

South Hams Executive



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| Title: | Agenda |
| Date: | Thursday, 3rd March, 2022 |
| Time: | 10.00 am |
| Venue: | Council Chamber - Follaton House |
| Full Members: | <p style="text-align: center;">Chairman Cllr Pearce</p> <p style="text-align: center;">Vice Chairman Cllr Bastone</p> <p><i>Members:</i> Cllr Baldry Cllr Holway Cllr Hawkins Cllr Hopwood</p> |
| Interests – Declaration and Restriction on Participation: | Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest. |
| Committee administrator: | Democratic.Services@swdevon.gov.uk |

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| 1. Minutes | 1 - 10 |
| to approve as a correct record the minutes of the meeting of the Executive held on 27 January 2022; | |
| 2. Urgent Business | |
| brought forward at the discretion of the Chairman; | |
| 3. Division of Agenda | |
| to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information; | |
| 4. Declarations of Interest | |
| In accordance with the Code of Conduct, Members are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests and Non-Registerable Interests including the nature and extent of such interests they may have in any items to be considered at this meeting; | |
| 5. Public Question Time | 11 - 12 |
| a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules; | |
| 6. Executive Forward Plan | 13 - 16 |
| 7. Housing Crisis - Step On Scheme | 17 - 24 |
| 8. Community Composting Scheme | 25 - 38 |
| 9. Planning Improvement Plan Update: Local Validation List and Planning Charter | 39 - 48 |
| 10. Regeneration and Investment Strategy | 49 - 60 |
| 11. Month 10 Revenue Budget Monitoring Report 2021/22 | 61 - 78 |
| 12. Month 10 Capital Programme Monitoring Report 2021/22 | 79 - 98 |
| 13. Fusion Lifestyle - Leisure Contract Support Update | 99 - 178 |
| 14. Reports of Bodies: | |
| (a) Overview and Scrutiny Committee Meeting - 4 November 2021; | 179 - 188 |

(b) Overview and Scrutiny Committee Meeting - 20 January 2022

189 - 196

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD IN THE REPTON ROOM ON THURSDAY, 27 JANUARY 2022**

| | | | |
|---------------------------------|----------------------------------|---|----------------------------|
| Members in attendance: | | | |
| * Denotes attendance | | | |
| ∅ Denotes apologies for absence | | | |
| * | Cllr K J Baldry | * | Cllr T R Holway |
| * | Cllr H D Bastone (Vice Chairman) | * | Cllr N A Hopwood |
| ∅ | Cllr J D Hawkins | * | Cllr J A Pearce (Chairman) |

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| Non-Executive Members also present either in person or remotely for all or part of the meeting: |
| Cllrs Birch, Brazil, Foss, Long, McKay, O'Callaghan, Pannell, Pringle, Reeve, Rowe, Smerdon, Spencer Sweett and Taylor |

| | | |
|--|----------------------|--|
| Officers in attendance and participating: | | |
| All items | | Chief Executive; Deputy Chief Executive; and Democratic Services Manager |
| Item 8 | Minute E.78/21 | Head of Housing |
| Item 7 | Minute E.79/21 | Section 151 Officer and Deputy Section 151 Officer |
| Item 9 | Minute E.80/21 | Head of Policy and Strategy |
| Item 10 | Minute E.81/21 | Senior Specialist for Natural Resources and Green Infrastructure |
| Item 11(a) | Minute E.82/21(a) | Senior Specialist – Climate Change |
| Item 13 | Minute E.83/21 | Director of Place and Enterprise |

E.74/21 MINUTES

The minutes of the Executive meeting held on 2 December 2021 were confirmed as a true and correct record.

E.75/21 DECLARATIONS OF INTEREST

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

E.76/21 PUBLIC QUESTION TIME

The Leader informed that no public questions had been received in accordance with the Executive Procedure Rules.

E.77/21 EXECUTIVE FORWARD PLAN

Members were presented with the most recently published version of the Executive Forward Plan that set out items on the agenda for Executive meetings for the next four months and duly noted its contents.

With regard to the Garden Waste Options paper that was due to be presented to the Executive meeting on 3 March 2022, the Deputy Chief Executive confirmed that, following a recent conversation with FCC representatives, the Council would be in receipt of a Service Improvement Plan from FCC within the next couple of days.

E.78/21 HOUSING CRISIS UPDATE REPORT

The Leader advised that she was exercising her discretion to bring forward agenda item 8: 'Housing Crisis Update Report' to be considered before published agenda item 7: 'Draft Revenue and Capital Budget Proposals for 2022/23 to 2024/25' (Minute E.79/21 below refers). The reason for amending the running order of the published agenda was in recognition of the wish to consider the Housing Crisis agenda item prior to the Executive then considering the draft Revenue and Capital Budget.

Members proceeded to give consideration to a report that sought to provide an update to Members on the following ongoing project actions that were linked to the Housing Crisis and Housing Strategy:

- Property purchases under the Housing First funding programme;
- Progress on the Homeless Strategy following the recent all Member consultation sessions;
- The Annual Rough Sleeper Count and arrangements for the Council's Outreach Worker;
- The St Anns Chapel Housing Scheme;
- The Council owned brownfield site at Rope Walk, Kingsbridge; and
- A summary of new schemes completed in the last quarter.

In debate, reference was made to:

- (a) the brownfield site at Rope Walk, Kingsbridge. By way of an update, officers advised that a meeting was held with Town Council representatives in December 2021 and a commitment was made for officers to produce an options appraisal that would lead to the potential delivery of affordable housing on the site;
- (b) the draft Revenue and Capital Budget Proposals for 2022/23 (Minute E.79/21 below refers). Due to the relevancy of the housing crisis to the draft Budget Proposals, it was **PROPOSED** and **SECONDED** and when put to the vote declared **CARRIED** that:

'the Executive support the establishment of an Affordable Housing Earmarked Reserve as part of the draft Revenue and Capital Budget proposals for 2022/23 (Minute E.79/21 below refers).'

It was then:

RESOLVED

1. That the work undertaken to address the Housing Crisis and update set in the presented agenda report be noted;
2. That the draft Homeless Strategy 2022-27 be approved for public consultation and stakeholder engagement;
3. That the Executive support the establishment of an Affordable Housing Earmarked Reserve as part of the draft Revenue and Capital Budget proposals for 2022/23 (Minute E.79/21 below refers).

E.79/21

DRAFT REVENUE AND CAPITAL BUDGET PROPOSALS FOR 2022/23 TO 2024/25

The Executive was presented with a report that outlined a series of draft revenue and capital budget proposals for 2022/23 to 2024/25.

In discussion, the following points were raised:-

- (a) Members considered the following two recommendations from the Overview and Scrutiny Committee that were initially generated from the informal joint meeting of Members of the Overview and Scrutiny and Development Management Committees that was held on 13 January 2022:
 1. *recognising that the Council has declared both a Climate Change and Biodiversity Emergency and Housing Emergency, the Executive be urged to give priority to the development and execution of projects in respect of both in 2022/23;*
 2. *the sum of £3.5 million allocated out of the Business Retention Reserve to employment in 2018/19 remains unspent. It is proposed that out of this sum £1.0 million be reallocated to the proposed Affordable Housing Reserve Fund and £250,000 be reallocated to the Climate Change & Biodiversity Reserve;*

With regard to recommendation 1, the Executive felt that this was more of a policy issue than a budget matter and it was therefore felt inappropriate to include this as part of the Revenue and Capital Budget recommendations to Council. In respect of recommendation 2, the Executive was sympathetic to the spirit of this intention, but was also of the view that monies still remained within the Climate Change & Biodiversity Reserve and further monies could be vired into the Reserve should the need arise. In respect of Affordable Housing, the Executive made reference to the recent St Anns Chapel Housing project decision and felt that the Council would also look to externally borrow the money to undertake future schemes.

- (b) An alternative Part 4 to the recommendation that was set out in the presented agenda report was **PROPOSED** and **SECONDED** as follows:

'That £407,557 of the New Homes Bonus Grant allocation for 2022/23 be allocated to an Affordable Housing Earmarked Reserve as a one off contribution for 2022/23 (as set out in sections 3.30 to 3.31 of the presented agenda report). (NB. an amount of £60,000 from the £407,557 is to be allocated to the Step On Deposit scheme pilot).'

In support of the alternative wording, Members reiterated that this was a demonstrable example of the Council acting upon its recent decision to declare a Housing Crisis in the South Hams. When put to the vote, this recommendation was declared **CARRIED**;

- (c) A Member advised that he would not be voting in favour of the recommendations for the following reasons:

- He was not in support of a minimum operating level of Unearmarked Reserves of £2 million and felt that £1.5 million was adequate; and
- In the current economic climate, a number of residents were facing serious financial challenges and he therefore could not support any proposed increase in Council Tax.

In contrast, other Members expressed their support for the recommendations and were of the view that the proposals in relation to Unearmarked Reserves were a prudent approach to budgeting. With regard to the proposed increase in Council Tax, the majority of the Executive recognised the difficulties being faced by residents but also highlighted the need to maintain the Council's base budget and continuing to deliver core services, especially in light of the anticipated future budgetary pressures facing local authorities.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** that:

1. Council Tax for 2022/23 be increased by £5 (Band D of £180.42 for 2022/23 – an increase of 10 pence per week or £5 per year – equating to a 2.85% increase);
2. the financial pressures (as shown in Appendix A of the presented agenda report and amounting to £1,044,600) be approved;
3. the net contributions to/(from) Earmarked Reserves of £561,600 as shown in Appendix D of the presented agenda report, including the proposed use of £500,000 of New Homes Bonus funding to fund the 2022/23 Revenue Budget as set out in section 3.30 of the presented agenda report and £100,000 from the Business Rates Retention Earmarked Reserve as set out in section 3.21 of the presented agenda report;
4. £407,557 of the New Homes Bonus Grant allocation for 2022/23 be allocated to an Affordable Housing Earmarked Reserve as a one off contribution for 2022/23 (as set out in sections 3.30 to 3.31 of the presented agenda report). (NB. an amount of £60,000 from the £407,557 is to be allocated to the Step On Deposit scheme pilot);
5. the savings of £404,000 (as shown in Appendix A of the presented agenda report) be approved;
6. it be noted that South Hams District Council will continue to be part of the Devon Business Rates Pool for 2022/23 following the announcement of the Local Government Finance Settlement for 2022/23;
7. the Council should set its total net expenditure for 2022/23 at £10,464,367 (as set out in Appendix B of the presented agenda report);
8. the proposed Capital Programme Proposals for 2022/23 of £1,665,000 and the proposed financing of the Capital Programme (as set out in Appendix E of the presented agenda report) be approved;
9. Unearmarked Reserves should continue to have a minimum level of £1.5 million (as set out in the adopted Medium Term Financial Strategy in September 2021), but an operating level of a minimum of £2 million;

10. the level of reserves (as set out within the published agenda report) and the assessment of their adequacy and the robustness of budget estimates be noted (NB. this is a requirement of Part 2 of the Local Government Act 2003);
11. £280,000 be transferred from Unearmarked Reserves to a Financial Stability Earmarked Reserve as part of the process of closing the 2021/22 Accounts, to be available for any future financial pressures from future local government funding reforms and any other budget pressures (the predicted year-end balance of Unearmarked Reserves at 31 March 2022 is £2.28 million (as set out in Section 7.8 of the published agenda report) (NB. this would leave an operating level of £2 million for Unearmarked Reserves); and
12. A one-off amount of £200,000 be transferred into a Community Composting Earmarked Reserve in 2021/22 as part of the process of closing the 2021/22 Accounts. NB. a scheme is to be set up with a one-off budget of £200,000 in 2022/23 for community composting, aligned to savings in the green waste element of the waste contract in 2021/22 (as set out in Section 3.40 of the published agenda report).

E.80/21

QUARTER 3 INTEGRATED PERFORMANCE REPORT

Members considered a report that set out the first Integrated Performance Management report since the Council had adopted its Corporate Strategy ('Better Lives for All') that covered the Quarter 3 period (from 1 October 2021 to 31 December 2021).

In turn, each Executive Member presented the aspects of the performance report that were related to their respective portfolio areas of responsibility. In so doing, all Members wished to put on record their thanks for the work of the Head of Strategy and Policy in creating such a reader friendly performance reporting template.

It was then:

RESOLVED

That the progress that the Council has made in delivering against the Year 1 Better Lives for All Thematic Delivery Plan; the financial performance of the programme; and the current strategic risk profile of the Council be noted.

E.81/21

ENHANCING BIODIVERSITY ON COUNCIL OWNED GREEN SPACES – DETAILED PROPOSALS

Consideration was given to a report that presented the detailed proposals; equipment specification; and revenue and capital expenditure to deliver the increase in Biodiversity value on Council owned green spaces.

In discussion, the following points were raised:-

- (a) The request was made for the summary paper of responses from Town and Parish Councils to be fully populated and include comments from every Town and Parish Council in the South Hams;
- (b) With regard to the matter of Closed Churchyards, it was recognised that this was an emotive subject area and was often locally contentious. Specifically regarding the appointed Diocese Biodiversity Officer, it was agreed that the lead officer would follow up some specific points with a non-Executive Member outside of this meeting;
- (c) A Member expressed his hope that the Council's Grounds Maintenance Team could increasingly promote its service offer to be in a position to deliver a service to other potential stakeholders (e.g. local community groups and housing associations).

It was then:

RESOLVED

1. That the new specification for management of Council owned green spaces (as based on the cutting schedule set out in Appendix 1 of the presented agenda report and the new proposed Grounds Maintenance layer) be endorsed;
2. That up to £36,000 be approved from the Earmarked Climate Change and Biodiversity Reserve to purchase equipment required to manage Council green spaces in a more Biodiverse manner;
3. That up to £10,000 be approved from the Earmarked Climate Change and Biodiversity Reserve towards wildflower seed to create new wildflower areas; and
4. That authority be delegated to the Senior Specialist for Natural Resources and Green Infrastructure, in consultation with the Grounds Maintenance Operations Manager, to make minor revisions to the proposed Grounds Maintenance layer and cutting schedule in response to local demand, or if experience and learning dictate, that doing so would assist in delivering improved biodiversity outcomes.

E.82/21 **REPORTS OF BODIES****(a) Overview and Scrutiny Committee – 4 November 2021****O&S.37/21: Task and Finish Group – Climate Change & Biodiversity Action Plan**

Having discussed the Task and Finish Group recommendations with the lead officers, the lead Member for Climate Change **PROPOSED** an alternative recommendation to parts (a) and (b) that read as follows:

‘As a partner of the Devon Climate Emergency, South Hams District Council, through a revision of its Climate Change and Biodiversity Strategy and Action Plan (which will take place within 6 months of the publication of the final Devon Carbon Plan) will ensure the targets, indicators and monitoring of the Devon Carbon Plan, as well as its carbon budget periods, are included. In this revision, an interim target of 50% reduction in carbon emissions by 2030 below 2010 levels will be set and the action plan will be frontloaded with impactful actions, aligning with the DCP. Section 5.1 of the Interim Devon Carbon Plan outlines Devon’s Net Zero Target, as well as detailing carbon budget periods to achieve net zero by 2050 at the latest. The implementation of the Devon Carbon Plan will be monitored regularly, and a review will be triggered if carbon emissions are not reducing at the necessary pace. SHDC will contribute to future reviews as a partner and align its Action Plan reviews alongside the Devon Carbon Plan budget periods.’

Having been duly **SECONDED**, some non-Executive Members highlighted the lack of notice that had been given to the alternative recommendation. In accepting the point, the proposer and seconder therefore withdrew their recommendation and made the following alternative proposition:

‘That the recommendations be deferred to enable for a meeting to be held between lead officers; the lead Executive Member for Climate Change & Biodiversity; and the Members of the Task and Finish Group prior to the agenda item being presented back to the next Executive meeting to be held on 3 March 2022.’

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

It was then:

RESOLVED

That the Task and Finish Group recommendations be deferred to enable for a meeting to be held between lead officers; the lead Executive Member for Climate Change & Biodiversity; and the Members of the Task and Finish Group prior to the agenda item being presented back to the next Executive meeting to be held on 3 March 2022.

E.83/21

PLYMOUTH AND SOUTH DEVON FREEPORT UPDATE

Whilst elements of the published agenda report were considered to be defined as 'exempt information' in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the lead Executive Member considered that, in line with the openness and transparency agenda, it was his intention to present his introduction in the public domain.

In so doing, the lead Member informed that:

- The Freeport sought to create three tax sites at Langage, Sherford and South Yard as well as customs sites at Sherford and Langage. The tax and customs rules provided direct financial benefits to the businesses that located in the Freeport, thereby accelerating uptake;
- The Freeport would receive £25 million in Government seed funding, which would be match funded by the public or private sector;
- The monies would be spent on an innovation hub in South Yard and infrastructure and land at Langage and Sherford resulting in the sites being 'market ready' for uptake by businesses;
- The initiative was designed to build and occupy premises and create high value jobs. The key sectors targeted were: Marine; Defence; Manufacturing and low carbon and the vision for the Freeport was not one of high volume, low value containerised goods but of high tech manufacturing, defence logistics and innovation;
- Should the Freeport bid be successful, it would result in the creation of 3,500 jobs and over £280 million in investment by the private and public sectors;
- Langage (which had stalled for over 15 years) would be progressed with the further benefits of active travel infrastructure being built at Deep Lane Junction and the regional Ministry Of Defence capacity requirements being secured;
- With regard to public sector investment, this matter would be considered at a future meeting. However, the lead Member stated that the Freeport would require investment from the public sector family (Plymouth City Council; Devon County Council; and South Hams District Council) to make the initiative work. Whilst the exact amount to be borrowed by the Council remained to be determined, it was likely to be in the order of £5 million.

At this point, it was **PROPOSED** and **SECONDED** and when put to the vote declared **CARRIED**:

'That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following items of business as the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Act is involved.'

The importance of all Members being fully informed of the key issues related to the scheme before any investment decisions were to be made was recognised and a commitment was made for Member Briefings to be scheduled into the Member Meeting Calendar.

It was then:

RESOLVED

That the update report be noted.

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF MINUTE E.79/21 (WHICH IS A RECOMMENDATION TO THE COUNCIL MEETING TO BE HELD ON 10 FEBRUARY 2022) WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 7 FEBRUARY 2022 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 10:00 am and concluded at 11.55 pm)

Chairman

PUBLIC QUESTIONS AT EXECUTIVE MEETINGS

There is a period of 15 minutes at meetings of the Executive during which members of the public can ask questions about items on the agenda.

Any member of the public who wants to ask a question should ensure that the question:

- a) is no more than 50 words in length;
- b) is not be broken down into multiple parts;
- c) relates to an item included on the agenda; and
- d) is suitable to be considered. A question will not be suitable if, for example, it is derogatory to the Council or any third party; relates to a confidential matter; it is about a specific planning matter; or it is substantially the same as a question asked in the past six months.

Questions should be sent to Democratic Services (Democratic.Services@swdevon.gov.uk) by **1.00pm** on the Monday before the meeting (the deadline will be brought forward by a working day if affected by a bank holiday). This will allow a detailed response to be given at the meeting. If advance notice of the question cannot be given the Chairman of the meeting has the discretion to allow questions on matters that are felt to be urgent;

For any further advice on questions to the Executive, or to request a copy of the full Public Questions Procedure Rules, please contact Democratic Services (Democratic.Services@swdevon.gov.uk)

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Executive Leader's Forward Plan

About the Forward Plan

This is the Leader of Council's provisional forward plan for the four months starting March 2022. It provides an indicative date for matters to be considered by the Executive. Where possible, the Executive will keep to the dates shown in the plan. However, it may be necessary for some items to be rescheduled and other items added.

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

Local authorities are required to publish updated forward plans on a regular basis. The Plan is published on the Council's website (www.southhams.gov.uk)

About the Executive

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

- Leader of the Council with specific responsibility for Improving Homes / Protecting, Conserving and Enhancing our Built and Natural Environment – Cllr Judy Pearce
- Deputy Leader of the Council with specific responsibility for Stimulating a Thriving Economy – Cllr Hilary Bastone
- Lead Executive Member for Environment – Cllr Keith Baldry
- Lead Executive Member for Health and Wellbeing – Cllr Jonathan Hawkins
- Lead Executive Member for Climate Change and Biodiversity – Cllr Tom Holway
- Lead Executive Member for Council – Cllr Nicky Hopwood

Further information on the workings of the Executive, including latest information on agenda items, can be obtained by contacting Democratic Services on 01803 861105 or by e-mail to democratic.services@swdevon.gov.uk

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



Forward Plan from March 2022

| Portfolio Area | Report Title and Summary | Lead Member / Officer | Documents to be considered in making decision | Date of Decision | Consultees and means of consultation |
|----------------|--|---------------------------------|--|------------------|--------------------------------------|
| Deputy Leader | <p>Title: Regeneration and Investment Strategy</p> <p>Purpose: To consider a report that presents a draft Regeneration and Investment Strategy.</p> | Cllr Bastone / Chris Brook | Report of Director of Place and Enterprise | 3 March 2022 | |
| Environment | <p>Title: Options for Delivering a Community Composting Scheme</p> <p>Purpose: To receive an options paper on the proposed delivery of a Community Composting Scheme</p> | Cllr Baldry / Steve Mullineaux | Report of the Deputy Chief Executive | 3 March 2022 | |
| Leader | <p>Title: Update on Planning Improvement to include: Planning Charter and Validation Checklist</p> <p>Purpose: to consider a report that provides an update on Planning Improvement.</p> | Cllr Pearce / Pat Whymer | Report of Head of Development Management | 3 March 2022 | |
| Leader | <p>Title: Housing Crisis – Standing Agenda Item</p> | Cllr Pearce / Chris Brook | Report of the Director of Place and Enterprise | 3 March 2022 | |
| Council | <p>Title: Revenue Budget Monitoring Report to Month 10</p> <p>Purpose: To consider a report that presents the Revenue Budget Monitoring Report to Month 10.</p> | Cllr Bastone / Lisa Buckle | Report of Section 151 Officer | 3 March 2022 | |
| Council | <p>Title: Capital Programme Monitoring Report to Month 10</p> <p>Purpose: To consider a report that presents the Capital Programme Monitoring Report to Month 10.</p> | Cllr Bastone / Pauline Henstock | Report of Head of Finance | 3 March 2022 | |



| Portfolio Area | Report Title and Summary | Lead Member / Officer | Documents to be considered in making decision | Date of Decision | Consultees and means of consultation |
|-------------------------------|---|----------------------------|---|----------------------|--------------------------------------|
| Health & Wellbeing | Title: Leisure Update Purpose: To consider a report that seeks to present a Leisure Update to the Executive. | Cllr Hawkins / Chris Brook | Report of Director of Place and Enterprise | 3 March 2022 | |
| Deputy Leader | Title: Plymouth and South Devon Freepoint Purpose: To consider a report that set out an update on the Plymouth and South Devon Freepoint Initiative. | Cllr Bastone / Chris Brook | Report of the Director of Place and Enterprise | 31 March 2022 | |
| Leader | Title: 2022/27 Homelessness Strategy Purpose: To consider a report that sets out the findings of the public consultation exercise and presents the draft 2022/27 Homelessness Strategy for approval. | Cllr Pearce / Issy Blake | Head of Housing, Revenues and Benefits | 7 April 2022 | |
| Climate Change & Biodiversity | Title: Climate Change & Biodiversity Report to include: Action Plan: 6 Month Review; Solar Panels on Leisure Centre Roofs and DEV 32 Purpose: in accordance with the Council resolution, to consider the six-month review of the Climate Change & Biodiversity Action Plan; the proposed solar panels on Leisure Centre Roofs and Planning Policy DEV32. | Cllr Holway / Drew Powell | Report of the Director for Governance and Assurance | 7 April 2022 | |
| Leader | Title: Quarter 4 Integrated Performance Management Report Purpose: To consider the integrated performance management report for the Quarter 4 period of 2021/22. | Cllr Pearce / Neil Hawke | Report of Head of Strategy and Projects | 7 April 2022 | |



| Portfolio Area | Report Title and Summary | Lead Member / Officer | Documents to be considered in making decision | Date of Decision | Consultees and means of consultation |
|----------------|---|---------------------------|--|------------------|--------------------------------------|
| Leader | Title: Housing Crisis – Standing Agenda Item | Cllr Pearce / Chris Brook | Report of the Director of Place and Enterprise | 7 April 2022 | |
| Leader | Title: Housing Strategy Year 2 Action Plan Purpose: To consider a report that presents the Housing Strategy Year 2 Action Plan. | Cllr Pearce / Issy Blake | Report of the Head of Housing | 7 April 2022 | |
| Leader | Title: Council – Annual Report of Achievements 2021/22 Purpose: To consider a report that presents the Council's draft Annual Report of Achievements for 2021/22 | Cllr Pearce / Neil Hawke | Report of the Head of Strategy and Projects | 26 May 2022 | |
| Leader | Title: Housing Crisis – Standing Agenda Item | Cllr Pearce / Chris Brook | Report of the Director of Place and Enterprise | 26 May 2022 | |
| Leader | Title: Housing Crisis – Standing Agenda Item | Cllr Pearce / Chris Brook | Report of the Director of Place and Enterprise | 7 July 2022 | |
| Leader | Title: Quarter 1 Integrated Performance Management Report 2022/23 Purpose: To consider a report that sets out the Integrated Performance Management report for Quarter 1 of 2022/23. | Cllr Pearce / Neil Hawke | Report of the Head of Strategy and Projects | 7 July 2022 | |

Report to: **Executive**

Date: **3rd March 2022**

Title: **Housing Crisis Report – Step On Scheme**

Portfolio Area: **Homes Councillor Judy Pearce**

Wards Affected: **all**

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

Date next steps can be taken:

Author: **Isabel Blake** Role: **Head of Housing**

Contact: **01822 813551 /email: Isabel.blake@swdevon.gov.uk**

Recommendations:

1. That the Executive recommend to Council the adoption of a pilot of the "Step On" scheme from the 1st April 2022
2. That the Executive notes that the initial funding of £60,000 is taken from the £407,557 new homes bonus grant for 22/23.

