

West Devon Hub Committee



West Devon
Borough
Council

Title:	Agenda								
Date:	Tuesday, 8th March, 2022								
Time:	2.00 pm								
Venue:	Chamber - Kilworthy Park								
Full Members:	<p style="text-align: center;">Chairman Cllr Jory Vice Chairman Cllr Cheadle</p> <p><i>Members:</i></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Cllr Edmonds</td> <td>Cllr Crozier</td> </tr> <tr> <td>Cllr Mott</td> <td>Cllr Daniel</td> </tr> <tr> <td>Cllr Leech</td> <td>Cllr Ratcliffe</td> </tr> <tr> <td>Cllr Pearce</td> <td></td> </tr> </table>	Cllr Edmonds	Cllr Crozier	Cllr Mott	Cllr Daniel	Cllr Leech	Cllr Ratcliffe	Cllr Pearce	
Cllr Edmonds	Cllr Crozier								
Cllr Mott	Cllr Daniel								
Cllr Leech	Cllr Ratcliffe								
Cllr Pearce									
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.								
Committee administrator:	Democratic.Services@swdevon.gov.uk								

1. Apologies for absence

2. Declarations of Interest

Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting.

If Councillors have any questions relating to predetermination, bias or interests in items on this Agenda, then please contact the Monitoring Officer in advance of the meeting.

3. Items Requiring Urgent Attention

To consider those items which, in the opinion of the Chairman, should be considered by the Meeting as matters of urgency (if any)

4. Confirmation of Minutes

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Minutes of meeting held 1 February 2022

5. Public questions - a period of up to 15 minutes is available to deal with issues raised by the public

6. Hub Committee Forward Plan

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7. Response to the Housing Crisis

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8. Planning Improvement Plan Update: Local Validation List and Planning Charter

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9. Regeneration and Investment Strategy

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10. Month 10 Revenue Budget Monitoring 2022/23

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11. Capital Budget Monitoring 2021/2022

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12. Exempt Accommodation Update

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Agenda Item 4

At a Meeting of the **HUB COMMITTEE** held in the **Council Chamber, Kilworthy Park, Tavistock** on **TUESDAY** the **1st** day of **February 2022** at **2:00 pm**

Present: Cllr N Jory – Chairman
Cllr R Cheadle – Vice Chairman

Cllr P Crozier	Cllr L Daniel
Cllr C Edmonds	Cllr A Leech
Cllr C Mott	Cllr T Pearce
Cllr B Ratcliffe	

In attendance: Chief Executive
Deputy Chief Executive
Monitoring Officer
Section 151 Officer
Director of Place and Enterprise
Democratic Services Manager
Deputy Section 151 Officer
Head of Strategy and Projects
Senior Specialist – Housing
Senior Specialist – Place Making
Senior Specialist - Legal
Fusion Representative

Other Members also in attendance in a non-voting capacity:
Cllrs Ewings, Heyworth, Wood and Yelland

***HC 55/21 APOLOGIES**

There were no apologies for absence forwarded to this Meeting.

***HC 56/21 DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be discussed and there were none made.

***HC 57/21 MINUTES**

The Minutes of the Hub Committee meeting held on 7 December 2021 were confirmed as a correct record.

***HC 58/21 PUBLIC QUESTION TIME**

It was noted that no Public Questions had been received in accordance with the Hub Committee Procedure Rules.

***HC 59/21 HUB COMMITTEE FORWARD PLAN**

Members were presented with the Hub Committee Forward Plan that set out items on the agenda for Hub Committee meetings for the next four months.

In discussion, it was noted that the published Plan incorrectly stated that the '*Request for Statutory Designation of land and a new long lease – Milton Abbot Allotments*' (Minute *HC 65/21 below refers) agenda item was within

the 'Climate Change & Biodiversity' portfolio area when in fact it should have been listed as being within the 'Community' portfolio area.

HC 60/21 REVENUE AND CAPITAL BUDGET PROPOSALS FOR 2022/23

Consideration was given to a report that set out proposals for the Council to achieve a balanced Revenue and Capital Budget for 2022/23.

In discussion, reference was made to:-

- (a) the annual staff pay award. Officers confirmed that, whilst the final settlement was still subject to negotiations, they were content that the budget allocation that was proposed to be set aside was sufficient. Whilst acknowledging that there would be additional cost pressures in relation to rising energy and travel costs, officers were similarly content that adequate provisions had been included within the draft budget proposals. The Section 151 Officer confirmed that there was a budget provision of £70,000 for inflation on goods and services;
- (b) the proportion of total Council Tax that was actually the Borough Council precept (11% of the overall bill). A Member felt that, as the collecting authority, there were a number of public misconceptions over the Borough Council precept. As a result, it was felt that there was a need for the Communications Team to produce and publish messaging at the time of annual billing in an attempt to counter these misconceptions.

It was then **RECOMMENDED** that Council:

1. increase Council Tax for 2022/23 by £5 (Band D of £246.63 for 2022/23 – an increase of 10 pence per week or £5 per year – equating to a 2.07% increase);
2. approve the financial pressures (as shown in Appendix A of the presented agenda report) amounting to £689,000;
3. approve the net contributions to Earmarked Reserves of £209,350 (as shown in Appendix A of the presented agenda report), including the proposed use of £75,000 from the Business Rates Retention Earmarked Reserve (as set out in section 3.21 of the presented agenda report);
4. transfer £162,850 into a Financial Stability Earmarked Reserve in 2022/23, to be available for any future financial pressures from future local government funding reforms and any other budget pressures;
5. use £150,000 of New Homes Bonus funding in 2022/23 to fund the Revenue Base Budget (as set out in section 3.30 of the presented agenda report);
6. allocate £172,084 of the New Homes Bonus grant allocation for 2022/23 to an Affordable Housing Earmarked Reserve as a one-of contribution for 2022/23 as set out in sections 3.30 to 3.31 of the presented agenda report;
7. approve the savings of £221,000 (as set out in Appendix A of the published agenda report);

8. set its Total Net Expenditure for 2022/23 at £7,769,695 (as set out in Appendix B of the presented agenda report);
9. approve the proposed Capital Programme Proposals for 2022/23 of £835,000 and the proposed financing of the Capital Programme (as set out at Appendix D of the presented agenda report);
10. continue to have a minimum level of £900,000 within Unearmarked Reserves (as set out in the Medium Term Financial Strategy in September 2021), but an operating level of a minimum of £1.25 million;
11. note the level of reserves (as detailed within the published agenda report) and the assessment of their adequacy and the robustness of budget estimates. (NB, this is a requirement of Part 2 of the Local Government Act 2003); and
12. note that the Council will continue to be part of the Business Rates Pool for 2022/23 (as outlined at Section 3.23 of the presented agenda report).

***HC 61/21 PUBLIC CONSULTATION HOMELESS STRATEGY 2022-2027**

A report was considered that sought the agreement of the Committee to commence a public consultation exercise on the draft Homeless Strategy 2022-2027.

In discussion, officers expressed their confidence that there were currently no outdoor sleepers residing within the Borough area. This statement was welcomed by the Committee.

The importance of this public consultation exercise was recognised and the importance of a robust publicity campaign was stated

It was then **RESOLVED** that a public consultation exercise be commenced on the draft Homeless Strategy 2022-2027.

***HC 62/21 QUARTER 3 INTEGRATED PERFORMANCE MANAGEMENT REPORT**

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

In future versions of the performance reports, it was requested that greater use of plain English be applied. However, Members also 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 Plan for West Devon Thematic Delivery Plan; the programmes financial performance and the current strategic risk profile of the Council be noted.

HC 63/21 FUSION LIFESTYLE – LEISURE CONTRACT SUPPORT UPDATE

Consideration was given to a report that provided an update on current

performance levels; the recovery and business impact within the Leisure Contract; and proposed contract variations so as to mitigate those impacts.

At the discretion of the Chairman, the Fusion representative was invited to address the meeting. In so doing, the representative emphasised the challenges that had been faced by the leisure industry since the start of the COVID-19 Pandemic. Whilst participation and income figures remained below 2019 figures, the representative was pleased to inform that the early signs for 2022 were promising and there appeared to be greater consumer confidence in the leisure market.

In discussion, reference was made to:-

- (a) the address from the Fusion representative. Members welcomed the positive tone of the address and confirmed that they had also been in receipt of fewer complaints from their constituents in relation to matters such as cleanliness and staff customer service;
- (b) the rising energy prices. Whilst the representative informed that they were taking steps to mitigate the impact of rising prices, it was acknowledged that, as a large consumer of gas, electricity and water, the increases were a cause of concern for Fusion.

It was then **RESOLVED** that:

1. The performance of the Fusion contract to date; wider market trends; and the financial information on Fusion's performance in 2021 (as first reported at its 2 November 2021 meeting) be noted;
2. Council be **RECOMMENDED** to approve the contract variation and changes to the management fee profile (as set out in Appendix A (Table 1) of the presented agenda report); and
3. Council be **RECOMMENDED** to fund the £58,639 shortfall in income of the Management Fee in 2021-22 from the COVID Losses Earmarked Reserve in 2021/22.

***HC 64/21 NATURAL WOODLAND REGNERATION AT COUNCIL SITES**

The Committee considered a report that provided an update on a key action in the Climate Change and Biodiversity Plan and Plan for West Devon that sought to deliver new woodland at two Council-owned sites.

