge does not drop in future rankings.

In summary, the draft report provides positive outcomes and supports the proposal to let the Foodstore element of the regeneration scheme to a discount foodstore operator.

Key benefits expected from a discount food retailer are as follows:

- Acts as a catalyst for regeneration in an underperforming area
- Provide choice and accessibility for shoppers which form part of a wider weekly food shop. Shoppers continue to support other convenience store provisions including niche and larger stores
- Stores encourage linked trips to other stores, services and businesses.
- Stores are modest in scale so town centres thrive and function side by side
- Creates economic regeneration with jobs in stores, logistics and construction
- Local contractors benefit from new stores
- Many customers live within walking distance of new stores
- Locally sourced produce benefits local suppliers
- Serve local communities thus complying with national planning policy by encouraging local sustainable developments

5.2 Regeneration Benefits

There are a number of key regeneration benefits to the scheme which support the likelihood of successful economic regeneration.

5.2.1 Significant Council Investment

This aligns with Central Government's message to "get the economy moving". There may be opportunities to attract funding from Central Government for this scheme although no opportunities have been identified to date.

Local Employment

Each Aldi store employs between 30- 40 people. Aldi voluntarily enters into local labour agreements, as they are committed to recruiting people locally and do not use zero hour's contracts.

5.2.2 Increased trips

An Aldi store of this size in this location will regularly have 100 shoppers at any one time, who in turn can take advantage of the leisure centre and high street. This is further supported by the 90 minute parking regime. An average store visit lasts 30 minutes with remaining time available to visit the town centre.

5.2.3 Sustainable Travel

In similar stores, over 20% of customers travel by sustainable modes of transport to the store demonstrating accessibility to the immediate community. The scheme aims to improve pedestrian and cycle access.

5.2.4 Inward Corporate investment

Opening/long term commitment from Aldi, projected over a term of 25 years (without any increase/inflation) is estimated to be **£21 million**. This spend is in addition to the initial construction costs invested by the Council.

5.2.5 Construction Multiplier Effect

Using the "GLEK Consulting Multiplier" of £2.84 of economic activity investment for every £1 of construction cost represents £18.5m of economic activity in the local area.

5.2.6 Business Rates

This development will increase the business rates received in the area for the Council and Devon County Council. This is set out within the Financial Case in Appendix 5. It is recommended the additional business rates income generated is put into the Risk Mitigation Earmarked Reserve for the project. This forms part of the financial business case.

5.3 Proposed Car Park Regime

As previously reported, a car park regime utilising ANPR (Automatic Number Plate Recognition) technology allowing "Pay on Exit" for customers is not possible due to legislation relating to the issue of enforcement notices by local authorities.

An alternative car park regime has been identified, as follows. This has been subsequently discussed with Aldi who are in support.

- **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.

The proposed solution will offer a more balanced car park tariff with a blend of long and short stay uses as well as some permit availability and reserved parking.

The availability of free parking will encourage visitors to Aldi to make shared trips. The 90 minute free parking available will allow visitors to visit the store (Aldi store visit time average is 30 minutes) and utilise and remaining time to visit Ivybridge high street and other retail offerings within the town.

Furthermore, the scheme will offer an enhanced user experience with a new car park facility, associated landscaping and better access provisions. Two electric charging points have already been installed within the car park at Ivybridge and are now operational.

5.4 Improved Public Realm

The project will provide improvements across the public realm.

5.4.1 Wheeled Sports Facility

Whilst the existing skate park within Leonards Road car park will be lost, work is ongoing to determine the best way to mitigate for this loss with improved wheeled sports facilities for Ivybridge.

The project makes an allowance of up to £100,000 to be spent either to mitigate the loss of the existing provision on a like for like basis or to make a contribution to another facility within the town. Discussions are ongoing with the town council and other key stakeholders with regard to a possible investment into a larger wheeled sports provision at Filham Park. It is recognised by the project, the best solution will be found by working with the TC and other key stakeholders. This may extend through to the actual delivery of the scheme.

5.4.2 Youth & Community Space

The project team are working with ITC to develop plans to create an outside meeting space for use by the young people and wider community of Ivybridge. A suitable space may already exist adjacent to Ivybridge leisure centre.

5.4.3 Town Centre Access Bridges

From our discussions, we are aware the owners of Glanvilles Mill are progressing plans in relation to the existing bridges which connect the town to Glanvilles Mill and Leonard's Road car park.

As a key outcome of this regeneration project we will be supporting their works as much as possible, to include access via our land for cranes, repairs etc.

5.4.4 River Corridor Enhancements

The project team are looking at opportunities to enhance the existing river corridor. There may be opportunities to create some enhanced planting, open up of views along the riparian corridor along a wider length of the River Erme than adjacent to just the development site itself. These proposals will be developed with other key stakeholders such as PL21 and the town council.

6. Economic Viability

6.1 Project Cost

A thorough assessment of the project costs has been undertaken and the full project cost summary can be found in Appendix 6.

A tender process for the detailed design and construction has not yet been undertaken which will provide greater certainty over the full cost of delivery. However, the project team are confident the project can be delivered within the £8.5 million previously identified as there remains is significant residual risk and contingency included which should reduce as certain project increases.

Whilst this is an £8.5m project which already includes significant contingency, factors such as Brexit, indications of significant (20%) increase in steel prices during 2021, early stage cost estimates and significant ground works (high water table identified), a further client contingency of 5% would provide comfort.

At £9.0m the Council is still able to repay the debt in full over 50 years (as set out within section 6.3 Financing Position), build up a Risk Mitigation Earmarked Reserve against future risks and generate £100k per annum of revenue income towards the cost of front line services.

It is therefore a recommendation of this report, £9 million be approved by Council as the maximum full project spend. If costs are projected to exceed this amount, a further report will be brought back to the Executive and Council.

The project has the previously approved budget of £115,000. £50,000 of which was agreed in July 2019 (Minute E.14/19) plus £65,000 as approved in June 2020.

6.2 Income Generation

The occupation of the proposed Foodstore will generate an annual income for the Council. As previously highlighted, draft HoT's are now largely agreed but some negotiations continue. With regard to the commercial rent position and the lease term and any associated breaks these elements are agreed (subject to contract and Council approval).

This allows for a comprehensive model to be produced with consideration of cost and income.

6.3 Financing Position

In order to complete the project, it is proposed up to the figure of £9 million is borrowed from the Public Works Loans Board. An illustration as to the costs, repayments, rental income and the Risk Mitigation Earmarked Reserve is provided under Appendix 5 of this report.

The Council's treasury management advisors, Link Services, have provided advice and modelling on the optimum loan structure for long term borrowing of £9million. This is a mixture of annuity and maturity loans.

The project would require the Council undertaking capital expenditure for economic regeneration purposes using the Localism Act. Such expenditure may

deliver a positive contribution to the revenue budget but it is not the primary purpose.

The financial case illustrates the Council's ability to repay the borrowing of £9 million within 50 years in full (interest and capital repayments (MRP)). Furthermore, it allows for a 1% return on investment with circa £100,000 per annum of revenue income generated as an ancillary benefit. Alongside this, the financial case allows for the creation of a Risk Mitigation Earmarked Reserve made up of 5-10% of rental income per annum plus the additional business rates income generated (see Appendix 5).

This Risk Mitigation Earmarked Reserve provides a contingency at year 5 of £385,000 and year 20 of £721,000. Thereby, providing a fallback should the foodstore operator cease to trade or exit the lease as provided within the lease terms. Specifically, a tenant only break in Year 20, lease end date in Year 25 if option to extend is not exercised, or if exercised, lease end date in Year 40.

The reserve will be sufficient by year 5 to cover a 6 month rent void, 12 months of interest & principle repayments on the borrowing whilst new tenants are found.

It is recommended to capitalise the 'interest only' costs of the borrowing through the construction phase (up to two years) and fund this from within the £9million project cost, as shown in Appendix 6.

The Council has set an overall borrowing limit of £75million and to date has current borrowing of £14.5million. The Council has also approved Community Housing projects of a further £5.9 million for St Ann's Chapel and South Brent. There is sufficient headroom within the Council's overall limit of £75 million to fund this £9 million scheme.

There is no certainty the proposals will proceed to construction. The predicted expenditure, prior to a decision on the planning application is estimated to be up to £450,000. This funding is at risk if the project does not proceed to construction, as identified in the risk register found in Appendix 7.

These initial costs cannot be capitalised if the project does not proceed. In this event, they will become abortive revenue costs which the Council would need to finance from its revenue reserves. It is recommended are financed from the Business Rates Retention Earmarked Reserve which has a projected balance of £5.6 million. An amount of £3.5 million of this Earmarked Reserve was ring fenced for Employment for the creation of local jobs (Council February 2018) but there are sufficient funds to meet these costs.

6.4 Car Park Revenue

With regard to the revenue position, the proposals are considered to have a cost neutral impact upon the existing revenue stream.

Based on independent advice, it is anticipated circa 65% of the existing ticket sales currently achieved within the short stay element of sales will be lost to the 90 minute free parking available from Aldi.

However, this loss of revenue is offset by the following:

- The introduction of a 30 minute tariff for those not using the Aldi store who wish to visit the high street solely,
- An increase in the all day tariff, currently set at £2.10 to £5 per day. There is an anticipated loss of 20% of ticket sales to the mid dwell tariff (between 90 mins and 240 mins) and a complete loss of 30% of users who may currently use the car park as a park and ride facility (commuting to other places) and will not be prepared to pay a £5/day tariff,
- A decrease in business rates liability of 100 spaces.

In addition, there is a likely impact upon car park revenue as a result of project construction works. This would be a revenue cost and as such it is accounted for within the financial business case in Appendix 5 and funded from the future business rates income generated by the scheme.

7.0 Procurement

7.1 Procurement Review

The project team along with our procurement officer have been reviewing the procurement of the project to identify the best route for the detailed design and construction of a new foodstore and car park comparing both traditional routes and frameworks.

7.2 Procurement Options

After some research, the most appropriate route is to use a framework to deliver all design, planning and construction elements in one package. We have identified the best framework is the Southern Construction Framework (SCF). Other options were considered as follows:

- Use an Alternative Framework - potentially viable but no other framework found which uses design and build to deliver the complexity of this project. SHDC have met with alternative framework providers and have concluded we may not achieve our objectives or potential savings through these.
- Run a tender via our Procurement Portal - viable but introduces a longer programme, increased procurement costs and greater uncertainty of outcome than using a Framework with a robust set of pre-qualified, competent, financially robust contractors.
- Continue with current procurement route - not considered a compliant route to market as the project develops and moves forward.

7.3 Chosen Procurement Strategy

The SCF allows the appointment of one contractor for both the design and build elements of the project. The framework offers support to the client and usually delivers projects within 1% of the Contract Price so gives increased cost certainty.

The SCF Levy is 2.5%. This cost is built in to the contract price so it will not be seen as an extra cost in addition to the final contract price. The Framework has a commitment from suppliers to subcontract to local SME's, crucial to providing a local economic boost to the District during the construction phase. The next stage of procurement is expected to take 15 weeks.

7.4 Sustainable Procurement

All procurement will be in line with our Sustainable Procurement Strategy. We will work with our procurement officer and SCF Framework representatives to ensure

necessary weighting is included within the scoring of tenders. This will result in adequately prioritised, exemplar sustainable design and construction processes within our evaluation and ultimate award of any chosen contractor.

7.5 Delivery Programme

If the Council make the recommendation to approve this procurement strategy, a mini-bid procurement process will commence shortly thereafter. As a design and build contract award, the submission of any planning application will be delayed. However, this method does not require further procurement subsequent to the planning decision and prior to awarding a construction contract, so does not impact the project programme overall. A project programme can be found in Appendix 8.

The project team have worked with SCF representatives to run an early engagement exercise to gauge availability and interest from the market. All 6 contractors involved in the exercise have confirmed they have the experience to deliver the project and intend to bid for the project design and build.

8.0 Project Support

As set out within the previous reports to Executive the views of the public, stakeholders and business community are crucial to this project's success.

8.1 Public Consultation

A public consultation was carried out in January & February 2020 to ensure the views of the public both living in Ivybridge and the South Hams was captured. The public consultation had a good response rate, with 43% of the 2000 homes written to responding. A further ~1100 people also responded to the open online survey.

The Public Consultation results showed over two thirds (69%) of respondents support the new supermarket proposals with 66% of respondents telling the Council they felt a new supermarket would improve footfall into the town centre.

8.2 Business Community

There is support from the Ivybridge business community as exemplified below:

"All retail small businesses face huge uncertainties at the moment and the regeneration project at Ivybridge when it gets delivered should help re-balance lost footfall from Tesco at Lee Mill and rejuvenate Ivybridge town for the benefit of businesses and the local economy."

Pat White – Ivybridge Chamber of Commerce Chairman

"We're pleased to see the high street boosted with a new Aldi store, which will also help to bring additional footfall to Fore Street in Ivybridge and Glanvilles Mill. At a time when regional shopping centres are struggling, it is good news for both shoppers and the local community to have a variety of offers on their doorstep."

Howard Roddis – LCP Properties (Glanvilles Mill)

8.3 Local Councillors

There is support from the Ivybridge local members as exemplified below:

"I am pleased about the investment due to come into Ivybridge. The outcome of the questionnaire put to residents of Ivybridge and nearby homes was overwhelmingly in support of the discount supermarket. Whilst time remains before final commitment, options for change and refinement may still be considered."

Cllr Victor Abbott

"I have long been an advocate of the Ivybridge Regeneration Plan and I believe it is a necessity for the town given the challenges that its businesses are facing. I am convinced that an Aldi would increase footfall in the town centre and that the majority of people in the town would definitely want the plan to go ahead."

Cllr Lance Austen

"The outcome of the questionnaire put to residents of Ivybridge and nearby homes was overwhelmingly in support of the discount supermarket and as a result of that I am happy to support this investment coming to Ivybridge."

Cllr Karen Pringle

8.4 Town Council

Following a meeting on 11th January 2021, the Town Council have affirmed their support for the principle of a supermarket development in order to promote regeneration of the town centre, subject to satisfactory outcomes and conclusions in relation to various matters. These include quality of design, landscaping detail, wheeled sports & youth facility provision and enhanced public open space and pedestrian & cycle access.

The project team will continue to work with the town council throughout detailed design to address these matters.

8.5 Other Stakeholders

- Leisure Centre Operator, Fusion – design proposals will be such visibility to the leisure centre is improved not reduced, by moving the store away from the site entrance. Car parking provision is also a key concern for Fusion, who welcome the 90min free parking, which as part of a linked trip to Aldi there customers would be able to benefit from.
- PL21 – Ongoing engagement with PL21 in relation to cycle routes, pedestrian access and river frontage. Initial feedback provided from the group and engagement will continue throughout detailed design.

9.0 Project Risk

9.1 Costs associated with Non Delivery

If the decision is made to progress the project, there will be additional costs incurred as we work through the tender, detailed design and planning process and the legal work to enter into the agreement for lease. Historically, this has been identified as a figure up to £450,000 if the project secures planning but is

abandoned pre-construction. There may be some scope to reduce this figure however, it is likely to be in excess of £350,000 at the point a planning submission is made.

9.2 Construction Costs

As previously highlighted, we cannot be entirely certain of external factors or long-term trends, as we move forward with the project.

We are in uncertain times, with a global pandemic, Brexit and indications of significant (20% increase) in steel prices during 2021 which may have an impact upon assumptions made within the project pricing.

In the event there is an increase to the project costs which renders the project unviable, the lease with the proposed foodstore operator, is conditional upon a satisfactory viability test. Therefore, if the construction costs are such as to render the project unviable, we will not be required to proceed to construction.

9.3 Occupation of Foodstore & Associated Car Park

While the discount retail market has seen an upward trend, we cannot be sure of how these trends will develop over the whole project life cycle.

In turn, there cannot be certainty of the occupation of the foodstore and associated car park throughout the whole life cycle of the project. There are exit points within the lease at year 20 and year 25. There is also always the possibility an occupier ceases to trade, albeit the proposed foodstore operator is an extremely strong covenant.

However, in order to address the possibility of a void period, a risk reserve will be established. By year 5 this will be sufficient to cover a 6 month rent void and 12 months of interest & principle repayments.

9.4 Clean Title

We are working with our legal team to identify any title issues and address them before progressing the agreement for lease with the proposed foodstore operator.

Entry into the agreement for lease is conditional upon securing clean title of our land.

9.5 Entry into Agreement for Lease

As is usual in these circumstances, the Council is to construct the foodstore and car park before granting the Lease to Aldi. In order to protect both parties, the Council and Aldi will enter into an Agreement for Lease which commits the Council to grant and Aldi to take the lease once the construction of the foodstore and car is completed.

The Agreement for Lease will be conditional upon the following conditions:

- I. The submission of the Planning Application
If SHDC is not able to submit a satisfactory detailed and implementable planning application for the Scheme the Agreement for Lease will be terminated.

- II. Satisfactory Planning Consent
If a satisfactory planning consent cannot be obtained the Agreement for Lease will be terminated.
- III. Satisfactory Viability Test
If, having obtained Planning Consent, the project does not meet industry standard viability test the Agreement for Lease will be terminated.

These are the only conditions which would allow the Council to stop the project.

Once the conditions are met and construction is completed, the Lease will be entered into.

10.0 Key Questions & Answers

1) How will this project benefit residents of Ivybridge?

The project delivers a better shopping choice for residents and provides a local offer which can be accessed without a vehicle. It will provide linked trip opportunities, which in turn improve the sustainability and vitality of the businesses in the high street and improve the local shopping and leisure offer to the benefit of local residents.

2) How will this project benefit businesses in Ivybridge?

This project will boost footfall to the town through improved public realm, bridge access and linked trips from Aldi. Increased footfall leads to increased trade.

3) What would this project do for local employment and the economy?

Each Aldi store employs between 30-50 people directly. These jobs range from casual work to well paid, highly skilled jobs. Aldi offer an excellent career programme and are judged to offer a very good graduate programme (The Times Graduate Employer of Choice Award 2020, ranked 63 by the Guardian in UK Top 300 Employers of Choice). The independent CACI Economic Impact report stated:

- **ALDI WILL BRING IN MORE FREQUENT VISITORS**

In CACI's Shopper Dimensions, shoppers to a discount grocery in an In Town Centre or High Street had an annualised frequency of 76 visits per year, this is compared to an average frequency of 58 visits per year.

- **ALDI WILL BRING NEW SHOPPERS WHO WILL CROSS-SHOP WITH THE EXISTING OFFER**

*Aldi is unlikely to cannibalise the current offer at Ivybridge as it **doesn't feature in house bakeries or butchers etc.** Independent brands on the high street and in Glanvilles Mill Shopping Centre will appeal to more affluent and middle income households in the catchment who **prefer to buy locally produced and UK sourced***

4) Investing up to £9m in this project is significant, why not just sell the site to Aldi or another retailer?

The Council could sell the car park and there would no doubt be willing buyers. However whilst a shopping facility with sufficient parking for the stores needs may

be provided, overall a hugely reduced car parking capacity and minimal place based public realm and connectivity benefits would be realised.

A foodstore on its own, without the infrastructure works to create the extra parking capacity (100+ spaces) lost through the footprint of the building would not be supported by the key stakeholders, the Town Council, local businesses, Fusion and the elected Councillors of Ivybridge.

By using a long term borrowing and rental model, the Council is able to afford to deliver the car parking infrastructure works it could not otherwise fund. These additional car parking infrastructure and public realm improvements “unlock” this regeneration project.

In addition to this, Councils should take a (very) long term view on the control of its land and assets. Securing a long term income, whilst retaining control of its land provides a stronger legacy foundation for Councils of the future.

5) What happens if the foodstore operator goes into liquidation during the lease term or if notice is given by the operator at the end of their Lease?

The lease is a long one. While the Council collects rent, it will put away an amount into a risk reserve. This money can then be used to fund a gap between tenants as and when it may occur. To ensure the risk reserve builds up quickly, a proportion of the early year’s business rates income will be put into it.

6) What about the environment and the Council’s declaration of a Climate Emergency?

The Climate Change Emergency central in all aspects of this project. There will no doubt be an impact from the project but the Council will aim to be as transparent as we can on what those impacts are and reduce, design out and mitigate those impacts. This will be done in the following ways:

- End user – Aldi
Aldi UK are 100% carbon neutral as an operator¹
- Procurement & quality assessment
The procurement process set out in this report will include a qualitative assessment criteria on the sustainability approach of the contractor and project team.
- Building and infrastructure design
The brief set by the project team will be to reduce embodied energy in material choices where opportunities to do so exist. This may include recycled materials or aggregates and low carbon concrete.
- Carbon Assessment
We will work with our chosen contractor (design & build) to measure the embodied carbon of the construction phase of the project. We can then make

¹ <https://www.edie.net/news/6/Aldi-achieves-carbon-neutrality-for-UK-and-Ireland-operations/>

accurate and informed design choices as well as implement appropriate mitigation within the project delivery constraints.

- **Renewable Energy**

It is the ambition of the project to incorporate solar PV on the roof of the building to provide renewable energy to the store and the grid. This may need to be subject to a separate business case to the Executive if it falls outside of the affordability window proposed.

7) Isn't the geology of the area quite unusual and doesn't it feature large granite boulders? Will this be a problem?

The geology of the locality is unusual and include large granite boulders and a high water table, both of which could present challenges for the construction of the car park and foodstore foundations.

To mitigate this, John Grimes Partnership (based in Ivybridge) have been commissioned to do a full geotechnical investigation of the site. This was finished in December 2020. The design and construction of the project can therefore take account of the unique geological conditions and mitigate the risk accordingly.

8) What happens if the contractor goes bust during construction?

