

South Hams Council



Title:	Agenda																														
Date:	Thursday, 30th March, 2023																														
Time:	2.00 pm																														
Venue:	Council Chamber - Follaton House																														
Full Members:	<p style="text-align: center;">Chairman Cllr Austen</p> <p style="text-align: center;">Vice Chairman Cllr Taylor</p> <p><i>Members:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Cllr Abbott</td> <td style="width: 33%;">Cllr Long</td> </tr> <tr> <td>Cllr Baldry</td> <td>Cllr McKay</td> </tr> <tr> <td>Cllr Bastone</td> <td>Cllr O'Callaghan</td> </tr> <tr> <td>Cllr Birch</td> <td>Cllr Pannell</td> </tr> <tr> <td>Cllr Brazil</td> <td>Cllr Pearce</td> </tr> <tr> <td>Cllr Brown</td> <td>Cllr Pennington</td> </tr> <tr> <td>Cllr Chown</td> <td>Cllr Pringle</td> </tr> <tr> <td>Cllr Foss</td> <td>Cllr Reeve</td> </tr> <tr> <td>Cllr Hawkins</td> <td>Cllr Rose</td> </tr> <tr> <td>Cllr Hodgson</td> <td>Cllr Rowe</td> </tr> <tr> <td>Cllr Holway</td> <td>Cllr Smerdon</td> </tr> <tr> <td>Cllr Hopwood</td> <td>Cllr Spencer</td> </tr> <tr> <td>Cllr Jackson</td> <td>Cllr Sweett</td> </tr> <tr> <td>Cllr Jones</td> <td>Cllr Thomas</td> </tr> <tr> <td>Cllr Kemp</td> <td></td> </tr> </table>	Cllr Abbott	Cllr Long	Cllr Baldry	Cllr McKay	Cllr Bastone	Cllr O'Callaghan	Cllr Birch	Cllr Pannell	Cllr Brazil	Cllr Pearce	Cllr Brown	Cllr Pennington	Cllr Chown	Cllr Pringle	Cllr Foss	Cllr Reeve	Cllr Hawkins	Cllr Rose	Cllr Hodgson	Cllr Rowe	Cllr Holway	Cllr Smerdon	Cllr Hopwood	Cllr Spencer	Cllr Jackson	Cllr Sweett	Cllr Jones	Cllr Thomas	Cllr Kemp	
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Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.																														
Committee administrator:	Democratic.Services@swdevon.gov.uk																														

1. Minutes	1 - 16
to approve as a correct record the minutes of the meeting of the Council held on 16 February 2023;	
2. Urgent Business	
the Chairman to announce if any item not on the agenda should be considered on the basis that he considers it as a matter of urgency (any such item to be dealt with under 'Business Brought forward by the Chairman');	
3. Exempt Information	
to consider whether the consideration of any item of business would be likely to disclose exempt information and if so the category of such exempt information;	
4. Declarations of Interest	
In accordance with the Code of Conduct, Members are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests and Non-Registerable Interests including the nature and extent of such interests they may have in any items to be considered at this meeting;	
5. Business Brought Forward by the Chairman	
to consider business (if any) brought forward by the Chairman;	
6. 2023/24 Capital Strategy; 2023/24 Treasury Management Strategy; and 2023/24 Investment Strategy	17 - 70
7. Modbury Neighbourhood Plan	71 - 114
8. Reports of Bodies	
to receive and as may be necessary approve the minutes and recommendations of the under-mentioned Bodies: (* Indicates minutes containing recommendations to Council).	
(a) Licensing Committee - 5 January 2023	115 - 118
(b) Development Management Committee - 15 February 2023	119 - 128
(c) Council Tax Setting Committee - 22 February 2023	129 - 132
(d) Licensing Committee - 9 March 2023	133 - 134
(e) Audit & Governance Committee* - 9 March 2023	135 - 142

(f) Development Management Committee - 15 March 2023	143 - 152
(g) Salcombe Harbour Board - 20 March 2023	153 - 156
(h) Executive* - 2 March 2023	157 - 166

9. Exclusion of Public and Press

to consider the following resolution to exclude the public and press:-

“That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following items of business in order to avoid the likely disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”

10. Plymouth & South Devon Freeport	167 - 172
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11. Re-admittance of Public and Press

12. Public Question Time	173 - 174
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13. Questions

to consider the following question(s) (if any) received in accordance with Council Procedure Rules;

14. Notice of Motion

to consider the following motions received (if any) in accordance with Council Procedure Rule 10.1;

a. From Cllr Chown and Cllr Hodgson

“Debate Not Hate motion

Intimidation and abuse, in person or otherwise, undermines democracy.

Therefore, this council resolves to:

- Uphold exemplary standards of political debate in all it does
- Challenge the normalisation of abuse by promoting respectful, courteous, and constructive debate amongst our residents
- Sign up to the LGA’s ‘Debate Not Hate’ campaign which aims to raise public awareness of the role of councillors in local communities, encourage healthy debate, and improve the response to and support

those in public life facing abuse and intimidation.

- Write to the local Members of Parliament to ask them to support the campaign
- Write to the Government to ask them to work with the LGA to develop and implement a plan to address abuse and intimidation of politicians
- Regularly review the support available to councillors in relation to abuse and intimidation and councillor safety
- Take a zero-tolerance approach to abuse of councillors and officers”

Agenda Item 1

MINUTES OF THE MEETING OF THE SOUTH HAMS DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBER, FOLLATON HOUSE, TOTNES ON THURSDAY 16 FEBRUARY 2023

MEMBERS

* Cllr L Austen – Chairman

* Cllr B Taylor – Vice-Chairman

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

* Denotes attendance

∅ Denotes apology for absence

** Denotes attendance via Teams in a non-voting capacity

Officers in attendance and participating:

For all items: Chief Executive; Director – Place & Enterprise; Monitoring Officer; Democratic Services Manager; Head of Finance; Head of Revenues and Benefits; and Senior Specialist – Human Resources

57/22 MINUTES

The minutes of the Council meeting held on 15 December 2022 were confirmed as a true and correct record.

58/22 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting.

Cllrs P C Smerdon and D Thomas both declared an interest in agenda item 6 ‘2023/24 Revenue and Capital Budget Proposals’ (Minute 59/22 below refers) and specifically recommendation part (xi). Cllr Smerdon declared his interest by virtue of being the appointed South Hams District Council representative on the Dartmoor National Park Authority (DNPA) Outside Body. Cllr Thomas declared his interest by virtue of being a co-opted member of the DNPA. Both Members remained in the meeting and took part in the debate and vote thereon.

Having sought the advice of the Monitoring Officer as to whether or not they should declare an interest in agenda item 9: 'South Devon AONB Management Plan Extension' (Minute 62/22 below refers) by virtue of being the Council's two appointed representatives on the South Devon AONB Outside Body, Cllrs N Hopwood and B Taylor were advised that there was no need to make any such declaration.

59/22

2023/24 REVENUE AND CAPITAL BUDGET PROPOSALS

The Council was presented with a report that outlined the recommendations of the Executive in respect of a series of draft revenue and capital budget proposals for 2023/24 (Minute E.69/22 refers)

In debate, the following points were raised:

- a) A number of Members expressed their support for the Council's approach to the Budget setting process and the collaborative cross-party working that had resulted in the draft Budget proposals that had been presented to this meeting. By way of an example, Members particularly welcomed the fact that the two recommendations that had been generated by the Budget Advisory Committee (relating to Council owned public conveniences and an additional Tree Officer) had been taken forward;
- b) There was widespread disappointment stated amongst Members that an increase in Council Tax was necessary. In addition, there were calls for Central Government to provide increased grant funding to local authorities and for a fairer system of taxation to be employed;
- c) It was highlighted that the proposed increase recommended within the published agenda report represented only the District Council's share of the forthcoming year's Council Tax billing and that increases could also be expected from Devon County Council, the Police and Fire Authorities and local Town and Parish Councils.

In line with statutory requirements, a recorded vote was then undertaken on part (i) of the substantive motion. The voting was recorded as follows:

For the motion (21):- Cllrs Austen, Bastone, Brown, Chown, Foss, Hawkins, Hodgson, Holway, Hopwood, Jones, Long, McKay, Pearce, Pennington, Pringle, Reeve, Rose, Rowe, Smerdon, Spencer and Taylor.

Against the motion (6):- Cllrs Abbott, Baldry, Brazil, O'Callaghan, Pannell and Thomas.

Abstentions (0):

Absent (4): Cllrs Birch, Jackson, Kemp and Sweett

and the vote on part (i) of the motion was therefore declared **CARRIED**.

In line with statutory requirements, a recorded vote was then undertaken on parts (ii) to (xi) of the motion. The voting was recorded as follows:

For the motion (27): Cllrs Abbott, Austen, Baldry, Bastone, Brazil, Brown, Chown, Foss, Hawkins, Hodgson, Holway, Hopwood, Jones, Long, McKay, O'Callaghan, Pannell, Pearce, Pennington, Pringle, Reeve, Rose, Rowe, Smerdon, Spencer, Taylor and Thomas

Against the motion (0):

Abstentions (0):

Absent (4): Cllrs Birch, Jackson, Kemp and Sweett

and the vote on parts (ii) to (xi) of the substantive motion was therefore declared **CARRIED**.

It was then:

RESOLVED

- i) That Council Tax for 2023/24 be increased by £5 (Band D of £185.42 for 2023/24 – an increase equivalent to less than 10 pence per week or £5 per year – equating to a 2.77% increase). This equates to a Council Tax Requirement of £7,407,344;
- ii) That the financial pressures (as shown in Appendix A of the presented agenda report and amounting to £4,107,700) be approved;
- iii) That the net contributions from Earmarked Reserves of (£412,000) as shown in Appendix D of the presented agenda report, including the proposed use of £500,000 of New Homes Bonus funding to fund the 2023/24 Revenue Budget as set out in section 3.23 of the agenda report presented to the Executive meeting of 26 January 2023 and £400,000 from the Business Rates Retention Earmarked Reserve (as set out in section 3.17 of the published Executive report of 26 January 2023) be approved;
- iv) That the savings/additional income of £2,422,000 (as shown in Appendix A of the presented agenda report) be approved;
- v) That the take up of the 'stepped pension contribution rates' being offered by the actuaries of the Devon Pension Fund, following the results of the Triennial Pension Revaluation (as set out in section 3.24 of the presented agenda report to the Executive meeting of 26 January 2023) be approved;
- vi) That the Council's total net expenditure for 2023/24 be set at £11,738,067 (as set out in Appendix B of the presented agenda report);

- vii) That the proposed Capital Programme Proposals for 2023/24 of £2,035,000 and the proposed financing of the Capital Programme (as set out in Appendix E of the presented agenda report) be approved
- viii) That Unearmarked Reserves continue to have a minimum level of £1.5 million (as set out in the adopted Medium Term Financial Strategy, Minute CM 52/22(c) refers), but an operating level of a minimum of £2 million;
- ix) That, in line with the requirement of Part 2 of the Local Government Act 2003, the level of reserves and the assessment of their adequacy and the robustness of budget estimates be noted;
- x) That the setting of fees and charges for the Dartmouth Lower Ferry (applicable for 2023/2024) be delegated to the Director of Place and Enterprise, in consultation with the Leader of the Council, the Executive Member for Assets and the Section 151 Officer; and
- xi) that £10,700 of New Homes Bonus funding be allocated to the Dartmoor National Park Authority for the delivery of housing growth within its area over the past three years.

60/22

COUNCIL TAX DISCOUNTS AND PREMIUMS

Consideration was given to a report that made recommendations on the changes to the levying of Council Tax premiums with effect from 1 April 2024 and also provided confirmation of the Council Tax discounts that were already in place.

The report also highlighted the changes contained within the Levelling Up and Regeneration Bill currently progressing through Parliament which would impact on Council Tax relating to second homes and long-term empty dwellings.

In debate, the proposed increase on Council Tax for second homes was widely welcomed.

It was then:

RESOLVED

1. That, with effect from 1 April 2023, the following Council Tax discounts be adopted:
 - The discount for unoccupied and substantially unfurnished dwellings is 100% for a maximum period of 1 month;
 - The discount for unoccupied and substantially unfurnished dwellings for 1 month to 2 years is zero;
 - The discount for dwellings which are vacant and require major repair work to render them habitable is 50% for a maximum period of 12 months;

- The discount for unoccupied furnished dwellings (second homes) is zero;
 - An empty homes premium of an additional 100% is levied on dwellings that have remained unoccupied and substantially unfurnished for at least two years, but less than 5 years;
 - An empty homes premium of an additional 200% is levied on dwellings that have remained unoccupied and substantially unfurnished for at least five years, but less than 10 years; and
 - An empty homes premium of an additional 300% is levied on dwellings that have remained unoccupied and substantially unfurnished for at least 10 years.
2. That, subject to the Levelling Up and Regeneration Bill receiving Royal Assent from 1 April 2024, the current 100% premium for dwellings which are unoccupied and substantially unfurnished will be levied after a period of one year; and
 3. That, subject to the Levelling Up and Regeneration Bill receiving Royal Assent from 1 April 2024, a premium of 100% will be levied on all dwellings which are unoccupied and substantially furnished (second homes).

61/22

BUSINESS RATES RELIEF: 2023/24 RETAIL, HOSPITALITY AND LEISURE SCHEME AND 2023 SUPPORTING SMALL BUSINESS RELIEF

The Council considered a report that set out changes to discretionary relief for business rates that had been announced as part of the Autumn Budget 2022.

In discussion, the proposals contained within the presented agenda report were welcomed.

It was then:

RESOLVED

1. That the Business Rates Relief: 2023/24 Retail, Hospitality and Leisure Scheme Policy (at Appendix A of the presented agenda report) be approved; and
2. That the implementation of the 2023 Supporting Small Business Relief scheme be approved.

62/22

SOUTH DEVON AONB MANAGEMENT PLAN EXTENSION

Consideration was given to a report that sought an extension to the South Devon Area of Outstanding Natural Beauty (AONB) Management Plan, in line with Defra recommendations.

It was then:

RESOLVED

That the South Devon AONB Management Plan (2019-2024) be extended by up to 12 months to the end of 2025.

63/22

SCHEME OF MEMBERS' ALLOWANCES- REVIEW

The Council considered a report that set out the recommendations of the Independent Remuneration Panel on an updated Scheme of Members' Allowances.

In her introduction, the Leader stated that the timing of the Review had been unfortunate and that it should be a matter for the new Council, post the District Council Elections in May 2023, to decide upon a new Scheme of Allowances and to that end **PROPOSED** an alternative recommendation that read as follows:

*that Council be **RECOMMENDED** that the Remuneration Panel is respectfully asked to agree to defer a decision and to agree to extend the arrangements valid until April 2022 for the present Municipal year 2022-23, and then to commit to reconvene in the summer to carry out an in depth review of all aspects of Member remuneration*

This wording was promptly **SECONDED** and, in the ensuing debate, the following points were raised:

- (a) Whilst accepting that the timing was attributed to the delay in the settlement of the annual national staff pay award, some Members echoed the views of the Leader that, given the proximity to the local Elections, an updated Scheme of Members' Allowances should be a matter for the new Council administration to determine. In contrast, other Members were of the view that the Independent Panel recommendations were reasonable and it would therefore be beneficial for the new Council administration for this meeting to approve its recommendations. Thereafter, it would be a matter for the Panel to again review the Scheme early in the new administration;
- (b) Despite the lack of responses to the Member survey, some Members were of the view that all of the roles that were currently entitled to claim a Special Responsibility Allowance would benefit from a comprehensive review;
- (c) Irrespective of approving the Panel recommendations regarding the Basic Allowance, some Members stated that it was still unlikely to be an incentive in encouraging a vast demographic of society to stand for Council at the upcoming local elections. This was felt to be regrettable and a barrier in helping to increase the diversity of the political composition of the Council;

(d) Members stated that the workload and time commitment for elected Members had noticeably increased during this Council term and, given the need to be affordable, the Basic Allowance could not be proportionately increased enough to reflect that change.

It was then:

RESOLVED

That the Remuneration Panel be respectfully asked to agree to defer a decision and to agree to extend the arrangements valid until April 2022 for the present Municipal year 2022-23, and to commit to reconvene in the summer to carry out an in-depth review of all aspects of Member remuneration.

64/22

PAY POLICY STATEMENT

In line with the requirements of the Localism Act 2011, Members considered a report that proposed adoption of the Pay Policy Statement for 2022/23.

It was then:

RESOLVED

That the Pay Policy for 2022/23 (as set out at Appendix A of the presented agenda report) be approved.

65/22

CALENDAR OF MEETINGS 2023/24

Consideration was given to a report that presented the draft Calendar of Meetings for 2023/24 for adoption.

It was then:

RESOLVED

That the draft Calendar of Meetings for 2023/24 (as set out at Appendix A of the presented agenda report) be approved.

66/22

REPORTS OF BODIES

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

(a) Salcombe Harbour Board - 14 November 2022

(b) Audit & Governance Committee - 24 November 2022

(c) Development Management Committee - 14 December 2022

(d) Overview & Scrutiny Committee - 12 January 2023

(e) Development Management Committee - 18 January 2023

(f) Budget Advisory Committee - 19 January 2023

(g) Executive – 26 January 2023

E.69/22 Draft Revenue and Capital Budget Proposals For 2023/24

It was noted that the Recommendations to Council contained therein had been considered earlier in the meeting at agenda item 6 (Minute 59/22 above refers).

E.71/22 Council Tax Reduction Scheme 2023-24 And Other Council Tax Discounts And Premiums

It was noted that parts 5 and 6 of the Recommendation to Council contained therein had been considered earlier in the meeting at agenda item 7 (Minute 60/22 above refers).

For the remaining Recommendations, it was then:

RESOLVED:

2. That the local Council Tax Reduction Scheme for 2023/24 be approved as follows:
 - That no changes be made to Band 1 of the current banded scheme.
 - That Bands 2, 3 and 4 be uplifted by 20% (above current inflation) and, as detailed in paragraph 3.15 of the presented report, to take into account the Cost of Living crisis.
 - That the current range of earnings disregards be replaced with a single £25.00 disregard.
 - That changes be made to the Minimum Income Floor by adjusting the income calculation for self-employed claimants who receive carer's allowance, personal independence payments or disability living allowance.
3. That authority be delegated to the Director of Strategic Finance, in consultation with the Lead Executive Member for Benefits and the Head of Revenues and Benefits, to agree the uprating of working age regulations incorporated into the local Council Tax Reduction Scheme in line with those announced by the Department for Work and Pensions; and
4. That officers be instructed to take immediate steps to apply the £25 Council Tax Support Fund payment to eligible Council Taxpayers, which was announced by the Government on 19 December 2022, and bring forward proposals for a discretionary scheme in late spring 2023.

E.72/22 Housing Crisis - Changes To Financial Assistance And Enforcement Policies

RESOLVED

1. That the existing 2019-2022 Homes Assistance Policy be updated with the revised Better Care Fund Financial Assistance Policy 2022;
2. That the electrical safety standards Civil (Financial) Penalty Policy be approved, implemented and incorporated into the Council's Enforcement Policy, to allow officers to impose fines where necessary to landlords and improve Private Rented Properties; and
3. That the energy efficiency standards Civil (Financial) Penalty Policy, be approved, implemented and incorporated into the Council's enforcement policy to allow officers to impose fines where necessary to landlords and improve Private Rented Properties.

67/22 PUBLIC QUESTIONS

The Chairman informed the Meeting that no Public Questions had been received for consideration at this Meeting.

68/22 QUESTIONS ON NOTICE

It was noted that the no Questions on Notice had been received in accordance with Council Procedure Rules:

69/22 MOTIONS ON NOTICE

It was noted that three Motions on Notice had been received in accordance with Council Procedure Rules.

a. From Cllr Hawkins and Cllr Pearce

'With South Hams' close connection with His Majesty's Armed Forces and, in particular, the Royal Navy and the Royal Marines, this Council formally adopts the Armed Forces Covenant. In so doing, the Council reaffirms its commitment to uphold the Armed Forces Covenant and support the Armed Forces Community.'

The Council recognises the contribution that Service Personnel, both regular and reservist, veterans and military families make to our Council, our community and to the country.'

During the ensuing discussion, Members were in full support of the proposed Motion on Notice.

It was then:

RESOLVED

That, with South Hams' close connection with His Majesty's Armed Forces and, in particular, the Royal Navy and the Royal Marines, the Armed Forces Covenant be formally adopted. In so doing, the Council reaffirms its commitment to uphold the Armed Forces Covenant and support the Armed Forces Community.

The Council recognises the contribution that Service Personnel, both regular and reservist, veterans and military families make to our Council, our community and to the country.

b. From Cllr Rose and Cllr Hodgson

'Background:

As a planning authority, we are caught between Central Government's whims on how many houses we need to build and profit-driven developers who monopolise the industry. Our hands are further tied by the lack of adequate policy in the NPPF to ensure developers truly meet our needs, socially and ecologically.

Full Council notes that:

Conventional approaches to development often have a detrimental environmental impact globally and locally, significantly contributing to global heating, flooding, pollution, ecological damage, species extinction and deforestation.

Conventional development routinely fails to provide adequately for the needs of our constituents, failing to produce sufficiently affordable housing, produce sufficient quality of housing, provide integrated means of community sustainability and resilience (such as community allotments/orchards, on-site power generation, and flood protection), or integrated support of community regeneration (sufficient space for community sports, games etc.)

Too often, new development reduces the quality of the local environment, where most people live, to the detriment of the whole, instead of meeting our needs, including for better places to live.

Full Council believes that:

Purely profit driven developments lack the necessary incentives and features to rapidly and radically reform development practices and outcomes in line with our ecological and social needs.

Whilst we are statutorily required to meet our development quota, necessitating our continued cooperation with, and support of, conventional developers, we also have a duty to welcome, seek, and support pioneering developers and projects who seek to demonstrate what is possible when ecological and social interest is put above profit within development.

Regenerative development shifts emphasis for land use planning from minimising and mitigating harm to maximising benefits and removing harm. In welcoming, seeking and supporting regenerative development we will be aiding and encouraging essential innovations that can raise the bar for development outcomes. This can seed greater autonomy within communities and provide incentive for conventional developers to keep up with rising expectations and aspirations through working with communities to genuinely meet their ecological and social needs.

Supporting regenerative development reflects the direction of travel of the Devon Carbon Plan and reflects the scale of the crises we face such that all forms of development, including those best suited to rural areas, able to produce the changes we need are supported and progressed, recognising that radical change and action in the way we shape places is needed, as the NPPF already lays out.

Full Council resolves:

- 1) *In addition to the current strategy in the JLP, Council resolves to be supportive of and seek out additional strategies and forms of development able to produce radical reductions in greenhouse gas emissions and strong uplifts in carbon sequestration, nature recovery and community and individual wellbeing;*
- 2) *Support and progress, where possible, all forms of development that are able to produce the changes that we need to fulfil our social and ecological needs;*
- 3) *Officers will provide information to Members about regenerative development projects that it is already, or becomes, aware of. This information will include details on how the expected/documented outcomes differ from those of conventional developers; and*
- 4) *SHDC will publicly state its support for regenerative development, explaining clearly how regenerative development differs from conventional development through its social media channels and on its website.'*

“Full Council resolves that:

While recognising that planning applications are to be determined in accordance with the development plan unless material considerations suggest otherwise; and that changes to the development plan are subject to a statutory process, without fettering any discretion with regard to the determination of such matters, the Council:

1. *Will be supportive of and seek out additional strategies and forms of development able to produce radical reductions in greenhouse gas emissions and strong uplifts in carbon sequestration, nature recovery and community and individual wellbeing; and*
2. *Supports and progresses, where possible, all forms of development that are able to produce the changes that we need to fulfil our social and ecological needs*

3. *So as to support Members to be informed about and, where appropriate, engaged with community-led regenerative developments, and in line with existing communications and newsletters, officers will provide information to Members about regenerative development projects that it is already, or becomes, aware of. This information will include details on how the expected outcomes differ from those of conventional developers that can be provided from the regenerative development projects themselves.*
4. *Through its social media channels and on its website, SHDC will publish an information piece about the benefits of regenerative planning for the education of the public*

In his introduction and with the consent of the meeting, the proposer amended the Recommendation to that set out above (changes highlighted in red font).

In the consequent debate, Members were supportive of the proposals, particularly as the amended wording would permit the aims of the Motion to run in parallel with the requirements of the Joint Local Plan.

It was then:

RESOLVED

That, while recognising that planning applications are to be determined in accordance with the development plan unless material considerations suggest otherwise; and that changes to the development plan are subject to a statutory process, without fettering any discretion with regard to the determination of such matters, the Council:

1. Will be supportive of and seek out additional strategies and forms of development able to produce radical reductions in greenhouse gas emissions and strong uplifts in carbon sequestration, nature recovery and community and individual wellbeing;
2. Supports and progresses, where possible, all forms of development that are able to produce the changes that we need to fulfil our social and ecological needs;
3. So as to support Members to be informed about and, where appropriate, engaged with community-led regenerative developments, and in line with existing communications and newsletters, officers will provide information to Members about regenerative development projects that it is already, or becomes, aware of. This information will include details on how the expected outcomes differ from those of conventional developers that can be provided from the regenerative development projects themselves;
4. Through its social media channels and on its website, SHDC will publish an information piece about the benefits of regenerative planning for the education of the public.

c. From Cllr Rose and Cllr Hodgson

'Background:

(Credit to Cllr Alex Catt – Norwich Council)

It is increasingly recognised that meat and dairy production is a significant contributor to climate breakdown, with the livestock sector accounting for at least 14% of global greenhouse gas emissions (1), as well as being a major contributor to global deforestation (2). The catastrophic effects of climate breakdown mean climate and risk experts predict a world with systemic cascading risks related to food insecurity including food shortages, societal tensions, hunger and malnutrition, unrest and conflict (according to a Chatham House report from 2021), which furthermore predicts a 50% chance of synchronous crop failure in the decade of the 2040s (3). Producing a kilo of beef creates, on average, 12 times more CO₂e than a kilo of tofu or other soya based proteins (4). Meanwhile, producing a litre of dairy milk uses, on average, at least four times as much land as producing a litre of plant milk (5).

As well as a smaller carbon footprint, eating more plant-based foods also reduces the land footprint of our diets and would improve UK food security and self-sufficiency, thereby making our diets more local. As a country, we currently import much more food than we export. In 2021 we had a trade deficit for all dairy products of £1.04 billion (6) and a trade deficit for just beef, pork and lamb of £1.7 billion (7). Only 55% of the world's crop calories feed people directly with 36% going to feed livestock; only a fraction of the calories in feed given to livestock make their way into the meat and milk that we consume which is a huge food waste issue on top of making our food production much more carbon intensive (8). While some people criticise people who follow a plant-based diet for eating imported soy, the vast majority of soy - 77% - goes to feeding livestock, which research has shown is an inefficient use of resources. (9) East Anglia is predominantly arable farming and there are many local predominantly plant-based food businesses we could support.