In discussion, reference was made to:

- (a) the proposed natural regeneration approach for these sites. A Member questioned the appropriateness of this approach and felt that a conservation grazing approach may be more suitable. In reply, officers advised that they had taken external advice from a number of agencies and the general consensus was that the natural regeneration approach would be most appropriate for these sites. Nonetheless, this would be kept under regular review by officers and regular progress reports would be presented to Members;
- (b) the value for money associated with these proposals. The lead Member for Resources asked that the Committee balance the identified benefits of

this project against the ability to generate a capital receipt for these sites;

- (c) the declared Climate Change and Biodiversity Emergency. Some Members felt that the proposals would go a long way to demonstrate that the Council was committed to and serious about the Emergency that it had declared;
- (d) the proposal for the Woodland Trust to effectively obtain the carbon credits for these sites. As a principle, a Member expressed her concerns over this approach and would much prefer the carbon credits to be used to offset the Council's own carbon deficit.

It was then **RESOLVED** that the proposed way forward to deliver natural woodland regeneration at Council owned sites at Harrowbeer Lane, Yelverton and Bedford Bridge near Horrabridge be noted.

(NOTE: Cllr C Mott asked for it to be noted that, whilst she had voted against the proposal, she fully supported the scheme but did not agree with the proposal in relation to the carbon credits and felt that these should instead be claimed to offset the Council's own carbon deficit.)

***HC 65/21 REQUEST FOR STATUTORY DESIGNATION OF LAND AND A NEW LONG LEASE – MILTON ABBOT ALLOTMENTS**

Following a formal request from the Milton Abbot Allotment Association, the Council considered a report that requested that a long lease of 25 years be granted for an area of underused Council owned land in Milton Abbot for the purpose of establishing an allotment site.

In discussion, the following points were raised:

- (a) When questioned, it was confirmed that there was significant local interest in obtaining an allotment;
- (b) Officers stated that there was no appetite within the local parish council to take on the responsibility for the establishment of an allotment site;
- (c) The associated benefits of allotments (including: mental health; community cohesion and wellbeing; and producing your own food) were highlighted.

It was then **RESOLVED** that delegated authority be granted to the Head of Assets, in consultation with the Section 151 Officer and the Leader of Council to:

1. formally designate the land as statutory allotments; and
2. progress and conclude detailed negotiations for a new lease to the Milton Abbot Allotments Association for a term in excess of 15 years.

HC 66/21 LOCAL GOVERNMENT ACT 1972 SECTION 109 – KELLY PARISH MEETING

The Committee considered a report that sought to recommend to Council that the Monitoring Officer be authorised to make an Order under Section 109 of the Local Government Act 1972 granting Kelly Parish Meeting the

power to consent under Section 61F of the Town and County Planning Act 1990 to the whole of its parish being included in the Milton Abbot, Chillaton and Kelly Neighbourhood Plan.

In discussion, support was expressed for the recommendation.

It was then **RESOLVED** that Council be **RECOMMENDED** that the Head of Legal Services and Monitoring Officer be given Delegated Authority to make an order under section 109 of the Local Government Act 1972 granting Kelly Parish Meeting, the power to consent under section 61F of the Town and Country Planning Act 1990 to the whole of its parish being included in the Milton Abbot, Chillaton and Kelly Neighbourhood Plan.

(The meeting terminated at 3.30 pm)

Chairman

(NOTE: THESE DECISIONS WILL BECOME EFFECTIVE FROM THURSDAY, 10 FEBRUARY 2022, WITH THE EXCEPTION OF MINUTES HC 60/21, HC 63/21 PARTS 2 AND 3 AND HC 66/21 WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 15 FEBRUARY 2022, UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18)

Hub Committee Forward Plan

About the Forward Plan

This is the provisional forward plan for at least four months starting March 2022. It provides an indicative date for matters to be considered by the Hub Committee. Where possible, the Hub Committee 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 Hub Committee 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 Hub Committee to account.

The Plan is published on the Council's website (www.westdevon.gov.uk)

About the Hub Committee

The Hub Committee currently consists of nine Councillors. Each has responsibility for a particular area of the Council's work.

- Leader of the Council – Cllr N Jory
- Deputy Leader of the Council, with specific responsibility for Enabling Inclusive and Accessible Services – Cllr R Cheadle
- Lead Hub Member for the Economy - Cllr P Crozier
- Lead Hub Member for the Natural Environment - Cllr L Daniel
- Lead Hub Member for Resources and Performance - Cllr C Edmonds
- Lead Hub Member for Leisure, Health and Wellbeing - Cllr A F Leech
- Lead Hub Member for the Built Environment - Cllr C Mott
- Lead Hub Member for Communities - Cllr T Pearce
- Lead Hub Member for Housing – Cllr B Ratcliffe

Further information on the workings of the Hub Committee, 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
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 Edmonds / Lisa Buckle	Report of Section 151 Officer	8 March 2022	
Homes	<p>Title: Response to the Housing Crisis</p> <p>Purpose: To consider a report that presents a starting point to the Council response to the Housing Crisis that was declared by the Council at its meeting held on 15 February 2022.</p>	Cllr Ratcliffe / Chris Brook	Report of Director of Place and Enterprise	8 March 2022	
Council	<p>Title: Exempt Accommodation Update</p> <p>Purpose: To consider a report that seeks to endorse the Council's approach to managing exempt accommodation, which prioritises the protection of vulnerable residents and the public purse.</p>	Steve Mullineaux / Cllr Jory	Report of Deputy Chief Executive	8 March 2022	
Economy	<p>Title: Regeneration and Investment Strategy</p> <p>Purpose: To consider a report that presents a draft Regeneration and Investment Strategy.</p>	Cllr Crozier / Chris Brook	Report of Director of Place and Enterprise	8 March 2022	
Council	<p>Title: Capital Programme Monitoring Report to Month 10</p> <p>Purpose: To consider a report that presents the Capital</p>	Cllr Edmonds / Pauline Henstock	Report of Head of Finance	8 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
	Programme Monitoring Report to Month 10.				
Built Environment	<p>Title: Planning Improvement Plan Update: Local Validation List and Planning Charter</p> <p>Purpose: To consider a report that seeks to recommend approval of an updated Local Validation List and Planning Charter.</p>	Drew Powell	Report of Director of Governance and Assurance	8 March 2022	
Council	<p>Title: Quarter 4 Integrated Performance Management Report</p> <p>Purpose: To consider the integrated performance management report for the Quarter 4 period of 2021/22.</p>	Cllr Jory / Neil Hawke	Report of Head of Strategy and Projects	12 April 2022	
Built Environment	<p>Title: Planning Improvement: Service Plan Update</p>	Drew Powell	Report of Director of Governance and Assurance	12 April 2022	
Homes	<p>Title: Housing Strategy Year 2 Action Plan and Draft Homeless Strategy</p> <p>Purpose: To consider a report that presents the Housing Strategy Year 2 Action Plan and the Draft Homeless Strategy for adoption.</p>	Cllr Ratcliffe / Issy Blake	Report of Head of Housing	12 April 2022	
Council	<p>Title: Annual Report of Achievements 2021/22</p> <p>Purpose: To consider a report that presents the Council's Draft Annual Report for 2021/22</p>	Cllr Jory / Neil Hawke	Report of Head of Strategy and Projects	7 June 2022	
Homes	<p>Title: Springhill Project Update</p>	Cllr Ratcliffe / Laura Wotton	Report of Head of Assets	12 July 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
Council	<p>Title: Quarter 1 Integrated Performance Management Report</p> <p>Purpose: To consider the integrated performance management report for the Quarter 1 period of 2022/23.</p>	Cllr Jory / Neil Hawke	Report of Head of Strategy and Projects	12 July 2022	

Report to: **Hub Committee**
Date: **8th March 2022**
Title: **Response to the Housing Crisis**
Portfolio Area: **Homes – Cllr Barry Ratcliffe**
Wards Affected: **all**
Urgent Decision: **Y** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Isabel Blake** Role: **Head of Housing**
Contact: **email: Isabel.blake@swdevon.gov.uk**

RECOMMENDATIONS:

That the Hub Committee

- 1. Approves the proposed measures to address the housing crisis as set out below**
- 2. Agrees to send a letter outlining the Council’s lobbying objectives to the Rt Hon Michael Gove MP Secretary of State for Levelling Up, Housing & communities.**

1. Executive summary

- 1.1 A Housing Crisis was declared by the Council at its meeting on the 15th February 2022. A motion proposed by Cllr Neil Jory on Cllr Barry Radcliffe’s behalf received unanimous support from the Members present.
- 1.2 This report is the start of the response to the issues set out in the motion.
- 1.3 The motion contains 15 actions – a combination of direct lobbying, some longer term strategic work streams and bringing into focus work already in progress.
- 1.4 The motion also called upon elected Members to respond to the crisis by requesting that “*This issue should be foremost in member’s minds when engaging with our communities, debating, challenging,*

setting strategy and exercising your democratic decision making powers.)”

- 1.5 Following this report the Housing Crisis will be discussed at informal council and in detail by the Hub Committee Homes Advisory Group which will inform the work plan which will be integrated into the Housing Strategy “Better Homes Better Lives.”

2. Background

- 2.1 Further to the Hub Committee report of the 7th December (HC53/21) when various housing challenges facing the residents of the Borough were discussed, Members felt so acute was the situation that it was appropriate to declare a housing crisis at the meeting of the full council on the 15th February 2022. This was supported unanimously by all members present. This declaration was accompanied by 15 action points which Members wished to address.
- 2.2 The actions include both lobbying of central government on legislative and procedural changes and also direct action for the Council to take. Some of which will be significant long term projects, while others highlight work that has already began.