The Council will work through the procurement phase to ensure only financially viable companies are able to bid. However, should this occur, the contract will incorporate necessary performance bond and step in rights, should the contractor cease trading. In this event, the Council could call in the bond (typically 10% of the contract value) and deliver remaining works with another contractor.

9) Is traffic flow along Western Road a problem?

The Council has worked with Devon County Council to resolve the air quality and congestion along Western Road. This issue is being resolved at the time of writing, with the implementation of a new road and parking scheme.

Whilst Aldi are likely to attract visitors from outside Ivybridge, many journeys out of and back to Ivybridge along Western Road are to Tesco Lee Mill or other retail centres. A number of those will not now occur. The net change in traffic is therefore far less than it might otherwise be. This traffic will be modelled in detail as part of the planning application and agreed with the Highway Authority.

11.0 Conclusion

This project provides an opportunity to regenerate Ivybridge town centre and offer significant benefits to the local economy and public realm. It also carries with it the requirement to make a significant investment with which comes some risk, not least through the construction of a major infrastructure project.

There is strong support for this project from residents, the business community, local members, town council and key stakeholders.

If the project proceeds there will be a period of disruption within the town centre, albeit the project will be phased as far as possible to minimise the impact.

Having set out the benefits and challenges, it is now a political decision as to whether or not this Council wishes to invest up to £9m in a regeneration project for one of the districts key towns.

12.0 Impact Assessment

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	Y	<p>Appendices 3, 5, 6, 7, 8 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.</p> <p>The public interest test has been applied and it is considered 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>The Council has the power under Section 123 of the Local Government Act 1972 to dispose of land in any manner they wish, including granting a lease for the best consideration. 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 planning permission for the proposed developments would be granted.</p>

<p>Financial implications to include reference to value for money</p>	<p>Y</p>	<p>Council have previously approved spend of £115,000 from the Economic Regeneration report to fund the project to date. Minute E.14/19 (July 2019) agreed expenditure of £50,000 plus £65,000 as approved by the June 2020 Executive.</p> <p>A recommendation of this report, is £9 million be approved by Council as the maximum full project spend.</p> <p>It is the view of the S151 Officer the primary purpose of the scheme is regeneration, which is one of the four categories permitted for PWLB borrowing (the others being service delivery, housing and refinancing).</p> <p>The project would require the Council undertaking capital expenditure for economic regeneration purposes using the Localism Act. Such expenditure may deliver a positive contribution to the revenue budget, but it is not the primary purpose.</p> <p>The financial case in Appendix 5 illustrates the Council's ability to repay the borrowing of £9 million within 50 years in full. Furthermore, it allows for a 1% return on investment with circa £100,000 per annum of revenue income generated towards the cost of frontline services as an ancillary benefit. Alongside this, a Risk Mitigation Earmarked Reserve of 5-10% of rental income per annum plus the additional business rates income generated will be created.</p> <p>The 'interest only' costs of the borrowing through the construction phase (up to two years) will be financed from the whole project cost of £9 million.</p> <p>The Council has set an overall borrowing limit of £75million and to date the Council has current borrowing of £14.5million. The Council has also approved Community Housing projects of a further £5.9 million for St Ann's Chapel and South Brent. There is sufficient headroom within the Council's overall limit of £75 million to fund this £9 million scheme.</p> <p>There is no certainty the proposals will be granted planning approval. The predicted expenditure, prior to a decision on any planning application, is estimated at up to £450,000. The amount spent prior to the planning decision is at risk if the project cannot proceed.</p> <p>It is recommended any abortive costs up to £450,000 are financed from the Business Rates Retention Earmarked Reserve which has a current balance of £5.6 million (as set out in 6.3). An amount of £3.5 million of this Earmarked Reserve was ring fenced for Employment for the creation of local jobs (Council February 2018) and costs of up to £450,000 could be met from this reserve.</p>
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		There is a break clause within the lease at Yr 20 and a risk the tenant may not renew the lease at Yr 25 and Yr 40. This risk is noted within the risk register at Appendix 7. At this point (Year 20), £2.79m would have been repaid on the £9m borrowing and at Year 40, an amount of £6.6m would have been repaid on the borrowing of £9m.
Risk	Y	All development projects carry risk. These are as previously reported, as reported above and in the Risk Register appended in Appendix 7.
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 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 - Site Layout Plan
- Appendix 2 - Pre-Planning Application Advice
- Appendix 3 - Draft HoT's with proposed foodstore operator (EXEMPT)
- Appendix 4 - Economic Impact Assessment CACI
- Appendix 5 - Financial Business Case (EXEMPT)
- Appendix 6 - Project Cost Summary (EXEMPT)
- Appendix 7 - Risk Register (EXEMPT)
- Appendix 8 - Project Programme Summary (EXEMPT)

Background Papers:

Ivybridge Regeneration Project – June & September 2020 Executive Report

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 NOTES:



Lower Ground Floor Plan



REV	DATE	NOTES	CRM
Client South Hams District Council			
Project South Hams Portfolio			
Drawing Title Hybridge Rendered Plan Base			
Drawn IW	Checked IW	Paper Size A1	Scale 1:500
Project No. 18052	Drawn/No. XX	Date Dec 2020	Revision

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Please reply to: Case Management Team (DM)

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Kilworthy Park, Tavistock, PL19 0BZ

Working together



**West Devon
Borough
Council**

Bell Cornwell LLP
Sowton Business Centre
Unit 2 Capital Court
Bittern Road
Exeter
EX2 7 FW

Our ref: 3319/20/PR6
Date: 23 December 2020

Dear Sir/Madam

Reference No: 3319/20/PR6
Proposal: SCOPING Pre Application Enquiry for proposed food store and car parking
Location: Car Park, Leonards Road, Ivybridge, Devon, PL21 0RU

Further to your pre-application enquiry and our meeting held on 13th November 2020 please see the following formal response.

Proposal

The application proposes a foodstore (ALDI), adjacent multi storey car park and enhancements to the public realm.

Constraints

- Part within FZ 2 and 3
- Entire site is Critical Drainage Area
- Plymouth Sounds and Estuaries SAC Buffer Zone (does not affect the application)
- Leonards Road Car Park Skate Park

Planning Policy

Section 70 of the 1990 Town and Country Planning Act requires that regard be had to the development plan, any local finance and any other material considerations. Section 38(6) of the 2004 Planning and Compensation Act requires that applications are to be determined in accordance with the development plan unless material considerations indicate otherwise. For the purposes of decision making, as of March 26th 2019, the development plan for Plymouth City Council, South Hams District Council and West Devon Borough Council (other than parts South Hams and West Devon within Dartmoor National Park) comprises the Plymouth & South West Devon Joint Local Plan 2014 - 2034.

The relevant development plan policies are set out below:

Joint Local Plan:
SPT1 Delivering sustainable development

SPT2 Sustainable linked neighbourhoods and sustainable rural communities
 SPT5 Provision for retail development
 SPT6 Spatial provision of retail and main town centre uses
 SPT9 Strategic principles for transport planning and strategy
 SPT10 Balanced transport strategy for growth and healthy and sustainable communities
 SPT12 Strategic approach to the natural environment
 SPT13 Strategic infrastructure measures to deliver the spatial strategy
 SPT14 European Protected Sites – mitigation of recreational impacts from development
 TTV1 Prioritising growth through a hierarchy of sustainable settlements
 TTV2 Delivering sustainable development in the Thriving Towns and Villages Policy Area
 DEV1 Protecting health and amenity
 DEV2 Air, water, soil, noise, land and light
 DEV3 Sport and recreation
 DEV16 Providing retail and town centre uses in appropriate locations
 DEV17 Promoting competitive town centres
 DEV18 Protecting local shops and services
 DEV19 Provisions for local employment and skills
 DEV20 Place shaping and the quality of the built environment
 DEV23 Landscape character
 DEV26 Protecting and enhancing biodiversity and geological conservation
 DEV27 Green and play spaces
 DEV28 Trees, woodlands and hedgerows
 DEV29 Specific provisions relating to transport
 DEV31 Waste management
 DEV32 Delivering low carbon development
 DEV33 Renewable and low carbon energy (including heat)
 DEV35 Managing flood risk and Water Quality Impacts
 DEL1 Approach to development delivery and viability, planning obligations and the Community Infrastructure Levy

Other material considerations include the policies of the National Planning Policy Framework (NPPF) and guidance in Planning Practice Guidance (PPG). Additionally, the following planning documents are also material considerations in the determination of the application:

JLP Supplementary Planning Document

The site also falls within Ivybridge neighbourhood planning area and the following policies are of relevance:

INP1 – Town Centre Regeneration
 INP2 – Town Centre Land east of the River Erme
 INP5 – Community Facilities
 INP7 – Traffic and Movement
 INP8 – Historic and Natural Environment

Principle of development

The spatial priorities for Ivybridge are set out in the JLP, under SP2 and include:-

- Supporting employment and the long term resilience of the town
- Investments in enhancing the economy
- Improving traffic flow in and out of the town
- Improving the retail offer
- Avoiding impacts upon the Western Road AQMA
- Delivering appropriate community infrastructure

The proposed development can be supported in principle under JLP policies TTV1, TTV2, DEV16 and DEV17, along with INP1 and INP2.

The site forms part of the INP2 allocation, and a slight conflict is noted with INP2 in that it seeks any development to be supported by a masterplan for the wider site, noting uses to be a health and leisure hub, hotel and restaurant, along with retail and office development.

Whilst the proposal meets the retail element, there is no masterplan approach. However, the Council accepts the difficulties in securing this, given the wider site falls within several different land owners, including the police station and scout hut, and given they have indicated they have no desire to move premises or redevelop. It is strongly encouraged however, that before application submission, you engage with the Town Council and the Neighbourhood Plan Working Group, if one is still in existence. Public consultation responses should be included to demonstrate what has taken place and the support put forward.

Layout, Design and Landscape

Design, as indicated previously there are some concerns in relation to the design, in that it is the standard ALDI “box” type format with materials. The proposal does not respond to local character nor nearby buildings and does not enhance the wider site, which is disappointing as it was put forward at the pre-app meeting (no plans had been submitted at this stage) that the store would have a high quality bespoke design.

In particular, it presents a blank gable end and rear delivery area, with bin and refrigeration storage to the public realm, adjacent to the B3213 and potentially creates an unattractive pedestrian route into the Town between the rear of the building and the Town Hall. The site is very open to the B3213 and the store should therefore pay regard to this important streetscene elevation.

It is advised that more detailed coloured elevations be produced, ideally showing store signage, and an indication of the type of materials proposed (brick and stone are mentioned but no details given). For any application, whilst it is useful to have the elevations submitted as per those sent in for this pre-app which include a cross section through the car park, it is requested that more detailed colour elevations be provided without the surrounding landform.

Care must also be taken with lighting, and whilst it is accepted lighting will be necessary for public safety and currently exists on site, this must be appropriately designed and not result in any detriment to protected species; input should be sought from your ecologist.

Care must also be taken to ensure the building does not cause a loss of light to the Town Hall. I would also advise seeking advice from the Police Designing out Crime Officer, in relation to that pedestrian access and with regards the lower floor of the car park. Whilst I would not anticipate any

“show stopper” comments, they will no doubt have some comments to make and their advice should be incorporated as far as is possible; they will be a consultee for any application.

Detailed elevations have not been provided for the car park, particularly how it will be presented to the Glanville’s Mill side and bridge link; noting the site plans references views into Glanville’s Mill, it is important to create a good view from the Town Centre side back into the site.

The PV panels on the roof are welcome, and will help address JLP Policy DEV32; please include full details with the application.

Amenity

There no nearby residential properties to be affected. Care must be taken to not unduly impact upon Town Hall users. A noise report should be submitted for the refrigeration plant, given its close proximity to the Town Hall.

Highways

Discussions have taken place with Richard Jackson, DCC Highways Officer. They have responded as follows:

“The TA is accepted in principle although it is considered likely that the proposals will generate a number of diversion trips from the A38 into Ivybridge via the B3213. With this in mind there is likely to be increased traffic on the B3213 along the route the County is seeking a proportional contribution towards cycle improvements (east of Ivybridge). I attach LTN 01/20, which states that increased traffic has a direct correlation between certain types of cyclists not feeling safe to cycle on the carriageway and without improvements we can expect to see a significant reduction in modal shift away from the car. As many of the junctions in Ivybridge are predicted to reach their operational capacity with the introduction of the JLP allocations and other developments such as this one, the Highway Authority has no choice but to seek a contribution towards a scheme to provide safe cycle facilities on the B3213 to aid modal shift and therefore mitigate expected road capacity issues. Highways England are also starting to get concerned about the A38 off slip at Western Road Roundabout and stacking back onto the A38.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/904088/cycle-infrastructure-design-ltn-1-20.pdf

As mentioned previously it is important to link Woolcombe Lane to the site and the new cycle facilities from this estate will need to be linked to the site safely. Without the necessary links the Highway Authority will be left with a gap in the infrastructure, which it has no funding to resolve.

I would also like to take this opportunity to recap with you that we also said an enhancement to the cycle facilities at the lower tier carpark entrance towards the NCN should be provided.”

DCC have subsequently quoted a figure of £60,000, and this would need to be secured in the s106 legal agreement.

As mentioned in our meeting, I do have a concern about potential conflicts with delivery lorries reversing in or out of the car parking area to access the rear service area; generally, such areas are served by their own accesses. However, on the understanding that deliveries would only take place outside of store opening hours this would be considered acceptable. I do note that the TA contains swept path diagrams

which are annotated stating the reserved parking spaces will be vacated on delivery days; this is not considered acceptable nor practical.

It is, however, an advantage that there are no close by residential properties that could be affected by reversing beepers, as this often causes problems with out of hours deliveries.

Drainage/Flood Risk

Detailed feedback has been provided direct to you from the EA, so I will not repeat that here, suffice to say their objection will need to be addressed in regard to the inadequacies of the FRA before any application is submitted.

Noting the EA state that Sequential and Exceptions tests will be needed, the Council will need to be satisfied that there are no preferable sites that could deliver this scheme in an area of lower flood risk. The pre-app does not seem to acknowledge this, just stating retail is an acceptable use in a flood zone.

Given the regeneration aims of the development and its inclusion in the INP as a site allocation, we can adopt a more flexible approach and the ST can conclude that the development, as it is site specific regeneration, cannot take place anywhere else; this should be covered in the application Planning Statement. Given the use as a supermarket is classed as less vulnerable, I am of the opinion that Exceptions Testing is not necessary (clarification should be sought from the EA), however, you will still need to address the EA's concerns and demonstrate the development will be safe for its lifetime and not increase the risk of flooding elsewhere.

In terms of drainage, it is recommended that engagement with DCCLFA takes place, noting the entire site is also in a Critical Drainage area. DCC's SuDS guidance should be adopted and any application must be accompanied by a fully detailed drainage plan.

Ecology

It is understood ecology surveys are being carried out and that you have been discussing direct with the Council's Biodiversity specialist. In line with JLP Policy DEV26, development is expected to protect and enhance biodiversity. The SPD requires major developments to provide a 10% Biodiversity Net Gain; the DEFRA matrix will be needed to accompany any application submission. Consideration should be given as part of this to seeking the improvements suggested by the EA (fish migration, improvements to the riparian corridor)

The area indicated on the plans for such enhancements should be included in the application site red line, and it is anticipated its maintenance would need to be secured in a s106 legal agreement.

Trees

Again, it is understood discussions have taken place with the Council's Tree Specialist, noting the development will require the felling of several trees. Adequate replacement will be expected as part of the site wide landscaping scheme. Full details of this should be submitted with the application and it is recommended the Landscape Officer be contacted for advice on appropriate planting. The scheme has significant potential to create a much improved public realm, and this will weigh on favour of any application.

Contaminated Land/Ground Investigations

I have not had any feedback from the Environmental Health team, but do not anticipate there would be any significant issues; a contaminated land assessment would be required to accompany any application, along with any remediation deemed necessary.

Retail Impact

Discussions are ongoing with my JLP colleague Phil Baker and your retail consultants with regards to sequential testing and the necessary RIA. I am not certain if these discussions concluded, but the final documents should be included with the planning application

Other matters

Skate Park

The development involves the loss of the skate park. Adequate replacement provision or a contribution towards its replacement will be needed. If provision is to be made on site, it should not form part of the biodiversity enhancement area.

Signage

Noting that most supermarket applications are followed with an application for signage, we would ask this be submitted alongside the application, or at least details be included. There would be a concern were the scheme to propose the “normal” large totem pole signage.

Car Parking

The development, whilst providing more total parking than currently on site, actually results in significantly less public parking to serve the Town Centre. There is a slight concern over this, and this should be justified with the application. Please ensure that parking complies with the SPD standards.

Additionally, details of any charges for the ALDI element should be included in the application, along with management arrangements for the reserved spaces; this may need to be included in the s106.

Red Line

As previously mentioned, all elements of the scheme including any public/biodiversity enhancements, drainage, new pedestrian and cycle ways and access to the public highway must be included within the redline site boundary.

Conclusion

The proposal is to take place on a sustainable brownfield site, allocated for regeneration in the Ivybridge Neighbourhood Plan. Whilst there is some policy conflict as noted above, the proposal is considered broadly policy compliant.

Should any future application be submitted it would need to include the following supporting information at validation stage:

- Design and Access Statement
- Detailed elevations and ideally signage
- Location plan and site plans – red line to include all necessary elements of the scheme, including public realm, footpaths, cycle paths and access to the highway. All plans must have a scale bar and should not be annotated “do not scale”

- Planning Statement, to include policy analysis, hours of operation, deliveries, car park charging/restrictions and so on
- RIA and Sequential Test
- FRA and detailed drainage scheme
- Transport Assessment
- Information to satisfy SPD, to include DEV32 carbon reduction, EVCPs, cycle parking, employment skills plan, waste management plan
- Ecology reports and mitigation, DEFRA matrix for net gain (as discussed, we can accept the majority of the reports with the final bat survey report submitted once completed in early spring)
- Community consultation results
- Information on the relocation of the skate park
- Lighting information
- Landscaping scheme, tree survey, protection plans and replanting scheme
- Contaminated land reports
- S106 Heads of Terms (at this stage to cover highways contributions, management of public realm/SuDs etc, reserved parking spaces and street car park, biodiversity enhancements, skate park management/or offsite contributions)

Please be aware these comments are made without prejudice to a future decision made by the local planning authority, and do not bind or fetter any future decision. If you wish to submit further plans for comments prior to submitting a planning application this will require an additional fee as per our charging schedule. (<https://www.southhams.gov.uk/article/3225/Pre-Application-Service>)

Yours faithfully
 Cheryl Stansbury
 Development Management Team

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IVYBRIDGE MARKET SUMMARY

August 2020

Alice Church

Senior Consultant

Tom Fletcher-Wilson

Commercial Consultant



INTRODUCTION & BRIEF

PROJECT BRIEF & APPROACH

- CACI have been instructed by South Hams District Council to provide a strategic and independent analysis to assess the value of opening an Aldi in Ivybridge and how it will help to future proof the town.
- This report will provide insight into:
 - Ivybridge's current position (inc. expenditure, competition, rankings)
 - Historic rankings and retail provision in the town
 - Benchmarking and tenant audit to understand missing gaps and potential targets
 - Demographic Profile
 - Impact of doing nothing to Ivybridge
 - Benefits that Aldi will bring to Ivybridge

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CACI PRODUCTS:

- **Retail Footprint (RF)** is CACI's UK gravity model that predicts the catchments of all UK retail destinations and accounts for the attractiveness of the centre's mix, the location of competing schemes and the level of demand in the area.
- **Acorn** is CACI's consumer segmentation model. Acorn combines geography with a wide range of demographics and lifestyle data sources to group the entire population into 5 Categories, 18 Groups and 62 Types.

A full methodology can be found in the appendix of this report.



SUMMARY & CONCLUSIONS

Residents across Ivybridge's catchment have a Convenience Goods household spend which is higher than the regional average. In its current state, the **town centre is not fully capitalising on this high spend**, something that Aldi will enable Ivybridge to do.

An ALDI in Ivybridge would reduce the Convenience Goods spend leakage to other nearby supermarkets. **Opening an ALDI would keep 16% more spend within the town centre**, with the out of town Tesco Extra currently dominating.

Ivybridge has an affluent to middle-income catchment with three quarters classed as family groups; this strongly aligns with the Aldi offering indicating that the **brand will be favoured by local users and prevent them spending their Convenience Goods spend elsewhere**.

Placing an Aldi in Ivybridge would encourage **more frequent visitation from catchment residents to the town**, which in turn would drive more cross shopping with the existing offer and independents.

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There will be **minimal cannibalisation with the current town centre offer**; affluent households 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.