Henry Dimbleby, in the Government commissioned National Food Strategy concluded that a 30% reduction in meat consumption is necessary for future food security. The National Food Strategy also states that obesity alone accounts for 8% of annual health spend in the UK, or £18bn (10)(11). Savings to the NHS will come from healthier, plant-based diets. Sustain estimates that meat over-consumption costs the NHS directly £1.2 billion, and 45,000 deaths annually (11). Over 40% of Britons are trying to reduce their meat consumption and 14% already follow a flexitarian diet, but plant-based food options are not consistently available at all events or food venues (12). Other countries have taken a stance, for example in Portugal it is a legal requirement for all public catering – including local authority facilities – to provide plant-based food options, and other local authorities such as Oxfordshire County Council and Cambridge City Council have decided to promote plant-based food via serving a fully plant-based menu at Council meetings and events.

Locally, the University of Cambridge Catering Service reduced food-related greenhouse gas emissions by a third via replacing beef and lamb with plant-based products (13).

In September 2021, Norwich City Council formally adopted the Glasgow Declaration on Food and Climate which committed the council to try and reduce greenhouse gas emissions associated with food. Norwich City Council can build on its achievements to date and lead by example to promote and normalise consumption of plant-based food, recognising that plant-based meals are frequently nutritious and low cost food options. This is in line with its vision for Norwich City to be net-zero carbon by 2045.

1. <https://www.theguardian.com/environment/2021/sep/07/20-meat-and-dairy-firms-emit-more-greenhouse-gas-than-germany-britain-or-france>
2. <https://www.theguardian.com/environment/2019/sep/04/global-food-producers-climate-crisis>
3. <https://www.chathamhouse.org/2021/09/climate-change-risk-assessment-2021/03-direct-climate-impacts>
4. <https://josephpoore.com/Science%20360%206392%20987%20-%20Accepted%20Manuscript.pdf>
5. https://www.researchgate.net/publication/301890948_Systematic_review_of_greenhouse_gas_emissions_for_different_fresh_food_categories
6. <https://ahdb.org.uk/dairy/uk-dairy-trade-balance>
7. <https://ahdb.org.uk/agri-market-outlook>
8. <https://www.nationalgeographic.com/foodfeatures/feeding-9-billion/>
9. <https://ourworldindata.org/soy>
10. <https://inews.co.uk/news/national-food-strategy-cut-meat-consumption30-per-cent-henry-dimbleby-food-tsar-1104517#:~:text=July%2015%2C%202021%2012%3A01%20am%20%28Udated%207%3A49%20am%29,latest%20instalment%20of%20the%20country%E2%80%99s%20National%20Food%20Strategy>
11. National Food Strategy (published July 2021) - <https://www.nationalfoodstrategy.org/wpcontent/uploads/2021/07/National-Food-Strategy-Recommendations-in-Full.pdf>
12. <https://www.bbc.co.uk/news/science-environment-58831636>
- 13- <https://www.bbc.co.uk/news/uk-england-cambridgeshire-49637723>

Motion:

Council therefore resolves to:

- 1) *Follow the lead of many other councils around the country in ensuring that food and drink provided at all meetings and events hosted by SHDC be plant-based, and where possible, provided by a local caterer.*
- 2) *After engaging with a wide variety of catering options (including consideration of social enterprises), use SHDC events and online platforms to promote and showcase environmentally friendly plant-based food and drink options, alongside displayed information about the climate and health benefits and relative cost of different protein/food sources and educating people about how to achieve a balance plant-based diet.*

- 3) *Secure through a contract specification when re-tendering for suppliers that environmentally friendly, locally sourced plant-based food and drink options are to be available at providers on SHDC open spaces (where reasonably possible). Similarly when possible, via future contract specification when re-tendering for suppliers for Council run cafes, kiosks or leisure centres, specify that vegetable/legume rich plant-based options are listed prominently on menus, above non plant-based options.*
- 4) *Continue to use council communications channels to promote sustainable (and affordable) food and drink practices throughout the district, including details of the climate and health benefits of plant-based food and drinks and educating people on the best ways to achieve a balance plant-based diet.*
- 5) *Write to the government supporting UK endorsement of the Plant Based Treaty and invite all Party Group Leaders to sign the letter.'*

In his introduction, the proposer made clear that the Motion was intended to reaffirm what the Council was already doing and was complementary to the Council's declared Climate Change and Biodiversity Emergency.

In the ensuing discussion, the following points were raised:

- a) Members felt that an element of personal choice was paramount and that numerous food and beverage options should be available at all Council premises, meetings and events;
- b) With regard to sustainability, a Member highlighted that a 'plant good, meat bad' argument was far too simplistic and cited the difference in water consumption that was required to produce some vegetables and nuts as compared to some dairy products. Notwithstanding this point, a Member did respond that a reduction in global meat consumption would be beneficial to the environment;
- c) An amendment was **PROPOSED** and **SECONDED** that read as follows:

'That South Hams District Council will continue to ensure that food and drink provided at all meetings and events hosted by the Council will, whenever possible, be locally sourced and provided by a local caterer. The caterer to ensure that plant based options are always available.'

This wording was subsequently accepted by the proposer and seconder of the original motion and therefore became the substantive motion.

It was then:

RESOLVED

That South Hams District Council will continue to ensure that food and drink provided at all meetings and events hosted by the Council will, whenever possible, be locally sourced and provided by a local caterer. The caterer to ensure that plant based options are always available.

(Meeting commenced at 10.00 am and concluded at 12.40 pm)

Chairman

Report to: **Council**

Date: **30 March 2023**

Title: **2023/24 Capital Strategy, 2023/24 Treasury Management Strategy and 2023/24 Investment Strategy**

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

Wards Affected: **All**

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

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance (S151 Officer)**
Clare Scotton **Finance Business Partner**

Contact: lisa.buckle@swdevon.gov.uk
clare.scotton@swdevon.gov.uk

RECOMMENDATIONS:

That the Council:

- 1. approves the following strategies for 2023-24:**
 - i. Capital Strategy (as attached at Appendix A);**
 - ii. Treasury Management Strategy (as attached at Appendix B);**
 - iii. Investment Strategy (as attached at Appendix C)**
- 2. grants delegated authority to the Section 151 Officer, in consultation with the Leader of the Council and the Executive Member for Finance, to make any minor amendments to these Strategies if required throughout the 2023/24 Financial Year.**

1. Executive summary

- 1.1 This report recommends to Council approval of the proposed Capital Strategy, Investment Strategy and Treasury Management for 2023/24, together with their associated prudential indicators.

It is a legal requirement to publish these strategies by 31 March 2023.

- 1.2 Revised reporting is required since the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes included the introduction of a capital strategy, to provide a longer-term focus to the capital plans and greater reporting requirements surrounding any commercial activity undertaken.
- 1.3 The current guidance for a Council's level of borrowing is the Prudential Code (2021) and "proper practice" must be adhered to. The following extracts from the Code summarise the Code's approach to level of borrowing (self-regulating) and the governance that should apply.

"the local authority shall ensure that all its capital and investment plans are affordable, prudent and sustainable.

'A local authority shall determine and keep under review how much money it can afford to borrow.'

"the level of capital investment that can be supported will, subject to affordability and sustainability, be a matter for local discretion"

Capital Strategy - As from 2019/20, all local authorities are required to prepare an additional Capital Strategy report. The Capital Strategy for 2023/24 is attached in Appendix A.

In 4.3, the Capital Financing Requirement, the measure of the Council's potential underlying need to borrow for the capital programme, has been projected to be £26.3 million for 2023/24. This includes borrowing for leisure, an investment property in Dartmouth, waste, Housing, Batson Creek (Salcombe) commercial units and Batson Creek (Salcombe) Harbour Depot, Dartmouth Health and Wellbeing Hub, and Plymouth and South Devon Freeport (see 2.4 of the Capital Strategy).

Investment Strategy - The guidance includes a new requirement for Councils to prepare an Investment Strategy since 2019/20. Councils are required to prepare indicators that enable Members and the public to assess the Council's investments and the decisions taken. The new indicator measures net commercial income as a percentage of net service expenditure and total investment exposure.

Treasury Management Strategy - Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

- 1.4 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout all three of the Strategies presented for approval.
- 1.5 The three strategies were considered and scrutinised by the Audit and Governance Committee at their meeting on 9 March 2023 (Minute Reference AG.37/22).

2. Outcomes/outputs

- 2.1 In light of the recent raise in interest rates, the budget for investment income has increased for 2023/24 and has been set at £800,000.
- 2.2 External treasury management training (by Link Group) was arranged for all Members in March 2021 to ensure Members have up to date skills to continue to make capital and treasury management decisions. This training will take place every two years and it is planned that the next session will be carried out in the Summer of 2023 as part of the Member Induction programme.

3. Options available and consideration of risk

- 3.1 It is a statutory requirement for the Council to annually approve its Capital Strategy, Treasury Management Strategy and Investment Strategy.

4. Proposed Way Forward

- 4.1 That Council approves the Capital Strategy (Appendix A), Treasury Management Strategy (Appendix B) and Investment Strategy (Appendix C) for 2023/24.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The elements set out in paragraph 2 cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.</p> <p>It is within the Terms of Reference of the Audit and Governance Committee to receive regular reports on the treasury management function.</p> <p>It is within the Terms of Reference of the Executive to receive regular monitoring reports on the Council's Capital Programme and Capital Plans.</p> <p>It is within the Terms of Reference of the Council to annually approve the Capital Strategy, Treasury Management Strategy and Investment Strategy.</p>
Financial implications to include reference to value for money	Y	<p>Good financial management and administration underpins the entire treasury management strategy. The budget for investment income for 2023/24 has been set at £800,000.</p>
Risk	Y	<p>The security risk is the risk of failure of a counterparty. The liquidity risk is that there are liquidity constraints that affect the interest rate performance. The yield risk is regarding the volatility of interest rates/inflation. The Council produces an Annual Capital Strategy, Investment Strategy and Treasury Management Strategy in accordance with CIPFA guidelines.</p> <p>The Council engages a Treasury Management advisor and a prudent view is always taken regarding future interest rate movements. Investment interest income is reported quarterly to SLT and the Executive as part of budget monitoring reports.</p>
Supporting Corporate Strategy		<p>The treasury management function supports all of the thematic delivery plans within the 'Better Lives for All' strategy.</p>

Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>The Council has approved a budget of £600,000 in the Climate Change Earmarked Reserve.</p> <p>Further detail is set out in the Council's 'Better Lives for All' strategy.</p>
<i>Comprehensive Impact Assessment Implications</i>		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Capital Strategy 2023/24

Appendix B – Treasury Management 2023/24

Appendix C – Investment Strategy 2023/24

Background Papers:

None

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APPENDIX A

Capital Strategy 2023/24

1 Introduction

1.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- A high level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
- An overview of how associated risk is managed
- The implications for future sustainability

2 Capital Expenditure and Financing

2.1 Capital expenditure is where the Council spends money on assets, e.g. property/ vehicles that will be used for more than one year. In Local Government this includes spending on assets owned by other bodies and loans and grants to other bodies, enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, e.g. assets costing below £10,000 are not capitalised and are charged to revenue in the year.

2.2 As at the end of January 2023, the Council has incurred capital expenditure of £7.65 million and will incur further capital expenditure by the end of March 2023. The Council's capital expenditure is summarised below:

Capital expenditure	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Services	3,991,000	10,669,000	12,312,000	2,363,000	1,500,000
Total	3,991,000	10,669,000	12,312,000	2,363,000	1,500,000

Housing projects

- 2.3 Full Council approved the recommendations made on 25th November 2021 relating to the St Ann's Chapel Housing Project. £4.2million was approved to deliver 8 affordable homes, 3 open market units and 2 serviced plots. Completion is expected Summer 2023.

Plymouth and South Devon Freeport

- 2.4 At the Council meeting on 31 March 2022, Members considered a report on the Plymouth and South Devon Freeport (minute CM73/21). It was resolved that PWLB borrowing of up to £5 million was approved (funded from the retained business rates income generated by the Freeport), to match fund the Freeport Government seed funding relating to the delivery of the Langage site.

Regeneration and Investment Strategy

- 2.5 The Council has approved a Regeneration and Investment Strategy (Minute Reference CM 75/21, Council 31/3/2022). To date, Investment Properties have a value of £18.61 million in aggregate as at 31 March 2022.

Overall Borrowing Limit

- 2.6 In September 2019, Council approved an overall Borrowing Limit (for all Council Services) of £75 million. As at the end of January 2023, the Council's current level of external borrowing is £14.3m.
- 2.7 Local Authorities are required to submit a summary of their planned capital spending and PWLB borrowing for the following three years. This is updated on at least an annual basis. PWLB borrowing is permitted in the future for the four categories of regeneration, service delivery, housing and refinancing.

Governance

- 2.8 The Head of Finance Practice invites bids for capital funding from all service managers annually on the strict proviso that all bids must go towards meeting a strategic priority. All capital bids are ranked against a prescribed priority criteria which is set out in the bid process. Submitted capital bids are assessed against the categories in each priority. Priority 1 categories include meeting strategic priorities and statutory obligations (e.g. Health and Safety, Disability Discrimination Act etc.) and other capital works required to ensure the existing Council property assets remain open. Priority 2 categories link to good asset management whereby the capital work proposed would either generate capital/revenue income or reduce revenue spending. A capital bid that will enable rationalised service delivery or improvement is also considered a Priority 2 category to meet the Council's aims and objectives. The final capital programme is then presented to Executive and to Council in February each year.

2.9 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above capital expenditure is as follows:

Financing of capital expenditure	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Expenditure	3,991,000	10,669,000	12,312,000	2,363,000	1,500,000
Financed by:					
External sources (Capital grants, NHB, S106)	1,156,000	2,656,000	1,604,000	1,200,000	0
Own resources (Capital receipts, Earmarked reserves)	1,815,000	1,494,000	3,478,000	1,163,000	1,500,000
Net financing need for the year (This is the prudential borrowing required)	1,020,000	6,519,000	7,230,000	0	0

2.10 Debt is only a temporary source of finance, since loans must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Replacement of debt finance	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
MRP	344,000	488,000	545,000	745,000	751,000
Use of capital receipts	0	0	0	*1,400,000	0

**Capital receipts generated from the sale of houses (St Ann's Chapel housing scheme)*

Treasury Management

- 2.11** Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.
- 2.12** The Council is typically more cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 2.13** As at 31 January 2023, the Council had external borrowing of £14.309 million.
- 2.14** As at 30 September 2022, the Council held £54.116m of Investments.

3 Borrowing Strategy

- 3.1** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future.
- 3.2** These objectives are often conflicting, and the Council therefore will seek to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 3.3** Projected levels of the Council's total outstanding debt which comprises borrowing is shown below, compared with the capital financing requirement.

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Debt at 31 March	14,381,000	14,284,000	18,465,000	17,804,000	17,140,000
Capital Financing Requirement	13,536,000	19,568,000	26,253,000	24,109,000	23,358,000

- 3.4** The Capital Financing Requirement is the measure of the Council's underlying need to borrow for the capital programme. This has been projected to be £26.3 million for 2023/24. This includes borrowing for leisure, an investment property in Dartmouth, waste, housing, Batson Creek (Salcombe) commercial units, Batson Creek (Salcombe) Harbour Depot, Dartmouth Health and Wellbeing Hub and the Plymouth and South Devon Freeport (see 2.4).

4 Investment Strategy

- 4.1** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 4.2** The Council's policy on treasury investments is to prioritise security and liquidity over yield, i.e. to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss.
- 4.3** Money that will be held for longer terms is invested more widely including in collective investment schemes (pooled funds whose underlying assets are company shares, bonds, property etc.). Examples of which are the CCLA Local Authorities' Property Fund and the CCLA Diversified Income Fund in which the Council is invested to balance the risk of loss against the risk of receiving returns below inflation.
- 4.4** Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.
- 4.5** Further details on treasury investments can be found in the treasury management strategy (Appendix B).

Governance

- 4.6** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Corporate Director for Strategic Finance (S151 Officer) and finance staff (where appropriate), who must act in line with the treasury management strategy approved by Council.
- 4.7** Semi-annual reports on treasury management activity are presented to the Audit and Governance Committee which is responsible for scrutinising treasury management decisions.

5 Investments for Service Purposes

- 5.1** Decisions on service investments are made by the relevant service manager in consultation with the Corporate Director for Strategic Finance (Section 151 Officer) and must meet pre-approved criteria and limits. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

6 Risk Management and Due Diligence

- 6.1** The Council accepts there is a higher risk on property investments than with treasury investments. Financial risk will be weighed up against social and economic benefits of the investment. The principal risk exposures include variances resulting in a disruption or fall in income streams, fall in capital value which is either site-specific or due to general market conditions, deterioration in the credit quality of the tenant.
- 6.2** The Council 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:
- 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.
 - The property condition such as date of construction and any imminent or significant refurbishment or modernisation requirements (forecast capital expenditure).
 - How the property investment, financial or non-specified investment meets the Council's multiple objectives as set out in the Council's strategy.
 - The lease must meet certain standards, such as being in a commercial 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.
 - The location will be within the South Hams District Council's boundary as set out in the 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.

- Rental income paid by the tenant must exceed the cost of repaying the borrowed money from the Public Works Loan Board (which is itself funded by the Government). The surplus is then an ancillary benefit which supports the Council's budget position and enables the Council to continue to provide services for local people.
- Future borrowing from the Public Works Loan Board must meet one of the four permitted categories of borrowing of regeneration, service delivery, housing or re-financing of existing debt.
- The gross and net yield are assessed against the Council's criteria.
- The prevailing interest rates for borrowing at the time.
- Debt proportionality considerations.
- 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 and Management Reserve to cover any longer-term maintenance issues.
- The potential for property growth in terms of both revenue and capital growth will be assessed.
- 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.
- Details of acquisition costs e.g. stamp duty land tax, legal costs
- The documented exit strategy for a purchase/new build.
- 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.
- 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.

- 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.

6.3 Risk of loss shall be assessed on a case by case basis as part of the acquisition 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 Statutory Guidance on Local Government Investments, quantitative indicators or risk and portfolio performance will be reported to the Audit and Governance Committee. This will include the following indicators (as applicable):

- Rental value by property
- 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)
- Current value

Governance

6.4 Acquisitions must conform to the adopted Regeneration and Investment Strategy. Any deviation from the agreed Strategy will require Council approval.

6.5 The Council's Senior Leadership Team will initially consider each proposal as an initial step and recommend that the proposal proceeds in principle.

6.6 When any decision to proceed with a development or acquisition is being considered, local Ward Members will be consulted at the earliest opportunity and be able to share their views with Executive Members and be consulted before the final decision is made.

6.7 Executive Members, along with the Head of Paid Service and S151 officer, will consider each and every proposal on its own merits and specifically how each proposal meets the Council's multiple objectives and desired outcomes.

6.8 Executive Members 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 as well as the S151 officer, the Head of Paid Service and the Leader of the Council. Investment indicators are set out within the Council's Treasury Management Strategy.

- 6.9** 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 forecast. The Council also sets aside 10% annually of all rental income into a Maintenance, Management and Risk Mitigation (MMRM) Reserve. This is part of the Council's contingency arrangements.
- 6.10** Officers, working with their specialist advisors in the market will sift opportunities and only present to Executive Members, opportunities that closely meet the Strategy. They will then lead the Executive Members into debate over specific benefits and risks of each opportunity before the Executive Members make a decision. In this way, risk will be transparent through the process.
- 6.11** An annual report on Investment Properties will be presented to the Audit and Governance Committee.

Regeneration and Investment Strategy

- 6.12** The Council has approved a Regeneration and Investment Strategy (Minute Reference CM 75/21, Council 31/3/2022). To date, Investment Properties have a value of £18.61 million in aggregate as at 31 March 2022.

Debt Proportionality

- 6.13** The investment strategy considers the risks of investment and the Council engaged Treasury Management advisors to analyse the level of debt proportionality to the Council's finances (e.g. levels of reserves, asset base and level of interest costs as a percentage of income).
- 6.14** Investment Property acquisitions expand the Council's balance sheet and interest costs will form a higher percentage of locally derived income. It would absorb some reserves if there are shortfalls in or disruption to the income stream required to meet the additional expenditure.
- 6.15** Sensitivity analysis on the level of debt interest against the Council's level of reserves is considered as part of the Medium Term Financial Strategy and as part of the budget proposals each year. 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.
- 6.16** In order that property investments remain proportionate to the size of the Council, borrowing for the Investment Strategy is subject to an overall limit (for all Council services) of £75 million.
- 6.17** The Council set an upper limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million. Interest payments at 4% would equate to 18.9% of available reserves (Appendix G to the Budget Proposals report for 2023/24 – Council 16th February 2023).

Liquidity

- 6.18** 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 Council 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.
- 6.19** Liquidity will be a factor in determining the amount of rent set aside in the Maintenance Management and Risk Mitigation Reserve for each investment which has a balance of £95,000 as at 31 March 2023. This will be reviewed with the same frequency as the risk reporting procedure set out in the Council's Commercial Investment Strategy.

7 Asset Management

- 7.1** To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place.
- 7.2** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.
- 7.3** Repayments of capital grants, loans to third parties for capital expenditure and investments also generate capital receipts.
- 7.4** The Council estimates to receive £200,000 capital receipts in the coming financial year as follows:

Capital Receipts	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Asset sales	357,000	200,000	200,000	*1,400,000	200,000
Loans repaid	0	0	0	(1,400,000)	0
TOTAL	357,000	200,000	200,000	0	200,000

**Capital receipts generated from the sale of the houses*

8 **Liabilities**

Governance

- 8.1 Decisions on incurring new discretionary liabilities are taken by Head of Practice in consultation with the Corporate Director for Strategic Finance (Section 151 Officer).
- 8.2 The risk of liabilities crystallising and requiring payment is monitored as part of the budget monitoring and reported to the Executive quarterly.

9 **Revenue Budget Implications**

- 9.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Proportion of financing costs to net revenue stream

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Financing costs	711,514	*(257,136)	98,845	414,499	406,858
Proportion of net revenue stream	7.2%	(2.5%)	0.8%	3.6%	3.5%

* the financing costs are a net income stream in 22/23 due the level of projected treasury management income

- 9.2 Further details on the revenue implications of capital expenditure are included in the Revenue Budget.

Sustainability

- 9.3 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future.
- 9.4 The Corporate Director of Strategic Finance (S151 Officer) is satisfied that the proposed capital programme is prudent, affordable and sustainable and it is fully integrated with the Council's 2023/24 Medium Term Financial Strategy, Treasury Management Strategy and Investment Strategy and other strategic plans. The Capital Strategy is compiled in line with the requirements of the 2021 CIPFA Prudential Code and 2021 Treasury Management Code. The risks associated with the Investment Strategy are covered within the Strategy.

- 9.5** The delivery of the individual capital schemes on the plan is directly linked to the original approval of the capital project supported by each project having a project lead who is responsible for the delivery of the project (appropriate skills, contracting, planning etc.) and the subsequent achievement of the objectives of that project.
- 9.6** Members, via the Executive meetings, receive quarterly budget monitoring reports on the Council's Capital Programme as well as quarterly integrated performance management reports. Through these updates, which are driven by the requirement of financial reporting, Members can review and challenge the delivery of projects and any changes to both the timing and expenditure of the capital project.
- 9.7** If subsequent to the capital project being completed there are variations to the income expected to be generated from that asset, this will be reported as a variance in the quarterly budget monitoring reporting and if ongoing will be included in the following year's revenue budget proposals.
- 9.8** The Council's Senior Leadership Team has oversight for the delivery of and challenge to the Capital Strategy and Capital Programme.

Affordability

- 9.9** Affordability is critical in applying the capital strategy and approving projects for inclusion in the capital programme. This is either demonstrated by a report on the project being presented to Executive/Council for approval supported by a business case identifying the expenditure and funding, appraisal of alternative options and the risks and rewards for the approval of the scheme, or by delegated procedures set out within the commercial investment strategy (containing this information).
- 9.10** All projects need to have a clear funding source. If external funding such as an external grant is to be used, there needs to be a clear funding commitment.
- 9.11** Affordability of each project needs to be clear, not only for the funding of the capital spend, but also to cover any ongoing costs of the operation and funding of that capital spend.
- 9.12** Where borrowing is to be used the affordability is of greater importance and the affordability has to include the interest costs of that borrowing and the provision for the repayment of the borrowing (MRP). This repayment is matched to a prudent asset life and any income streams estimated to fund this asset must be sustainable. The rules around the governance of this borrowing are outlined in the Prudential Code (as summarised above).
- 9.13** At no stage should the asset value be lower than the value of outstanding debt unless there is a clear plan to mitigate that shortfall or to sell that asset.

Risks

- 9.14** The risks associated with a significant Capital Programme and a significant level of borrowing can be mitigated through all capital projects being supported by a business case, having adequate project management and/or project boards, suitable skills for the delivery of the project, tax planning, cash flow, clear operational plan for the use of the asset, security and due diligence on loans and purchases, use of external advice where appropriate, project contingencies, full tender process and regular and transparent reporting to Members.
- 9.15** There are clear links from the capital strategy to both the treasury management strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by Members at the Audit and Governance Committee and Council. For any new borrowing, and this is a greater risk as the value of borrowing increases, this does increase the Council's overall liabilities that will need to be repaid in the future.
- 9.16** In addition, this increases the Council's level of fixed interest and repayment costs that it will incur each year. In 2023/24 the borrowing liability is estimated at a maximum of £18m with ongoing financing costs of the borrowing of approx. £0.9m. This is a clear risk that all Members need to be aware of.
- 9.17** However, this risk for assets is mitigated by a robust business case and a MRP that will repay the borrowing costs over a (prudent) asset life. Any variations from this are set out in the MRP Policy (section 2.5 of the Treasury Management Strategy). Any variation in expected income is an issue, however given the wide range of operational assets and different income streams this helps to mitigate this risk.
- 9.18** As outlined above in the position statement, investment properties have a different type and level of risk. Risk arises from both variations in income streams (tenant non-renewal etc.) and from asset values (impact economic conditions and retail trends etc.). The Council has established a clear strategy, criteria and a governance route for these purchases which has included member training, second opinion on asset values, due diligence, site visits, surveys etc. The Council currently owns one investment property in Dartmouth.
- 9.19** There are risks (and rewards) associated with the purchase of these type of assets.

10 Knowledge and Skills

- 10.1** The Council employs professionally qualified and experienced staff in senior positions with responsibility for recommending capital expenditure, borrowing and investment decisions to Members.
- 10.2** The Director of Place & Enterprise is a Chartered Civic Engineer with 19 years of experience. In addition, the Director of Place & Enterprise holds a MSc in Construction Law.
- 10.3** The Corporate Director of Strategic Finance (S.151 Officer) is a Chartered Accountant (ICAEW) with 19 years of experience of being a S151 Officer (Chief Finance Officer). In addition, the Corporate Director for Strategic Finance holds a BSc in Mathematics and has previously worked in the private sector for accountancy firms.
- 10.4** The Principal Estates Specialist is a Chartered Surveyor, with over 15 years post qualification experience.
- 10.5** The Monitoring Officer is a qualified solicitor with over 20 years public sector experience as a Monitoring Officer.
- 10.6** Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The appropriate expertise is always resourced in relation to any financial, legal and asset related due diligence required. A list is below of advisors the Council has used in the past:-
- Link Group – Treasury Management Advice
 - Savills – Property Agents
 - JLL – Property and Technical Consultants
 - Arcadis – Building Surveyors and Engineers
 - Womble Bond Dickinson - Solicitors
- 10.7** This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 10.8** External treasury management training (by Link Group) for Members will be carried out every two years to ensure the up to date skills are in place to make capital and treasury management decisions. Training was last completed in March 2021 and it is planned that the next session will be carried out in the late Summer of 2023 as part of the Member Induction programme.