3. The Declaration of a Housing Crisis

That West Devon Borough Council should recognise current difficulties in the housing market and the effect on the affordability of good quality housing within the Borough and:

1. *Demonstrate our commitment to the wellbeing of homeless people in the Borough by providing quality temporary accommodation (such as is proposed at Springhill Tavistock) and reduce the need for less appropriate forms of temporary accommodation;*
2. *Act where the Council has a land holding and take an interventionist approach to the housing market over the longer-term, where there is demonstrable housing need, leading to improved long term housing outcomes;*
3. *Recognise the market failures locally around accommodation options for vulnerable people (exempt accommodation), work in close partnership with Devon County Council to provide alternatives –putting people before profit. At the same time lobby national government to make legislative changes to remove the incentives for unscrupulous providers and to protect the needs of this vulnerable group;*
4. *Recognise the need for extra care accommodation in the Borough and ensure such schemes are supported to come forward;*
5. *Actively contribute to ‘Team Devon’s’ housing task force and housing commission to build the case for affordable housing as a key priority in any pan-Devon devolution ask;*
6. *Lobby government through our MPs and the LGA to review the regulation of holiday accommodation, to ensure all holiday accommodation is suitably regulated and made subject to local planning policies and taxes.*

We should also appeal for an extension to the 90-day short term let legislation to be extended outside London and lobby DLUC for a separate planning class for short term lets and a proper licensing system to cater for them;

- 7. As the Council moves towards a review of the JLP, aspire to the highest affordable housing threshold that is sustainable and underpin it in policy;*
- 8. Create a long term strategic partnership with a high quality Registered Provider to see the delivery of affordable-led housing at scale and over the long term in the Borough;*
- 9. Continue to work closely with our main Registered Providers to ensure best occupancy of stock, not just by providing financial incentives for downsizing, but, where a step into home ownership may be possible, supporting tenants to make that move through a deposit grant scheme;*
- 10. Use any Section 106 affordable housing contributions as soon as possible to help fund developments anywhere in the Borough where the terms of the Section 106 Agreement permit this;*
- 11. As agreed at the last Hub Committee meeting, campaign for changes to the Broad Market Area to better reflect the costs of rents in West Devon;*
- 12. Actively seek opportunities to invest in Council owned social housing with high sustainability specification (including modular housing) to support those on low incomes who are unable to afford 'affordable' rented housing;*
- 13. Aligned with our Climate Change Emergency, continue to fund (and bid for further national funding) improvements to existing private sector houses within the Borough, recognising that housing is responsible for 40% of national CO2 emissions;*
- 14. That this authority lobbies our MP's and Central Government to provide an incentive to landowners for the provision of land specifically for Local Needs Affordable Housing. Giving landowners a tax break when providing land for affordable housing where there is an identified need, would, it is believed, help to release land at a reduced cost to support the small scale provision of affordable housing in our rural communities. As Members and Officers will be aware, the cost of land for housing is a significant deterrent to bringing forward low cost quality housing in most of the Borough area, without the provision of open market housing, which most communities do not want;*
- 15. That, having declared a Housing Crisis (and recognising the importance of making quick progress), the ideas set out in points 1 to 14 of the substantive motion be given further consideration at:
 - A meeting of the Homes Hub Committee Advisory Group;*
 - An Informal Council session; and*
 - Future meetings of the Hub Committee and Full Council to be supplemented by published agenda reports and an evolving draft Action Plan.**

4. The response to the Crisis

- 4.1 Housing rightly, and as was demonstrated by the unanimous support for the motion, is a priority for all elected members both across the

Borough and across the political spectrum. It is therefore imperative that all Council Members are encouraged to suggest solutions to the issues and bring experience and best practice examples to try and solve the crisis. The informal Council session of the 1st of March provided an opportunity to discuss this and there will be a meeting of the Hub Committee Homes Advisory Group arranged for as soon as is reasonable practical. This will enable a “deep dive” into the points of the motion. The Council is currently producing its Year 2 Action plan of the housing strategy “Better Homes Better Lives” and it is the appropriate vehicle to incorporate these actions. This will provide both transparency and accountability of the Council’s priorities in relation to housing.

Spring Hill

4.2 The Council’s ambitions to provide good quality, safe and secure temporary accommodation at Spring Hill has already passed the first hurdle, when it was agreed that planning permission for demolition and a purpose built new provision, reusing many of the existing materials should be granted on the 14 December 2021.

4.3 Work on the tender documentation has commenced as has discussions with Homes England regarding grant funding, and it is anticipated that a business case will be presented to Hub Committee and then Council in July 2022.

In the meantime we continue to use B&B and holiday accommodation for the homeless households in the Borough. Moving people on from temporary accommodation has become increasingly harder, because of a lack of opportunities in the private sector and competition in both this market and for social housing. As a consequence, the numbers of nights in temporary accommodation has increased, which whilst being very challenging for people in that situation, particularly with children, is a very costly solution to the public purse. Spring Hill, being both self-contained and in a central town location will be a huge improvement to those people requiring a homeless service from the Borough.

Council Owned Land

4.4 The Council sold its housing stock through a large scale voluntary transfer (LSVT) in 1999 to what has now become Livewest. As part of that agreement the Council also transferred garage sites and other parcels of land. As a result the Council has no significant landholdings.

4.5 There are however pieces of land that may be suitable for small scale construction including non-traditional (modular) housing

The Council will review all its landholding and where there is demonstrable housing need look to bring the site forward either itself, as a joint venture or with a strategic housing partner.

Exempt Accommodation

- 4.6 As a separate item on this agenda the Hub Committee will be asked to consider the actions that the Council has taken in relation to some providers of accommodation to vulnerable people, under “exempt rents”. The report would suggest a market failing and a system that operates for profit not the people it exists to support. The Council has been working closely with both Devon County and registered providers (RP’s) to discuss the possibility of bringing forward schemes for people with learning disabilities that ideally would not require the need for exempted rents and could be delivered at social or affordable rents. This work is ongoing and will be subject to a later report to Hub Committee.

Extra Care Housing in Tavistock

- 4.7 There is a recognised need for extra care housing in Tavistock and delivery of a scheme is a priority in both the Joint Local Plan and the Housing Strategy. More information on extra care will be explored in more detail in a later report.

Team Devon

- 4.8 Team Devon is the collective name of the group of District and County Political Leaders and their corresponding Chief Officers. To respond collectively to the housing crisis declared by some Authorities and the housing challenges felt by all across the County (including Plymouth & Torbay) a Devon Housing Task force is in the process of being established. It is essential that West Devon play its part in highlighting the issues felt by our residents to influence the levelling up agenda. This work is in its infancy and more detail will be available shortly.

Lobbying

- 4.9 The motion sets out a number of actions on which the Council wishes to campaign and lobby central government around legislative and policy changes. Changes to exempt accommodation and housing benefit regulation are mentioned at paragraph 4.4, however there are further opportunities. The first concerns lobbying for holiday accommodation regulation and to ask for an extension of the 90-day letting limit that properties in London are subject to. There has been a recent change to the business rate loophole, that allowed second homes to make their home available for a minimum of 140 days (but with no requirement to actually let it) and be able to be registered for business rates. This in turn allowed them to claim small business rate relief, which essentially meant they paid nothing towards their council services (whether that be Town & Parish, Borough or County) and the Police. Whilst this is a welcome change

the Council could look to go further with a request for the 90 day limit to short term lets, and proper licensing or a planning use class, and in the process returning more homes to the longer term let market

- 4.10 There is a further opportunity to look again at the incentives offered to landowners who are reluctant to offer their land on exception sites, because of the perceived poor return. This is both a lobbying and a local policy issue and should be explored.

5. Proposed Way Forward

- 5.1 It is recommended that Members consider the proposed actions of this report
- 5.2 Members may wish to instruct the Director of Place and Enterprise to write to Michael Gove MP, Secretary of State for the Department of Levelling up, Housing & Communities, setting out the issues on which they wish to lobby.
- 5.3 It is recommended that a further meeting of the Hub Committee Homes Advisory Group is organised to specify actions addressing the motion that can be incorporated into the Housing Strategy Better Homes, Better Lives Year 2 Action Plan.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council has powers across all of its functions to help shape and boost housing provision whether by providing houses itself (Housing Act 1985 section 17) or through a housing company (Local Government Act 2003 section 95 or Localism Act 2011 section 1); facilitating delivery by others by land assembly (Local Government Act 1972 and Town and Country Planning Act 1990 section 226); bringing vacant properties back into use (Housing Act 2004); or more strategically, through planning policy; and the grant of planning permissions and planning agreements (Town and Country Planning Act 1990).
Financial implications to include reference to value for money	Y	There are no direct financial implications of this report, however responding to a crisis will require significant additional staffing resource. Individual schemes and projects will be subject to business cases of further reports. As part of the Revenue Budget for 2022/23, it has been approved to transfer £172,084 of the New Homes Bonus Grant allocation for 2022/23 to an Affordable Housing Earmarked Reserve.

