

South Hams Joint Development Management Committee and Overview & Scrutiny Panel



Title:	Agenda																								
Date:	Thursday, 14th January, 2021																								
Time:	10.00 am																								
Venue:	Via Teams																								
Full Members:	<p style="text-align: center;">Chairman Cllr Birch Vice Chairman Cllr Smerdon</p> <p><i>Members:</i></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Cllr Brazil</td> <td>Cllr Kemp</td> </tr> <tr> <td>Cllr Brown</td> <td>Cllr Long</td> </tr> <tr> <td>Cllr Foss</td> <td>Cllr McKay</td> </tr> <tr> <td>Cllr Hodgson</td> <td>Cllr O'Callaghan</td> </tr> <tr> <td>Cllr Holway</td> <td>Cllr Pannell</td> </tr> <tr> <td>Cllr Pennington</td> <td>Cllr Reeve</td> </tr> <tr> <td>Cllr Pringle</td> <td>Cllr Rose</td> </tr> <tr> <td>Cllr Rowe</td> <td>Cllr Spencer</td> </tr> <tr> <td>Cllr Abbott</td> <td>Cllr Sweett</td> </tr> <tr> <td>Cllr Austen</td> <td>Cllr Taylor</td> </tr> <tr> <td>Cllr Chown</td> <td>Cllr Thomas</td> </tr> <tr> <td>Cllr Jackson</td> <td></td> </tr> </table>	Cllr Brazil	Cllr Kemp	Cllr Brown	Cllr Long	Cllr Foss	Cllr McKay	Cllr Hodgson	Cllr O'Callaghan	Cllr Holway	Cllr Pannell	Cllr Pennington	Cllr Reeve	Cllr Pringle	Cllr Rose	Cllr Rowe	Cllr Spencer	Cllr Abbott	Cllr Sweett	Cllr Austen	Cllr Taylor	Cllr Chown	Cllr Thomas	Cllr Jackson	
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Cllr Jackson																									
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. Apologies for Absence**
- 2. Minutes of Joint Meeting held on 3 September 2020** **1 - 8**
to approve as a true and correct record the minutes of the Joint Meeting held on 3 September 2020;
- 3. Urgent Business**
brought forward at the discretion of the Chairman;
- 4. Division of Agenda**
to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;
- 5. 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;
- 6. Public Forum**
A period of up to 15 minutes is available to deal with issues raised by the public;
- 7. Draft Revenue Budget Proposals for 2021/22** **9 - 40**
- 8. Review of Fees and Charges for 2021/22** **41 - 60**

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

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

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

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

OSDM.6/20 MINUTES

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

OSDM.7/20 DECLARATIONS OF INTEREST

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

OSDM.8/20 PUBLIC FORUM

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

OSDM.9/20 EXECUTIVE FORWARD PLAN

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

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

OSDM.10/20 AMENDED BUDGET 2020/21

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

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

In discussion, particular reference was made to:-

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

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

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

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

It was then:

RECOMMENDED

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

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

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

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

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

Theme 1: Business and Economy

In discussion, the following points were raised:

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

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

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

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

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

Theme 2: Place and Environment

In discussion, reference was made to:

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

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

Theme 3: Residents, Communities and Partnerships

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

Theme 4: Service Recovery and Redesign

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

Theme 5: Communications and Governance

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

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

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

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

Theme 6: Financial Stability

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

Recommendation

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

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

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

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

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

It was then:

RECOMMENDED

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

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

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

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

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

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

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

Chairman

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Agenda Item 7

Report to: Joint Development Management Committee and
Overview and Scrutiny Panel

Date: 14 January 2021

Title: **Draft Revenue Budget Proposals for 2021-22**

Portfolio Area: Cllr J Pearce – Budget Setting Process

Wards Affected: All

Urgent Decision: N Approval and clearance obtained: Y

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

Contact: Email: lisa.buckle@swdevon.gov.uk

Recommendations:

That the views of the Joint Development Management Committee and Overview and Scrutiny Panel are sought on the content of the Revenue Budget Proposals report for 2021/22.

Views are sought in particular on:-

- i) 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 – equates to a 2.93% increase);**
- ii) The financial pressures shown in Appendix A of £668,761;**
- 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 as set out in 4.24 of the report;**
- iv) The savings of £122,191 as shown in Appendix A; and**
- v) Partnership funding levels set out in Section 5.**

1. Executive summary

- 1.1 The Council's Medium Term Financial Strategy (MTFS) is based on a financial forecast over a rolling five year timeframe to 2025/26. The Council, along with other local authorities, has faced unprecedented

reductions in Government funding. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £4 million. The Council now receives **no main Government Grant (Revenue Support Grant)** – this has been reduced to zero.

- 1.2 South Hams has continued to work in partnership with West Devon Borough Council which has allowed South Hams to achieve annual savings of £3.9 million and more importantly protect all statutory front line services. Between both Councils the annual shared services savings being achieved are over £6 million per annum. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.
- 1.3 The Medium Term Financial Strategy (MTFS) was considered by Members on 22nd October 2020 and it set out the budget strategy for the Council for the next five years, with regular reviews (at least annually) and updates when items are further known or are announced by the Government. The MTFS sets out the strategic intention for all of the different strands of funding available to the Council. The Council will then be able to rely on this to inform future decisions.
- 1.4 Covid 19 has caused financial strain for all Councils up and down the country where Councils find themselves being caught in a 'perfect storm'. Councils have to manage both the increased costs of coping with Covid19 and supporting vulnerable people in the community and the loss of key income streams such as ferry income, car parking income, planning income and council tax and business rates income.
- 1.5 The factors affecting the Council's finances are issues affecting the whole Local Government sector. The Council is well-placed to meet the financial challenges arising from Covid19, due to its prudent financial management over previous years.
- 1.6 The Draft Budget Proposals report to the Executive on 17th December 2020 showed a budget gap remaining for 2021/22 of £75,871. On the same day, the Draft Local Government Finance Settlement for 2021/22 was announced by the Government. Details of the main announcements are set out in Section 2. The Draft Finance Settlement stated that the Council will receive a Lower Tier Services Grant of £82,123 for 2021/22 and this extra funding announced has enabled the Council to close the budget gap and present a balanced budget position for 2021/22 to this meeting.
Section 2.15 sets out the changes to the budget position since the December Executive meeting.
- 1.7 **The report attached sets out proposals for the Council to achieve a balanced budget in 2021/22, as shown in Appendix B.** South Hams District Council is currently forecasting a £492,835 budget gap by the following year, 2022/23. The cumulative aggregated Budget Gap by

2025/26 is £3.9 million, if no action has been taken in each individual year to close the budget gap annually.

Budget Gaps	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	0 (Balanced Budget)	492,835	292,093	388,608	296,287	1,469,823
*Cumulative Budget Gap	0	492,835	784,928	1,173,537	1,469,823	3,921,123

* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

2 CHANGES TO THE 2021/22 BUDGET REPORT SINCE THE EXECUTIVE MEETING OF 17TH DECEMBER 2020

2.1 On 17th December 2020, the Government announced the draft Finance Settlement for 2021/22 for consultation. The key points from the Finance Settlement are below. The full announcement is set out on the following link (Consultation responses are due by 16th January): [Provisional local government finance settlement: England, 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-england-2021-to-2022)

2.2 **Core Spending Power for South Hams has increased by 2.5% for 2021/22.** Core Spending Power is the term the Government use to say how much money Councils have to run their services. On looking at the detail below, it can be seen that the extra funding of 2.5% is mainly coming from assumed Council Tax increases in 2021/22.

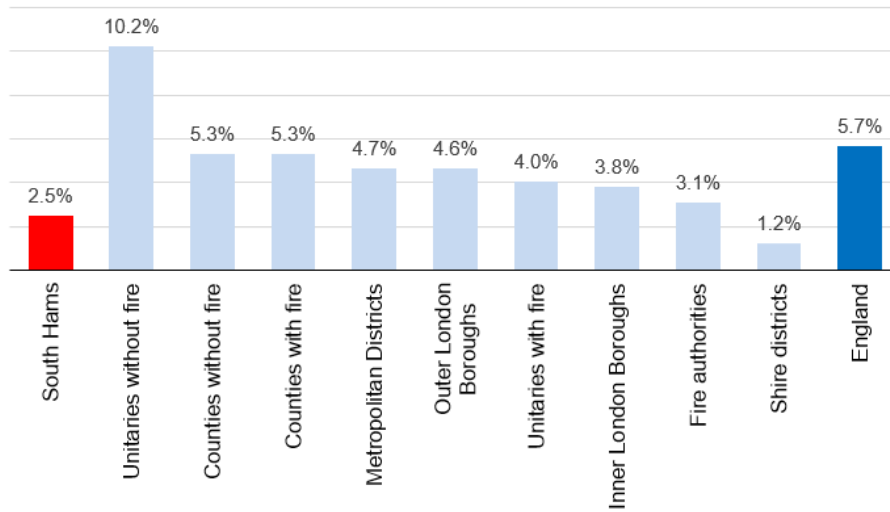
Table 1 - Core Spending Power (£m)

	2020/21	2021/22	Change £m	Change %
Core Spending Power	10.175	10.430	0.255	2.5%
<i>Breakdown of Core Spending Power:</i>				
Settlement Funding Assessment	1.928	1.928	0.000	0.0%
Assumed Council Tax	6.563	6.823	0.260	4.0%
Other Grants	1.685	1.679	-0.005	-0.3%
<i>Breakdown of Other Grants:</i>				
New Homes Bonus	1.199	1.068	-0.131	-10.9%
Improved Better Care Fund	0.000	0.000	0.000	
Social Care Grant	0.000	0.000	0.000	
Rural Services Delivery Grant	0.408	0.428	0.020	4.9%
SFA multiplier compensation ^a	0.077	0.100	0.023	30.0%
Lower Tier Services Grant	0.000	0.082	0.082	

(a) Compensation for under-indexing the business rates multiplier

2.3 The Table below shows the change in Core Spending Power (CSP) by class of Authorities – Shire Districts on average had the lowest increase of 1.2%.