Treasury Management Strategy Statement 2023/24

1. Introduction

1.1 Background

- 1.1.1 The Council is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.1.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.1.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.
- 1.1.5 CIPFA defines treasury management as:
- “The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

1.2 Reporting Requirements

Capital Strategy

- 1.2.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability
- 1.2.2 The aim of this capital strategy is to ensure that all elected Members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 1.2.3 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:
- The corporate governance arrangements for these types of activities;
 - Any service objectives relating to the investments;
 - The expected income, costs and resulting contribution;
 - The debt related to the activity and the associated interest costs;
 - The payback period (MRP policy – Minimum Revenue Provision);
 - For non-loan type investments, the cost against the current market value;
 - The risks associated with each activity.
- 1.2.4 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.
- 1.2.5 The Capital Strategy sets out details of the Council's Investment Strategy, which included multiple objectives: (a) to support regeneration and the economic activity of the Council (b) to enhance economic benefit (c) to grow business rate income (d) to assist with the financial sustainability of the Council as an ancillary benefit and (e) to help continue deliver and/or improve frontline services in keeping with its adopted strategy and objectives.
- 1.2.6 If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

- 1.2.7 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

Treasury Management Reporting

- 1.2.8 The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.
- a. Prudential and treasury indicators and treasury strategy** (this report) -
The first, and most important report is forward looking and covers:
- the capital plans, (including prudential indicators);
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
 - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how investments are to be managed).
- b. A mid-year treasury management report** – This is primarily a progress report and will update Members on the capital position, amending treasury and prudential indicators as necessary, and whether any policies require revision.
- c. An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

- 1.2.9 The above reports are required to be adequately scrutinised before being approved by Council. Periodic Treasury Management reports are reported to the Audit and Governance Committee for this purpose. Prior to the annual strategies being recommended to Council on 30th March 2023, the strategies are presented to the Council's Audit and Governance Committee on 9th March 2023 for scrutiny.

1.3 Treasury Management Strategy for 2023/24

- 1.3.1 The strategy for 2023/24 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

1.3.2 These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

1.4.1 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. Training was last completed in March 2021 and it is planned that the next session will be carried out in the Summer of 2023 as part of the Member Induction programme.

The training needs of treasury management officers are periodically reviewed.

1.5 Treasury Management advisors

1.5.1 The Council uses Link Group, Link Treasury solutions as its external treasury management advisors.

1.5.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

1.5.3 It also recognises that there is value in procuring external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

1.5.4 The scope of investments within the Council's operations now includes both conventional treasury investments (the placing of residual cash from the Council's functions), and other types of investment, such as investment properties. The Council currently has two investment properties in Dartmouth and Ivybridge (Lee Mill). The Council's negotiating team includes the Strategic Director of Place and Enterprise and the S.151 Officer, who are both members

of the Senior Leadership Team. Both Officers are aware of the core principles of the prudential framework and of the regulatory regime within which Local Authorities operate. The S.151 Officer has attended specific treasury management training courses around the new DLUHC Guidelines on investments and the accounting treatment.

1.5.5 Investments require specialist advisors and the appropriate expertise is always resourced in relation to these activities. The specialist advisors that have been used in the past include:

- Link Group – Treasury Management Advice
- Savills – Property Agents
- JLL – Property and Technical Consultants
- Arcadis – Building Surveyors and Engineers
- Womble Bond Dickinson – Solicitors

2. The Capital Prudential Indicators 2023/24 – 2025/26

2.1 The Council’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members’ overview and confirm capital expenditure plans.

2.2 Capital Expenditure

2.2.1 This prudential indicator is a summary of the Council’s capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Services	3,991,000	10,669,000	12,312,000	2,363,000	1,500,000
Total	3,991,000	10,669,000	12,312,000	2,363,000	1,500,000

2.2.2 Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

2.2.3 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Expenditure	3,991,000	10,669,000	12,312,000	2,363,000	1,500,000
Financed by:					
External sources (Capital grants, NHB, S106)	1,156,000	2,656,000	1,604,000	1,200,000	0
Own resources (Capital receipts, Earmarked reserves)	1,815,000	1,494,000	3,478,000	1,163,000	1,500,000
Net financing need for the year (This is the prudential borrowing requirement)	1,020,000	6,519,000	7,230,000	0	0

2.3 The Council's Borrowing Need (the Capital Financing Requirement)

- 2.3.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources (e.g. capital receipts). It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR, if it is funded by borrowing.
- 2.3.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP – capital repayment of the borrowing) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- 2.3.3 The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council does not currently have any such schemes within the CFR.

2.3.4 The Council is asked to approve the CFR projections below:

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Financing Requirement					
CFR – services	8,629,000	14,707,000	21,440,000	19,345,000	18,645,000
CFR - Non-financial investments	4,907,000	4,861,000	4,813,000	4,764,000	4,713,000
Total CFR	13,536,000	19,568,000	26,253,000	24,109,000	23,358,000
Movement in CFR	534,000	6,032,000	6,685,000	(2,144,000)	(751,000)

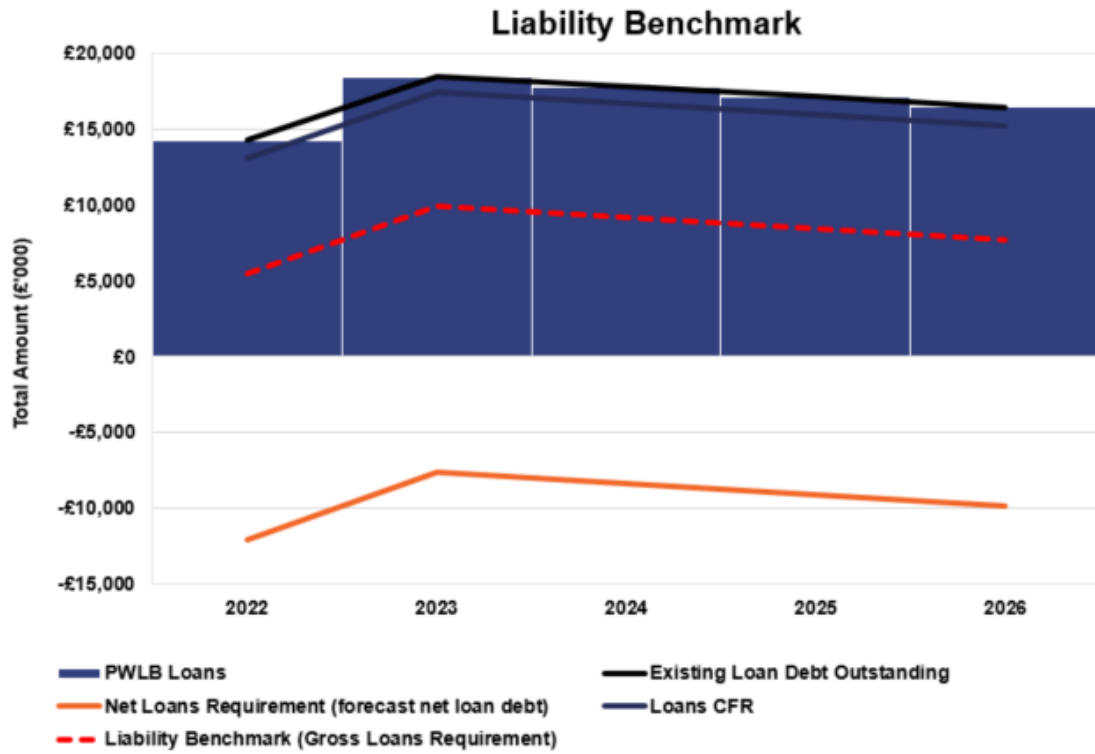
Movement in CFR represented by					
Net financing need for the year (above)	1,020,000	6,519,000	7,230,000	0	0
Less MRP/VRP and other financing movements	(486,000)	(487,000)	(545,000)	(2,144,000)	(751,000)
Movement in CFR	534,000	6,032,000	6,685,000	(2,144,000)	(751,000)

2.4 Liability Benchmark

2.4.1 A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

2.4.2 There are four components to the LB: -

- **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
- **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.



2.4.3 Borrowing is currently above the liability benchmark which will be utilised when future capital schemes in the Capital Strategy are delivered.

2.5 Core Funds and Expected Investment Balances

2.5.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Fund balances / reserves	22,895,000	21,895,000	20,895,000	19,895,000	18,895,000
Capital receipts	2,950,000	3,239,000	1,862,000	2,177,000	2,492,000
Provisions	1,494,000	1,500,000	1,500,000	1,500,000	1,500,000
Other	(1,705,000)	500,000	500,000	500,000	500,000
Total core funds	25,634,000	27,134,000	24,757,000	24,072,000	23,387,000
Working capital*	30,609,000	18,000,000	16,000,000	14,000,000	14,000,000
(Under)/over borrowing	845,000	(5,284,000)	(7,788,000)	(6,305,000)	(6,218,000)
Expected cash position	31,454,000	12,716,000	8,212,000	7,695,000	7,782,000

*Working capital balances shown are estimated year-end; these may be higher mid-year

2.6 Minimum Revenue Provision (MRP) Policy Statement

2.6.1 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP). The MRP is the capital repayment of any borrowing.

2.6.2 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

2.6.3 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR.

2.6.4 This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

- 2.6.5 From 1 April 2008 for all unsupported borrowing the MRP policy will be:
- **Asset life (equal instalment) method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
 - **Asset life (annuity) method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
- 2.6.6 These options provide for a reduction in the borrowing need over the asset's life.
- 2.6.7 The asset life methods are simple to operate and gives certainty in each year as to the level of charge applied. The other advantage is that they make business cases and scheme appraisals easier to compile. The annuity method is intended to have the advantage of linking MRP to the flow of benefits from an asset where these are expected to increase in later years. The annuity method gives rise to a lower charge in the early years, which steadily increases over the asset life. This approach means that the MRP for repayment of the debt liability will increase each year over the life of the asset, as the proportion of the interest calculated each year reduces and the principal repayment increases.
- 2.6.8 With all options, MRP should normally commence in the financial year following the one in which expenditure was incurred. Regulation 28 does not define 'prudent'.
- 2.6.9 With all options, MRP should normally commence in the financial year following the one in which expenditure was incurred. Regulation 28 does not define 'prudent'. However, MRP guidance has been issued, which makes recommendations to Councils on the interpretation of that term. Councils are legally obliged to 'have regard' to the guidance. The Council's policy will be that MRP will not normally commence until the start of the financial year following the one in which the expenditure was incurred and the asset became operational. The Council will postpone making MRP until the financial year following the one in which the asset becomes operational.
- 2.6.10 **MRP Overpayments** - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2022 the Council had no VRP overpayments.

2.6.11 **Housing projects** – For the Council’s housing programme, some of the assets to be developed will be sold within a short timeframe after they have been built. The Council’s MRP policy for these housing assets will be that capital receipts generated on the sale of assets will be set aside and used to reduce the Council’s CFR and also the amount that would otherwise be chargeable as MRP in that period. The Council will also defer the provision of MRP that would otherwise be chargeable in a period, in anticipation of capital receipts arising from future sales which have yet to be materialised. If the capital receipts from the sale of assets were insufficient to provide for the CFR relating to the scheme, the Council would commence MRP to recover any sums that were not covered by future capital receipts.

3. **Borrowing**

3.1 The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council’s cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council’s capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.2 **Current Portfolio Position**

3.2.1 The overall treasury management portfolio as at 31 March 2021 and for the position as at 31 January 2023 are shown below for both borrowing and investments.

Treasury Portfolio	31 March 2022 Actual		31 January 2023 Current	
Treasury Investments:				
Short term – fixed	30,500,000	0.51%	27,900,000	1.79%
Money Market Funds	22,400,000	0.38%	21,300,000	1.83%
Heritable Bank	11,000		11,000	
CCLA – Local Authority Property Fund	1,573,000	3.25%	1,573,000	3.25%
CCLA – Diversified Income Fund	2,032,000	2.39%	2,032,000	2.39%
Total treasury investments	56,516,000		52,816,000*	
Treasury External Borrowing				
PWLB (average rate)	14,380,000	2.43%	14,309,000	2.43%
Total external borrowing	14,380,000		14,309,000	
Net treasury investments / (borrowing)	42,136,000		38,507,000	

**The Council’s investments mid way through the year are always higher than at the year end due to the cashflow advantage that the Council benefits from part way through the year from the collection of Council Tax, before these are paid out to precepting authorities.*

3.2.2 The Council's current Non-Treasury Investment portfolio position is shown below.

Asset	Purchase Price (£)	Year Purchased	Asset life for the calculation of MRP (Years)	Value at 31 March 2022* (£)
Lee Mill Tesco	4,400,000		50	13,860,000
Dartmouth M&S	5,029,000	2019/20	50	4,750,000
TOTAL	9,429,000			18,610,000

*following fair value adjustments

3.2.3 The Fair Value Valuation at 31.3.2022 of the two investment properties was £18.610 million.

3.2.4 During 2017/18, officers undertook a review of existing assets which resulted in the Council reclassifying the site at Lee Mill as an investment property with effect from 31 December 2017. The Council receives rental income from this property and there is no borrowing associated with this non-treasury investment.

3.2.5 Indicators for the Council's Non-Treasury Investment portfolio are shown below.

Non-Treasury Investment Indicators	Actual 2021/22	Estimate as at 31 Mar 23
Total investment income as a proportion of the Council's Net Budget	6.71%	6.23%
Borrowing for Non-Treasury investments as a proportion of the Council's Net Budget	51.06%	47.44%
Investment income from Investment Properties compared to the interest expense incurred by them	571.06%	572.10%

3.2.6 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
External Debt					
Debt at 1 April	14,474,000	14,381,000	14,284,000	18,465,000	17,804,000
Expected change in Debt	(93,000)	(97,000)	4,181,000	(661,000)	(664,000)
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	14,381,000	14,284,000	18,465,000	17,804,000	17,140,000
The Capital Financing Requirement	13,536,000	19,568,000	26,253,000	24,109,000	23,358,000
Under / (over) borrowing	(845,000)	5,284,000	7,788,000	6,305,000	6,218,000

3.2.7 Within the above figures the level of debt relating to investment activities / non-financial investment is:

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
External Debt for investment activities / non-financial investments					
Actual debt at 31 March for Investment activities	5,011,000	4,965,000	4,917,000	4,867,000	4,816,000
Percentage of all PWLB external debt %	35%	35%	27%	27%	28%

3.2.8 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

3.2.9 The Corporate Director for Strategic Finance (S151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report for 2023/24.

3.3 Treasury Indicators: Limits to Borrowing Activity

3.3.1 In September 2019, Council approved an overall Borrowing Limit (for all Council Services) of £75 million. The Operational Boundary is recommended to be set at £35 million to reflect the current projected levels of borrowing. Council are asked to re-affirm the total Authorised Borrowing Limit of £75 million.

3.3.2 **The Operational Boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
Total external debt	50,000,000	35,000,000	35,000,000	35,000,000

3.3.3 **The Authorised Limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

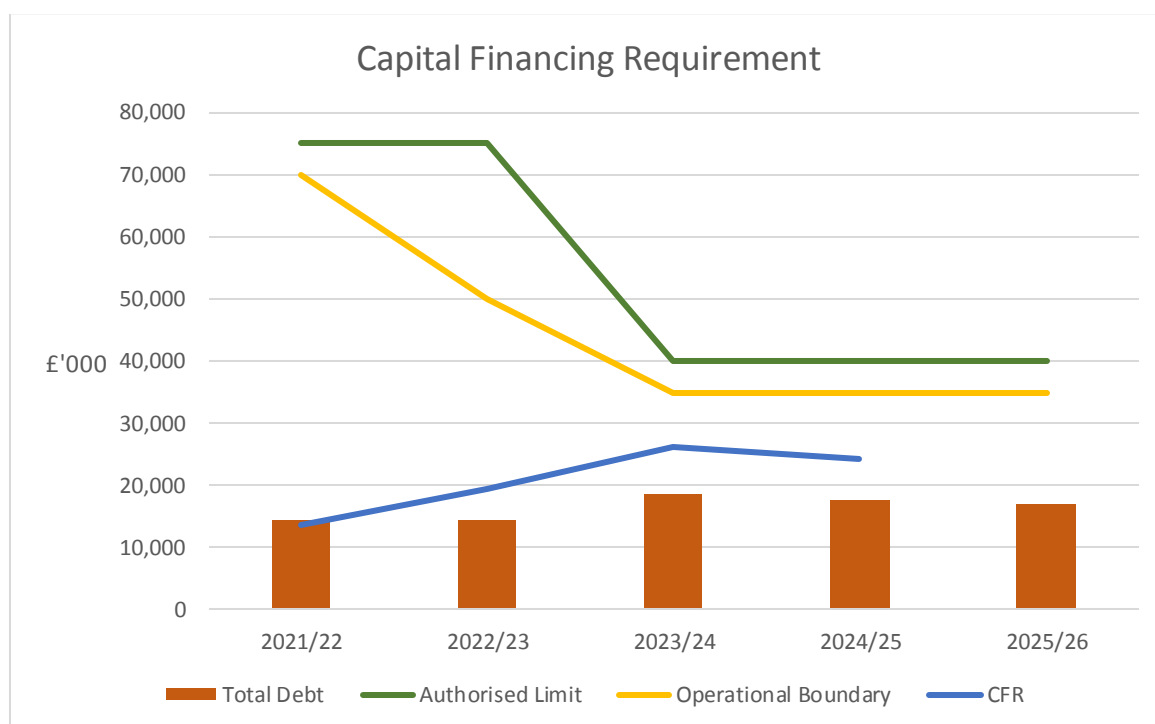
3.3.4 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

3.3.5 The Council is asked to approve the following authorised limit of £40 million:

Authorised limit	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
Total external debt	75,000,000	40,000,000	40,000,000	40,000,000


3.3.6 The graph below shows the CFR and borrowing projections.

	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
General Fund	8,629,000	14,707,000	21,440,000	19,345,000	18,645,000
Investment activities / non-financial investments	4,907,000	4,861,000	4,813,000	4,764,000	4,713,000
Total CFR	13,536,000	19,568,000	26,253,000	24,109,000	23,358,000
External Borrowing	14,381,000	14,284,000	18,465,000	17,804,000	17,140,000
Authorised Limit	75,000,000	75,000,000	40,000,000	40,000,000	40,000,000
Operational Boundary	70,000,000	50,000,000	35,000,000	35,000,000	35,000,000



3.4 Prospects for Interest Rates

3.4.1 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts. These are forecasts for certainty rates, gilt yields plus 80 bps.

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3.4.2 The Bank Rate stands at 4.0% currently but as shown in the forecast table above, it is expected to reach a peak of 4.5% during the first half of 2023.

3.4.3 Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

3.4.4 In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

3.4.5 On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

3.4.6 **PWLB rates** – The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.60%.

3.5 Borrowing Strategy

3.5.1 The Council will continue to assess the opportunities to borrow and look to use a mix of external loans to finance any increase in the Capital Financing Requirement (CFR). Any opportunities to reduce interest costs by maintaining an under-borrowed position will be considered. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.

3.5.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Corporate Director for Strategic Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then any further external borrowing could be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

3.5.3 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

3.6 Policy on Borrowing in Advance of Need

3.6.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

3.6.2 Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 100% of the expected increase in borrowing need (CFR) over the three year planning period; and
- The authority would not look to borrow more than 36 months in advance of need.

3.6.3 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.7 Debt Rescheduling

3.7.1 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

3.7.2 If rescheduling is to be undertaken, it will be reported to the Council at the earliest meeting following its action.

3.8 New Financial Institutions as a Source of Borrowing

3.8.1 Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years)
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time and minimum amounts of borrowing)

3.8.2 Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.9 Maturity Structure of Borrowing

3.9.1 These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Maturity structure of fixed interest rate borrowing 2023/24		
	Lower	Upper
Less than 1 year	0%	10%
Between 1 and 2 years	0%	10%
Between 2 years to 5 years	0%	50%
Between 5 years to 10 years	0%	50%
Between 10 years to 20 years	0%	50%
20 years and above	0%	100%

3.10 Approved Sources of Long and Short Term Borrowing

3.10.1 Approved sources of borrowing are as follows:

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Medium Term Notes	●	
Finance leases	●	●

APPENDIX B1

TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Executive

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Audit and Governance Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

(iv) Delegation from the Director of Strategic Finance (S151) to the nominated posts for the taking of investment decisions

- Head of Finance (Deputy S151)
- Finance Business Partners

APPENDIX B2

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe for example 25+ years.
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that Members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above

- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (*TM Code p54*): -
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

APPENDIX C

Annual Investment Strategy 2023/24

1. Annual Investment Strategy

1.1 Investment Policy – Management of Risk

- 1.1.1 The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).
- 1.1.2 The Council’s investment policy has regard to the following: -
- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
 - CIPFA Treasury Management Guidance Notes 2021
- 1.1.3 The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.
- 1.1.4 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix C1 under the categories of ‘specified’ and ‘non-specified’ investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being £6.86 million of the total investment portfolio, (see Appendix C1).
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 1.2.6.
7. **Transaction limits** are set for each type of investment in 1.2.6.
8. This Council will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 1.4.6).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 1.3.1).
10. This authority has engaged **external advisers**, to provide expert treasury management advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 23). At the current juncture it has not been determined whether a further extension to the over-ride will be agreed by Government.
13. **Investments in equity instruments designated at fair value through other comprehensive income.** Upon transition to IFRS9 – Financial Instruments on 1 April 2018, the Council elected to designate the CCLA Property Fund investment (£0.5m) and the CCLA Diversified Income Fund (£1m) as fair value through other comprehensive income. These investments are eligible for the election because they meet the definition of equity instruments in paragraph 11 of IAS32 and are neither held for trading (the Council holds this investment as a long term strategic investment) nor contingent consideration recognised by an acquirer in a business combination to which IFRS3 applies. They are not considered to be puttable instruments because the Council does not have a contractual right to put the instrument back to the issuer for cash. The Council currently holds £1.5m in the CCLA Property Fund and £2m in the CCLA Diversified Income Fund.

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 1.5.1). Regular monitoring of investment performance will be carried out during the year.

1.2 Creditworthiness Policy

1.2.1 This Council applies the creditworthiness service provided by Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- “watches” and “outlooks” from credit rating agencies;
- CDS spreads that may give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

1.2.2 This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour - not to be used

1.2.3 The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

1.2.4 Typically, the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

1.2.5 All credit ratings will be monitored on a real-time basis. The Council is alerted to changes to ratings of all three agencies through its use of the creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

1.2.6 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, as well as information on any external support for banks to help support its decision making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5 years	Up to 5 years	Up to 5 years	Up to 2 years	Up to 1 year	Up to 1 year	Up to 6 months	Up to 100 days	No colour

	Minimum credit criteria/colour band	Limit per institution Max % of total investments	Maximum maturity
DMADF	n/a	100%	6 months
Money Market Funds	AAA	£6m	Daily liquidity
Cash Plus Funds/ Ultra short bond funds	AAA, AA	£6m	T+1 to T+4
CCLA Local Authorities Property Fund	Not credit rated	£1.5m	No fixed maturity date but will generally be held for up to 7 years
CCLA Diversified Income Fund	Not credit rated	£2m	No fixed maturity date but will generally be held for up to 7 years
Local Authorities	Yellow	£6 million per institution	5 years
Unsecured investments with banks and building societies	Yellow Purple Blue Orange Red Green No Colour	£6m (£7m for Lloyds plc)	Up to 5 years Up to 2 years Up to 1 years Up to 1 years Up to 6 months Up to 100 days Not for use
Share capital in a body corporate	N/A	nil	N/A
Loan capital in a body corporate	N/A	£0.36 million	N/A

Creditworthiness

- 1.2.7 Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.
- 1.2.8 **CDS prices.** Although bank CDS prices (these are market indicators of credit risk) spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

1.3 Limits

- 1.3.1 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.
- a) **Non-specified investment limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being £6.86 million of the total investment portfolio.
- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** (see Appendix C2).
- c) **Other limits.** In addition:
- no more than £6 million will be placed with any non-UK country at any time;
 - limits in place above will apply to a group of companies;
 - sector limits will be monitored regularly for appropriateness.
- 1.3.2 **Loans.** In accordance with the Statutory Guidance on Local Government Investments, a local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth.

The Council can make such loans whilst continuing to have regard to this guidance, subject to the following requirements of the Council's strategy, being:-

- i) Total financial exposure to these type of loans is proportionate;
- ii) The Council uses an allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard (IFRS) 9 Financial Instruments as adopted by proper practices to measure the credit risk of its loan portfolio;
- iii) The appropriate credit control arrangements to recover overdue repayments are in place; and
- iv) The local authority has formally agreed the total level of loans by type that it is willing to make and the total loan book is within the self-assessed limit.

1.4 Investment Strategy

1.4.1 **In-house Funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

1.4.2 Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

1.4.3 **Investment Returns Expectations.** The current forecast includes a forecast for Bank Rate to reach 4.5% in Q2 2023.

1.4.4 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council’s liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

1.4.5 The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
	2023/24	2024/25	2025/26
Principal sums invested for longer than 365 days	£3,500,000	£3,500,000	£3,500,000
Current investments as at 31.01.23 in excess of 1 year maturing in each year*	£3,500,000	£3,500,000	£3,500,000

**Monies already invested in the CCLA Property Fund (£1.5 million) and the CCLA Diversified Income Fund (£2 million)*

1.4.6 For its cash flow generated balances, the Council will seek to utilise its money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

1.4.7 The Council's investments are predominantly sterling-denominated term deposits. These are not long-term investments that are specifically used by financial institutions to "on-finance" projects, but used as part of day-to-day cash flow balances. The Council also does not make equity investments in financial institutions.

1.5 Investment Performance / Risk Benchmarking

1.5.1 The Council will use an investment benchmark to assess the investment performance of its investment portfolio of the Sterling Overnight Interbank Average rate (SONIA).

1.6 End of Year Investment Report

1.6.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

APPENDIX C1

Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

Specified Investments

All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable.

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
DMADF – UK Government	N/A	100%	6 months
Money Market Funds	AAA	£6,000,000 per fund	Liquid
Ultra Short Dated Bond Funds	AAA	£6,000,000	Liquid
Local authorities	Yellow	£6,000,000 per institution	12 months
Term deposits with banks and building societies	Blue	£6,000,000 per institution (£7,000,000 for Lloyds)	Up to 1 Year
	Orange		Up to 1 Year
	Red		Up to 6 months
	Green		Up to 100 days
	No Colour		Not for use

Non-Specified Investments

Investment instruments with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use. The Council's CCLA Property Fund investment (£1.5m) and CCLA Diversified Income Fund investment (£2m) are the only investment types that the Council has which meets the definition of a non-specified investment.

The limits shown below for share capital and loan capital are the maximum limits for this investment type.