Risk	Y	Failure to respond will have consequences for our residents for years to come. Although there are no quick fixes it is imperative the Council acts
Supporting Corporate Strategy	Y	Homes
Climate Change - Carbon / Biodiversity Impact		None as a direct result of this report
Comprehensive Impact Assessment Implications		
Equality and Diversity		No implications
Safeguarding		No implications
Community Safety, Crime and Disorder		No implications
Health, Safety and Wellbeing		No implications
Other implications		

Supporting Information

Appendices:

None

Background Papers:

Hub Committee Report 7th December 2021 (Minute HC.53/21 refers)

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Report to: **Hub Committee**

Date: **8 March 2022**

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

Portfolio Area: **Protecting and Planning our Built Environment – Cllr
Caroline Mott**

Wards Affected: **All**

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

Date next steps can be taken: **Council meeting 5
April 2022**

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

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

RECOMMENDATIONS:

That the Hub Committee:

- 1. RECOMMENDS to Council the approval of the Local Validation List (as attached at Appendix 1);**
- 2. Approves the Planning Charter attached at Appendix 2; and**
- 3. Delegates any amendments to the Planning Charter to the Director of Strategy & Governance in consultation with the Portfolio Holder for the Built 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 21 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, 'A Plan for West Devon' 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 'A Plan for West Devon'. 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 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 Hub Committee 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		Maximising resources - ensuring that we make the best use of the budget available to ensure value for money. Built Environment – Planning the infrastructure that we need for the future while celebrating our heritage.
Climate Change - Carbon / Biodiversity Impact		Direct impact on Climate change. <ul style="list-style-type: none"> • Submission of Sustainable Travel Plans on applications in the rural parts of the Borough. • Submission of Carbon reduction Plans for all new development.

		<ul style="list-style-type: none"> • 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.westdevon.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] / [Borough] this Planning Charter (along with our Corporate Customer Charter) clearly sets out 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.westdevon.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.westdevon.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.westdevon.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	<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

how you can contact us and when you can expect a response

- 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.westdevon.gov.uk/comments-and-complaints

Useful links:

- ask/apply for www.westdevon.gov.uk/Pre-Application
- link to www.westdevon.gov.uk/planning-comment
- tell us about a breach of planning www.westdevon.gov.uk/report
- submit and pay for planning applications on the www.planningportal.co.uk/
- view the www.westdevon.gov.uk/planning-validation
- view the www.gov.uk/government/collections/planning-practice-guidance
- view www.westdevon.gov.uk/planning-policy
- view the www.westdevon.gov.uk/statement-of-community-involvement
- Complaints and comments www.westdevon.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: 01822 813600

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

Post:

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Visit: all planning appointments and enquiries are available via our website:
<https://www.westdevon.gov.uk/planning>

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Report to: **Hub Committee**
Date: **8 March 2022**
Title: **Regeneration and Investment Strategy**
Portfolio Area: **Councillor Chris Edmonds**
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:

That the Hub Committee RECOMMEND to Council to:

- 1. approve the update to the Regeneration and Investment Strategy as contained in Appendix A; and**
- 2. change the title of the Invest to Earn Committee to the Regeneration and Investment Committee.**

1. Executive summary

- 1.1. The Council approved an investment property strategy in December 2017 (CM 45). It has been amended multiple times since then, last in December 2019 by full Council (CM 53) to ensure it remained aligned to the public sector investment regulations. The financial threshold is currently £50m.
- 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 A Plan for West Devon, 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 investment property strategy that is being amended has been available for use by the Council since December 2017. During that time a number of successful acquisitions have been made which have aligned to the strategy.
- 2.2. In general however, the Council does not need to rely on this strategy and can take timely decisions, that don't require the delegation contained within, for the majority of its priorities; housing, economy and regeneration. 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. To date, Investment Properties have a value of £19.83 million in aggregate as at 31.3.2021 on the Council's Balance Sheet, for four investment properties.
- 2.4. A Plan for West Devon, the corporate strategy was adopted in 2021 and sets out clear ambitions to ensure the Borough of West Devon can be the best version of itself. The Council has also declared a housing crisis and may seek to make 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 Hub Committee 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 to value for money	Y	<p>Following the Public Works Loan Board (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. The four categories are Housing, Regeneration, Service Delivery or re-financing of existing debt.</p> <p>Currently borrowing levels under this strategy are capped at £50m.</p> <p>To date, Investment Properties have a value of £19.83 million in aggregate as at 31.3.2021 on the Council's Balance Sheet, for four investment properties.</p>
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:

None

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WDBC Regeneration and Investment Strategy

1. Introduction

This strategy updates the Council's Investment Strategy which was last updated in 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 West Devon.

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 Head of Paid Service in consultation with the Chairman of the Regeneration and Investment Committee, Leader of the Council 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 Borough
- 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 Borough boundary. 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 Borough. 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 of 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 Borough, 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
- WDBC owns a significant number of regeneration and business units already within the Borough, 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 R&I 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 (WDBC 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 £50m.
- 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 R&I 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

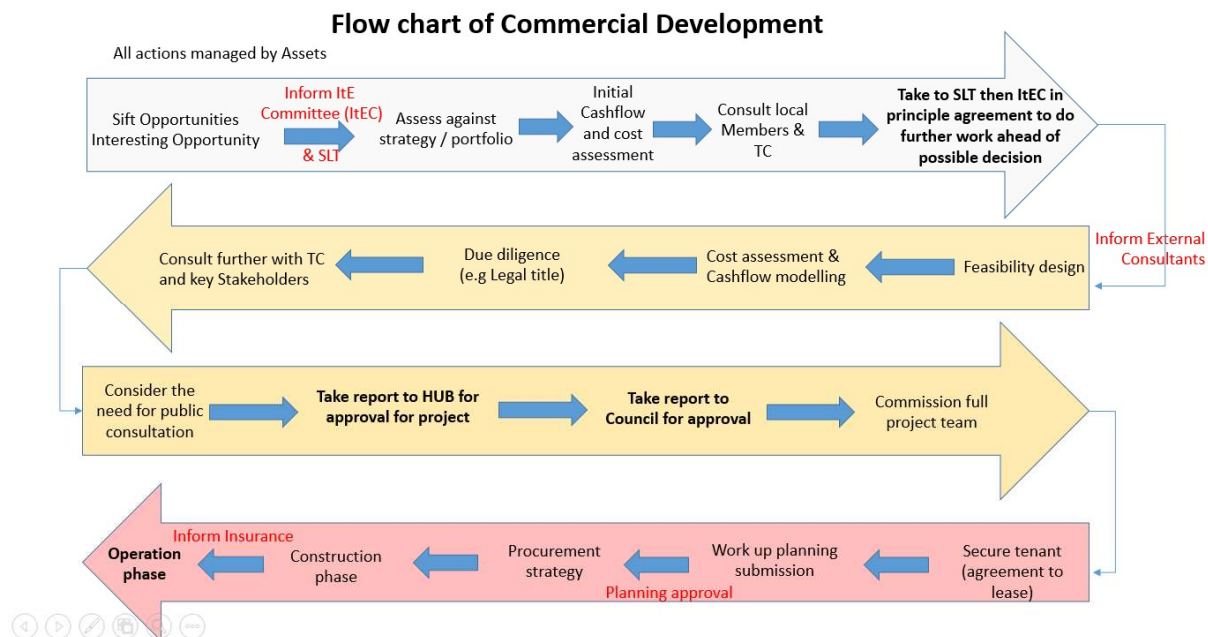
property, so would not inhibit the asset being traded during the loan period. An alternative asset could be purchased (& held) with any sale receipt.

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 Regeneration and Investment Committee.
- The Regeneration and Investment Committee (R&I) is made up of 3 Councillors, and chaired by the Portfolio Holder for Resources (which includes finance).
- 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 R&I Members and be consulted before the final decision is made. R&I, 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 R&I 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 an appropriate proportion of rental income and/or 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 the R&I, opportunities that closely meet the Strategy. They will then lead the R&I member into debate over the specific benefits and risks of each opportunity before the R&I 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 Hub and Audit Committee.

14. Governance: Development on Council Owned Land

- Development proposals on Council owned land must conform to the objectives of this Strategy. Unlike commercial acquisitions however, they shall not benefit from the same scheme of delegation. Instead, approvals must be sought through the HUB committee and Full Council process. Decisions on in area development shall consider, as appropriate, the views of the local members and key stakeholders (Town Council / Parish Council) as one of many aspects of any projects brought forward.
- The flow chart below sets out the approvals process as well as the main steps for in area development.



15. Governance: Regeneration and Investment Acquisitions within the West Devon

The Council will delegate the authority and decision making functions, including debt finance, relating to 'Regeneration and Investment Acquisitions in West Devon' to the Head of Paid Service in consultation with the Section 151 Officer and Members of the R&I committee, 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 R&I 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 R&I 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 West Devon Borough 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 Hub Committee.

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.
- 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 West Devon Borough Council's boundary as set out in the Regeneration and Investment Strategy. 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), including Minimum Revenue Provision. 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.

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Report to: **Hub Committee**

Date: **8 March 2022**

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

Portfolio Area: **Performance & Resources – Cllr C Edmonds**

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
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Recommendations:

That the Hub Committee RESOLVES to:-

- i) NOTE the forecast income and expenditure variations for the 2021/22 financial year and the overall projected deficit of £43,000 (0.6% of the total Budget £7.302 million), which is very close to a break-even position.**

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 £23 million (£7.302 million net). This report identifies a projected deficit of £43,000 which is 0.6% of the overall Budget set for 2021/22 of £7.302 million. This is very close to a break-even position. This is a slight increase in the projected deficit from the position reported to the Hub Committee on 7.12.21 of a deficit of £33,000.

1.3 Salaries – salary costs are predicted to be on target after applying a contribution of £80,000 from the Salary Savings Earmarked Reserve (Council 15.02.22). This will be applied as part of the closure of the 2021/22 Accounts.