Chart 2 - Change in CSP by class of authority (2020/21 to 2021/22)



- 2.4 Lower Tier Services Grant - A new grant has been announced with the Finance Settlement, a Lower Tier Services Grant. SHDC will receive £82,123. This is unringfenced grant for 2021/22 and it equates to £111 million nationally.
- 2.5 The Council Tax Referendum Limit for Shire Districts has been confirmed at the higher of 1.99% or £5. There is no limit set for Town or Parish Councils for 2021/22. The limit for the Police and Crime Commissioner is £15.
- 2.6 Negative RSG (Revenue Support Grant) – It has been confirmed this has been eliminated for 2021/22.
- 2.7 Rural Services Delivery Grant – SHDC’s allocation will be £428,206 for 2021/22. This is £20,151 higher than in the latest Budget report to the Executive which showed £408,055. This is due to the national allocation being increased from £81 million to £85 million.
- 2.8 New Homes Bonus – The 2021/22 allocation of NHB is £1,068,274.
- 2.9 The Business rates multiplier has been frozen for 2021/22 and the Devon Business Rates Pool is one of 26 Pools nationally for 2021/22.
- 2.10 Local Council Tax Support Grant – There will be £0.67billion provided for meeting the additional costs associated with increases in Local Council Tax Support caseloads in 2021/22. South Hams District Council’s allocation will be £131,000 for 2021/22.
- 2.11 Local Government Funding Reform – No papers were published with the Finance Settlement relating to the Fair Funding Review or the

Business Rates Reset and the Minister could not confirm that the reforms will even take place next year.

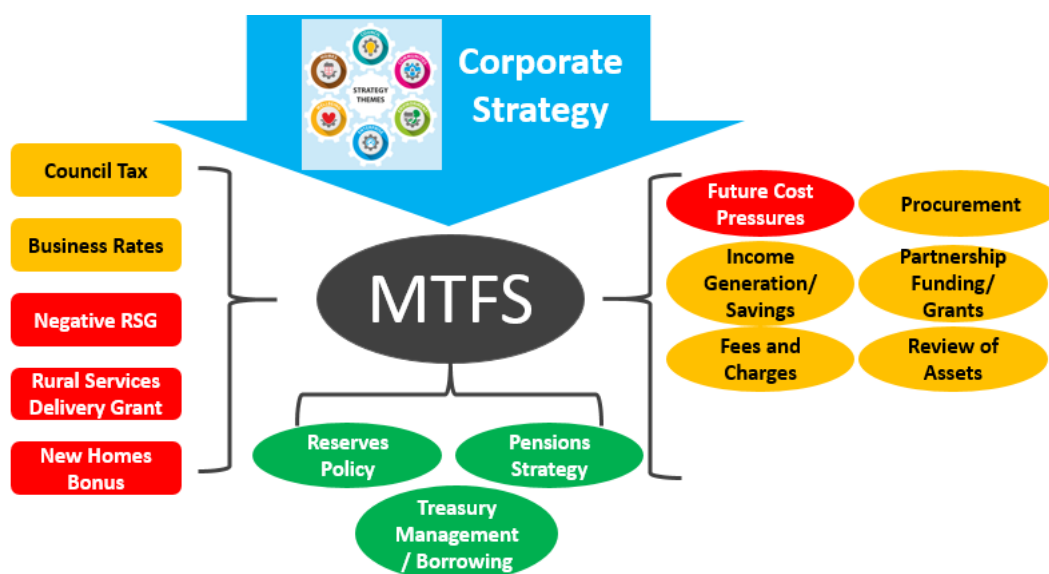
- 2.12 Audit Fees – Funding of £15m has been announced to support Councils with the anticipated rise in audit fees for 2021/22. Allocations will be confirmed in the New Year.
- 2.13 For 2021/22 there will be a **one year “rollover” settlement**, similar to that in 2020/21. A one year settlement has the advantage that it is simple, and there is no significant redistribution of funds. All local authorities will face increased financial pressure through a combination of increased demand for personal & protective services and reduced income from both taxes and demand-led income streams. Capacity to absorb these pressures will vary – which in turn will lead to calls for re-distribution of the total sum available.
- 2.14 Support for the impact of Covid-19 has largely been kept separate from the core funding for local authorities.
- 2.15 The table below shows the summary of changes to the Budget report for 2021/22, following the announcement of the Draft Local Government Finance Settlement on 17th December. A balanced budget is shown for 2021/22 following the announcement.

	Total (£)
Budget Gap for 2021/22 reported to the Executive meeting on 17th December 2020	75,871
<i>Increase in income or funding modelled</i>	
Increase the amount of Rural Services Delivery Grant for 21/22 (increased from £408,055 to £428,206)	(20,151)
Lower Tier Services Grant funding – see 2.4	(82,123)
Fees and Charges report – see 7.1	(3,500)
<i>Reduction in income modelled or increase in cost pressures</i>	
Reduction in Business Rates income modelled (Reduction from £2.35million to £2.325 million)	24,456
Reduction in Council Tax Income modelled (Reduction from £6,722,341 to £6,718,291 to reflect the TaxBase for 2021/22 of 38,298.32)	4,050
Increase in the Collection Fund Deficit for Council Tax (increased from £29,000 to £30,397)	1,397
Revised Budget Gap for 2021/22 as set out in this report (as at January 2021)	Nil – (A balanced budget position is presented)

3 THE COMPONENTS MAKING UP A MEDIUM TERM FINANCIAL STRATEGY (MTFS)

- 3.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFs where the Council has a degree of control. Red items signal components where the Council has hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.

2020/21 Net Amended Budget £9.4 million



- 3.2 The key assumptions within the MTFs are as below. Each of these is described in more detail in Section 4.

- A one year 'rollover settlement' (with no negative Revenue Support Grant in 2021/22)
- The business rates baseline reset will be deferred until 2022/23
- The Settlement Funding Assessment (SFA) will increase in line with inflation – this is essentially the business rates baseline and is the amount of money the Council retains from its share of the business rates income. September CPI was 0.5%
- There will be a phasing in of negative Revenue Support Grant (RSG) as part of the business rates baseline reset with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go
- Council Tax limits for District Councils will remain at the higher of £5 or 1.99%. In terms of the overall council tax bill, the County Council are able to increase their proportion of the council tax bill

by up to 4.99% for 2021/22, to include a 3% precept for adult social care. This could lead to further requests for relief through Council Tax Support. Police and Crime Commissioners will be able to increase their share of the council tax bill by £15. No council tax referendum principles will apply to Town and Parish Councils in 2021/22.

- There will be one more year of the New Homes Bonus payments for 2021/22
- A modest business rates pooling gain of £125,000 has been modelled for 2021/22 with no further gains for 2022/23 onwards. Business rates income is assumed to be down by 3%.
- Normally the Council receive a surplus share of around £60,000 per annum. The Collection Fund will be in deficit in 2021/22 by £30,397.
- Rural Services Delivery Grant has been assumed to continue at the same level with a slight inflationary increase across the 5 years of 3%.
- The last pay award offer for 2020/21 was 2.75%. A 1% pay increase has been modelled from 2021/22 onwards (1% equates to £70,000). Although setting pay levels in Local Government falls outside Central Government control, this freeze will have informed the setting of funding for Local Government and is likely to be a significant factor in determining the outcome. The Government has implied that it expects local government to exercise restraint about pay, given the wider macro-economic climate.
- No permanent reductions to the Council's income streams (such as ferry income, car parking income, planning income etc. as a result of the Covid pandemic) have been built into the Base Budget for 2021/22. This will be regularly monitored over the next few months. The Government's income compensation scheme for sales, fees and charges for Councils has only been extended for the first three months of 2021/22. The Month 7 Revenue Budget Monitoring report for 2020/21 recommended to transfer £100,000 into a Covid Earmarked Reserve, to protect against future COVID losses in 2021/22.

OVERALL POSITION – BUDGET GAP

- 3.3 Financial modelling has been undertaken for the next five years to predict the Council's financial situation for the short and medium term.
- 3.4 **Appendix A** to the Medium Term Financial Strategy sets out the Budget Pressures forecast for the next five years and the additional savings and income forecast. **Appendix B** illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £9.4 million in 2020/21.

3.5 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if the Council Tax is increased by £5 per annum (shown in Appendix B).