Aldi would become the **anchor for Ivybridge town centre and boost opportunities to attract new brands and improve the high street offer**. This in turn would enable Ivybridge to compete with Comparison Goods focussed competitors across the catchment

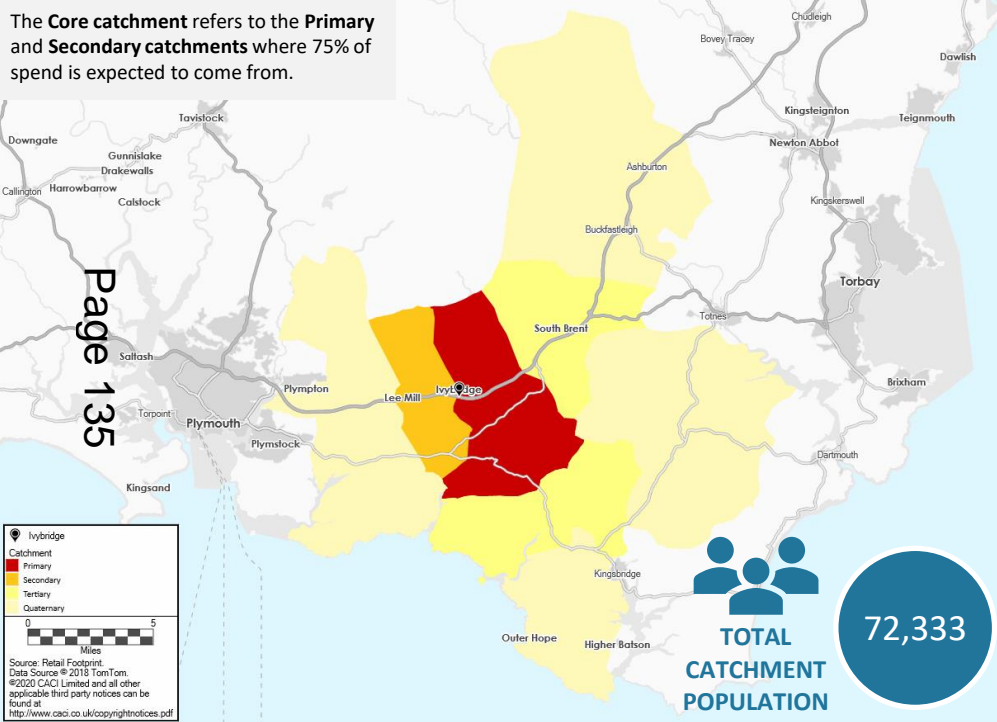
Introducing Aldi which has a limited online presence will **future proof the town and make it less susceptible to the threat of online**, as the stores Convenience Goods offering is offline only.

IVYBRIDGE: TODAY

IVYBRIDGE: CATCHMENT

Ivybridge sits inside the top 25% of all Regional Towns in the UK, with a total Retail Goods spend potential of £22 million. Within its Total catchment of 72k people, Ivybridge attains a market share of 5.7%.

The **Core catchment** refers to the **Primary** and **Secondary** catchments where 75% of spend is expected to come from.



£22.0m
TOTAL RETAIL
GOODS
SPEND POTENTIAL

%
MARKET
SHARE

5.7%
TOTAL
CATCHMENT

TOTAL RETAIL
GOODS SPEND
(UNWEIGHTED): **£383.2m**

8.7%
REGIONAL
TOWNS
AVERAGE

**UK
REGIONAL
TOWNS:**

TOP
24%
RETAIL CENTRE IN UK
(174TH OUT OF 731 CENTRES)

**ALL CENTRES
SOUTH
WEST:**

TOP
42%
RETAIL CENTRE IN UK
(OUT 190TH OF 456 CENTRES)

Note: Regional Towns, often called market towns, have small populations and are generally found more than 20 minutes drive time away from primary or major centres and tend to be dominant within their vicinity. A number of these centres do not reflect the affluence in surrounding residential areas with their retail offer, having fallen behind bigger and better centres nearby.

WHY IVYBRIDGE?

- Ivybridge's catchment covers a significant proportion of the South Hams area and beyond, limited to the east by Torbay and west by Plymouth.
- It is a strong centre in its own class, Regional Towns, sitting in the top quarter of all comparable centres. A number of these already have an Aldi present among their retail offering, indicating it could be sustained in Ivybridge.

Source: Retail Footprint 2020

Note: rankings are based on weighted catchment Comparison Goods spend potential

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IVYBRIDGE: UK & REGIONAL RANKING

Regionally, Ivybridge sits alongside Malmesbury and above the likes of Saltash and Verwood, the latter which is in the same class. There is scope for an Aldi at Ivybridge given the brand already operates in the majority of comparable Regional Towns.

UK REGIONAL TOWNS RANKING

KEY: Aldi open in town or opening soon

UK 'Regional Towns' Rank	Centre Name	Residential Comparison Goods Market Potential (£m)
170	Crook	£10.0
171	Malmesbury	£9.8
172	Barton-upon-Humber	£9.7
173	Fleetwood	£9.7
174	Ivybridge	£9.6
175	Spennymoor	£9.4
176	Uppingham	£9.4
177	Formby	£9.4
178	Verwood	£9.3
179	Bacup	£9.3
180	Cranbrook	£9.2
181	Princes Risborough	£9.1
182	Merthyr Tydfil	£9.1
183	Immingham	£9.0

Note: total number of UK Regional Towns is 731

SOUTH WEST RANKING

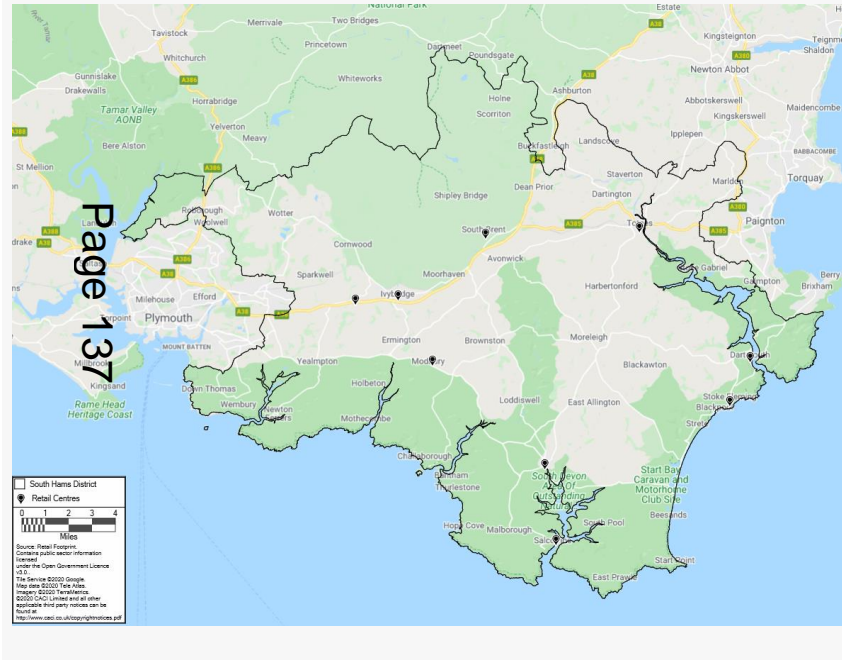
Regional Rank	Centre Name	Residential Comparison Goods Market Potential (£m)
185	St Austell - Stadium Retail Park	£10.1
186	Exeter - Honiton Road	£10.1
187	Exeter - Stone Lane Retail Park	£10.1
188	Torquay - St Marychurch	£10.0
189	Malmesbury	£9.8
190	Ivybridge	£9.6
191	Bristol - Fox Den Road	£9.5
192	Saltash	£9.5
193	Cirencester - Cirencester Retail Park	£9.5
194	Poole - Branksome	£9.3
195	Verwood	£9.3
196	Wincanton	£9.1
197	Amesbury	£9.0
198	Coleford	£8.8

Note: total number of retail destinations in the South West 456

IVYBRIDGE: LOCAL RANKING

Of the 9 retail destinations in South Hams, Ivybridge sits 4th, indicating it is a key retail centre in the area and should focus on the everyday need rather than directly competing with tourist towns such as Salcombe. Aldi locating to Ivybridge would make it the first store in the district.

SOUTH HAMS RETAIL OFFERING



SOUTH HAMS RANKING

Tesco Extra is classed as its own centre as it is located out of the town and is therefore a competitor.

Rank	Name	Minor Class	Attractiveness Score	Residential Comparison Goods Market Potential (£m)	Convenience Goods Market Potential (£m)
1	Totnes	Regional Towns	178	£25.8	£26.3
2	Dartmouth	Regional Towns	176	£17.8	£18.8
3	Kingsbridge	Rural Towns	126	£15.8	£16.3
4	Ivybridge	Regional Towns	67	£9.6	£9.2
5	Salcombe	Rural Towns	121	£5.3	£5.3
6	Tesco-Extra, Ivybridge	Regional Towns	57	£4.2	£4.0
7	Modbury	Rural Towns	15	£0.7	£0.7
8	South Brent	Rural Towns	4	£0.2	£0.2
9	Stoke Fleming	Rural Towns	1	£0.02	£0.0

Note: rankings are based on weighted catchment Comparison Goods spend potential

Source: Google; Retail Footprint 2020

IVYBRIDGE: HISTORIC SOUTH WEST RANKINGS

Ivybridge has grown in size and therefore moved up the South West ranking since 2017. Nearby towns, Dartmouth and Salcombe, have fallen down the ranking indicating scope for Ivybridge to take advantage of available spend which would have previously gone to these areas.

2017 RANKING

SW Rank	Name
4	Plymouth
21	Torquay
23	Newton Abbot
59	Paignton
96	Totnes
114	Dartmouth
129	Brixham
152	Kingsbridge
199	Torbay
200	Plymouth - Plympton
214	Torquay - St Marychurch
218	Plymouth - Mutley Plain
221	Plymouth - Estover
225	Ivybridge
231	Salcombe
240	Plymstock
255	Plymouth - St Budeaux
256	Plymouth - Crownhill
266	Ivybridge - Tesco-Extra

2018 RANKING

SW Rank	Name
4	Plymouth
20	Newton Abbot
24	Torquay
58	Paignton
96	Totnes
118	Dartmouth
130	Brixham
149	Kingsbridge
199	Torbay
201	Plymouth - Plympton
202	Plymouth - Estover
209	Torquay - St Marychurch
213	Plymouth - Mutley Plain
229	Ivybridge
235	Plymouth - Crownhill
236	Salcombe
245	Plymstock
261	Plymouth - St Budeaux
269	Ivybridge - Tesco-Extra

2019 RANKING

SW Rank	Name
3	Plymouth
23	Newton Abbot
30	Torquay
73	Paignton
87	Totnes
95	Brixham
119	Dartmouth
134	Torbay
136	Kingsbridge
170	Plymouth - Estover
197	Torquay - St Marychurch
199	Ivybridge
224	Plymouth - Mutley Plain
232	Plymouth - Crownhill
236	Plymouth - Plympton
240	Salcombe
241	Plymstock
245	Plymouth - St Budeaux
266	Ivybridge - Tesco-Extra

2020 RANKING

SW Rank	Name
3	Plymouth
25	Newton Abbot
32	Torquay
78	Paignton
88	Totnes
98	Brixham
126	Dartmouth
122	Torbay
140	Kingsbridge
204	Plymouth - Estover
188	Torquay - St Marychurch
190	Ivybridge
201	Plymouth - Mutley
233	Plymouth - Crownhill
247	Plymouth - Plympton
245	Salcombe
246	Plymstock
239	Plymouth - St Budeaux
254	Ivybridge - Tesco-Extra

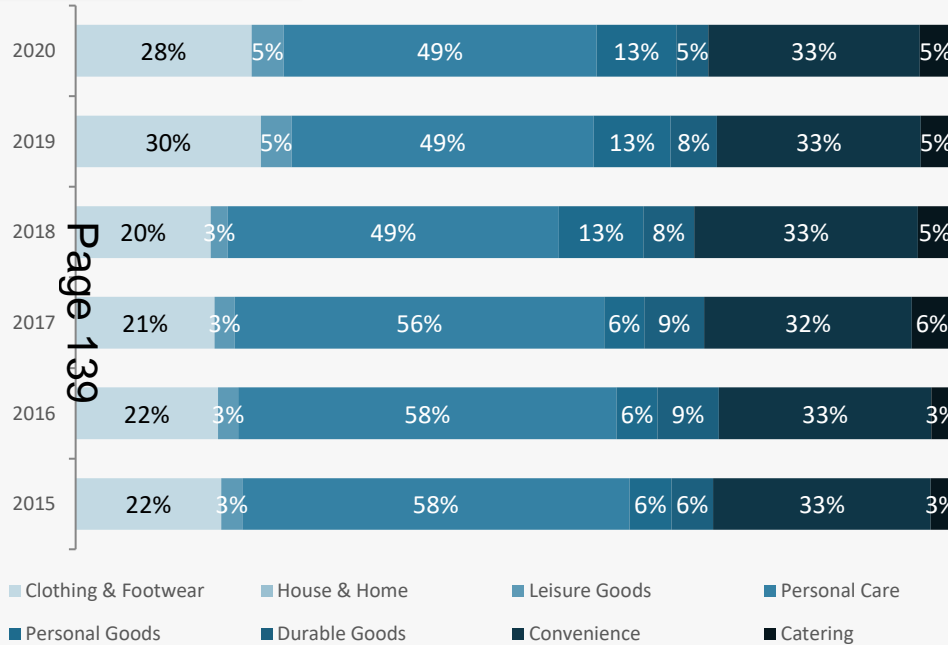
Source: Retail Footprint 2017/18/19/20

Note: Ranking is based on Comparison Goods market potential; Methodology changes will have influenced historic rankings.

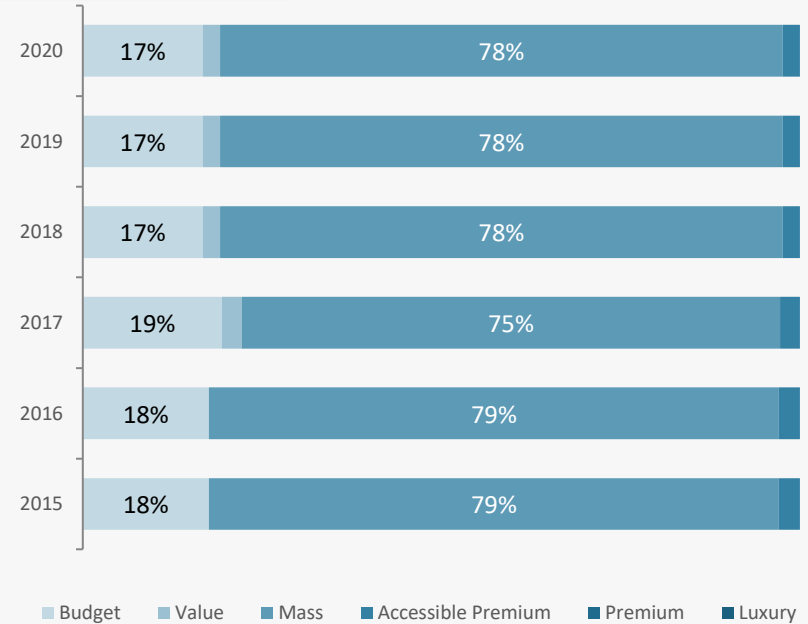
IVYBRIDGE: HISTORIC RETAIL OFFERING

Ivybridge's retail make up has changed in the last five years, with a higher proportion of Clothing and Footwear at the expense of Leisure Goods. In terms of market position, Ivybridge has historically always been mass focussed; introducing an Aldi would grow the volume of Value brands.

RETAIL MIX



MARKET POSITION



Source: LDC 2015/16/17/18/19/20

Note: See appendix p28 for products within each product category

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IVYBRIDGE: LOCAL COMPARISON GOODS COMPETITION

Locally, Ivybridge faces fierce competition, with Plymouth dominating the area and attaining a quarter of the market share. Ivybridge achieves 19% of the market share in the Core, indicating that it has a strong hold over local shoppers which will only increase with an Aldi present.

LOCAL COMPETITION

Centre Name	Minor Class Name	Attractiveness Score	Distance (Miles)	Market Share (Core)	Market Share (Total)
Plymouth	City Centres	1,231	9.8	28.7%	28.2%
Plymouth - Marsh Mills Retail Park	Small Retail Parks	276	7.5	19.1%	15.1%
Ivybridge	Regional Towns	67	-	18.7%	5.7%
Totnes	Regional Towns	178	10.7	0.6%	4.0%
Kingsbridge	Rural Towns	126	9.6	0.2%	2.8%
Newton Abbot	Value Major Town Centres	477	16.8	No Core	2.6%
Ivybridge - Tesco-Extra	Regional Towns	57	1.8	7.2%	2.5%
Plymouth - Plympton	Regional Towns	81	5.8	1.6%	2.1%
Plymouth - Coypool Retail Park	Retail Parks (in Towns)	74	7.1	2.0%	2.1%
Ashburton	Rural Towns	35	11.3	No Core	1.9%
Kingsteignton - Newton Road Retail Park	Medium Retail Parks	190	17.7	No Core	1.3%
Buckfastleigh	Rural Towns	18	8.9	No Core	1.1%
Plymstock - Morrisons	Suburban Centres	60	8.2	0.7%	0.8%
Dartmouth	Regional Towns	176	15.3	No Core	0.8%

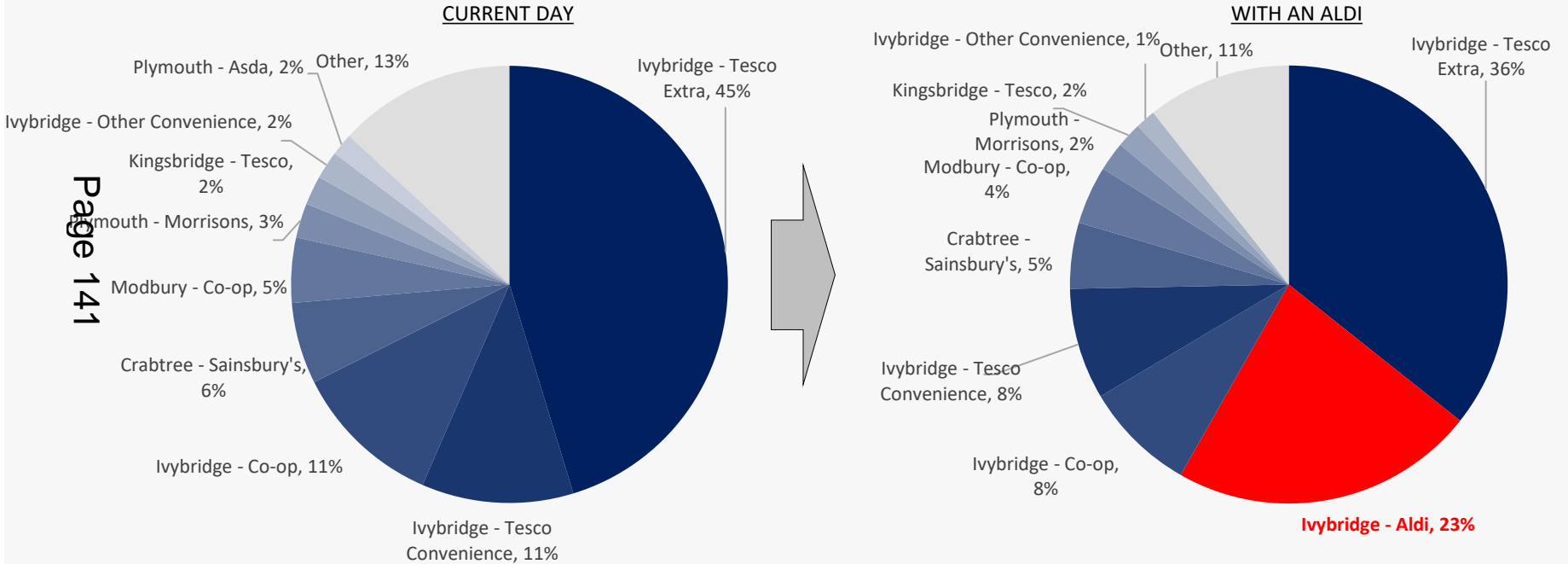
Source: Retail Footprint 2020

IVYBRIDGE: LOCAL GROCERY COMPETITION

Currently three quarters (76%) of convenience spend from the Primary catchment is being spent outside of Ivybridge's town centre, primarily at Tesco Extra. Introducing an Aldi to the town would reduce leakage to 60%, with Aldi achieving 23% of the Primary catchment spend.

PRIMARY CATCHMENT CONVENIENCE COMPETITION

Only the Primary catchment spend leakage has been shown as this is where the majority of spend comes from.



Source: Provision

IVYBRIDGE: EXPENDITURE BY CATEGORY

Reflective of the affluence of Ivybridge residents, household spend sits well above the South West average on all product categories. This is particularly true for Convenience spend, which also sits 4pp above the UK benchmark.

CATEGORY SPEND

TOTAL SPEND (£M)

TOTAL



Convenience

£9.2

£5,424

+4pp

+5pp



Comparison Goods

£9.6

£,667

+3pp

+7pp



Catering

£3.1

£1,843

+2pp

+7pp

£22.0

£12,934

+4pp

+6pp

EXPENDITURE PER ANNUM (£M)

ANNUAL HOUSEHOLD SPEND

HHD SPEND VS UK AVG.

HHD SPEND VS SOUTH WEST AVG.

Source: Retail Footprint 2020

KEY: HHD spend above average

HHD spend below average

IVYBRIDGE: CUSTOMER

Ivybridge has an affluent to middle-income catchment with a large number of family groups present which will align with the Aldi offering. Almost all households in the catchment index above the UK average on visiting Aldi at least once a month indicating brand affinity in the area.



AFFLUENT ACHIEVERS

Almost **double** the UK average of Affluent Achievers households

SHOP IN ALDI ABOVE UK AVERAGE

92%
more likely to shop in Aldi 1+ times a month vs UK avg.

WHY IVYBRIDGE?

- Compared to the South West and UK, Ivybridge has a higher volume of Affluent Achievers and Comfortable Communities households in the catchment. These are core family groups who are likely to engage with an Aldi as well as cross-shop with independents already in Ivybridge.

Source: Retail Footprint 2020; Acorn Knowledge

BENCHMARKING

BENCHMARKING

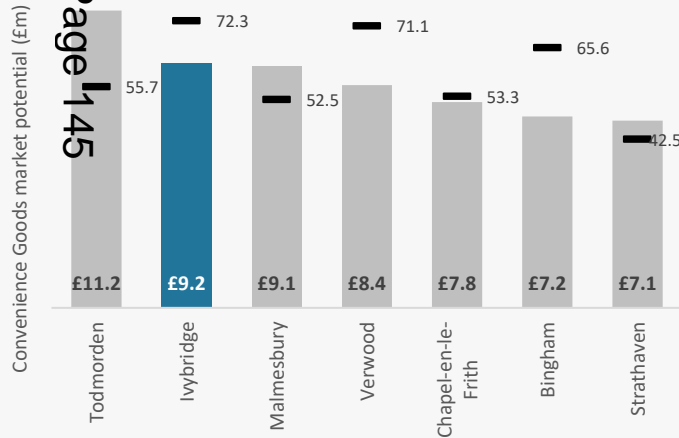
A number of different benchmark groups have been used to understand the areas of opportunity for Ivybridge in the future. This includes centres nationally which are similar to Ivybridge but already have an Aldi present, local benchmarks and city centre competitors.