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
Property Investment Funds – CCLA	N/A	£1,500,000	No fixed maturity date but will generally be up to 7 years
Diversified Income Fund – CCLA	N/A	£2,000,000	No fixed maturity date but will generally be up to 7 years
UK Government Gilts	Yellow	£3,000,000	5 Years
Share capital in a body corporate (See note 1 and note 2 below)	N/A	nil	N/A
Loan capital in a body corporate (See note 1 and note 2 below)	N/A	£360,000	N/A
TOTAL		£6,860,000	

Note 1. The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. The Council will seek further advice on the appropriateness and associated risks with investments in these categories.

Note 2. The Executive report on 28 January 2021 set out the details of a secured loan of up to £360,000 for seven years for a housing project.

APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link Group credit worthiness service.

Although the countries listed below are eligible for Investment as their credit rating is AA- or higher, the Council mainly invests with Banks or Building Societies within the UK.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Qatar
- U.K

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Report to: **Council**

Date: **30 March 2023**

Title: **Modbury Neighbourhood Plan**

Portfolio Area: **Place Making - Cllr J Pearce Leader of the Council**

Wards Affected: **Charterlands**

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

Date next steps can be taken: Immediately

Author: **Elliott Hale** Role: **Neighbourhood Planning Specialist**

Contact: Elliott.hale@swdevon.gov.uk

RECOMMENDATION:

That Council approves the making (adoption) of the Modbury Neighbourhood Development Plan.

1. Executive summary

1.1 Following the decision of the Executive that the draft Modbury Neighbourhood Plan with the modifications proposed by the Examiner met the Basic Conditions and the draft Neighbourhood Plan should therefore be subject to a referendum, a referendum was held on 9 March 2023. A majority of those eligible to vote in the referendum voted in favour of the Neighbourhood Plan being made.

1.2 The District Council is obliged therefore to make or adopt the Neighbourhood Plan.

2. Background

2.1 The Modbury Neighbourhood Plan has been undertaken by Modbury Parish Council in accordance with the relevant legislation and regulations.

2.2 At its meeting on 26 January 2023, the Executive considered the Examiner’s report and agreed that with the modifications proposed by the Examiner, the plan would meet the basic conditions, so could proceed to referendum (Min. E.75/22 refers). A referendum was held on 9 March 2023 and achieved a turnout of 28.03% of local residents. Of these, 84.78% voted in favour of the plan.

2.3 Regulation 18a of the Neighbourhood Planning (General) Regulations 2012 requires that a neighbourhood plan is ‘made’ by the Local Planning Authority no later than 8 weeks from the date of a successful referendum. In this case the relevant date by which the plan should be made is 4 May 2023.

3. Outcomes/outputs

3.1 Once made, the Modbury Neighbourhood Development Plan will become part of the Local Development Plan and will be used to help decide planning applications in the Modbury area.

3.2 A successful outcome for this neighbourhood plan will provide encouragement to the many other Parishes who are currently working on neighbourhood plans.

4. Options available and consideration of risk

4.1 Neighbourhood Plans come into force as part of the Development Plan immediately following a successful referendum. Therefore the Modbury Neighbourhood Plan should now be used to decide planning applications.

4.2 However, in order to comply with the relevant legislation, the Local Planning Authority must make a neighbourhood plan within the required timeframe following a successful referendum, unless a legal challenge has been brought in relation to the referendum or unless there are concerns about the compatibility of the neighbourhood plan with any EU or human rights legislation. In this instance there are no such concerns.

4.3 Failure to make the Modbury Plan within the required timeframe could open the Council to legal challenge.

5. Proposed Way Forward

It is recommended that Council approve the making of the Modbury Neighbourhood Development Plan.

6. Implications

Implications	Relevant to proposals Y/N	Details are set out in this report.
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Legal/Governance	Y	The function of making a neighbourhood plan is the responsibility of the full Council. The Modbury Neighbourhood Plan has followed the procedure in the Neighbourhood Planning (General) Regulations 2012 and the referendum has been held in accordance with the Neighbourhood Planning (Referendums) Regulations 2012. The Council is therefore required to make the Neighbourhood Plan and must do so within 8 weeks of the date of the referendum.
Financial implications to include reference to value for money	N	There are no financial implications. Neighbourhood Plans are supported through Government grants program. There is an internal cost recovery system for referendums.
Risk	Y	There is a risk of legal challenge if the Neighbourhood Plan is not made within the required timeframe
Supporting Corporate Strategy	Y	The Councils's role in the Neighbourhood Plan process is a statutory duty.
Climate Change - Carbon / Biodiversity Impact	Y	The Modbury Neighbourhood Plan aligns with the Joint Local Plan and contains policies aimed at mitigating the effects of Climate Change and impacts upon Biodiversity.
Comprehensive Impact Assessment Implications		
Equality and Diversity	Y	The Neighbourhood Plan has assessed Equality and Diversity implications as part of its background evidence.
Safeguarding	N	None
Community Safety, Crime and Disorder	N	No direct implications.
Health, Safety and Wellbeing	Y	Positive outcomes are anticipated from the making of the Neighbourhood Plan.
Other implications	N	None

Supporting Information

Appendices:

Appendix 1: Modbury Neighbourhood Plan - Referendum version

Background Papers:

Background documents to the Modbury Neighbourhood Plan on line at:-
<https://www.neighbourhoodplanning.swdevon.gov.uk/modbury>

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MODBURY NEIGHBOURHOOD PLAN 2022-2034

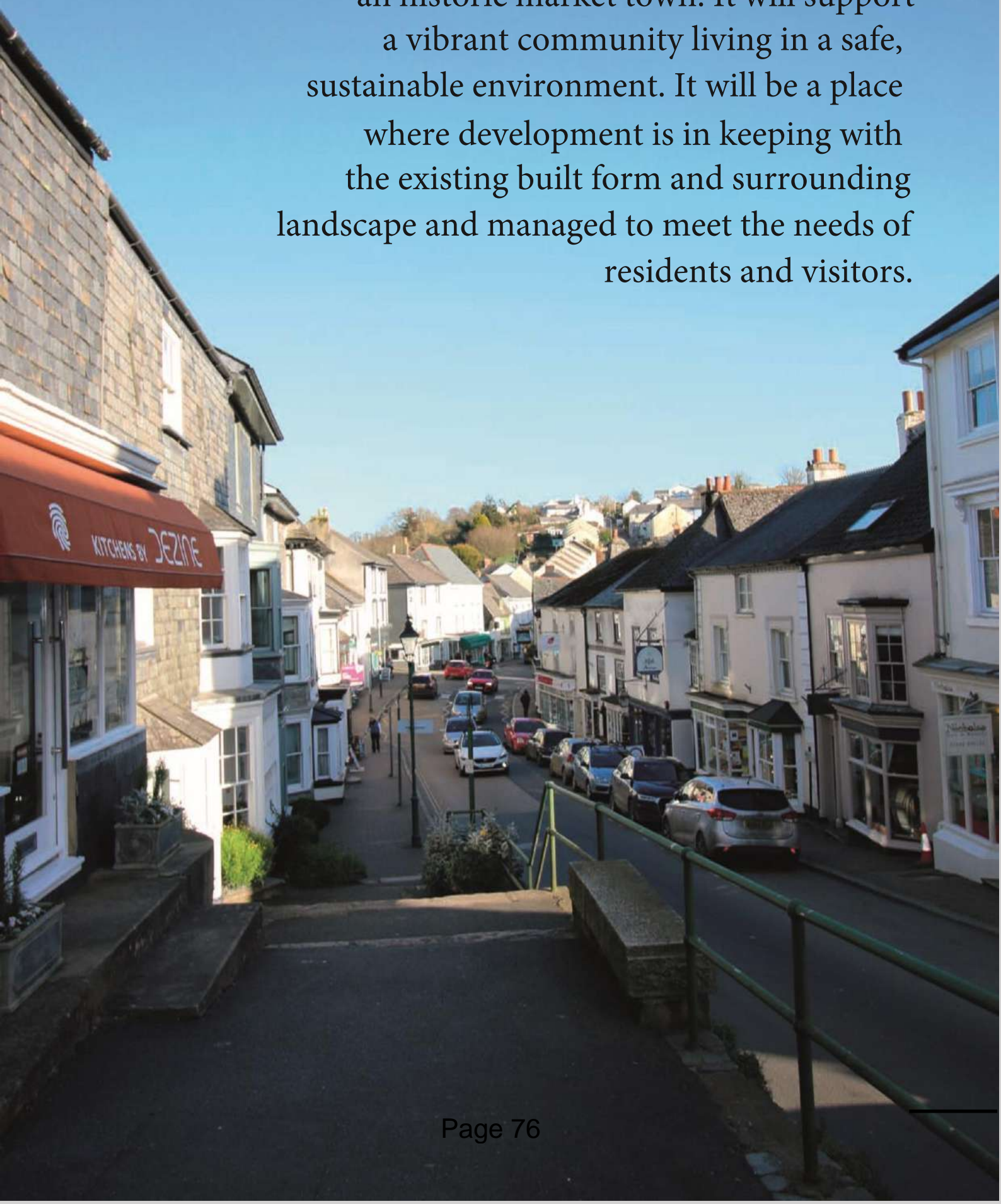
Referendum Version, December 2022



Produced by the Modbury
Neighbourhood Planning Group
in collaboration with
Modbury Parish Council and the
residents of Modbury



Modbury will seek to embrace the future without compromising its character as an historic market town. It will support a vibrant community living in a safe, sustainable environment. It will be a place where development is in keeping with the existing built form and surrounding landscape and managed to meet the needs of residents and visitors.



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FOREWORD

The Modbury Neighbourhood Plan has been developed by a team of local residents in collaboration with the Parish Council. It takes into account the views of parishioners obtained from a number of consultation exhibitions and questionnaires carried out since the Neighbourhood Plan designation was formally approved by South Hams District Council in 2015.

The Neighbourhood Plan aims for balanced provision of housing to meet local needs while conserving the character of Modbury as a well-integrated community with a range of facilities. The Plan addresses the issue of pedestrian access, important for safety, health benefits and connectivity. Traffic management and transport aims will require collaboration with other agencies and organisations to minimise congestion, encourage effective public transport and shared mobility. The increasing importance of protecting the environment and the need to tackle the challenges posed by climate change are themes running through the Plan and are reflected in the recent Climate Emergency Plan published by South Hams District Council.

Once the Plan has been submitted to South Hams District Council (SHDC) and independently examined, you, the residents of Modbury, will be asked to vote to approve it in a referendum organised by SHDC. If it is approved by more than 50% of voters it will become a legal document which will form an integral part of the planning process up to 2034 and beyond.

The process of making this Plan has entailed the establishment of a steering group of local volunteers with an interest in the process, and a willingness to commit to working systematically through a clearly defined procedure. The group has been supported in its task by the professional guidance of Lee Bray, independent planning consultant, and Duncan Smith, Neighbourhood Plan Officer for South Hams District Council.

The Neighbourhood Plan Group has worked with the Parish Council to engage in detailed consultation with local residents to produce a Plan based the views and aspirations of the community and to represent those views to South Hams District Council.

This is Your Plan and we hope that you will play a part in helping to shape Modbury for the future by voting to support it in the referendum.

Ann Turner
Chair, Modbury Neighbourhood Plan Group

Peter Watts
Chair, Modbury Parish Council

1. INTRODUCTION

1.1 Welcome to the plan for the future of Modbury, shaped by the local community. This is your plan.

Why do we need a neighbourhood plan?

1.2 A neighbourhood plan gives a local community a greater say over how its area will develop in the future. It is put together by the local community, tested by independent examination and referendum, and ultimately becomes part of the development plan, helping to guide decisions about development in the area.

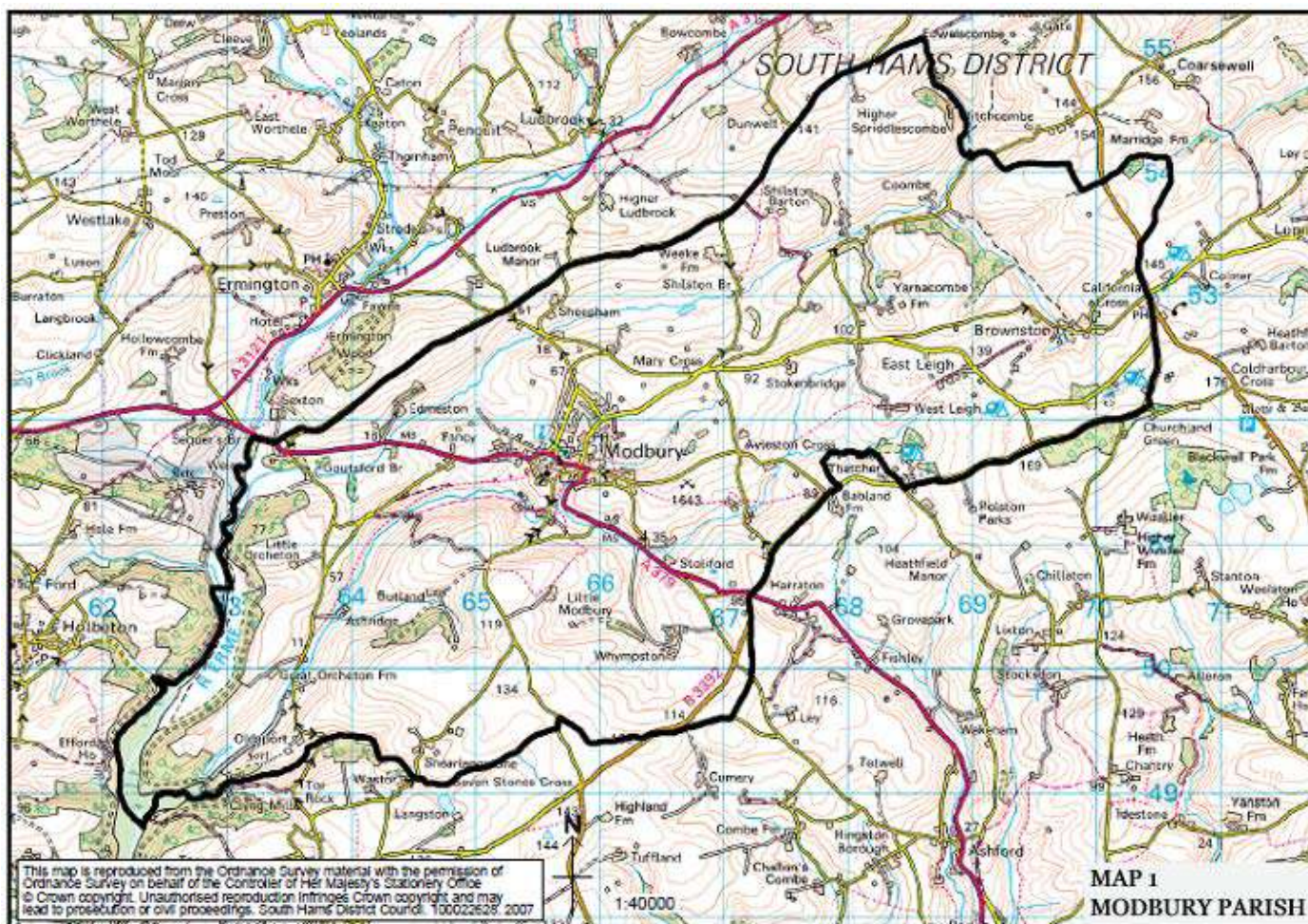
1.3 Modbury lies midway between Plymouth and Kingsbridge. It is a large rural parish with a small country town at its heart. It is an attractive and popular place to live, with a range of issues and opportunities.

1.4 Producing a neighbourhood plan means that the local community can be much more involved in making sure that change and development in future are for the good of the locality. The plan reflects local ideas and opinions, aiming to protect and enhance local assets and to foster a healthy and prosperous future.

1.5 The plan follows a simple structure and is in three main parts. The first part looks at the local context, the second part sets out the community's aspirations and objectives and the third part sets out planning policies to achieve them.

What area does the plan cover?

1.6 The plan covers the whole of the parish of Modbury. Many of its policies focus on the town, but there are also several which will apply across the whole parish.



How has the plan been prepared?

1.7 The plan process began early in 2015, initiated by Modbury Parish Council. The steering group includes representatives of the parish council and volunteers from the local community.

1.8 Widespread public consultation has been carried out to gather local views and opinions and engage people in the process. This has included events, a stall at the Modbury May Fair, a household questionnaire and a neighbourhood plan website¹ www.modburynpg.co.uk.

1.9 The plan making process is shown below. The accompanying Statement of Consultation describes in more detail how the community has been involved.

CONSULTATION AND KEY STAGES OF DEVELOPMENT OF THE NEIGHBOURHOOD PLAN

The Parish Council agreed to support the application for a Neighbourhood Plan at its meeting in December 2014.

The inaugural meeting of Modbury Neighbourhood Plan Group (MNPNG) was held in January 2015.

Formal designation of Neighbourhood Plan area received February 2015.

Public consultation at the White Hart, June 2015.

Household questionnaire delivered to all occupied households within the Parish of Modbury, December 2016.

Public presentation of household questionnaire results, March 2017. Statutory 6 week consultation on the Draft Plan, March to May 2018.

Four weeks re-consultation on development sites, July to August 2019.

Neighbourhood Plan given approval for submission to SDHC by Parish Council, February 2020.

Plan revised in light of changed circumstances and resubmitted to SHDC, March 2022.

Meetings have taken place with representatives of SHDC throughout the process. Consultation process has continued throughout, with public meetings, informal meetings, displays and questionnaires². The minutes of the meetings can be viewed both on The Modbury Neighbourhood Plan Group Website, www.modburynpg.co.uk, and the Modbury Parish Council Website, www.modburypc.co.uk/parish-council/minutes

1.10 The draft plan was issued for a statutory six week public consultation period in March 2018 and a further 4 week sites consultation in July 2019. It was subsequently revised and submitted to the local planning authority to make arrangements for its examination. During the examination process it became clear that changed circumstances required further changes to the plan. This version of the plan incorporates those changes. The extent of the changes is not so great as to require going back to draft plan stage and so the plan has been resubmitted to the local planning authority. Following a further six weeks for comment the examination will recommence. The plan will then proceed to a local referendum. When the process is complete the Neighbourhood Plan will form part of the Local Development Plan helping to guide planning decisions in the area.



¹ www.modburynpg.co.uk/

² www.modburynpg.co.uk/minutes/consultations/

How does the plan relate to other plans for the area?

1.11 The plan complies with the National Planning Policy Framework (NPPF)³ and adopted plans for the area. In particular, it complies with the new Plymouth and South West Devon Joint Local Plan (JLP)⁴ with which it shares the same time horizon (2034 or later).

1.12 The JLP establishes a basis to create strong and sustainable communities through its policies. In particular, paragraph 5.116 gives support to neighbourhood plan groups in smaller towns such as Modbury. This neighbourhood plan seeks to ensure a strong and sustainable future for Modbury.

What period does the plan cover?

1.13 The plan formally covers the period to 2034, the same period as that covered by the JLP, and its provisions, so long as they remain fit-for-purpose, may continue to apply beyond that date. In order to maintain its status as a planning tool the plan may be reviewed when necessary.

Are there any limits on the plan?

1.14 The plan will be put before an independent examiner who will judge whether it meets several basic conditions (opposite). If it does so it will proceed to a local public referendum where over 50% of those voting must support the



1.15 To meet the basic conditions at examination a neighbourhood plan must:

- be appropriate, having regard to national policy;
- contribute to the achievement of sustainable development;
- be in general conformity with the strategic policies of the development plan, and
- be compatible with EU obligations, human rights legislation and Regulation 8 of Part 6 of the Conservation of Habitats and Species Regulations 2017.

How will the plan be used and who is it for?

1.16 When the plan has completed formal consultation, examination and referendum it will be "made" and become part of the development plan for the area. This will mean that it will be used alongside other local and national planning policies to help make planning decisions and to guide and manage future development in the area.

1.17 The plan will be used by South Hams District Council to help guide its planning decisions. It will be used by planning inspectors (or the Secretary of State) in relation to planning appeals in the parish. It will be referred to by decision makers of all kinds – planners, investors, developers, funding bodies, community groups and existing and future residents. Its delivery will be the responsibility of us all.

How will other local issues be dealt with?

1.18 The plan can only deal with land use planning matters. Other local priorities will be included in a Community Action Plan⁵ which will sit alongside the neighbourhood plan. This will be used as a basis to seek commitment and action locally and by bodies concerned with or investing in the community.

³ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

⁴ Joint Local Plan for Plymouth and South West Devon: www.southhams.gov.uk/jointlocalplan

⁵ www.modburynpg.co.uk/Home/community-action-plan/

2. MODBURY IN CONTEXT



2.1 The town of Modbury lies in a hollow surrounded by the rolling hills and ridges of the South Hams. Its dignified terraced houses, slate-hung walls, old shop windows and classical doorways combine to create a fine urban townscape in a rural setting. The wider parish includes the surrounding countryside and farms, is bounded by the River Erme to the west and stretches as far as California Cross in the east. A detailed description of both the built and natural landscape is available in the Village Design Statement (2003)⁶.

Historic context

2.2 Modbury is mentioned in the Domesday Book and records show permission for a weekly market in the town since the late twelfth century. By the thirteenth century Modbury had been made a borough and two annual fairs are also recorded.

2.3 The borough's population has fluctuated over the centuries, reaching a peak with the prosperity of the wool trade in the eighteenth and nineteenth centuries. This was the basis for the impressive architecture seen in many of the town's older buildings.

Modbury today

2.4 Today Modbury town serves as a local centre providing many services and facilities for the wider parish and the surrounding area. It is a lively town with a primary school, meeting hall, churches and a good number of local clubs and associations.

2.5 In 2016 the parish population was approaching 1,700 people, living in just over 800 households. Almost 20% of the population were under 18 and almost 24% were over 65 (similar figures as for Devon as a whole)⁷.

2.6 Much of the parish is protected for its natural, architectural or historic value. The heart of the town is a Conservation Area (see Glossary) and many buildings

are listed. To the south of the A379 lies the South Devon AONB⁸ (see Glossary), and there are many other protected areas and assets.

Aspirations for the future

2.7 The people of Modbury take pride in their town. They want it to flourish and prosper, retaining and caring for its heritage whilst embracing the future and encouraging modern and innovative solutions to problems. The plan aims to build a sound basis for future generations to feel the same way and to ensure that Modbury remains a "balanced, vibrant and healthy place to live."

⁶ www.modburynpg.co.uk/Home/wp-content/uploads/2020/02/Modbury-Village-Design-Statement-2003.pdf

⁷ Census (2011) Office for National Statistics: www.nomisweb.co.uk/reports/localarea?compare=E04003164

⁸ <https://www.southdevonaonb.org.uk/management-plan/>

3. VISION AND OBJECTIVES



The Vision

3.1 The consultations carried out make it clear that people value the intrinsic qualities of Modbury not only as a place but also as a community. The plan will aim to protect, foster and enhance those qualities for the benefit of residents and visitors alike, and the vision for the plan sums this up as follows:

Modbury will seek to embrace the future without compromising its character as an historic market town. It will support a vibrant community living in a safe, sustainable environment. It will be a place where development is in keeping with the existing built form and surrounding landscape and managed to meet the needs of residents and visitors.



Objectives

3.2 Based on the results of the consultations a set of local objectives has been agreed:

- a. Maintain and enhance the historic character of Modbury through listed building and conservation area policies, the preservation of historic sites and buildings and appropriately scaled, phased and sympathetic development. Give high priority to upholding the guidelines laid out in the Modbury Village Design Statement (5 op.cit.) so that all new development is harmonious with the existing built forms which characterise the town;
- b. Enhance the vibrancy of the commercial heart of the town and provide facilities to support increased local employment;
- c. Deliver sufficient new homes, including a range of sizes, types and tenures to meet the needs of local people as well as to contribute to the growth of the town.
- d. Ensure that all new development has sufficient off-street parking for all residents.
- e. Ensure that all new development meets the highest standards of energy efficiency and sustainable construction and takes account of other environmental factors such as landscape impact, flood risk, topography and biodiversity.
- f. Promote a local scheme to deliver community renewable energy
- g. Retain and create new pedestrian and cycle routes through and around the town to reduce reliance on the motorcar and, in particular, provide improvements to pedestrian movements from the Palm Cross area to the Town Centre;
- h. Identify and safeguard or provide community spaces – buildings and open/greenspaces,
- i. Create a town square – that can be used by residents of all ages.
- j. Identify and safeguard or improve play provision to meet NPFA recommendations;
- k. Support a study being undertaken for a relief road for Modbury, respecting the sensitive landscape character of the AONB.
- l. Support a study being undertaken to identify how traffic flow and road safety might be improved around the town.



4. POLICIES AND PROPOSALS

4.1 The policies and proposals of the plan rest upon the issues and concerns which have emerged from the community consultations. Each policy is accompanied by a brief written justification and any additional relevant evidence sources to support the plan's policies are set out in a schedule accompanying the plan. The plan's policies reflect concerns and aspirations expressed by the community in response to consultation undertaken.

4.2 The overall thrust of the plan is to help make sure that Modbury remains a balanced, vibrant and healthy place to live, both now and in the future. Policies are designed to help sustain community well-being, protect local heritage, enable local development, including the provision of affordable housing, improve local communications and traffic conditions, foster thriving local businesses and protect the local environment.

DEVELOPMENT, DESIGN AND CONSTRUCTION

4.3 The plan establishes some key principles to guide development in Modbury. It defines a settlement boundary for the town within which suitable development will generally be acceptable. This aims to ensure that the nature of development taking place will be in keeping with the locality and help to maintain a well-balanced community.

4.4 Outside the town boundary development will be tightly controlled and only permitted where it will meet a proven need for affordable housing for local people (as provided for by JLP policies TTV26 and TTV27 or where it is essential in order to meet agricultural, forestry or other small-scale needs which cannot be met elsewhere. The plan also aims to control the scale, density and character of development so that it is in keeping with the locality and remains geared to meeting local housing needs).

POLICY MNP1: LOCATION, SCALE AND CHARACTER OF DEVELOPMENT

This policy establishes a settlement boundary for Modbury, as shown on Map 2.

1. Development proposals within the settlement boundary will be supported where:
 - a. the scale, density and character of development is in keeping with its site and surroundings, and
 - b. natural or historic assets are protected in accordance with national policy and guidance, and the Development Plan, and
 - c. it protects important views and skylines, and
 - d. there is no adverse impact on local amenity, traffic, parking or safety.
2. Outside the settlement boundary development will be tightly controlled and only supported where it will meet the proven need for affordable housing for local people (as provided for by JLP policies TTV26 and TTV27 or where it is essential in order to meet agricultural, forestry or other small-scale needs which cannot be met elsewhere. The plan also aims to control the scale, density and character of development so that it is in keeping with the locality and remains geared to meet local housing needs).

4.5 New development will be encouraged to display good, sensitive design which is in harmony with the locality and will foster improved environmental and social standards. This means that designers must pay careful attention to the local vernacular and the context and setting of new development, as detailed in the Modbury Village Design Statement (⁶ op.cit.). Good modern designs will be welcome and developers are encouraged to submit their plans to the Design Review Panel⁹ for consideration and comment. Designs must take note of international, national and local targets for carbon reduction^{10,11,12,13} and are strongly encouraged to incorporate the latest effective construction techniques and technology to deliver sustainable, inclusive, energy-efficient buildings which will enhance the area.