3.6 The report attached sets out proposals for the Council to achieve a balanced budget in 2021/22, as shown in Appendix B. South Hams District Council is currently forecasting a £492,835 budget gap by the following year, 2022/23. The cumulative aggregated Budget Gap by 2025/26 is £3.9 million, if no action has been taken in each individual year to close the budget gap annually.

Budget Gaps	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	0 (Balanced Budget Proposal set out in this report)	492,835	292,093	388,608	296,287	1,469,823
*Cumulative Budget Gap	0	492,835	784,928	1,173,537	1,469,823	3,921,123

* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

3.7 The Government's Spending Review announcement on 25th November 2020 contained no real surprises for local government, and largely confirmed the assumptions previously made within the Medium Term Financial Strategy (MTFS) in October.

4 BUSINESS RATES, COUNCIL TAX AND NEW HOMES BONUS

4.1 In the Medium Term Financial Strategy (MTFS), it has been assumed that the Settlement Funding Assessment (SFA) will increase in line with inflation. The SFA is essentially the business rates baseline and is the amount of money the Council retains from its share of the business rates income.

Business Rates and Negative Revenue Support Grant (RSG)

4.2 The Business Rates Reset will be delayed to 2022/23. A reset based on the current taxbase would have been badly distorted by the current economic crisis, and very unlikely to reflect the potential business rates that authorities can collect in future years.

4.3 There will be a one year 'rollover settlement' (with no negative Revenue Support Grant in 2021/22). This means the Council won't have to forego

some of its business rates income (£400,000) by paying some of it back to Government in the form of 'negative government grant' in 2021/22. Negative RSG is effectively the Council's further predicted funding cuts.

- 4.4 It is anticipated there will be a phasing in of negative RSG as part of the business rates baseline reset in 2022/23, with a transition period over three years, to avoid Local Authorities losing/gaining too much in one go. Some of the negative RSG is expected to be offset by growth being dispersed across as Local Authorities.
- 4.5 Estimates have been made of the business rates baseline funding levels for 2021/22 onwards and the relative deductions for negative RSG. For example in 2020/21, the £2.155m is the amount the Council retains from its business rates income collected of £30 million (the Council keeps about 7p in every £1 collected of business rates to fund its services). The Council responded to the Government consultation on the Call for Evidence on Business Rates Reform. A joint response was also sent by the Devon Business Rates Pooling partners. A final report setting out the full conclusions of the Government review on Business Rates Reform will be published in Spring 2021.

	Business Rates Income projected in the MTFS (£m)					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Business Rates Income	2.155	2.325	2.350	2.355	2.360	2.370
Less: Negative RSG change to baseline need	0	0	(0.270)	(0.360)	(0.450)	(0.500)
TOTAL	2.155	2.325	2.08	1.995	1.91	1.87

Business Rates reliefs

- 4.6 Aside from the retail relief, the other variance expected in business rates income in 2020/21 will be due to the businesses failing and subsequent reliefs. This is forecast at a -3% reduction in 2020/21, with a further 3% reduction in 2021/22. It is too early to tell the implications for the economy of COVID, other than the more general expectations of negative growth. See 4.19 on the Collection Fund.
- 4.7 The net collectable debt for Business Rates is £18.6 million for 2020/21. Prior to the pandemic, this was predicted to be £30million and the additional NNDR reliefs for the total value of the expanded retail discount and nursery discount for 2020/21 total £13.778million. Therefore over £13.7million worth of the Council's normal business rates bills issued of £30million (46%) are entitled to 100% business rates relief and have no business rates to pay in 2020/21 due to the coronavirus expanded retail

discount and nursery discount. This amount is being reimbursed to the Council by the Government through a Section 31 Grant.

- 4.8 The Council and SWCouncils are lobbying the Government for these business rates reliefs to continue into 2021/22. The Spending Review referred to a freeze in the business rates multiplier next year, as the multiplier was going to increase by 0.5% but will now be frozen. Many businesses are asking whether the business rates reliefs in 2020-21 will be extended into next year to support retail, hospitality and leisure businesses. The Government will make a decision on this in the New Year to respond to the 'evolving challenges presented by COVID-19'. If the Retail Discount is discontinued, then this will place more pressure on business rates income for Councils in 2021-22.
- 4.9 By November 2020, the Council has collected 67.89% of the net collectable debt. This is 5.42% lower than November 2019 – a cash reduction of £970,000. The lockdown in November may have had an impact on payment profiles. Hence a reduction of 3% is assumed. The 2019/20 collection rate for South Hams for business rates was 98.67%. The national average was 98%.
- 4.10 The Government has stated that compensation will be provided for 75% of council tax or business rates income deemed to be irrecoverable. Further information is awaited on what criteria will be applied before tax is deemed to be irrecoverable, but this does at least provide some mitigation for losses that would otherwise feed into Collection Fund adjustments in 2022/23.
- 4.11 It was recommended to Council that South Hams District Council continues to be part of the Devon Business Rates Pool for 2021/22. Modelling has been carried out with the other Devon Authorities and Local Government Futures to inform this recommendation. A modest business rates pooling gain of £125,000 has been modelled for 2021/22 with no further gains for 2022/23 onwards. The Devon Business Rates Pool is one of 26 Pools nationally for 2021/22.

Council Tax

- 4.12 The Draft Council Tax Referendum Principles for 2021-22 have been published with the Draft Local Government Finance Settlement. This confirms that the Council Tax Referendum limits for Shire District Councils is the higher of 1.99% or £5, for 2021/22. ***This would equate to a Band D council tax for South Hams of £175.42 in 2021/22 as shown in Appendix B (an increase of £5 for the year (10 pence per week) which equates to a 2.93% increase).*** The council tax for 2021/22, the SHDC share, will be set at the Council meeting on 11th February 2021. (A 1% increase in council tax generates £67,000 of extra council tax income).
- 4.13 The table below shows how an average Band D council bill is made up for South Hams District Council for 2020/21 as compared to the previous year. Of an average Band D Council Tax within the District of £1,990.82,

an amount of £170.42 is the element of a council tax bill set by South Hams District Council. Therefore 9pence of every £1 paid (9%) in council tax is received by South Hams District Council to pay for our services. The rest of the council tax bill is set by Devon County Council, the Fire, the Police and Town and Parish Councils to fund the services they provide.

Precepting Authority	Band D 2019/20	Band D 2020/21	£ Increase	% Increase
South Hams District Council	£165.42	£170.42	£5.00	3.02%
Devon County Council Precept	£1,286.19	£1,313.73	£27.54	3.99%
Adult Social Care Precept	£98.10	£125.73	£27.63	
Devon & Cornwall Police & Crime Commissioner	£212.28	£221.64	£9.36	4.41%
Devon & Somerset Fire & Rescue	£86.52	£88.24	£1.72	1.99%
Average Parishes/Towns (*see Note below)	£64.53	£71.06	£6.53	10.12%
TOTAL	£1,913.04	£1,990.82	£77.78	4.07%

*Note – The highest Parish Precept is Totnes with a Band D of £181.61 (which is £11.19 higher than South Hams District Council), giving an overall Band D council tax bill in Totnes of £2,101.37. The lowest Parish Precept is Woodleigh Parish with a Band D of £4.96, giving an overall Band D council tax bill of £1,924.72.

- 4.14 A 1% reduction in council tax collection rates has been assumed for 2021/22 onwards. As at the end of November 2020, 74.21% of the council tax has been collected. This is a decrease of 1.02% against the 2019/20 collection rates at the end of November. The 1.02% drop equates to £790,756 (SHDC share £71,168). See 4.19 on the Collection Fund.
- 4.15 The District Council is responsible for collecting all the Council Tax debt of £78m in 2020/21 as South Hams DC is the Billing Authority. After keeping 9% of the council tax collected to run the Council's services, the rest is paid over to Devon County Council, the Police, the Fire and Town and Parish Councils. The collection rate for Council Tax for South Hams was 98.3% for 2019/20. This was 1.5% higher than the national average of 96.8%.

- 4.16 On 15 December 2020, the Senior Leadership Team approved the calculation of the Council Tax Base for 2021/22 of 38,298.32. This is a decrease of 210.17 Band D properties (0.5%) in comparison to 2020/21. (Individual Town and Parish Councils have different levels of increases and decreases in their Taxbase which they have been notified of). Although there were 425 net additions of housing stock and empty homes brought back into use, the higher levels of council tax support in working age claimants have meant an overall reduction in the Taxbase as a whole. In 2019/20 the actual Council Tax collection rate was 98.3%. Historically a collection rate of 98% has been used in the TaxBase calculation, but due to the impact of COVID-19, a collection rate of 97% has been assumed in the 21-22 tax base calculation.
- 4.17 It has been assumed that the number of properties within the District will increase by 200 per annum from 2022/23 onwards. A low figure has been assumed to partly offset the impact of Council Tax Support on the Taxbase.
- 4.18 The Government is proposing to set no council tax referendum principles for Town and Parish Councils for 2021/22.