1. Executive summary

- 1.1 The Council declared a housing crisis in September 2021. One of the key pledges was to work with our Registered Provider ("RP") partners to make best use of existing stock; this is a commitment in "Better Lives for All" the Council's corporate strategy and also in the Council's Housing Strategy "Better Homes, Better Lives".
- 1.2 The Council has made changes to its existing tenant's incentive scheme, aimed at downsizers, by increasing the amount of the cash payment, which is currently a maximum of £5,000. The Council recognises there is an opportunity to support other tenants of registered providers who aspire to own their homes by supporting them with a payment for, or towards a deposit for a shared ownership property. This in turn, would allow their homes to become available for re-let to a household on the housing register.

- 1.3 The Step On policy is appended to this report (appendix 1) if Members agree to pilot the scheme it is anticipated that this will launch from the 1st of April 2022

2. Background

- 2.1 The Government has made changes to the existing shared ownership scheme, which are much more favourable to the occupiers. From the 1st of April, the new Homes England shared ownership funding scheme will allow buyers to start purchasing shares from 10% (currently 25-30%) and also increase their share a percentage at a time. They are also not liable for the repairs and maintenance for the first 10 years. These changes remove many of the barriers to shared ownership and make it within the reach of a great deal more people. Currently all sites with shared ownership elements currently under construction in the South Hams have been funded by the previous funding mechanism so will not benefit from these low shares for some time yet.
- 2.2 The Council, since its relaunch of its tenant's incentive scheme for downsizers, has seen renewed interest with a number of very positive enquiries and some moves generated. This will in turn enable homes to be offered to households on the housing register for people who need them. It is with this scheme in mind that the Council looks to its next initiative to support tenants into shared ownership.
- 2.3 The Step On scheme has been designed to mirror the incentive for downsizing, with a payment of up to £5,000 towards the deposit to purchase shared ownership home in the district. It is designed to support those tenants who aspire to own their own home, but who struggle to save the necessary deposit whilst running a household.
- 2.4 This scheme will not be suitable for everyone, and applicants will still need to satisfy all the normal lending criteria required for a mortgage. In the case of some households it is likely they may not be in the same circumstances as they were when they first moved to their home. As their incomes have increased, they may find that shared ownership is a real possibility for them. The Council can support make this a reality, while freeing up their home for someone who needs social housing, and doesn't have other housing solutions open to them.
- 2.5 It is anticipated that if this scheme is approved that the application process will be online. It will require a significant amount of communication as this is new, innovative and is aimed at households who haven't had contact with the Council about housing from when they moved in. Currently there are less than 30 people registered for shared ownership on the help to buy

register so promotion and awareness of this new policy will be key to its success.

3. Outcomes/outputs

- 3.1 There has been £60,000 set aside to pilot this scheme from the new homes bonus grant award from 2022/23.
- 3.2 Success of this scheme will be measured by enquiries and interest, and ultimately by the number of households supported, and vacancies generated in the social rented stock

4. Options available and consideration of risk

- 4.1 This scheme is a pilot, there is scope to extend the policy to support people on the housing register in housing need, however whilst allowing people to access a different housing option, this would not create the churn in the social housing stock as both the Step on Scheme and the Tenants Incentive Scheme are designed to do.
- 4.2 As part of the pilot scheme we will consult with our RP partners.

5. Proposed Way Forward

That the Executive recommend to Council the adoption of the Step On Scheme

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|--|---------------------------|--|
| Legal/Governance | Y | The scheme will be monitored quarterly, and if as likely overspend because of oversubscription is predicted, a decision to suspend or increase expenditure will be sought from Members., through a report to the Executive |
| Financial implications to include reference to value for money | Y | The day-to-day administration of this scheme will be absorbed into the work of the Housing Options Team. The funding for the incentive awards will be for the initial sum of £60,000 which comes from the new homes bonus grant allocation that has been placed in an affordable housing ear marked reserve of £407,557 |
| Risk | Y | Funding will be released to the buyers solicitor or directly to the registered provider at, or just before |

| | | |
|---|---|--|
| | | completion, to safeguard awards, where the sale fails to progress. |
| Supporting Corporate Strategy | Y | Homes – Better Lives for All Housing Crisis Housing Strategy – Better Homes, Better Lives Making Best use of existing stock |
| Climate Change - Carbon / Biodiversity Impact | N | No direct carbon/biodiversity impact arising from the recommendations |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | N | None, although the policy will continue to be monitored |
| Safeguarding | N | None |
| Community Safety, Crime and Disorder | N | None |
| Health, Safety and Wellbeing | N | None |
| Other implications | | |

Supporting Information

Appendices:

Appendix 1 – Step On

Background Papers:

None

Approval and clearance of report

Step On

Shared ownership for social housing tenants incentive scheme

There is a shortage of affordable housing in South Hams. This is clearly evidenced by both district-wide and parish housing needs surveys, and the numbers of households on our register and who actively apply for rented accommodation

The Council declared a housing crisis in September 2021, which pledged closer working with RP partners to make better use of stock, a target of Better Lives for All is to deliver local homes for local people that met their needs. Finally a key priority of the Better Homes, Better Lives Strategy is to make the best use of the existing housing stock and one of the ways we can do this, is by assisting social housing tenants with a deposit to be able to purchase a share of shared ownership homes.

This scheme will complement the existing tenant's incentive downsizing scheme, which makes one off payments to tenants who no longer need the size of the property they are occupying, to free it up for another household on the housing register.

Scheme objectives

- To maximise the use of existing social housing rented stock in the South Hams
- To offer an incentive to social housing tenants who aspire to buy into shared ownership, but are unable to raise a deposit whilst paying for normal household expenses.

Eligibility

To qualify for the step on scheme, the following criteria must be met

Applicants must be:

- An existing Housing Association tenant on an assured tenancy.
- Resident in the South Hams District area for the last 3 years.
- Not in any rent arrears or be in breach of any term of their current tenancy agreement at the time of application.
- A tenant where the Housing Association landlord confirms that the nomination rights for the property being vacated will be given to South Hams District Council.
- Registered on the help to buy register, a Housing Association waiting list or Devon Home Choice.
- in employment and earn at least £15,000 per year (If applicants earn less than £15,000 a year it is unlikely that they will have sufficient income to buy a property through low cost home ownership schemes, if they have extra financial resources such as an inheritance or redundancy pay out it will be expected that they use these funds rather than the step on scheme, however in exceptional circumstances it may be appropriate to apply to the Step on Scheme).
- Not in receipt of a household income which exceeds £80,000 a year.

- Over 18 years of age to be eligible for any shared ownership schemes and cannot be included on the Help to buy register if they are under this age.
- Able to evidence of a mortgage in principle agreement must be received.
- Able to evidence that they can afford the initial costs associated with buying a property which include solicitor's fees, land registry fee, survey and/or valuation costs, stamp duty and local authority search fee, among others. This will be on top of any deposit that a mortgage lender may require.
- Able to provide supporting financial information via the online application process to the Council for a decision to be determined. This will include evidence of savings, bank statements, income details and other such financial records.

The Grant

- This policy is capped at £5000 per award. The applicant will be eligible for a maximum of £5000 per household for use as a deposit towards borrowing on a mortgage for shared ownership.

For example, a 3 bed house at Sherford with 30% share of a £260,000 property requires a minimum of a £3,900 deposit. (Source clarion housing group 8th Feb 2022)

- The applicant can apply for the funding which will be held in reserve for 3 months in order for them to progress the property purchase with relevant assurances provided by the Council to the mortgage lender, shared ownership agent and the registered provider.
- If the applicant has savings it is expected that these will be used to purchase the initial share. The Council will look to award the Step on grant if the evidenced savings are not enough to provide the minimum deposit on the minimum share up to that amount.

Exclusions

This grant cannot be used to assist tenants exercise their right to buy or right to acquire rights as secure or assured tenants.

Promotion of the scheme

The Council will seek to promote the Step on Scheme with its Registered Provider partners, local press and social media. The Council will promote the scheme actively when specific shared ownership schemes are nearing completion to ensure maximum exposure.

Monitoring

The scheme will be monitored quarterly with annual updates provided for elected Members.

Policy Review

This policy will be reviewed annually. Delegated Authority is given to the Head of Housing to make minor changes to this policy.

The funding that supports this policy will be awarded on a “first come, first served basis”. If the policy is oversubscribed a Member decision will be sought on the expansion of the scheme

Diversity and Equal Opportunities

South Hams District Council is committed to reflecting the full diversity of the community it serves and to promoting equality of opportunity for everyone.

This policy and all associated documentation and leaflets can be made available in large print, Braille, tape format or in any other languages, on request.

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Report to: **Executive**
Date: **03 March 2022**
Title: **Community composting scheme**
Portfolio Area: **Environment – Councillor Keith Baldry**
Wards Affected: **All**

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

Date next steps can be taken:

Author: **Steve Mullineaux** Role: **Director of customer services and**

Contact: **Steve.Mullineaux@swdevon.gov.uk**

Recommendations:

That the Executive

1. Approve the proposed community composting scheme.
2. Approve the guidance document supporting the scheme in Appendix A.
3. Delegates authority to the Lead member Environment and Director of Customer Service Delivery to award funding to new schemes that meet the criteria set out in Appendix A

1 Executive summary

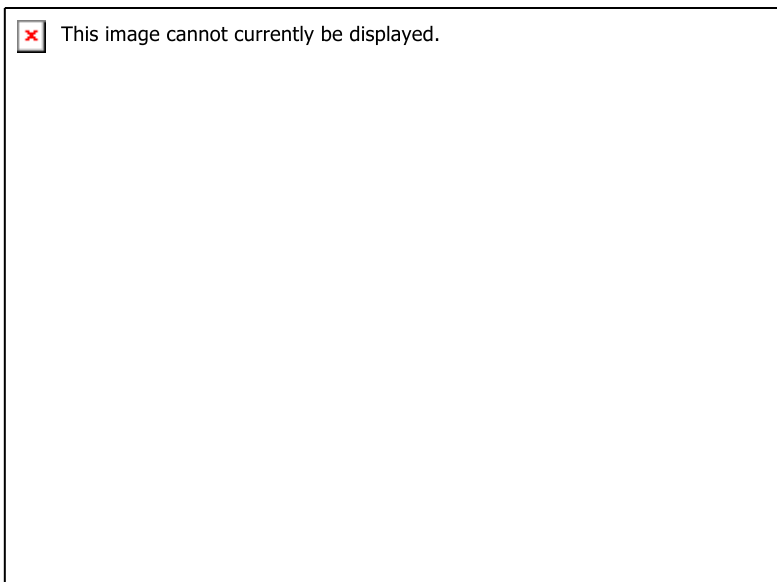
- 1.1 Council on 10 February 2022, approved for £200,000 to be transferred into a Community Composting Earmarked Reserve in 2021/22, as part of the process of closing the 2021/22 Accounts. A scheme is to be set up with a one-off budget of £200,000 in 2022/23 for community composting, aligned to savings in the green waste element of the waste contract in 2021/22 and officers have been tasked with devising a community composting scheme.
- 1.2 This followed the Executive meeting on 27 January 2022, where it was agreed that a one-off amount of £200,000 was to be transferred into a Community Composting Earmarked Reserve (Minute E.79/21 refers).

- 1.3 This report summarises a new two year community composting scheme that will provide operational and financial assistance to new and existing sites. This report seeks the agreement of members to adopt the scheme.
- 1.4 Officers have undertaken research on the operating model of community composting groups, analysing income and expenditure and have subsequently devised a scheme to help meet the needs of these groups.

2 Background

2.1 Garden waste - otherwise known as green waste - is a decomposing organic matter that can be used as a fertiliser. Although composting is not technically waste prevention, it does adhere to the waste hierarchy as a form of recycling as it removes material from the municipal waste stream.

2.2 Waste Hierarchy



- 2.3 Community composting sites are local sites for storing and processing garden waste usually in compost bays or pads with an end product called a 'soil conditioner', which can then be used again locally to fertilise the soil for optimum growing conditions.
- 2.4 The sites are run by volunteers often from the local community and are mainly funded by donations received at the sites and by recycling credits received from Devon County Council in recognition of the waste being diverted away from disposal.

- 2.5 Groups advised that the largest annual expenditure was the 'turning and shredding' of the material using a tractor and other pieces of machinery which are expensive to buy and operate. This function has been provided by the Council historically but at a significant cost to the groups.
- 2.6 The implementation of a community composting site varies significantly due to the following factors:
 - 2.6.1 Site location
 - 2.6.2 Planning permissions requirements
 - 2.6.3 Lead time in obtaining an exemption to operate the site from the Environment Agency.
- 2.7 Depending on the size of the site, the initial set up costs can range from £10,000 to £15,000 and includes purchasing equipment and ensuring the site is secure and in good condition for use as per the Environment Agency guidance.
- 2.8 The Council has no statutory obligation to support community composting groups either financially or operationally, however the Council recognises the social and environmental benefits of these local groups.

3 Outcomes and benefits

- 3.1 There are many benefits that are derived from a community composting group, some of which are detailed below:
 - 3.1.1 Supports local gardeners and allotments.
 - 3.1.2 Encourages social inclusion and economic development through volunteer schemes and training opportunities.
 - 3.1.3 Increases participation and education in recycling awareness and waste prevention
 - 3.1.4 Reduces the risks of the waste being sent to the energy from waste plant or other end destinations.
- 3.2 This scheme supports the Councils Corporate Strategy 'Better Lives for All' in the following areas:
 - 3.2.1 Adapting and mitigating climate change and increasing biodiversity, which states that the Council will lead by example and encourage all others to take their own steps to adapt and mitigate climate change and increase biodiversity.
 - 3.2.2 Contributing directly against action AM1.4 'Deliver funding for community projects'.

- 3.2.3 Increasing the uptake of community composting has the potential to reduce the Council's carbon footprint through a reduction in the frequency of garden waste related vehicle movements.
 - 3.2.4 Strengthening community wellbeing by promoting volunteering and helping more of our communities feel empowered to make a positive impact.
 - 3.2.5 Directly supporting community engagement, education and promoting 'reuse and repair' which are all fundamental elements of the Devon and Torbay Waste Strategy and contributing to the development of a sustainable waste management plan locally and nationally.
- 3.3 By supporting local schemes the Council will be encouraging the 'waste to the proximity principle' which encourages processing, recycling, reuse or disposal of waste as near to the point of its production as possible.

4 Operating model

- 4.1 The scheme will look to support existing community composting sites in the District by providing a 'turning and shredding' of the waste service delivered by the Council's grounds maintenance team.
- 4.2 This will include a member of the grounds maintenance team using the tractor and shredder for up to a maximum of eight days per site, per year.
- 4.3 To support any new groups with set up costs on a match funded basis up to value of £7,500 for up to six new community composting sites each year.
- 4.4 The scheme will look to prioritise support to new community compost groups in geographical areas where there currently isn't one. This will help to ensure that there is equitable provision across the District for all residents to access a site should they wish to recycle their Green waste.

5 Consideration of risk

- 5.1 The Council's grounds maintenance team are trained and qualified to use the equipment required to maintain a community composting site. Therefore this reduces any health and safety risks to volunteers.
- 5.2 By providing support and guidance to community groups and volunteers in setting up new schemes, the Council can ensure that all schemes adhere to environmental and health and safety legislation.

6 Proposed Way Forward

- 6.1 It is proposed that the recommendations are approved in order to support the current and new community composting groups over the next two years.

7. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|--|---------------------------|---|
| Legal/Governance | N | N/A |
| Financial | Y | Up to £200,000 of funding is available from the Community Composting Earmarked Reserve. Council on 10 February 2022, approved for £200,000 to be transferred into a Community Composting Earmarked Reserve in 2021/22, as part of the process of closing the 2021/22 Accounts. A scheme is to be set up with a one-off budget of £200,000 in 2022/23 for community composting, aligned to savings in the green waste element of the waste contract in 2021/22. |
| Risk | N | There are no risks associated within this report |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | N | N/A |
| Safeguarding | N | N/A |
| Community Safety, Crime and Disorder | N | N/A |
| Health, Safety and Wellbeing | N | N/A |
| Other implications | N | N/A |

Supporting Information

Appendices:

Appendix A – Community composting scheme guidance document

Background Papers: None

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



Community Composting Scheme



□



South Hams
District Council

CONTENTS

- 1 - Introduction
- 2 - Aims and Objectives
- 3 - Legal Framework
- 4 - Eligibility & Registration
 - How to apply
 - Who will be considered
- 5 - Management of the scheme
- 6 - Monitoring of the scheme



1 - INTRODUCTION

*"The following comes from the **Institute for Local Self-Reliance** (www.ilsr.org), a national nonprofit organization working to strengthen local economies, and redirect waste into local recycling, composting, and reuse industries. It is reprinted here with permission."*



Community composting sites are local sites for storing and processing garden waste usually in compost bays or pads with an end product called a 'soil conditioner', which can then be used again locally to fertiliser the soil for optimum growing conditions.

Composting can take place in many locations, in your own garden, in your local community or at a facility that specialises in the process of composting. There are many methods and sizes. Large-scale centralised facilities can serve wide geographic areas and divert significant quantities of organic materials from disposal. Composting locally at a community-level provides many other benefits: social inclusion and empowerment, increased education around recycling, less vehicles out collecting waste and opportunity for volunteering to work towards a greener future.

When composting is small-scale and locally based, community participation and education can flourish. When materials are collected and transported out of the community for processing, few if any of these benefits are realised at the local level. In addition, often community-scale operations can move from concept to operation in a relatively short time frame.

2 - AIMS AND OBJECTIVES

The Council's community composting scheme will support our strategic aims of adapting and mitigating climate change and strengthening community wellbeing.

The key objectives of the Council's community composting scheme is to:

- Enable local groups to access support and information
- Support local initiatives to compost their waste locally thus reducing the carbon footprint
- Support existing groups with up to 8 visits a year, to turn and shred the material.
- Support new groups with set up costs on a match funded basis
- Support and develop equitable provision across the District

Here are a few benefits that are derived from a community composting group:

- Encourages social inclusion and economic development through volunteer schemes and training opportunities.
- Increases participation and education in recycling awareness and waste prevention

3 – LEGAL FRAMEWORK

3.1 The Council has no statutory obligation to support community composting groups either financially or operationally, however the Council recognises the social and environmental benefits of these local groups.

3.2 There are several drivers at a national level, which are pushing forward the development of sustainable waste management in the UK:

Some of these drivers are summarised below:

The Waste and Resources Action Programme (WRAP)

WRAP is an independent not-for-profit company set up by DEFRA. It was initially developed to promote and develop markets for recycled materials. This included the development of the British Standards Institute Publicly Available Specification 100 (BSI PAS 100) standard for waste-derived compost products. WRAP continues to develop this and is looking at a range of markets for products including commercial horticulture. Following the Waste Not, Want Not report, WRAP has gone on to develop a national home composting promotion campaign and the Recycling and Organics Technical Advisory Team (ROTATE), which is providing support to local authorities in the development of kerbside recycling. WRAP also runs a capital fund for composting facilities

Local and regional waste strategies

Most local authorities and government regions now have waste strategies. These will include plans for the development of sustainable waste management in the specific area covered by the authority or region.

3.3 The Councils community composting scheme will help to deliver on some of these key drivers as well as encouraging community engagement, education and promoting reuse and repair which are all fundamental elements of the Devon and Torbay waste Strategy and therefore by supporting local community groups it will help in the development of a sustainable waste management plan locally and nationally.

4 – ELIGIBILITY & REGISTRATION

4.1 Who will be considered:

The scheme encourages applications from communities from which there is not already a community composting scheme in place.

Existing groups

The Council will support community composting groups with manual labour by providing a resource from the Councils grounds maintenance team to assist with the 'turning and shredding' of the green waste which we know is a substantial expenditure, if successful this will include up to 8 visits per year depending on the size and capacity of the site.

New groups

The scheme will consider providing funding to contribute towards set up costs for Community groups who can evidence they have applied for a site permit and have the relevant planning permissions to operate a community composting site. The funding will then be provided to help assist with 'set up' costs such as equipment and stationery.

The Council will support community composting groups with manual labour costs and provide a resource from the Councils grounds maintenance team to assist with the 'turning and shredding' of the green waste which we know is a substantial expenditure, if successful this will include up to 8 visits per year depending on the size and capacity of the site.

As part of the application funding process, the group will be required to provide the following documents to support their application.

- Proof of the licences, permits and exemption for this site
- Proof of the Health and Safety documents showing legal compliance
- Public Liability insurance
- Plan of the site to show the maximum operating capacity
- Proof of expenditure to support the costs applied for i.e. start-up costs, permits etc.
- Reference number for the planning application

4.2 How to apply:

It is important that the applicant has checked that there are no existing groups in their immediate local area before starting this process, as the funding for new community groups will be dependent on there being no provisions in place already, we are encouraging new groups to join to provide an easily accessible service across the District for communities to use.

Applicants can apply for funding or assistance from the scheme by completing the online application form. This can be found via our website at www.southhams.gov.uk/community-composting

Should applicants require assistance in completing the form or require the form to be made available in other formats this can be requested by telephone or by prior arrangements.

Once a fully completed application form has been received with the required supporting documentation, the form will be assessed to determine if the applicant is eligible and qualifies for the funding.

Applicants will be required to provide supporting documentation where indicated or requested by the Council.

South Hams District Council will notify the nominated contact within 30 days to advise if the application has been successful and clearly outline the next steps to support them through the process.

For further information on the eligibility screening and application process please visit:

www.southhams.gov.uk/community-composting

5 – MANAGEMENT OF THE SCHEME

5.1 South Hams District Council will make available information and offer advice to assist applicants in understanding how the scheme operates.

The council will provide the following:

5.2 General Information

- A summary of the scheme
- Information about how to apply for funding and how it is allocated
- How their application will be treated and outcome

5.3 The Council seeks to support the Community composting groups by the following:

- To support the current six community composting sites in the District with manual labour costs such as 'turning and shredding' of the waste.
- To support any new groups with set up costs on a match fund basis up to £7500 for up to six new community composting sites each year until the allocated funding is spent

5.4 Requests for information

The Council may request that the applicant provides additional information above what is described within the scheme in order to determine if an applicant is eligible to receive such funding

5.5 Changes in circumstances

It is the responsibility of the applicant to notify the Council immediately of a change in their circumstances in which it would mean the applicant no longer meets the eligibility criteria to receive the funding.

6 – MONITORING OF THE SCHEME

6.1 Whilst the Council is not directly responsible for the operational day to day running of the community sites, South Hams District Council does recognise the importance of ensuring applicants have the correct governance and compliance in place both legally and for volunteers and visitors.

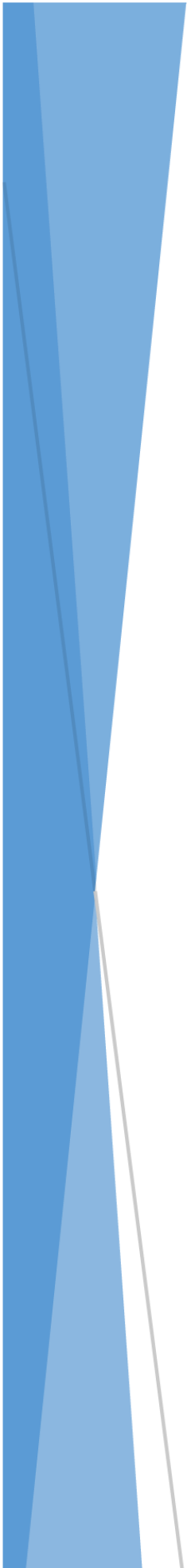
Therefore the council commits to ensuring information is available to support groups with all the necessary requirements.

The Council will also review the scheme annually to assess whether or not the scheme:

1. Delivers on its objectives (section 2)
2. Ensures there is equitable provision of access to community composting schemes across the District
3. Is helping to deliver on the councils Adapting and mitigating climate change and increasing biodiversity, which states that the Council will lead by example and encourage all others to take their own steps to adapt and mitigate climate change and increase biodiversity.