BENCHMARK CENTRES

■ Convenience Goods market potential (£m)
■ Total Population ('000s)

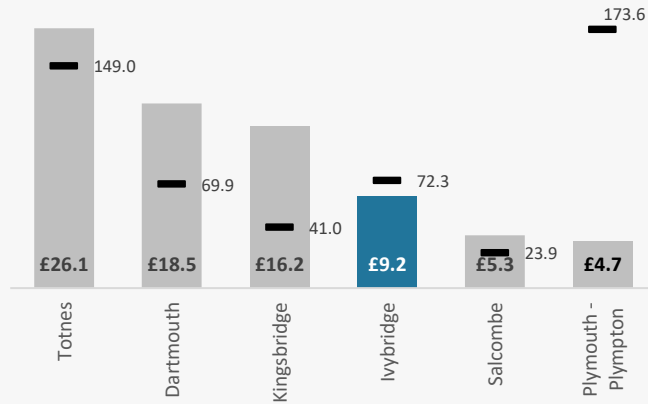
NATIONAL BENCHMARK CENTRES WITH AN ALDI

These centres have been used as national benchmarks as they sit in the **same 'Regional Towns' class as Ivybridge** but **all have, or are due to have, an Aldi in the town. Ivybridge outperforms** all but Verwood in terms of **Convenience Goods spend potential and population showing capacity for an Aldi in the town..**



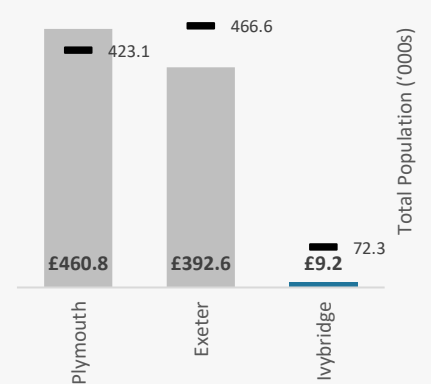
LOCAL BENCHMARKS

Compared to local competitors, **Ivybridge sits above Salcombe and Plympton based on Convenience spend potential, almost double the smallest centre.** A new Aldi is due to open in Plympton shortly, **indicating that there should also be capacity for the brand to succeed in Ivybridge.**



CITY CENTRE COMPETITORS

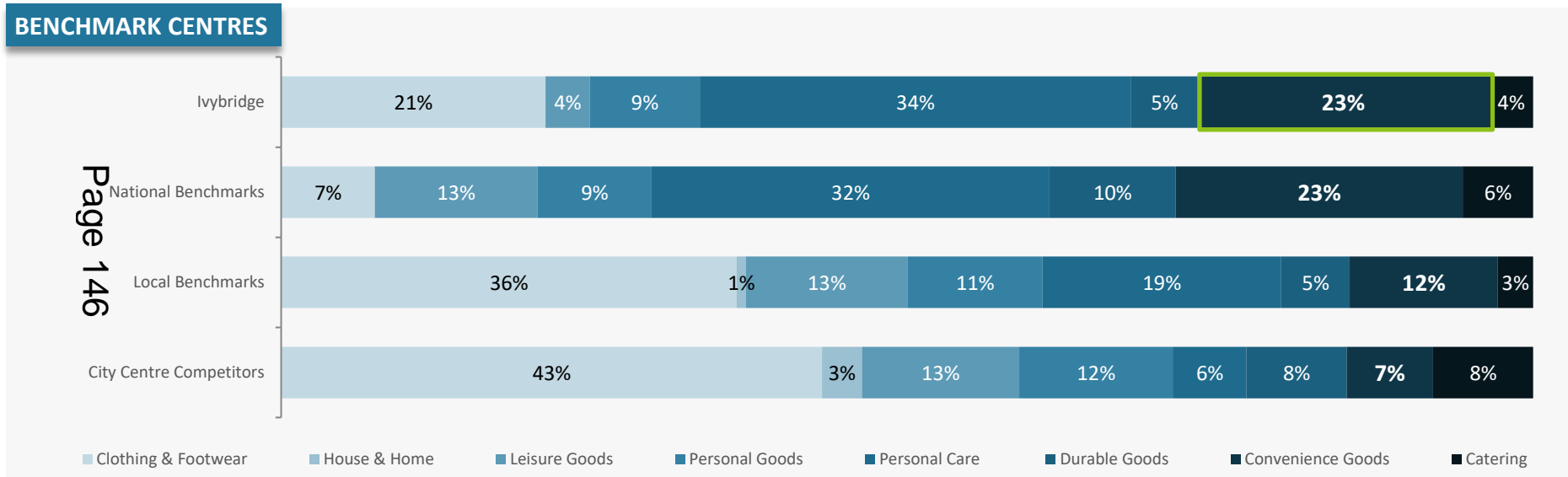
Local city centre schemes have also been shown in the benchmarking section to **understand why spend is being lost to these areas and how Ivybridge can better compete.**



Source: Retail Footprint 2020

BENCHMARKING: RETAIL MIX

Ivybridge is dominated by Personal Care brands to a much greater proportion than the local and city centre competitors. The town's retail mix is far more similar to the national benchmark centres where Aldi's already operate indicating it would fit in well with the existing offer.



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WHY IVYBRIDGE?

- City centre benchmarks have a much higher proportion of Clothing and Footwear, reflecting that shoppers visit these schemes for a high value, big day out trips.
- For Ivybridge to hold its own against the local and city centre competition, it needs continue to adopt a similar profile to the national benchmarks with a high proportion of Convenience Goods, through both independent bakeries and butchers as well as key supermarkets. This will encourage households in the area to perceive it as a local destination for the everyday need.

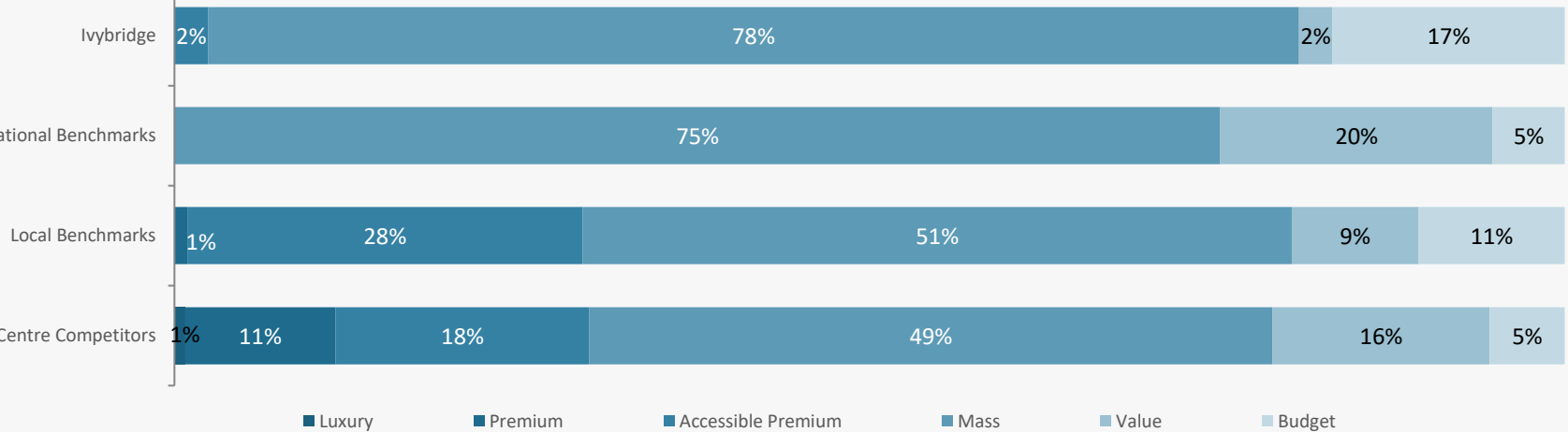
Source: Retail Footprint 2020, Local Data Company

BENCHMARKING: MARKET POSITION

Ivybridge is predominantly mass focussed and to a significantly greater extent than nearby benchmarks. Given that Ivybridge needs to satisfy the everyday need to differentiate from larger and tourist destinations nearby, ensuring a varied market positioning of brands is key.

BENCHMARK CENTRES

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WHY IVYBRIDGE?

- Introducing an Aldi to the town would grow the proportion of value brands at the centre to be more in line with national benchmarks and help to satisfy the everyday need of shoppers.
- There is also scope to introduce more accessible premium and premium brands to Ivybridge given the affluent nature of households in the catchment. Clothing brands which are either independent or accessible premium brands already present in some of the local benchmarks would resonate well with affluent groups.

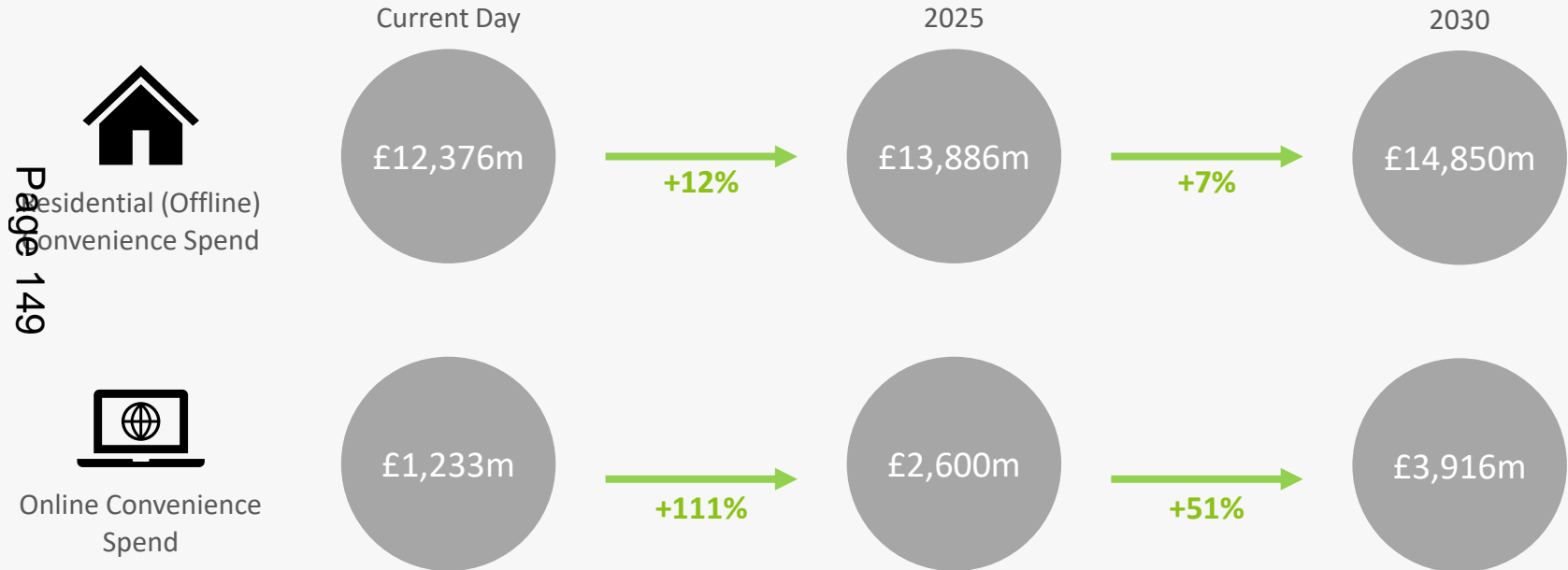
Source: Retail Footprint 2020, Local Data Company

IVYBRIDGE: FUTURE

WHAT HAPPENS IF WE DO NOTHING?

While across the South West there is likely to be organic growth in offline spend, the huge growth in online convenience spend highlights the need to introduce a brand with a limited online presence, reducing leakage to online. Opening an Aldi in Ivybridge will future proof the town and make it less susceptible to the threat of online as the stores convenience goods offering is offline only.

UNWEIGHTED CONVENIENCE SPEND PROJECTIONS: SOUTH WEST (£M/ANNUM)



Source: CACI Spend Projections

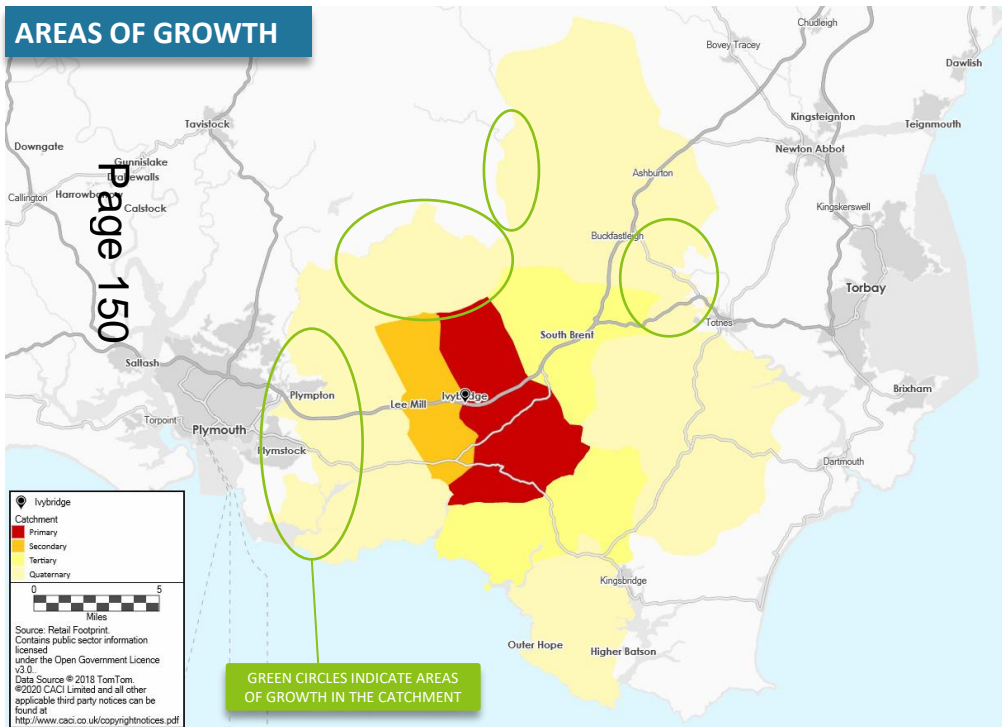
Note: Current Day is 2019 figures to exclude the impact of Covid-19 on spend

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BENEFITS OF AN ALDI IN IVYBRIDGE

Opening an Aldi in the town would grow Ivybridge's catchment; while trips from this area will be drawn in by the Aldi, there is scope to encourage cross shopping with the existing offer. Affluent shoppers are more likely to purchase at independent bakeries and butchers alongside Aldi for essentials.

AREAS OF GROWTH



BENEFITS TO IVYBRIDGE

WILL BE THE FIRST DISCOUNTER IN THE AREA

Currently the nearest Aldi is in Plympton. Introducing a new Aldi to the area will not only make it the **first discounter in the area** but also encourage more local shopping and in turn a more **sustainable shopping experience**.



ALDI WILL BRING IN MORE FREQUENT VISITORS



In CACI's Shopper Dimensions, shoppers to a discount grocery in an In Town Centre or High Street had an **annualised frequency of 76 visits per year**, this is compared to an **average frequency of 58 visits per year**.

ALDI WILL BRING NEW SHOPPERS WHO WILL CROSS-SHOP WITH THE EXISTING OFFER

Aldi is unlikely to cannibalise the current offer at Ivybridge as it **doesn't feature in house bakeries or butchers etc**. Independent brands on the high street and in Glanvilles Mill Shopping Centre will appeal to more affluent and middle income households in the catchment who **prefer to buy locally produced and UK sourced goods**.



ALDI WILL CONTRIBUTE TO EMPLOYMENT IN THE LOCAL CATCHMENT



15% aged 16-74 in Ivybridge's catchment are economically inactive (exc. retired). Aldi needs **between 30-50 staff in its new stores**, employing the majority from **within 2.5 miles of store**.

ALDI CAN BENEFIT FROM THE INCREASING LOCALISM POST COVID-19

Post-lockdown local centres are seeing a greater return in activity compared to city centres. **Ivybridge has seen a greater uplift in shoppers post-lockdown** vs. Plymouth and Exeter; highlighting the opportunity for Aldi to take advantage of this shifting trend.



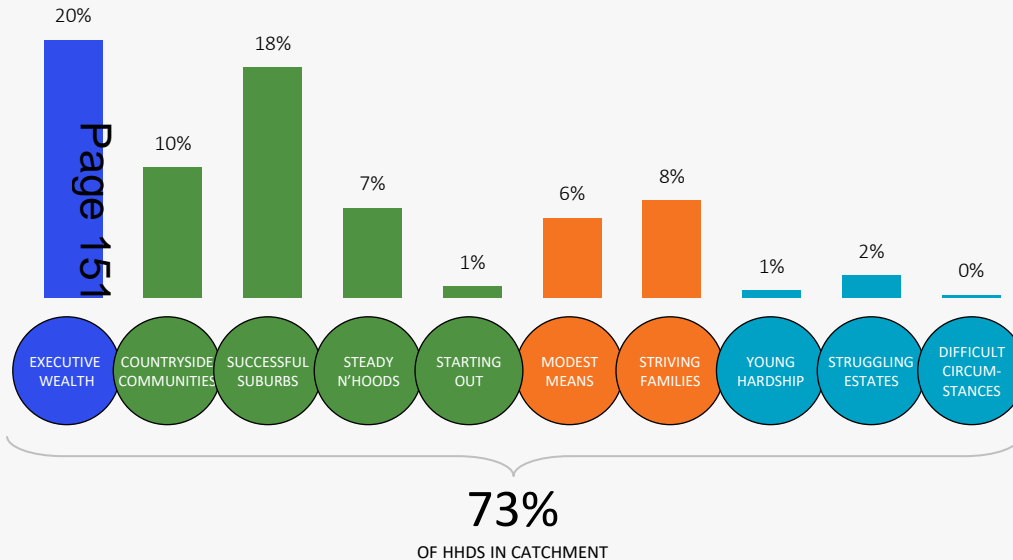
Source: Retail Footprint 2020, ProVision, Aldi Community Document, Acorn Knowledge; Shopper Dimensions

KEY SELLING POINTS FOR AN ALDI IN IVYBRIDGE

Almost three-quarters of households across the catchment are classed as family groups, across a range of affluence, who will be likely to shop in Aldi. Added to this, the area is almost exclusively made up of households from white ethnic backgrounds. A Tesco Extra within a 10 minute drive will also allow a large proportion of cross shopping between the two stores to occur.

ALIGNED DEMOGRAPHIC

% OF FAMILY GROUPS:



EXISTING SUPERMARKET OFFERING IN IVYBRIDGE



10 MINUTE
DRIVE AWAY

TESCO
Extra

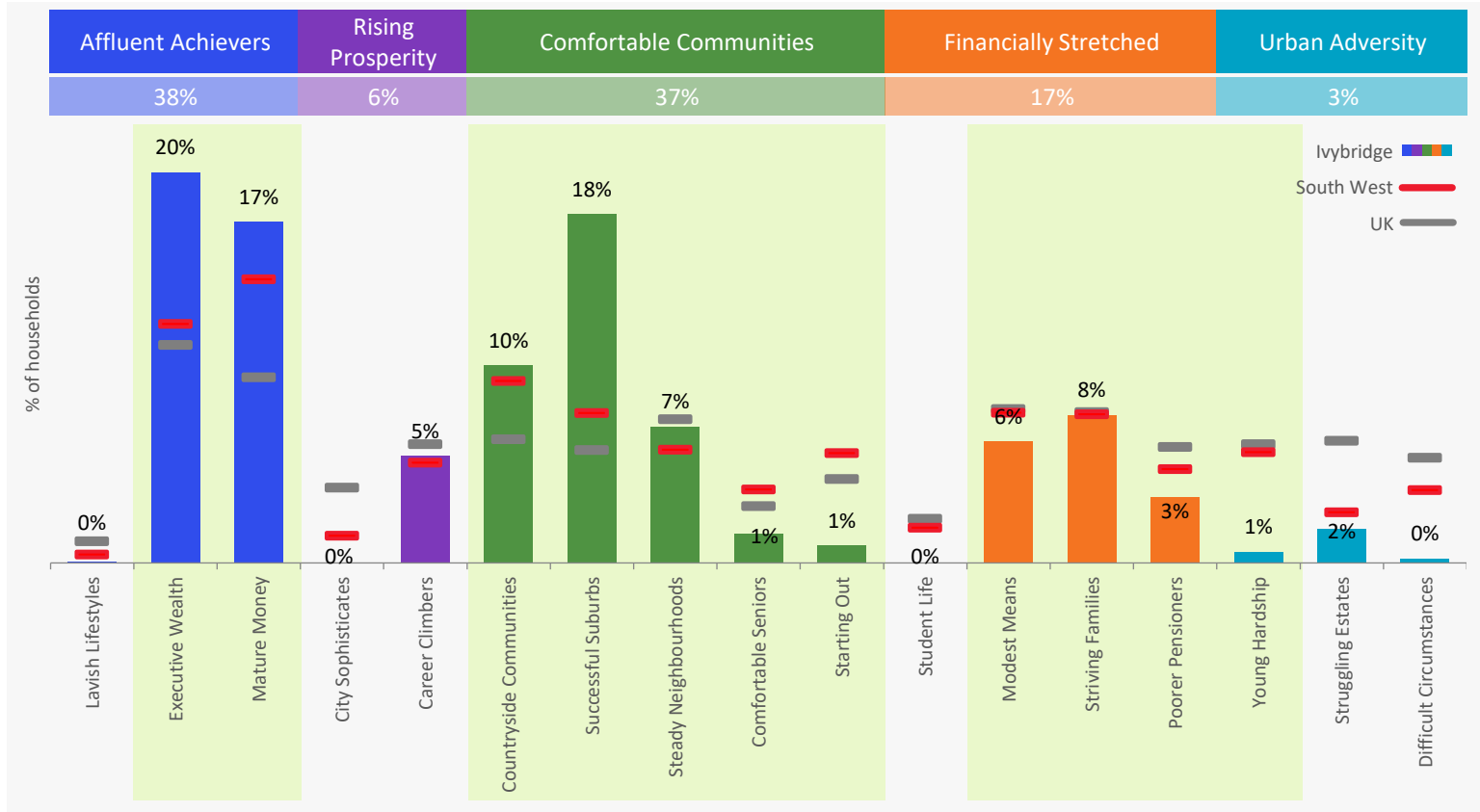
WHY IVYBRIDGE?