The Collection Fund - Council Tax and Business Rates Income

- 4.19 The Collection Fund holds all payments in and out relating to Council Tax and Business Rates. As such any losses incurred will be suffered by the Collection Fund in the year and then distributed to the Council and Precepting Authorities in future years. A large part of the reductions in income will affect the Council's financial position in 2021/22 onwards, although it does affect the cashflow position of the Council in 2020/21. In view of the exceptional conditions experienced in 2020/21, the Government has introduced Regulations requiring that the Collection Fund deficit this year be divided equally across 2021/22, 2022/23 and 2023/24. This is a one-off change to established practice.
- 4.20 Council Tax and Business Rates form a large share of the funding for the Council's budget and therefore these income streams are funding the essential services being delivered.
- 4.21 In the Spending Review 2020, the Government announced a Tax Income Guarantee Scheme for 2020-21. This new reimbursement scheme, worth £762m for 2020-21 local tax losses, will be launched to compensate councils for 75% of irrecoverable losses of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. This will be paid through an unringfenced grant. Details of this scheme and how irrecoverable losses will be calculated are being worked through.

Rural Services Delivery Grant

- 4.22 SHDC's allocation will be £428,206 for 2021/22. This is £20,151 higher than in the latest Budget report to the Executive which showed £408,055. This is due to the national allocation being increased from £81 million to £85 million. This is Government grant to recognise the additional cost of delivering services in rural areas.

New Homes Bonus (NHB)

- 4.23 The NHB allocation for South Hams for 2021/22 is **£1,068,274**. This is made up of a Year 11 payment of £422,522 and Legacy payments of £645,753. The Year 11 payment of £422,522 reflects 425 net additions in housing stock and empty homes brought into use and a payment of £50,120 for 179 affordable homes (at £280 per affordable home).

New Homes Bonus	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
2017/18 allocation	0.195			
2018/19 allocation	0.200	0.200		
2019/20 allocation	0.446	0.446	0.446	
2020/21 allocation	0.359	-		
2021/22 forecast allocation		0.422		
2022/23 forecast allocation			-	<i>NHB is being replaced in 2022/23</i>
Equals NHB Funding	1.199	1.068	0.446	-

- 4.24 The table below shows the proposed allocation of New Homes Bonus for 2021/22:-

New Homes Bonus (NHB)	Amount (£)
New Homes Bonus 2021/22 allocation	£1,068,274
Current proposed allocation:-	
To fund the Revenue Base Budget	(746,000)
To fund the Capital Programme	(200,000)
Amount remaining unallocated	122,274

- 4.25 It is anticipated that £200,000 of NHB will be required to fund the Capital Programme for 2021-22. This would leave £122,274 of NHB remaining unallocated from the 2021-22 allocation.
- 4.26 There is also currently £235,016 of unallocated NHB from 2020/21. It was approved to put this 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 Government consultation is now expected to be in Spring 2021, with a

view to implementing reform in 2022-23. Note the Budget Forecast in Appendix B assumes that £546,000 from a NHB replacement scheme is used to finance the 2022/23 Revenue Base Budget. Details of the replacement scheme are awaited as this could have a significant impact on the 2022/23 Budget Gap due to the current assumption that £546,000 of funding will be available to fund the Revenue Base Budget in 22/23.

Other assumptions within the Medium Term Financial Strategy (MTFS)

- 4.27 The last pay award offer for 2020-21 was 2.75%. A 1% pay increase has been modelled from 2021/22 onwards (1% equates to £70,000). The Medium Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council. See 3.2.
- 4.28 This report assumes inflation will run at 1% over the five year period. The Consumer Prices Index (CPI) was 1.0% in July 2020. RPI was 1.6%. CPI in September – the reference point for business rate increases and many welfare benefits – was 0.5%.
- 4.29 The predicted interest rate forecast from our treasury management advisors, Link Services, is that interest rates will remain at 0.1% up to March 2024.
- 4.30 The Council is preparing its Corporate Strategy for adoption by Summer 2021, which will set out any additional resource requirements to deliver the Strategy.
- SAVINGS**
- 4.31 On 24 September 2020 Council considered a report on strategic leisure options. It was agreed to continue with the Fusion contract as being the most appropriate means of supporting health and wellbeing objectives within the District. The savings from the re-profiled management fees from the leisure contract have been built within the Medium Term Financial Strategy. Management fees are repayable from 2021/22.
- 4.32 Members have a future opportunity as to whether to implement a charged garden waste service from April 2022. For example an annual charge of £40 for an opt in service, could release net income of £250,000 in the first year, rising to £400,000 in following years with a 20% participation rate. If participation rates are higher, income of up to £700,000 per annum could be achieved. These potential savings have not been reflected within the Medium Term Financial Strategy as Members have not yet taken a decision on charged garden waste.
- 4.33 Due to the rapidly changing financial position, the Council is now undertaking frequent revenue budget monitoring reports. The latest revenue budget monitoring report for Month 7 (end of October) predicts an underspend (surplus) of £69,000 for 2020/21. This report was presented to the Executive on 17th December 2020. This takes into

account the Amended Budget for 2020/21 which was set by Council on 24 September 2020.

5 PARTNERSHIP FUNDING AND GRANTS

5.1 At the Executive meeting on 19th December 2019, Members considered future Partnership funding and grants. The relevant Minute (Minute 63) is attached below.

Partnership Funding

Members were presented with a report that provided feedback from each of the partners that the Council currently funded. Members were asked to consider the merits of each partner submission and decide which partners they would like to enter into a three year funding agreement with.

The Lead Members for Communities and Wellbeing introduced the report. Members had a detailed discussion on this item, and non-Executive Members were included in the debate. Whilst acknowledging that these were to be subject of discussion during the draft 2020/21 Revenue Budget Setting process, the following recommendations reflect the decision of the Executive in respect of the partner submissions that were submitted. The total amount of funding allocated was £89,647. This amount was £7,000 less than the amount currently committed for partnership funding. Additional funds were recommended to support the Ivybridge Ring and Ride, and the SH CVS funding (£10,000) was recommended for withdrawal on the basis of a lack of clear financial information within their submission.

It was then **RESOLVED** that:

1. the feedback given by each partner as shown in presented Appendix A was considered based on
 - a. local need
 - b. alignment to the Council's Corporate Strategy
 - c. statutory duty; and
2. the following partners be awarded funding for the next three years of the following amounts per annum, subject to endorsement through the 2020/21 Revenue Budget setting process:
 - a) South Devon Area of Outstanding Natural Beauty Partnership - £20,700
 - b) South Hams Citizens Advice - £51,867
 - c) South Hams Community Volunteer Service - £0
 - d) Ivybridge Ring and Ride - £5,710
 - e) Totnes & Dartmouth Ring & Ride (Newton Abbot Community Transport Group) - £7,370
 - f) South West Youth Games - £0
 - g) South Hams Museums Group - £4,000

The total amount of funding allocated in the Executive meeting on 19th December 2019 was £89,647 as above. The current partnership funding in the base budget is £96,647.

At Council on 13th February 2020, it was resolved:-

That Partnership funding levels be as set out within Section 2.38 of the Revenue Budget Proposals to the Executive on 6 February 2020, with the addition of £10,000 to the South Hams CVS for 2020/21 only, subject to the organisation demonstrating that it meets the criteria set out at Section 2.38 of the Revenue Budget report, with the additional £3,000 required to be taken from Unearmarked Reserves in 2020/21.

At the Executive meeting in December 2020, some Members mentioned the CVS and whether funding could also be made available for 2021/22 (an extra £10,000 was made available for 2020/21). Cllr Hawkins and Cllr Hopwood held a virtual meeting with South Hams CVS in December 2020 and have asked them to submit their partnership funding proposals for 2021/22 by the end of January. Based on initial discussions, it is likely that the request will be for £10,000 as a contribution to central administrative overheads. Consideration can be given to this being for a two year period to align with the above partnerships (i.e. £10,000 in 2021/22 and £10,000 in 2022/23). Members' views are sought on this.

6 Treasury Management and Borrowing Strategy

- 6.1 The Council has taken external treasury management advice on the External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million in 2019. It is recommended that this limit is retained as the Council's circumstances and financial indicators have not changed since this advice was procured. In March, the Government launched a consultation on reforms to the Public Works Loan Board intended to prevent the trend, in a minority of local authorities, of taking on debt to buy assets primarily for income.
- 6.2 In the Spending Review 2020, the Government has announced the outcome of the consultation and has lowered the interest rate of Public Works Loan Board lending by 1%. This brings Public Works Loan Board interest rates back to the levels they were at before October 2019. Local Authorities will be asked to submit a high-level description of their capital spending and financing plans for the following three years, including their expected use of the PWLB.

7 FEES AND CHARGES

- 7.1 A Fees and Charges report is a separate agenda item for the meeting of the Joint Development Management Committee and Overview & Scrutiny Panel on 14 January 2021. The recommendations within the report would generate additional income from fees and charges of £3,500, being £2,000 from boat storage fees and £1,500 from Street Naming and Numbering.
- 7.2 No permanent reductions to the Council's income streams (such as ferry income, car parking income, planning income etc. as a result of the Covid pandemic) have been built into the Base Budget for 2021/22. This will be regularly monitored over the next few months. The Government's income compensation scheme for sales, fees and charges for Councils

will only run for the first three months of 2021/22, so any losses from July onwards will have to be addressed by the Council's own finances.

8 FINANCIAL SUSTAINABILITY AND TIMESCALES

8.1 The Council will assess various options for closing the budget gap for 2022/23 onwards, to achieve long term financial sustainability. The table below sets out a timescale for those options and the various strands that the Council is exploring.