1.4 There is a projected loss of car parking income of £165,000 out of total budgeted income of £1,147,000 (14%). An amount of £46,000 has been reclaimed from the Government through the sales, fees and charges income compensation scheme for the months of April to June when the scheme was in operation. This reduced the overall loss of income to £119,000. In addition, the Council received COVID tranche funding from the Government in 2020/21, to meet COVID losses. This Government grant funding of £190,000 for COVID losses has been approved by Members to be used in 2021/22 to meet both the losses in car parking income and the COVID expenditure incurred in 2021/22. Therefore all of the losses in car parking income in 2021/22 have been funded from Government COVID funding.

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 Hub Committee 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			Note
	£000	%	£000	£000	
APPROVED BUDGET				7,302	
Reductions in expenditure/additional income					
Customer Service & Delivery					
Planning income	(402)	1%	(5)		A
Land Charges income	(95)	10%	(10)		B
Savings on staff and Member travel and expenses	91	33%	(30)		C
Homelessness prevention costs	93	65%	(60)		D
Governance and Assurance					
Garden Waste income	(245)	9%	(21)		E
Trade Waste income	(15)	160%	(24)		F
Other Comprehensive Income & Expenditure					
Business Rates Pooling gain	(135)	37%	(50)		G
Sub total of variations				(200)	
Increases in expenditure/reductions in income					
Customer Service & Delivery					
COVID-19 expenditure	n/a	n/a (no budget)	114		H
ICT Support Contracts	498	6%	30		I
Council Tax Collection income	(102)	20%	20		J
Place and Enterprise					
Car Parking Income (net loss is £119,000 as Government compensation of £46,000 is projected as Note O)	(1,147)	14%	165		K
Joint Local Plan Contribution	n/a	n/a (no budget)	25		L
Governance & Assurance					
Waste & Recycling – 3 Weekly Waste Trials	n/a	n/a	50		M
Other Comprehensive Income & Expenditure					
Investment income	(105)	71%	75		N
Sub total of variations				479	
PROJECTED OUTTURN				7,581	

Government grant funding anticipated from the income guarantee scheme for sales, fees and charges for April to June 2021 (to compensate for loss of car parking income in the first quarter)				(46)	O
Transfer from Earmarked Reserve: Transfer funding from the COVID-19 Losses Earmarked Reserve (to fund COVID-19 expenditure of and net losses on car parking income)				(190)	P
Sub-total				7,345	
PROJECTED DEFICIT FOR 2021/22				43	

There is projected to be an overall deficit of £43,000 when compared against the Revenue Budget set for 2021/22. This is very close to a break-even position.

Notes

- A. **Planning income** – additional income of £5,000 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.
- B. **Land Charges income** – income is currently anticipated to exceed the 2021/22 target by £10,000 which equates to 10% of the annual income budget of £95,000.
- C. **Savings on staff and Member travel and expenses** – due to Covid 19, it is currently anticipated that a saving of up to £30,000 could be achieved in 2021/22. These savings are due to staff and Members working from home.
- D. **Homelessness Prevention** – homelessness prevention costs are currently anticipated to be underspent by £60,000 in 2021/22.
- E. **Garden Waste Income** – income is currently anticipated to exceed the 2021/22 target by £21,000 which equates to 9% of the annual income budget of £245,000.
- F. **Trade Waste Income** - income is currently anticipated to exceed the 2021/22 target by £24,000 which equates to 160% of the annual income budget of £15,000.

- G. **Business Rates Pooling gain** – the latest Business Rates Pooling Gain forecast indicates that a Pooling Gain of around £185,000 will be achieved in 2021/22. This is £50,000 higher than the budgeted amount of £135,000.
- H. **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.
- I. **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
- J. **Council Tax Collection income** – summons costs recovered in respect of Council Tax and Business Rates are currently anticipated to be 20% down on the 2021/22 budget.
- K. **Car Parking income** – There is a projected loss of car parking income of £165,000 out of total budgeted income of £1,147,000 (14%). An amount of £46,000 has been reclaimed from the Government through the sales, fees and charges income compensation scheme for the months of April to June when the scheme was in operation. This reduced the overall loss of income to £119,000.

In addition, the Council received COVID tranche funding from the Government in 2020/21, to meet COVID losses. This Government grant funding of £190,000 for COVID losses has been approved by Members to be used in 2021/22 to meet both the losses in car parking income and the COVID expenditure incurred in 2021/22. Therefore all of the losses in car parking income in 2021/22 have been funded from Government COVID funding.

- L. **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.

- M. **Waste and Recycling** – The Revenue Budget for 2021/22 included potential additional income of £50,000 in 21/22 and a further £75,000 in 22/23 for income from the possibility to move to a three weekly waste collection. It was stated that this was dependent on the outcome of the results from the three weekly trials. As set out within a separate report to the Hub Committee on 21 September, it was agreed that the trial of the three weekly residual (black sack) collections was not extended to the whole of the Borough in Spring 2022 and this recognised the potential impact of making a major service change at a time when significant structural changes are expected in the waste industry and other external pressures, including the national LGV driver shortage.
- N. **Investment income** – due to the historic low interest rates, investment income is anticipated to be 71% down which equates to a shortfall of £75,000 in 2021/22 (Bank Base rate is currently 0.5% - February 2022). Further options for fixed term deposits will continue to be explored with the Council's treasury management advisers. On 7th January 2022, the Council invested £3m of funds with Standard Chartered Bank for six months giving a return of 0.48%. The invested funds are used to support sustainable development in order to ensure the integrity of the environment.
- O. **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 estimated at £46,000 for April to June 2021, which is for the loss of car parking income.
- P. **Transfer from Earmarked Reserves** – At the Hub Committee meeting on 21st September 2021 it was recommended to utilise funding of £190,000 from the COVID-19 Losses Earmarked Reserve in 2021/22, to fund COVID-19 expenditure in 2021/22 and the projected net losses on car parking income in 2021/22 (HC 28/21).

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 was considered by the Hub Committee on the 1 February 2022 meeting (HC 63/21) and Council on 15 February 2022. The changes to the management fee profile were agreed by Council and the £58,639 shortfall in income in the management fee in 2021-22 has been approved to be funded from the COVID Losses Earmarked Reserve in 2021-22.

- 3.3 **Salaries** - salary costs are predicted to be on target after applying a contribution of £80,000 from the Salary Savings Earmarked Reserve (Council 15.02.22). This will be applied as part of the closure of the 2021/22 Accounts.

4. Review of Earmarked Reserves

- 4.1 The Council annually undertakes a review of the level of its Earmarked Reserves as part of the budget setting process. Budgeted contributions to and from Earmarked Reserves were part of the 2021/22 Budget reports.
- 4.2 A schedule of Earmarked Reserves is attached at Appendix A, which shows Earmarked Reserves have a projected balance of £5.504 million at 31 March 2022 currently.
- 4.3 Although our Earmarked Reserves appear to have increased substantially overall in 2020/21, an amount of £2.61m 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.
- 4.4 The Council's level of Unearmarked Reserves currently stands at £1.294 million. The deficit of £43,000 would go into Unearmarked Reserves at the year end, in accordance with normal accounting practice. This gives a predicted year end balance at 31.3.2022 of £1.251 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 30 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 2021 £'000	Projected Income 2021/22 £'000	Income Budget 2021/22 £'000	Deficit/ (Surplus) £'000	Deficit/ (Surplus) %
Car Parking	165	(982)	(1,147)	165	14%
Planning Applications & Advise	(5)	(407)	(402)	(5)	(1%)
Employment Estates	-	(327)	(327)	-	-
Garden Waste	(21)	(266)	(245)	(21)	(9%)
Trade Waste	(24)	(39)	(15)	(24)	(160%)
Business Rates Pooling Gain	-	(185)	(135)	(50)	(37%)
Licensing	(15)	(114)	(114)	-	-
Interest & Investment Income	77	(30)	(105)	75	71%
Local Land Charges	(10)	(105)	(95)	(10)	(10%)
TOTAL	167	(2,455)	(2,585)	130	5%

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	(5)	The Planning Improvement Plan report approved at the Hub Committee meeting on 2 nd November 2021 (HC 38/21) that this additional income is utilised to fund additional staffing costs in planning in 2021/22.
Land Charges Income	(10)	Income levels will be kept under review during 2021/22.
Staff and Member travel and expenses	(30)	The projected underspend will be kept under review during the year.
Homelessness prevention costs	(60)	Homelessness prevention costs will be kept under review during 2021/22.
Garden Waste	(21)	Income levels will be kept under review during 2021/22
Trade Waste	(24)	Income levels will be kept under review during 2021/22
Business Rates Pooling Gain	(50)	This will be reviewed again following the Business Rates Pooling forecast for Quarter 3.
Increases in expenditure/reductions in income		
Covid Expenditure	114	This expenditure will be kept under close review and will be included in the Government DELTA returns.
ICT Support Contracts	30	A cost pressure of £30,000 has been built into the 2022/23 budget.
Council Tax collection income	20	Recovery of summons costs will be kept under review in 2021/22.
Car Parking Income	165	Income levels will be kept under review in 2021/22.
Joint Local Plan Contribution	25	A cost pressure of £25,000 has been built into the 2022/23 budget.
3 weekly waste trials	50	A cost pressure for the £50,000 has been built into the 2022/23 Budget.

	Budget variations overspend/ (underspend) £000	Management Action
Investment Income	75	A cost pressure for £80,000 has been built into the Medium Term Financial Strategy for 2022/23 for the reduction in treasury management income.