To assist us with our monitoring, successful schemes shall:

Provide annual reports on number of service users / number of volunteers supporting the scheme and tonnage of material recycled



Report to: **Executive**

Date: **3 March 2022**

Title: **Planning Improvement Plan Update:
Local Validation List and Planning Charter**

Portfolio Area: **Built and Natural Environment – Cllr Judy Pearce,
Leader of the Council**

Wards Affected: **All**

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

Date next steps can be taken: **Council meeting 31
March 2022**

Author: **Pat Whymer** Role: **Head of Development
Management**

Contact: **Patrick.whymer@swdevon.gov.uk**

Recommendations: That the Executive:

- 1. Recommends to Council the approval of the Local Validation List attached at Appendix 1**
- 2. Approves the Planning Charter attached at Appendix 2**
- 3. Delegates any amendments to the Planning Charter to the Director of Strategy & Governance in consultation with the Portfolio Holder for the Built & Natural Environment**

1. Executive summary

- 1.1 The purpose of this report is to update Members on the progress of two specific actions in the Planning Improvement Plan (the Plan) approved by Members on 16 September 2021, and recommend the adoption of the revised Local Validation List (attached at Appendix 1) and the Planning Charter (attached at Appendix 2) both of which form part of the adopted Plan.
- 1.2 The Purpose of a Local Validation List is to tell applicants:

- What application form and supporting documents they are required to submit to the Council for the work they want to carry out
 - Details of each supporting document and when they are required to be submitted to the Council
- 1.3 Paragraph 44 of the National Planning Policy Framework 2021 (NPPF) sets out that Local Planning Authorities (LPA) should publish a list of their information requirements for applications, which should be proportionate to the nature and scale of development proposals and reviewed on a frequent basis. LPAs should only request supporting information that is relevant, necessary and material to the application in question.
- 1.4 The National Planning Policy Guidance (PPG) provides further advice regarding Validation, setting out that (as well as an application form) a LPA may request supporting information and that its requirements should be specified on a formally adopted local list which has been published on its website. The local list should be reviewed every two years. The current Local Validation List was adopted in September 2019.
- 1.5 The proposed Local Validation List is attached at Appendix 1 and includes the updated requirements in accordance with any changes in legislation and current best practice.
- 1.6 The purpose of the Planning Charter is to set out clearly the Planning Services that we provide and our commitments as a Service to, and expectations from, those with whom we engage which will improve the quality and efficiency of our Planning Service.

2. Strategic Context

- 2.1 The Council's new Corporate Strategy, 'Better Lives for All' sets out a range of themes and associated aims supported by Thematic Delivery Plans which have now been adopted by Members. The Development Management and Enforcement Service forms part of the wider planning function alongside, for example, the Joint Local Plan, Strategic Planning and Neighbourhood planning teams, which are essential to deliver against our strategic aims.
- 2.2 The recently adopted Planning Improvement Plan sets out the Council's approach to improving service performance and therefore supports 'Better Lives for All'. A key part of this is to review and adopt relevant policy and guidance documents that enable applicants to engage effectively with the Council so that they can easily understand what they need to provide so that the Council can support them through the planning process in an effective way. These documents will also support the DM Service's drive for improved performance and will better manage applicants' expectations.
- 2.3 An up to date Local Validation List will also contribute to the Council's commitment to the Climate Change Agenda as LPA, by seeking relevant information from applicants about how they are reducing their carbon footprint, achieving a 10% biodiversity net gain, better provision of open spaces, sport and recreation and protecting the countryside and heritage assets.

3. Background

- 3.1 The Local Validation List:** In order to make an informed planning decision on a planning or other application, the LPA requires all relevant and necessary information. The NPPF and PPG 2021 provide guidance on the scope of and requirement for a local Validation List for applications. The current list is out of date and therefore needs to be reviewed and updated.
- 3.2** The current Local Validation List was reviewed early last year in consultation with other Council specialists including Environmental Health, Landscape, Drainage and Heritage. External consultees included Devon County Council, the Environment Agency and South West Water.
- 3.3** A Public Consultation on the draft Local Validation List was carried out between 3 August 2021 and 14 September 2021 in line with national guidance. Comments received informed changes and amendments to the draft document.
- 3.4** The NPPF requires that the Local List is reviewed every two years. An up to date list ensures that applications are considered in accordance with up to date relevant guidance and best practice.
- 3.5** The updated Local Validation List will ensure the appropriate information is submitted in order for the LPA to make informed decisions effectively. The submission of a complete application will:
- Increase the awareness of the type of information required to ensure an application is accepted first time
 - Promote the use of pre-application discussions and advice
 - Speed up the registration process
 - Ensure consistency in the approach taken by the Council
 - Minimise the submission of additional information
 - Reduce delays during the planning process
 - Enable the Council to provide applicants with certainty as to the information required
 - Increase efficiency
- 3.6 Planning Charter:** The Planning Charter sets out how we will work with developers and members of the community that wish to engage with the planning process. This supports our commitment in the Plan to being a more efficient, flexible, customer focussed Planning Service, working with others to deliver high quality, energy efficient development with a reduced carbon footprint.
- 3.7** The Charter is one of a range of initiatives in the Improvement Plan that will together improve the wider performance of the Planning Service and embed the greater focus we are putting on performance management. Improved performance will also be supported by better clarity, accuracy and responsiveness from those engaged with the Planning process.

3.8 The proposed principles within the Charter have been discussed and were supported in principle at the Developers' Forum held in December 2021.

3.9 The Charter will come into effect on the 1 April 2022 and will apply to planning applications submitted after 1 April 2022.

4. Proposed Way Forward

4.1 To recommend to Council that the Local Validation List attached at Appendix 1 is approved in order to comply with statutory guidance and to help improve clarity, efficiency and performance.

4.2 To approve the Planning Charter attached at Appendix 2 in order to support the purpose of the Improvement Plan in clarify commitments both within the Planning Service and with developers and customers. The report also requests that Members delegate any subsequent amendments to the Director of Strategy & Governance in consultation with the Portfolio Holder for the Built and Natural Environment.

5. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|--|---------------------------|---|
| Legal/Governance | Y | Paragraph 44 of the National Planning Policy Framework sets out that Local Planning Authorities should publish a Local Validation List. The Validation List must be approved by the full Council. Planning Charters are national good practice and set out commitments and expectation from both the Council and those engaging with our Planning Service which will contribute to the improvements in performance in our Service delivery. The Executive has powers to approve the Planning Charter |
| Financial implications to include reference to value for money | N | There are no direct financial implications from the contents of the report. |
| Risk | Y | Failure to adopt a reviewed and revised Local Validation List would be contrary to national planning guidance. Without adopting the amended Checklist and Planning Charter, the Council is at risk of failing to deliver a Planning Service that meets the expectations of Members or our Customers |
| Supporting Corporate Strategy | | Quality Council Services - ensuring that we make the best use of the budget available to ensure value for money. Built and Natural Environment - Protecting and Conserving our built and natural environment; planning for the future while celebrating our past. |

| | | |
|---|---|--|
| Climate Change - Carbon / Biodiversity Impact | | <p>Direct impact on Climate change.</p> <ul style="list-style-type: none"> • Submission of Sustainable Travel Plans on applications in the rural parts of the District. • Submission of Carbon reduction Plans for all new development. • Submission of Waste Audits for major applications • Submission of Biodiversity metrics for major applications to ensure there is a 10% net gain. |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | N | None |
| Safeguarding | N | None |
| Community Safety, Crime and Disorder | N | The provision of all necessary and reasonable information with planning applications will ensure that a robust assessment of development proposals will be made to ensure that the Community Safety and Crime and Disorder are taken into account where relevant. |
| Health, Safety and Wellbeing | Y | The provision of all necessary and reasonable information with planning applications will ensure that a robust assessment of development proposals will be made to ensure that the Health, Safety and Wellbeing of communities is maintained. |
| Other implications | N | |

Supporting Information

Appendices:

Appendix 1: The Local Validation List is currently on the Council's website, <https://www.southhams.gov.uk/planning-validation>

Appendix 2: Planning Charter

Background Papers:

Local Validation List September 2019

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Planning Customer Charter

Who are we?

The Planning Service is responsible for determining planning applications and seeking to address issues when development takes place without planning permission. The Planning Service is delivered by officers in the Development Management and Planning Enforcement Team, and led by the Head of Development Management.

We are committed to putting our customers at the heart of everything that we do. Whether you are a member of the community wishing to engage in the planning process or a developer wishing to invest in our District, this Planning Charter makes clear what you can expect from our Planning Service.

Our Vision:

We are working towards being an efficient, flexible, customer-focussed Planning Service that works well together and with others to deliver high quality, energy efficient, carbon-reducing development.

What services do we provide?

- Processing applications for: planning permission, Listed Building and Conservation Area consent, advertisement consent, works to protected trees, certificates of lawful use or development, determinations of prior approval, and other statutory applications.
- Accepting and processing applications / drawings electronically
- A Duty Planner Service for informal, general planning advice and information (please note there is a fixed charge for this service). www.southhams.gov.uk/duty-planner
- A Pre-Application Service for applicants and / or their agents to find out whether the Council is likely to be able to support proposals before submitting an application (please note that there is a charge for this service). www.southhams.gov.uk/pre-application
- Keeping people informed when an Appeal is made against a planning decision.
- Carrying out investigations into breaches of planning control in accordance with our Planning Enforcement Policy. www.southhams.gov.uk/enforcement-policy
- Maintaining and make publicly available a register of planning and other statutory applications.
- An enquiry system for historic planning permissions and other statutory applications including the production of certified copies of documents (please note that there is a charge for this service).

Our Commitments and what we expect from you:

| Our Commitments – we will: | Your Commitments – you will: |
|--|--|
| <ul style="list-style-type: none">• Take pride in our performance and achievements• Be helpful, polite, and treat you with fairness and respect• Let you know who is dealing with your application / enquiry and make it clear how you can contact us and when you can expect a response | <ul style="list-style-type: none">• Treat our staff with respect and deal with us in a professional and courteous manner• Tell us when your circumstances change• Understand that you may not get the outcome that you want and that we may not always be able to solve your issues - but we can signpost you to the right support |

- Keep you informed about the progress of your inquiry using the most appropriate method of communication
- Aim to deal with your request the first time that you contact us, but if we can't we'll let you know, and let you know when we will respond
- Make sure you can easily access the latest information and guidance on our website to help you understand the process and timetable
- Work towards government targets but let you know in advance when we are not able to meet those targets
- Determine planning and other applications based on the plans and details submitted with the application when validated. We will only accept minor revisions that would not require re-consultation or re-advertisement of the application.
- Let you know if your initial application is invalid and why, and the time limit for re-submitting the application; if your subsequent application is not resubmitted within that time or if it is still invalid, we will return your application and fee [less a x% administration fee]
- Listen and respond to your concerns, apologise for and learn from our mistakes to improve our Service
- Contact us to make an appointment in relation to a complex enquiry or to see a specific officer, and attend appointments on time (or let us know if you cannot do so)
- Design and deliver high quality sustainable development, good quality plans and provide all relevant and supporting information about your proposed development in a timely manner
- Follow our policies, guidance and procedures and use our pre-application advice service
- Recognise that we are required to work within a statutory framework and meet Government targets
- Make best use of electronic methods of communication and use the website to access guidance and reports on all aspects of our Planning Service
- Use our online services to make comments on planning consultations
- Build in accordance with approved plans and conditions (or seek amendments through a further planning application)
- Tell us what you think about our service
www.southhams.gov.uk/comments-and-complaints

Useful links:

- ask/apply for www.southhams.gov.uk/pre-application
- link to www.southhams.gov.uk/planning-comment
- tell us about a breach of planning www.southhams.gov.uk/report
- submit and pay for planning applications on the www.planningportal.co.uk
- view the www.southhams.gov.uk/planning-validation
- view the www.gov.uk/government/collections/planning-practice-guidance
- view www.southhams.gov.uk/planning-policy
- view the www.southhams.gov.uk/statement-of-community-involvement
- Complaints and comments www.southhams.gov.uk/comments-and-complaints

The quickest ways of getting in touch with us are:

Email:

- for Development Management matters please email development.management@swdevon.gov.uk

- for enforcement matters please email enforcement@swdevon.gov.uk

Phone:

01803 861234

| Day | Times |
|---------------------|------------------------------|
| Monday - Friday | 9 a.m. to 5 p.m. |
| Saturday and Sunday | Closed |
| Bank Holidays | Closed |
| Christmas | Published in December |

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TQ9 5NE

Visit: all planning appointments and enquiries are available via our website
www.southhams.gov.uk/planning

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Report to: **Executive**
Date: **3rd March 2022**
Title: **Regeneration and Investment Strategy**
Portfolio Area: **Councillor Judy Pearce**
Wards Affected: **all**
Urgent Decision: **N** Approval and clearance obtained: **Y**
Date next steps can be taken:

Author: **Chris Brook** Role: **Director Place and Enterprise**
Contact: **Chris.brook@swdevon.gov.uk**

Recommendations:

1. That the Executive recommend to Council to approve an update to the Commercial Investment Strategy, in the form of the newly titled Regeneration and Investment Strategy contained in Appendix A.

1. Executive summary

- 1.1. The Council approved a commercial investment strategy in September 2018 (30/18), with a financial threshold of £60m. It was amended in July 2019 by full Council (26/19) to ensure it remained aligned to the public sector investment regulations.
- 1.2. Changes to the PWLB borrowing rules require that the strategy is further updated. Borrowing outside of area is no longer an acceptable approach for Council investment.
- 1.3. At the same time the strategy name has been amended, to better reflect the regeneration intent, and to support the aspirations of Better Lives for All, the corporate strategy.
- 1.4. The document in Appendix A – Regeneration and Investment Strategy – is an essential part of the Council’s toolkit to deliver on its economic, regeneration and housing aspirations.

2. Background

- 2.1. The commercial investment strategy that is being amended has been available for use by the Council since September 2018. Whilst a number of opportunities have been reviewed in that time, only one acquisition has been made.
- 2.2. This reflects the ability for the Council to take timely decisions, that don't require the delegation contained in this strategy, for the majority of its priorities; housing, economy, regeneration and commercial activity. It is not anticipated that this should change.
- 2.3. Changes to the PWLB rules resulting from local authority investment activity out of area have meant that the strategy requires updating. It should be noted that this Council has not made any out of area investments.
- 2.4. Better Lives for All, the corporate strategy was adopted in 2021 and sets out clear ambitions to ensure the District of South Hams can be the best version of itself. The Council has also declared a housing crisis and is seeking to take short and long term interventions to ensure housing stock is affordable. This activity may, periodically, require swift financial decisions, enabled via this strategy.

3. Outcomes/outputs

- 3.1. An amended and updated strategy to support the corporate strategy priorities and allow the Council to respond to opportunities aligned to those priorities should they occur.

4. Options available and consideration of risk

- 4.1. The existing strategy as it stands is still able to be used, but as written does not include the latest PWLB guidelines and should therefore be updated.
- 4.2. This report does not propose any changes relating to borrowing thresholds or the approval process through which the strategy is deployed, but it should, as a matter of best practice, be updated to reflect the PWLB guideline changes and be aligned to the Corporate Strategy.

5. Proposed Way Forward

- 5.1. That the Executive considers the recommendations set out in this paper and adopt the new revised strategy contained in Appendix A.

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|---|---------------------------|---|
| Legal/Governance | Y | |
| Financial implications to include reference | Y | Following the Public Works Loan Board (PWLB) Consultation the rules for PWLB investment have changed. The following criteria are the only |

| | | |
|---|---|---|
| to value for money | | criteria in which the Council can use PWLB funding as supported by this strategy. The four categories are Housing, Regeneration, Service Delivery or re-financing of existing debt. Currently borrowing levels under this strategy are capped at £60m. |
| Risk | Y | |
| Supporting Corporate Strategy | Y | Better Lives for All |
| Climate Change - Carbon / Biodiversity Impact | N | No direct carbon/biodiversity impact arising from the recommendations |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | N | None |
| Safeguarding | N | None |
| Community Safety, Crime and Disorder | N | None |
| Health, Safety and Wellbeing | N | None |
| Other implications | | |

Supporting Information

Appendices:

Appendix A – Regeneration and Investment Strategy

Background Papers:

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SHDC Regeneration and Investment Strategy

1. Introduction

This strategy replaces the Council's Commercial Investment Strategy which was approved on December 2019. It reflects changes in the PWLB and the aspirations of the Council to support projects and investments that deliver regeneration, employment, the JLP and housing, strategic investments, climate change and our corporate strategy, within South Hams.

There are only limited occasions when this strategy and the scheme of delegation within it would need to be utilised, but having a scheme of delegation that provides for expedient, auditable decisions is an essential part of a regeneration toolkit. Opportunities that come to the market that align to corporate strategy priorities are often time bound, and the Council must be able to respond to those.

This Regeneration and Investment Strategy includes the following delegations in summary:

- To the Executive (via a formal meeting) for Regeneration and Investment on Council owned land, including debt finance within the approved borrowing limits.
- To the Head of Paid Service in consultation with the Executive and S151 Officer for acquisitions, including debt finance within the approved borrowing limits.

2. Overall Objectives:

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

- Provide the financial toolkit and borrowing capacity for the Council to underpin its strategic priorities
- Enable investment in regeneration and therefore the economic activity of the District
- Allow the Council to have a streamlined decision making process in place should it be needed for time critical decisions
- Provide a framework to consider and provide for Security and Liquidity

3. Desired Outcomes:

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

- ✓ Homes
- ✓ Job creation or safeguarding
- ✓ Health & Wellbeing
- ✓ Town centre regeneration
- ✓ Tourism / Increased footfall
- ✓ Business rate growth
- ✓ Improved asset utilisation
- ✓ Climate change mitigation
- ✓ Connectivity (Physical or Digital)
- ✓ Support the delivery of any other strategic priority of the Council
- ✓ A yield aligned to project risk and financial security – this will vary according to the project.

This strategy will be achieved through acquisitions and developments within the South Hams District. This may include the focussed acquisition of land, existing Regeneration and property assets and the

development of new properties which are to be let to third parties. Furthermore it may include investments and acquisitions in infrastructure, homes and the renewable energy sector.

The following four types of investment are recognised in the Statutory Guidance on Local Government Investments (3rd Edition) (SGLGI):

1. Financial investments:

- a. Specified investments - generally short term investments (para 31 and 32)
- b. Loans - including to wholly owned companies (para 33 and 34)
- c. Non-specified investments (e.g. shares) - generally longer term investments (para 35 and 36)

2. Non-financial investments (e.g. property) - non-financial assets, held primarily or partially to generate a profit (para 37 to 40)

As described above, this strategy therefore relates primarily to non-financial investments i.e. Property. However, in the case of renewable investments it is possible that they may be classified as Financial Investments – Non specified investments. This strategy recognises that the purchase of Special Purpose Vehicles (SPVs) so as to own, operate or invest in renewable energy generation is a category of investment covered in this strategy.

4. Risk

- The risks of acquiring land, property and infrastructure may be mitigated through the acquisition of assets with secure, long term income streams, although this risk will be weighed up against the social and economic benefits of acquisitions to support commerce and trade in the District. Each opportunity's risk profile will be appraised individually and mitigated or accepted accordingly.
- Acquisitions are to be made in a careful and controlled manner, aligned to the corporate strategy, with specific analysis of risk criteria carried out in the 'due diligence' stage prior to the completion of each purchase.
- The Council's due diligence procedures are set out in detail in Section 5.3 of the Council's Investment Strategy. The Council's Investment Strategy also sets out Investment Indicators such as debt to net service expenditure ratio and regeneration and income to net service expenditure ratio.
- Each unique project will have its own set of risks and challenges, but where tenants are a feature those with strong financial standing and long unexpired lease terms will be preferred. It is recognised however that some regeneration projects are centred around poor tenant strength and typical highstreet issues. These criteria will be considered on a case by case basis and in order to meet the strategy objectives.
- Risk of loss (Para 41 SGLGI) shall be assessed on a case by case basis as part of the acquisition or investment due diligence and will be a criteria considered throughout the approval process. Risk of loss during the management phase of the investment shall be reported in accordance with the criteria below.
- In accordance with Para 23-25 of the Statutory Guidance on Local Government Investments (SGLGI), quantitative indicators or risk and portfolio performance will be reported to Audit Committee. The frequency of this reporting is anticipated to be every 6 months and will include the following indicators (as applicable):
 - Rental value by property (or land parcel)
 - Rental value by tenant
 - Sector split by purchase price

- Purchase price
- Rental income profile
- Tenant lease length
- Gross Yield
- Management, Maintenance and Risk Mitigation Reserve (MMRM) value
- Current value
- In the case of an SPV, relevant criteria shall be reported depending on the nature of the SPV.

5. Location:

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

6. Tenant mix (where applicable):

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

7. Lease length (where applicable):

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

For all of the above:

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

8. Yield:

- The Council will only acquire properties and make investment decisions where the running cost does not require Council subsidy, (unless otherwise agreed by the Executive to further a strategic priority with a clear funding plan in place). Per acquisition, no minimum target will be set, but the yield must be balanced against the financial risk of the project holistically.

- Where projects deliver key strategic priorities, or where the community benefits of job creation or safeguarding, tourism, town centre regeneration, business rate growth or effective asset utilisation are significant a very low or zero net yield may be acceptable.

9. Value & Cost:

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

10. Funding:

- Following the PWLB Consultation the rules for PWLB investment have changed. The following criteria are the only criteria in which the Council can use PWLB funding as supported by this strategy.
 - A. **Housing** - activity normally captured in the HRA (SHDC does not have a HRA) and General Fund housing, or housing delivered through an LA housing company including access to the PWLB for land release, housing delivery, or subsidising affordable housing.
 - B. **Regeneration** projects typically with one or more of the following characteristics:
 - I. the project is addressing an economic or social market failure by providing services, facilities, or other amenities that are of value to local people and would not otherwise be provided by the private sector
 - II. the project prevents a negative outcome, including through buying and conserving assets of community value that would otherwise fall into disrepair
 - III. the Council is making a significant investment in the asset beyond the purchase price: developing the assets to improve them and/or change their use, or otherwise making a significant financial investment
 - IV. the project involves or generates significant additional activity that would not otherwise happen without the LA's intervention, creating jobs and/or social or economic value e. while some parts of the project may generate rental income, these rents are recycled within the project or applied to related projects with similar objectives, rather than being applied to wider services
 - C. **Refinancing** would cover restructuring or extending existing debt from any source. The government proposes that refinancing should be a stand-alone category separate from the others on the basis that it is not always possible or meaningful to attempt to trace the link between some debt coming due and the spending that the debt originally supported.
 - D. **Service delivery** to undertake borrowing to deliver a primary or other service function of the Council.

The S151 officer will determine if the project being considered meets the criteria set out above and define which of the criteria it meets. Further to that:

- Acquisitions and development initiatives will be funded using predominantly borrowing or any other unallocated or available Council reserve or capital receipt. The Council shall not borrow more than or in advance of need as part of the funding for investments of developments so as to benefit from the investment of the extra sums borrowed (para 46 & 47 SGLGI).

- There are no circumstances in which the Council would seek to disregard the prohibition on borrowing ahead of need, purely for profit. Any investment in renewable energy generation, as set out in the corporate strategy, would be classified as service delivery and would be made with a view to reducing the Council's carbon emissions.
- Liquidity – Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority will spread its liquidity profile across its portfolio and also have a spread of the sector in which the Council invests. The Council also documents potential exit strategies as part of its due diligence checks.
- Borrowing is to be secured on a case by case basis on the most advantageous terms available predominantly through borrowing or any other unallocated or available Council reserve or capital receipt.
- Currently borrowing levels are capped at £60m.
- The borrowing term will not exceed the expected remaining life of the property, but the Council wishes to secure borrowing over a maximum 50 year term. Liquidity will be a factor in determining the amount of rent set aside in the Maintenance Management and Risk Mitigation reserve for each investment. This will be reviewed with the same frequency as the risk reporting procedure set out in this strategy.
- Capital repayments will repay all of the capital value (through MRP) of any acquired property or borrowing for property development.
- For non specific financial investments the period of the loans shall be linked to either the viable business case of the investment or the asset life whichever is the shortest as determined at the time of acquisition or investment.

11. Tax Implications:

- Due to the Council holding acquired or developed assets, it is not anticipated that there will be any corporation tax or income tax implications from this strategy
- Some properties may be VAT elected, meaning VAT must be charged to tenants. This will be dealt with on a case by case basis and will be covered by the due diligence connected with that acquisition. The Council is able to charge and recover VAT
- Capital Gains Tax would not apply to assets sold from Council ownership
- Where investments in companies (such as SPVs) are made in line with this strategy, all tax liabilities will remain with the SPV.

12. Exit Strategy:

- The Council is not looking to actively trade Regeneration and property within the first 5 years of ownership of any acquired property, however this is flexible if required to meet this strategy's objectives.
- If it is determined that the most prudent action is to sell an individual asset, this will be considered on a case by case basis and will be acted upon in consultation with Executive Members, the S151 officer and the Head of Paid Service
- It is proposed that the majority of investments shall be non – financial investments (properties) and as such will be held as Council Assets. Investments such as SPVs shall be owned through the purchase of shares. It is important to note that there would be early repayment charges if borrowing used to acquire or develop a Regeneration and property was to be repaid before the end of the loan term. However, Public Works Loan Board (PWLB) lending is not secured against

property, so would not inhibit the asset being traded during the loan period. An alternative asset could be purchased (& held) with any sale receipt.