Option	Possible Budget Impact	Timescale
<p>Extended Leadership Team (ELT) Budget options The Extended Leadership (ELT) will continually look to identify budget options for Members to consider for income generation/savings/reduced expenditure for 2022/23 onwards, taking into consideration the Council's corporate strategy and the latest budget monitoring position. Fees and Charges will be considered at the meeting of Joint Development Management Committee and Overview & Scrutiny Panel on 14 January 2021.</p>	To be quantified	As per the Budget Timetable outlined in 12.3
<p>Monthly Revenue Budget Monitoring reports Regular Revenue Budget Monitoring reports also highlight possible areas of future savings and additional income</p>	To be quantified	Options to be assessed as per the Budget Timetable outlined in 12.3
<p>Asset and Accommodation Review Members and Officers are assessing options for the Council's Asset review.</p>	To be quantified	On-going
<p>Charged Garden Waste Members have a future opportunity as to whether to implement a charged garden waste service from April 2022. For example, a proposed annual charge of £40 for an opt in service, could release net income of £250,000 in the first year, rising to £400,000 in following years with a 20% participation rate. If participation rates are higher,</p>	Net income could be as high as £250,000 in the first year, rising to £400,000	Future decision of the Council These potential savings have not been reflected within the Medium Term Financial Strategy as Members have not yet taken a

Option	Possible Budget Impact	Timescale
income of up to £700,000 per annum could be achieved.	in the following years.	decision on charged garden waste.
Funding Options		
<p>Contributions to Earmarked Reserves</p> <p>The Council could chose to change some of its contributions to Earmarked Reserves currently budgeted for 2021/22 as set out in Appendix D.</p>	As set out in Appendix D	To be decided as part of the Budget Setting process for 2021/22
<p>New Homes Bonus allocations for 2021/22 onwards</p> <p>The Council's NHB allocation for 2021/22 is £1,068,274. It is proposed to use £746,000 to fund the Revenue Base Budget, £200,000 to fund the Capital Programme, leaving an amount unallocated of £122,274. Further details are set out in 4.24 to 4.26.</p> <p>The Government consultation is now expected to be in the New Year (Spring 2021), with a view to implementing reform for NHB in 2022-23.</p>	To be assessed. It is not known what NHB allocations (or a similar scheme) will be in future years when the NHB scheme is replaced.	Awaiting further consultation from the Government on a replacement scheme
<p>Use of Earmarked Reserves as a temporary measure</p> <p>The Council could temporarily utilise an element of Earmarked Reserves to balance an element of the 2022/23 budget, whilst longer term solutions are being implemented.</p> <p>This would be a very short term solution though.</p>	To be assessed	To be decided as part of the Budget Process

8.2 Through the budget setting process, further measures will continue to be considered to balance future years' budget positions.

- 8.3 Financial Stability is one of the themes within the Recovery and Renewal Plan. The action plan, setting out the areas being progressed and the timescales within which this will take place, was set out in Appendix 1 of the Recovery Plan.
- 8.4 The Revenue Budget Monitoring report (Month 7) for 2020-21 is projecting an underspend of £69,000, which is 0.7% of the overall budget set for 2020/21 of £9.41 million.

9 CAPITAL PROGRAMME AND PRUDENTIAL BORROWING

- 9.1 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. The Capital Budget Proposals for 2021/22 will be a separate report to the Executive on 28th January 2021.
- 9.2 **Investment Property Strategy** – The Council has agreed an Investment Property strategy. To date, Investment Properties have a value of £19.156 million in aggregate as at 31.3.2020.
- 9.3 Purchases made within the strategy are capital expenditure. An income projection of £75,000 from the net ancillary income from investments in Investment property has been included within the 2020/21 Base Budget.
- 9.4 The Council's Asset Base is £99 million at 31 March 2020. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.

10 Earmarked and Unearmarked Reserves Policy

- 10.1 As part of the Budget Workshop on 27th August, the Council also undertook a review of its Earmarked Reserves through reviewing the commitments against the Earmarked Reserves, its unallocated balance and the contributions to/from Earmarked Reserves for 2020/21 also.
- 10.2 A schedule of Earmarked Reserves is attached at Appendix C , which shows Earmarked Reserves have a projected balance of £10.254 million at 31.3.2021. Reserve levels will be kept under constant review.
- 10.3 The Council's level of Unearmarked Reserves currently stands at £1.898 million. The underspend projected for 2020/21 of £69,000 would be added to Unearmarked Reserves, increasing the Unearmarked Reserves to £1.967 million. However, as part of the 2020/21 Amended Budget, Council agreed to use £200,000 from Unearmarked Reserves to fund the Base Budget. This £200,000 was for this financial year (2020/21) and not next year (2021/22). Accordingly this gives a year end projected balance of £1.767 million.
- 10.4 As part of the Medium Term Financial Strategy and at Council in February 2020, Members have set a minimum balance for Unearmarked Reserves of £1.5 million, based on a risk assessment basis and a

sensitivity analysis. Therefore the current level of £1.767m is still above the minimum level set of £1.5m.

- 10.5 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances (this was recommended at £1.5million being the minimum level). Since February 2020, the financial risks which all Councils face will have increased. Section 25 of the Local Government Act 2003 requires the S151 officer to report on the adequacy of the Council's financial resources on an annual basis. A risk assessment and sensitivity analysis on the level of reserves will form part of the report to the Executive on 28th January 2021.
- 10.6 Measures to replenish £200,000 of unearmarked reserves will be continually reviewed as part of the budget setting process.
- 10.7 As set out in the report to Council on the Amended Budget for 2020/21, all other uncommitted amounts in all other Earmarked Reserves (see Appendix C) will remain subject to review, with the exception of Reserves for the Salcombe Harbour Board, as these are subject to decisions by the Salcombe Harbour Board.
- 10.8 In view of the balanced budget position predicted for 2021/22 set out in this report (based on current assumptions), limited spending of Earmarked Reserves will be considered to support wider corporate objectives.

11 OTHER ANNOUNCEMENTS WITHIN THE SPENDING REVIEW 2020

- 11.1 The compensation scheme for income lost from sales, fees and charges will continue for the first three months of 2021/22.
- 11.2 A further £1.55 billion in new funding for local government's COVID expenditure pressures was announced in the Spending Review. This is a 5th tranche of COVID funding which was announced with the Draft Local Government Finance Settlement. South Hams's allocation is £380,789. This is COVID grant payable in April 2021 and is for the 21-22 financial year (nationally it equates to £1.55billion).
- 11.3 There will be separate grant funding to help tackle homelessness amounting to £254 million – considerably more than the £103 million previously announced. Details of allocations and criteria are not yet available. The LGA has requested greater flexibility in the use of these funds than has previously been allowed.
- 11.4 Finally, there is a new, albeit small, £16 million grant programme to help local authorities improve their cyber security.

11.5 Many of the Spending Review announcements related to capital investment, which will extend beyond 2021-22. Of particular interest are the following proposals (details of which will follow at a later date):

- a) a new Levelling Up Fund, allowing bids of up to £20 million to be made against a total allocation of £4 billion. Bids are to be evaluated jointly by the Treasury, MHCLG and Department for Transport. The inclusion of the latter department in evaluation suggests the likely focus of the overall fund. Bids must have real impact within the current Parliamentary term - which suggests a very short bidding and evaluation timescale if projects have to be complete and operational in less than four years' time - and must have local support, including that of the local MPs.
- b) £2 billion each for the Affordable Housing Programme and the National Home Building Fund in 2021-22. Over the next five years the funding for these two programmes is expected to come to nearly £20 billion in aggregate.
- c) £0.9 billion for flood and coastal defence projects. This is roughly double the previous provision, and is expected to continue at this level for at least a further four years.
- d) £220 million as a transitional arrangement pending introduction of a new UK Shared Prosperity Fund. This new Fund is intended to take the place of EU regeneration funds, although the 2021/22 funding appears to be for preparatory work, rather than fully-fledged schemes.

12 NEXT STEPS AND PROPOSED WAY FORWARD

12.1 This report is a snapshot (a position statement) in January 2021 and future Member decisions on the budget strategy will inform future budget reports. The table below shows the budget timetable for the future budget meetings for the 2021/22 Budget.

17th December 2020	Executive – To consider draft budget proposals for 2021/22.
14 January 2021	Joint Development Management Committee and Overview & Scrutiny Panel - To consider draft budget proposals for 2021/22.
28 January 2021	Executive – To recommend Final Budget Proposals to Council for 2021/22

8th February 2021 (9am)	Date which Council Procedure Rule 16 applies
11th February 2021	Full Council – To approve Final Budget Proposals for 2021/22 and set the SHDC share of the Council Tax
23 February 2021	Council Tax Resolution Panel – to agree the Council Tax Resolution for 2021/22 (This is SHDC share plus all other precepting authorities share).

Note 1- Council Procedure Rule 16 states that ‘Where a member intends to move a motion or amendment in relation to the Budget, the text of that motion or amendment must be put in writing and submitted to the Head of Paid Service by 9am on the third working day before the meeting, in order that officers may have sufficient time to consider and advise the Council of the financial implications of any such motion or amendment’. As per the timetable above, this would need to be submitted by 9am on Monday 8th February 2021.

13. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Executive is responsible for recommending to Council the budgetary framework and for preparing initial budget proposals.</p> <p>The views of the Joint Development Management Committee and Overview and Scrutiny Panel are sought on the draft budget proposals before the final proposals are presented to Council in February.</p> <p>The preparation of the Budget report is evidence of whether the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in</p>

		accordance with statutory requirements, and in particular, that it will set a lawful budget.
Financial implications to include reference to value for money		<p>The report attached sets out proposals for the Council to achieve a balanced budget in 2021/22, as shown in Appendix B. South Hams District Council is currently forecasting a £492,835 budget gap by the following year, 2022/23. The cumulative aggregated Budget Gap by 2025/26 is £3.9 million, if no action has been taken in each individual year to close the budget gap annually.</p> <p>The recommendations adopted and the annual budget setting process will ensure the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Council's auditors, Grant Thornton, provided an unqualified value for money opinion for the District Council for 2019-20, which was reported to the Council's Audit Committee in October 2020.</p>
Risk		Each of the budget options taken forward by Members will consider the risks of the option.
Supporting Corporate Strategy		The Budget report supports all six of the Corporate Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
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> <p>a) to reduce its organisational carbon emissions (Scope 1, 2 and 3 emissions) to net-zero by 2030;</p>

		<p>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;</p> <p>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> <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		Equality Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

- Appendix A – Budget pressures and savings
- Appendix B – Modelling of the Budget Position
- Appendix C - Schedule of Earmarked Reserves
- Appendix D – Contributions to & from Earmarked Reserves

Background Papers:

- Council 17th December 2020 – Climate Change and Biodiversity Strategy and Action Plan update
- Executive 17th December 2020 – Draft Revenue Budget Proposals for 2020-21
- Executive 17th December 2020 – Revenue Budget Monitoring report (Month 7)
- Council 24th September 2020 – Amended Budget Proposals 2020-21
- Council 24th September 2020 – Climate Change and Biodiversity Strategy and Action Plan Update
- Council 24th September 2020 – Strategic Leisure Options (Fusion Update)

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					
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					
TOTAL BUDGET PRESSURES	1,600,640	668,761	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 in 2020-21)	(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	9,648,767	9,457,832	9,615,639	9,784,930
2	Budget pressures (as per Appendix A)	1,600,640	668,761	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	9,648,767	9,950,667	9,907,732	10,173,539	10,288,830
	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	2,325,544	2,350,000	2,355,000	2,360,000	2,370,000
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	82,123	0	0	0	0
15	Total Projected Funding Sources	9,410,672	9,648,767	9,457,832	9,615,639	9,784,930	9,992,544
	Budget Gap per year						
16	(Projected Expenditure line 7 - Projected Funding line 15)	0	0	492,835	292,093	388,608	296,287
	Actual Predicted Cumulative Budget Gap	0	0	492,835	784,928	1,173,537	1,469,823
	Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)	0	0	492,835	1,277,763	2,451,300	3,921,123
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.
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	S0856	(43)			(43)	Reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme. Reserve maybe required in the future.
Sustainable Waste Management	S0837	(54)	(25)		(79)	Reserve was created for one-off waste management costs
Vehicles & Plant Renewals	S0832	(1,183)	(550)	1,733	0	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.
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 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 Development	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)

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Report to: **Overview and Scrutiny Panel**
Date: **14 January 2021**
Title: **Review of Fees and Charges for 2021/22**
Portfolio Area: **Support Services – Cllr H Bastone**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Executive 28 January 2021

Author: **Alexandra Walker** Role: **Finance Business Partner**
Pauline Henstock **Head of Finance Practice and Deputy S.151 Officer**
Contact: **01803 861345** alexandra.walker@swdevon.gov.uk
01803 861377 pauline.henstock@swdevon.gov.uk

Recommendations:

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

- 1. it approves the level of fees and charges for Parks, Open Spaces and Outdoor Sports with no proposed increases for 2021/22 as set out in Appendix A.**
- 2. it approves the Environmental Health charges in Appendix B, with no proposed increases for 2021/22.**
- 3. it approves the level of fees and charges set out for Planning Applications and Enforcement in Appendix C, with no proposed increases for 2021/22.**
- 4. it approves the proposed fees and charges for Street Naming as set out at the end of Appendix C.**
- 5. it approves the proposed Section 106 Monitoring fee shown at the end of Appendix C.**
- 6. delegated authority is given to the Director of Place and Enterprise in consultation with the Portfolio holder, to set the Lower Ferry fees to take account of market conditions including competitor charges.**
- 7. it approves the changes to Boat Storage Charges set out in paragraph 3.10.**
- 8. delegated authority is given to the Section 151 Officer in consultation with the Portfolio Holder to set the Local Land Charges as appropriate for cost recovery.**

- 9. delegated authority is given to the relevant Head of Practice, in consultation with the relevant Portfolio Holder, to adjust Fees and Charges within their service area by inflation at suitable periodic intervals, reporting to the Executive as appropriate.**

1. Executive summary

- 1.1 This report sets out proposals for any changes to fees and charges for all services for 2021/22.

2. Background

- 2.1 The Council has the power to levy fees and charges for various services and functions it undertakes. Some of these fees are set by statute while for others the Council can make "reasonable" charges for the services it provides. The undertaking of regular reviews of charges allows, where possible, for the Council to recover the cost of officers' time in providing the service.

3. Outcomes/outputs

Parks, Open Spaces, Outdoor Sport and Recreation

- 3.1 For Outdoor Recreation and associated charges, fees are normally increased by inflation each year. Given that inflation has been running at less than 1% the proposal is to keep the level of fees the same for 2021/22 as set out in Appendix A.

Environmental Health Charges

- 3.2 Appendix B sets out the Environmental Health Charges. These fees were reviewed in 2020/21 to ensure that they complied with the legislation in terms of the maximum charge being full cost recovery. It is proposed to keep the charges at the current levels for 2021/22 as it is more cost effective to increase fees by inflation in suitable periodic intervals, due to the administrative costs of implementing a change in the fee level.

Development Management – Planning Applications and Enforcement

- 3.3 Substantial changes were made to the Planning Applications and Enforcement fees in 2019/20. It is considered that the current figures represent fair and appropriate amounts to charge for 2021/22 and so the proposal is to keep charges at their current levels. A breakdown of these fees can be found at Appendix C to this report.

Development Management - Street Naming and Numbering

- 3.4 Street Naming and Numbering is a statutory service covered by Sections 17 and 19 of the Public Health Act 1925 which was formally adopted by the Council in 1976. The purpose of this control is to make sure that any new street names and numbers are allocated logically with a view to ensuring, amongst other things, the effective delivery of mail and that emergency services vehicles are able to locate any address to which they may be summoned. Anyone wishing to change the name or number of their property or seeking an address for a new property or wish to change the name of an existing street should apply in writing to the Council following the procedures detailed in the adopted Street Naming and Numbering Policy which was adopted in 2017. The fees charged under this policy have remained the same for a number of years. Following a full review of Street Naming and Numbering charges it is proposed to increase these fees for 2021/22 in order to ensure that the cost of providing the service is covered. The proposals are set out at the end of Appendix C.

The proposed fee for 2021/22 is (as set out in Appendix C):-

- £25 per property for changes to house names (20/21 fee £21)
- £40 per property for changes to street names (20/21 fee £37)
- £40 per property for naming and numbering new developments (20/21 fee £36)

These changes are expected to yield additional income of approximately £1,500 in 2021/22, increasing the income target from £18,000 to £19,500 next year.

Development Management - Section 106 Monitoring

- 3.5 Since 2019 Councils can charge a monitoring fee through section 106 planning obligations, to cover the cost of monitoring and reporting on delivery of that section 106 obligation. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation. Monitoring fees should not be sought retrospectively for historic agreements. Benchmarking the proposed fees with other Councils has taken place and shows a variety of levels with many Councils in the process of setting a fee. The local context for seeking a Section 106 Agreement or undertaking is provided within the planning policies in the Joint Local Plan (JLP) and the guidance within the Supplementary Planning Document (SPD) both of which cover South Hams District Council, West Devon Borough Council and Plymouth City Council. The proposed monitoring fee for 2021/22 set out at the end of Appendix C covers the cost of the monitoring required and aligns with the other Councils that are covered by the JLP and SPD.

As set out in Appendix C the proposed fee for 2021/22 is £667 per trigger point within the agreement/undertaking for a payment to be made or other action to be taken by the developer.

- 3.6 Currently no specific fee is in place, the cost of monitoring is deducted from each Section 106 on an individual basis. It is expected that this new fee will equate to the cost of administration resulting in no additional income for the Council.

Lower Ferry, Dartmouth

- 3.7 It is requested that responsibility for setting Lower Ferry charges is delegated to the Director of Place and Enterprise in consultation with the Portfolio Holder. This will provide assurance that the charges are set to reflect the competitive environment in which the ferry operates. It is not recommended to increase the income target within the 2021-22 budget as income is already expected to be below budgeted levels due to COVID 19.

Commercial Waste

- 3.8 The current pricing model for Commercial Waste fees and charges has been reviewed and no increases are proposed for 2021/22.