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 Hub Committee 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	<i>The report identifies a projected deficit of £43,000 which is 0.6% of the overall budget set for 2021/22 of £7.302 million. This is very close to a break-even position.</i> 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.

Risk	Y	<p>1) Budget variances – continual monthly budget monitoring at all levels within the Council ensures early identification of variances. Reporting to the Hub Committee provides an opportunity for Members to identify and instigate remedial action where appropriate.</p> <p>2) Resource Planning – the Hub Committee 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).</p>
Supporting Corporate Strategy		The budget monitoring process supports all of the Thematic Delivery Plans within the Council’s strategic vision, ‘A Plan for West Devon’.
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Climate Change – Carbon / Biodiversity Impact		<p>A report was presented to Council on 8th December 2020 ‘Climate Change and Biodiversity Strategy and Action Plan update’.</p> <p>In March 2021, Council approved to set up an Earmarked Reserve for £200,000 for the Recovery Plan and Corporate Strategy.</p> <p>Further detail is set out in the Council’s ‘A Plan for West Devon’ strategic vision.</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						APPENDIX A
	Cost Centre	Opening Balance 01.04.2021 £000's	Additions to Reserve 2021/22 £000's	Predicted Spend 2021/22 £000's	Projected Balance 31.03.2022 £000's	Comments
EARMARKED RESERVES						
Specific Reserves - General Fund						
2016/17 Budget Surplus Contingency	W0848	86	0	(51)	35	This is the Budget Surplus from 2016/17 which was put into an Earmarked Reserve. Commitments mainly relate to the Capital Programme £50k
Broadband Community Support	W0932	50			50	As per the report to the Hub Committee on 1st December 2020, Council approved the creation of a Broadband Community Support Earmarked Reserve, to be financed by transferring £50k from the existing Business Rates Retention Earmarked Reserve in 2020/21.
Car Parking Maintenance	W0833	484	0		484	The commitments (£158,000) include Brook Street Car Park for 2022/23.
COVID Losses Earmarked Reserve	W0930	221	281	(249)	253	On 16th February 2021 Council approved to transfer the COVID-19 LA Support Grant (4th tranche of £151K and the bank reconciliation adjustment of £69K) into a COVID Earmarked Reserve. In addition it was recommended to transfer the fifth tranche of COVID funding of £281,404 into this Reserve in 2021/22. Council have approved to use £190,000 to fund car parking losses and COVID expenditure in 2021-22 and to also use £58,639 to fund the shortfall in the leisure management fee income
Economic Grant Initiatives	W0914	26	0	(4)	22	
Elections	W0903	20	20	0	40	
Environmental Health Initiatives	W0857	20	0	(2)	18	
Financial Stability	W0859	454	0	0	454	This reserve was created in 2018/19 from the Business Rates Pilot funding. This funding was set aside to assist to smooth out future years' funding variations or reductions, in particular any changes from the Fair Funding Review (this has been delayed and is unlikely to happen until 2023/24).
Flood Works	W0915	15	0	0	15	
Grounds Maintenance	W0901	48	0	(26)	22	The commitment relates to an Electric ride on mower
Homelessness Prevention	W0924	173	0	(35)	138	This reserve has been created following underspends on Homelessness Prevention Costs in previous years. Commitments include £30k Improving Homes Needs Assessment, Corporate Strategy
ICT Development	W0836	39	25	(64)	0	Commitments relate to the New IT Procurement, Hub Cttee Jan 20 Min Ref HC73 (£27k), Northgate Remote DBA Service (£21k)
Innovation Fund (Invest to Earn)	W0850	399	0	(267)	132	Commitments mainly relate to the upgrading of Hayedown Depot and £85k in respect of detailed design, specification and tendering of the Brentor Community Housing Scheme (Hub Committee 16/3/21). This reserve originated from New Homes Bonus funding.
Leisure Services	W0855	58		(44)	14	Commitments relate to Capital Programme Funding.
Maintenance Fund (Estates)	W0927	242	0	0	242	
Management, Maintenance & Risk Management	W0861	302	118	(3)	417	This is a relatively new reserve set up to manage the ongoing maintenance costs of the Council's Investment Property Portfolio. The contributions to the reserve equate to 10% of the rental income on an annual basis.
New Homes Bonus (NHB)	W0804	452	293	(375)	370	The NHB is used to support the funding of the revenue budget and the Capital Programme. The commitments relate to £192,772 to fund the 2021/22 revenue budget and £182,000 to fund the capital programme
Outdoor Sports & Recreation Grants	W0852	16	0	0	16	
Planning Policy and Major Developments	W0840	147	0	0	147	This reserve is for all planning matters and is also to meet appeal costs.
Recovery Plan and Corporate Strategy	W0864	200	0	(68)	132	In March 2021 the Hub Committee recommended to Council to transfer £200k of the 2020/21 projected surplus into a new Recovery Plan and Corporate Strategy Earmarked Reserve. Corporate Strategy expenditure commitments include Thriving Economy £40k, Natural Environment £27.5k
Revenue Grants	W0821	912	0	(41)	871	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 £32,500 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, and a further £8,000 contribution to Tavistock Town Council funded from Community Parks and Open Spaces Grant received in 2018/19
Salary Savings	W0863	80		(80)	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. (Hub 16/3/21). 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.
Support Services Trading Opportunities	W0856	31	0	(16)	15	This reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme. Commitment is additional implementation costs associated with the introduction of the new payroll system
Strategic Change (T18)	W0925	67	0	(10)	57	The commitments are £10,000 for Kilworthy Park marketing.
Vehicle Replacement	W0931	298	50	(251)	97	This is a new reserve set up to fund the Council's vehicle replacement programme (Council 4 Dec 2018). £50K a year is contributed to this reserve.
Waste & Cleansing Options Review	W0853	176	0	(6)	170	
Other Reserves below £15,000 (combined)		56	0	(3)	53	
Sub Total excluding the Business Rates Reserves		5,072	787	(1,595)	4,264	
Business Rates Retention	W0824	1,260		(106)	1,154	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 include those relating to the Town Centre Support Initiative, £30,000 for the Audio Visual Equipment in the Guildhall, Tavistock (Hub Committee 8/12/20)
S.31 Compensation Grant (Business Rates)	W0866	2,609		(2,523)	86	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		8,941	787	(4,224)	5,504	
TOTAL UNEARMARKED RESERVES	W0950	1,294	0	(43)	1,251	Note: This Unearmarked Reserve has a minimum balance of £900,000 (set by Members as part of the Budget Process). The projected deficit for 2021/22 of £43,000 (as set out in this report) would be funded from this Unearmarked Reserve.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		10,235	787	(4,267)	6,755	

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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.	Income from Investment Properties (£300k is in the base budget for 2021/22)	20,000	20,000	This additional income will be achieved in 2021/22. In 2020/21, the Council received 98% of rental income (£1.1 million) on its four investment properties.
2	Re-procurement of contracts (e.g. savings from Leisure Contract)	117,000	58,000	A report on Leisure was considered by the Hub Committee on the 1 February 2022 meeting (HC 63/21) and Council on 15 February 2022. The changes to the management fee profile were agreed by Council and the £58,639 shortfall in income in the management fee in 2021-22 has been approved to be funded from the COVID Losses Earmarked Reserve in 2021-22.
3	Income from three weekly trials (Hub Committee 15th September 2020)	50,000	Nil	The Revenue Budget for 2021/22 included potential additional income of £50,000 in 21/22 and a further £75,000 in 22/23 for income from the possibility to move to a three weekly waste collection. It was stated that this was dependent on the outcome of the results from the three weekly trials. As set out within a separate report to the Hub Committee on 21 September, it was agreed that the trial of the three weekly residual (black sack) collections was not extended to the whole of the Borough in Spring 2022 and this recognised the potential impact of making a major service change at a time when significant structural changes are expected in the waste industry and other external pressures, including the national LGV driver shortage.
4	Increase in Garden Waste income	40,000	61,000	Additional income of £21,000 is currently anticipated in 2021/22.
5	Reduction in Pension Employer secondary rate contributions (due to a reduction in the actuarial deficit at 31.3.2019 - based on 17 year deficit recovery period)	80,000	80,000	This saving will be achieved in 2021/22.
6	Public Conveniences - business rates savings	18,000	18,000	Legislation has been enacted so that Public Conveniences no longer have to pay Business Rates so this saving will be achieved.
7	Kilworthy Park - reduction in operating costs	10,000	10,000	This saving will be achieved in 2021/22.
8	Reduction in ICT contracts	8,000	0	A cost pressure of £30,000 is currently anticipated in 2021/22.
9	Implement e-billing in council tax	1,200	Nil	The aim is to offer an e-billing service to Council Tax payers and this is a project which is currently being progressed.
	TOTAL	£344,200	£247,000	

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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 and B only)

Report to: **Hub Committee**
Date: **8 March 2022**
Title: **Capital Budget Monitoring 2021/2022**
Portfolio Area: **Performance & Resources – Cllr C Edmonds**
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:

It is RECOMMENDED that the Hub Committee resolves to endorse the contents of the Report.

1. Executive summary

1.1 The report advises Members of the financial position as at 31st January 2022 for the purposes of budget monitoring.

1.2 All capital projects are within the individual capital budgets approved by Members. The total approved capital budget is **£4,232,493** of which £1,042,500 has been profiled into 2021/22. £849,043 of this allocation has been spent to date (Appendix A).

2. Background

2.1 The capital programme for 2021/22 was approved by Council on 16 February 2021 (CM36 and HC56 refer). This report provides an update on the Capital Programme.