- Tesco's close proximity to the town centre is a positive for Aldi, as it will encourage cross-shopping to take place between the two supermarkets. This is particularly true for affluent households who won't be able to buy everything they need from Aldi and will like that they can top up their shop in the nearby Tesco. An Aldi will also appeal to Tesco shoppers already in the area on a supermarket trip.
- Tesco and the Co-op are the only other major supermarket brands in the town. This means that Aldi would be the first discounter in the area, allowing it to gain a strong foothold.

APPENDIX

IVYBRIDGE: CUSTOMER

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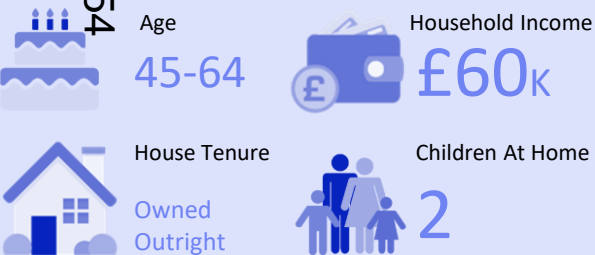
Source: Retail Footprint 2020; Acorn

IVYBRIDGE: CORE CUSTOMER GROUPS

EXECUTIVE WEALTH

Wealthy families living in larger detached or semi-detached properties either in the suburbs, the edge of towns or in semi-rural locations. High spenders across retail and catering, due to good household incomes, preferring to go for premium goods and services over the standard. This group represents the core Marks & Spencer and John Lewis shopper. They are likely to shop in independents such as bakeries, butchers and greengrocers.

DEMOGRAPHICS



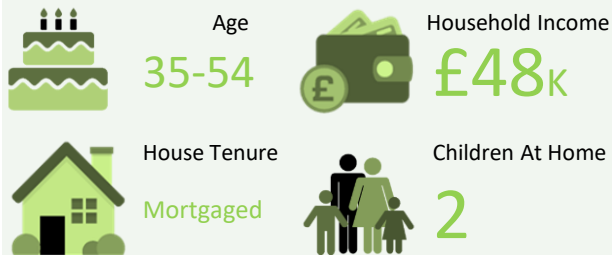
ALIGNED BRANDS WITH EXECUTIVE WEALTH



SUCCESSFUL SUBURBS

Home-owning families living comfortably in stable areas in suburban and semi-rural locations. They mainly live in three or four bedroom detached and semi-detached homes of an average value for the locality. These are households with high car ownership. As such, this group are likely to shop in Out of Town centres, such as shopping parks, retail parks and outlet centres.

DEMOGRAPHICS



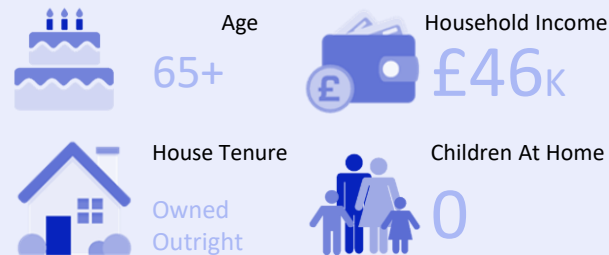
ALIGNED BRANDS WITH SUCCESSFUL SUBURBS



MATURE MONEY

Older, affluent people with the money and time to enjoy life. These people tend to be older empty nesters and retired couples, many live in rural towns and villages, in larger detached or semi-detached houses. Given their high levels of disposable income and living on the outskirts of urban areas, they are prepared to travel to shop. They regularly shop at Waitrose, Marks & Spencer and John Lewis.

DEMOGRAPHICS



ALIGNED BRANDS WITH MATURE MONEY



Source: Acorn

TARGET BRANDS FOR IVYBRIDGE

The below highlights brands which are present in benchmark centres but not yet in Ivybridge. These brands would resonate well with the affluent and middle-income demographic of Ivybridge's catchment as well as cement the town as catering for the everyday need.

BENCHMARK CENTRES

NATIONAL BENCHMARK CENTRES WITH AN ALDI



National benchmarks are more mass focussed with target brands including Aldi, WHSmith's and Clarks. Introducing either an Aldi or Greggs to the brand line up in Ivybridge would bring the market position breakdown closer to the national benchmark average.

LOCAL BENCHMARKS



Clothing and Footwear brands are more prevalent in local benchmark centres. These target brands are more aspirational but will appeal to the affluent demographic across the catchment, particularly Executive Wealth and Mature Money.

CITY CENTRE COMPETITORS



The nearby city centres, unsurprisingly host a large proportion of well known mass market brands which Ivybridge can look to minimise spend leakage. The likes of Superdrug, Flying Tiger and Waterstones would help to encourage shoppers to visit the town for their everyday needs.

Source: Local Data Company

In order to perform this analysis CACI have used a range of tools including:

RETAIL FOOTPRINT

- Retail Footprint (RF) models the flow of people and spend across the UK to define catchments for over **4,400 retail destinations**.
- The model accounts for the retail **attractiveness** of a centre, the **location** of competing schemes, the **accessibility** of the centre and the level of demand in the area.
- The model* is **calibrated** using real world transactional (credit & debit card) data as well a mobile phone data.

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ACORN

- Acorn is CACI's consumer **segmentation** model.
- Acorn combines geography with a wide range of **demographics and lifestyle** data sources to group the entire population into:
 - 5 Categories;
 - 17 Groups;
 - 62 Types.



RETAIL ACORN

- CACI conduct consumer surveys in over **200 retail locations across the UK**.
- Data on visits and spend recorded at an **individual retailer level** offers a detailed understanding of how different **Acorn groups** interact with **specific brands**
- Retail Acorn covers **over 280 top brands** in the UK, offering insight into the **brand engagement** by shopper group and **average spend**



CENTRE FUTURES

- Using **Retail Footprint (RF)**, CACI has the ability to model **retail catchments in the future**.
- In order to **accurately reflect the future retail landscape** a database of future retail developments is recorded. Their assumed size and attractiveness is then used to **model the impact on existing retail catchments/flows of spend across the UK**.
- In this report a Centre Futures (CF) model of 2022 has been used to reflect the assumed opening date of the development.



RETAIL FOOTPRINT GRAVITY MODELLING: OVERVIEW

A gravity model replicates customer behaviour using three main elements:

1.DEMAND

The location of the customer when they start their shopping journey and the money they have available to spend on retail. This is distributed by the smallest geographical zone available (Postcode).

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POSTCODE A
Retail Spend Potential:
£500

2.INTERACTION

The way in which retail spend is distributed is allocated based on centre attractiveness and the time/cost it takes to travel from the demand location to the retail supply.

60%

40%

3.SUPPLY

Retail points of supply, typically shopping destinations. Centre class and centre score determine their attractiveness to consumers. The class takes into account how different types of centres interact with their catchment. The score is a function of tenants in a centre's average turnover.



CENTRE B

10 Stores
RF Score: 25
£200



CENTRE A

100 Stores
RF Score: 100
£300

RETAIL FOOTPRINT CATCHMENT AREAS

75% of spend is expected from the Core catchment

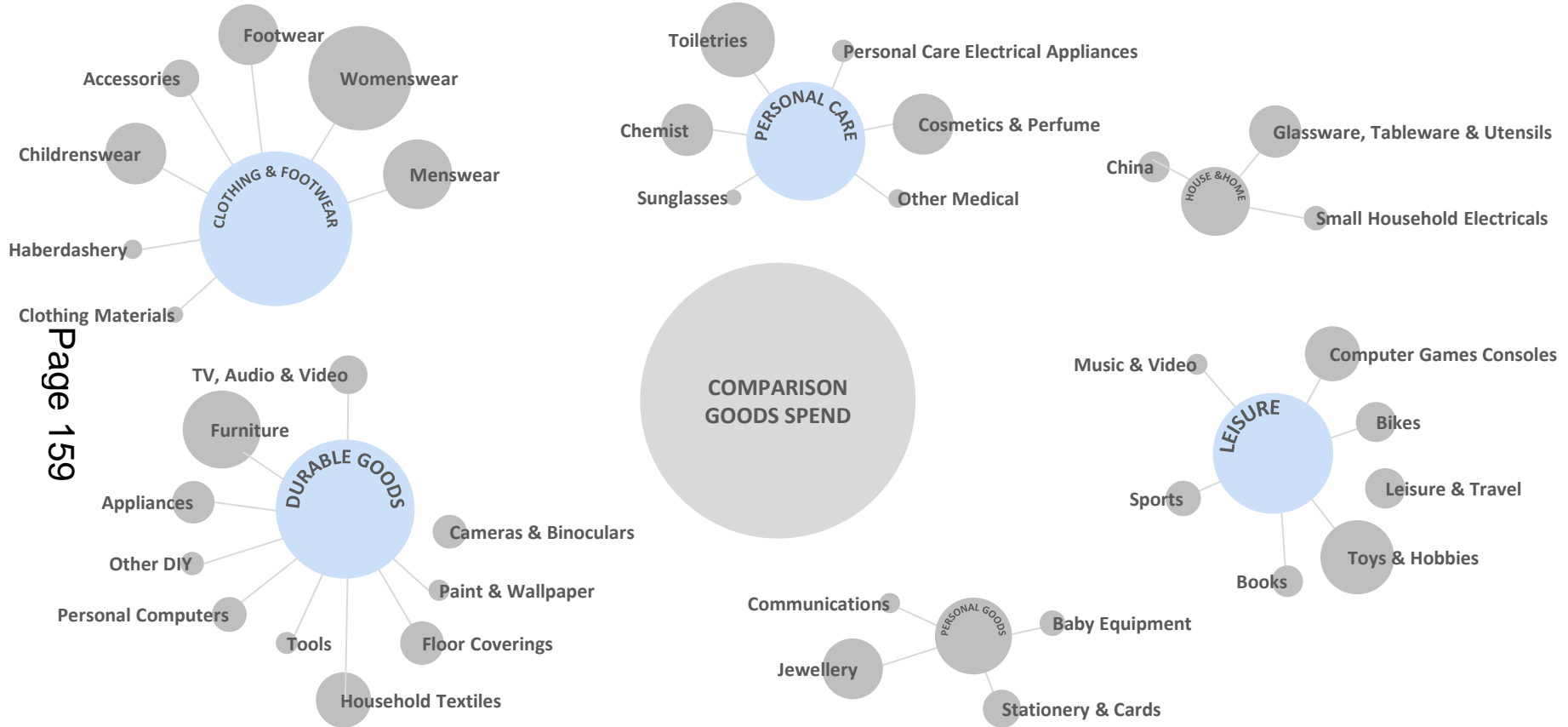
- Each catchment defined by the gravity model is split into four; Primary, Secondary, Tertiary and Quaternary. This is based on the proportion of trade expected to originate from each catchment area.
- The model expects 50% of trade/shoppers to originate from the Primary catchment area, the following 25% to originate from the Secondary catchment and the following 15% from the Tertiary.
- The final 10% of trade is expected to originate from the Quaternary catchment. This catchment area contains less frequent shoppers and as such covers a much larger geographical area. With 90% of trade expected to originate from the Primary, Secondary and Tertiary catchment areas it is this Major Catchment that should be the focus.



% Percentage of Trade



RETAIL SPEND CATEGORIES



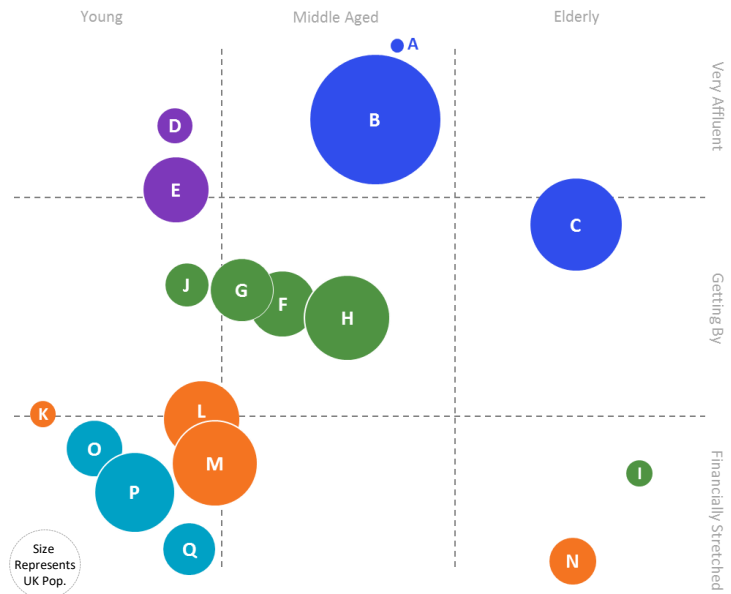
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ACORN IS THE INDUSTRY STANDARD CONSUMER SEGMENTATION



Acorn is a geo-demographic classification that segments the UK population according to their lifestyle, lifestage and affluence.

- A Lavish Lifestyles
- B Executive Wealth
- C Mature Money
- D City Sophisticates
- E Career Climbers
- F Countryside Communities
- G Successful Suburbs
- H Steady Neighbourhoods
- I Comfortable Seniors
- J Starting Out
- K Student Life
- L Modest Means
- M Striving Families
- N Poorer Pensioners
- O Young Hardship
- P Struggling Estates
- Q Difficult Circumstances



Classifies every UK postcode

Available at 3 levels:
6 Categories, 18 Groups & 62 Types

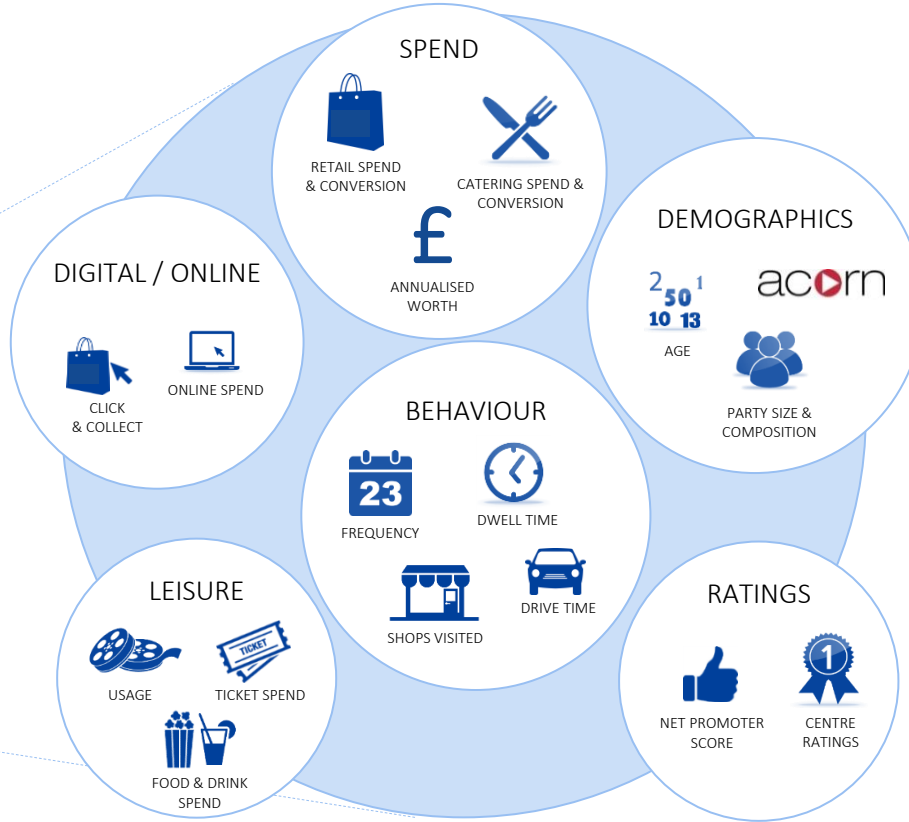
Common language across media, agencies and marketing organisations

SHOPPER DIMENSIONS



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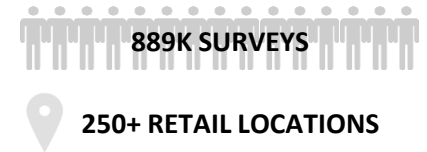
Shopper Dimensions Coverage



WHAT IS SHOPPER DIMENSIONS?

- ✓ CACI conduct **standardised consumer interviews** in all types of **retail centre** throughout the **UK**. Shoppers provide information on all aspects of their trip on that day.
- ✓ Shopper Dimensions aggregates the data, enabling you to **benchmark a centre** against the **class average** and assess **how the centre is performing**.
- ✓ Shopper Dimensions is the most **comprehensive in-centre research study** and provides an unprecedented **view of the UK consumer**.

LATEST NUMBERS:



CACI

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**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
 HELD VIA SKYPE ON THURSDAY, 15 OCTOBER 2020**

Members in attendance			
* Denotes attendance			
∅ Denotes apology for absence			
*	Cllr L Austen (Vice-Chairman)	*	Cllr J T Pennington
*	Cllr J Brazil	*	Cllr B Spencer
*	Cllr T R Holway (Chairman)	*	Cllr B Taylor
*	Cllr J McKay		

Members also in attendance:
Cllrs H D Bastone, J D Hawkins, J A Pearce, K Pringle and R Rowe

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Chief Executive, Section 151 Officer; Director of Governance and Assurance; Head of Finance; Democratic Services Manager; and Grant Thornton Representatives

A.9/20 MINUTES OF MEETINGS

The minutes of the Audit Committee meetings held on 23 July 2020 and 30 July 2020 were both confirmed as a true and correct record.

A.10/20 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 none were made.

A.11/20 GRANT THORNTON (ISA 260) REPORT: ACCOUNTS – THE AUDIT FINDINGS FOR SOUTH HAMS DISTRICT COUNCIL

Consideration was given to a report that had been produced by Grant Thornton that advised that the anticipated audit report opinion would be ‘unqualified’ but with an ‘Emphasis of Matter’ paragraph in relation to material uncertainties with regard to the valuation of land and buildings and investment properties. The representatives confirmed that this was a national issue related to the COVID-19 Pandemic and the Council had followed national guidance in its valuations processes.

In discussion, reference was made to:

- (a) awaiting assurances from the Devon Pension Fund auditor. When questioned, the representatives informed that the information was anticipated to be received by the end of October 2020. Furthermore, it was noted that a number of other local authorities were in a similar position and Grant Thornton was unable to formally conclude its audit work until these assurances had been received;
- (b) the frequency of asset valuations. In reply to a question, the representatives clarified that asset valuations were carried out on a rolling five-yearly cycle;
- (c) the overall performance of the Council. Having been informed by the representatives that the report was as good an External Audit report as any local authority was likely to receive, the Committee wished to put on record its thanks to the Section 151 Officer and her finance colleagues;
- (d) the 'amber' value for money rating. The representatives advised that this rating was reflective of the future financial pressures that were facing all local authorities in the current challenging economic climate.

It was then:

RESOLVED

That the contents of the Grant Thornton (ISA 260) Report be noted.

A.12/20

GRANT THORNTON REPORT – INFORMING THE AUDIT RISK ASSESSMENT FOR SOUTH HAMS DISTRICT COUNCIL 2019/20

Members considered a report that Grant Thornton had produced that covered some important areas of the auditor risk assessment where the organisation (in its capacity as the Council's External Auditor) was required to inform the Committee in accordance with auditing standards.

In discussion, the Section 151 Officer advised that the reference to the monies spent on legal advice and due diligence for renewable energy opportunities was also part of the Capital Programme Monitoring Report that was to be considered at the Executive meeting to be held on 22 October 2020.

It was then:

RESOLVED

That the contents of the Grant Thornton – Informing the Audit Risk Assessment for South Hams District Council 2019/20 Report be noted.

A.13/20 GRANT THORNTON – COVID-19 AND LOCAL GOVERNMENT

The Committee considered an information report that had been produced by Grant Thornton that set out the impact of the COVID-19 Pandemic on local government.

It was then:

RESOLVED

That the contents of the Grant Thornton – COVID-19 and Local Government Information Report be noted.

A.14/20 GRANT THORNTON – LOCAL GOVERNMENT AUDIT AND FINANCIAL REPORTING: THE REDMOND REVIEW

Members considered a report that set out the views of Grant Thornton on the recent Redmond Review into Local Government Audit and Financial Reporting.

In discussion, reference was made to:-

- (a) the benefits of recruiting an Independent Member to serve on the Committee. Whilst recognising that the decision to trial (initially for a twelve month period) the recruitment of an Independent Member had been put on hold because of the pandemic, it was hoped that this decision could now be actioned;
- (b) the scope to increase Audit fees. Some concerns were raised over the Review findings whereby the current fee structure for local audits should be increased.