⁶ www.modburynpg.co.uk/Home/wp-content/uploads/2020/02/Modbury-Village-Design-Statement-2003.pdf

⁹ Design Review Panel: www.designreviewpanel.co.uk/south-west-design-review-panel

¹⁰ IPCC Special Report, 2018: Global Warming of 1.5 °C <https://www.ipcc.ch/sr15/>

¹¹ Climate Change Act 2008 <http://www.legislation.gov.uk/ukpga/2008/27/section/11>

¹² Net Zero – The UK's contribution to stopping global warming: www.theccc.org.uk/publication/net-zero-the-uks-contribution-to-stopping-global-warming/

¹³ SHDC Climate change and biodiversity website: www.climatechange.southhams.gov.uk

POLICY MNP2: DESIGN AND CONSTRUCTION

All new development will be encouraged to:

- a) be in scale and in keeping with its setting, protecting locally important views and skylines,
- b) respect and where possible enhance local heritage, character and vernacular, safeguarding local distinctiveness and paying due regard to the Modbury Village Design Statement 2003,
- c) retain and where possible enhance local landscape character and tranquillity, including significant field patterns and hedgerows and important trees and woodlands, and incorporating suitable features to reduce scale, improve microclimate and habitat, and integrate new development with the landscape,
- d) include boundary features only utilising local natural stone for walls, clipped native species for hedges or railings, and traditional laid Devon hedge banks wherever development abuts open countryside,
- e) incorporate meters, bin storage and other features appropriately, conveniently and so as not to clutter the street scene,
- f) provide for its own car parking requirements, with residential development providing at least two off-street spaces per dwelling, proportionate to size of dwelling and with facility for EV charging,
- g) be safe, attractive, inclusive and accessible, reducing opportunities for crime and the fear of crime, in consultation with the community, and
- h) safeguard against risks of contamination, erosion or flooding, and ensure satisfactory surface water drainage including Sustainable Urban Drainage Schemes (see Glossary).

All new development will also be encouraged to:

- i) provide three phase electricity supply with sufficient capacity for renewable energy generation, storage and other zero carbon technologies,
- j) preclude use of fossil fuels and enable the incorporation of zero carbon technologies to maximise sustainability and energy efficiency and meet the challenges of climate change.
- k) in consultation with the community, consider community owned renewable energy options,
- l) ensure that installations are registered with appropriate government incentive schemes to allow householders to benefit from energy savings,
- m) exceed government standards for energy efficiency and sustainable construction, taking into account solar gain, sustainable building materials, building design and water efficiency,
- n) achieve zero carbon development in both construction and operation with any offsetting to be within the parish of Modbury, and
- o) provide safeguards during and after construction to protect against environmental damage, local nuisance, unnecessary noise, light or other pollution.

FUTURE DEVELOPMENT

4.6 In March 2018 Modbury Neighbourhood Plan Group, on behalf of Modbury Parish Council, carried out a consultation on the Reg 14 (draft version) of the Modbury Neighbourhood Plan. At that time the local plan for the area (the Plymouth and South West Devon Joint Local Plan, “the JLP”) had been delayed and so there was an uncertain strategic context for the neighbourhood plan.

4.7 The JLP has now been adopted and contains housing development site proposals for Modbury which are shown for information on Map 2 below.

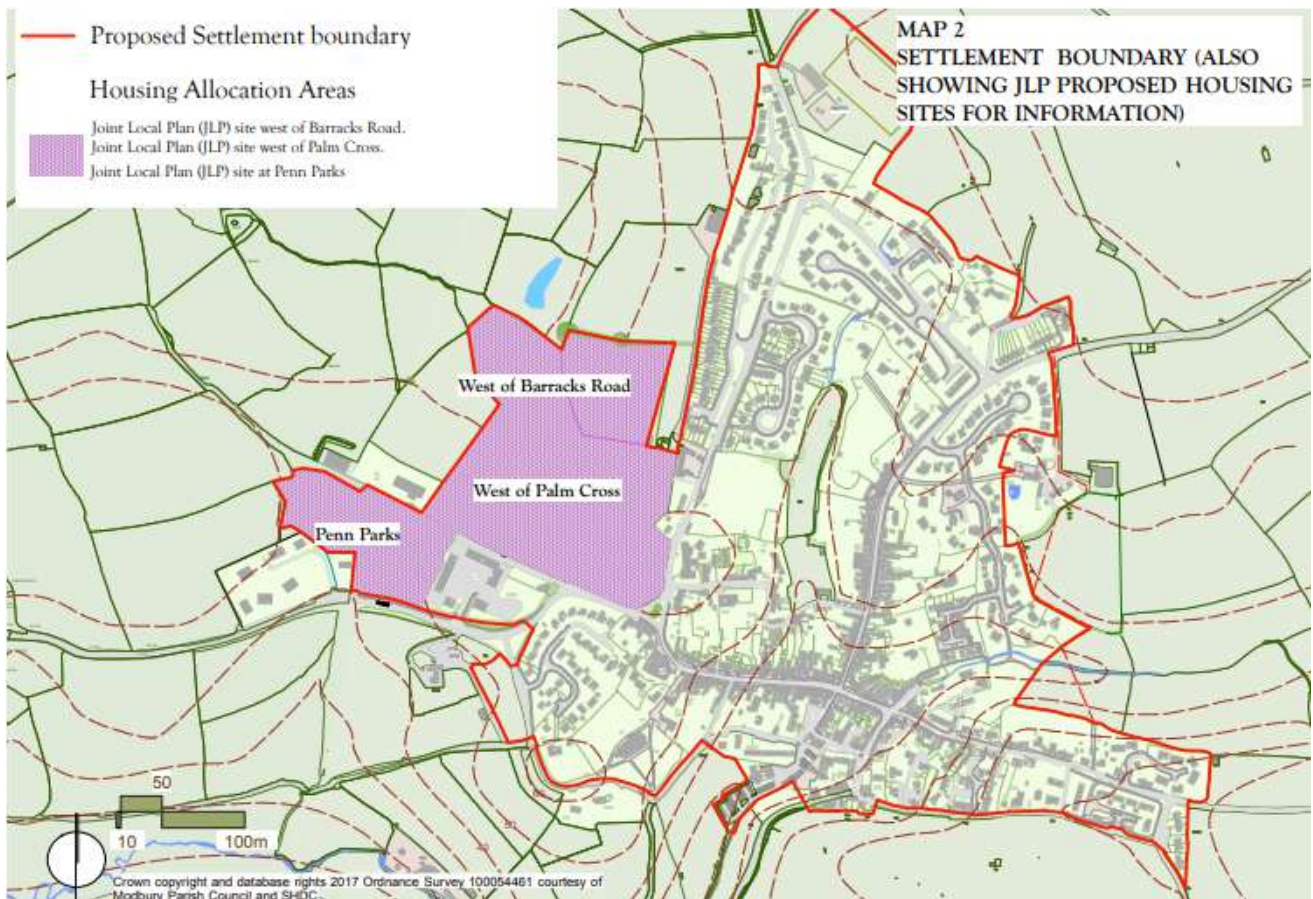
4.8 The JLP proposals extend Modbury to the west. In the future, however, a more balanced and sustainable future for the town could be secured by development elsewhere around the town.

4.9 Previous development plans for Modbury in 1973 and 1996 delineated areas to the east of the town for development. The 1996 Local Plan also contained a requirement that development east of Brownston Street should include landscape belt planting and hedgerow retention both to screen the site and to frame and contain development.

4.10 Further development to the west of the town could further breach the valley to the west, create a ribbon of development along the A379 and edge closer to the Erme Valley SSSI. It would also be more likely to be poorly connected to the town centre thus increasing the potential for greater use of cars.

4.11 In contrast, future development should be well contained within the folds of the surrounding hills, conform more closely to the traditional development patterns of Modbury and deliver much better connectivity, particularly for pedestrians.

4.12 The plan establishes these general principles for new sites for future development in and around the town.



POLICY MNP3: FUTURE DEVELOPMENT IN AND AROUND MODBURY

Future development sites in and adjoining Modbury should:

- a) conform to the town's traditional pattern of development,
- b) contribute to the integrity of the community by being well related to existing development,
- c) be well contained in the landscape,
- d) avoid breaching ridges or further extending existing breaches of ridges, and
- e) be well connected to the town centre, especially for pedestrians.

HISTORY AND HERITAGE

4.13 Modbury's history is strongly reflected in its townscape. The layout of the town and the buildings which line its steep streets create a powerful sense of place and the town's special and distinctive character is recognised through the designation of a Conservation Area and over 100 listed buildings. Across the whole parish 131 buildings are listed for their architectural or historic interest. The Historic Environment Impact Assessment (2016) for the Modbury Flood Relief Scheme by AC Archaeology Ltd provides comprehensive maps and index of the historic assets of Modbury¹⁴.



The main A379 road through Broad Street and Church Street, from Galpin Street



St. George's Church, Grade 1 listed Anglican Church, dating from the 13th century.

4.14 The plan aims to safeguard and care for this precious built heritage, and to enhance public enjoyment and appreciation of it. Designated historic assets, including listed buildings, the conservation area and ancient monuments are protected by national and local strategic policies.^{15,16}



Kingsland, Brownston Street, formerly the Modbury Literary and Scientific Institution, created to provide library and lecture facilities for the town's people.



Poundwell House, owned by members of the Champernowne family during the 17th century, and later the Town's judicial centre, incorporating a Court House and Police Station.

4.15 The district council's Modbury Conservation Area Appraisal¹⁷ describes in more detail the features which create the area's special and distinctive character. This plan protects local historic assets identified in that appraisal, including non-designated buildings, structures and features of special interest and areas of archaeological potential where remnants of medieval and post medieval field systems, woodlands and orchards may survive. In addition to this, the Village Design Statement, produced by the community in 2003 (⁶ op.cit.), further assesses the town's built form and establishes guidelines for good design in new development. The provisions of both documents are relevant and appropriate today and the plan requires new development to pay full regard to their content.

¹⁴ Historic Environment Impact Assessment (2016), AC archaeology Ltd

¹⁵ www.devon.gov.uk/historicenvironment/the-devon-historic-environment-record/historic-landscape-characterisation

¹⁶ <http://modbury-heritage.co.uk/historical-sites-around-modbury/>

¹⁷ www.southhams.gov.uk/article/3469/Conservation-Area-Appraisal-and-Management-Plans

⁶ www.modburynpg.co.uk/Home/wp-content/uploads/2020/02/Modbury-Village-Design-Statement-2003.pdf



Water Supply Conduit,
Brownston Street, 1708.



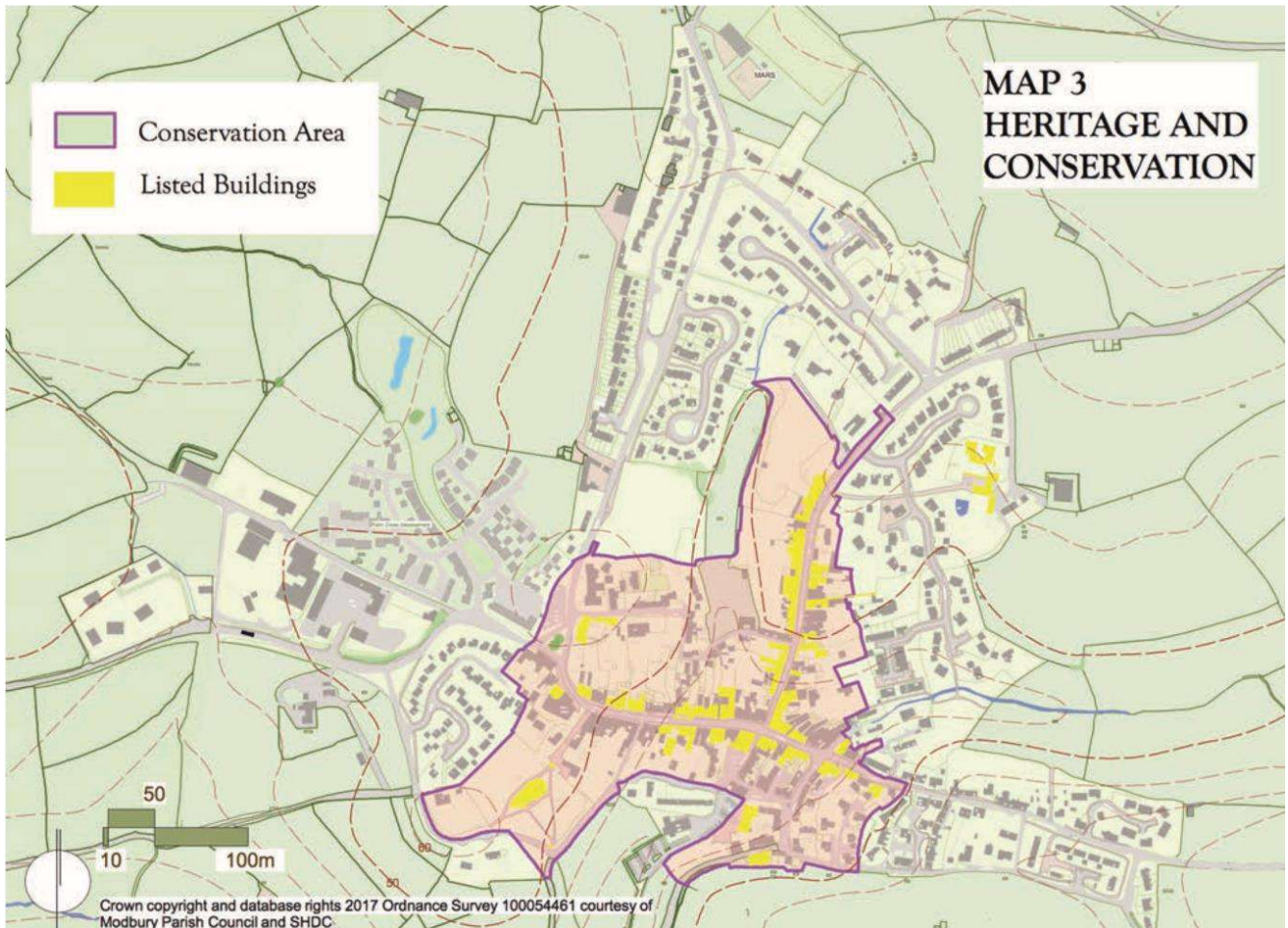
The old Baptist Church, 1806



Runaway Lane. In February 1643, Royalist troops withdrew down this lane from the second Civil War battle of Modbury .

POLICY MNP4: HERITAGE AND CONSERVATION

1. Development proposals affecting heritage assets and their settings or the conservation area must comply with the requirements of national policy and guidance and the Development Plan. New up-to-date uses are encouraged where they retain, restore and enhance the historic fabric that makes each building special, incorporating sensitive retrofitting of energy efficiency measures.
2. Development proposals should pay full regard to the provisions and guidelines contained in the Modbury Conservation Area Appraisal and the Modbury Village Design Statement, particularly for guidance on suitable details and materials.



HOUSING AND DEVELOPMENT

4.16 Modbury is a popular and desirable place to live, attractive across the market, and the number of second homes is higher than the average away from the coast⁷.

4.17 The town is largely unaffordable for first-time buyers and young families¹⁸. The difficulty of entering the housing market drives some to move away and undermines the area's long term sustainability.

4.18 The proportion of older residents is typical for a Devon country town, but there is an unmet need for more manageable accommodation to allow older residents to downsize and release family accommodation for younger households. Community consultation indicated a strong wish for 1, 2 and 3 bedroomed homes².

4.19 The plan aims to address imbalances in housing stock through policies to encourage provision of a greater proportion of smaller and affordable homes, including self-build. The plan particularly encourages the development of affordable homes on a suitable exception site or sites, in accordance with JLP policy TTV27. There is also a local aspiration to see a Community Land Trust¹⁹ established to help bring forward affordable homes in Modbury.

POLICY MNP5: HOUSING DEVELOPMENT

1. New housing development (apart from replacement dwellings) shall supply homes for all ages, to create a healthy demographic spread, avoiding a focus on any one particular age group at the expense of others so that opportunities to own or rent a home are equally available to all. New development of 1, 2 and 3 bedroom homes will be particularly welcomed to help meet local housing needs for single people, couples and families and improve the balance of housing stock in the locality.
2. The delivery of new homes suitable for older residents will be particularly welcomed.
3. Each new housing development which exceeds 10 units shall provide the proportion of affordable homes consistent with JLP policy. The definition of affordable homes, whether for purchase or rent, shall accord with national and local strategic policies.
4. Proposals for affordable housing schemes on rural exception sites will be supported where they meet the requirements of national and local strategic policies and the other policies of this plan.
5. Affordable housing delivered by a Community Land Trust or as self-build will be welcomed as an alternative to the traditional types of affordable housing provision.



Tuckers Brook



Burns Lane

⁷ Census (2011) Office for National Statistics. <https://www.nomisweb.co.uk/reports/localarea?compare=E04003164>

¹⁸ The Local Housing Market and Affordability - Report to Neighbourhood Plan Group: Smith, P, 2018

² www.modburynpg.co.uk/Home/consultations

¹⁹ Community Land Trust: www.communitylandtrust.org.uk

PRINCIPAL RESIDENCE

4.20 There is growing concern about the increasing number of properties which are second homes. The 2011 Census (⁷ op.cit.) put the number of second homes in Modbury at 8.3% but that figure is growing steadily. In neighbouring Bigbury a survey in 2018 found that 24% of properties were used as second homes²⁰. Homes in nearby communities such as Bigbury-on-Sea and Salcombe are among the most expensive coastal properties in the UK²¹ and are increasingly unaffordable for local people.

4.21 Growth in the number of second homes in the area, resulting in rising house prices and adverse impacts on local communities, is likely to increase in future, undermining the longer term sustainability of small towns such as Modbury. While second home ownership does contribute to the local economy, it has been shown that permanent residents spend more locally than owners of second and holiday homes, thereby making a greater contribution to sustainability²². The Plan aims to help Modbury to remain a balanced and sustainable community^{23,24}.

4.22 On the advice of the independent examiner, the originally proposed policy has been deleted by reason that the level of second home ownership is currently not one that would support a principal residency policy. South Hams District Council, as the local planning authority, supports in principle the inclusion of a Principal Residence Requirement within Neighbourhood Plans where such a requirement is justified by an increasing proportion of second homes. We would wish to work with the District Council to keep this matter under review and to implement a workable policy in the future.

⁷ Census (2011) Office for National Statistics. <https://www.nomisweb.co.uk/reports/localarea?compare=E04003164>

²⁰ Bigbury Neighbourhood Plan 2019-2034: www.bigburycommunity.co.uk/?get_group_doc=219/1575555198-NeighbourhoodPlanReferendumVersion.pdf

²¹ www.lloydsbankinggroup.com/media/press-releases/2021/halifax/britains-most-expensive-seaside-towns.

²² Jenny Barnett (2014) Host community perceptions of the contributions of second homes *Annals of Leisure Research*, 17:1, 10-26, DOI: 10.1080/11745398.2014.886156

²³ What is the impact of second home ownership in rural Britain? <http://www.countryfile.com/article/second-home-ownership-problem>

²⁴ The case for a Principal Residence Policy: www.modburynpg.co.uk/Home/evidence-base

ROAD SAFETY AND TRANSPORT

4.23 The A379 passes through the heart of Modbury, bringing trade to the town centre alongside congestion, hazard, noise and fumes. Any measures to improve traffic safety, alleviate congestion and improve car parking will be welcomed. Congestion at peak times, especially during summer tourist season, may lead to a delay in response times of the emergency services. There is a balance of opinion in the parish that a relief road would also be an advantage. This has been considered over many years and a route was safeguarded in some earlier plans. Constructing a relief road would serve to reduce traffic volumes and speeds through the town, but would cause inevitable damage to the surrounding countryside and potentially serve to reduce passing trade for shops and businesses. This plan therefore supports the undertaking of a study to evaluate the feasibility of a relief road.

4.24 Parts of the town are poorly provided with pavements and footpaths. In particular, good, safe pedestrian links around the school and to recreational and green spaces are lacking. Improvements to pedestrian safety and convenience will be required as a part of new developments, as will enhancements in cycle and public transport provision.




4.25 longer term aspirations include the provision of support for studies to identify how traffic flow and road safety might be improved in Modbury, and to explore the feasibility of a relief road.

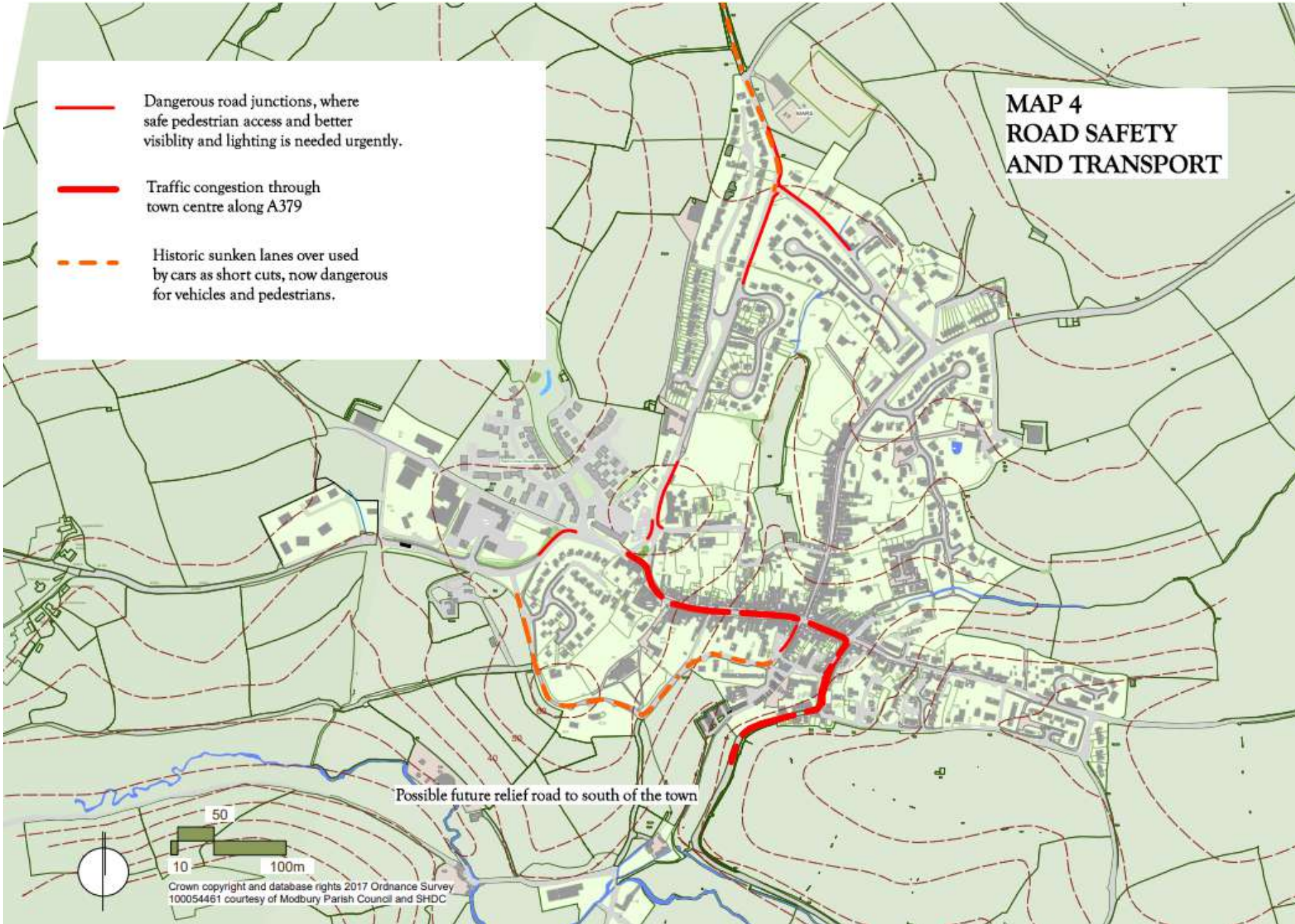
POLICY MNP6: SAFE MOVEMENT AND TRANSPORT

1. Development proposals should include, where appropriate, good, safe pedestrian access and links with enhanced opportunities for walking, cycling, shared mobility and the use of public transport. Improved pedestrian links around the school and to recreational and green spaces are required, in particular at Palm Cross and to the recreation ground.
2. Development should not worsen traffic congestion or adversely affect highway safety, traffic flow and/or parking conditions, particularly on the congested parts of the network highlighted on the Proposals Map. Proposals that would ease traffic congestion or enhance highway safety, traffic flow and/or parking provision will be supported.
3. Streets should be designed and laid out with the purpose of achieving a reduction in traffic speeds through measures such as Home Zones rather than signs.
4. Good, safe pedestrian access to new housing development will be required.



MAP 4 ROAD SAFETY AND TRANSPORT

-  Dangerous road junctions, where safe pedestrian access and better visibility and lighting is needed urgently.
-  Traffic congestion through town centre along A379
-  Historic sunken lanes over used by cars as short cuts, now dangerous for vehicles and pedestrians.



Possible future relief road to south of the town

10 50 100m
Crown copyright and database rights 2017 Ordnance Survey
100054461 courtesy of Modbury Parish Council and SHDC

EMPLOYMENT AND BUSINESS

4.26 The plan aims to help sustain and enhance the local economy. New business development in keeping with the locality, including home-based businesses and the expansion of existing businesses, is encouraged. A work-hub is proposed, aimed at supporting local start-ups and community-based enterprises. This could be located in purpose-built accommodation or suitable existing premises. To support the local economy and precious job opportunities the plan also protects key business and employment zones, as shown on Map 5, seeking to retain such premises in that use unless it can be demonstrated no longer to be viable. Opportunities to promote and support local business will be sought through the Community Action Plan (⁵ op.cit.).

4.27 The town centre shops are a part of what makes Modbury special and successful. The plan restricts shopping development to the central area of the town to help support and sustain its retail function.



POLICY MNP7: BUSINESS DEVELOPMENT

1. New business, commercial and employment development, including home-based businesses and expansion of existing businesses, will be supported providing it will:
 - a. not worsen traffic congestion or adversely affect highway safety or traffic flow,
 - b. include adequate space and parking for employees, customers and deliveries, and
 - c. be in keeping with the locality and cause no harm to amenity or nuisance to neighbours.
2. A work hub for local start-ups and community-based enterprises will be supported in suitable premises.
3. In the designated business and employment zones (at Plymouth Road, Barrack Road, and Poundwell Street) changes of use of existing business or employment premises will not be permitted unless it can be demonstrated that the existing business is no longer viable and that reasonable efforts have been made to find an alternative business user by evidence of the premises being marketed for business use over at least 2 years.

POLICY MNP8: TOWN CENTRE SHOPPING

In the town centre changes of use which will support its retail character will be welcomed. Changes of use which would undermine that character, detract from the appearance of the centre or adversely affect local amenity because of noise, smell, litter or other disturbance will be discouraged.