3. Outcomes/outputs

Members are requested to note the following updates on Capital Projects:

3.1 Community Project Grants (previously Village Hall & Community Project Grants)

The Council has a Community Grants programme that can support capital schemes across the Borough for things such as large sports equipment, repairs to village halls or large scale tree planting. The maximum typical grant available to any scheme is £5,000 or up to 50% of the project's costs, whichever is the lower.

Currently actual plus committed expenditure is £20,000. This has contributed to a total of 7 schemes with a total value of £103,000 (the difference being match funding from other parties). Schemes supported so far this year include playground equipment replacement, pavilion repairs, village hall refurbishment and a disability access project.

3.2 Affordable Housing

The budget for Affordable Housing in 2021/22 is £50,000. The budget brought forward from previous years is £189,000 giving a total of £239,000.

In recent times the capital programme has facilitated affordable housing developments in rural areas by providing a sum of money, normally between £10,000 and £15,000 per plot, to enable the development to proceed. These schemes are typically on exception sites and therefore do not necessarily rely on cross subsidy from open market properties although the JLP allows for this now. Evidence from a Registered Provider (RP) is provided to ensure additional money is required to make the scheme viable. Money is normally required where there are abnormalities on the site or there is a shortage of public subsidy.

This budget is anticipated to be required to assist with the redevelopment of the hostel in Tavistock. The planning application has now been approved subject to any S106 agreement. A future

report will be provided to Members with the final business case once the final tender process has been concluded.

3.3 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 60 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.

3.4 Community Housing Schemes

The Community Housing Strategy was put in place to support the development of homes accessible to those with local connections for whom the cost of market housing (to purchase and rent) is beyond their reach. Due to the current property market, smaller lower cost housing is being sold at unaffordable local prices.

The Brentor Community Housing scheme planning application pack is now complete in readiness for submission to Dartmoor National Park Authority for their consideration in the usual way. However, before

submitting the application, we are finalising the last stages of land assembly. The application will be submitted thereafter at the earliest opportunity. Subject to a successful planning application, the Council has approved the expenditure of £85,000 from the Innovation Fund (Invest to Earn) Earmarked Reserve, to undertake detailed design, specification and tendering of the Brentor scheme.

3.5 Hayedown Depot – Statutory Compulsory Improvements

The depot upgrade and drainage are being considered by Engineers as part of the Fire Prevention Plan, a legal requirement for the site. Initial indications are that the budget may be insufficient but further value engineering and design considerations need to be undertaken. Members will be kept updated when further information is available.

3.6 Parklands Leisure Centre – contribution to moveable floor

The moveable floor at Okehampton, Parklands Leisure Centre was a Sport England requirement of lottery funding that was levered in to finance a large part of the building.

Since Parklands was built, there have been difficulties with the operation of the moveable floor. This money has been set aside within the capital programme as a partnership contribution to the cost of an engineering solution if the floor breaks down. There have been several repair works over the past few months but the floor is now working as it should. It is felt prudent to leave the budget in at this point.

3.7 Tavistock Viaduct

As part of the Amended Budget proposals for 2020/21, Members approved reducing the budget from £100k to £20k. This was following a Condition Survey being undertaken on the Viaduct which advised that the initially proposed extensive repair works would not now be required during 2020/21 and the capital budget can be limited to further vegetation clearance and some drainage improvements. The team will continue to review in parallel with any tree work required along Tavistock Viaduct Walk and will report back as necessary.

Further to the approval of a £40K capital budget for the Tavistock Viaduct Walk at Council in February 2020, a walkover geotechnical assessment of the cutting was undertaken by specialists in early 2021. Following clearance of strips of vegetation and trees to expose the rock face, further rope-access inspections will be undertaken this

winter, focussing on relatively higher risk areas first including some scaling of loose rock where necessary. The budget will continue to be utilised this financial year to facilitate this work and should be carried forward into future financial years as this work will be phased over the coming years, in part due to seeking to avoid any major vegetation removal in any one year.

3.8 Car Park Resurfacing

Officers have identified a number of car parks across the Borough which are in need of resurfacing. A budget of £30,000 per annum has been built into the capital programme budget to be funded by a £30,000 contribution annually from the Car Park Maintenance Reserve.

3.9 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 £11,600 to date with most applicants using a local installer based in Plymouth.

Currently there are 20 grants approved in West Devon totalling £233,000 (including 14 air source heat pumps) out of a total budget of £600k. 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 borough.

West Devon is also part of the Devon Sustainable warmth project, which is a consortium of Devon Authorities and is the next green

home grant phase. West Devon has been allocated £500k and is due to start in the spring.

The full report was presented at Hub on 20th October 2020, minute ref HC 31.

3.10 New Payroll Solution

The replacement of the Payroll and HR system is running according to plan with implementation well underway. The current plan is for go-live in March/April which will enable us to cancel the contract with the current payroll provider. The new system will provide enhanced functionality and a more user friendly interface for users.

3.11 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

3.12 S106 Deposits

The list of S106 Deposits are shown in Appendix C totalling **£1,337,356.07**.

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 C are before any monitoring fee has been deducted by the Council.

4. Options available and consideration of risk

4.1 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

5.1 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.</p> <p>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>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 A and B. 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>All capital projects are within the individual capital budgets approved by Members. The total approved capital budget is £4,232,493 of which £1,042,500 has been profiled into 2021/22. £849,043 of this allocation has been spent to date (Appendix A).</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 'A Plan for West Devon'.
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 23 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>Further detail is set out in the Council's 'A Plan for West Devon' 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		None

Supporting Information

Appendices:

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

Exempt Appendix B – Details of Exempt schemes approved as part of the 2021/22 Capital Budget

Appendix C – S106 Summary WDBC as at 31st December 2021

Background Papers:

None

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Class Code	Site	Date Received	Restriction/Committed End Date	Conditions	TOTAL S106 DEPOSITS £
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Homes and Built and Natural Environment Delivery Plan

Affordable Housing

2517	9 Drakes Park Bere Alston (01994/2011)	12/01/13	10 Years of receipt	Affordable Housing	(11,500.00)
2523	6&8 Fore Street, Bridestowe(03113/2012)	02/07/2013, 15/09/2015	10 Years of receipt	Affordable Housing	(5,500.00)
2520	Land adjacent to Trescote, Bridestowe - 00465/2014	22/10/14	10 Years of receipt	Affordable Housing	(7,375.00)
	Land Adjoining Belle vue - 03222/2012			Affordable Housing	(7,375.00)
2539	The Beeches, Yelverton - 0302/15	22/06/17	10 Years	DNP - Affordable Housing	(20,911.90)
2533	Hannaford, The Crescent, Crapstone -01866/2011	17/06/2013 19/09/2013	None	Affordable Housing 100%	(16,300.00)
2546	Barns At Hurditch Horn Gulworthy 00358/2010	20/06/2019, 21/06/2019	10 Years	Affordable Housing	(31,949.81)
2535	The Old Post Office Highampton (00740/2014)	22/08/18	10 years	Affordable Housing	(6,121.51)
2514	Melcroft, Lifton - 00546/2013	09/02/17	10 Years of receipt	Affordable Housing	(7,375.00)
2522	Land adj Shellsley North Tawton (02914/2012)	20/02/15	10 Years of receipt	1st & 2nd 50% Affordable Housing	(47,136.72)
2521	Tricity Works, Holsworthy Road, Okehampton - 02485/2012	15/06/14	10 Years of receipt	Affordable Housing	(5,500.00)
2512	Livaton Berns, S Tawton - 00707/2014	19/08/2015, 23/08/18 & 05/09/2018	10 Years of receipt	Affordable Housing 1st & 2nd 50%	(12,878.30)
2557	The Highwayman Inn, Sourton (3112/16/Ful)	26/03/2021 & 15/6/21	10 Years	1st and 2nd Instalment of affordable housing	(90,556.71)
2524	The Barton, Spreyton (01396/2014)	04/03/2015, 24/07/2012	10 years of first occupation	Affordable Housing	(71,530.17)
2508	Land adj Serendipity, Tavistock - 00556/2014	15/08/17	Spend wiith 10 Years of receipt	Affordable Housing	(8,261.15)
2510	Land at 68 Plymouth Road, Tavistock - 03076/2012	21/11/17	10 Years	Affordable Housing	(12,196.61)
2509	The Garage, Maudlins Park, Tavistock - 02492/2012	11/12/17	10 Years of receipt	Affordable Housing	(5,713.00)
2516	Land Adjacent to rising Hill, Tavistock - 01608/2011	19/09/13	None	Affordable Housing	(8,400.00)
2518	Land Adjoining Brook Farm Tavistock (00692/2013)		10 years of receipt	Affordable Housing	(7,375.00)
2519	Land at Annan Down Park Drive, Tavistock - 01007/2013	30/02/2014, 10/07/2014	10 years of receipt	Affordable Housing	(29,125.00)
2503	Tanglewood, Tavistock - 01191/2013	12/11/2014, 24/04/2017	Spend wiith 10 Years of receipt	Affordable Housing	(16,831.59)
2543	Land Lower Trendle, Tavistock - 2092/16/Ful	17/07/2020	10 Years	100% Affordable Housing Contributions	(44,221.13)
2513	RO 6 Westmoor Park - 00014/2014	20/06/19	10 Years	Affordable Housing	(7,800.68)
2528	Harewood House Tavistock -2232/17/FUL	09/02/21	10 Years	Affordable Housing	(164,285.01)
2547	Land Rear of Rowan Cottage, Lewdown, Okehampton - 0825/	22/11/19	10 Years	Affordable Housing	(25,694.44)
2570	Dell Cote Crapstone (00364/2014	27/09/21	10 Years of receipt	50% Affordable Housing	(3,675.10)