It was then:

RESOLVED

That the contents of the Grant Thornton – Local Government Audit and Financial Reporting: The Redmond Review Report be noted.

A.15/20 ANNUAL STATEMENT OF ACCOUNTS 2019/20

Consideration was given to a report that presented a summary of net revenue and capital expenditure and sought approval of the audited Statement of Accounts for 2019/20.

In discussion, the following points were raised:-

- (a) Such was the significance of this agenda item, that a Member was firmly of the view that it warranted a standalone Committee meeting. In reply, the Leader informed that she would ensure that this viewpoint was taken into account during the drafting of the annual Calendar of Meetings for 2021/22;
- (b) When questioned, the Section 151 Officer stated that, of the £42 million of business grants monies that had been paid to eligible businesses, £11 million had been paid to second homeowners whose businesses met the Government eligibility criteria. In response, a Member emphasised the importance of this loophole being closed by Central Government. Members recognised that this was something that the Council had vigorously lobbied for and it was hoped that this change would be reflected within the Government's future reform of Business Rates, which was due to be published in Spring 2021;
- (c) In light of the volume of information contained within the report and appendices, a Member requested that, in the future, the agenda be published earlier than the statutory requirement of five clear working days.

It was then:

RESOLVED

1. That the wording of the letter of Representation (as set out at Appendix A of the presented agenda report) be approved;
2. That the audited Statement of Accounts for the financial year ended 31 March 2020 (as set out at Appendix B of the presented agenda report) be approved; and
3. That the Annual Governance Statement post Audit (as set out at Appendix C of the presented agenda report) be approved.

A.16/20

ANNUAL TREASURY MANAGEMENT REPORT FOR 2019/20

Members considered a report that set out the Council's annual treasury management performance for 2019/20. In addition, the report sought approval of the actual 2019/20 prudential and treasury indicators.

In discussion, the Committee thanked the Council's Treasury Management Officers and recognised that the role was a difficult one to undertake.

It was then:

RESOLVED

1. That the actual 2019/20 prudential and treasury indicators (as outlined in the presented agenda report) be approved; and
2. That the Annual Treasury Management report for 2019/20 be noted.

A.17/20 **AUDIT COMMITTEE WORKPLAN**

In consideration of its latest Workplan, the Committee made the following points:

- (a) A Member requested that a future report be presented to the Committee at an appropriate time on the risks associated with the Leisure Contract; and
- (b) With regard to the annual Commercial Property Monitoring Report that was to be presented to the Committee meeting on 11 March 2021, it was recognised that this would be prior to the results of the valuation exercise being known. As a result, the Section 151 Officer agreed to produce a further report once the valuation exercise had been completed.

(Meeting commenced at 2.00 pm and concluded at 3.30 pm)

Chairman

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**MINUTES OF THE MEETING OF THE
OVERVIEW & SCRUTINY PANEL
HELD REMOTELY VIA SKYPE ON
THURSDAY, 19 NOVEMBER 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 D Hawkins, J M Hodgson, T R Holway, N A Hopwood, M Long, J A Pearce, K Pringle, R Rowe and B Taylor

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Chief Executive, Deputy Chief Executive and Democratic Services Manager
3	O&S.20/20	Head of ICT
8	O&S.23/20	Community Safety Partnership Representatives
9	O&S.24/20	Safeguarding Specialist
10	O&S.25/20	Corporate Director – Governance and Assurance, Head of Strategy and Corporate Projects and Head of Place Making
11	O&S.26/20	Head of Housing, Revenues and Benefits

O&S.18/20 MINUTES

The minutes of the meeting of the Overview and Scrutiny Panel held on 8 October 2020 were confirmed as a correct record and signed by the Chairman.

O&S.19/20 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. These were recorded as follows:

Cllr J Sweett declared a personal interest in Item 11: 'Preparation for Livewest Attendance at Future Panel Meeting' (Minute O&S.26/20 below refers) by virtue of having two tenancy agreements with Livewest and remained in the meeting and took part in the debate thereon.

O&S.20/20 URGENT BUSINESS

The Chairman informed that he had requested that one urgent item be raised at this meeting. The item related to the recent IT problems that had been experienced by Members during the migration from Skype to Teams and would be considered immediately.

The Head of IT Practice proceeded to apologise to Members and advised that he had mistakenly migrated Members on Sunday, 15 November 2020 instead of the agreed scheduled date of Thursday, 19 November 2020. In addition, there had been an unforeseen Outlook Mailbox issue that had magnified the severe problems that had been experienced by Members. In concluding his update, the Head of Practice advised that, whilst the issues had still not been resolved to his satisfaction, he wished to thank the Leader and Lead Executive Member for their support during what had been a very difficult time.

In discussion, the following points were raised:-

- (a) Members accepted the apology and explanation from the lead officer and proceeded to thank him for his honesty;
- (b) The lead officer confirmed that he was aware of an issue with the Blackberry Client application that was affecting the ability of Members to access their emails via their mobile phones. Whilst the issue remained unresolved, officers were actively working on a solution;
- (c) It was recognised that the Surface Go devices were no longer the most appropriate IT solution for Members given the remote ways of working that have been adopted during the COVID-19 Pandemic. As a result, officers were currently obtaining quotations to procure laptops for all Members and a project plan for their roll-out was also being drafted. When questioned, officers confirmed that they would investigate the potential to recycle the Surface Go devices as an education tool for those who were unable to afford devices for their children.

O&S.21/20 PUBLIC FORUM

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

O&S.22/20 EXECUTIVE FORWARD PLAN

The Panel was presented with the most recently published Executive Forward Plan and noted its content without any further comment.

O&S.23/20 COMMUNITY SAFETY PARTNERSHIP

The Panel considered a report that provided Members with the opportunity to scrutinise the work of the Community Safety Partnership (CSP) as defined by Sections 19 and 20 of the Police and Justice Act 2006 and the Crime and Disorder (Overview & Scrutiny) Regulations 2009.

During discussion, reference was made to:-

- (a) the Turning Corners Programme. The Panel noted that the CSP had recently been successful in obtaining a four year bid from the Office of the Police Crime Commissioner to a value of £225,000 per year. Members congratulated the CSP representatives on this achievement and recognised that this funding would have a significant impact;
- (b) increased instances of radicalisation and extremist behaviour. The representatives informed that there was an upward trend in such behaviours and this was becoming a key area of work for the Partnership;
- (c) the Local Delivery Plan. At the request of the Panel, it was agreed that a copy of the Plan would be circulated to all Members of the Council;
- (d) the annual CSP Forum. The Panel was advised that the annual CSP Forum was to be held on Wednesday, 9 December 2020 and as many Members as possible were encouraged to attend this event;
- (e) a proposal for a future CSP Member Workshop. A motion was **PROPOSED** and **SECONDED** as follows:

'That the Panel request that an all Member Workshop be convened with Community Safety Partnership Representatives early in 2021.'

When put to the meeting, this proposal was declared **CARRIED**.

It was then:

RESOLVED

1. That the contents of the Annual Report be welcomed and the Community Safety Partnership representatives be congratulated on obtaining the £900,000 funding towards the Turning Corners Programme;
2. That the Panel request that an All Member Workshop be convened with Community Safety Partnership representatives early in 2021; and

3. That, once finalised, the Local Delivery Plan be circulated to all Members.

O&S.24/20 **SAFEGUARDING POLICY: ANNUAL REVIEW**

A report was considered that provided Members with the opportunity to annually scrutinise and review Safeguarding practices and procedures.

In discussion, the Panel supported the statement in the presented agenda report whereby the Safeguarding training packages that were offered by the Council should be mandatory for all staff and Members to complete.

It was then:

RESOLVED

1. That the Panel continue to review safeguarding on an annual basis; and
2. That the Executive be **RECOMMENDED** to adopt the revised Safeguarding Policy (as set out at Appendix A of the presented agenda report) and that a safeguarding related training package for all staff and Members be mandatory to complete.

O&S.25/20 **DRAFT RECOVERY PLAN – VERBAL UPDATE AND TASK AND FINISH GROUP UPDATES**

The Corporate Director – Governance and Assurance provided a verbal progress update on the Draft Recovery Plan. In so doing, he advised that:

- 'Build Back Better' was proving to be an ongoing challenge for the Council since the second national COVID-19 Lockdown had been imposed;
- the draft Recovery Plan was intended to be presented to the Executive meeting to be held on 3 December 2020 before being recommended for adoption at the Council meeting to be held on 17 December 2020;
- the Economy was to be a key theme within the Recovery Plan. As a result, the lead officer introduced the Head of Place Making (who had recently joined the employ of the Council) to provide a brief outline of her employment history and initial thoughts on her new role.

(a) Localities and Communities Task and Finish Group: Concluding Report

The Panel proceeded to consider the concluding report of the Localities and Communities Task and Finish Group and the following points were raised:-

- (i) Members wished to record their thanks to the Task and Finish Group and lead officers for their work in producing the concluding

report. Furthermore, the Panel thanked the Locality Team for their excellent work during the last year;

- (ii) Some Members expressed their view that there was a need to take into account the potential for an increased Locality Service to be provided during the February half-term period;
- (iii) It was hoped that further information would be available with regard to a revised team structure (and supporting costings) in time for the Executive meeting to be held on 3 December 2020;
- (iv) In support of the proposals, the Panel felt that the recommendations would enable for greater resilience and flexibility within the Locality Service.

It was then:

RESOLVED

That that Panel note that the Localities and Communities Task and Finish Group has concluded its Review and **RECOMMEND** to the Executive to consider:

1. Providing a seven day-a-week Locality Service for the following dates:
 - Easter or 1 April (whichever is the earliest) to 30 September; and
 - October half-term school holiday week;
2. Creating a single point of contact for local Ward Members with increased on-street officer visibility and problem solving capacity within each Locality; and
3. Implementing a new Locality Team Structure (to support parts 1 and 2 of the recommendations (above)) which will ensure:
 - Clearly defined roles that support the delivery of scheduled tasks and the work of Community Groups, developing Service Level Agreements where necessary; and
 - Improved office based and field support for mobile office.

(b) Consultation and Engagement Task and Finish Group: Concluding Report

RESOLVED

1. That that Panel note that the Consultation and Engagement Task and Finish Group has concluded its Review;
2. That the draft Community Consultation & Engagement Strategy be endorsed; and

3. That the Executive **RECOMMEND** that Council consider and adopt the draft Strategy.

O&S.26/20 PREPARATION FOR LIVEST ATTENDANCE AT FUTURE PANEL MEETING

The Chairman advised that Livest representative(s) had now confirmed that they would be able to attend the Panel meeting to be held on the afternoon of Thursday, 14 January 2021.

In recognition that Livest was a key external partner to the Council, it was agreed that all Members (irrespective of being on the Panel or not) should be invited to submit any questions that they wish to be raised in advance of the meeting.

O&S.27/20 ANNUAL PANEL WORK PROGRAMME

During consideration of the latest version of the Panel's Annual Work Programme, it was agreed that those items that were currently listed as 'to be considered for scheduling' should be determined at a meeting of the Panel Chairman, Panel Vice-Chairman and lead officers.

(Meeting started at 10.00 am and concluded at 12.20 pm)

Chairman

**MINUTES OF THE MEETING OF THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD via TEAMS, ON WEDNESDAY,
2 DECEMBER 2020**

Members in attendance * Denotes attendance ∅ Denotes apologies			
*	Cllr V Abbott	*	Cllr K Kemp
*	Cllr J Brazil (Chairman)	*	Cllr M Long
*	Cllr D Brown	*	Cllr G Pannell
∅	Cllr R J Foss (Vice Chair)	*	Cllr K Pringle
*	Cllr J M Hodgson (am only)	*	Cllr R Rowe
*	Cllr T R Holway	*	Cllr B Taylor
*	Cllr H Reeve (substitute for Cllr Foss)		

Other Members also in attendance and participating:

Cllrs H Bastone, J Birch, J Hawkins and J Pearce

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Planning; Senior Planning Specialists; Monitoring Officer; Deputy Monitoring Officer; and Democratic Services Manager
DM.37/20 – 7a) and 7b)		Ecology Officer

DM.33/20 MINUTES

The minutes of the meeting of the Committee held on 4 November 2020 were confirmed by the Committee as a true and correct record.

DM.34/20 APPOINTMENT OF VICE CHAIRMAN

Since Cllr Foss had tendered his apologies for this meeting, the Chairman invited nominations to serve as Vice-Chairman for this Committee meeting.

It was subsequently:

RESOLVED

That Cllr Holway be appointed to be Vice-Chairman for the duration of this Committee Meeting.

DM.35/20 **DECLARATIONS OF INTEREST**

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

Cllr G Pannell declared a Disclosable Pecuniary Interest in application numbers 1770/20/FUL (Land at Lower Mill Park, West Alvington) and 2840/20/FUL (Higher Hareston, Brixton), by virtue of the agent for both applications currently working for him in a private capacity. Cllr Pannell therefore withdrew from the meeting for the duration of these two applications.

Cllrs R Rowe and B Taylor both declared a personal interest in applications 1585/20/FUL (Wessex Way, Dartmouth), 4063/19/FUL (Beadon Road, Salcombe), and 1770/20/FUL (Land at Lower Mill Park, West Alvington) as they were Members of the South Devon AONB Partnership Committee. Both Members remained in the meeting and took part in the debate and vote thereon;

DM.36/20 **PUBLIC PARTICIPATION**

The Chairman noted the list of members of the public and town and parish council representatives, who had registered their wish to speak at the meeting.

DM.37/20 **PLANNING APPLICATIONS**

The Committee considered the details of the planning application prepared by the Planning Case Officers as presented in the agenda papers, and considered also the comments of Town and Parish Councils, together with other representations received, which were listed within the presented agenda reports, and **RESOLVED** that:

7a) 1585/20/FUL Land adjacent to Dartmouth Park and Ride site, Wessex Way, Dartmouth

Parish: Dartmouth and East Dart

Development: Construction of new two storey Health and Well-being Centre and associated external works (READVERTISED).

Case Officer Updates: Following the tree officer's holding objection, there had been a revision to the number of trees to be removed resulting in a reduction from around 15 down to 7 with more mature trees remaining. The holding objection had therefore been lifted;
Proposed revisions to Conditions 2, 3 and 4 were highlighted;
A request had been received from Devon County Council (DCC) Drainage department whereby the drainage condition was to be pre-commencement but agreement had been reached for this to be pre-construction beyond slab level.

The Biodiversity Officer had raised concerns regarding the western hedge as this was a bat fly zone, but the amended plans, with reduced tree loss, had seen these concerns lifted;

Devon County Council Highways originally raised concerns about the layout which had been resolved with the amended plans. However, there remained concerns regarding the amount of free parking for the Health and Wellbeing Hub, which was felt could be insufficient. Therefore DCC had asked for a Section 106 Agreement to be entered into whereby, if parking over-spilled into nearby residential areas then, a contribution would be given to implement a residents' permit scheme. Some local residents had expressed concern over the out of town location but the area was noted as being well served by public transport (although this was disputed by the Objector) with other services nearby giving the area sustainability in its own right.

Speakers included: Objector – Ms L Gunnigle; Ward Members – Cllrs H Bastone, J Hawkins, and R Rowe;

Committee Decision: That approval be delegated to the Head of Development Management, in conjunction with the Chairman of the Committee to conditionally grant planning permission, subject to a Section 106 legal obligation for the following: A contribution towards the design and implementation for a residents' parking scheme on surrounding streets, at any time over the next 10 years, should on street parking for the use of this facility spill into such areas.

(NB. in the event that the Section 106 legal Agreement remains unsigned six months after this resolution, that the application would be reviewed by the Head of Development Management in consultation with the Chairman of the Committee, and, if no progress were made, delegated authority would be given to the Head of Development Management to refuse the application in the absence of an agreed S106 Agreement).

Conditions:

1. Time limit
2. Accord with plans
3. No external lighting until agreed with LPA
4. Adherence to Ecology report
5. Unexpected contamination
6. Protection of hedgerows

7. No removal of hedgerow
8. Cycle parking in place before occupation
9. Parking to be completed prior to occupation
10. Surfacing of P& R to be complete prior to it being brought into use.
11. Tree protection scheme to be agreed
12. Landscaping scheme to be submitted and agreed.
13. Landscape maintenance schedule
14. Archaeology – written scheme of investigation
15. Samples of materials upon slab level
16. Refuse provision
17. Fencing details
18. CMP
19. Percolation testing
20. Groundwater monitoring
21. Design of surface water management scheme to be submitted
22. Design of surface water management during construction
23. Details of adoption and maintenance arrangements
24. Details of carbon reduction measures
25. Details of cycle way
26. Levels of building
27. Protection measures for T14
28. Details of low carbon measures

7b) 4063/19/FUL

Sandnes, Beadon Road, Salcombe, TQ8 8LU

Town Council: Salcombe

**Development: Replacement dwelling with associated landscape works
(amendment to design previously approved 1125/17/FUL)**

Case Officer Update:

Since the report had been finalised, a further 25 additional representations had been received, including from the South Hams Society – all in objection but with no new issues raised. The objections were appropriateness of design, amount of glass, impact on ecology, and ongoing concerns over the Construction Management Plan. Update ref. conditions – condition number 5) pre-commencement condition relating to ecology now had reason for pre-commencement, and condition 11) carbon reduction – details of air source heat pump had now been received, so the condition would be re-worded to take this into account and ensure the condition was appropriate and work would be carried out as required.

The Solicitor clarified a typographical error on the presented agenda report under the relevant planning history, where the replacement dwelling expiry date for permission was extended until 1st May 2021 rather than 1st May 2020 as had been detailed in the report.

Speakers included: Objector – Mr M Smout; Supporter – Mr P Andrews; Town Council: Cllr M Fice; Ward Members – Cllrs M Long and J Pearce

Debate: During the debate, much discussion was had around the size of the lane and the size of construction vehicles to be used. A number of Members were of the view that a further condition should be added whereby the Construction Management Plan should require a topographical survey to be undertaken before commencement and after completion, and the road should be returned to pre-commencement condition after build. The view was also expressed that the Construction Management Plan would be slightly amended to show deliveries would not be made during school holidays.

Some Members felt that approval should be dependent upon receipt of plans showing that Solar PV cells were added to the application.

Recommendation: Conditional Approval

Committee Decision: That approval be delegated to the Head of Development Management, in consultation with the Committee Chairman and the local Ward Members, subject to the receipt of a topographical study that supported the contents of the Construction Management Plan and the imposition of the following conditions.

Conditions:

1. Standard three year time limit for commencement of development
2. Development to be carried out in accordance with approved drawings
3. Implementation of landscape proposals
4. Ecology (light spill)
5. Restriction of works until confirmation a licence has been provided
6. Removal of PD rights
7. Unsuspected contamination
8. Restriction on external lighting
9. Surface water drainage
10. Foul drainage
11. Low carbon
12. Trees

7c) 1770/20/FUL Land at SX 726 406, Malborough, associated with Land at Lower Mill Park, West Alvington

Parish: Malborough

Development: Readvertisement (revised site description) Provision for general purpose agricultural building.

Case Officer Update: At the request of a Member, the area of the site was confirmed as 0.54 hectares with Ilton Copse at 0.42 hectares and also belonged to the applicant. Applicant's total land ownership was shown and defined as 6.44 hectares. Application was for agricultural building within newly planted forested area. A late letter of representation had been received from the South Hams Society regarding Permitted Development rights and fallback position.

Speakers included: Supporter – Ms A Burden; Parish Council – Cllr J Yeoman; Ward Members – Cllrs M Long and J Pearce

During the debate, the impact on the Area of Outstanding Natural Beauty (AONB) was highlighted and some Members highlighted the lack of a clear business plan. As a result, the agricultural need was felt to be questionable in such a prominent location. Earth works that had already been carried out had impacted upon the availability of agricultural land for use. Some Members felt that the application did not meet the requirements within the local Neighbourhood Plans. Some Members felt that there was no proof that this was a necessary building and it did not enhance the AONB.

Recommendation: Conditional Approval

Committee decision: Refusal

Reasons:

1. The proposals did not demonstrate to the satisfaction of the Local Planning Authority that the proposed building was reasonably required to support the necessary needs of agriculture in the AONB and undeveloped coastline;
2. The considerable visual impact and local landscape character would not preserve or enhance the AONB; and
3. The proposals were contrary to policies TTV1, TTV26, DEV15, DEV23, DEV24, DEV25 of JLP, and NPPF (not limited to paragraph 172), and to the Marlborough Neighbourhood Plan.

7d) 2840/20/FUL Higher Hareston Brixton

Parish: Brixton

Development: change of use of land for the provision of two pods for self-catering holiday purposes

Case Officer Update: No updates.

Speakers included: Supporter – Mr R Bassett; Ward Member – Cllr D Brown

Recommendation: Refusal

During the debate, the relevance of Policy DEV 15 (supporting the rural economy) was discussed, as was the proximity of the application site to both the new town of Sherford and to the village of Brixton. Members felt that diversification against sustainability was at the crux of the decision and the majority view was that the associated benefits of the proposals outweighed the recommended reasons for refusal. In particular, some Members disagreed with the views of the case officer that the site should be considered to be unsustainable for such an application.

Committee decision: Conditional approval

Conditions:

1. Standard three year time limit for commencement of development;
2. Development to be carried out in accordance with approved drawings;
3. Holiday lets solely to be used for holiday accommodation only;
4. Within 28 days of the units no longer being required for holiday accommodation, the units shall be removed from the site and the land restored to the satisfaction of the Local Planning Authority;
5. Surface water drainage; and
6. Foul drainage system details.

Reason(s):

The majority of Members were of the view that the access from the application site to the village of Brixton was acceptable.

DM.38/20 **PLANNING APPEALS UPDATE**

Members noted the list of appeals as outlined in the presented agenda report.