13. Governance Arrangements - general:

- Acquisitions and developments must conform to the adopted Regeneration and Investment strategy. Any deviation from the agreed strategy will require Council approval.
- The Council's Senior Leadership Team will initially consider each proposal as an initial step and recommend that the proposal proceeds in principle to the Executive.
- When any decision to proceed with a development or acquisition is being considered, local Ward Members (where applicable) will be briefed at the earliest opportunity and be able to share their views with Executive Members and be consulted before the final decision is made. Executive Members, along with the Head of Paid Service and S151 officer, will consider each and every proposal on its own merits and specifically how each proposal meets the Council's multiple objectives and desired outcomes.
- The Head of Paid Service in consultation with the Executive Members and S151 officer will consider debt proportionality (the amount borrowed to date against the net service expenditure ratio) on a case by case basis for each acquisition as part of the decision making process, with information provided to them and the s151 officer, the Head of Paid Service and the Leader of the Council. Investment Indicators are set out within the Council's Investment Strategy. Table 2 of the Council's Investment Strategy shows the aggregate of Regeneration and property income and treasury income as a percentage of the Council's gross service expenditure.
- The Council undertakes sensitivity analysis of the interest repayments on its borrowing requirements as a percentage of its available reserves to ensure there is sufficient coverage in the event that income is below that forecasted. The Council also put 10% annually of all rental income and income from energy prices into a Maintenance, Management and Risk Mitigation (MMRM) Reserve. This is part of the Council's contingency arrangements.
- Officers, working with their specialist advisors in the market will sift opportunities and only present to Executive Members, opportunities that closely meet the Strategy. They will then lead the Executive Members into debate over the specific benefits and risks of each opportunity before the Executive Members make a decision. In this way, risk will be transparent through the process.
- Projects and their outcomes will be kept under constant review by officers and reports to Executive and Audit Committee.

14. Governance: Development on Council Owned Land

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

15. Governance: Regeneration and Investment Acquisitions within the South Hams

The Council will delegate the authority and decision making functions, including debt finance, relating to 'Regeneration and Investment Acquisitions in the South Hams' to the Head of Paid Service in consultation with the Section 151 Officer and Members of the Executive, assuming that the proposed expenditure complies with the Council approved total borrowing limits.

- Any project will be subject to Due Diligence and Legal Searches and occasionally other data as need arises.
- Assuming the bid remains as per that authorised at the time of sign off, the final sign off prior to exchange and payment of deposit (typically 10%) is made by the Head of Paid Service in consultation with the S151 officer and Leader of the Council. If anything material has changed, the Executive Members will be re-consulted.
- This process of delegated authority is required because there is often very little time (a number of days) to secure a bid on an opportunity of strategic interest, especially if it is off market. Off market bids avoid price inflation caused by competing bidders.
- The Executive Members have been made aware that they will be required to process and respond in a very quick timeframe so as to provide their view.
- When South Hams District Council acquire a Regeneration and Investment in line with this strategy, a report will be presented (for noting purposes) to the subsequent meeting of the Executive.

16. Running / Review

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

17. Disposal

- Once acquired, decisions relating to the ownership and disposal of any acquired or developed properties will be dealt with in-line with the Council's constituted scheme of delegation.

18. Resources:

- Project resources will be reviewed on a project specific basis, but will be resourced from the Place and Enterprise Directorate, with additional legal support. This will be supplemented by specific consultant advice as required and associated costs built into the business case for each project.

19. Risk assessment and due diligence

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

- A. The tenants need to be of good financial standing (this is assessed using Dun & Bradstreet credit rating reports and annual accounts). The number of tenants e.g. sole tenant or multi tenanted will be assessed.
- B. The property condition such as date of construction and any imminent or significant refurbishment or modernisation requirements (forecast capital expenditure).
- C. How the property investment or financial, non specified investment meets the Council's multiple objectives as set out in the Council's strategy e.g. Liquidity, renewable energy, economic regeneration, business growth.
- D. The lease must meet certain standards, such as being in a regeneration and popular location and have a number of years left on the lease providing a certain and contractually secure rental income stream into the future. Any break clauses will be assessed along with the number of unexpired years, bank guarantees and rent reviews.
- E. The location will be within the South Hams District Council's boundary as set out in the Regeneration and Investment Strategy (apart from renewable energy investment which may have a wider geographic spread). The population of the catchment area, the economic vibrancy and known or anticipated market demand as well as proximity to travel infrastructure and other similar properties will be assessed.
- F. Rental income paid by the tenant must exceed the cost of repaying the borrowed money from the Public Works Loan Board (which is itself funded by the Government). The surplus is then an ancillary benefit which supports the Council's budget position and enables the Council to continue to provide services for local people.
- G. The gross and net yield are assessed against the Council's criteria.
- H. The prevailing interest rates for borrowing at the time.
- I. Debt proportionality considerations.
- J. The life and condition of the property is assessed by a valuer and the borrowing is taken out over the life of the asset. The amount of management and maintenance charges are assessed as well as the ease of in-house management. 10% of all rental income (or an amount as deemed prudent) is put into a Maintenance Management and Risk Mitigation Reserve to cover any longer-term maintenance issues.
- K. The potential for property growth in terms of both revenue and capital growth will be assessed.
- L. The risks are determined by the property sector e.g. office, retail, industrial, associated with specific properties and the mix of sectors within the Council's portfolio.
- M. Details of acquisition costs e.g. stamp duty land tax, legal costs
- N. The documented exit strategy for a purchase/new build.
- O. The legal and technical due diligence checks will also identify any specific problems such as anomalies in the title deed, restrictive use classes, indemnities, local competition, construction or refurbishment requirements.
- P. The Council engages the use of external advisors to assist in undertaking elements of the due diligence checks such as technical, legal, accounting, property and taxation advice.
- Q. The Council undertakes sensitivity analysis of the interest repayments on its borrowing requirements as a percentage of its available reserves to ensure there is sufficient coverage in the event that rental income is below that forecasted. This ensures that the Council has the available reserves to enable service delivery to be maintained in the short to medium term, whilst alternative solutions are implemented.

Report to: **Executive**

Date: **3 March 2022**

Title: **Month 10 Revenue Budget Monitoring
2021/2022**

Portfolio Area: **Finance and Assets – Cllr H Bastone**

Wards Affected: **All**

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

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

Author: **Pauline Henstock** Role: **Head of Finance Practice
and Deputy S.151 Officer**

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

Contact: pauline.henstock@swdevon.gov.uk
lisa.buckle@swdevon.gov.uk

RECOMMENDATIONS:

That the Executive resolves to:-

- i) Note the forecast income and expenditure variations for the 2021/22 financial year and the overall projected surplus of £90,000 (0.9% of the total Budget £9.677 million).**
- ii) RECOMMEND to Council to transfer £320,000 of the additional planning income into the Planning Policy & Major Developments Earmarked Reserve at the end of the 2021/22 financial year to manage future fluctuations in planning income.**

1. Executive summary

- 1.1 This report enables Members to monitor income and expenditure variations against the approved budget for 2021/22, and provides a forecast for the year end position.
- 1.2 The gross service expenditure budget for 2021/22 was set at £41 million (£9.677 million net). This report identifies a projected surplus of £90,000 which is nearly 0.9% of the overall Budget set for 2021/22 of £9.677 million.
- 1.3 **Salaries** – salary costs are predicted to be on target after applying a contribution of £120,000 from the Salary Savings Earmarked Reserve and £80,000 from the Sustainable Waste Management Earmarked Reserve (Council 10.02.22). These will be applied as part of the closure of the 2021/22 Accounts.

2. Background

2.1 Regional and national context

- 2.2 The Covid-19 pandemic has drawn into sharper focus the financial challenges faced by Local Authorities which have existed for some years. There remains outstanding a number of Local Authority Government reviews into Local Authority funding to reset the way local Councils are funded and the mechanism for the distribution of funding.

2.3 Financial Monitoring arrangements

- 2.4 The Council's financial procedure rules require that reports must be made on budget monitoring on a regular basis to the Executive as part of the Council's arrangements for budget management.

3. Outcomes/outputs

- 3.1 **Budget overview** - Table 1 below provides an analysis of the projected variances against budget.

TABLE 1: 2021/22 BUDGET FORECAST

| | 2021/22 Budget expenditure /(income) | Budget variations | | £000 | Note |
|--|---|----------------------|-------|----------------|------|
| | £000 | % | £000 | | |
| APPROVED BUDGET | | | | 9,677 | |
| Reductions in expenditure/additional income | | | | | |
| Customer Service & Delivery | | | | | |
| Planning income | (920) | 42% | (390) | | A |
| IT and digital communications | 158 | 13% | (20) | | B |
| Governance and Assurance | | | | | |
| Savings on Member travel, expenses and training | 39 | 77% | (30) | | C |
| Place and Enterprise | | | | | |
| Car and boat parking income | (3,162) | 12% | (395) | | D |
| Dartmouth Lower Ferry income | (827) | 23% | (190) | | E |
| Employment Estates income | (887) | 14% | (120) | | F |
| Follaton House – Covid-19 vaccination centre | n/a | n/a (no budget) | (60) | | G |
| | | | | | |
| | | | | | |
| Other Comprehensive Income & Expenditure | | | | | |
| Business Rates Pooling gain | (225) | 27% | (60) | | H |
| Sub total of variations | | | | (1,265) | |
| Increases in expenditure/reductions in income | | | | | |
| Customer Service & Delivery | | | | | |
| COVID-19 expenditure | n/a | n/a (no budget) | 240 | | I |
| Planning salaries | 922 | 8% | 70 | | J |
| Licensing income | (201) | 4% | 8 | | K |
| ICT Support Contracts | 536 | 14% | 75 | | L |
| Council Tax Collection income | (155) | 26% | 40 | | M |
| Governance & Assurance | | | | | |
| Waste & Recycling – delay to the September 2020 go live date for Devon Aligned Service for all properties | 2,648 | 9% | 240 | | N |
| Place and Enterprise | | | | | |
| Joint Local Plan Contribution | n/a | n/a (no budget) | 25 | | O |
| Dartmouth Lower Ferry fleet refurbishment | 40 | 150% | 60 | | P |

| | | | | | |
|--|-------|-----|----|--------------|---|
| Other Comprehensive Income & Expenditure | | | | | |
| Investment income | (203) | 44% | 90 | | Q |
| Provision for Bad and Doubtful Debts | n/a | n/a | 20 | | R |
| Sub total of variations | | | | 868 | |
| PROJECTED OUTTURN | | | | 9,280 | |
| Government grant funding anticipated from the income guarantee scheme for sales, fees and charges for April to June 2021 | | | | (13) | S |
| Recommendation 2: Transfer to the Planning Policy & Major Developments Earmarked Reserve: (Additional planning income in 2021/22). | | | | 320 | T |
| Sub-total | | | | 9,587 | |
| PROJECTED SURPLUS FOR 2021/22 | | | | (90) | |

There is projected to be an overall surplus of £90,000 when compared against the Revenue Budget set for 2021/22.

Notes

- A. **Planning income** – additional income of £390,000 has been received as at 31 January 2022. For the purposes of the 2021/22 projection it has been assumed that income will be on budget for the remainder of the year. However, this is a volatile area which can be very difficult to forecast given the impact of large applications. The Planning Improvement Plan report approved at the Executive meeting on 14th October 2021 recommended that part of this additional income is utilised to fund additional staffing costs in planning for 2021/22 (note J – these total £70k). The remaining income of £320,000 is requested to be set aside in the Planning Policy & Major Developments Earmarked Reserve to deal with any future volatility in planning income e.g. due to a reduction in large applications.
- B. **Efficiencies from IT and digital communications** – due to the efficiencies brought about from IT and digital communications the postage budget is anticipated to be underspent by £20,000 in 2021/22.
- C. **Savings on Member travel, expenses and training** – due to Covid 19, it is currently anticipated that a saving of up to £30,000 could be achieved in 2021/22.

- D. **Car & boat parking income** – additional income of £395,000 has been received as at 31 January 2022. The additional income is mainly from Bigbury and Salcombe (Boat Park and North Sands) car parks. For the purposes of the 2021/22 projection it has been assumed that income will be on budget for the remainder of the year.
- E. **Dartmouth Lower Ferry income** – additional income of £190,000 has been received as at 31 January 2022. This equates to 23% of the annual income target for Dartmouth Lower Ferry of £827,000.
- F. **Employment Estates income** – employment estates income is currently projected to be over budget by £120,000 in 2021/22 due to high occupancy rates and regular rent reviews.
- G. **Follaton House Covid-19 vaccination centre** – the current licence for the vaccination centre at Follaton House is anticipated to generate £60,000 of income in 2021/22.
- H. **Business Rates Pooling gain** – it is currently anticipated that a Business Rates Pooling gain of £285,000 will be generated in 2021/22.
- I. **COVID-19 expenditure** – One-off items of direct Covid 19 expenditure such as extra housing costs, ICT and remote working, waste, cleaning costs and community support costs. These costs are included on the monthly DELTA Government returns completed.
- J. **Planning salaries** – additional staffing cost within the Development Management Service is anticipated to cost £70,000 in 2021/22. This can be met from the additional planning income generated by the service as shown in note 'A' above. At the Executive meeting on 14th October 2021 it was recommended to fund four additional planning specialists and two additional lawyers (shared with West Devon) from additional planning income, which has been approved.
- K. **Licensing income** – as at the end of January 2022 there was a shortfall of £8,000 in licensing income. This will be partly offset by the extension of the Government income guarantee scheme for sales, fees and charges into the first quarter of 2021/22 as shown in note 'S' below.

L. **ICT Support Contracts** - There are additional costs in respect of ICT support contracts mainly due to,

- Above inflation increases, e.g. Microsoft Licensing
- Additional costs for new licenses, laptops and accessories due to an increase in the number of users on our network
- The acquisition of remote diagnostics software as a result of the increase in remote working
- Disability Access legislation for the website has required the purchase of tools for monitoring compliance and enhancing access

M. **Council Tax Collection income** – summons costs recovered in respect of Council Tax and Business Rates are currently anticipated to be 26% down on the 2021/22 budget.

N. **Waste and Recycling – delay to full implementation of the Devon Aligned service** -

Council in December 2018 awarded a 8 year contract for Waste, Recycling and Cleansing Services to FCC, commencing on 1st April 2019. The annual saving from the outsourced contract from 19/20 onwards was £286,000 and this increased to over £400,000 per annum on commencement of the Devon Aligned Service. As per recent reports to the Executive and Council, some properties have moved across to the Devon Aligned Service but not all properties.

The £240,000 shown in the report is a ballpark estimate of the costs the Council experienced in 2020/21 due to the delay of the Devon Aligned service and this figure has been used in the 2021/22 budget monitoring reports, in the absence of any firmer figures at this stage. The Council is continuing dialogue with its waste contractor (FCC). Costs are associated with continuing to supply single-use sacks for recycling and the reprocessing of the recyclable materials in the current global market.

O. **Joint Local Plan Contribution** – a cost pressure of £25,000 has been identified in relation to the 2021/22 Joint Local Plan contribution. There is currently no budget for this in 2021/22. A reserve contribution has been approved in the 2022/23 revenue budget. This has been funded from monies set aside in the JLP Earmarked Reserve in previous years, which is now depleted.

P. **Dartmouth Lower Ferry fleet refurbishment** – The fleet refurbishment cost is predicted to be £60,000 in excess of the budgeted amount.

- Q. **Investment income** – due to the historic low in interest rates (base rates are 0.1%), investment income is currently anticipated to be 44% down which equates to a shortfall of £90,000 in 2021/22. Further options for fixed term deposits will continue to be explored with the Council’s treasury management advisers. On 6th January 2022, the Council invested £6m of funds with Standard Chartered Bank for six months giving a return of 0.47%. The invested funds are used to support sustainable development in order to ensure the integrity of the environment.
- R. **Provision for Bad and Doubtful Debts** – An increase in the provision for bad and doubtful debts of £20,000 has been estimated for 2021/22. This provision covers debts such as Sundry Debtors and Housing Benefit debt but will exclude bad debt provisions for Council Tax and Business Rates income streams.
- S. **Government Grant Funding for Income Losses** – in line with 2020/21 the Government have extended their income guarantee scheme to help compensate Councils for losses of sales, fees and charges income during the first quarter of 2021/22. Due to the recovery of some key income streams in 2021/22 this has been calculated at £13,000 for April to June 2021.
- T. **Transfer to Earmarked Reserves** – It is recommended to transfer £320,000 of additional planning income in 2021/22 into the Planning Policy & Major Developments Earmarked Reserve to deal with any future volatility in planning income e.g. due to a reduction in large applications.

3. Other items to be considered in the 2021/22 Budget

- 3.1 This monitoring report includes an update on the position regarding the savings and additional income that were identified in the 2021/22 budget setting process, set out in Appendix B.
- 3.2 **Leisure** – A report on Leisure will be considered by the Executive at the March 2022 meeting.
- 3.3 **Salaries** – salary costs are predicted to be on target after applying a contribution of £120,000 from the Salary Savings Earmarked Reserve and £80,000 from the Sustainable Waste Management Earmarked Reserve (Council 10.02.22). These will be applied as part of the closure of the 2021/22 Accounts.

4. Earmarked Reserves

- 4.1 Budgeted contributions to and from Earmarked Reserve were part of the 2022/23 Budget reports.
- 4.1 A schedule of Earmarked Reserves is attached at Appendix A, which shows Earmarked Reserves have a projected balance of £13.838 million at 31.3.2022 currently.
- 4.2 Although our Earmarked Reserves appear to have increased substantially overall in 2020/21, an amount of £6.28m of this is due to a technical accounting adjustment where Councils were compensated for the business rates holidays that were announced by the Government for the retail, hospitality and leisure sectors in 2020/21 (this funding is in the S31 Compensation Grant Reserve). This temporary increase in reserves will reverse back out again in the 2021/22 Accounts, to fund the deficit on the Collection Fund. Therefore this is not money which is available for the Council to spend and it is important that this is not misinterpreted in the Accounts, as this is a national issue.
- 4.3 The Council's level of Unearmarked Reserves currently stands at £2.122 million. The surplus of £90,000 would go into Unearmarked Reserves at the year end, in accordance with normal accounting practice (the Accounting Code of Practice, which sets out that surpluses or deficits at the year end are added to Unearmarked Reserves). On 10th February 2022, Council approved to transfer £280,000 from Unearmarked Reserves to a Financial Stability Earmarked Reserve, to be available for any future financial pressures from future local government funding reforms and any other budget pressures. This gives a predicted year end (31.03.22) balance of £1.932 million for Unearmarked Reserves.

5. Prudential Indicators

- 5.1 The prudential code indicators were approved in the Capital, Investment and Treasury Management Strategy report to the Council on 25 March 2021. The indicators are monitored during the year through the normal revenue and capital monitoring processes. All Treasury Management limits have been adhered to.

6. Income and Reserves

Income monitoring is an integral part of financial management. Current income forecasts are as follows: Income monitoring is an integral part of financial management. Below shows the current income (surpluses)/shortfalls already experienced for April 2021 to January 2022. The table also shows the latest 2021/22 projections for the major streams of income.

| Service | Deficit/ (Surplus) April – January 2022 £'000 | Projected Income 2021/22 £'000 | Income Budget 2021/22 £'000 | Deficit/ (Surplus) £'000 | Deficit/ (Surplus) % |
|--------------------------------|--|---|--|---|-------------------------------------|
| Car Parks | (325) | 3,557 | 3,162 | (395) | (12%) |
| Planning | (396) | 1,310 | 920 | (390) | (42%) |
| Employment Estates | (140) | 1,007 | 887 | (120) | (14%) |
| Trade Waste | - | 819 | 819 | - | - |
| Dartmouth Ferry | (233) | 1,017 | 827 | (190) | (23%) |
| Recycling | - | 451 | 451 | - | |
| Business Rates Pooling Gain | - | 285 | 225 | (60) | (27%) |
| Investment income | 112 | 113 | 203 | 90 | 44% |
| Licensing | 8 | 193 | 201 | 8 | 4% |
| Land Charges | - | 170 | 170 | - | - |
| TOTAL | (974) | 8,922 | 7,865 | (1,057) | (13%) |

7. Management Actions

7.1 The table below sets out the relevant management actions for the revenue expenditure and income variations shown above. It is best practice for the Council to state whether there are any corrective actions that need to be taken for the variances identified in 2021/22.

| | Budget variations overspend/ (underspend) £000 | Management Action |
|--|---|---|
| Reductions in expenditure/additional income | | |
| Planning income | (390) | The Planning Improvement Plan report approved at the Executive meeting on 14 th October 2021 (E.53/21) that part of this additional income is utilised to fund additional staffing costs in planning. It is recommended that the remaining additional income of £320,000 be set aside in the Planning Policy & Major Developments Earmarked Reserve. |
| IT and digital communications | (20) | A saving of £20,000 has been built into the 2022/23 budget. |
| Member travel, expenses and training | (30) | The projected underspend will be kept under review during the year. |
| Car and boat parking income | (395) | This will be kept under review during 2021/22. |
| Dartmouth Lower Ferry income | (190) | Income levels will be kept under review in 2021/22. |
| Employment Estates income | (120) | Additional income of £80,000 has been built into the 2022/23 budget. |
| Follaton House – Covid-19 vaccination centre | (60) | This arrangement will be kept under review. |
| Business Rates Pooling Gain | (60) | The 2022/23 budget for the Business Rates Pooling Gain has been increased from £225,000 to £300,000. |
| Increases in expenditure/reductions in income | | |
| Covid-19 expenditure | 240 | This expenditure will be kept under close review and will be included in the Government DELTA returns. |

| | Budget variations overspend/ (underspend) £000 | Management Action |
|---|---|---|
| | | |
| Planning salaries | 70 | The Planning Improvement Plan report approved at the Executive meeting on 14 th October 2021 (E.53/21) recommended to fund this additional salary cost from additional planning income in 2021/22. |
| Licensing income | 8 | Income levels will be kept under review in 2021/22. |
| ICT Support Contracts | 75 | A cost pressure of £75,000 has been built into the 2022/23 budget. |
| Council Tax collection income | 40 | Recovery of summons costs will be kept under review in 2021/22. |
| Waste & Recycling – delay of the full implementation of the Devon Aligned Service | 240 | The Council is continuing dialogue with its waste contractor (FCC). See Note N for more detail. |
| Joint Local Plan Contribution | 25 | A cost pressure of £25,000 has been built into the 2022/23 budget. |
| Dartmouth Lower Ferry fleet refurbishment | 60 | This is a one off cost pressure and will be kept under review in 2021/22. |
| Investment income | 90 | The investment income target has been reduced by £80,000 as part of the 2022/23 Budget. |
| Provision for Bad and Doubtful Debts | 20 | The level of debt will be kept under close review in 2021/22. |

8. Options available and consideration of risk

- 8.1 At this early stage it is important to note that these forecasts can change over the course of the year. Managers can seek out opportunities to reduce any overspends, whilst considering the risk of any adverse impact on the customer experience.

9. Proposed Way Forward

- 9.1 Revenue budget monitoring will continue on a regular basis and further reports will be brought to the Executive each quarter.

10. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|--|---------------------------|---|
| Legal/Governance | Y | The Council is required to make arrangements for the proper administration of its financial affairs. As part of those arrangements, the Council is under a duty to monitor its budgets throughout the financial year and to take appropriate action to deal with any deterioration in the financial position revealed by the regular monitoring. |
| Financial implications to include reference to value for money | Y | <p>The report identifies a projected surplus of £90,000 which is 0.9% of the overall budget set for 2021/22 of £9.677 million.</p> <p>It is recommended to transfer £320,000 of additional planning income into the Planning Policy & Major Developments Earmarked Reserve, to manage future fluctuations in planning income.</p> <p>As part of Grant Thornton's external audit of the Statement of Accounts for 2020/2021, they have concluded that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p> |
| Risk | Y | <ol style="list-style-type: none"> 1) Budget variances – continual monthly budget monitoring at all levels within the Council ensures early identification of variances. Reporting to the Executive provides an opportunity for Members to identify and instigate remedial action where appropriate. 2) Resource Planning – the Executive takes into account any significant issues when developing the Council's Medium Term Financial Strategy. These are identified in the Management Actions section of the report (Section 7). |
| Supporting Corporate Strategy | | The budget monitoring process supports all of the Delivery Plans within the Council's strategic vision, 'Better Lives for All'. |
| Climate Change – Carbon / | | A report was presented to Council on 17 th December 2020 'Climate Change and Biodiversity Strategy and Action Plan update'. The report set |

| | | |
|---|--|--|
| Biodiversity Impact | | <p>out the proposed allocation of the £400,000 in the Climate Change Earmarked Reserve.</p> <p>A further £200,000 funding for the Climate Change Action Plan was approved by Council on 11th February 2021, as part of the 2021/22 Budget.</p> <p>Further detail is set out in the Council's 'Better Lives for All' strategy.</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

Appendix A – Schedule of Reserves (Earmarked Reserves and Unearmarked Reserves).

Appendix B – Savings/Additional income schedule

Background Papers:

None.