**MAP 5
TOWN CENTRE RETAIL ZONE AND
BUSINESS AND EMPLOYMENT ZONES**

 Town Centre Retail Zone
 Business and Employment Zones



Crown copyright and database rights 2017 Ordnance Survey 100054461 courtesy of Modbury Parish Council and SHDC

COMMUNICATION



4.28 The plan lays emphasis on enhanced communications through improved electronic communications infrastructure. National and local policy support good broadband infrastructure, but coverage and connectivity in South Hams is falling behind, with a superfast availability of only 78% compared to a national average of 95% , gigabit availability of only 18% (national average 36%) and poor mobile coverage in some areas.

4.29 To address the rural digital connectivity gap new development will be expected to provide the required industry standard infrastructure to allow for the installation and maintenance of full fibre optic broadband. With broadband technology constantly improving and the continued goals of increasing speed, there is also a requirement to allow for the upgrade of current broadband with minimal disruption to customers.

POLICY MNP9: BROADBAND AND COMMUNICATIONS INFRASTRUCTURE

This Plan supports the provision of on-site infrastructure for the installation of, and to allow for, the future upgrade and maintenance of fibre optic broadband technology.

1. Developers are encouraged to submit a connectivity statement to set out the proposed broadband provision.
2. New residential and non-residential development should, wherever possible include appropriate open access gigabit capable fiber optic infrastructure to enable high speed and reliable broadband connection in accordance with national and local objectives to increase coverage.
3. The creation of a building to act as a fibre hub to enable fibre connections within the area will be supported.



SERVICES AND FACILITIES

4.30 Local services and facilities for the parish are concentrated in Modbury town. It offers a good range of local facilities – shops, pubs, post office, primary school, churches and meeting places, open space and sports and play facilities. There are also more than 50 local organisations active in the town, demonstrating its vibrancy and helping to sustain the health and strength of the community. The plan aims to safeguard these facilities and other important local infrastructure or to improve provision. Where appropriate these aspirations will be addressed in the Community Action Plan (⁵ op.cit.).

4.31 The need to improve safe pedestrian and cycle access to all facilities has been an overwhelming priority of the community expressed in both formal and informal consultations, to enable community life, social cohesion and healthy lifestyles to be sustained²⁵.

4.32 New development will be required to contribute towards maintaining and improving the town’s social fabric. There has long been an aspiration in Modbury to create a central public space – a safe, pedestrian-friendly civic space. The focus has been on the area behind The White Hart and the plan seeks contributions from development towards making this long held aspiration a reality. In doing so the aim will be to also seek to maintain levels of town centre car parking provision, especially for the disabled.

4.33 New development will also be required to contribute towards improving pedestrian links to the Recreation Ground and Pavilion, road safety around the school and safety and provision for pedestrians and cyclists in general, particularly aimed at supporting the more vulnerable groups, including children, the elderly and those living with disability. Proposals for play and sports provision complement and support the detailed recommendations made in the Open Space, Sport and Recreation (OSSR)²⁶ assessment (2018).

New developments in Modbury will be required to contribute to the above priorities through a Section 106 (see Glossary obligation or through Community infrastructure Levy (see Glossary, in accordance with adopted standards.



⁵ www.modburynpg.co.uk/Home/community-action-plan/
²⁵ Modbury Neighbourhood Plan Household Questionnaire. www.modburynpg.co.uk
²⁶ OSSR Open Spaces, Sport and Recreation Assessment (2018) prepared by Modbury Association for Recreation and Sport (MARS) for the Parish Council. <http://www.modburypc.co.uk/wp-content/uploads/2018/04/OSSR-March-2018.pdf>

POLICY MNP10: EXISTING COMMUNITY FACILITIES AND INFRASTRUCTURE

In order to help safeguard the sustainability of the local community, development that would result in the loss of an asset of community value will not be permitted unless:

- a. there is adequate alternative provision in the parish, or
- b. the facility can be shown to be no longer viable.

The assets of community value safeguarded by the policy are the Health Centre, pharmacy, Post Office, primary school, Memorial Hall, QE11 pavilion and recreation ground, established children's play areas, public lavatories, St George's Church and St Monica's Church.

MNP11: NEW COMMUNITY FACILITIES AND INFRASTRUCTURE

1. Development that will demonstrably support the vibrancy and vitality of the town and wider community or provide additional community facilities and infrastructure will be supported, providing it will:

- a. not worsen traffic congestion or adversely affect highway safety or traffic flow,
- b. include safe access and adequate parking provision for all,
- c. provide safe pedestrian access to the town centre and recreation ground, and
- d. be in keeping with the locality and cause no harm to amenity or nuisance to neighbours.

2. Proposals to expand electronic communications and broadband will be supported, providing:

- a. apparatus is erected on existing buildings or structures wherever possible,
- b. apparatus is kept to the minimum necessary for efficient operation, and
- c. apparatus will be sited to minimise impacts on the AONB.



Memorial Hall



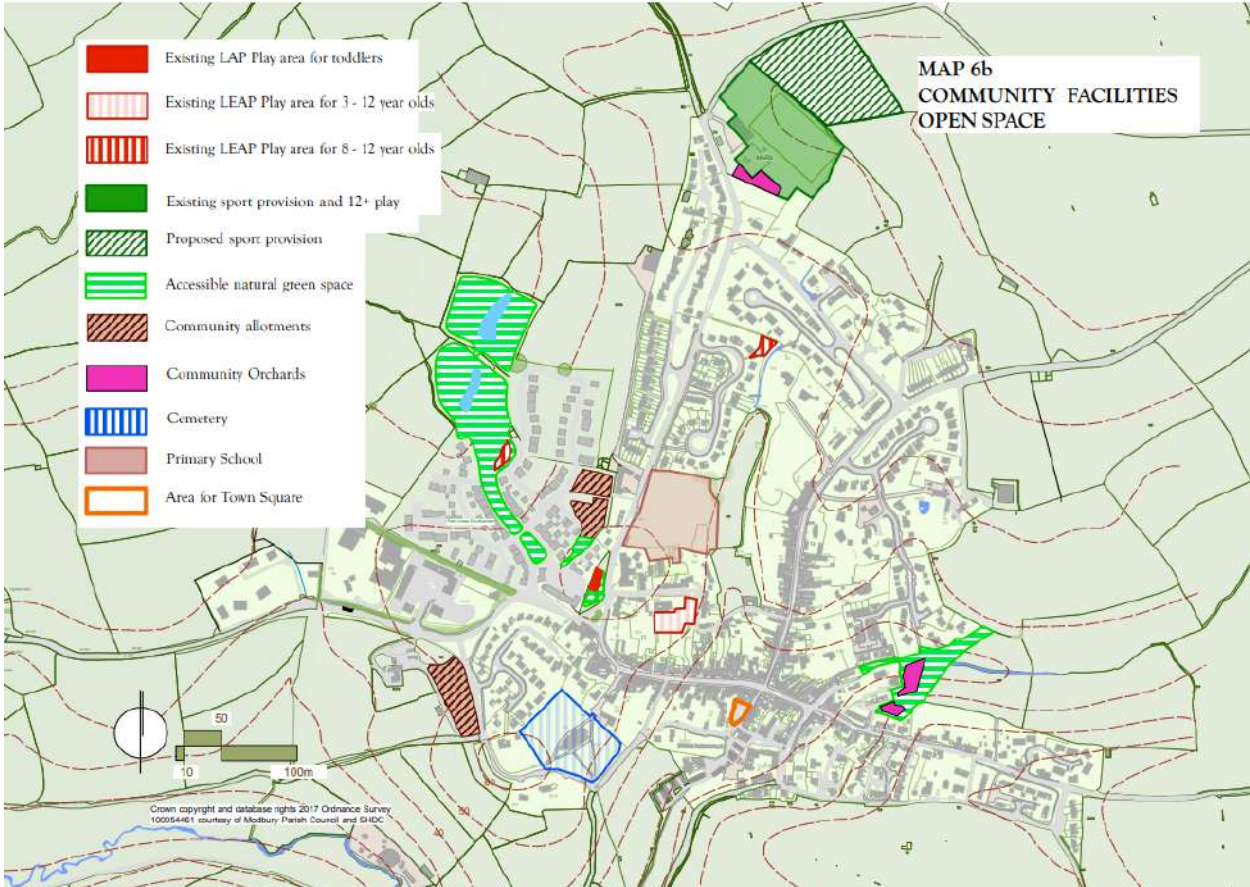
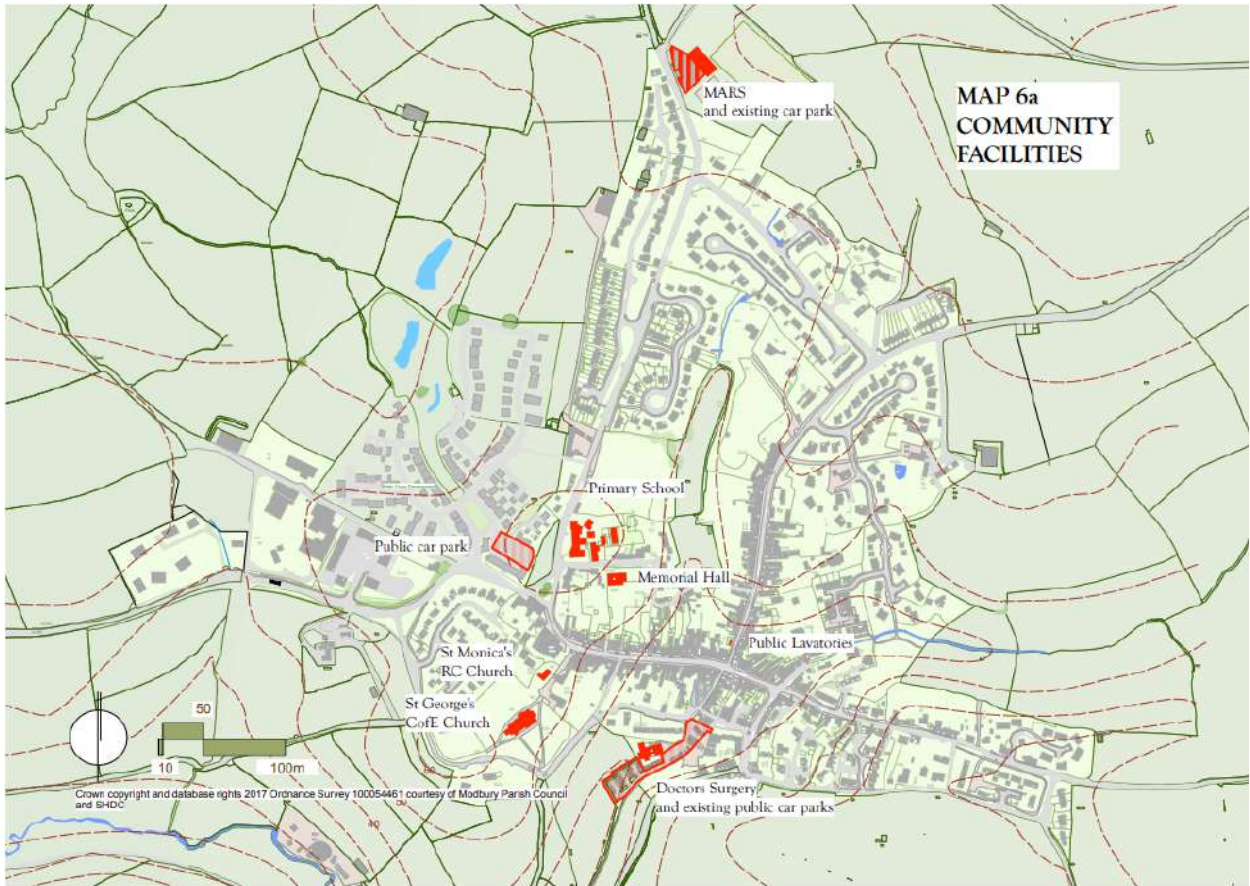
Fire station

MNP12: PRIORITIES FOR COMMUNITY FACILITIES AND INFRASTRUCTURE

New developments in Modbury will be required, where appropriate and where the requirement arises directly from the proposed development, to contribute through a Section 106 obligation or through Community Infrastructure Levy (see glossary), towards the following local objectives and in accordance with adopted standards:

- a. to improve safe pedestrian and cycle access to all facilities, particularly between the town and the Recreation Ground,
- b. to improve road safety around the school,
- c. to protect and improve public rights of way, footpaths and cycle routes,
- d. to ensure that children's play areas are evenly distributed across the town,
- e. to maintain and improve sports provision,
- f. to provide electric vehicle recharging points in the car parks,
- g. to increase the provision of residential car parking,
- h. to achieve the provision of public open space to contribute towards a necklace of spaces around the town,
- i. to develop community woodland for habitat and recreation.
- j. to maintain and develop community allotments and public community orchards for food security,
- k. to create a civic space in the area behind The White Hart.





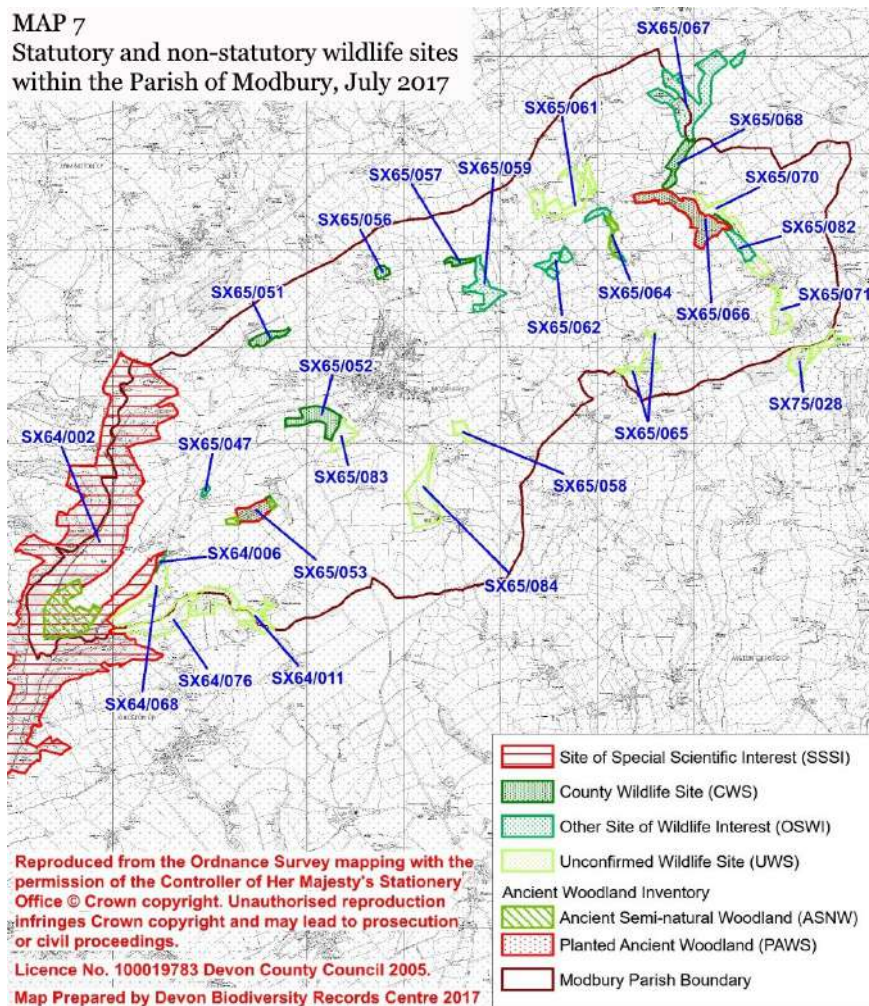


ENVIRONMENT AND SUSTAINABILITY

4.34 The plan aims to protect and enhance the natural environment and environmental assets, in particular the Area of Outstanding Natural Beauty (⁸ op.cit. and locally important green spaces (³ op.cit., paras 99-101, both for their beauty and public enjoyment and for their ecological value. This also is important for flood risk management and protection of water quality and mitigation of the impact of climate change. The AONB and Site of Special Scientific interest (see Glossary) are protected by national policy. The Devon Biodiversity report for Modbury²⁷ gives details of wildlife sites, shown in Map 7, below. To help protect the setting of the town the plan also identifies important local views which ought to be maintained. Other protected areas and green spaces are also shown on Map 9. A flood management scheme was completed in 2019.

4.35 Modbury lacks sufficient public open space. The plan protects existing green spaces, aiming to keep them green and available for public enjoyment. New green spaces, recreational spaces, play spaces or allotments are also required. In particular new community orchards and a community woodland are sought, to be located on the town perimeter in readily accessible locations, to provide for recreation and play and as a managed wood fuel source. Where feasible, restoration of existing green lanes for pedestrian use.

4.36 The Parish of Modbury contains a number of statutory and non-statutory sites which are important to conserve and protect the biodiversity of wildlife in the area.



⁸ <https://www.southdevonaonb.org.uk/management-plan/>

³ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

²⁷ Wildlife site resource map and species information for Modbury Neighbourhood planning – Modbury, July 2017: Devon Biodiversity Records Centre: www.devonwildlifetrust.org/devon-biodiversity-record-centre

POLICY MNP13: PROTECTING THE LANDSCAPE

Development shall not harm but conserve and enhance the landscape by:

- a. complying with national and local strategic policies for the AONB, including the South Devon AONB Management Plan,
- b. protecting important views, as shown on Map 8, ensuring sensitive development that would not adversely affect the countryside,
- c. safeguarding and enhancing local features that make a positive contribution to the landscape, particularly areas of green space and woods, and
- d. incorporating high quality landscape design which retains existing features, reinforces local landscape character, restores degraded landscapes, retains significant local heritage trees and groups of trees and provides mitigation from harm.



Looking south west toward Erme estuary



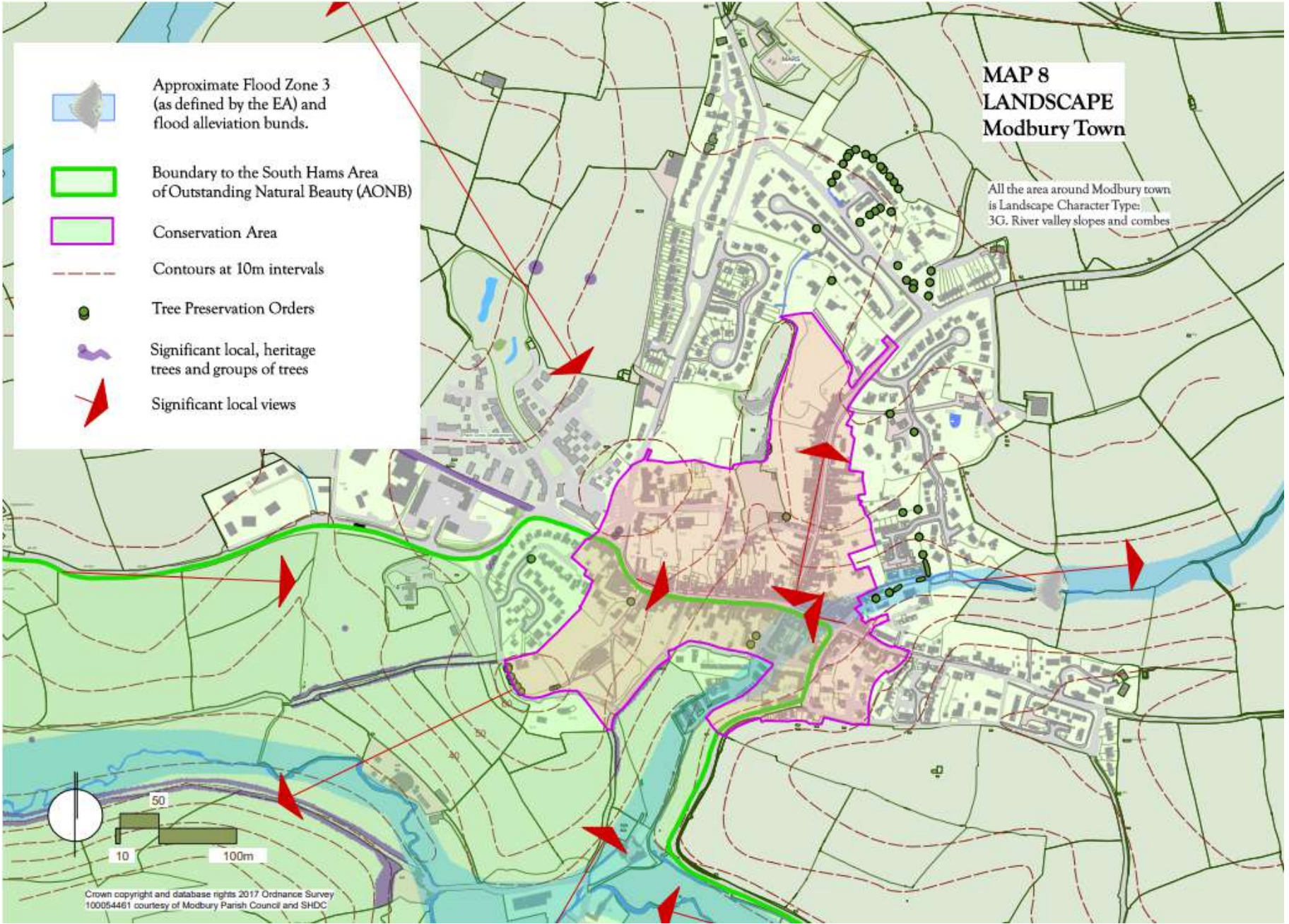
Ridge road



Broad street and Church Street



From west toward Palm Cross development



POLICY MNP14: SUPPORTING BIODIVERSITY

Development shall not harm but maintain and enhance biodiversity, paying due regard to:

- a. internationally important sites including existing, candidate or proposed Special Protection Areas and Special Areas of Conservation,
- b. nationally important sites including Sites of Special Scientific Interest, National Nature Reserves and Marine Conservation Zones,
- c. locally important sites including County Wildlife Sites, Local Nature Reserves, Ancient Woodlands, County Geological Sites and other priority habitats, and
- d. the network of wildlife corridors and ecological features that connect habitats and areas of biodiversity.



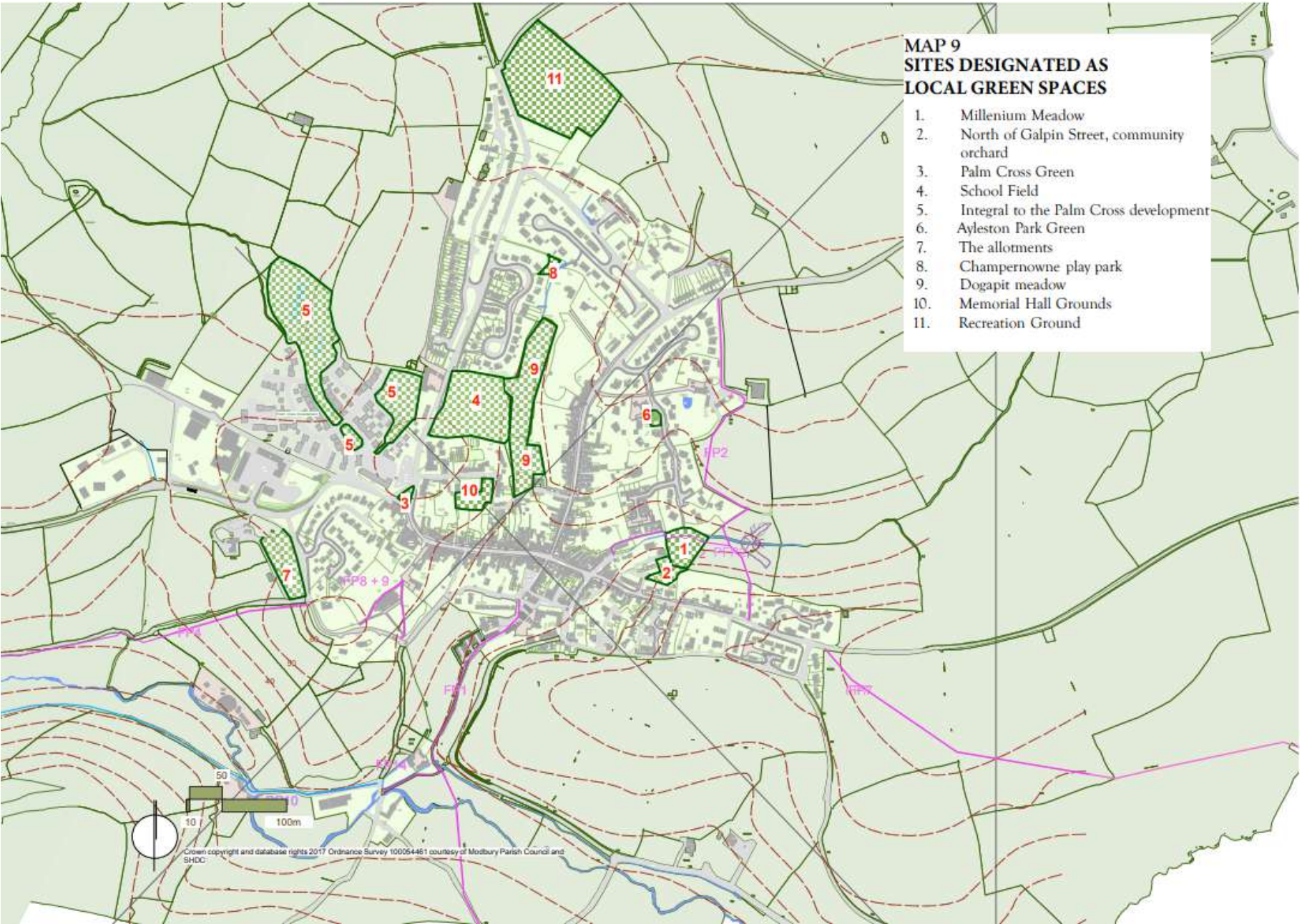
Sequers Bridge, river Erme SSSI site



River Erme SSSI site



Wild orchids, CWS Cotlass



**MAP 9
SITES DESIGNATED AS
LOCAL GREEN SPACES**

1. Millenium Meadow
2. North of Galpin Street, community orchard
3. Palm Cross Green
4. School Field
5. Integral to the Palm Cross development
6. Ayleston Park Green
7. The allotments
8. Champernowne play park
9. Dogapit meadow
10. Memorial Hall Grounds
11. Recreation Ground

POLICY MNP15: LOCAL GREEN SPACES AND PUBLIC OPEN SPACE

The following are designated as Local Green Spaces:

1. **Millennium Meadow**
(Public open space, community orchard)
2. **North of Galpin Street**
(Community orchard/public open space)
3. **Palm Cross Green**
(Historic, local character)
4. **School field**
(School sports field and play area, community orchard, recreational, wildlife)
5. **Integral to the Palm Cross development**
(Public open space, allotment and wildlife, play, proximity to housing)
6. **Ayleston Park Green**
(Chestnut tree with Tree Preservation Order, historic, local character)
7. **Allotments**
(Community amenity)
8. **Champernowne playpark**
(Community recreation)
9. **Dogapit meadow**
(Landscape buffer, green lung, local character, wildlife, attenuation for flood risk, planted for wildlife)
10. **Memorial Hall grounds**
(Public amenity, play area)
11. **Recreation ground**
(Public amenity, community orchard, play area)

Inappropriate development will not be supported, except in very special circumstances.