Car Parking Pay and Display

- 3.9 On 3rd December the Executive approved a report that sought to implement a previous decision taken by the Council to raise parking charges once only during the current political term up to May 2023. (Minute reference E.39/20 refers). The increase of 4% is predicted to be less than the inflation increase between 2018 when it was last increased and 2023 when it could next be reviewed. The additional income target of £80,000 has already been built into the base budget for 2020/21 onwards.

Boat Storage

- 3.10 Boat storage charges are reviewed annually and set in line with boat yards offering similar facilities for winter storage, once our lifting costs have been allowed for. The proposed fees for 2021/22 are summarised in the table below and are expected to yield approximately £2,000 of additional income:

Batson Boat Park	2020/21 Current Fee	2021/22 Proposed Fee
Daily Rate	£10.00	£10.00
Daily Rate – Large Space	£15.00	£15.00
Weekly Rate	£60.00	£60.00
Weekly Rate – Large Space	£90.00	£90.00
Trailer (under 4.5m) per day	£6.00	£6.00

Batson Boat Park	2020/21 Current Fee	2021/22 Proposed Fee
Trailer (over 4.5m) per day	£8.00	£8.00
Trailer (under 4.5m) per week	£36.00	£36.00
Trailer (over 4.5m) per week	£48.00	£48.00
Time Zone/Area 1 (Oct to end Mar)	£57.00	£60.00
Time Zone/Area 2 (Oct to end Apr)	£82.00	£85.00
Weekly charge (only avail Dec-Feb)	£3.50/m	£4.00/m
Lift in or out	£15.00/m (not less than £120)	£15.00/m (not less than £120)
Launch	£15.00/m	£15.00/m
Environmental levy for filtering of scrubbing water	£1.50/m	£1.50/m
Yacht cradle hire (9m and over) Zone 1 and 2	£260.00	£260.00
Or yacht cradle hire per month	£50.00/month	£50.00/month
Powerboat props hire Zone 1 and 2	£200.00	£200.00
Or powerboat props per month	£40.00/month	£40.00/month
Bowcombe		
Dinghy parking (per annum)	£109.00	£115.00
Dinghy parking racks (per annum)	£88.00	£90.00

Local Land Charges

3.11 Local Land Charges (LLC) is a statutory service where the income raised is intended to cover the cost of providing the service, so far as it's possible to do so. Officers are in the process of determining the actual cost of providing the service in order to ensure the appropriate fees are being charged. It is proposed that delegated authority is given to the Section 151 Officer in consultation with the Portfolio Holder to agree the LLC fees for 2021/22.

4. Options available and consideration of risk

4.1 The recommendations contained in this report are the actions proposed by officers of the Council in appropriate positions relating to each area. A key risk of not increasing fees where proposed is that the Council fails to raise income sufficient to cover the running of a particular service. In the current environment this needs to be carefully balanced against the economic and financial impact of Covid-19.

5. Proposed Way Forward

5.1 The level of fees and charges will continue to be monitored during the year.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council has express or implied statutory authority to make or levy the fees and charges proposed.
Financial implications to include reference to value for money	Y	The estimated additional income that could be generated from the review of fees and charges for 2021/22 is £3,500. This is made up of £2,000 in relation to boat storage and £1,500 from Street Naming and Numbering. Other areas are expected to be either cost neutral or have a non-material impact in 2021/22.
Risk	Y	Achieving anticipated income targets in the current financial climate – regular monitoring of corporate income streams and revenue budgets ensures early identification of variances.
Supporting Corporate Strategy	Y	The Fees & Charges setting process supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change - Carbon / Biodiversity Impact	Y	<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. 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;

		<p>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> <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>
<i>Comprehensive Impact Assessment Implications</i>		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – 2021/22 Proposed Charges for Outdoor Recreation

Appendix B – 2021/22 Proposed Charges for Environmental Health

Appendix C – 2021/22 Proposed Charges for Development Management

Background Papers:

None

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Outdoor Recreation and associated charges proposed for 2021/22			Appendix A
(Note - all 2021/22 fees are proposed to remain the same as 2020/21)			
	2020/21	Proposed 2021/22	
ACTIVITY	Total fee	Total fee	
	£	£	
EVENTS Per Day			
Administration fee (all events)	57.00	57.00	
MEMORIALS			
New Memorial Bench	1,600.00	1,600.00	
Sponsor a Bench	640.00	640.00	
Memorial Tree	280.00	280.00	
SITE SPONSORSHIP			
The Embankment, Dartmouth	560.00	560.00	
Norton	330.00	330.00	
Batson Creek	830.00	830.00	
Whitestrans	560.00	560.00	
Cliff House Gardens	330.00	330.00	
Courtenay Park	330.00	330.00	
The Embankment, Kingsbridge	830.00	830.00	
Recreation Ground	560.00	560.00	
Brittons Field	330.00	330.00	
Duncombe Park	330.00	330.00	
Borough Park	560.00	560.00	
Vire Island	560.00	560.00	
Longmarsh	560.00	560.00	
PLAY AREA INSPECTION			
Per Play area per annum	210.00	210.00	
HIGH HEDGE COMPLAINTS			
Per complaint	550.00	550.00	
S.257 FOOTPATH DIVERSION ORDERS			
Per s257 footpath diversion order	2,500.00	2,500.00	
<i>Fees are inclusive of VAT where applicable</i>			

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Appendix B - Environmental Health Charges Proposed for 2021/22		
(Note all 2021/22 Fees are proposed to remain the same as the 2020/21 Current Fees)		
	Current Fee 2020/21	Proposed Fee 2021/22
<u>Acupuncture, Tattooing, Ear-piercing & Electrolysis</u>		
Register of Person	£115.00	£115.00
Register of Premises	£115.00	£115.00
Changes to Premises registration particulars	£41.00	£41.00
<u>Animal Licence</u>		
Standard licence *	£350.70	£350.70
Home dog boarding	£276.70	£276.70
Each additional licensable activity	£124.55	£124.55
Rescore visit	£120.00	£120.00
Vets and fees expenses	Actual Cost	Actual Cost
<u>Dangerous Wild Animal Licence</u>		
Licence Fee (initial and renewal)	£394.00	£394.00
Plus vets fees and expenses	Actual cost	Actual cost
<u>Eco Certificate</u>		
Licence per film	£103.00	£103.00
Licence per festival	£515.00	£515.00
<u>Food Export Certificate</u>		
Export Certificate initial set up	£153.00	£153.00
Export Certificate renewal	£61.00	£61.00
Amendment to existing certificate (in addition to renewal fee)	£22.00	£22.00
<u>Food Hygiene Score Revisit inspection fee</u>		
Food Hygiene Score Revisit inspection fee	£130.00 per visit	£130.00 per visit
Food Hygiene Advice visit	£130 first hour , £65 per hour thereafter	£130 first hour , £65 per hour thereafter
Safer Food Better Business pack	£20 for the Catering SFBB Pack plus a years diary. £6 for a years diary	£20 for the Catering SFBB Pack plus a years diary. £6 for a years diary
<u>Food Premises Register</u>		
Food Premises Register (Full copy)	£304.00	£304.00
Food Premises Register (Part copy)	£103.00	£103.00
<u>Food Safety</u>		
Issue of unfit food certificate	£101.00	£101.00
<u>Hackney Carriage and Private Hire</u>		
Hackney Carriage Vehicle - fully wheelchair accessible	£20.00	£20.00
Hackney Carriage Vehicle - non wheelchair accessible	£181.00	£181.00
Private Hire Vehicle - fully wheelchair accessible	£20.00	£20.00
Private Hire Vehicle - non wheelchair accessible	£160.00	£160.00
Driving Licence (1 year)	£110.00	£110.00
Driving Licence initial application fee	£109.00	£109.00
Knowledge test	£50.00	£50.00
DBS	£56.00	£56.00
Driving Licence (3 years)	£281.00	£281.00
Replacement Plate	£20.00	£20.00
Transfer of ownership of vehicle	£50.00	£50.00
Operator Licence (Private Hire Only) 1 year	£125.00	£125.00
Operator Licence (Private Hire Only) 5 years	£472.00	£472.00
Replacement Driver's Badge	£15.00	£15.00
<u>Homes in Multiple Occupation</u>		
New Applications (new properties/change of ownership)	£372.00	£372.00
Renewals (every 5 years)	£372.00	£372.00
<u>Housing Act Enforcement Notice fee</u>		