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| RESERVES - PROJECTED BALANCES (EXCLUDES SALCOMBE HARBOUR) | | | | | | APPENDIX A |
|--|-------------|----------------------------------|------------------------------------|-------------------------------|------------------------------------|--|
| | Cost Centre | Opening balance 01.04.2021 £000s | Additions to Reserve 2021/22 £000s | Predicted Spend 2021/22 £000s | Projected balance 31.03.2022 £000s | Comments |
| Specific Reserves - General Fund | | | | | | |
| Affordable Housing | S0822 | (668) | | 240 | (428) | Funding of Capital Programme commitments and £36k set up costs of the Community Benefit Society, Wholly Owned Company (E.78/19). There is a potential £350,000 commitment for St Anns Chapel (£100K already approved and a further £250K is a recommendation on the Council report of 25.11.21) |
| Beach Safety | S0839 | (14) | | | (14) | |
| Capital Programme | S0820 | (181) | (182) | 363 | 0 | Capital Programme commitments |
| Community Composting | New | 0 | (200) | 0 | (200) | Council 10/02/22 approved a one off amount of £200k to be transferred into a Community Composting Earmarked Reserve in 2021/22. A scheme is to be set up for community composting, aligned to savings in the green waste element of the waste contract in 2021/22. |
| Community Housing Fund | S0854 | (194) | | 149 | (45) | Community Housing schemes |
| Community Parks and Open Spaces | S0826 | (49) | (17) | 20 | (46) | Play equipment and bench seating |
| COVID-19 | S0815 | (100) | (381) | | (481) | This is a new reserve set up in 2020/21 to protect against future COVID losses. The current balance of £481k comprises of the 4th and 5th tranches of the COVID-19 LA Support Grant (£100k and £381k respectively) - Executive 17/12/20 and 28/01/21 |
| Dartmouth Ferry Repairs & Renewals | S0830 | (428) | (117) | | (545) | |
| District Elections | S0838 | (10) | (10) | | (20) | |
| Economic Initiatives | S0831 | (23) | | | (23) | |
| Economic Regeneration (Business Rates pilot gain 2018/19) | S0858 | (49) | | 38 | (11) | The commitments relate to £15k for the Tour of Britain and £23k for the Ivybridge Regeneration project (Executive 18th June 2020). |
| Emergency Climate Change Projects | S0852 | (400) | (200) | 400 | (200) | The set up of this reserve was approved by Executive on 6/2/20 20 E74/19, funded by a £400k contribution from the New Homes Bonus Reserve. As per the Executive report on 22nd October 2020, £20,000 was to be utilised to support the delivery of the Green Homes Grant scheme. At Council on 17 December 2020 the 'Climate Change and Biodiversity Strategy and Action Plan update', proposed initiatives for the remaining £380,000. In addition a further £200k will be contributed to this reserve this year as part of the 2021/22 Budget to support the Climate Change Action Plan. Funding was identified from The Business Rates Retention Reserve, New Homes Bonus and withdrawing the 2021/22 contribution to the Planning Earmarked Reserve. |
| Environmental Health Initiatives | S0857 | (20) | | | (20) | |
| Financial Stability | New | 0 | (280) | 0 | (280) | Council 10/02/22 approved for £280k to be transferred from unearmarked reserves to a Financial Stability Earmarked Reserve, to be available for any future financial pressures from future local government funding reforms and any other budget pressures. |
| Grounds Maintenance | S0901 | (104) | | | (104) | A new reserve set up in 2020/21 to hold the Grounds Maintenance in year surpluses to be reinvested back into the service (Executive 18/6/20) |
| Homelessness Prevention | S0851 | (166) | | 59 | (107) | This reserve has been created following underspends on Homelessness Prevention Costs in previous years. The commitment includes funding carried forward from 2020/21 in respect of the Housing Vulnerability Officer (£24k). This is a 2 year temporary post funded by grant from Devon County Council. Corporate Strategy, delivery of needs analysis for affordable housing £30k |
| ICT Development | S0836 | (82) | (50) | 65 | (67) | Commitments include £27k towards the Future IT Procurement, Council 13/2/20 E75/19 |
| Land and Development | S0829 | (104) | (7) | 91 | (20) | The commitment of £25k has been earmarked for Follaton House Arboretum and a further £66k as matched funding towards the Urban Tree Programme (details in the Executive Capital Monitoring Report on this agenda, subject to council approval) |
| Leisure Services | S0858 | (51) | | 8 | (43) | |
| Maintenance, Management and Risk Management Reserve (MMRM) | S0861 | (37) | (29) | | (66) | This reserve was set up in 2019/20 to manage the ongoing maintenance costs of the Council's Investment Property. The contributions to the reserve equate to 10% of the rental income, this is anticipated to be £29,000 in 2021/22. |
| Marine Infrastructure | S0828 | (326) | (58) | 200 | (184) | £200k has been committed towards the Harbour Depot, Batson Creek, Salcombe E.74/20 |
| Members Sustainable Community Locality | S0846 | (35) | | | (35) | This reserve holds the unspent balances. |
| New Homes Bonus | S0804 | (1,803) | (1,068) | 1,940 | (931) | The NHB allocation for 21/22 is £1,068m. Commitments include £764k contribution to the base revenue budget and £200k towards the Recovery and Renewal Plan and Climate Change Action Plan approved as part of the 21/22 Budget (Council 11/2/21). In addition there are commitments from previous years for the Capital Programme budget 2018/19 & 2019/20. The remaining balance includes £235,016 unallocated from the 2020/21 New Homes Bonus and £122,274 from the 2021/22 New Homes Bonus 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. |
| On-Street Parking | S0834 | (44) | | | (44) | |
| Pay & Display Equipment Renewals | S0833 | (165) | (21) | | (186) | This reserve provides for the periodic replacement of Pay & Display machines. |
| Pension Fund Strain Payments | S0810 | (109) | (99) | | (208) | This reserve is used to fund pension strain costs |
| Planning Policy & Major Developments | S0840 | (217) | (320) | 4 | (533) | This reserve is for all planning matters and is also to meet appeal costs. This report recommends to transfer £320,000 of additional planning income into this reserve. |
| Play Area Renewals Reserve | S0867 | 0 | (93) | | (93) | This is a new reserve set up in 2021/22 to hold the anticipated underspend on the Play Parks capital budget of £93,500. This reserve will be used for replacement play area equipment (Executive 22/10/20 - E.26/20) |

| | | | | | | |
|--|-------|-----------------|----------------|---------------|-----------------|--|
| Recovery and Renewal Plan | S0864 | 0 | (500) | 200 | (300) | This is a new reserve set up as part of the 2021/22 Budget to support the costs of the Recovery and Renewal Plan. The £500k contribution is funded by reassigning the proposed contribution to the Planning Earmarked Reserve in 2021/22 (£50k) and a transfer from the Business Rates Retention Earmarked Reserve (£450k) - Council 11/2/21 |
| Repairs & Maintenance | S0827 | (231) | (80) | 30 | (281) | The commitment of £30k relates to the cost of refit furniture for the Council Chamber. |
| Revenue Grants | S0821 | (1,101) | | 181 | (920) | 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 £49k 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. In addition a further £130k has been earmarked for the new Audio Visual system in the Council Chamber. This will be funded from the Government new burdens funding received for the administration of Business Grants which was transferred to this reserve in 2020/21. |
| Salary Savings | S0863 | (120) | | 120 | 0 | This is a new reserve set up to hold salary savings from 2020/21 to be ringfenced to support salary costs in 2021/22. (Executive 11/3/21). Some work had to be postponed in 2020/21 due to the extra work pressures of the pandemic and this work will need to be carried out in 2021/22 to maintain and enhance service delivery and address recommendations from internal audit reports. |
| Section 106 Deposits | S0842 | (38) | | | (38) | This reserve comprises of deposits with no repayment conditions - created as a result of IFRS |
| Section 106 Monitoring | S0929 | (149) | (18) | 23 | (144) | 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 | (34) | | 24 | (10) | To meet the salary costs of a S106 technical support officer. |
| Support Services Trading | S0856 | (72) | | 16 | (56) | This reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme. |
| Sustainable Waste Management | S0837 | (246) | (25) | 80 | (191) | This reserve was created for one-off waste management costs. Due to the delay in the implementation of the Devon Aligned Service an underspend of £80,000 was transferred to the Sustainable Waste Management reserve in 2020/21 to reflect the fact that the majority of the implementation costs will now be in 2021/22 rather than 2020/21 due to the pandemic. (Executive 11/3/21). |
| Vehicles & Plant Renewals | S0832 | (143) | (550) | 293 | (400) | Earmarked for the Fleet Replacement Programme as part of the Waste Contract. An annual contribution of £550k is made to this reserve. |
| Sub Total excluding the Business Rates Reserves | | (7,513) | (4,305) | 4,544 | (7,274) | |
| Business Rates Retention | S0824 | (7,103) | | 778 | (6,325) | 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) 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 (this was approved by Council), funded from this reserve and (c) £450k of funding for the Recovery and Renewal Plan and Climate Change Action Plan, approved by Council on 11/2/21. Corporate Strategy £100k for enhancing coastal areas |
| S.31 Compensation Grant (Business Rates) | S0866 | (6,283) | | 6,044 | (239) | This is a new reserve set up to hold the business rates S31 grants received in 2020/21 to offset the business rate reliefs given to businesses during lockdown. Under current Collection Fund accounting rules, the S31 grants received in 2020/21 will not be discharged against the Collection Fund deficit until 2021/22 onwards. |
| TOTAL EARMARKED RESERVES | | (20,899) | (4,305) | 11,366 | (13,838) | |
| TOTAL UNEARMARKED RESERVES (General Fund Balance) | | (2,122) | (90) | 280 | (1,932) | This Unearmarked Reserve has a minimum balance of £1.5million (set by Members as part of the budget process). The predicted surplus for 2021/22 of £90,000 (as set out in this report) would be added to this Unearmarked Reserve as per standard accounting practice. |
| TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES) | | (23,021) | (4,395) | 11,646 | (15,770) | |

Summary of Savings and Additional Income from the 2021/22 Budget Setting Process

APPENDIX B

The table below summarises the savings and additional income that were included in the 2021/22 Budget Setting process and indicates whether the saving/additional income is on track to be delivered.

| | Savings and Additional Income for the 2021/22 Budget | Income/Savings Target for 2021/22 (£) | Latest Projection for 2021/22 (£) | Narrative |
|---|--|---------------------------------------|-----------------------------------|--|
| 1 | Procurement of waste collection, recycling and cleansing contract | 129,672 | TBC | Council in December 2018 awarded a 8 year contract for Waste, Recycling and Cleansing Services to FCC, commencing on 1st April 2019. The annual saving from the outsourced contract from 19/20 onwards was £286,000 and this increased to over £400,000 per annum on commencement of the Devon Aligned Service. As per recent reports to the Executive and Council, some properties have moved across to the Devon Aligned Service but not all properties. |
| 2 | 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. | 54,537 | 54,537 | Legislation has been enacted so that Public Conveniences no longer have to pay Business Rates |
| 3 | Council Tax E-Billing | 2,100 | - | The aim is to offer an e-billing service to Council Tax payers and this is a project which is currently being progressed. |
| 4 | Council Tax Support Grant - reduction by 50% per annum over two years | 37,000 | 37,000 | All Town and Parish Councils were notified of this reduction in grant as part of their 2021/22 precept setting process. |
| 5 | Employment Estates income | 10,000 | 120,000 | Additional income of £120,000 is anticipated for 2021/22. An amount of £80,000 additional income has been built into the Medium Term Financial Strategy as an additional income target from 2022/23 onwards. |
| 6 | Cancellation of the IEG4 Contract & implementation of the Northgate Citizen access portal | 12,000 | 12,000 | |
| 7 | Income from review of fees and charges | | | |
| | Boat storage charges | 2,000 | 2,000 | Currently on target to achieve this income. |
| | Street Naming and Numbering | 1,500 | 1,500 | Currently on target to achieve this income. |
| | TOTAL | £248,809 | £227,037 | |

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NOT FOR PUBLICATION

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

Report to: **Executive**

Date: **3rd March 2022**

Title: **Month 10 Capital Programme Monitoring
2021/22**
Cllr Bastone

Portfolio Area: **Finance and Assets**

Wards Affected: **ALL**

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

Author: **Clare Scotton** Role: **Finance Business
Partner**
Pauline
Henstock **Head of Finance Practice**

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RECOMMENDATION

That the Executive:

- 1) note the content of the Monitoring Report;**
- 2) RECOMMEND to Council to increase the Play Area Renewals Reserve by £34.5k for the forecast underspend on Play Parks as set out in paragraph 3.10, bringing the total reserve up to £128k;**

1. Executive summary

- 1.1 The report advises Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position.
- 1.2 The monitoring of the capital programme at month 10 (end of January 22) has shown that all projects are within their existing budget approved by Members. £3,796,963 has been profiled into 2021/22 with the remaining budgets rolled forward into future years (Appendix A). The spend against this profiled budget is £2,431,610 as at the end of January 2022.

2. Background

- 2.1 The capital programme for 2021/22 was approved by Council on 11 February 2021 (38/20 and E.60/20 refer). This report provides an update on the Capital Programme and also on those schemes that remain outstanding from previous programmes.
- 2.2 A summary of the Capital Programme is shown in exempt Appendix A. The award of contracts is subject to the Council's procurement rules on competitive tendering and therefore the allocated budget is commercially sensitive.

3. Outcomes/outputs

- 3.1 Members are requested to endorse the following updates on the Capital Projects:

Capital Programme 2020/2021 and prior years

3.2 Langage Business Park

LEPL have provided a plan of the land proposed to site the starter units, as they are required to under the S106 agreement. This is being reviewed by the Assets team and is an important step forward.

Members will be aware that this site forms part of the potential Freeport, which is currently an area of focus.

3.3 Affordable Housing Update

The table below gives an update on the various affordable housing capital budgets and schemes.

| Scheme | Budget | Narrative |
|-------------------------------|---------------|--|
| Community Led Housing | £100,000 | There is a balance of £24,500 remaining. An application has been received by Salcombe Community Land Trust and this is expected to be spent in 2022/23. |
| Rural Affordable Housing | £400,000 | <p>There is a remaining balance of £78,654. Investigations into setting up a first time buyers deposit loan scheme are in progress and it is expected that it will be spent in 2022/23. This scheme requires member approval but potential take up is anticipated to be promising.</p> <p>In addition to this, some of this budget may be utilised for Gypsy and Traveller site provision. If an opportunity arises, a report will be taken to Members to consider, as other costs will also need to be considered.</p> |
| Existing Stock/Sustainability | £100,000 | <p>Available to reduce empty homes and make best use of the existing housing stock. £5,000 has been spent to date.</p> <p>Projects need to be worked up as part of the emerging housing strategy. Investigations into setting up a first time buyers deposit loan scheme are in progress and it is expected that it will be spent in 2022/23.</p> <p>Work is also expected to commence to bring in to the council's ownership long term empty properties. This is a lengthy process but will avoid the properties being sold on the open market, particularly in high value areas.</p> |

Affordable Housing Proposals

| | Narrative | Budget for scheme |
|---------------------------------|--|--------------------------|
| (4 years at £230,000 per annum) | An annual budget of £230,000 per annum was being made in the Capital Programme for Affordable Housing. This annual budget has now ceased due to the current uncommitted balance. | £920,000 |

Expenditure against the Affordable Housing Budget:

| | | |
|--|---|------------------|
| 6 Affordable Homes, Kingsbridge | This contribution has been made to Kingsbridge Feoffees to help with construction costs of these affordable homes. | £150,000 |
| Harberton Community Led Trust | The contribution has now been made to the Trust. | £104,500 |
| St Anns Chapel housing project | Council Minute 88/19 from 30 th April 2020 – £100,000 to be allocated to delivering St Ann’s Chapel Housing Scheme | £100,000 |
| Set up costs of the Community Benefit Society – Wholly Owned Company | As per the report to the Executive and approved at Council on 13 February 2020 | £40,000 |
| Tenants Incentive Scheme | Amount set aside from the Affordable Housing Earmarked Reserve. This scheme has recently been relaunched and we have enhanced the payments to encourage more take up. | £55,400 |
| Remaining Uncommitted Balance | | £470,100* |

***(This is the uncommitted balance on the Affordable Housing Earmarked Reserve)**

There is currently an uncommitted balance on the Affordable Housing Budget of £470,100.

Due to the Council declaring a housing crisis in 2021, officers are working up a number of projects where this budget could be used. It may also be required to extend the allocated budget of the tenants incentive scheme. A high number of enquiries have been received.

Other potential projects include:

- Compulsory purchase/management orders of long term empty properties;
- First time buyer deposit scheme;
- Opportunities the Community Benefit Society provides to the council;
- Purchase of open market units ;
- Rope Walk, Kingsbridge opportunity on council owned land ;
- Community Land Trust opportunities and request for finance which are emerging;

There was a report to Council on 25th November 2021 on the St Ann's Chapel Housing project, which approved a further £250,000 from this affordable housing earmarked reserve, as part of the financing for the St Ann's scheme.

3.4 Market Square, Totnes

Totnes Town Council (TTC) submitted an application for external funding which was unfortunately unsuccessful. Further to this, TTC continue to investigate potential funding opportunities, which if successful, would have a beneficial impact on the overall scope of the project and positive benefits for the wider Town.

Alongside this, SHDC & TTC continue to work together to identify priorities, specifications and programme works. It is likely this will see works delivered over three phases, with the first phase currently anticipated to commence this financial year. This first phase (delivered and funded by TTC) is to deliver improvements to the ramp and building adjoining the civic hall.

Further phases (landscaping and re-surfacing) will follow thereafter and it is anticipated works to the Market Square itself will begin early 2023.

3.5 Cemetery Expansion, Ivybridge

A budget of £30,000 was approved for this project as part of the 2018/19 capital budget. A S106 contribution of £35,000 has recently been received by the Council in relation to a housing development in Ivybridge. A planning application is due for submission this financial year. Some preparatory habitat work has been undertaken at the site. The bulk of works and spend are anticipated in 2021/22 and 2022/23 and the budget has been profiled accordingly.

3.6 Car Parks – Resurfacing

Officers have identified a number of car parks across the District which are in need of resurfacing (this is a rolling programme).

3.7 Investing in Kingsbridge

Officers have been in consultation with Kingsbridge Town Council to establish a preferred delivery route and that has been the activity undertaken since the last monitoring report. Recently in response to the Housing Crisis, modular rented accommodation has become a priority and that is being explored with modular providers.

3.8 Dartmouth Health and Wellbeing Hub Development

The scheme received planning consent in early December 2020. The contracts for the lease agreement between SHDC and the Torbay, South Devon NHS Foundation Trust and SDH Innovations Partnership LLP was signed on the 18 June 2021. The main construction works contract was signed on the 22 July 2021. A Letter of Intent preceded the main contract signature allowing necessary design works and material procurement to proceed leading to physical works commencing on the 21 June 2021.

Works continue to progress well on site despite challenges the contractor has faced due to COVID. Works over the past month have consisted on progressing the first floor walls, removing the final excess topsoil and progressing car park and infrastructure. The contractor has confirmed that they remain on schedule to complete the Health and Wellbeing Centre in August 2022. The trust will then be able to start fitting out and equipping the internal spaces ready for everyone to move in and start fully functioning.

The Council has an agreed (fixed) contribution to the delivery of the main scheme. Any further costs are met by the NHS Trust who are managing the contract and its delivery through to completion.

3.9 Housing capital projects – St Anns Chapel

Full Council approved the recommendations made on 25th November 2021 relating to the St Anns Chapel Housing Project. £4.2million was approved to deliver 8 affordable homes, 3 open market units and 2 serviced plots.

It has been agreed that the scheme will be funded as follows:

- Long-term funding of up to £2.2m from a combination of internal and external borrowing (from the Public Works Loan Board);
- Funding of up to £250,000 from the Affordable Housing Earmarked Reserve (in addition to the £100,000 approved previously);
- £1.4m from the disposal of the 3 Open Market Units;
- Homes England grant of not less than £110,000; and
- £162,000 from Section 106 contributions (previously approved)

Delivery is expected to commence in spring 2022 with completion anticipated for late 2023.

Members of the Assets team have met on site with the developer to discuss the initial steps of entering into development. This will take the next couple of months and consists of contractual work, pre planning considerations, landowner and initial access and site set up.

3.10 Play Parks (owned by SHDC) – replacement of play equipment in SHDC owned play parks

A total of £301,603 has been spent on the Play Parks scheme to date. By the financial year end a further £90,000 will have been committed under contract/spent. It is anticipated that once all the work has been completed, there will be a potential underspend of approximately £128,000 against the original £520,000 allocation. In the most part this is due to success in securing match funding for projects undertaken to date. Executive (22nd October) resolved that an underspend of £93,500 be used to set up a Play Area Renewals Revenue Earmarked Reserve to be used for replacement play area equipment as required (Minute E.26/20 refers). It is requested that the remaining £34,500 anticipated underspend is added to the reserve to bring the total up to £128,000. This would be spent on renewals and replacement of play equipment in SHDC owned play parks.

3.11 Coastal Assets

No new coastal works are currently programmed. The project will be reviewed at Easter once the worst of the winter weather has hopefully passed.

3.12 Private Sector Renewals including Disabled Facilities Grants (DFG's)

Due to the COVID-19 pandemic, the number of DFG applications significantly reduced in the first part of last financial year. Following the relaxing of the lockdown measures, the number of applications has increased beyond levels expected in a "normal" year. This may result in a number of grant applications that have been approved but waiting for work to commence due to shortages in labour and materials. There has also been volatility in material costs so we have reviewed our schedule of rates for bathroom adaptations this year and will need to do again by the end of the financial year. So far the council has completed 82 grants in 2021/22.

Spend on DFG's is based on demand, over which the Council has no control, and at present the service is processing and approving applications in line with this demand. The council is currently undertaking a rebranding exercise on DFG's to highlight the service/offer to residents who may not identify themselves as being eligible.

The Council has a healthy budget as a result of good performance and astute negotiations. With a wider Private Sector Renewal (PSR) Policy, the Council is able to spend the Better Care Fund on other areas such as home assistance and Energy Company Obligation top-ups.

The Council is using part of the funding to support wider fuel poverty interventions and supplement national grant programmes. This will also have a positive impact on climate change by supporting vulnerable lower income households to access lower carbon solutions.

3.13 Ivybridge Regeneration

Following Council approval on 11th February 2021, the Ivybridge Regeneration project was successfully tendered through the Southern Contractor Framework. This is a two stage process that covers the design and construction phases from start to finish therefore no further tendering is required. This is subject but not limited to the regulatory statutory planning process and the total scheme cost being within the £9 million financial envelope.

The Design team have completed the initial design scoping (RIBA stage 2) and are now working on detailed design (RIBA stage 3) with a view to submitting the planning application at the end of February. It is hoped this can then be considered at the June Planning Committee. If planning permission is granted, works could start on site in the Summer 2022.

3.14 Green Homes Grant

The Council continues to hold funding under the Government's Green Homes Grant (GHG) scheme and continues to work towards the delivery. The grant is used to deliver energy saving measures for eligible households and was initially due to be delivered during 2021/22. However, due to major supply chain difficulties nationally, a review of the process has been required and we have now secured a local approach to delivering these grants. We have approved grants with an average grant allocation of £11,080 to date with most applicants using a local installer based in Plymouth.

Currently there are ten grants approved in South Hams totalling £96,000 (including 6 air source heat pumps) out of a total budget of £900k. There are more surveys being booked and planned so further requests for approvals are expected.

Applications are still being accepted and all existing applicants have been written to just before Christmas encouraging them to take up the revised offer. Further communication was sent in January to encourage residents to apply.

We are working with partners in Community Energy to support the leads we have generated. Discussions are also being had with BEIS for an 8 week extension to the end of June 2022 to complete the project. We are confident the grant allocation we have will remain secured and spent on measures across the district.

South Hams is also part of the Devon Sustainable warmth project, which is a consortium of Devon Authorities and is the next phase of the Government's Green Home Grant scheme. South Hams has been allocated £750k and roll out is due to start in the Spring.

The full report was presented at Executive on 22nd October 2020, minute ref E.31/20.

Capital Programme 2021/22

3.15 Follaton House Refurbishment of Roof

A proposal has been developed with our consultant surveyor and ecologist for the refurbishment of the roof at Follaton House. Works are not anticipated to commence until Summer 2022 and due to the presence of bats in the roof space and the need to avoid the impact of adverse weather, works will have to be carried out over a minimum period of two years.

3.16 Replacement of IT Hardware

Following extensive analysis of performance requirements, a number of platforms and configurations were considered, including cloud. A replacement for the existing servers and storage was purchased and the new hardware has now been installed. Migration of the Council's applications to the new servers is almost complete and we are already seeing improvements in performance and monitoring.

3.17 Electric Vehicle Charging

There is the opportunity to migrate vehicles to electric, which will require the installation of the necessary infrastructure within the council's Assets. These would be located in Totnes Depot, Follaton House and other SH buildings. To facilitate this, both the power supply and network is to be upgraded and the chargers installed.