The Head of Development Management (DM) provided further details on specific recent appeal decisions. When questioned, clarification was given that costs were only awarded against the Council if the Inspector felt that the authority had acted inappropriately or unreasonably. The Head of DM proceeded to commit to providing an update at the next meeting that set out the recent appeal costs that had been incurred by the Council.

DM.39/20 **DEVELOPMENT MANAGEMENT ACTION PLAN**

The Committee was presented with a report that sought to adopt a Development Management Action Plan and noted that the Council's Overview and Scrutiny Panel would receive a progress update within the next six months;

In discussion, reference was made to:

- (a) consistency of approach with West Devon Borough Council. Whilst noting that a revised Planning Delegation Scheme was to be presented to the Council meeting on 17 December 2020 for adoption, Members recognised the benefits of the Scheme being the same as that for West Devon Borough Council;
- (b) the Section 106 Agreement process. Officers confirmed that it was intended for a Member Training session to be convened in the New Year on the Section 106 Agreement process;
- (c) outline planning permissions. In response to some concerns raised, officers committed to reviewing the matter of outline planning permissions;
- (d) the role of local town and parish councils in the planning process. The Committee was assured that local town and parish councils would continue to be consultees in the planning process;
- (e) the evolving nature of the Action Plan. Members noted that the Action Plan would be a living document that would evolve over the coming months and years;
- (f) the definition of 'significant or complex' applications. When questioned, officers confirmed that clarity around these definitions in the Action Plan would be forthcoming in due course.

It was then:

RESOLVED

1. That the Action Plan (as attached at Appendix A of the presented agenda report) be adopted; and
2. That it be noted that the Overview and Scrutiny Panel will receive a progress update on the Plan within the next six months.

(Meeting commenced at 10:00 am and concluded at 4.40 pm)

Chairman

Voting Analysis for Planning Applications – DM Committee 2 December 2020

Application No.	Site Address	Vote	Cllrs who voted 'yes'	Cllrs who voted 'no'	Cllrs who 'abstained'	Absent
1585/20/FUL	Land adjacent to Dartmouth Park and Ride Site, Dartmouth	Delegated approval to Head of DM, in consultation with Committee Chair	Cllrs Abbott, Brazil, Brown, Holway, Kemp, Long, Pannell, Pringle, Reeve and Rowe (10)	Cllr Hodgson (1)	Cllr Taylor (1)	Cllr Foss (1)
4063/19/FUL	Sandnes, Beadon Road, Salcombe	Delegated approval to Head of DM, in consultation with Committee Chair and local Ward Members	Cllrs Abbott, Brazil, Brown, Hodgson, Holway, Kemp, Pannell, Pringle, Reeve and Rowe (10)	Cllr Long (1)	Cllr Taylor (1)	Cllr Foss (1)
1770/20/FUL	Land at SX 726 406, Malborough	Refusal	Cllrs Brown, Holway, Kemp, Long, Pringle and Taylor (6)	Cllrs Abbott, Brazil, Reeve and Rowe (4)	0	Cllrs Foss, Hodgson and Pannell (3)
2840/20/FUL	Higher Hareston, Brixton	Conditional Approval	Cllrs Abbott, Brown, Holway, Kemp, Long, Pringle, Reeve, Rowe and Taylor (9)	0	Cllr Brazil (1)	Cllrs Foss, Hodgson and Pannell (3)

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD VIA TEAMS ON THURSDAY 17 DECEMBER 2020**

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

Also in attendance	
Cllrs Abbott, Austen, Birch, Brazil, Foss, Hodgson, Holway, Kemp, Long, McKay, O’Callaghan, Pannell, Pennington, Pringle, Smerdon, Spencer, and Taylor	

Officers in attendance and participating		
All items		Senior Leadership Team; Monitoring Officer; and Democratic Services Manager

E.46/20 MINUTES

The minutes of the Executive meeting held on 3 December 2020 were confirmed as a true and correct record.

At the invitation of the Chairman, a non-Executive Member expressed his concern that the public question raised by Mr Hore (minute E.37/20 refers) had incorrectly suggested that he had opposed the Torfield Play Area project. In light of the extent of the concerns raised, the Member was encouraged to contact the Council’s Monitoring Officer.

E.47/20 URGENT BUSINESS

The Chairman advised that she had agreed for one item of urgent business to be raised at this Committee meeting. The item related to the New Recycling Service Update and was considered urgent in light of the associated time constraints.

The Lead Member for Environment introduced the report, outlining the problems that had been experienced in the implementation of the Devon Aligned Service. It was therefore proposed that the new Aligned Service should be implemented in a staged approach instead, with new kit being delivered to households the week before the change would be implemented. In terms of the roll-out, it was intended that there would be a break during the Easter period.

During the discussion, Executive Members stated that the informal

meeting that they held last week with FCC representatives had been useful. The Chief Executive updated that further conversations had been had with FCC during which they had confirmed that discussions on costs were on-going and that the organisation would remove the standard initial three month waiving of penalties and this would be for six weeks instead.

It was confirmed that FCC representatives would be attending the Overview & Scrutiny Panel meeting on 14 January 2021.

It was clarified that the anticipated loss of £84,000, due to delay in implementation (recommendation 2 refers), would form part of the next claim to Central Government for reimbursement of costs incurred due to the COVID-19 pandemic.

If the report recommendations were agreed, it was confirmed that the changes to service would start in March 2021 and residents would be informed of changes to their service and when it applied to them. The Leader informed that she had asked for this information to be sent to second home owners' primary residential address as well as their second home address.

The Executive thanked all the officers involved who had worked exceptionally hard under difficult circumstances.

It was then:

RESOLVED

1. That FCC's proposal for a phased roll-out of the new Recycling Service from March 8th 2021 has been considered and approval be given to the proposal subject to evidence of FCC's improved performance to the agreed contracted levels;
2. That the additional costs of £84,000 that will be incurred as a result of adopting a phased approach and the mitigating actions underway to minimise the impact on the Council's budgetary position be noted; and
3. That delegated authority be given to the Executive Lead Member for Environment, in consultation with the Director of Customer Service Delivery, to conduct a review and to strengthen the performance monitoring, governance, and oversight of the partnership and contract.

E.48/20

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.49/20

PUBLIC QUESTION TIME

It was noted that five public questions had been received in accordance with the Executive Procedure Rules for consideration at this meeting. These were as follows:

1. From Barbara Phillips:

In anticipation of the Council's adoption of its Climate and Biodiversity Strategy today, what measures will you now take to ensure that all the Council's policies and actions align with and are consistent with this Strategy?

2. From Caroline Snow:

In the South Hams, 33% of carbon emissions are produced by business, including farming, which also has the capacity to remove atmospheric carbon. When and how will the Council discuss with landowners, farmers and farming organisations, including the NFU, the best way to reduce emissions in this sector?

3. From John Cummings:

Will the Council consider a motion to support the Climate & Ecological Emergency Bill, now before Parliament? ceebill.uk This will legally require central government to give local councils the support they need to help keep average global warming below 1.5°C.

Combined Response to Questions 1 – 3:

As set out in detail in the report to Council later today, the Climate Change and Biodiversity Strategy sets out the background and context and the Action Plan sets out how the Council will, initially, approach achieving its declared aims. The report also clearly states that the Action plan will be continually evolving. In order to work towards the aims, it is recognised that consideration will need to be given to the impacts on climate change and biodiversity of both existing policies and proposed actions. This assessment will be undertaken through implementation of the Action Plan. In a similar way, and specifically through development of the Devon Carbon Plan and its associated Action Plan, the Council and its partners will work closely with the Agricultural Sector to secure carbon reductions in this key area. The Strategy, and covering report, recognises the need for the Council to work with partners locally, regionally and nationally to meet the complex challenges that we all face but also recognises where the Council can have the most influence and where other partners are better placed to take the lead. In terms of the Climate and Ecological Emergency Bill, the Council supports the high level principles but will need to properly assess the contents and implications of the Bill further before making an informed decision in this regard.

4. From Peter Scott:

How will SHDC ensure that there will be enough skilled workforce to deliver the Green Homes scheme locally and ensure the necessary retraining is done, given the current national failure on this? Does SHDC

take retrofitting seriously, given the immense task ahead?

Response:

The Council fully recognises the benefits and importance of retrofitting and improving the energy efficiency of existing housing stock and has been active in this area for a number of years now improving thousands of properties during this time. It is also recognised that the nature of the housing stock in the area and the national demand for qualified installers increases the size of the challenge that we face as a community. The Council is actively working with Community Energy Groups and other partners to develop local supply chains and will be working with partners through ongoing Economic Recovery Plans to identify skills shortages and opportunities in this area.

5. From Angie Greenham:

(Ref. the Draft Housing Strategy and 'utilising modern energy efficient methods of construction')

What contractual commitments, memoranda of understanding or other written or verbal undertakings have been entered into, if any, with manufacturer(s) of modular housing and, if so, on what basis and by what process was a manufacturer selected and when were these agreements reached?

Response:

We are very interested in modular technology, recognising the quality of build and speed of construction benefits. We have visited multiple manufacturers factories and spoken with others, including Ideal Modular, Premier Modular, Hexxhome and Caledonian. However, at the current time, we have no contracts or undertakings with any manufacturers. Should we wish to enter into any contracts in the future we would do so in accordance with procurement regulations and policies.

E.50/20

**MONTH SEVEN REVENUE BUDGET MONITORING 2020/21
(to the end of October 2020)**

Members were represented with the Month Seven Revenue Budget Monitoring Report setting out a projected underspend of £69,000 (0.7% of budget). Successful lobbying by the Council, other Local Authorities, MPs, and other bodies, had resulted in £1.12 million being granted to the Council by Central Government.

During discussions, it was noted that there was a Chancellor's statement to be made in the afternoon. The Leader gave thanks to the Section 151 Officer and her Finance Team for all their hard work and congratulations on keeping the Council's finances in such good order.

It was then:

RESOLVED

1. That the significant forecast income and expenditure variations for the 2020/21 financial year and the overall projected underspend of £69,000 (0.7% of the total Budget £9.41 million) be noted;
2. That the loss of income streams already experienced by the Council in April 2020 to October 2020 of £1.475 million in total (as shown in Section 6 of the presented agenda report) be noted; and
3. That Council be **RECOMMENDED** to transfer £100,000 into a COVID Earmarked Reserve, to protect against future COVID losses in 2021-22 (as set out in Section 1.8 of the attendant report).

E.51/20

DRAFT REVENUE BUDGET PROPOSALS FOR 2021-22

The Executive was presented with a report that outlined the draft revenue budget proposals for 2021/22. The recent Government spending review announcement had largely confirmed suppositions made previously, with further information due to be announced by Central Government this afternoon. Any changes resulting from this announcement would be incorporated into the next draft revenue budget proposal to be brought to the Executive meeting on 28 January 2021. The New Homes Bonus Scheme had been extended for another year into 2021/22. It was confirmed that the staff annual pay award negotiations were not within the Council's control.

Following a question from a non-Executive Member, it was confirmed that support for voluntary organisations within the South Hams area would be reviewed and therefore the amount in the proposal could potentially change on the next revision of this report.

It was then:

RESOLVED

1. That the forecast budget gap for 2021/22 of £75,871 (0.8% of the predicted Net Budget of £9.6 million) and the position for future years be noted;
2. That the current options identified and timescales for closing the budget gap in 2021/22 and future years, to achieve long term financial sustainability be noted;
3. That Council be **RECOMMENDED** that the Council continue to be part of the Devon Business Rates Pool for 2021/22, subject to there being no announcements within the Finance Settlement (expected to be announced in the week commencing 14 December), which in the opinion of the S151

Officer (in consultation with the Leader of the Council and the lead Executive Member for Finance), would change this recommendation.

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.50/20 PART 3 AND E.51/20 PART 3 WHICH WERE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 11 FEBRUARY 2021, WILL BECOME EFFECTIVE FROM 5.00PM ON THURSDAY, 31 DECEMBER 2020 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 11:00 am and concluded at 12:15 pm)

Chairman

**MINUTES OF THE MEETING OF THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD via TEAMS, ON WEDNESDAY,
6 JANUARY 2021**

Members in attendance * Denotes attendance ∅ Denotes apologies			
*	Cllr V Abbott	*	Cllr K Kemp
*	Cllr J Brazil (Chairman)	*	Cllr M Long
*	Cllr D Brown	*	Cllr G Pannell
∅	Cllr R J Foss (Deputy Chair)	*	Cllr K Pringle
*	Cllr J M Hodgson	*	Cllr R Rowe
*	Cllr T R Holway (Deputy Chair)	*	Cllr B Taylor
*	Cllr H Reeve (substitute for Cllr Foss)		

Other Members also in attendance and participating:
Cllrs K Baldry, H Bastone, J Pearce, & P Smerdon

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Planning; Senior Planning Specialists; Deputy Monitoring Officer; Legal Officer; Democratic Services Manager; and Democratic Services Officer

DM.40/20 MINUTES
The minutes of the meeting of the Committee held on 2nd December 2020 were confirmed as a correct record by the Chairman.

DM.41/20 APPOINTMENT OF VICE CHAIR
The Chair informed the Committee of the sad news of the recent loss of Cllr Foss' wife. Cllr Foss had had a very difficult few months which he had faced with courage and determination and he was in the thoughts of all Members at this very sad time. Since Cllr Foss had tendered his apologies for this meeting, the Chairman invited nominations to serve as Vice-Chairman for this Committee meeting.

It was subsequently:

RESOLVED

That Cllr Holway be appointed to be Vice-Chairman for the duration of this Committee Meeting.

DM.42/20 **DECLARATIONS OF INTEREST**

Members and officers were invited to declare any interests in the items of business to be considered and the following was made:

Cllr H Reeve declared a personal interest in application 2795/20/FUL, as the application site was in the vicinity of a relative's property and she remained in the meeting and took part in the debate and vote thereon;

DM.43/20 **PUBLIC PARTICIPATION**

The Chairman noted the list of members of the public, and town and parish council representatives who had registered their wish to speak at the meeting.

DM.44/20 **PLANNING APPLICATIONS**

The Committee considered the details of the planning applications prepared by the Planning Case Officers as presented in the agenda papers, and considered also the comments of Town and Parish Councils, together with other representations received, which were listed within the presented agenda reports, and **RESOLVED** that:

6a) 3285/20/FUL Rose Cottage, Landscope, Ashburton, TQ13 7LT

Parish: Staverton

Development: Retrospective change of use of existing shed from domestic use to use for commercial motorcycle maintenance and servicing.

Case Officer Update: Following publication of the Officer's report on the website, the applicant had made a late submission countering points made in the report. These were outlined to the Committee and the Case Officer responded to each point raised.

Speakers included: Supporter – Mr Gray-Thompson; Parish Council – Cllr Catherall; Ward Member – Cllr J Hodgson;

Recommendation: Refusal

The Ward Member confirmed to the Committee that no member of the public had complained about this business and countered the Case Officer's assertion that there would be increased traffic were the application to be approved, but rather there would be increased traffic following refusal as the business would have to move to a near-by town, and the applicant would then be making 12 extra journeys per week to travel to and from the new locale. The Ward Member's view was that the new policies outlined in the Case Officer's reason for refusal were active after this business had been established.

Some Members outlined their support for the business as it had been operating for over five years already, noted that the business had the support of the Parish

Council and neighbours, and that it was sustainable as there was no similar business nearby thereby showing a business need. A Member moved conditional approval of the application that was subsequently seconded. Before the vote was taken, a discussion was had regarding what conditions would be applied should the application be approved. These included, but were not limited to, conditions regarding noise, opening hours, and ensuring the business use was restricted to motor cycle maintenance should the present applicant cease to operate. Members were asked to consider the following key issues: Principle / Sustainable Development; Design, Visual Impacts and the SWD Landscape Character Area (1E); Neighbouring Amenity.

Committee decision: Conditional approval

Conditions:

1. The development hereby approved shall only be used for the maintenance, servicing and / or repair of motorcycles and for no other purpose.

Reason: In order to ensure compliance with JLP Policy TTV26 and to prevent uses which might be inappropriate for this rural location.

2. No maintenance, servicing or repair of motorcycles shall be carried out and no deliveries accepted or despatched except between the hours of 9am and 6pm Monday to Friday, or 9am to 1pm on Saturdays, and not at all on Sundays or Bank Holidays

Reason: To protect the amenities of local residents from noise in accordance with JLP Policies DEV1 and DEV2.

6b) 2795/20/FUL

Land at SX 711 588, North East of Horsebrook Farm, Avonwick, TQ10 9EU

Parish: South Brent not North Huish

Development:

Proposed static caravan on agricultural land

Case Officer Update:

The Case Officer noted that the application site was located within the parish of South Brent and not North Huish as outlined in the agenda report, however she confirmed that both South Brent Parish Council and North Huish Parish Council had been consulted and commented on the application. There had been concerns expressed from neighbours regarding rain water and foul discharge resulting from this application therefore the Case Officer clarified that rain water would discharge directly into two 1,000 litre tanks below ground, a minimum of five metres from the van, and the foul water would discharge into two above ground waste storage tanks of 30,000 litres each,

again a minimum of five metres from the van. These two tanks would be emptied by a private mobile company approximately every two months. The water discharge proposed solutions were for both rain and foul water. The definition of what constituted a static caravan was clarified, along with maximum size permitted under that definition. A Member queried the distance from nearest residential property given in Officer's committee report which was clarified by the Officer as a typographical error and the correct measurement provided to Committee prior to the decision being taken.

Recommendation: Conditional Approval

Speakers included: Ward Members – Cllrs G Pannell and P Smerdon

Ward Members: One of the Ward Members expressed concerns over the size of the foul water tanks which seemed excessive to the site and would require large tankers to come to empty them in a rural area. It was also noted that residents had grave concerns about contamination of nearby water supply. The Ward Members felt that a need for the development in this rural location had not been demonstrated which was contrary to policy.

Debate: During the debate some Members outlined concerns over the scale of the proposed application as the field in question was only 2.6 hectares, thereby constituting overdevelopment. Members also expressed concerns regarding water supplies and potential for contamination of water to neighbours. It was noted that the site already contained a stable block and a small caravan, both of which Members felt could meet any welfare needs.

Committee Decision: Delegated Refusal

Reasons for refusal:

It has not been demonstrated in this countryside location that there is a proven agricultural need for an additional structure on this site in the form of the proposed static caravan to provide a welfare facility to serve the small holding operating from the site. The proposal is therefore contrary to policies SPT1, SPT2, TTV1 criteria 4, TTV26 criteria 2 iv and DEV15 criteria 6 of the Plymouth & South West Devon Joint Local Plan 2014-2034.

6c) TPO 1018

**Land adjacent to 4 Malborough Park,
Malborough, TQ7 3SR**

Parish: Malborough

Development: Tree Preservation Order (TPO).

The Chairman advised the Committee that this application had been deferred to a future Committee meeting for consideration.

DM.45/20

HOUSING POSITION STATEMENT

The Officer gave an update on the annual Housing Position report which had been recently published. The Council now had a 6.1 year land supply with 1,449 homes built last year, cumulatively this is 653 homes above target. Going forward there had been identified a supply of over 8,200 deliverable homes. Members noted that this report reflected the huge improvement the Joint Local Plan (JLP) had brought to the Council's planning environment. The Joint Local Plan team were thanked for their hard work. Some Members commented that local infrastructure was not keeping pace with homes development but it was noted that the Council's ability to counter this was limited to Section 106 Agreements, which could not counter all concerns.

The Officer confirmed that an interactive JLP website was now available and all three Local Planning Authorities had direct links to this. It would be used to provide news and updates, and mapping was beginning to be included.

Following a Member enquiry, the Officer confirmed that some sites had been deemed no longer viable. The only sites included in the JLP were those which were deliverable on National Planning Policy Framework criteria. It was confirmed that viability would be looked at over the coming year including a review of developers who had not progressed with their approved planning applications as this could impact on housing numbers.

The Authority Monitoring Report would be produced in February 2021 and would also include the split between brownfield and green field sites. Members would be invited to a future Briefing on this matter.

DM.46/20

PLANNING APPEALS UPDATE

Members noted the list of appeals as outlined in the presented agenda report.

The Head of Development Management (DM) provided further details on specific recent appeal decisions.

DM.47/20

UPDATE ON UNDETERMINED MAJOR APPLICATIONS

Members noted the list of undetermined major applications.

Voting Analysis for Planning Applications – DM Committee 6th January 2021

<i>Application No:</i>	<i>Site Address</i>	<i>Vote</i>	<i>Councillors who Voted Yes</i>	<i>Councillors who Voted No</i>	<i>Councillors who Voted Abstain</i>	<i>Absent</i>
3285/20//FUL	Rose Cottage, Landscape, Ashburton	Conditional approval	Cllrs Abbott, Brazil, Brown, Hodgson, Holway, Kemp, Long, Pannell, Pringle, Reeve, Rowe, Taylor (12)	(0)	(0)	(0)
2795/20/FUL	Land at SX 711 588, North East of Horsebrook Farm, Avonwick, TQ10 9EU	Refusal	Cllrs Abbott, Brown, Holway, Long, Pannell, Pringle, Reeve, Rowe, Taylor (9)	(0)	Cllrs Brazil, Hodgson, Kemp (3)	(0)

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**MINUTES OF THE JOINT MEETING OF THE
OVERVIEW & SCRUTINY PANEL AND THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD REMOTELY VIA TEAMS ON
THURSDAY, 14 JANUARY 2021**

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

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, Head of Finance and Democratic Services Manager

OSDM.12/20 MINUTES

The minutes of the last Joint Overview and Scrutiny Panel and Development Management Committee meeting held on 3 September 2020 were confirmed as a true and correct record.

OSDM.13/20 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.14/20 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.15/20 DRAFT REVENUE BUDGET PROPOSALS FOR 2021-22

Members considered a report that asked for their views on the content of the draft Revenue Budget Proposals report for 2021-22.