4.37 Longer term aspirations are:

- a. To create a necklace of community woodland around Modbury. As land on the margins of the town is made available for such a purpose it will also be designated as public open space. Developments on the town's margins should include such provision.
- b. New areas of public open space, play space, allotments or local green space (see Glossary), including a community woodland and community orchards, will be encouraged and required where necessary, in association with development or otherwise.



Millennium Meadow



Church Lane allotments

5. DELIVERING THE PLAN

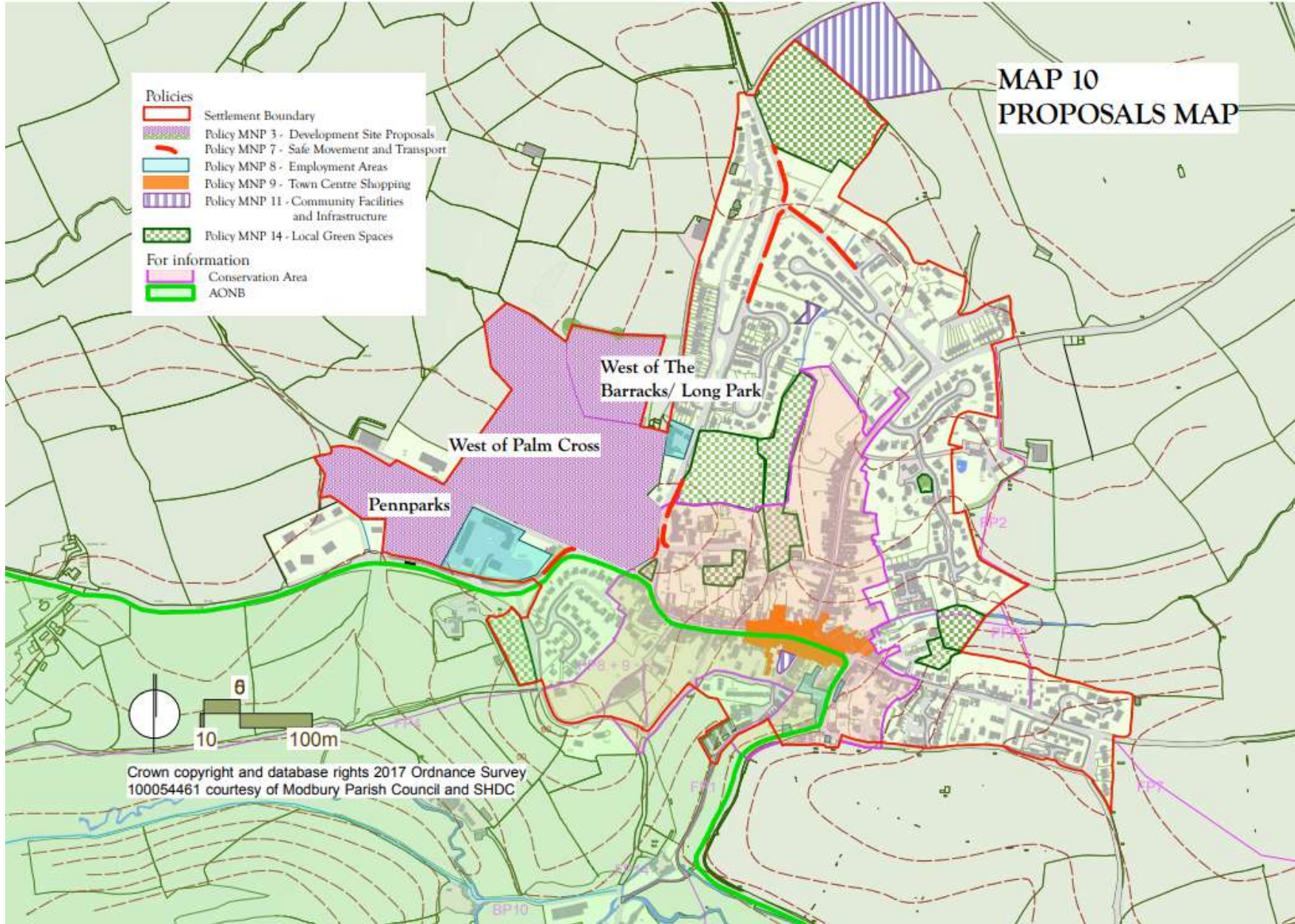
5.1 Many of the plan's proposals will only happen with private sector investment, but this does not remove Devon County, South Hams District and Modbury Parish Councils or other public bodies from their responsibilities for infrastructure and services. The Plan's policies aim to steer and shape development. It is, however, expected that developer contributions will be gathered through S106 agreements, Community Infrastructure Levy, or similar, in order to address any specific mitigation required by new development, or the broader impacts of development.

5.2 The policies of this Plan and the JLP will be complementary, together providing a firm platform for all parties to cooperate in promoting, enabling and delivering beneficial developments and improvements of all kinds. Conformity between plans will be key to unlocking funds to support this plan's delivery, and it is hoped that Devon County, South Hams District and Modbury Parish Councils will take a proactive role in this regard.

5.3 Once the Neighbourhood Plan is formally adopted by South Hams Council it will become part of the local development plan. This means that it will be a material consideration in the determination of planning applications. The Council will therefore assess development proposals against the objectives of the Neighbourhood Plan alongside the JLP and any related implementation plan to ensure that the aspirations of the community are being met.

5.4 Monitoring may require the plan to be reviewed in due course to keep it up-to-date and relevant. A monitoring framework is suggested to help judge the effectiveness of the plan's policies. Any formal amendments to the plan will have to follow a similar process as was used to prepare the original plan.





GLOSSARY OF TERMS

HOUSING TERMINOLOGY	
Affordable Housing	Affordable housing for planning purposes includes housing from a range of tenures where the cost of occupation does not exceed 80% of the market rent for similar accommodation in the local area. Housing which qualifies as affordable is:
	a. Social housing - Including Council and Housing Association housing let at social rent levels (which are substantially below market levels).
	b. Affordable rented housing - Other housing let, usually but not exclusively by Housing Associations, at a cost no greater than 80% of the local market rent.
	c. Low-cost homeownership - This can be shared ownership or other low-cost home ownership housing where the cost is below 80% of the open market rent level in the local area. There must be an element of perpetuity in this housing to qualify as affordable in planning terms.
Registered Social Landlord	A landlord, usually a housing association, which is regulated by the Homes and Communities Agency to provide affordable housing. The term has now been replaced with the term Registered Provider.
Registered Provider	The new term for a Registered Social Landlord.
Home	Also known as a dwelling, it is a building occupied as a domestic residence for a single household. It can be a house, bungalow, flat, maisonette, apartment or park home. It is usually self-contained (i.e. with its own facilities) but can occasionally be part of a larger building sharing facilities (a House in Multiple Occupation).
Principal Residence	A person's principal or primary residence is a dwelling where (s)he usually lives. It is the legal residence of an individual, for instance for income tax or electoral registration purposes. An individual cannot have more than one principal residence at any given time.
GENERAL TERMINOLOGY	
AONB	A national designation of equal standing to a national park, intended to help protect and manage the landscape.
Community Infrastructure Levy	This is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. Development may be liable for a charge under the Community Infrastructure Levy (CIL), if the local planning authority has chosen to set a charge in its area. (Community Infrastructure Levy Regulations 2010)
Community Land Trust	A form of community-led housing set up by members of the community to develop and manage homes or other community assets
Conservation Area	An area of special architectural or historic interest, designated under the Planning (Listed Buildings and Conservation Areas) Act 1991, whose character and appearance it is desirable to preserve and enhance.
Demographic	Characteristics of a population expressed statistically, such as age and occupation.

GENERAL TERMINOLOGY *continued*

Local Green Space	Green areas of particular importance to local communities designated to provide special protection against development.
Modbury	The Parish of Modbury
National Planning Policy Framework (NPPF)	Sets out government planning policies for England and how they should be applied
PoS	Public open Space.
Shared space	Where pedestrians have equal rights to use a space also used by vehicles, thereby reducing vehicle speeds and enhancing pedestrian safety.
Site of Special Scientific Interest (SSSI)	A conservation designation, denoting a protected area of land considered to be of special interest by virtue of its fauna, flora, geological or physiographical/geomorphological features.
Sustainable Urban Drainage System	Includes measures to prevent pollution, reduce surface water runoff at source and provide a range of physical structures designed to receive the runoff
Sustainability	Long term secure wellbeing of Modbury (of its economy/environment/population).
Sustainability Appraisal	The consideration of policies and proposals to assess their impact on sustainable development objectives.
Neighbourhood Plan	Prepared by a Parish Council or Neighbourhood Forum for a designated neighbourhood area.
Section 106	Section 106 (S106) Agreements are legal agreements between Local Authorities and developers; these are linked to planning permissions and can also be known as planning obligations. Section 106 agreements are drafted when it is considered that a development will have significant impacts on the local area that cannot be moderated by means of conditions attached to a planning decision. A Planning obligation will aim to balance the pressure created by the new development with improvements to the surrounding area ensuring that where possible the development would make a positive contribution to the local area and community.



REFERENCES

- 1 Modbury Neighbourhood Plan website: www.modburynpg.co.uk
- 2 www.modburynpg.co.uk/Home/consultations/
- 3 National Planning Policy Framework:
www.gov.uk/government/publications/national-planning-policy-framework
- 4 Joint Local Plan for Plymouth and South West Devon. Setting out planning strategy up to 2034:
www.southhams.gov.uk/jointlocalplan
- 5 Community Action Plan: www.modburynpg.co.uk/Home/community-action-plan/
- 6 www.modburynpg.co.uk/Home/wp-content/uploads/2020/02/Modbury-Village-Design-Statement-2003.pdf
- 7 Census (2011) Office for National Statistics: www.nomisweb.co.uk/reports/localarea?compare=E04003164
- 8 South Devon AONB:
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- 18 The Local Housing Market and Affordability - Report to Neighbourhood Plan Group: Smith, P, 2018
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- 19 Community Land Trust: www.communitylandtrusts.org
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- 21 Most Expensive Seaside Towns:
static.halifax.co.uk/assets/pdf/media-centre/press-releases/2019-05-05_785k-to-anchor-down-and-live-in-britains-most-expensive-seaside-towns.pdf
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- 24 The case for a Principal Residence Policy: www.modburynpg.co.uk/Home/evidence-base
- 25 Modbury Neighbourhood Plan Household Questionnaire. www.modburynpg.co.uk
- 26 OSSR Open Spaces, Sport and Recreation Assessment (2018): Prepared by Modbury Association for Recreation and Sport (MARS) for the Parish Council.
- 27 Wildlife site resource map and species information for neighbourhood planning – Modbury, July 2017: Devon Biodiversity Records Centre-Report for Modbury NP: www.modburynpg.co.uk/Home/evidence-base

ACKNOWLEDGMENTS

Below is a list of people, who have given many hours of their time on a voluntary basis, except for the posts of independent Planning Consultant and Website Manager for whom payment was agreed by the Parish Council.

The NPG have prepared this Plan by working in close consultation with the residents of Modbury to obtain their views on the full range of issues affecting life in the town and their preferred vision of the way forward. Acknowledgment is therefore due to the indispensable contribution of all those who engaged in the range of consultation events between 2016-2019.

Members of Neighbourhood Plan Group

- ❖ Ann Turner, Chair
- ❖ Phil Jolly, Treasurer
- ❖ Alison Wood, Minutes Secretary, Community Services and Facilities Group
- ❖ Chris Barnes, Parish Councillor/Transport Group
- ❖ Jeff Booth, Environment and Sustainability Group (co-opted)
- ❖ Nicky Crawford, Historic Environment Group (co-opted)
- ❖ Burda Gage, Housing and Transport Groups
- ❖ Mark Lawrence, (previous Parish Councillor) Housing Group / Grant Applications /Questionnaire Analysis and Statistician)
- ❖ Rosemary Parker
Historic Environment group (co-opted)
- ❖ Andy Rathbone, Environment / Sustainability Group Lead
- ❖ Charlotte Rathbone, Environment / Landscape Group lead and Housing Subgroup
- ❖ Nicky Shepley, Parish Councillor representative
- ❖ Phil Smith, Housing and Planning Sub Group/ Development Programme (co-opted)
- ❖ Jon Sullivan, Housing and Planning Group and Employment and Business Group
- ❖ Mark Trewin, Historic Environment Group Lead
- ❖ Daniel Turner, Website Manager/Environment
- ❖ Peter Watts, Chair of the Parish Council (from 2019)
- ❖ Brian Weekes, Environment and Sustainability subgroup/compiler of list of local organisations and services, Parish Councillor
- ❖ Barry White Road Safety and Transport Group
- ❖ Colin Whybrow, Communications and Parish Councillor Representative

Providers of Professional Support

- ❖ Lee Bray, Independent Planning Consultant
- ❖ Jason Elson, South Hams District Council, Graphic Design
- ❖ Duncan Smith, South Hams District Council, Neighbourhood Plan Adviser

Additional Contributors

- ❖ Lynne Barnes, Environment and Sustainability Group/Questionnaire Design
- ❖ Tim Beavon, Grant Application, Questionnaire Analysis
- ❖ Charlotte Kendrick, Questionnaire Logistics of Distribution (co-opted)
- ❖ Margaret Middleton, former Secretary to the Neighbourhood Plan Group
- ❖ Sue Rogers, Questionnaire logistics of Distribution (co-opted)
- ❖ Roy Sims, Communication/Modbury Association for Recreation and Sports representative
- ❖ Emily Sullivan, Logo
- ❖ Bernard Taylor, Chair of the Parish Council (to 2019); South Hams District Councillor (from 2019).
- ❖ Cate Thompson, Brownston Consultation
- ❖ Neil Turner, Questionnaire Design/Analysis
- ❖ Lindsay Ward, previous District Councillor
- ❖ Ron Wood, Questionnaire Analysis/Photographs

General Thanks

- ❖ Modbury School children and the staff who supported them in putting forward their ideas for Modbury in the future
- ❖ Modbury Health Centre for hosting a consultation display
- ❖ Modbury Post Office for holding a comments box
- ❖ Modbury Memorial Hall for hosting a number of Neighbourhood Plan meetings and events
- ❖ Modbury Messenger delivery volunteers who helped with delivery of questionnaires
- ❖ Modbury Messenger for inclusion of regular reports
- ❖ The White Hart, Exeter Inn, Modbury Inn and California Inn for hosting events
- ❖ MARS pavilion for hosting events
- ❖ Modbury Town Crier, David Scott, for announcing events around the Town
- ❖ Modbury Tourist Information Centre for hosting exhibition



MODBURY NEIGHBOURHOOD PLAN

Making a balanced, vibrant and healthy place to live.

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MINUTES OF THE MEETING OF THE LICENSING COMMITTEE HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 5 JANUARY 2023

MEMBERS

* Cllr D Brown - Chairman

* Cllr R Rowe - Vice-Chairman

* Cllr J Hodgson

∅ Cllr T Holway

∅ Cllr K Kemp

* Cllr G Pannell

∅ Cllr K Pringle

* Cllr B Taylor (substituting Cllr K Pringle)

* Cllr H Reeve

* Cllr P Smerdon

* Cllr D Thomas

∅ Cllr D O'Callghan

∅ Cllr J Sweett

* Denotes attendance

∅ Denotes apology for absence

Officers in attendance and participating:

All Agenda Items: Senior Specialist – Licensing; Licensing Specialist; Solicitor and Specialist – Democratic Services

L.11/23 **MINUTES**

The minutes of the meeting of the Licensing Committee held on 17 November 2022 were confirmed as a correct record.

L.12/23 **DECLARATIONS OF INTEREST**

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

L.13/23 **EXCLUSION OF THE PUBLIC AND PRESS**

RESOLVED

“That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item of business in order to avoid the likely disclosure to them of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A to the Act”

DETERMINATION OF WHETHER TO GRANT A HACKNEY CARRIAGE AND PRIVATE HIRE DRIVER LICENCE

Consideration was given to an exempt report that asked the Committee to determine whether an individual was a 'fit and proper person' to hold a Hackney Carriage/Private Hire Driver Licence in accordance with Section 59 of the Local Government (Miscellaneous Provisions) Act 1976.

The Licensing Specialist introduced the report and the individual was invited to make representations to the Committee. At the conclusion of his address, Members of the Committee asked a series of questions.

Once all parties were satisfied that they had no more questions or issues to raise, the Committee adjourned at 11.17 am in the presence of the Solicitor.

Having fully considered the matter, the meeting was then re-convened at 12:30pm and the Chairman read the decision as follows:

Members of the Licensing Committee have considered very carefully your application for a Hackney Carriage and Private Hire Driver Licence

- We have read the Licensing Officer's report, which you have had sight of and the SHDC taxi licensing policy
- We have listened very carefully to what you have told us today
- The main priority of the licensing regime is to ensure public safety. As this is a civil matter, the evidence of proof is based on the balance of probabilities, the onus being on yourself to satisfy the Authority that you are a 'fit and proper person' to drive a Hackney Carriage or Private Hire Vehicle.

The Committee have decided by a majority that on a balance of probability that you are not a fit and proper person to be licensed as private hire driver or hackney carriage driver.

The Committee considered Hackney Carriage and Private Hire Licensing Policy at para 6.7 and 9.3 for the reasons for the decision

The Committee have therefore decided to refuse your application.

The Committee received legal advice in terms of:

- 1) The legal test be applied – it being appropriate to regard as good reason anything which a reasonable and fair minded decision maker acting in good faith and with proper regard to the interests of both the public and the driver

- 2) The statutory provisions under which this fitness Committee made a decision namely SECTION 51 AND SECTION 59 Local Government (Miscellaneous Provisions) Act 1976
- 3) The option available to the committee
- 4) The burden of proof being upon you to prove that you on a balance of probability a fit and proper person, which in the Committee's opinion you did not discharge.

The reasons for the decision are as follows:

- A) Convictions for dishonesty
- B) Convictions for violent offences
- C) Failure to disclose all your convictions in the application form
- D) In the interests of public safety

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MINUTES of the MEETING OF THE DEVELOPMENT MANAGEMENT COMMITTEE held in the COUNCIL CHAMBER, FOLLATON HOUSE, TOTNES, on WEDNESDAY, 15 February 2023

Members in attendance			
* Denotes attendance			
∅ Denotes apologies			
*	Cllr V Abbott	*	Cllr M Long
*	Cllr J Brazil (for 6 (a) (b) and (c) on MS Teams (Minute DM.58/23 refers)	*	Cllr K Pringle
*	Cllr D Brown	*	Cllr H Reeve
*	Cllr R J Foss (Chairman)	*	Cllr R Rowe (Vice Chair)
*	Cllr J M Hodgson	*	Cllr B Taylor
∅	Cllr K Kemp	*	Cllr K Baldry (substituting for Cllr K Kemp) (for 6 (b), (c), (d) and (e) only (Minute DM.58/23 refers)
*	Cllr G Pannell		

Other Members also in attendance and participating:
Cllr J Pearce and Cllr H Bastone

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Development Management, Senior Specialists, Specialists and Senior Case Manager – Development Management; Senior Case Manager – Planning Enforcement; Monitoring Officer; IT Specialists and Democratic Services Officer

DM.55/23 MINUTES
The minutes of the meeting of the Committee held on 18 January 2023 were confirmed as a correct record by the Committee.

DM.56/23 DECLARATIONS OF INTEREST
Members and officers were invited to declare any interests in the items of business to be considered and the following were made:

Cllr B Taylor declared an Other Registerable Interest in application 6(a), (b), (c) and (d) (minutes DM.58/23 (a), (b), (c), (d) and (e) below refer because he is a member of South Devon AONB Partnership Committee. The Member remained in the meeting and took part in the debate and vote thereon.

DM.57/23 PUBLIC PARTICIPATION
The Chairman noted the list of members of the public, Town and Parish Council representatives, and Ward Members who had registered their wish to speak at the meeting.

PLANNING APPLICATIONS

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

**6a) 2363/22/FUL "Sunnydale", Newton Road, Salcombe
Parish: Salcombe Town Council**

Development: Demolition of existing dwelling & construction of new detached house with associated landscaping

This application was deferred at the 18 January 2023 meeting for DMC Members to view the application from the river.

Case Officer Update: The Case Officer reported that changes relating to parking had been circulated to Members since the last meeting.

During the debate, Members said it was beneficial to see the setting from the river and the potential impact. Some Members felt that the changes to the parking still presented a challenge with the blocking of the entrance to the property. The footprint dramatically increased with concerns on the materials being used. It was felt that the design was out of context and the view from estuary very harsh.

It was proposed and seconded to refuse the application. The reasons for refusal: Delegated refusal with detailed reasons to be agreed with the Chair, Vice-Chair, Proposer and Seconder. The dwelling does not fit with the vernacular; increase in scale, design being symmetry, linear and out of keeping, materials out of keeping and relevant policies.

A vote was taken to refuse the application. The vote was lost.

It was then moved to approve the application on the basis that some Members agreed with officer's report and recommendation. Before the vote was taken, a request was put forward to include a condition on a construction management plan. This request was accepted.

Recommendation: Conditional Approval

Committee decision: Conditional approval with the inclusion of a construction management plan covering limiting movements during school holidays, tonnage and more detail on the demolition period.

Conditions:

1. Time limit
2. Accord with plans

3. CEMP
4. Materials samples (natural slate)
5. Materials samples (natural stone sample panel)
6. Surface water drainage
7. Air source heat pump
8. Adhere to ecological report

**6b) 4082/22/FUL "Development Site At Sx 677 403",
Weymouth Park, Hope Cove
Parish Council: South Huish**

Development: Erection of single-storey dwelling following grant of permission in principle (Resubmission of 1741/22/FUL)

Case Officer Update: The Case Officer reported that this application has been called to Committee by both Ward Members. Six additional objections received, two duplicates and no new points raised. They summarised the following:

- Principle of development: established through PIP granted.
- Design: scale and form in keeping with character of Weymouth Park, traditional materials proposed.
- Neighbour impact: acceptable subject to recommended conditions.
- Landscape: no harm to AONB given existing residential character of surroundings, conditions recommended.
- Previous reasons for refusal have been addressed.

Speakers were: Objector – David Etherington, Supporter – Steve Carter, Parish Council – Cllr J Hocking, Ward Members – Cllr J Pearce and Cllr M Long.

The Ward Member had no dispute with the officer report but raised objection to the dwelling and proximity to the public foot path and this footpath will become a tunnel. Also this was not a modest dwelling and the scale of the property would have an adverse impact on the AONB. The garage almost like having a separate building and not typical for this part of Weymouth Park. There have been a lot of local objections and I support the Parish Council.

In response to questions raised, it was reported that the fence alongside the footpath had made the path not very inviting and will impact the ANOB. A discussion then took place on whether the fence could be replaced with a natural hedge and it was reported that wasn't an option because of the design and the size of the bungalow.

The Ward Member raised the accumulative impact of the garage and whether the scale of the property was appropriate. The PIP was approved by the Planning Inspector, however the dwelling needs to reflect the local distinctiveness of the area.

The Head of Development reiterated that this is a standalone application and doesn't have to follow the PIP. The existing fence and can be erected under permitted development and not adjacent to the highway and lawful construction.

During the debate: Some Members felt this was a finally balanced decision but would support a condition on the fence as not to restrict the passage and appearance of the footpath. Other Members felt that too much was being squeezed onto the site and that there was an opportunity to develop that site more sympathetically. The design will have a negative impact on the street scene and footpath. This site deserves more creative thinking and to lessen the impact. This is not the right development for this site.

A vote was taken to approve the application. The vote was lost.

Recommendation: Conditional Approval

Committee decision: Refused. Delegated refusal with detailed reasons to be agreed with the Chair, Vice-Chair, Proposer and Seconder.

Reason for Refusal:

The scale of the development, incongruous materials, impact on the AONB.

The garage increases the mass on the site, unneighbourly and impact on the street scene and on adjacent buildings.

Policy SH E3 – design proposals doesn't integrate with the built surrounding.

Impact on the footpath.

DEV20 – doesn't improve the environment, inappropriate roof materials.

6c) 4454/22/HHO "The Willows", Bolberry Road, Hope Cove Parish Council: South Huish

Development: Householder application for extension to approved car port, re-align steps, add window and enclose to form garage

Case Officer Update: The Case Officer reported this is an employee application and Parish Council have submitted objections. In summary:

- Design: scale and mass acceptable, not overdevelopment, set back from building line, matching materials proposed.
- Use: garage shall only be used for the accommodation of private motor vehicle, and shall not be used, let, leased or otherwise disposed of for any other purpose.

Clarification was sought on the size of garage and confirmed slightly smaller than SPD requirements.

Speakers were: Objector – None, Supporter – Rachel Jefferson, Parish Council – Cllr J Hocking, Ward Councillors - Cllrs J Pearce and M Long.

The Ward Member wanted to highlight the concerns expressed by the Parish Council and whether further development can be controlled.

The Ward Member had sympathy with the Parish Council but difficult to go against this application.

During the debate Members agreed with the officer's recommendation.

Recommendation: Conditional Approval

Committee decision: Conditional Approval

Conditions:

1. Time limit
2. Accord with plans
3. Materials to match existing
4. Garage to remain incidental
5. Surface water drainage

6d) 2260/22/HHO "Paradise Point", Ravensbury Drive, Warfleet, Dartmouth Town Council: Dartmouth

Development: Householder application for construction of two storey garden building with no internal link between floors, ground floor for use as a garden and water equipment store with changing facilities including shower & WC and first floor for use as home office with WC (Resubmission of 3983/21/HHO)

The Case Officer: The Case Officer reported that the Dartmouth NDP now made and reasons for refusal amended accordingly. The key issues raised:

- Heritage: form and scale of the outbuilding results in a 'statement building' which detracts from the house and gardens – fails to preserve or enhance LB or Conservation Area.
- Landscape: key waterside location. Gardens acts as a setting for the house, and development of the scale proposed would be intrusive and harm the landscape setting.
- Scale: principle of single-storey boat store could be supported.
- Relationship with dwelling: detached from main house, no justification for home office on the waterfront so far from dwelling.

Speakers were: Objector – None, Supporter – Nichola Burley, Parish Council – None, Ward Members: Cllrs H Bastone and Cllr R Rowe.

The Ward Member shared a photo taken from Kingswear and highlighted that the boathouse would be hidden amongst the greenery. Another photo showing other developments close to the Paradise Point. Many properties along the river have boat houses with mass construction on that side and unfair not to approve this application. This building does comply with planning and use of the building not a separate residential building and asked the Committee to approve this application.

The Ward Member raised that there are landing steps already in place to access the proposed building and will be an extension to the main dwelling. No objections from Dartmouth Town Council, no impact on neighbouring properties and will not be used as a separate building.

During the debate: Some Members felt that this was a lovely green area when viewed from the river and will be quite discreet.

A vote was taken to approve the application. The vote was lost.