(675,588.83)

Adapting our Built Environment

2531	Unit 2-4 Tavistock Retail Park - 00601/2013	14/12/15		Town Centre/heritage improvements.	(11,236.40)
2543	Land Lower Trendle, Tavistock - 2092/16/Ful	03/05/19	10 Years	Heritage Contribution	(2,000.00)

(13,236.40)

Growing our Natural Environment'

2561	Land at Abbey Meadows Crapstone (0147/17/OPA)	20/05/21	NA	Plymouth Sound SAC	(750.60)
2568	2 Drake Rd Tavistock (4309/20/FUL)	07/07/21	NA	Plymouth Sound EMS	(375.92)
2572	Abbeyleat Milton Combe (1865/20/FUL)	29/10/21	NA	Plymouth Sound EMS	(482.99)
2577	Gulworthy Farm (1551/20/FUL)		NA	Plymouth Sound EMS	(480.89)

(2,090.40)

TOTAL Homes and Built and Natural Environment Delivery Plan

(690,915.63)

Strengthening Community Wellbeing Delivery Plan

Community Facilities

2510	Land at 68 Plymouth Road, Tavistock - 03076/2012	21/11/17	10 Years	Community Infrastructure Contribution	(8,237.71)
2527	11366/2008/TAV - Forma Tavistock Hockey Club	28/10/13	10 Years of receipt	£23,250 - Community Facility & £112,000 off-site Sports Pitch	(23,296.80)
	11462/2008/OKE (see 13 14 schedule 11/11/2008)	17/04/13		Community Facilities	(11,880.00)
2571	Glendale, Crediton Rd Okehampton (02728/2012)	30/11/21	10 years	Community Facility	(17,538.12)

(60,952.63)

Open Space, Sport and Recreation

2504	Bathway Fields, N Tawton - 01037/2013	15/05/2017, 22/08/2017	10 Years of receipt	Public Art £23,678.13, Refuse £1,341.20, Play £58,721.78, Playing Field £25,137.16, Community Facilities £31,288.97, Street Cleaning £7,680.16, PCT Contribution £19,010.40	(1,822.13)
2558	Land North of Crediton Road, Okehampton - 01089/2013	08/06/21	10 Years	Play Field Contribution	(57,841.33)
2527	11366/2008/TAV - Forma Tavistock Hockey Club	28/10/13	10 Years of receipt	£23,250 - Community Facility & £112,000 off-site Sports Pitch	(43,282.60)
2537	Land Butcher park Hill - 00610/2015	20/09/2018, 28/06/2019, 14/07/2020	5 Years	£147,752 - 1st, 2nd, 3rd & 4th instalment of Playing Pitch Contribution (BCIS uplift to follow when triggers.3 & 4 met). £51,791 - Off-Site Play contribution	(223,951.77)
2548	Land New Launceston Road - 2022/16/OPA	04/12/19	10 years	50% Off Site Public open Space	(201,518.68)
2559	Land adjacent to Callington Road, Tavistock - 00554/2013	14/05/21	5 Years	Off-Site Play Contribution 1st Instalment	(35,114.18)
2560	Land Adjacent to Cross Farm Lewdown (2878/16/Ful)	11/05/21	5 Years	Open Space Contribution towards the Ramps play area in Lewdown	(11,271.40)
2571	Glendale, Crediton Rd Okehampton (02728/2012)	30/11/21	10 years	Open Space kickabout	(3,097.61)

(577,899.70)

Street Cleaning

2504	Bathway Fields, N Tawton - 01037/2013	15/05/2017, 22/08/2017	10 Years of receipt	Public Art £23,678.13, Refuse £1,341.20, Play £58,721.78, Playing Field £25,137.16, Community Facilities £31,288.97, Street Cleaning £7,680.16, PCT Contribution £19,010.40	(7,588.11)
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(7,588.11)

Class Code	Site	Date Received	Restriction/Committed End Date	Conditions	TOTAL S106 DEPOSITS £
TOTAL Strengthening Community Wellbeing Delivery Plan					(638,852.33)
TOTAL S106 DEPOSITS					(1,337,356.07)

Notes:

1. The amounts shown above are before any monitoring fee has been deducted, where this is set out in the S106 Agreement.
(See Section 3.14 of the covering report which explains this in more detail)
2. 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

The Appendices contain exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

Report to: **Hub Committee**

Date: **8th March 2022**

Title: **Exempt Accommodation Update**

Portfolio Area: **Leader – Cllr Jory**

Wards Affected: **All**

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

Date next steps can be taken:

Author: **Steve Mullineaux** Role: **Director of Customer Services and Delivery**

Contact: Steve.mullineaux@swdevon.gov.uk

RECOMMENDATIONS:

That the Hub Committee:

- 1. endorse the Council's approach to managing exempt accommodation, which prioritises protecting the vulnerable residents and the public purse; and**
- 2. continue to engage and lobby at a local, regional and national level to ensure that the regulations are amended to prevent exploitation of the individual tenants and the housing benefit system.**

1. Executive summary

- 1.1. The schemes and properties involved are in the main, occupied by vulnerable people.
- 1.2. These types of schemes are taking advantage of vulnerable people and the fact that they may not be properly represented or supported. Some of the occupiers are not entitled to housing benefit and are self-funding having to pay significant rent costs.
- 1.3. The Council is trying, through every possible avenue open to it, to prevent this type of exploitation of vulnerable people and the public purse.

NOT FOR PUBLICATION

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2. Background

- 2.1. In West Devon (and many other areas across the country) there has been a rise in housing benefit claims relating to Exempt Accommodation over recent years.
- 2.2. Exempt Accommodation is where the accommodation is provided by a landlord in the social or voluntary sector and the benefit claimant is provided with care, support or supervision by the landlord or by someone acting on the landlord's behalf.
- 2.3. Many of the new schemes setting up this type of accommodation involve an investment fund that has been set up in a way so as to maximise the amount of housing benefit that can be claimed. The scheme does this by ensuring that it falls outside of the usual caps placed on housing benefit claims.
- 2.4. The exemption to rent caps applies to registered housing associations and not for profit organisations and is intended to enable those types of landlord to provide very specialist accommodation and support that is tailored to individual tenants needs. It is accepted that this type of accommodation may cost more than the Local Housing Allowance rents which is why the cap does not apply. It is also anticipated that because the cap is only removed in respect of non-profit making landlords, that it would not be possible for the removal of the cap to be exploited.
- 2.5. A number of schemes have found a way around this by utilising small registered housing associations as a 'front' and putting in place leases that require the said housing association to pay a large rent to another party, who is able to make a profit.
- 2.6. The housing benefit regulations do not explicitly prevent this exploitation, most likely because when making them, it was not considered that it would be possible for such advantage to be taken.
- 2.7. The Council has been advised that although these schemes are clearly morally wrong in what they are doing, because there are so many of them now operating across the country, a change in the law or clarification of the regulations is needed to allow Local Authorities to prevent this exploitation.

3. Specific issues

- 3.1. Due to the confidential nature of this ongoing case this section is set out in Exempt Appendix A.

NOT FOR PUBLICATION

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4. Proposed Way Forward

- 4.1. The Council has been and continues to work closely with Devon County Council, the Regulator of Social Housing, the Department of Work and Pensions (DWP) and the Local Government Association (LGA) and District Councils Network (DCN) regarding this issue.
- 4.2. The Council continues to lobby government via our local MP's and the LGA. The Council has submitted a report on the issue to the policy unit at Downing Street. The report is attached as Appendix B.
- 4.3. The Department for Levelling Up & Communities (DLUC) has convened an MP Select Committee Enquiry for Exempt Accommodation and the Council has contributed to the LGA, DCN submissions and made its own direct submission. The submission is attached as appendix C.
- 4.4. The Council is lobbying to present its evidence at the hearing in person.
- 4.5. The LGA have carried out research and investigations into Exempt Accommodation nationally and the Council continues to participate in policy groups.
- 4.6. The Council continues to withhold payment of housing benefit until claims can be properly evidenced and meet all necessary requirements, whilst at the same time liaising with Devon County Council's Social Care team to ensure that the residents' health and wellbeing is not impacted.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Council is operating in accordance with the Housing Benefit Regulations 2006. Currently it does not appear that the regulations prevent this type of exploitation. The Council and other bodies are lobbying the government to try make the necessary changes to this.</p> <p>The public interest test has been applied to the Appendices and the public interest lies in non-disclosure.</p>

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Financial implications to include reference to value for money	Y	The Council only administers housing benefit payments on behalf of the DWP and therefore there is not a significant cost or saving as a result of the decisions to refuse to pay housing benefit on these claims. There is however a wider cost implication to public funds due to the current exploitation of the system which we are trying to prevent. The Council has needed to invest fairly significant officer time in dealing with this case due to its complexities and the volume of housing benefit claims.
Risk	N	
Supporting Corporate Strategy	Y	Community Wellbeing and Council Resources
Climate Change - Carbon / Biodiversity Impact	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity		None
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		None

Supporting Information

Appendices:

Exempt Appendix A – Specific case detail

Exempt Appendix B – Report to Policy Unit at Downing Street

Exempt Appendix C - Evidence submission sent to DLUC Select Committee

Background Papers:

None

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