In her introduction, the Leader of Council outlined the main changes to the draft Revenue Budget Proposals for 2021/22 since the matter was last reported to the Executive meeting held on 17 December 2020 (Minute E.51/20 refers). The Leader proceeded to thank the Section 151 Officer and her Finance colleagues for incorporating them into the revised report for this meeting.

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

- (a) the business rates loophole for second homes. In reply to a question, the Leader informed that lobbying to close the loophole was ongoing and it was hoped that this would be implemented as part of the Business Rates Reform during the Spring of 2021;
- (b) individual town and parish council precept information. The Section 151 Officer advised that this information was contained within the published agenda papers for the annual Council Tax Setting Panel meeting;
- (c) bad debt provision during the COVID-19 Pandemic. Members acknowledged that, whilst Central Government had committed to compensating for 75% of irrecoverable losses, there would still be a significant budgetary impact on all precepting authorities;
- (d) the consultation on reforms to the Public Works Loan Board. When questioned, the Section 151 Officer informed that the deadline for Member approval of the Capital Strategy; Investment Strategy; and Treasury Management Strategy was 31 March 2021. As a result, these Strategies would be included on the Council agenda for the meeting to be held on 25 March 2021;
- (e) the vacant Economy Officer post. Members noted that, following a recent recruitment and selection exercise, it was envisaged that the post would be filled imminently;
- (f) an additional recommendation to the presented agenda report. An additional recommendation (that was considered as 'number 2') was **PROPOSED** and **SECONDED** that read as follows:
 2. *That the Joint Meeting support the allocation of £500,000 for funding for the Recovery and Renewal Plan and a further £200,000 funding for the Climate Change Action Plan, to be funded by:*
 - a. *withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;*

- b. *utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme); and*
- c. *using £450,000 of funding from the Business Rates Retention Earmarked Reserve;*

In support of the recommendation, the proposer stated that it would help to demonstrate the commitment and emphasis that the Council was placing on both its Recovery and Renewal Plan and Climate Change Action Plan.

At this point, an amendment to the recommendation (as set out in red font) was **PROPOSED** and **SECONDED** that read as follows:

- 2. *That the Joint Meeting support the allocation of £500,000 for funding for the Recovery and Renewal Plan and a further £322,274 funding for the Climate Change Action Plan, to be funded by:*
 - a. *withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;*
 - b. *utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme);*
 - c. *using £450,000 of funding from the Business Rates Retention Earmarked Reserve; and*
 - d. *using £122,274 of the remaining unallocated New Homes Bonus monies for 2021-22;*

The proposer of the amendment felt that the recommendation could go a step further and also include the £122,274 of the remaining unallocated New Homes Bonus monies for 2021-22 towards funding the Climate Change Action Plan.

In debate, other Members urged caution over approving what were considered to be arbitrary figures and highlighted the uncertainty around future funding provision. As a result, some Members stated that they could not support this amendment.

In the subsequent vote on the amendment, it was declared **CARRIED**, by virtue of the Chairman's Casting Vote, and was therefore included as part of the substantive motion.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council that the Joint Meeting supports:-

1. the proposed increase in Council Tax for 2021/22 of £5 (Band D of £175.42 for 2021/22 – an increase of 10 pence per week or £5 per year – equating to a 2.93% increase);
2. the allocation of £500,000 for funding for the Recovery and Renewal Plan and a further £322,274 funding for the Climate Change Action Plan, to be funded by:
 - a. withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;
 - b. utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme);
 - c. using £450,000 of funding from the Business Rates Retention Earmarked Reserve; and
 - d. using £122,274 of the remaining unallocated New Homes Bonus monies for 2021-22;
3. the financial pressures amounting to £668,761 (as shown in Appendix A of the presented agenda report);
4. the net contributions to/from Earmarked Reserves amounting to £364,600 (as set out in Appendix D of the presented agenda report), including the proposed use of £746,000 of New Homes Bonus funding to fund the 2021/22 Revenue Budget (as set out in section 4.24 of the presented agenda report);
5. the proposed savings of £122,191 for 2021/22 (as shown in Appendix A of the presented agenda report);
6. the proposed funding levels (as set out in section 5 of the presented agenda report) and, in addition, a further £3,000 be added to the Partnership Funding Budget, to enable a £10,000 contribution to the South Hams CVS in 2021/22 and 2022/23.

OSDM.16/20 REVIEW OF FEES AND CHARGES FOR 2021/22

Consideration was given to a report that set out proposals for any changes to Fees and Charges for all services for 2021/22.

With no questions or debate forthcoming, it was then:

RECOMMENDED

That the Joint Meeting **RECOMMEND** that the Executive **RECOMMEND** to Council that:-

1. the level of fees and charges for Parks, Open Spaces and Outdoor Sports for 2021/22 be maintained at the current levels with no proposed increases (as set out in Appendix A of the presented agenda report);

2. the Environmental Health charges for 2021/22 be maintained at the current levels with no proposed increases (as set out at Appendix B of the presented agenda report);
3. the level of Fees and Charges for Planning Applications and Enforcement for 2021/22 be maintained at the current levels with no proposed increases (as set out at Appendix C of the presented agenda report);
4. the proposed fees and charges for Street Naming for 2021/22 be approved as set out at Appendix C of the presented agenda report;
5. the proposed Section 106 Monitoring fees for 2021/22 (as set out at Appendix C) be approved;
6. delegated authority be given to the Director of Place and Enterprise, in consultation with the lead Executive Member, to set the Dartmouth Lower Ferry Fees in order to take account of market conditions, including competitor charges;
7. the proposed changes to Boat Storage Charges (as set out in paragraph 3.10 of the presented agenda report) be approved;
8. delegated authority be given to the Section 151 Officer, in consultation with the lead Executive Member, to set the Local Land Charges as appropriate to ensure cost recovery; and
9. delegated authority be given to the relevant Head of Practice, in consultation with the relevant lead Executive Member, to adjust Fees and Charges within their service area by inflation at suitable periodic intervals, with reports being presented to the Executive as appropriate.

(Meeting started at 10.00 am and concluded at 12.10 pm)

Chairman

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD VIA TEAMS ON THURSDAY 28 JANUARY 2021**

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

Also in attendance
Cllrs Abbott, Birch, Brazil, Foss, Holway, Kemp, Long, McKay, O’Callaghan, Pennington, Pringle, Reeve, Rowe, Smerdon, Spencer, Sweet, Taylor and Thomas

Officers in attendance and participating		
All items		Senior Leadership Team; Democratic Services Manager; Specialist – Democratic Services; and Senior Specialist – Place Making
E.64/20		Corporate Procurement Officer

E.52/20 MINUTES

The minutes of the Executive meeting held on 17 December 2020 were confirmed as a true and correct record.

E.53/20 URGENT BUSINESS

The Chairman advised that there were no urgent items of business to be raised at this Committee meeting.

E.54/20 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.55/20 PUBLIC QUESTION TIME

It was noted that one public question had been received in accordance with the Executive Procedure Rules for consideration at this meeting.

This was as follows:

1. From Nicola Varney:

During the current lockdown could the Council please suspend charges in council car parks (as was done in the first lockdown and is the current policy of Cornwall Council) to:

1. Make it as easy as possible for essential workers to get to and from work; and;
2. Help residents working from home who have no off-street parking?

Response to Question:

‘Having considered national guidance, at the current time we will be continuing as normal with enforcement and parking charges and are unable to allow any special dispensation for residents. This approach is consistent with national advice and guidance from the British Parking Association (BPA). We have also spoken with colleagues across other Devon authorities who have confirmed they are continuing their normal parking regimes during this period. Can I just add, please note that the concession for care and health workers still applies, who will be able to use our car parks free of charge provided they are displaying an NHS permit.’

Supplementary Question via Cllr O’Callaghan:

Could this Council show understanding and make temporary concessions for hard pressed residents and issue temporary permits until the lockdown is over so if people can provide reasonable evidence they are working from home or in an essential job and need to park easily?

Response to Supplementary Question:

‘No, we cannot do that. It would be a totally subjective assessment and I cannot work out how we would define someone who is a hard pressed resident. So I regret we will not be lifting the charges for residents or anyone else in our town car parks.’

E.56/20 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.

E.57/20 FUTURE LOCALITIES SERVICE

Members were presented with the Future Localities Service Report setting out the recommendations for the proposed new Localities Service. The new structure of the Localities Service had been devised following recommendations from the Task and Finish Group.

During the discussion, thanks was given to the Localities Team for what was seen as a successful service developed out of the Transformation 18 Programme. The Leader thanked the officers, the Task and Finish Group, and the Lead Member for the report. Many Members agreed that this was a very useful service, particularly during the summer months of 2020, with one Executive Member outlining that these changes would improve the service still further.

It was then:

RESOLVED

- 1) That four additional seasonal posts be approved to operate from 1 April until 30 September (inclusive) each year;
- 2) That an additional £25,000 be built into the establishment base budget each year to meet the additional costs; and
- 3) That the new structure and approach (as set out in the presented agenda report) be noted with the new service being implemented from 1 April 2021.

E.58/20

REPORTS OF OTHER BODIES

That the following be received and that any recommendations contained therein be approved:

- A) **Overview and Scrutiny Panel – 19th November 2020;**
Minute O&S.24/20: SAFEGUARDING POLICY: ANNUAL REVIEW

RESOLVED

That the revised Safeguarding Policy (as set out at Appendix A of the presented agenda report to the Panel meeting) be noted and that a safeguarding related training package for all staff and Members be mandatory to complete.

- B) **Joint Overview & Scrutiny Panel and Development Management Committee – 14th January 2021**

- i) **OSDM.15/20: DRAFT REVENUE BUDGET PROPOSALS FOR 2021-22**

RESOLVED

That the Recommendations made by the Joint Overview & Scrutiny Panel and Development Management Committee be noted and considered as part of agenda item 9 of this meeting. (Minute E.59/20 below refers).

ii) **OSDM.16/20: REVIEW OF FEES AND CHARGES FOR 2021-22**

It was then:

RECOMMENDED

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

1. the level of fees and charges for Parks, Open Spaces and Outdoor Sports for 2021/22 be maintained at the current levels with no proposed increases (as set out in Appendix A of the presented agenda report to the Joint Meeting);
2. the Environmental Health charges for 2021/22 be maintained at the current levels with no proposed increases (as set out at Appendix B of the presented agenda report to the Joint Meeting);
3. the level of Fees and Charges for Planning Applications and Enforcement for 2021/22 be maintained at the current levels with no proposed increases (as set out at Appendix C of the presented agenda report to the Joint Meeting);
4. the proposed fees and charges for Street Naming for 2021/22 be approved as set out at Appendix C of the presented agenda report to the Joint Meeting;
5. the proposed Section 106 Monitoring fees for 2021/22 (as set out at Appendix C of the report presented to the Joint Meeting) be approved;
6. delegated authority be given to the Director of Place and Enterprise, in consultation with the lead Executive Member, to set the Dartmouth Lower Ferry Fees in order to take account of market conditions, including competitor charges;
7. the proposed changes to Boat Storage Charges (as set out in paragraph 3.10 of the presented agenda report to the Joint Meeting) be approved;
8. delegated authority be given to the Section 151 Officer, in consultation with the lead Executive Member, to set the Local Land Charges as appropriate to ensure cost recovery; and
9. delegated authority be given to the relevant Head of Practice, in consultation with the relevant lead Executive Member, to adjust Fees and Charges within their service area by inflation at suitable periodic intervals, with reports being presented to the Executive as appropriate.

E.59/20 REVENUE BUDGET PROPOSALS FOR 2021-22

The Executive was presented with a report that outlined the draft revenue budget proposals for 2021/22. The Leader highlighted the differences made to the report subsequent to the Joint Overview & Scrutiny Panel/ Development Management Committee meeting held on the 14th January 2021.

The Chair of the Overview & Scrutiny Panel then spoke to Recommendation vi) options a) and b). Since the Joint Meeting, he had discussed both options with the Section 151 Officer and had decided that he was in favour of option b). This retained the remainder of the unallocated New Homes Bonus monies for 2021/22, £122,274 to be held in Reserve against the potential of a shortfall when the replacement to the New Homes Bonus was finally announced for 2022/23. The £122,274 unallocated New Homes Bonus from 2021/22 and the £235,016 unallocated New Homes Bonus from 2020/21 could then be retained to fund the £546,000 of New Homes Bonus funding needed to fund the revenue base budget in 2022/23.

The Executive then voted on option b) of recommendation vi, and this was carried unanimously.

It was noted that there had been good collaborative work on this budget across the political spectrum. The Leader outlined that the proposed £200,000 to be allocated to fund the Climate Change Action Plan should be used for projects which not only impacted on climate change but also helped ensure a green recovery, and help the Council achieve its aim of a zero carbon future.

Following a question from a Non-Executive Member, the Leader confirmed that specific projects would be determined by the Action Plan and The COVID-19 Recovery Plan. The Leader confirmed she has already asked officers to look at Climate Change and Biodiversity Regeneration projects that would help to support green recovery. It was noted that officers were currently fully engaged in responding to the pandemic, but it was hoped that within a month or so officers would be able to develop these projects.

It was then:

RECOMMENDED

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

- i) to increase Council Tax for 2021/22 by £5 (Band D of 175.42 for 2021/22 – an increase of 10 pence per week or £5 per year – equates to a 2.93% increase);
- ii) to approve the financial pressures shown in Appendix A of the presented agenda report (amounting to £696,761);
- iii) to approve the net contributions to/(from) Earmarked Reserves of £414,600 as shown in Appendix D of the

- presented agenda report, including the proposed use of £746,000 of New Homes Bonus funding to fund the 2021/22 Revenue Budget as set out in section 4.24 of the report;
- iv) to approve the savings of £122,191 (as shown in Appendix A of the presented agenda report);
 - v) to approve the Partnership funding levels (as set out in Section 5 of the presented agenda report), including a £10,000 contribution to the CVS in 2021/22 and 2022/23
 - vi) the allocation of £500,000* for funding for the Recovery and Renewal Plan and a further £200,000* funding for the Climate Change Action Plan, to be funded by:
 - a. withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;
 - b. utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme); and
 - c. using £450,000 of funding from the Business Rates Retention Earmarked Reserve;
- (*This funding is to be put into an Earmarked Reserve for the purpose stated)
- vii) to transfer £380,789 (the fifth tranche of COVID funding as set out in sections 1.9 and 11.2 of the presented agenda report), into a COVID Earmarked Reserve, to protect against future COVID losses in 2021/22;
 - viii) to set its total net expenditure for 2021/22 (as shown in Appendix B of the presented agenda report) as £9,676,767;
 - ix) that the minimum level of the Unearmarked Revenue Reserve be maintained at £1.5million; and
 - x) that the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates be noted. (NB. this is a requirement of Part 2 of the Local Government Act 2003).

E.60/20

CAPITAL BUDGET PROPOSALS FOR 2021-22

The Executive was presented with a report that outlined the draft Capital Budget proposals for 2021-22.

An Executive Member outlined that he would not be supporting any proposed capital spend on Follaton House until such time as the future of the Council Offices was determined.

The Section 151 Officer clarified that recommendation 2 and the note were no longer applicable following the decision made at E.59/20, and therefore these were removed.

It was then:

RECOMMENDED

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

- a) That the Capital Programme for 2021/22, which totals £2,380,000 (Appendix A of the presented agenda report refers) be approved; and
- b) That the 2021/22 Capital Programme of £2,380,000 be financed from the funding sources set out in Section 4 of the presented agenda report.

E.61/20

CAPITAL PROGRAMME MONITORING

The Executive was presented with a monitoring report that outlined the Capital Programme. This report covered the period from 1st April 2020 to 30th November 2020.

The Lead Member advised that there would be a separate report for an All Member briefing on the Community Housing Projects in the near future, with the Report being added to the Executive Forward Plan.

The Lead outlined that the report advised Members of the progress on individual schemes within the approved Capital Programme, including an assessment of the financial position and that all of the capital projects were within the existing capital budgets approved by Members (as outlined at exempt Appendix A of the presented agenda report). It was clarified that this exemption was due to the awarding of contracts being subject to the Council's procurement rules on competitive tendering, and therefore commercially sensitive.

Appendix C of the attendant report outlined an overview of the total remaining Section 106 deposits with some details around the purpose and conditions of these deposits.

It was highlighted that the Community Housing Fund Earmarked Reserve, in Appendix D of the presented agenda report, provided a revolving and recyclable fund if these projects ultimately went ahead. Further to a question from a Non-Executive Member, the Leader clarified that monies for the Community Housing Projects had been received from Central Government and not from local Council Taxpayers. Other monies to progress any scheme would be as a loan from the Public Works Loans Board and would be requested only when any project reached the stage of taking forward.

It was then:

RESOLVED

1. That the content of the Monitoring Report be noted; and
2. That a separate report be produced for an All Member Briefing on Community Housing Projects and a future report to the Executive be added to the Executive Forward Plan.

E.62/20

IVYBRIDGE REGENERATION PROJECT – UPDATE

The Lead Member for Enterprise presented the Executive with a report that updated on the Ivybridge Regeneration Project. It was highlighted that £65,000 for commissioning work had been previously agreed at the 17th September 2020 Executive Meeting. This money had been utilised by the project team to ascertain advice on planning, ecology, buildability, car parking regime, lease arrangements, and Treasury Management advice. An economic assessment of Ivybridge Centre was also commissioned.

The outcome of this work had shown the project to be technically and economically viable, with the regeneration project offering significant benefits to local economy and public realm. The Lead Member noted the scheme had strong support from residents, the business community, the local Town Council, Ward Members, and local stakeholders. The Member expressed his thanks to officers for the work involved in both project development and the resultant report.

One Non-Executive Member registered his views that the scheme had been a missed opportunity in imaginative regeneration but several Members of the Executive stated that building a supermarket was a recognised means to help regeneration. There was disagreement over how much this particular supermarket brand utilised local providers.

There was also a discussion regarding the options of retaining ownership of the land and building as opposed to selling the land to the supermarket chain, or getting the supermarket to build the store and just charging ground rent. The Director for Place outlined the reasons for maintaining control over the project, namely it allowed funding of significant improvements i.e. to the car parking, new cycle routes, the skate park, and allowed for a long lease to secure tenants.

A Member of the Executive commented that questions raised by Members in informal briefing sessions were not in the public domain and therefore the ability to raise questions again in this forum was important for transparency. He also outlined that although he would be supporting this item, it was reluctantly, as he felt this scheme was not a true regeneration project and offered to take Members on a tour of other regeneration schemes, once covid restrictions were lifted.

Another Member of the Executive highlighted the amount of money which had been allocated to Ivybridge in recent years to help with regeneration and outlined several projects, including the upgrade to the leisure facility.

It was then:

RECOMMENDED

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

- 1) approve the Ivybridge Regeneration project through to planning, tender, construction and lease (subject but not limited to the regulatory statutory planning process and the total scheme cost being within the £9 million financial envelope),
- 2) approve the financial case as set out within this report and the borrowing of £9 million from the Public Works Loans Board (PWLB) to finance the regeneration project,
- 3) approve the spend of up to £450,000, funded from the Business Rates Retention Earmarked Reserve, recognizing these will be abortive costs if the project does not proceed at any given stage pre-construction,
- 4) approve the procurement strategy and any associated contract awards,
- 5) approve variation of parking tariffs in principle, subject to final tariff design by the Head of Assets in consultation with the Commercial Portfolio Holder and Leader of the Council
- 6) delegate authority to the Head of Assets in consultation with Director of Place & Enterprise and Monitoring Officer to enter the Agreement for Lease (and subsequent lease of 25 years + 15 years) with the proposed Foodstore tenant.

E.63/20

SOUTH BRENT COMMUNITY HOUSING

The Leader presented the Executive with a report that outlined the request to modify the term of the previously approved loan to South Brent Community Land Trust. The modification was to alter the repayment term from two years to seven years. This modification was in response to terms outlined by the Ecology Building Society and the support of Homes England, and to cover the rental portion of the shared ownership properties. The Leader outlined a resultant benefit from the change to seven years, in that the Council now moved from second charge to first equal charge with the Building Society, but acknowledged that this now tied up the monies involved for longer therefore the sums would now be recyclable in seven years rather than two.

It was then:

RESOLVED

That the term of a previously approved, secured loan to South Brent Community Land Trust of up to £360,000 be modified from two years to seven years.

E.64/20 **DEVON DISTRICTS' PROCUREMENT STRATEGY**

The Leader presented the Executive with a report that outlined the Devon Districts' Procurement Strategy and highlighted that this was the third iteration of the Strategy, involving a collaboration with several local authorities in the South West. This strategy had been developed using the Sustainable Procurement Policy and procedure which had been approved by the relevant Councils in November 2019. The delay in getting this to the Executive had been due to a full agenda in November 2019, then the impact of the Covid pandemic, although it was noted that the Council had been working to this Strategy since November 2019.

It was noted that the Council already had one of the best local procurement records within Devon.

One Executive Member outlined the importance of procuring goods and services as locally as possible, which not only helped to keep money in the local area but also reduced the carbon footprint.

It was then:

RESOLVED

That the Executive:

1. Note the progress made in delivery of the previous Devon Districts Procurement Strategy 2014-2018;
2. Consider inclusion of South Hams specific objectives for inclusion within the delivery plan as set out in Section 5.3 of the presented agenda report; and
3. **RECOMMEND** to Council to adopt the Devon Districts Procurement Strategy 2019-2022 (including the objectives set out in recommendation 2).

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.58/20 PART B ii), E.59/20, E.60/20, E.62/20, AND E.64/20 PART 3 WHICH WERE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 11 FEBRUARY 2021, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 8 FEBRUARY 2021 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 10:00 am and concluded at 11:42 am)

Chairman

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