Initial engineering surveys and cost estimates for power upgrades have been concluded. A project team with representatives from Operations and Assets are identifying the best delivery route of EV infrastructure across our estate to support the transition, both for the first stage of implementation and further phases which are to be rolled out to match the ambition for EV Fleet transition.

3.18 Urban Tree Challenge Fund

A bid was submitted to the Forestry Commission's £10m Urban Tree Challenge Fund for £250,000 to plant 600 trees at 32 sites within the four main South Hams towns along with funds for three years maintenance. This bid requires match funding of £66,044 from the Land and Development Earmarked Reserve. Once the grant is received, it is anticipated to be spent over 2021/22 and 2022/23.

Of this grant, £81,544 relates to capital expenditure and along with the £66,044 from reserves, a contribution of £15,500 from Kingsbridge Town Council give a total capital budget of £163,088. The remainder of this grant will be used to maintain the trees over the next four years.

Trees for the 2022 planting season have been ordered, with receipt in late February, and planting in March and April. Recruitment is underway for an additional member of the Grounds Maintenance team (funded by the UTCF grant) whose main role will be planting and maintenance of the trees for a four year period. Trees for the 2023 planting season will be ordered/reserved in mid 2022.

3.19 S106 Deposits

The list of S106 Deposits are shown in Appendix B totalling **£6,446,823.50**.

Some of these S106 Agreements have a clause within the S106 Agreement which states that the Council shall be entitled to use up to a five per cent (5%) part of the total payments and contributions payable pursuant to the provisions of the Agreement, towards the costs to be reasonably and properly incurred by the Council in monitoring compliance with the S106 Agreement and in assessing the details submitted to the Council for approval pursuant to the S106 Agreement.

For clarity, the figures shown in Appendix B are before any monitoring fee have been deducted by the Council.

4. Options available and consideration of risk

This is considered on a project by project basis as part of the project appraisal document and initial business case for each capital project.

5. Proposed Way Forward

This is considered on a project by project basis.

6. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|--|------------------------------|--|
| Legal/Governance | | <p>Statutory powers are provided by the S1 Localism Act 2011 general power of competence. The capital programme is implemented in line with the Council's legal requirements, which are examined on a project-by-project basis. To date there are no undue legal concerns.</p> <p>Since there is commercially sensitive information in Appendix A regarding the budgets for individual projects, there are grounds for the publication of this appendix to be restricted, and considered in exempt session.</p> <p>The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in the appendices.</p> <p>Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p> |
| Financial Implications to include reference to Value for Money | | <p>The monitoring of the capital programme at month 10 (end of Jan 22) has shown that all projects are within their budgets approved by Members (Appendix A).</p> <p>£3,796,963 has been profiled into 2021/22 with the remaining budgets rolled forward into future years. (Appendix A). The spend against this profiled budget is £2,431,610 as at the end of January 2022.</p> <p>The regular monitoring of the Capital Programme ensures the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources.</p> |

| | | |
|---|--|---|
| Risk | | <p>The Council demonstrates that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage.</p> |
| Supporting Corporate Strategy | | The Capital Programme supports all of the thematic delivery plans within the 'Better Lives for All' strategy. |
| 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.</p> <p>The Council has approved a budget of £600,000 in the Climate Change Earmarked Reserve.</p> <p>Further detail is set out in the Council's 'Better Lives for All' strategy.</p> |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | | This matter is assessed as part of each specific project. |
| Safeguarding | | This matter is assessed as part of each specific project. |
| Community Safety, Crime and Disorder | | This matter is assessed as part of each specific project. |
| Health, Safety and Wellbeing | | This matter is assessed as part of each specific project. |
| Other implications | | |

Supporting Information

Appendices:

EXEMPT - Appendix A – Details of capital expenditure to 31st January 2022

Appendix B – S106 Summary as at 31st December 2021

Background Papers:

None

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

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| Classif. Code | Site | Date Received | Current Stage | Restriction/Committed End Date | Conditions | TOTAL S106 DEPOSITS £ |
|---------------------------------------|--------------------------------------|---------------|---------------|---|---|--------------------------|
| Thriving Economy Delivery Plan | | | | | | |
| Langage Energy Centre | | | | | | |
| 1007 | Landscape Fund (PG01) | | | 25 years, interest (rate not specified) | Reduce the landscape and visual impact of power station | (42,571.87) |
| 1008 | Local Liaison Group (PG02) | | | 25 years, interest (rate not specified) | Funding of local activities in the electoral wards of the Council immediately surrounding the Phase 1A and the wards of SHDC and/or PCC | (6,349.23) |
| 1009 | Public Art (PG03) | | | 25 years, interest (rate not specified) | Public art in or in the vicinity of the Phase 1A Land | (113,814.03) |
| 1010 | Migrant Workers (PG04) | | | No restriction/committed end date | Provide information and advice relating to migrant workers employed in relation to the development | (1,520.16) |
| 1012 | Ecology Park (PG06) | | | 25 years, interest (rate not specified) | Laying out and planting of the Ecology Park | (34,144.21) |
| 1013 | Ecology Park Mtc (PG07) | | | 25 years, interest (rate not specified) | Maintenance of the Ecology Park | (34,144.21) |
| 2020 | Construction of Starter Units (PG08) | | | | Construction of the Starter Units and procure a site for the Starter Units on either the Energy Park or land within South Hams District | (1,195,047.08) |
| 2118 | Langage Consultants Fees (MP) | | | | Master plan | (29,957.01) |
| | | | | | | (1,457,547.80) |

Employment

| | | | | | | |
|------|-------------------------------|----------|-----|--|---|---------------------|
| 2601 | SRP Annual Contribution | | | | | (14,827.45) |
| 2603 | Fees - Monitoring | | | | | (66,267.10) |
| 2604 | Economy - Economy & Training | | | | | (27,654.98) |
| 2715 | Harvey's Field (32/0844/12/F) | 04/03/15 | PIF | 10 years, payable at 87.5% to owner and 12.5% payee of contribution, interest at 1% below Barclays base rate | Employment (Rural Growth Network) administered by LEP | (57,959.27) |
| | | | | | | (166,708.80) |

Strengthening Community Wellbeing Delivery Plan

Open Space, Sport and Recreation

| | | | | | | |
|------|--|--|-------------------|--|--|--------------|
| 3233 | Great Court Farm - 03/2163/14/O | 04/10/19 | Under Development | None | 50% Bridge Town Corridor Contribution | (61,242.10) |
| 3233 | Great Court Farm - 03/2163/14/O | 04/10/19 | Under Development | 10 years | 80% Sports and Recreation Contribution | (49,522.56) |
| 3149 | Land East of Allern Lane, Tamerton Foliot (04/1129/15/F) | 13/02/20 | Under Development | 5 years | Sports and Recreation | (103,029.56) |
| 2428 | Former Old Chapel Inn, St Anns Chapel, Bigbury (05/0227/11/F) | 02/05/13 | PIF | No restriction/committed end date | Open Space Sport and Recreation contribution towards open public space | (12,075.39) |
| 2974 | Holywell Stores, Bigbury (05/2557/13/F) | 11/06/18 | Under Development | 25 years, no interest specified | Open Space, Sports and Recreation Contribution | (9,155.33) |
| 2255 | Land at Blackawton (New Parks Farm), Blackawton (06/2313/09/F) | 05/09/11 | PIF | 25 years, no interest | Required as a result of the development - spent on Open Space Sport Recreation contribution within or directly relating to the parish of Blackawton or on such other Blackawton Community project as the Council shall see fit | (2,596.00) |
| 3287 | Land at Town Farm - French Furze - 06/0992/14/F | | | | 50% Sports pitch and Community Facilities | (64,697.18) |
| 2652 | Land Ven Farm Brixton (07/2022/12/F) | 13/05/14 | PIF | No restriction/committed end date | Sport & Recreation/Employment | (23,000.25) |
| 2652 | Land Ven Farm Brixton (07/2022/12/F) | 12/05/16 | PIF | Capital spend, no interest specified | Open Space Sport and Recreation contribution - Open Space land commuted Sum | (12,000.00) |
| 2861 | Barn Conversions at Butlas Farm (07/1601/08/F) | 14/12/16 | PIF | No restriction/committed end date | Open space, sport and recreation contribution within or directly related to the parish of Brixton | (16,254.51) |
| 3082 | Venn Farm, Brixton (07/1196/15/F) | 08/05/18 | Under Development | 10 years | Brixton Play Provision Contribution | (46,450.90) |
| 3082 | Venn Farm, Brixton (07/1196/15/F) | 08/05/18 | Under Development | 10 years | Open Space Contribution | (13,182.59) |
| 3271 | Land at the Royal British Legion Club, Brixton - 1884/18/FUL & 2771/16/FUL | | Under Development | 5 Years | £13,337.58 for pitches at Horsham Playing Fields | (12,670.70) |
| 3271 | Land at the Royal British Legion Club, Brixton - 1884/18/FUL & 2771/16/FUL | | Under Development | 5 Years | £8,518.12 for play facilities on the Brixton Play Trail | (8,092.21) |
| 2850 | Sorley Tunnel (11/2425/07/F) | 28/07/16 | PIF | No restriction/committed end date | Open Space Sport Recreation contribution | (12,195.27) |
| 2862 | Lutton Farm Barns, Ivybridge (12/0953/07/F) | 23/11/16 | PIF | No restriction/committed end date | Public Open Space contribution | (8,965.15) |
| 2718 | Sawmills Field, Dartington 14/1744/13/F | 11/12/14 | PIF | 7 years, interest at 1% below Barclays base rate or 0% (whichever is higher) | Sports | (77,248.75) |
| 3081 | Webbers Yard Dartington (14/1745/13/O) | 02/05/2018 & 19/09/18 | Under Development | No restriction/committed end date | 1st & 2nd instalment of Sports Provisions | (55,959.71) |
| 3160 | Brimhay Bungalows, Dartington - 14/0142/15/F | 19/03/19 | Under Development | None | OSSR - £44752.50 towards either Gidley Meadows, Dorothy Elmhirst Recreation Field or provide a games area at Meadowbrook | (42,514.87) |
| 2863 | Land at SX 8638 5117, Ivatt Road, Dartmouth (15/0587/13/F) | 08/11/16 | PIF | No restriction/committed end date | Open Space, Recreation and/or sports facilities within Dartmouth | (16,995.10) |
| 2698 | Boat House, Dartmouth Quay, Southtown, Dartmouth (15/2046/13/F) | 17/08/14 | PIF | 5 years, no interest specified | Tree planting and management in Dartmouth | (741.79) |
| 2835 | Gara Rock Hotel, East Portlemouth (20/2104/13/F) | 17/05/16 | PIF | No restriction/committed end date | Open Space Sport Recreation contribution | (10,545.16) |
| 2384 | Land West of Ermington (21/1425/12/F) | 12/02/2013 & 27/10/2017 | PIF | 5 years, interest at NatWest base rate | £38900 - OSSR, 48k employment land and £5k retaining wall. £35K restrictive co | (38,900.00) |
| 3422 | Cleeve Farm Barns, Ivybridge (1675/16/Ful) | 07/04/21 | PIF | 25 Years | 100% OSSR - Provision of sport and Recreation at Ermington Road Play area. | (8,479.48) |
| 2860 | Plot 2 Godwell Lane, Ivybridge (27/1758/11/F) | 07/10/16 | Under Development | No restriction/committed end date | Open Space Sport Recreation contribution (OSSR £195 to spend and Affordable housing £1335) | (195.00) |
| 2994 | Land SE of Torhill Farm, Ivybridge (27_57/1347/14/F) | 19/07/2017, 21/09/18 & 28/06/19 & 17/01/20 | Under Development | No restriction/committed end date | Filham Park Contribution instalments 1,2 & 3 + BCIS | (475,803.19) |
| 3000 | Land at Woodland Road, Ivybridge (27/1859/15/F) | 31/10/17 & 04/12/18 | Under Development | 10 Years no interest specified | 1st Instalment OSSR & 2nd Invoiced | (153,398.41) |
| 3000 | Land at Woodland Road, Ivybridge (27/1859/15/F) | 04/12/18 | Under Development | 10 Years no interest specified | 1st & 2nd Instalment Open Space and Play | (38,778.16) |
| 3224 | Cornwood Road, Ivybridge - 2208/16/FUL | 03/10/19 | Under Development | 5 years | Off-Site Open Space | (46,539.85) |
| 3282 | Land at Cornwood Road Ivybridge (Phase 2) -3954/17/Ful | 15/05/20 | Under Development | 10 Years | 50% Open Space, Sport and Recreation Contribution | (193,040.99) |
| 3258 | Land at Rivermaid Marine - (4140/16/Ful) | 09/03/20 | Under Development | 10 Years | Sports and Recreation Contribution | (18,050.00) |
| 2806 | Maypool House Youth Hostel (30/2787/10/F) - Dwelling Two | 10/02/16 | PIF | No restriction/committed end date | OSSR | (5,386.40) |
| 3094 | Land Noss Marina Kingswear (2266/17/FUL) | 12/06/18 | | 5 years | New Interpretation panel Contribution & Permissive Path Works Contribution | (60.00) |
| 2946 | Higher Hatch Farm, Loddiswell (32/0215/11/F) | 15/06/17 | | 25 years, no interest specified | Open Space, Sport and Recreation contribution | (5,700.00) |
| 2715 | Harvey's Field (32/0844/12/F) | 04/03/15 | PIF | 10 years, payable at 87.5% to owner and 12.5% payee of contribution, interest at 1% below Barclays base rate | Sports facilities contribution towards the provision of sports facilities required as a result of the development. | (472.47) |
| 3256 | Land at Marlborough Park (0549/17/OPA) | | Under Development | 7 years | 1st Instalment of OSSR | (132,213.05) |
| 2944 | Land at Moorview, Marlton (34/2184/13/O) | 07/07/14 | PIF | 10 years, interest at 1% below Barclays base rate | Sports and Recreation Contributions | (63,652.07) |
| 2944 | Land at Moorview, Marlton (34/2184/13/O) | 07/07/14 | PIF | 10 years, interest at 1% below Barclays base rate | Offsite play Contribution | (66,324.41) |
| 2973 | Land off Palm Cross Green, Modbury (35/0059/15/F) | 23/08/2017 & 15/08/19 | Under Development | No restriction/committed end date | Open Space, Sport and Recreation contribution | (197,499.94) |
| 3262 | West Palm Cross Phase 2 (S106 -1391/18/F) | 17/02/2020 & 18/08/2020 | | 10 Years | Public Play Space | (54,943.93) |
| 3262 | West Palm Cross Phase 2 (S106 -1391/18/F) | 17/02/20 | Under Development | 10 Years | Sport Contribution | (30,804.48) |
| 3199 | Land at The Fairway, Newton Ferrers - 1372/16/FUL | 19/09/19 | Under Development | 10 Years | Open Space and Recreation | (11,760.71) |
| 3454 | Yealm Hotel, Newton Ferrers (0607/17/FUL) | 26/02/21 | PIF | NA | OSSR - to be used for sports and play at Butts Park | (14,613.04) |
| 2460 | Loughrigg Coronation Rd, Salcombe (41/0652/11/F) | 20/08/13 | PIF | 10 years, interest rate not specified | Open Space Sport and Recreation contribution | (10,250.86) |
| 2705 | Trennels, Herbert Road, Salcombe (41/0929/13/F) | 21/10/14 | Under Development | 25 years, no interest specified | Open Space Sport Recreation contribution (£13,650) | (4,367.50) |
| 2716 | Bonfire Hill, Salcombe (41/1915/13/F) | 09/2016 & 09/01/20 | Under Development | 5 years, interest at 1% below Barclays base rate | Open Space and Play contribution | (15,255.20) |
| 2716 | Bonfire Hill, Salcombe (41/1915/13/F) | 09/2016 & 09/01/20 | Under Development | 5 years, interest at 1% below Barclays base rate | Sports Provision contribution | (93,186.52) |
| 2716 | Bonfire Hill, Salcombe (41/1915/13/F) | 09/2016 & 09/01/20 | Under Development | 5 years, interest at 1% below Barclays base rate | Open Space and Play maintenance contribution | (8,146.77) |
| 2838 | Treetops, St Dunstons Road, Salcombe (41/3063/13/F) | 30/06/16 | | 5 years, interest at Lloyds base rate | Open Space Sport Recreation contribution | (35.43) |
| 3132 | Former Gas Works, Salcombe (0362/16/FUL) | 24/01/19 | PIF | 10 Years | OSSR - £14,280 towards The Berry | (14,177.21) |
| 3466 | The Smithaleigh Hotel (3043/18/FUL) | 06/04/21 | Under Development | NA | 50% OSSR - towards Erme Valley Playing Field, Ivybridge and/or provision of an all-weather pitch at ICC | (5,776.71) |
| 3385 | Paignton Road Stoke Gabriel - 52/1503/15/F | | | | 100% OSSR Contribution to improve football facilities in Stoke Gabriel | (65,866.25) |
| 2869 | Waddeton Barton Farm (52/1249/10/F) | 14/09/17 | | Not specified | Open space, sport and recreation on sports and recreation facilities within the District - £6337.50 | (6,020.64) |
| 3421 | Marians Maples, Stoke Gabriel (52/2081/15/F) | 10/02/2021, 15/6/21 & 25/10/21 | PIF | 10 Years | Sports and Recreation Contribution | (12,780.25) |
| 2717 | Old Grist Mill 53/1706/07/F | 12/01/15 | PIF | No restriction/committed end date | Open Space Sport Recreation contribution | (1,303.08) |
| 2802 | Riverside, Totnes (03_56/0447/12/O) | 07/12/15 | PIF | No restriction/committed end date | Open Space Sport Recreation contribution | (68,209.44) |

| Classif. Code | Site | Date Received | Current Stage | Restriction/Committed End Date | Conditions | TOTAL S106 DEPOSITS |
|---------------|---|---------------|-------------------|--|--|---------------------|
| 2820 | Follaton Oak, Totnes (56/2346/10/O) | 15/04/16 | PIF | 7 years, interest at 1% below Barclays base rate | Open Space, Sport and Recreation contribution (£60k) | (13,172.10) |
| 2894 | Land at Ashburton Road (Meadowside), Totnes (14_56/2246/13) | 27/03/17 | Under Development | 5 years, interest at NatWest base rate | Sports Pitch contribution in the vicinity of the development | (11,430.86) |
| 3001 | Land adjacent to Elwell House, Totnes (56/1214/14/F) | 12/04/18 | PIF | 25 years, no interest specified | OSSR - £1596 to spend | (1,669.99) |
| 2789 | Marridge Farm, Ugborough (57/0633/07/F) | 25/09/15 | | No restriction/committed end date | Open Space Sport Recreation contribution | (10,722.20) |
| 2945 | Knighton Road, Wembury (58/1352/12/F) | 28/06/19 | Under Development | 5 years, interest at NatWest base rate | Footpath Contribution | (95,000.00) |
| 2945 | Knighton Road, Wembury (58/1352/12/F) | 28/06/19 | Under Development | 5 years, interest at NatWest base rate | Foot Path Contribution - £9600k to be transferred to National Trust | (9,600.00) |
| 2972 | Home Field, West Alvington (59/2482/14/F) | 05/09/17 | Under Development | No restriction/committed end date | Play Contribution | (26,678.00) |
| 2972 | Home Field, West Alvington (59/2482/14/F) | 05/09/17 | Under Development | No restriction/committed end date | Sport and Recreation contribution | (43,527.17) |
| 2429 | Milizac Close (Underhay) Yealmpton (62/2948/11/O) | 13/05/13 | | 5 years, interest at BoE base rate +4% | Sport and Recreation contribution towards improved facilities for formal sport and recreation relating to the development | (2,464.48) |
| 3487 | Former Royal Oak, Bigbury (2873/18/FUL) | 15/04/21 | PIF | 5 years | 100% OSSR - Improvements to open space and recreation facilities at St Ann's Chapel Recreation Ground. | (8,336.25) |
| 3488 | Gabriel Court Hotel - 3903/16/FUL | 06/07/21 | Under Development | 10 Years | 50% OSSR Contribution towards play facilities at Orchard Play Area, Memorial grounds or a new games area within the parish | (27,604.89) |
| 3489 | 129 Fore Street Kingsbridge (3552/18/FUL) | 11/06/21 | PIF | 10 Years | 100% OSSR - Towards improvements of Duncombe park | (9,262.50) |
| 3500 | S106 - Land at Loddisswell Primary (1468/19/FUL) | 27/05/21 | PIF | NA | 100% OSSR - Improvement of Butts Playing Field, Loddisswell. | (15,746.25) |
| 3521 | S106 Land off Belle Hill, Kingsbridge (0299/17/OPA) | 02/08/21 | Under Development | 10 Years | 33% OSSR - Improvements to facilities at Kingsbridge RFC ground or to increase grass/artificial grass pitch provision in Kingsbridge | (69,680.28) |
| 3526 | Blindwells, Hyneton Rd., Strete (2954/20/VAR) | 15/07/21 | PIF | NA | OSSR - improvements at Strete Play Park, Strete Village Green and/or Blackbird Wood | (13,063.48) |
| 3377 | Land At SX 651 560 Filham Ivybridge (3703/18/OPA) | 28/09/21 | Under Development | 10 Years | 50% Phase 1 Sports Contribution - detailed off site | (100,193.65) |
| 3557 | Parsonage Farm, Newton Ferrers (3139/16/OPA) | 13/12/21 | PIF | 7 years | Open Space Off Site contribution | (37,006.61) |
| | | | | | | (3,016,285.23) |

Homes and Built and Natural Environment Delivery Plan

Affordable Housing

| | | | | | | |
|------|---|---------------------|-------------------|---------------------------------------|--|----------------|
| 2428 | Former Old Chapel Inn, St Anns Chapel, Bigbury (05/0227/11/F) | 02/05/13 | PIF | No restriction/committed end date | Affordable Housing contribution | (97,700.91) |
| 2974 | Holywell Stores, Bigbury (05/2557/13/F) | 11/06/18 | Under Development | 25 years, no interest specified | Affordable Housing contribution | (65,193.00) |
| 2819 | Churchstow (11/0046/14/F) | 29/04/16 | PIF | No restriction/committed end date | Affordable Housing contribution - deposit deed | (19,689.00) |
| 2835 | Gara Rock Hotel, East Portlemouth (20/2104/13/F) | 17/05/16 | PIF | No restriction/committed end date | Affordable Housing contribution | (311,691.70) |
| 3116 | Gara Rock Hotel (3586/16/FUL) | 07/11/18 & 22/02/19 | Under Development | No restriction/committed end date | 1st, 2nd and 3rd instalment of Affordable Housing | (200,000.00) |
| 3224 | Cornwood Road, Ivybridge - 2208/16/FUL | 03/10/19 | Under Development | 5 years | Affordable Housing Contribution | (167,200.00) |
| 2860 | Plot 2 Godwell Lane, Ivybridge (27/1758/11/F) | 07/10/16 | Under Development | No restriction/committed end date | Open Space Sport Recreation contribution (OSSR £195 to spend and Affordable housing £1335) | (1,335.00) |
| 2806 | Maypool House Youth Hostel (30/2787/10/F) - Dwelling Two | 10/02/16 | PIF | No restriction/committed end date | Affordable Housing contribution | (36,047.38) |
| 2411 | Maypool House Youth Hostel (30/2787/10/F) - Dwelling One | 20/03/12 | PIF | No restriction/committed end date | Affordable Housing contribution (£10,000.00) and Open Space (£4,868.75) | (32,415.54) |
| 3101 | Land at Pendarves Loddisswell (S106 -32/1722/15/F) | 31/07/18 | PIF | 10 Years | Affordable Housing Contributions | (13,016.73) |
| 3454 | Yealm Hotel, Newton Ferrers (0607/17/FUL) | 26/02/21 | PIF | NA | Affordable Housing Contribution | (124,168.93) |
| 2460 | Loughrigg Coronation Rd, Salcombe (41/0652/11/F) | 20/08/13 | PIF | 10 years, interest rate not specified | Affordable Housing contribution | (91,713.56) |
| 2838 | Treetops, St Dunstons Road, Salcombe (41/3063/13/F) | 30/06/16 | PIF | 5 years, interest at Lloyds base rate | Affordable Housing | (13,665.79) |
| 2705 | Trennels, Herbert Road, Salcombe (41/0929/13/F) | 21/10/14 | Under Development | 25 years, no interest specified | Affordable Housing contribution (£93,001) | (88,780.95) |
| 3132 | Former Gas Works, Salcombe (0362/16/FUL) | 24/01/19 | PIF | 25 Years | Affordable Housing | (53,611.32) |
| 2869 | Waddeton Barton Farm (52/1249/10/F) | 14/09/17 | PIF | Not specified | AH contribution of £52313.00 | (49,697.35) |
| 2802 | Riverside, Totnes (03_56/0447/12/O) | 07/12/15 | PIF | No restriction/committed end date | Affordable Housing contribution, Open Space Sport Recreation contribution | (27,384.45) |
| 2691 | Warland Garage (56/2793/11/F & 56/1520/12/F) | 04/08/14 | PIF | 25 years, no interest specified | Affordable Housing contribution | (664.01) |
| 3001 | Land adjacent to Elwell House, Totnes (56/1214/14/F) | 12/04/18 | | 25 years, no interest specified | Affordable Housing contribution £11704 to spend | (626.01) |
| 3523 | Millpool, Coombe Shute, Stoke Gabriel (52/2477/15/F) | 21/07/21 | PIF | 5 Years | Affordable Housing contribution | (113,366.66) |
| | | | | | | (1,507,968.29) |