Appendix B - Environmental Health Charges Proposed for 2021/22		
(Note all 2021/22 Fees are proposed to remain the same as the 2020/21 Current Fees)		
	Current Fee 2020/21	Proposed Fee 2021/22
Housing Act Enforcement Notice fee	£41.00 per hour	£41.00 per hour
<u>Housing Suitability (Immigration Inspection Certificate)</u>		
Housing Suitability (Immigration Inspection Certificate)	£80.00	£80.00
Inspection and report on Housing Conditions under the Homes (Fitness for Human Habitation) Act 2018	£300.00	£300.00
Charge for Court appearance by Inspecting officer	£41.00 per hour	£41.00 per hour
Depositing site rules with the Local Authority	£79.00	£79.00
Hypnotism Authorisation	£58.00	£58.00
<u>Private Water Supply</u>		
Private Water Supply Sampling Fee	£72.00	£72.00
Private Water Supply sample failure investigation	£100.00	£100.00
Private Water Supply Risk Assessment	£212.00 per risk assessment	£212.00 per risk assessment
<u>Residential Mobile Home/Caravan Site Licences</u>		
Annual Fee (£13 per pitch with a minimum of 5 pitches)	£65.00	£65.00
Transfer of Licence	£100.00	£100.00
Standard amendment	£200.00	£200.00
Site Expansion Amendment (Standard Amendment fee plus £10 per pitch)	£200.00 plus £10.00 per pitch	£200.00 plus £10.00 per pitch
Initial Licence (5 pitch site plus £10 per pitch thereafter)	£200.00	£200.00
Replacement Licence (due to loss)	£10.50	£10.50
Deposit of Site Rules	£77.00	£77.00
Service of Enforcement Notice	£40.00 per hour	£40.00 per hour
<u>Scrap Metal Dealer Licence</u>		
Grant of a Site Licence	£185.00	£185.00
Renewal of a Site Licence	£134.00	£134.00
Transfer from a Site to a Collector Licence	£77.00	£77.00
Grant of a Collector Licence	£134.00	£134.00
Renewal of a Collector Licence	£88.00	£88.00
Transfer from a Collector to a Site Licence	£82.00	£82.00
Change of Licence Holder's details	£16.00	£16.00
Change of Licensed site	£82.00	£82.00
Change of Site Manager	£44.00	£44.00
<u>Sex Establishments</u>		
New Application (Inclusive of first year annual licence)	£4,600.00	£4,600.00
Annual Renewal Fee	£450.00	£450.00
Transfer or Variation	£1,300.00	£1,300.00
Plus Premises Licence / Club Premises Certificate	Statutory Cost	Statutory Cost
<u>Zoo Licence</u>		
Grant of Licence (Valid 4 years)	£1,107.00	£1,107.00
Renewal of Licence (Valid for 6 years)	£1,353.00	£1,353.00
Transfer of Licence	£370.00	£370.00
Partially exempt premises	100% of above fees	100% of above fees
Inspection	Actual Cost	Actual Cost
* Standard licences are for the following activities. Dog boarding kennels, catteries, dog breeding establishments, horse riding establishments, pet shops, dog day care, keeping or training animals for exhibition.		

Activity	Current Fee £ (2020/21)	Proposed Fee £ (2021/22)	Comments
Confirmation of closure of enforcement case where it was found not expedient to take action. (available for a 12 month period following closure of the case)	£60	£60	If the Council has been in contact with you recently to investigate a breach of planning control and determined not to take any action you will be verbally advised of the outcome. Use this service if you require a letter of comfort confirming the Council's decision on the matter on a case closed in the last 12 months.
Confirmation of compliance with Enforcement Notice or Breach of Condition Notice (including site visit)	£300	£300	Includes a site visit, full check of the enforcement case and written confirmation of the outcome. Use this service if you require confirmation that an Enforcement Notice served by the Local Planning Authority has been complied with.
Confirmation of compliance with listed building consent (available for a 12 month period following completion of the development)	£300	£300	Includes a site visit to compare the development against the plans and written confirmation of our findings. Only available within 12 months of completion. Use this service if you have completed a listed building project and you wish to sell the property.

Activity	Current Fee £ (2020/21)	Proposed Fee £ (2021/22)	Comments
			If the completion was over 12 months ago, use the 'help resolving conveyancing issues' service detailed below
Help resolving planning history questions	£500	£500	Includes a full check of the planning and planning enforcement history, a site visit to view the development, a 1 hour meeting if it is deemed necessary by the case officer, any necessary in house consultations, written confirmation of the outcome, a formal decision as to whether enforcement action will be taken and/or confirmation of steps required to remedy the situation, if any. Response will be provided in 20 working days in most cases (can be extended by agreement if further consultation or investigation is required). Use this quick service if you are buying or selling a property/land and a planning query arises through the conveyancing process. For example, unauthorised works have been discovered or planning conditions have not been complied with.
Confirmation of compliance with section 106 planning obligations (desktop assessment)	£160 plus additional £115 if site visit needed	£160 plus additional £115 if site visit needed	This is a desktop check of the Council's records. If the clause in the agreement requires something to be undertaken on site it would be necessary to undertake a site visit for

Activity	Current Fee £ (2020/21)	Proposed Fee £ (2021/22)	Comments
			which there will be an additional charge. Use this service if you require confirmation that the clauses of the agreement have been complied with
Duty Planner	£40	£40	This is a 30 minute appointment with one of the Development Management planners by telephone or face to face.
The Validation checking service fee is in addition to the planning for processing. This will include an assessment of whether an application is valid, fee queries, and technical questions regarding what type of application is needed. There are three fee levels based on the complexity of the development. This would be undertaken on an appointment basis.			The Validation checking service fee is in addition to the planning for processing. This will include an assessment of whether an application is valid, fee queries, and technical questions regarding what type of application is needed. There are three fee levels based on the complexity of the development. This would be undertaken on an appointment basis.
Major Development - This will include 1 validation check of the application at plus 1 re-check	£85	£85	

Activity	Current Fee £ (2020/21)	Proposed Fee £ (2021/22)	Comments
Minor Development - This will include 1 validation check of the application at plus 1 re-check	£50	£50	
Householder and Other Development - This will include 1 validation check of the application at plus 1 re-check	£40	£40	
Pre-Application Fees	£180 plus £180 for any additional meeting/response required	£180 plus £180 for any additional meeting/response required	<p>Householder/Listed Building/Advertisements</p> <p>one meeting with a written response</p>
	£180	£180	<p>Small Minor (1-2 Dwellings or non-residential floor space up to 499 sqm, telecommunications, Lawful development Certificate Advice and changes or use except dwellings, where there is no operational development)</p> <p>One Scoping meeting with agreed notes from the meeting</p>

Activity	Current Fee £ (2020/21)	Proposed Fee £ (2021/22)	Comments
	£420 (£240 if it follows a scoping meeting) plus £180 for any additional meeting or response	£420 (£240 if it follows a scoping meeting) plus £180 for any additional meeting or response	Full pre-app – one meeting plus a written response.
	£240 £600 (£360 if it follows a scoping meeting) plus £180 for any additional meeting or response	£240 £600 (£360 if it follows a scoping meeting) plus £180 for any additional meeting or response	<p>Minor Development (between 3 – 9 dwellings or non-residential floor space between 500 – 999 sqm or a site area up to 1 Ha)</p> One Scoping meeting with agreed notes from the meeting Full pre-app – one meeting plus a written response.

Activity	Current Fee £ (2020/21)	Proposed Fee £ (2021/22)	Comments
	<p>£480</p> <p>£1800 (£1320 if it follows a scoping meeting). Or a specific PPA.</p>	<p>£480</p> <p>£1800 (£1320 if it follows a scoping meeting). Or a specific PPA.</p>	<p>Small Scale Majors (up to 30 dwellings or Non-Residential floor space between 1000 – 4999 sqm or a site area between 1 – 2 Ha)</p> <p>One Scoping meeting with agreed notes from the meeting</p> <p>Full pre-app – two meetings plus a written response. If more than two meetings are required the pre-app will be the subject of a specific PPA.</p>
	<p>£720</p> <p>Specific PPA</p>	<p>£720</p> <p>Specific PPA</p>	<p>Large Majors (Over 31 dwellings or Non-Residential floor space over 500sqm or a site area over 2 Ha all renewable energy proposals unless a domestic scale and all development that requires an EIA)</p> <p>One Scoping meeting with agreed notes from the meeting</p> <p>Full Pre-app</p>

Activity	Current Fee £ (2020/21)	Proposed Fee £ (2021/22)	Comments
Exemptions:	No Charge	No Charge	100% Affordable Housing schemes
	No Charge	No Charge	Facilities for the disabled
	No Charge	No Charge	Parish/Town Council
Pre-App Charges Notes:			<p>Floor space refers to gross external floor space The fee stated are inclusive of VAT</p> <p>For the purposes of pre-app fees flats and holiday accommodation are considered as dwellings.</p> <p>Fees will be the subject of review</p>

Activity	Current Fee £ (2020/21)	Proposed Fee £ (2021/22)	Comments
Street Name and Numbering	<p>£21 per property for changes to house names.</p> <p>£37 per property for changes to street names</p> <p>£36 per property for naming and numbering new developments</p>	<p>£25 per property for changes to house names</p> <p>£40 per property for changes to street names</p> <p>£40 per property for naming and numbering new developments.</p>	<p>The current Street Naming and Numbering policy and Procedure was adopted in September 2017 and is a Statutory Function of the Council.</p>
Monitoring of Section 106 agreements/undertakings.	<p>No specific set monitoring fee, the cost of monitoring is currently deducted from the S106 monies.</p>	<p>£667 per trigger point within the agreement/undertaking for a payment to be made or other action to be taken by the developer.</p> <p>In the case of unilateral obligations where the only undertaking is the payment of a contribution to the Tamar Valley EMS the fee will be £45.</p>	<p>From the 1 September 2019 Councils can charge a monitoring fee through section 106 obligations to cover the cost of monitoring and reporting on delivery of that section 106 obligation.</p> <p>These are simple undertakings where the contribution can be very small and it would not be reasonable to have a higher fee given the simple nature of what is to be monitored.</p>