Ecology

| | | | | | | |
|------|---------------------------------------|----------|-------------------|--|----------------------|-------------|
| 2716 | Bonfire Hill, Salcombe (41/1915/13/F) | 04/03/15 | Under Development | 5 years, interest at 1% below Barclays base rate | Ecology contribution | (58,401.25) |
| | | | | | | (58,401.25) |

Tamar SAC

| | | | | | | |
|------|--|---------------------|-----|--|---|-------------|
| 3149 | Land East of Allern Lane, Tamerton Foliot (04/1129/15/F) | 27/02/19 & 14/03/19 | | 5 years | Tamar European Marine Site contribution | (2,274.99) |
| 2652 | Land Venn Farm Brixton (07/2022/12/F) | 13/05/14 | PIF | No restriction/committed end date | Conservation of Tamar Estuaries Complex SPA | (967.30) |
| 3082 | Venn Farm, Brixton (07/1196/15/F) | 08/05/18 | | 10 years | Tamar SAC | (662.73) |
| 3417 | Barns at East Sherford Farm Brixton (0548/20/Ful) | 20/01/21 | | NA | Plymouth sounds and Estuaries EMS recreation mitigation and management scheme | (1,374.71) |
| 2994 | Land SE of Torhill Farm, Ivybridge (27_57/1347/14/F) | 19/07/17 | | No restriction/committed end date | Tamar Estuaries | (7,918.23) |
| 3000 | Land at Woodland Road, Ivybridge (1971/16/FUL) | 31/10/17 | | 10 Years no interest specified | Tamar SAC Contribution | (2,459.73) |
| 3454 | Yealm Hotel, Newton Ferrers (0607/17/FUL) | 26/02/21 | PIF | NA | Yealm Estuary Environmental Management Plan Contribution | (491.43) |
| 2808 | Leyford Close, Wembury (58/0176/13/O) | 09/02/16 | | 5 years, interest at NatWest base rate | Tamar Estuaries SAC Management contribution | (1,215.98) |
| 2945 | Knighton Road, Wembury (58/1352/12/F) | 19/05/17 | | 5 years, interest at NatWest base rate | Marine Contribution towards the maintenance of Plymouth Sounds SAC | (1,158.00) |
| 3380 | Land Adj Sea View Heybrook bay (1165/20/VAR) | 22/06/20 | | NA | Plymouth sounds and Estuaries EMS recreation mitigation and management scheme | (36.76) |
| 2429 | Milizac Close (Underhay) Yealmpton (62/2948/11/O) | 13/05/13 | | 5 years, interest at BoE base rate +4% | SAC Contribution | (1,732.32) |
| 3520 | S106 Babland Farm, Modbury (1478/21/PDM) | 29/06/21 | PIF | NA | Plymouth sounds and Estuaries EMS recreation mitigation and management scheme | 192.95 |
| 3525 | Old Barn, Godwell Lane, Ivybridge (2812/20/FUL) | 08/07/21 | PIF | NA | Plymouth sounds and Estuaries EMS recreation mitigation and management scheme | (467.91) |
| | | | | | | (20,567.14) |

Air Quality

| | | | | | | |
|------|--|--------------------|-------------------|-----------------------------------|-------------|------------|
| 2994 | Land SE of Torhill Farm, Ivybridge (27_57/1347/14/F) | 07/2017 & 21/09/17 | Under Development | No restriction/committed end date | Air Quality | (5,724.64) |
| | | | | | | (5,724.64) |

Ivybridge Mill Group

| | | | | | | |
|------|---|----------|-------------------|-----------------------------------|---|-------------|
| 3028 | Stowford Mill, Harford Road, Ivybridge (27/1336/15/F) | 04/05/18 | Under Development | No restriction/committed end date | Ivybridge Mill Group Archives Contributions | (10,000.00) |
| | | | | | | (10,000.00) |

AONB Mitigation

| | | | | | | |
|------|---|----------|-----|----|---------------------------------|-------------|
| 3424 | Noss Marina Bridge Road Kingswear (2161/17/OPA) | 09/03/21 | PIF | NA | Quay Wall Research Contribution | (4,881.14) |
| 3424 | Noss Marina Bridge Road Kingswear (2161/17/OPA) | 09/03/21 | PIF | NA | Intertidal Habitat Contribution | (43,930.21) |
| | | | | | | (48,811.35) |

TOTAL S106 DEPOSITS (WITH CONDITIONS)

(12,535,217.65)

S106 DEPOSITS (NO CONDITIONS)

| | | | | | | |
|------|--|--|--|--|---|-------------|
| PG28 | Rathvendon, Bigbury (1023) | | | | No conditions | (7,312.50) |
| PG36 | Sedgewell Sands, Marine Drive | | | | No conditions | (7,372.00) |
| 2726 | St Johns Ambulance, Dartmouth 15/1389/12/F | | | | Affordable Housing - provision, enhancement, management | (23,000.00) |

TOTAL S106 DEPOSITS (WITH NO CONDITIONS)

(37,684.50)

Capital Grants Unapplied

| | | | | | | |
|--|--------------------------------|--|--|--|--------------------|-------------|
| | Fallapit House, East Allington | | | | Affordable Housing | (87,124.50) |
| | Tesco Site, Kingsbridge | | | | | (30,000.00) |

TOTAL CAPITAL GRANTS UNAPPLIED

(117,124.50)

TOTAL S106 DEPOSITS

(6,446,823.50)

Notes:

- The amounts shown above are before any monitoring fee has been deducted, where this is set out in the S106 Agreement. (See Section 3.19 of the covering report which explains this in more detail)
- The deposits as at 31st December 2021 reflect income already received by the Council or where a debtor has recently been raised to a third party.

NOT FOR PUBLICATION

This report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (applies to Appendices A, B and C)

Report to: **Executive**

Date: **3rd March 2022**

Title: **Fusion Lifestyle –Leisure Contract Support Update**

Portfolio Area: **Health and Wellbeing – Cllr Hawkins**

Wards Affected: **All**

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

Author: **Chris Brook** Role: **Director Place and Enterprise**
Lisa Buckle **Director Strategic Finance**

Contact: Chris.Brook@swdevon.gov.uk
Lisa.Buckle@swdevon.gov.uk

Recommendations: That the Executive:

1. Note the performance of the Fusion contract to date, wider market trends and the financial information on Fusion's performance in 2021.
2. Recommends to Council the contract variation and changes to the management fee profile as set out in Appendix A (Table 1).
3. Recommend to Council to fund the £272,242 shortfall in income of the leisure management fee in 2021-22 from the Government COVID Grant funding (This funding is in the COVID Losses Earmarked Reserve).
4. Recommend to Council to fund the £174,632 shortfall in income of the leisure management fee in 2022-23 from the Government COVID Grant funding (This funding is in the COVID Losses Earmarked Reserve).
5. Recommend to Council to fund the £174,632 shortfall in income of the leisure management fee in 2023-24 from the Government COVID Grant funding (£33,915), the Leisure Earmarked Reserve (£42,851) and the Business Rates Retention Earmarked Reserve (£97,866).

1. Executive summary

- 1.1. The Covid-19 pandemic continues to impact the current use and recovery of leisure centres across the country with challenging conditions still affecting Fusion Lifestyle, the Council's operator, following the reopening of the facilities in April 2021.
- 1.2. In the recent report published in September 2021 on 'Securing the future of public sport and leisure services' by the LGA and APSE, it highlights the devastating impact of Covid-19 on public leisure with the loss of income due to facility closures, higher operational costs and Councils providing additional funding support to keep them open.
- 1.3. Access to leisure services and the health and wellbeing of the community are clearly linked; there is a connection between low levels of physical activity and an increased occurrence of certain health issues. There are other important reasons why higher levels of physical activity will have a positive effect on the overall health and wellbeing of a community. Sport England reports that increased opportunities for physical activity, and access to leisure and sporting facilities can help to reduce anxiety, stress or depression; improve levels of confidence and self-esteem and can help bring together people from diverse backgrounds.
- 1.4. This report provides an update on current performance levels, the recovery and business impact within the Contract and proposed contract variations so as to mitigate those impacts.
- 1.5. It recommends the future management fee profile is adjusted to reflect the impact of the pandemic. These changes do not vary the total management fee due over the contract period, which remains the same. So the impact is one of timing, cashflow and revenue income from the management fee payable.
- 1.6. The cashflow deficit is to be managed through the use of Government COVID Losses grant funding that the Council has received and holds in a reserve.
- 1.7. An independent consultant was commissioned to report on the proposals and provide a view as to their relative merits, the state of the market and the bigger picture strategy options. The report is included in Appendix C.
- 1.8. Investing and supporting public leisure facilities is an investment in ill-health prevention and leisure centres are essential community hubs, significantly contributing to improving people's health and wellbeing.
- 1.9. Appendix A sets out the new proposed management fee. There would be shortfalls in the management income in the years 2021-22, 2022-23 and 2023-24. Recommendations 3 to 5 of the report set out how these could be funded.
- 1.9 It is proposed that the Council funds the shortfall in the management fee income from Fusion in 2021-22 and 2022-23, from Government COVID grant funding that was awarded to Councils to meet losses in income due to the pandemic. This Government grant funding is in the COVID Losses Earmarked Reserve which has an

uncommitted balance of £480,789. Arguably the leisure industry has been one of the worst impacted sectors from the pandemic, with very little in the way of national Government funding.

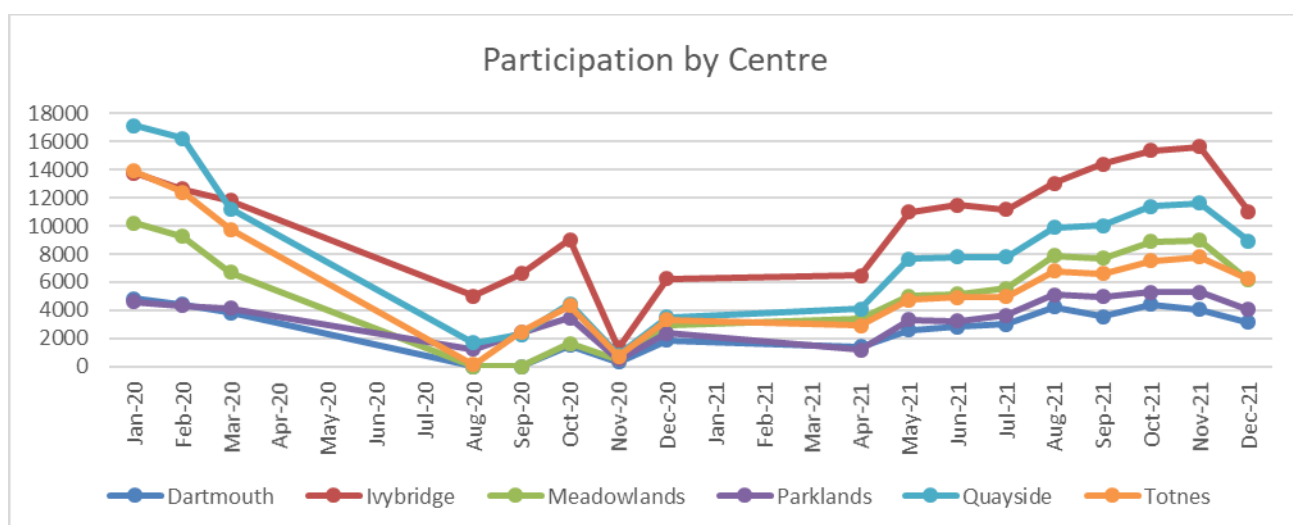
- 1.10 From 2024-25 onwards, the proposed management fee income would be in excess of the current budgeted income level, as detailed in Appendix A.

2. Background

- 2.1. In 2016, the Council signed a Design Build Maintain and Operate (DBOM) contract with Fusion for the two leisure centres in West Devon. The contract is for 25 years and allows the Council to bring in private sector expertise and experience in managing a discretionary service for public leisure centres.
- 2.2. This report follows the extensive update given at Full Council last year on 24th September 2020 (Minute 18/20), where the Council agreed to continue with the Fusion Contract ('Strategic Options Appraisal') as being the most appropriate means of supporting Health and Wellbeing objectives within the South Hams area.
- 2.3. The report also set out how the Council supported the leisure contract with significant funding for £435,000 to allow its centres to remain open through to March 2021. This was approved at Council on 30th April 2020, 30th July 2020 and on 24 September 2020 (Minute Ref 18/20).
- 2.4. A further report on 25th March 2021 (Minute 46/20) outlined additional support being made to Fusion through the National Leisure Recovery Fund for £170,985. This enabled Fusion to meet the costs of preparing and carrying out the re-opening of leisure centres from 12th April 2021 onwards following the last lockdown.
- 2.5. At the March 2021 meeting, it was highlighted that a further report would be brought back after the summer to provide an update on the leisure centres since their re-opening and Fusion's performance.

3. Leisure Centre's reopening and usage update

- 3.1. The key re-opening dates for the leisure centres were recently outlined in Fusion's first Quarterly Review of this year 2021/22.
- 3.2. All Centre's successfully re-opened from 12th April in line with Covid-19 restrictions and from 19th July more activities and usage could take place with the easing of the restrictions.
- 3.3. Centre participation across all 6 leisure centres in South Hams and West Devon has increased since re-opening from c19500 to c53,350 in November 2021. For December 2021, usage decreased to 39,525 which was expected at this time of year.
- 3.4. This figure (c53,350) compared to November 2019 of c62,900 represents 85%. Whereas for December the comparison to the 2019 figure is 83%.



3.5. Key points to note in leisure activities, memberships and usage are as follows:

Overall centre memberships in December '21 are at 76%; 5,149 against 6,764 in March '20 and this being at 76% compared to December '21 memberships.

| Total | March 2020 | December 2021 | % |
|-------------------------------|--------------|---------------|------------|
| Dartmouth | 560 | 443 | 79% |
| Ivybridge | 1,665 | 1,309 | 79% |
| Quayside (Kingsbridge) | 1,523 | 1,163 | 76% |
| Totnes | 1,117 | 748 | 67% |
| Meadowlands (Tavistock) | 1,075 | 890 | 83% |
| Parklands (Okehampton) | 824 | 596 | 72% |
| Total | 6,764 | 5,149 | 76% |

3.6. A detailed performance update was provided in November as part of a Members Bulletin which highlighted the following key points:

- Swim school has been in very high demand and overall memberships are at 89% compared to March '20.
- Casual public swims have been very popular, also fitness classes have seen increased usage. The gym usage has been slower to recover.
- Increases in centre programming and extended opening hours where demand and revenue growth has allowed.

- A comprehensive marketing and promotions campaign with local direction and management, including the use of discounts and unique offers to encourage customers to use the Centres.
- 3.7. In regards to water and air quality, as well as cleaning for centre operations, key points to note:
- Air Handling Units are part of the regular planned maintenance programmes and are being set at 100% fresh air.
 - Opening of windows and use of fans to circulate air where possible.
 - Water testing across swimming pools and other areas is undertaken regularly (at least 4 times) during the day across all centres, including flushing of all water outlets. This covers alkalinity, chlorine and total dissolved solid levels. An external supplier completes additional monthly visits for bacteria testing of all water outlets and any remedial works are undertaken as required.
 - All Centres have regular cleaning schedules, including high contact areas which are disinfected after group activities and customer use, frequently (at least every 2hrs) during the day. Specific cleaning tasks are assigned for each area across the centres. Recent deep cleans have taken place across all the sites and monthly contract cleaning support is being developed.
 - These areas are covered in the Quest Assessment process that all Centres will be undertaking, as well as having internal and external centre audits along with mystery customer and manager visits.
- 3.8. UKActive highlighted last year that from the most recent data the number of positive Covid-19 cases from people visiting leisure centres, pools and health clubs in the UK is extremely low. Figures from 12th April, when centres/gyms re-opened to 21st Nov, an overall rate of 0.83 cases per 100,000 visits were recorded.

4. National Leisure Overview

- 4.1. As part of the National Leisure Recovery Fund, performance and usage data for leisure centres is being tracked through 'Moving Communities.'
- 4.2. This research reveals that while public leisure centres have shown a steady rate of recovery since reopening in March, there are still former participants that have not returned, with recovery rates settling at just above 70%. This current data is being compared to 2019 figures in the same period.
- 4.3. Activities have recovered at different rates as well with Swimming at 78% and Group Exercise at 62%. Also recovery rates in the rural areas were below the national average at around 65%. This may reflect an older age group as more urban areas with a younger population are returning at a faster rate.

- 4.4. In a report published by the LGA and APSE in September regarding the 'Future of Public Sport and Leisure Services', it highlights that the pandemic has hit the leisure sector hard, compounding existing challenges, including ageing leisure centres and a lack of strategic coordination between health and leisure at a national level.
- 4.5. The District Council Network reported in May 2021 that more than 100 leisure centres could be at risk of closing due to the pandemic and additional Government is needed to support the leisure sector.
- 4.6. Recent leisure procurements have indicated that it is challenging for bids to return best value and competitive tenders. Several areas, such as Plymouth and Exeter, have decided to return their leisure service to a local provision. However other Councils (including South Somerset DC) have successfully completed a procurement exercise with significant improvements in the financial proposals and investment in facilities, albeit the improvement is generally coming after the first 18 – 24 months of the contract to allow for Covid recovery.
- 4.7. Councils are still continuing to invest in their local facilities, such as Exeter with a new energy efficient leisure complex opening shortly and in North Devon with the build of its new centre in Barnstaple this summer. Most operators in the market are forecasting a return to pre Covid level during 2022/23 financial year.

5. Financial Considerations

- 5.1. Appendix A sets out a financial overview on various aspects of the Leisure Contract.
- 5.2. Appendix B set out the latest set of accounts and a financial outlook for 2021.
- 5.3. Both Councils have commissioned a strategic financial report from an independent local government advisor (Appendix C) to provide an appraisal and overview of our current Fusion contract and the financial support being provided by both SHDC and WDBC.
- 5.4. The report is contained in Appendix C and the conclusion of that report is set out in full below for convenience.

"Conclusions.

The proposed amended way forward for the operation of Leisure Services via Fusion represents a sound proposition for South Hams and West Devon.

A renegotiated arrangement with the existing supplier is in line with LGA guidance and is likely to be the least risky solution, protecting services and value for money compared to the alternatives available.

In my experience, many other Councils would be pleased to have an offer of this nature on the table.

The future is inevitably risky, but there are approaches to mitigating some of these risk as outlined in section 7."

5.5. The report also pulls out some key areas of focus going forward in the conversation and partnership with Fusion. These are already items that get considered as a matter of course, but are set out in full below to recognise their importance and will continue to be reported against in future Hub reports.

- *Requiring Fusion to provide frequent management accounts, detailed consideration of which forms a part of the overall contract monitoring.*
- *Requiring Fusion to produce long term forecasts that are scrutinised and assessed, possibly using an external leisure industry specialist.*
- *Liaising with the client local authorities across Fusion's business base to monitor its wider trading position.*
- *Being prepared to act individually or collectively to support Fusion again as a last resort, should circumstances justify it.*
- *Supporting Fusion to market and develop its business in South Hams and West Devon, using the Councils communications and networking capabilities.*
- *Consider ways in which the Council may assist in securing further business for Fusion e.g. through public health strategies in Devon to improve physical activity and mental health*

6. 'Better Lives for All – A Vision for South Hams'

6.1 Strengthening Community Wellbeing, a high level theme within the delivery plan, identifies 'to increase active participation in sport and leisure activities'. A key action within the Thematic Delivery Plan is to work with our leisure provider to identify opportunities to increase active participation.

7. Proposed Way Forward

7.1 It is recommended that the Executive:

- Note the performance of the Fusion contract to date, wider market trends and the financial information on Fusion's performance in 2021.
- Recommend to Council the contract variation and changes to the management fee profile as set out in Appendix A (Table 1).
- Recommend to Council to fund the £272,242 shortfall in income of the management fee in 2021-22 from the COVID Losses Government Grant funding.
- Recommend to Council to fund the £174,632 shortfall in income of the management fee in 2022-23 from the COVID Losses Government Grant funding.

- Recommend to Council to fund the £174,632 shortfall in income of the management fee in 2023-24 from the COVID Losses Government Grant funding (£33,915), the Leisure Earmarked Reserve (£42,851) and the Business Rates Retention Earmarked Reserve (£97,866).

7.2 From 2024-25 onwards, the proposed management fee income would be in excess of the current budgeted income level, as detailed in Appendix A.

8. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|------------------|---------------------------|---|
| Legal/Governance | | <p>Officers have taken legal advice during 2020 on the impact the Government's decision has on the contract and therefore the Council.</p> <p>The contract contains a change in law clause which has been triggered by the Government's actions and as such, it is a requirement under the contract for the Council to provide support during the forced closure period. The Council has provided this support.</p> <p>The Appendices to this report (A, B and C) are exempt from publication because they contain information about financial and business affairs of the Council and third parties as defined in Paragraph 3 of Schedule 12A to the Local Government Act 1972. The public interest test has been applied and it is considered that the public interest lies in not disclosing these Appendices at this time because they contain financial and commercially sensitive information which could prejudice the third party if such information was disclosed at this time.</p> |

| | | |
|--|--|---|
| Financial implications to include reference to value for money | | <p>Appendix A sets out the new proposed management fee. There would be shortfalls in the management income in the years 2021-22, 2022-23 and 2023-24. Recommendations 3 to 5 of the report set out how these could be funded.</p> <p>It is proposed that the Council funds the shortfall in the management fee income from Fusion in 2021-22 and 2022-23, from Government COVID grant funding that was awarded to Councils to meet losses in income due to the pandemic. This Government grant funding is in the COVID Losses Earmarked Reserve which has an uncommitted balance of £480,789. Arguably the leisure industry has been one of the worst impacted sectors from the pandemic, with very little in the way of national Government funding.</p> <p>From 2024-25 onwards, the proposed management fee income would be in excess of the current budgeted income level, as detailed in Appendix A.</p> |
| Risk | | The risks of the Leisure service were set out in Section 4 of the report to Council on 24 September 2020. |
| Climate Change | | Contract targets to reduce energy usage |
| Comprehensive Impact Assessment Implications | | |
| Supporting Corporate Strategy | | Health and Wellbeing – see Section 6 |
| Equality and Diversity | | Whilst private sector facilities are available within the area, opportunities for equality and diversity are improved through the re-opening of public sector leisure centres. |
| Safeguarding | | N/A |
| Community Safety, Crime and Disorder | | N/A |
| Health, Safety and Wellbeing | | <p>One of the Council's adopted strategic priorities is Health and Wellbeing and it has a history of providing these services, which is why it has entered into a long term contract to do so.</p> <p>It is not the case that the Council's leisure centres are the only services available in the area.</p> |

| | | |
|--------------------|--|---|
| | | However they are the biggest and most complete in the offer that they provide. This includes, swimming (casual, club and swim school), gym & personal training and group fitness classes. |
| Other implications | | |

Appendices

EXEMPT Appendix A – Financial Information relating to the Leisure contract

EXEMPT Appendix B – Fusion Lifestyle Accounts – year ended 31 December 2020

EXEMPT Appendix C – Independent Report on Fusion Contract Proposals

Background Information

None

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

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**MINUTES of the MEETING of the
OVERVIEW & SCRUTINY COMMITTEE,
Held in the Repton Room, Follaton House, Totnes, on
WEDNESDAY, 4 NOVEMBER 2021**

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

| Other Members also in attendance: |
|---|
| Cllrs K Baldry, T Holway, N A Hopwood and J Pearce |
| Other Members joining via Teams: |
| Cllrs V Abbott, J Brazil, J Hawkins, K Kemp, M Long, G Pannell, H Reeve, and R Rowe |

| Item No | Minute Ref No below refers | Officers in attendance and participating |
|----------------|-----------------------------------|--|
| All | | Deputy Chief Executive, Director of Governance & Assurance, Monitoring Officer, and Democratic Services Specialist |
| Item 3 | O&S.30/21 | Chief Executive |
| Item 7 | O&S.33/21 | Director of Place and Enterprise |
| Item 8 | O&S.34/21 | Community Safety and Safeguarding Manager and Environmental Health Specialist |
| Items 9 & 10 | O&S.35/21 & O&S.36/21 | Head of Waste and Environmental Services and Case Management Team Leaders |
| Item 11 | O&S.37/21 | Senior Specialist Climate Change |

O&S.29/21 MINUTES

The minutes of the meeting of the Overview and Scrutiny Committee held on 13 October 2021 were confirmed as a correct record.

O&S.30/21 URGENT BUSINESS – CALL-IN OF EXECUTIVE MINUTE E.56/21: GARDEN WASTE SERVICE

The Chairman introduced the agenda item and advised that, in accordance with Overview and Scrutiny Procedure Rule 12.5, the resolution arising from Minute E.56/21: 'Garden Waste Service' had been formally called-in for further consideration by the Committee. The process of call-in was then outlined.

Following a question from a Member, it was clarified that the decision was a key decision because the issue, ie garden waste service, related to the whole District.

The Chairman advised that there would be three options available to the Committee when considering the call-in. These were that the Committee:

1. was content with the original Executive resolution and that decision would therefore take immediate effect;
2. could refer the decision back to the next Executive meeting (on 2 December 2021) for further consideration; and
3. could opt to refer the decision to the next full Council meeting (on 25 November 2021).

The Chairman then explained his reasoning behind the decision to invoke a call-in. In so doing, the Chairman made specific reference to:-

1. Failure to adequately consult with Members prior to the Executive meeting of 14 October 2021 at which the decision was taken;
2. Late delivery of the report in support of the recommendation. The report was only made available to Members on the morning of the meeting and, as such, many Members were not made aware of the serious nature of the recommendation until the last minute, if at all, prior to the decision being made; and
3. Lack of openness in respect of the content of the report and the reaching of the decision. For example, it was not made clear as to whether or not FCC (the Council's Waste Contractor) had requested a continued suspension.

Following questions put to the lead Executive Member with responsibility for Waste, it was clarified that:

- The report had been published late because Officers and the Executive Member had been working on the report right to the last minute in a desperate attempt to get a one off garden waste collection carried out before the decision had to be taken to suspend the service until Spring.
- The lead Executive Member confirmed that it had been his decision to recommend to his Executive colleagues that the suspension be extended so that residents were given some certainty and not waiting month to month to be told about the service.
- Other neighbouring Local Authorities had been approached to see if there was an opportunity for a one-off collection with their service, but all were suffering from the national HGV driver shortage and no one had any spare capacity within their own service.
- It was confirmed that the Council's contractor, FCC Environment (FCC), were unable to give any idea when they would be able to restart the service.
- Members were asked to give any alternative suggestions to the Executive Member or Officers who would explore any potential avenue.

- One Member stated that a resident in her local Ward had turned this into a business opportunity and was offering to empty a bin at £14.00 per bin, whilst another Member remarked that he too had made a number of calls to providers but had been unable to find any provider who could carry out a collection service for his Ward.
- The Executive Member stated that there were 46,000 bins to be collected over the whole District. It was his responsibility to ensure that the same service was provided to all households in the South Hams, no matter the ease or difficulty in reaching their bins.
- The recent letter that had been sent to all residents had been to keep every resident informed, not just those who used social media.
- Whilst recognising the value of local composting schemes, it was acknowledged as not being a replacement to the garden waste collection scheme.
- When questioned on funding for any alternative collections, the Executive Member confirmed that there would be a report presented to a future Executive meeting to address this matter.
- It was noted that the original decision to suspend the garden waste service (taken in August 2021) had had to be made quickly, hence limited consultation with Members. The Member acknowledged that the now disbanded Waste and Recycling Working Group had been useful, and he would be supportive should there be the political appetite to establish another working group.

Upon the conclusion of the questions to the lead Executive Member, the Chairman then **PROPOSED** a recommendation, which was **SECONDED**, and, when put to the vote, was declared **CARRIED**.

It was then:

RESOLVED

That the Council Constitution provides for O&S to express its concerns and to call for reconsideration of the decision of the Executive taken at its meeting held on 14 October 2021 in respect of the suspension of the garden waste collection. The O&S has concerns and it calls for reconsideration. These concerns and a call for reconsideration be submitted to the Full Council meeting to be held on 25 November 2021. Full Council will then be able to make its views known to the Executive.

These were the concerns to be submitted.

1. There was insufficient consideration and/or reporting given to the implementation of Option 3 being the use of an alternative provider and in particular the possibility of the garden waste collection being taken back in-house;
2. The supporting report incorrectly states that there are no financial implications arising. The suspension of the garden waste collection service from mid-August 2021 until Spring 2022 will in all probability have financial implications;
3. There was insufficient consideration and/or reporting given to the provisions of the contract with FCC;

4. The decision to suspend the garden waste collection until an open-ended Spring date leaves many residents with their brown bins containing waste for an indefinite period; and
5. Council tax levied by the Council includes a sum for the collection of garden waste and yet taxpayers are not receiving a service for which they have paid for.

O&S.31/21 **DECLARATIONS OF INTEREST**

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

O&S.32/21 **PUBLIC FORUM**

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

O&S.33/21 **RESPONSE TO THE HOUSING CRISIS – REQUEST FROM EXECUTIVE OF 14 OCTOBER 2021:- E.51/21**

Following the Executive meeting held on 14 October 2021, the Overview and Scrutiny Committee had been tasked to review the attendant report (Minute E.51/21 refers).

The Leader of the Council informed the Committee that the housing crisis action programme was in its infancy and, as the decision had only been taken recently, officers had not yet had the time to discuss with Members any proposed actions. It was acknowledged that there may be need for extra resources to support the programme, but that officers would review this and a report, including budget proposals, would be brought to the Executive meeting on 2 December 2021.

The Leader confirmed that the Executive wished to progress this at pace and that the Overview and Scrutiny Committee could help speed the process by forming a Task and Finish Group, rather than the Working Group that the recommendation was proposing. The Task and Finish Group could explore what other rural districts had done to provide affordable housing, with the suggestion to review Staffordshire as they had provided affordable housing for the last 15 years. The Task and Finish Group could also look at successful Community Land Trusts (CLTs) and report their conclusions back to the Executive. The Chairman responded by stating that these requests should be added to the Committee's recommendations when they were placed before the Executive. The Chairman recommended the Cornwall CLT as a successful model to study.

One Member felt that there were sufficient housing numbers already, and the figure of houses required had only been a broad estimate. The types

of houses that were being built were also not of the stock that were required. The overriding need was for affordable housing. Another Member stated that the definition of affordable should be reviewed.

A Member commented on Empty Dwelling Management Orders which could now only be invoked after two years instead of six months as had been originally stated. The Member felt this was an area that the Council could lobby on to return the time empty to the previous six months.

It was then:

RESOLVED

That the O&S Committee welcomed and supported the Executive's response in addressing the housing crisis and commented on the report as follows:

1. The ambitious programme for tackling the housing crisis warrants the employment of a full-time project management & delivery officer dedicated to ensuring that the measures proposed are implemented without delay. It is recommended that the cost of the employment of a housing emergency officer be allowed for in the 2022/23 budget and beyond. If possible, funds be allocated to enable the officer to commence employment before the commencement of the next municipal year.
2. Strongly supports the priority of engagement with the town and parish councils and local Members to establish a means of locating sites within their area that can be mutually supported for development of affordable housing. This should start with sites that have the benefit of some feasibility work. To assist officers in this process a politically balanced Members' working group, and an all member workshop, will be held at the soonest opportunity to discuss possibilities within wards and the wider district. These to be set up and report back to the Executive on a regular basis.
3. The housing crisis programme include a provision for the Council to encourage and assist in the formation of further Community Land Trusts in South Hams for the provision of affordable housing and based on the model of the Cornwall Community Land Trust

O&S.34/21 SOUTH DEVON AND DARTMOOR COMMUNITY SAFETY PARTNERSHIP

The Committee was presented with a report that provided Members with the opportunity to scrutinise the work of the South Devon and Dartmoor Community Safety Partnership (CSP). During the presentation, attention was drawn to an increase in hate crime and racist graffiti, with increased work on prevention. Targeted intervention had been aimed at drug abuse. Following a question from a Member, it was confirmed that there would be more police officers employed in Devon but it was not known when they

would begin their work. Various work with partner organisations was outlined, including working closely with the Dartmoor National Park Authority on increased instances of anti-social behaviour on the Moor.

The Chair then thanked the officers on behalf of the Committee

It was then:

RESOLVED

That the Committee thank the officers and note the contents of the published agenda report.

O&S.35/21 REVIEW OF LOCALITIES NEW SERVICE

The Executive Member with responsibility for service delivery presented the report outlining the outcome of the changes that had been made to the Localities Service, following the report presented to the Executive at its meeting held on 28 January 2021 (Minute E.57/20 refers). The Deputy Chief Executive stated that Cornwall Council had asked for a presentation on the Council's Localities Service, with a view to bringing in a similar service themselves.

Following questions from Members, it was clarified that:

- clearance of fly tipping was primarily the responsibility of FCC Environment, the Council's contracted waste operator. If addresses were found within the fly tip which identified the perpetrator, they would be vigorously pursued.
- not all planning site notices were laminated and therefore were susceptible to wet weather destroying the notice and potential for littering. The lead Executive Member confirmed that she would ensure this was remedied and that all site notices would be laminated in the future.
- Reorganisation of the service had streamlined contact with Members which had resulted in a slight dip in local knowledge but that this would now be regained as the team was now at full staffing capacity.
- Waste contract and performance issues had been divided in order that Waste and Localities were no longer part of a single team of officers.

An addition was **PROPOSED** and **SECONDED** to the published agenda report recommendation to add congratulations to the service for its excellent work during the high summer season. When put to the vote, this was then declared **CARRIED**.

It was then:

RESOLVED

That the Committee:

1. continue to support the current Locality working arrangements, pending on-going monitoring and a further report in 12 months.

2. note and acknowledge the work of the Locality service and the success of the seasonal working, and congratulate the service on the success of its seasonal working.

O&S.36/21 **CONTACT CENTRE PERFORMANCE**

The Committee considered a report that provided a high level overview on the current performance of the Contact Centre since April 2021. A formal review of the Contact Centre, and its performance in its entirety, had not been carried out in upwards of five years.

It was **PROPOSED** and **SECONDED** that an additional recommendation be added that requested a report be presented back to the Overview and Scrutiny Committee in six months times. This was then declared **CARRIED** when put to the vote.

It was then:

RESOLVED

That the Committee:

1. note the work of the contact centre over this financial year, and continue to support the work that will be undertaken to improve the contact centre and its performance;
2. note and endorse a comprehensive review of the contact centre to be carried out, to assess its performance and ability to meet customer demand, and
3. update its annual work programme to include a further report in six months' time.

O&S.37/21 **TASK AND FINISH GROUP UPDATES**

a) Climate Change & Biodiversity Action Plan

The Committee reviewed the concluding report from the Task and Finish Group.

Thanks were made to the Working Group, the Chairman of the Working Group, and to the officers for their time and guidance.

It was then:

RECOMMENDED

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

- a) The Action Plan should contain recognition of the finite carbon budget available to the District of South Hams as well as the organisation of South Hams District Council, and the consequential targets taken over 5 years that are relevant to all who live here. These targets should define the purpose and

- goals of the Action Plan together with the final version of the Devon Carbon Plan;
- b) The targets and indicators should align with the Devon Carbon Plan and be monitored on an annual basis. The first review of the strategy (specifically its monitoring framework) should commence following the adoption of the Devon Carbon Plan to update the action plan with relevant actions from the Devon Carbon Plan, and where relevant, its governance and monitoring framework.
 - c) The Action Plan should continue to acknowledge that the Council has an important facilitation and coordination role in the community it serves and that it is uniquely placed to be actively bringing key local organisations together, working with them to resolve issues where it has the relevant powers and/or influence, helping to access funds as the need arises, helping to create a common understanding of goals and timescales and working with groups to achieve them. In light of this, a review of the adopted funding model will take place with a view to ensuring that, within available budgets, support is available to enable community groups to undertake specific tasks, such as community engagement, as required by the Council's adopted CC&B strategy.
 - d) In recognition of the role outlined in 3, the Council should setup a CC&B Community Partnership Group that brings together the range of expertise and energy to achieve the goals of the Action Plan. This could be established through a revision of, the current Community Forum. It is suggested that the six organisations that presented to this Task and Finish Group are invited to join the existing Community Forum members) along with relevant officers, any elected member, and the lead member for Climate Change and Biodiversity. A revised Terms of Reference will be agreed to set the context for the group with a rotating chair
 - e) It is recognised that officer resources are limited, notwithstanding the remit of the Task and Finish Group, urgent consideration should be given to identify additional funds for CC&B and accessing other available funding streams to support our specialist Adam Williams either through recruitment or through employing relevant expertise.

O&S.38/21 **2021/22 PANEL WORK PROGRAMME – LATEST VERSION**

The Committee reviewed its work programme and agreed its content with the addition of an extra meeting to be added into the Member Meeting Calendar for January 2022. The Chairman and Vice Chairman would meet with officers to agree a date in January 2022, and to review the work programme for the 16th December 2021 meeting, with a view to moving some agenda items to the new January 2022 date.

It was also agreed that the Housing Crisis related Task and Finish Group proposal, suggested by the Leader (Minute O&S.33/21 above), would be discussed under the item of Task and Finish Group updates at the next Committee meeting to be held on 16 December 2021.

(Meeting started at 2:00 pm and concluded at 4:31pm – a ten minute break was taken at 3:30pm)

Chairman

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**MINUTES of the MEETING of the
OVERVIEW & SCRUTINY COMMITTEE,
Held in the Repton Room, Follaton House, Totnes, on
WEDNESDAY, 20 JANUARY 2022**

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

| Other Members also in attendance: |
|--|
| Cllrs T Holway and J Pearce – in person Cllrs K Baldry; J Brazil; N Hopwood; G Pannell; K Pringle; and H Reeve – remote attendance via Teams Meeting. |

| Item No | Minute Ref No below refers | Officers in attendance and participating |
|-----------------|-----------------------------------|--|
| All | | Deputy Chief Executive, Director of Place & Enterprise; Monitoring Officer, Democratic Services Manager; Head of Strategy & Projects; IT Officer; and Democratic Services Officers |
| Item 9 | O&S.52/21 | Customer Service Improvement Manager |
| Items 10 and 11 | O&S.53/21 and O&S.54/21 | Director of Governance & Assurance; Senior Specialist – Climate Change |
| Item 12 | O&S.55/21 | Senior Specialist – Housing |

O&S.48/21 MINUTES

The minutes of the meeting of the Overview and Scrutiny Committee (O&S) held on 4 November 2021 were confirmed as a correct record.

O&S.49/21 CONSIDERATION OF INFORMAL MEETING NOTES

The notes of the informal meeting of the Overview & Scrutiny Committee on 16 December 2021 were confirmed as a correct record.

The Chair then stated that as the joint meeting of the O&S and Development Management Committees held on 13 January 2022 was an informal meeting, the Committee needed to ratify the three proposals that were put forward at that meeting. These were:

- i) To ratify the decisions taken at the informal Joint O&S and Development Management (DM) Committee Budget meeting on 13 January
- ii) To agree the inclusion of Mid Devon District Council's request on today's agenda (Minute O&S.56/21 b) below refers), and
- iii) To set up a task and finish group as requested by the Leader.

Following the **PROPOSAL** and **SECONDING** of the proposals related to the draft Revenue and Capital Budget, these proposals were then voted on and declared **CARRIED**.

The Committee then reviewed the recommendations as so moved at the informal Joint O&S and DM Committees Budget meeting held on 13 January 2022.

It was then

RECOMMENDED

That, as part of the draft Revenue and Capital Budget Setting process for 2022/23, the Overview and Scrutiny Committee **RECOMMEND** that the Executive **RECOMMEND** to Council that:-

1. recognising that the Council has declared both a Climate Change and Biodiversity Emergency and Housing Emergency, the Executive be urged to give priority to the development and execution of projects in respect of both in 2022/23;
2. the sum of £3.5 million allocated out of the Business Retention Reserve to employment in 2018/19 remains unspent. It is proposed that out of this sum £1.0 million be reallocated to the proposed Affordable Housing Reserve Fund and £250,000 be reallocated to the Climate Change & Biodiversity Reserve; and
3. the following ten proposals be noted:
 - i) The proposed increase in Council Tax for 2022/23 of £5 (Band D of £180.42 for 2022/23 – an increase of 10 pence per week or £5 per year – equates to a 2.85% increase);
 - ii) The financial pressures shown in Appendix A of the informal agenda paper amounting to £1,044,600;
 - iii) The net contributions to/(from) Earmarked Reserves of £561,600 as shown in Appendix D of the informal agenda paper, including the proposed use of £500,000 of New Homes Bonus funding to fund the 2022/23 Revenue Budget as set out in 3.30 of the report and £100,000 from the Business Rates Retention Earmarked Reserve as set out in 3.21 of the informal agenda paper;
 - iv) That £407,557 of the New Homes Bonus grant allocation for 2022/23 is allocated to an Affordable Housing Earmarked Reserve as a one-off contribution for 2022/23 as set out in 3.30 to 3.31 of the informal agenda paper;
 - v) The savings of £404,000 as shown in Appendix A of the informal agenda paper;

- vi) That South Hams District Council continues to be part of the Devon Business Rates Pool for 2022/23;
- vii) The proposed Capital Programme Proposals for 2022/23 of £1,665,000 and the proposed financing of the Capital Programme as set out in Appendix E of the informal agenda paper;
- viii) That Unearmarked Reserves should continue to have a minimum level of £1.5million (as set in the Medium Term Financial Strategy in September 2021), but an operating level of a minimum of £2million;
- ix) That the Executive recommend to Council to transfer £280,000 from Unearmarked Reserves to a Financial Stability Earmarked Reserve as part of the process of closing the 2021/22 Accounts, to be available for any future financial pressures from future local government funding reforms and any other budget pressures (the predicted year-end balance of Unearmarked Reserves at 31.3.22 is £2.28m as set out in 7.8). (This would leave an operating level of £2m for Unearmarked Reserves); and
- x) That the Executive recommend to Council to transfer a one-off amount of £200,000 into a Community Composting Earmarked Reserve in 2021/22 as part of the process of closing the 2021/22 Accounts. A scheme is to be set up with a one-off budget of £200,000 in 2022/23 for community composting, aligned to savings in the green waste element of the waste contract in 2021/22, as per 3.40 of the informal agenda paper.

O&S.50/21 **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 declared.

O&S.51/21 **PUBLIC FORUM**

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

O&S.52/21 **PERFORMANCE MANAGEMENT REPORT**

The lead Executive Member for Service Delivery provided the Committee with a report which gave a high-level overview of performance across the Council.

During the ensuing discussion, the following points were raised:

- The delay to the Planning Portal was deemed necessary to ensure it was working well before being deployed. The aim was for this to be rolled out in June 2022.
- The decision for staff to return to work from the office was under review.
- The report to O&S Committee, on telephone calls and the contact centre, would be delayed due to the relevant officer

being absent through ill-health. This was hoped to be brought to the Committee meeting no later than in May 2022.

- It was confirmed that no waste collected in the South Hams area was ever sent to landfill, nor recycling sent overseas. One Member highlighted the issue of food waste and the need to reduce this significantly.
- The responses to benefit claims were all within Government targets for response.
- Planning and enforcement improvements were noted and applauded.
- A Member proposed adding in a thank you to the staff in recognition of their hard work under difficult circumstances. Once voted on, this was added to the resolution.

It was then:

RESOLVED

That the Overview and Scrutiny Committee **NOTE** the performance figures shown in the attendant Pentana report as outlined in Appendix A, and **ACKNOWLEDGE** the hard work of Council staff through extraordinarily difficult circumstances.

O&S.53/21 **BETTER LIVES FOR ALL THEMATIC UPDATE: CLIMATE & BIODIVERSITY**

Following the Council's adoption of the Better Lives for All strategy in September 2021, the Committee was provided with an update on the Climate & Biodiversity strand of the Better Lives for All Strategy.

During the debate, the following points were raised:

- An officer was being recruited to run project AM1.1, as outlined in Appendix A of the attendant report. The EV strategy report was being updated and would be ready soon.
- Devon County Council had given notice that there was a likelihood they would be withdrawing from the crowdfunding scheme, due to budgetary restraints in the next fiscal year. This could lead to an increase in cost to SHDC, but officers were working on ways to minimise this.
- Notice was given that the aim of completing nine EV installations in public car parks, by 31 March 2022, could not now be achieved. This was due to delays from the provider, and the legal process to develop the first lease. Now that the first lease was completed, the other eight leases should be quicker. It was requested that the banding of this project should be moved to amber rather than green, in light of this.

It was then:

RESOLVED

That the Overview and Scrutiny Committee **NOTE** the progress in delivering against the Better Lives for All 'Climate' Thematic Delivery Plan.

O&S.54/21 **CLIMATE CHANGE & BIODIVERSITY ACTION PLAN UPDATE**

The Executive Lead Member for Climate Change and Biodiversity introduced the latest update on the Climate Change and Biodiversity Action Plan. Following the final report from the Task and Finish Group, set up to consider the report of the Action Plan, the recommendations were put before the Executive at its meeting on 2 December 2021. At this meeting, one proposal was debated and agreed, with the remaining recommendations to be considered at the Executive meeting on 27 January 2022.

The Chairman updated the Committee that he and the Vice Chair had had discussions with officers and the decision had been made to deal with the action plan by breaking it down into various areas to be reviewed in turn. These being: Energy; Sustainability; Biodiversity; Capability and Engagement; and Operational Action Plan.

It was **PROPOSED** that an additional recommendation be added to thank staff. This was **SECONDED** and at the subsequent vote, the additional recommendation was **CARRIED**.

It was then:

RESOLVED

That the consideration of this item be deferred pending the outcome of the Executive's consideration of the Task and Finish Group's recommendation, arising out of the O&S meeting held on 4 November 2021 (item O&S.37/21).

Thereafter consideration of the Climate Change and Biodiversity Action Plan by O&S would be broken down into manageable sections, each dealt with at a separate meeting of the Committee, and that a programme be agreed at a meeting between the Chair, Vice Chair and Officers.

The Committee **NOTE** the action taken by the officers and thanked them for the work they had carried out.

O&S.55/21 **DEVON HOME CHOICE REVIEW**

The Leader introduced the report on Devon Home Choice (DHC) which outlined waiting lists and allocation trends across the area, and reviewed how these met the housing needs of the District. It was noted that the average waiting times ranged from 373 to 430 days, with the variable length often being dependent upon the property size. The overall housing need was currently at 1,153 properties. Officers noted that DHC was an effective

administration tool which provided a good user experience for those in housing need and through which the Council was able to discharge its statutory duty.

In answering Members' questions, the following was clarified:

- DHC was choice based lettings scheme, which was the most commonly used by the majority of Councils. Some councils had old style points based systems, but these schemes were few in number and removed the element of choosing the property you applied for.
- As five and six bedroom houses had the lowest need, there was a resultant scarcity of properties of this size, with none in social housing in the District.
- Those applicants who were unable to access or navigate the site without support could approach staff to help them to register and bid on properties, including assisted and auto bidding. Regular checks of non-bidders in high housing need were undertaken to ensure wherever possible people did not slip through the safety net.
- The most popular areas were urban, due to work and school opportunities. Mutual Exchanges were undertaken through the national homeswapper site, although people in no housing need (Band E) were still able to apply and bid for properties.

It was then:

RESOLVED

That the Overview and Scrutiny Committee **RECOMMEND** to the Executive that the Council continue to be a member of Devon Home Choice.

O&S.56/21 TASK AND FINISH GROUP UPDATES

a) Housing

Once the establishment of the Task and Finish Group was formally ratified by the Committee, the Chairman of the Housing Task and Finish Group (T&F) updated the Committee following the first meeting of the Housing T&F group.

It had been agreed by the T&F group that they should conclude and report back its conclusions to the Committee at its next meeting on 17 March 2022. One Member requested the T&F Group's name should be changed to 'homes'. The T&F Group consisted of eight Members, Cllrs Smerdon (Chairman), Birch, Foss, McKay, O'Callaghan, Reeve, Sweett, and Taylor. Members of the T&F Group had joined a meeting of Cornwall Council Community Land Trust which had been very useful. The concept of co-housing was outlined: where very large houses, accommodating perhaps only two people, were bought and then altered

to be a House of Multiple Occupancy (HMO). One example outlined had turned a home for two people into 17 homes. Each Member of the T&F Group had been tasked to look into different aspects of affordable housing initiatives throughout the country.

An officer of the Council, who was a specialist in both community land trusts and affordable housing, would be invited to attend the next meeting, which was due to take place on the 27th January.

b) Bioenergy Industry – Mid Devon District Council proposal

The Chairman updated the Committee regarding an enquiry he had received from Mid Devon District Council, who were asking for expressions of interest to join a Devon wide inquiry into the bioenergy industry and planning controls and regulatory requirements relating to the same.

During the debate, several Members commented that this crop was much more common in the Mid Devon area and that there were no issues with the anaerobic digester in Langage which dealt with all the food waste from South Hams area. It was also noted that the digesters increased farm traffic with taking fuel to the digester and the fertilising materials back to the farms. It was felt by some that this issue was more a planning issue than a scrutiny one. It was also acknowledged that the Committee's work programme was already very full.

Following a proposal to decline the invitation, this was unanimously agreed.

O&S.57/21 COMMITTEE WORK PROGRAMME

It was confirmed that the thematic topic for 17 March 2022 would be 'communities', with 'homes' the topic for the Committee meeting on 22 April 2022.

Further to a request from a non-Committee Member, it was agreed to invite South West Ambulance Service to a future meeting, to discuss emergency response times. It was noted that these response times were currently the worst in the Country. The Member was also having difficulties in getting replacement first responders in his area.

Due to staff illness, the item on Council Delivery Against Key Performance Indicators would be moved to the June Committee meeting.

(Meeting started at 10:00 am and concluded at 12:32pm)