However, some Members found the boat ride very informative and the argument that other developments taking place close to this application didn't make it right for further development. What is proposed will add to the bigger development in a lovely area of conservation and wildlife. Some Members supported the officer's recommendation of refusal.

Recommendation: Refusal

Committee decision: Refusal

6e) 3504/21/VAR "The Mooring", Newton Hill, Newton Ferrers Parish Council: Newton and Noss

Development: (Revised plans) Application for variation of conditions 1 (approved plans) and 6 (stone faced boundary wall) of planning consent 0068/20/VAR

Case Officer Update: The Case Officer reported that the Parish Council have objected on the basis that the southern boundary wall should be clad in stone. Key issues raised:

- Officers recognise the strength of local objection.
- Plans have been revised to reflect the scheme as built.
- Additional timber fencing and stone capping was sought to safeguard the privacy of Yealm Cottage.
- Conditions have included triggers for implementation; with three months of decision for additional timber fencing/stone coping and 31 March 2024 for implementation of landscaping scheme.
- Officers consider that when taken as a whole, the development accords with the policy framework.

A discussion took place on the wall and it was reported that:

- The wall is in the boundary of the conservation area;
- The wall is rendered rather than stone clad;
- The Enforcement Team have been involved and tested the scheme through the planning process.

Speakers were: Objector – Mr Buckland, Supporter – Beau Sherriff, Parish Council – Cllr C Phillipson (statement read out), Ward Members – Cllrs K Baldry and D Thomas (statement read out).

The Ward Member supported the objections made by the Parish Council.

A statement was provided by the Ward Member and they supported the other Ward Member's position, and would like to see the wall in question stone clad, rather than rendered. This is also the Parish Council's principle concern.

During the debate, Members raised concerns on the rendered wall. This was a significant feature and should be restored back to a stone clad wall to not only protect the heritage of the village but this fall on the edge of the conservation area. It was felt that a white rendered wall was unacceptable and was an incongruous addition with inappropriate materials used in that area. It was strongly felt that the historic stone wall should be stone cladded and not rendered.

Recommendation: Conditional Approval

Committee decision: Refused. Delegated refusal with detailed reasons to be agreed with the Chair, Vice-Chair, Proposer and Seconder.
Reason for Refusal:
Introduction of white wall incongruous in a conservation area and to include the relevant policies.

DM.59/23 **PLANNING APPEALS UPDATE**
Members noted the list of appeals as outlined in the presented agenda report.

DM.60/23 **UPDATE ON UNDETERMINED MAJOR APPLICATIONS**
Members noted the update on undetermined major applications as outlined in the presented agenda report.

DM.61/23 **EXCLUSION OF THE PUBLIC AND PRESS**

RESOLVED

“That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following items of business in order to avoid the

likely disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.

DM.62/23 **ENFORCEMENT REPORT**

RESOLVED: The Committee agreed with the Officer recommendation as set out in the report.

(Meeting commenced at 10:00 am. Meeting concluded at 4:30 pm, with a break at 11:38 am and 3:35 pm and lunch at 12.29 pm. Meeting adjourned at 4:03 pm)

Chairman

Voting Analysis for Planning Applications – DM Committee 15 February 2023

Application No:	Site Address	Vote	Councillors who Voted Yes	Councillors who Voted No	Councillors who Voted Abstain	Absent
2363/22/FUL	"Sunnydale", Newton Road, Salcombe	Approved	Cllrs Brown, Foss, Pringle, Reeve, Rowe and Taylor (6)	Cllrs Abbott, Hodgson, Long and Pannell (4)		Cllrs Baldry and Brazil (2)
4082/22/FUL	"Development Site At Sx 677 403", Weymouth Park, Hope Cove	Refused	Cllrs Abbott, Brown, Hodgson, Long, Pringle, Reeve and Taylor (7)	Cllrs Baldry, Pannell and Rowe (3)	Cllr Foss (1)	Cllr Brazil (1)
4454/22/HHO	"The Willows", Bolberry Road, Hope Cove	Approved	Cllrs Abbott, Baldry, Brown, Foss, Hodgson, Long, Pannell, Pringle, Reeve, Rowe and Taylor (11)			Cllr Brazil (1)
260/22/HHO	"Paradise Point", Ravensbury Drive, Warfleet, Dartmouth	Refused	Cllrs Abbott, Brazil, Foss, Hodgson, Long, Pannell, Pringle and Taylor (8)		Cllr Baldry, Brown, Reeve and Rowe (4)	
3504/21/VAR	"The Mooring", Newton Hill, Newton Ferrers	Refused	Cllrs Abbott, Baldry, Brazil, Brown, Foss, Hodgson, Long, Pannell, Pringle, Reeve, Rowe and Taylor (12)			

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**MINUTES OF THE MEETING OF THE COUNCIL TAX SETTING COMMITTEE
HELD AT 9.30am ON WEDNESDAY, 22 FEBRUARY 2023 IN THE COUNCIL
CHAMBER, FOLLATON HOUSE, TOTNES**

MEMBERS

* Cllr J A Pearce - Chairman

* Cllr H D Bastone

* Cllr J Brazil

* Cllr M Long

* Denotes attendance

∅ Denotes apology for absence

Officers in attendance:

All Agenda Items: Section 151 Officer; and Democratic Services Manager

CTSC.1/22 MINUTES

The minutes of the meeting of the Council Tax Setting Panel held on 22 February 2022 were confirmed as a true and correct record.

CTSC.2/22 DECLARATIONS OF INTEREST

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

CTSP.3/22 DECLARATION OF THE COUNCIL TAX BASE AND INDIVIDUAL TAX BASES FOR TOWNS AND PARISHES: 2023/2024

Consideration was given to a report that calculated and set out the Council Tax for 2023/24, having taken into account the precepts as notified from Devon County Council, Devon and Cornwall Police and Crime Commissioner, Devon and Somerset Fire and Rescue Authority, and the local Town and Parish Councils.

It was then:

RESOLVED

1. That it be noted that, in December 2022, the Senior Leadership Team, under delegated authority from full Council, approved the Council Tax Base for the year 2023/24:
 - (a) for the whole Council area as being 39,949.00 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012; and

- (b) for dwellings in those parts of its area to which a Parish Precept relates in accordance with regulation 6 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012 as set out at Appendix A of the published agenda report;
2. That the Council Tax requirement for South Hams District Council's own purposes for 2023/24 (excluding Parish precepts) is calculated at £7,407,344 as set out at Appendix B of the published agenda report;
3. That the following amounts are calculated by the Council for the year 2023/24 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and the Localism Act 2011 as set out at Appendix B of the published agenda report:
- (a) £51,106,211 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish/Town Councils (**Gross expenditure including parish precepts**).
- (b) £40,371,557 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act (**Total income including business rates and council tax collection fund surplus**).
- (c) £10,734,654 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act) (**Council tax requirement including parish precepts**).
- (d) £268.71 being the amount at 3(c) above (Item R), all divided by the council tax base (1(a) above) in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (**Average band D council tax for South Hams District Council and parishes**).

(e) £3,327,310 being the aggregate amount of all special items (Parish Precepts), referred to in Section 34(1) of the Act (as set out in **Appendix C** to the presented agenda report **Parish Precepts**).

(f) £185.42 being the amount at 3(d) above less the result given by dividing the amount at 3(e) by the Council tax base (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates (**Band D council tax for South Hams District Council only**).

4. That it be noted the County Council, the Police and Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings as shown below:

Precepting authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Devon County Council's tax requirements	1,089.42	1,270.99	1,452.56	1,634.13	1,997.27	2,360.41	2,723.55	3,268.26
Police & Crime Commissioner's tax requirements	174.37	203.44	232.50	261.56	319.68	377.81	435.93	523.12
Devon & Somerset Fire & Rescue Authority's tax requirements	64.53	75.28	86.04	96.79	118.30	139.81	161.32	193.58

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts of Council Tax for the year 2023/24 for each of the categories of dwellings shown at **Appendix D of the published agenda report (total of all valuation band council taxes for South Hams District Council including parishes, county, police and crime commissioner and fire authority)**; and

6. That the Council concluded that the basic amount of Council Tax for South Hams District Council for 2023/24 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 (see calculation at **Appendix B** of the presented agenda report).

(Meeting commenced at 9:30 am and concluded at 9.35 am).

Chairman

MINUTES OF THE MEETING OF THE LICENSING COMMITTEE HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 9 MARCH 2023

MEMBERS

* Cllr D Brown - Chairman

* Cllr R Rowe - Vice-Chairman

* Cllr J Hodgson

* Cllr T Holway

∅ Cllr K Kemp

* Cllr G Pannell

∅ Cllr K Pringle

* Cllr H Reeve

* Cllr P Smerdon

* Cllr D Thomas

* Cllr D O'Callaghan

* Cllr J Sweett

* Denotes attendance

∅ Denotes apology for absence

Officers in attendance and participating:

All Agenda Items: Senior Specialist – Licensing; Licensing Specialist; Monitoring Officer and Specialist – Democratic Services

L.15/23 **MINUTES**

The minutes of the meeting of the Licensing Committee held on 5 January 2023 were confirmed as a correct record.

L.16/23 **DECLARATIONS OF INTEREST**

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

L.17/23 **CONSIDERATION OF AN APPLICATION OF AN TO LICENSE A VEHICLE AS A HACKNEY CARRIAGE**

Consideration was given to a report that asked the Committee to determine an application for a new Hackney Carriage Vehicle Licence for a Fairway Shadow Shuttle Bus to be operated by ZEST (Salcombe) Limited and in particular whether the vehicle was a type that was suitable to be licensed as a Hackney Carriage Vehicle as it was a type that did not accord with the Council's policy which required new vehicles to have a 4 or 5 Star Euro NCAP Safety Rating. The Fairway Shadow Shuttle Bus did not have a rating because it had not undergone testing by Euro NCAP.

The Licensing Specialist introduced the report and the applicant was invited to make representations to the Committee. At the conclusion of his address, Members of the Committee asked a series of questions, which

included:

- Whether not having an Euro NCAP rating meant that the vehicle was unsafe – it did not and the vehicle was certified to be driven on the public highway
- Passenger safety requirements
- Crash testing of the vehicle
- Speed of the vehicle
- Planned route in Salcombe
- Experience of operating bus/taxi service
- The driver's qualifications to drive this type of vehicle
- Out of town parking

The Licensing Specialist asked the applicant to provide further information to the Committee on the certificates. It was reported that their list exceeded the requirements by VOSA.

During the debate, members focussed upon the safety, comfort of and access to the vehicle.

Following debate it was **PROPOSED, SECONDED** and **RESOLVED** that:

a hackney carriage vehicle licence granted for the Fairway Shadow Shuttle Bus subject to the further additional certification being provided to the satisfaction of the Senior Licensing Officer in consultation with Chairman and Vice-Chairman.

(Meeting commenced at 11.00 am and concluded at 12.28 pm).

Chairman

**MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE
 HELD IN THE COUNCIL CHAMBER, FOLLATON HOUSE, PLYMOUTH ROAD,
 TOTNES ON THURSDAY, 9 MARCH 2023**

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

Member(s) also in attendance:
Cllrs H D Bastone; N Hopwood (via Teams) and J Pearce

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Section 151 Officer; Director – Strategy & Governance; Head of Finance; Democratic Services Manager; Assistant Director – Strategy & Organisational Development (via Teams); Internal Audit Manager; Principal Accountants (via Teams); Principal Auditor (via Teams) and External Auditor (via Teams).

AG.32/22 MINUTES

The minutes of the Audit and Governance Committee meeting held on 24 November 2022 were confirmed as a true and correct record.

AG.33/22 DECLARATIONS OF INTEREST

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

AG.34/22 GRANT THORNTON AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Committee considered a paper from Grant Thornton that provided a progress update on delivering their responsibilities as the Council’s External Auditors.

In discussion, the overriding focus of the debate was on the delay to the Financial Statements Audit for 2022/23. In particular, the Committee noted that Grant Thornton representatives had informed the Council that that the Audit fieldwork would be delayed due to their audit resourcing shortages. As a result, the audit opinion would be delivered after the September 2023 publication date.

Whilst appreciating the recruitment challenges, Members expressed their serious concerns over the delay and additional recommendations were therefore **PROPOSED** and **SECONDED** that sought to reflect their disappointment. These additional recommendations read as follows:

2. *that serious concerns be expressed about Grant Thornton's ability to deliver the promised external audit service in a timely fashion and in particular to provide audited accounts before the national target date for audited accounts of the end of September 2023. Their continued staffing problems should not be used as an excuse for less than satisfactory service standards.*
3. *that these delays will cause SHDC considerable additional work and are likely to mean that we will suffer adverse reputational risk as our Accounts will not be audited by the target date of September 2023.*
4. *that at the next meeting Grant Thornton be asked to present a detailed plan, including time scales, showing what actions they propose to take to restore an acceptable level of service and to address their shortage of experienced audit staff.*

In the consequent debate, reference was made to:

- the negative reputational impact on the Council. In addition, the delay was considered to be particularly unfair on Council officers;
- Grant Thornton representatives being unable to confirm that there would not be any further delays;
- the situation being particularly galling given the substantial increase in Audit fees that the Council was now required to pay;
- the wish of Members to see a detailed Action Plan from Grant Thornton at the next Audit & Governance Committee meeting;
- the amount of required fieldwork for local authority audits was felt to be wholly disproportionate.

It was then:

RESOLVED

1. That the contents of the Grant Thornton Audit Progress Report and Sector Update be noted.

2. That serious concerns be expressed about Grant Thornton's ability to deliver the promised external audit service in a timely fashion and in particular to provide audited accounts before the national target date for audited accounts of the end of September 2023. Their continued staffing problems should not be used as an excuse for less than satisfactory service standards.
3. That these delays will cause SHDC considerable additional work and are likely to mean that we will suffer adverse reputational risk as our Accounts will not be audited by the target date of September 2023.
4. That, at the next meeting, Grant Thornton be asked to present a detailed plan, including time scales, showing what actions they propose to take to restore an acceptable level of service and to address their shortage of experienced audit staff.

AG.35/22 PROPOSED INTERNAL AUDIT PLAN FOR 2023-24

The Leader presented a report which sought to provide Members the opportunity to review and comment upon the proposed internal audit plan for 2023/24.

In discussion, a request was made for Committee Members to be sent a copy of the four-year Audit Plan for their information and reference. In reply, officers committed to sending a copy to Members outside of this Meeting.

It was then:

RESOLVED

That the proposed Internal Audit Plan for 2023-24 (as set out at Appendix A of the presented agenda report) be approved.

AG.36/22 UPDATE ON PROGRESS ON THE 2022-23 INTERNAL AUDIT PLAN

Consideration was given to a report that updated Members on progress made against the Internal Audit Plan for 2022-23.

In discussion, the following points were raised:

- (a) With regard to customer satisfaction, the Committee noted that the Team had received no recent returns. As a result, officers were committed to placing greater emphasis on obtaining feedback from audits;

- (b) By way of an update to the Corporate Strategy and Performance Management audit, officers confirmed that a suite of Key Performance Indicators were now formally reported to both the Executive and the Overview & Scrutiny Committee.

It was then:

RESOLVED

That the progress made against the 2022/23 internal audit plan, and any key issues arising be noted and approved.

AG.37/22 **2023/24 CAPITAL STRATEGY, 2023/24 TREASURY MANAGEMENT STRATEGY AND 2023/24 INVESTMENT STRATEGY**

Members reviewed a report that outlined the proposed Capital Strategy, Treasury Management Strategy, and the Investment Strategy for the 2023/24 financial year.

In discussion, officers confirmed the intention for this matter to be presented to the Full Council meeting on 30 March 2023 as a standalone agenda item.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** to:

1. approve the 2023/24:
 - Capital Strategy (as attached at Appendix A of the published agenda report);
 - Treasury Management Strategy (as attached at Appendix B of the published agenda report); and
 - Investment Strategy (as attached at Appendix C of the published agenda report); and
2. delegate authority to the Section 151 Officer, in consultation with the Leader of the Council and the lead Executive Member for Finance, to make any minor amendments to these Strategies if required throughout the 2023/24 Financial Year.

AG.38/22 **BUDGET BOOK 2023/24**

Consideration was given to a report that set out the Council's Revenue Budget for the year which had been detailed into the four Directorates of Customer Service and Delivery; Place and Enterprise; Governance and Assurance; and Strategic Finance.

During discussion, reference was made to:

- (a) the Council's Treasury Management activities. The Committee acknowledged that officers monitored the Council's Treasury Management activities on a daily basis and it was anticipated that the Council would generate £1 million through this means for 2022/23. In response, Members wishes to formally put on record their thanks to those lead officers for Treasury Management;
- (b) cost centres being allocated mid-year to different Directorates. When questioned, officers confirmed that, to ensure accuracy of reporting lines, any such moves would be accounted for during the year by a virement;
- (c) the use of landline telephones. A Member questioned as to why the Council was spending almost £40,000 per annum on landline telephones. In response, the Section 151 Officer stated that this would be for the core infrastructure for telephony e.g. the contact centre.

It was then:

RESOLVED

That the content of the Budget Book for 2023/24 be noted.

AG.39/22 **SHARED SERVICES METHODOLOGY 2022/23**

The Deputy Leader outlined the report that explained the methodology for apportionment of costs between South Hams District and West Devon Borough Councils. The majority of the costs related to staffing costs. It was noted that the change in the apportionment relating to the Waste and Recycling Service resulted from the Service returning to the Council's control from October 2022.

In discussion, Members were informed that an equivalent version of this report was to be considered by the Audit & Governance Committee at West Devon Borough Council on 14 March 2023.

It was then:

RESOLVED

That the methodology of the shared services apportionment of costs between South Hams District Council and West Devon Borough Council for 2022/23, as shown in Appendix A of the presented agenda report, be noted.

AG.40/22 TREASURY MANAGEMENT MID-YEAR REVIEW

Members considered a report that set out the Council's annual Treasury Management Mid-Year Review.

In discussion, it was acknowledged that Treasury Management had been debated during consideration of the Council's Budget Book (Minute AG.38/22 above refers).

It was then:

RESOLVED

That the contents of the report be endorsed.

AG.41/22 STRATEGIC RISK REGISTER

In accordance with the Risk and Opportunity Management Strategy adopted by Council in 2018, the Audit Committee was presented with a report that formed the required bi-annual update.

In discussion, the risks associated with the all-out local elections in May 2023 were recognised.

It was then:

RESOLVED

1. That the six-monthly strategic risk update as set out in Appendix A of the published agenda report has been reviewed; and
2. That it be noted that officers would review and update the Council's Risk and Opportunity Management Strategy with a revised draft to be considered by the Committee at its next meeting.

AG.42/22 SUNDRY DEBT

Consideration was given to a report that provided Members with an update of the position of Sundry Debt and Housing Benefits Overpayments up to 31 January 2023.

In discussion, a Member questioned what benchmarking was undertaken against the housing benefit overpayment debt levels across other local authorities in the county. In reply, it was agreed that officers would be tasked with contacting their local counterparts in order to draw comparisons, with the results of this task then being included as part of the next published Committee report.

It was then:

RESOLVED

That the position in relation to Sundry Debt be noted.

AG.43/22 **CHAIRMAN'S CONCLUDING REMARKS**

As this was anticipated to be the last Committee meeting of the 2022/23 Municipal Year, the Chairman thanked all Members and the lead officers for their commitment and diligence during the last four years of this Council administration.

(Meeting commenced at 2:00 pm and concluded at 3.20 pm)

Chairman

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MINUTES of the MEETING OF THE DEVELOPMENT MANAGEMENT COMMITTEE held in the COUNCIL CHAMBER, FOLLATON HOUSE, TOTNES, on WEDNESDAY, 15 March 2023

Members in attendance			
* Denotes attendance			
∅ Denotes apologies			
*	Cllr V Abbott	*	Cllr M Long
*	Cllr J Brazil	∅	Cllr K Pringle
*	Cllr D Brown	*	Cllr H Reeve
*	Cllr R J Foss (Chairman)	*	Cllr R Rowe (Vice Chair)
*	Cllr J M Hodgson	*	Cllr B Taylor
∅	Cllr K Kemp	*	Cllr D O’Callaghan (substituting for Cllr K Kemp)
*	Cllr G Pannell	*	Cllr P Smerdon (substituting for Cllr K Pringle)

Other Members also in attendance and participating:

Cllr J Pearce and Cllr J Sweett

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Development Management; Senior Planning Officers; Monitoring Officer; IT Specialists and Senior Democratic Services Officer

DM.63/23 MINUTES
The minutes of the meeting of the Committee held on 15 February 2023 were confirmed as a correct record by the Committee.

DM.64/23 DECLARATIONS OF INTEREST
Members and officers were invited to declare any interests in the items of business to be considered and the following were made:

Cllr B Taylor declared an Other Registerable Interest in application 6(a) and (e) (minutes DM.66/23 (a) and (e) below refer because he is a member of South Devon AONB Partnership Committee. The Member remained in the meeting and took part in the debate and vote thereon.

DM.65/23 PUBLIC PARTICIPATION
The Chairman noted the list of members of the public, Town and Parish Council representatives, and Ward Members who had registered their wish to speak at the meeting.

DM.66/23 PLANNING APPLICATIONS
The Committee considered the details of the planning applications prepared by the Planning Case Officers as presented in the agenda

papers, and considered also the comments of Town and Parish Councils, together with other representations received, which were listed within the presented agenda reports, and **RESOLVED** that:

**6a) 4118/22/FUL "Edgecombe House", West Buckland
Parish: Thurlestone**

Development: New dwelling & site landscaping (Re-submission of 3247/22/FUL)

Case Officer Update: The Case Officer provided an amendment on the ridge height of Rose Cottage, with the height given referring to an outbuilding of Rose Cottage. Ridge height of Rose Cottage should read 107.43 (+4.53m). This application was within the Buckland Settlement Boundary and supported open market housing within the settlement boundaries. On the site visit a question was asked on the cut in and it was reported that, if granted approval, there would be a 1.5 m cut into the lower level. Objections were received from the 3 neighbouring properties. There was a flood zone at the bottom of the site, however, no flood risk issues for this dwelling.

In response to questions raised, it was reported that:

- an ecology report was submitted and the ecology officer was happy subject to appropriate conditions being included;
- the previous application which was withdrawn had 4 bedrooms and the outbuilding proposed to be a study. In these revised proposals, the study had been moved into the house and reduced to 3 bedrooms;
- foul drainage would drain into the existing sewer.

Speakers were: Objector – None, Supporter – James Wells, Parish Council – Cllr R Lewis, Ward Members – Cllrs Pearce and Long.

In response to questions, the Supporter responded that:

- slate hung was used in parts of the village and the use of this material would ground the building and reduce the mass;
- they were looking at different options to facilitate bats;
- they have designed a home which provided a good level of amenity and adapted for later living;
- the scale of the home was considered appropriate to that setting.

In response to questions raised, the Parish Councillor reported that:

- from the plans 75% of the property would be glazed;
- the neighbourhood plans stated that housing was to be provided for young people and families which contributed to the local area.

One Ward Member reported that the development was allowable, however the scale of the property, element of the design, the setting and impact on the natural environment was a concern. Members needed to

consider the principle of the development alongside what the Parish Council had raised in their Neighbourhood Plan. The Member questioned whether this property met that housing need and addressed the requirement in the area. The Member asked that the Committee give serious consideration to the design and the slate hanging and whether the scale and design was appropriate, the glazing and the impact on bats and the neighbours had been considered. Finally, the Member emphasised that this was an important habitat.

The second Ward Member reported that when the Neighbourhood Plan was approved there was a high turnout and the basis of the plan had been to promote sustainable development. This dwelling could be adapted for later living and there was a shortage of this type of dwelling in this area with very few properties that could be adapted for later life.

During the debate, Members felt that the main intention of the Neighbourhood Plan was for affordable housing. It was felt that the scale and affordability of this property was out of reach for young people and families. However, some thought that the proposal was reasonable and in particular the Section 106 principal residency which would avoid a lot of the issues that had been raised by the Parish Council.

The Head of Development Management highlighted that it would be difficult to defend a decision to refuse this application and recognised that the Housing Needs Survey was now 7 years old.

Members requested a condition to have no external lighting and the meeting was adjourned to allow officers to look at policies.

The proposer and seconder were happy to accept a change to condition 7 whereby it be altered to no external lighting.

Recommendation: Conditional approval subject to completion of S106 to secure principal residency

Committee decision: Delegated approval granted to the Head of Development Management in consultation with the Chair and Vice-Chair and Cllr Brown and Cllr Taylor to amend condition 7 to no external lighting.

Conditions: Standard time limit
Accord with plans
Construction Management Plan
CEMP to be submitted
Adherence to recommendations of ecology report
Works to take place outside of nesting season
Details of external lighting
Accord with Tree Protection Plan

Removal of PD rights
Rooflights to be obscure-glazed
Windows to east elevation to be obscure-glazed
Surface water drainage details to be submitted
Details of materials
Natural local stone
Natural slate
Accord with energy statement
PV panels to be installed prior to occupation
EV charging points to be installed prior to occupation
Flue to be of a matte, dark finish
S106 to secure principle residency

**6b) 0116/23/FUL "Higher Farleigh Meadow", Diptford
Parish: Diptford**

Development: Application to regularise & retain an agricultural storage building (resubmission 2156/22/FUL) (Retrospective)

Case Officer Update: The Case Officer reported that an additional letter of support had been received that had raised no new issues. An application on this site had previously been presented to Committee in November 2022 and had been refused. The barn had been reduced slightly but was considered to remain too large for the site and was therefore recommended for refusal. There were no concerns with the design and use and a smaller building could be potentially be supported.

Speakers were: Objector – none, Supporter – Amanda Burden, Parish Council – None, Ward Members – Cllrs Pannell and Smerdon

In response to questions raised, the Supporter reported that:

- the fire engine currently on site had been put up for sale and would be removed from the site along with the shipping container;
- the fire engine sat across three of the open bays currently used for security, once removed the building would be clad on all four sides;
- the applicant wants to grow their own food.

One of the Ward Members raised that the Parish Council had objected to this application and queried whether the scale of the building was appropriate and the reduction in size sufficient enough to overcome those objections.

The second Ward Member wished to have their say during the debate.

During the debate, some Members felt that there was a need to support small scale farming and secure accommodation on site for tools and machinery. The applicant had made a small reduction and with the

removal of the fire engine and the shipping container recommended approval and this was seconded.

Other Members felt that if they went against the officer's recommendation this could then proliferate throughout the Area of Outstanding Natural Beauty and would significantly change the landscape. A number of Members still felt that the barn was too big.

It was then put to the vote that the application be conditionally approved, with delegated authority being granted to the Head of Development Management in consultation with the Chair and Vice-Chair, Cllr Smerdon and Cllr Hodgson to finalise the decision. In support, it was felt that the size of the building was proportionate and the approval decision should include the following conditions:

- Accordance with plans
- Restricted to agricultural use
- No external lighting
- Removal of fourth bay within 6 months
- Removal of container and fire engine within 6 months and no other vehicles to be put on site
- No caravan or mobile homes on the site

When put to the vote, the proposal was lost.

The vote was then taken to refuse the application (in line with the officer recommendation).the

Recommendation: Refusal

Committee decision: Refusal

**6c) 3111/21/HHO - "1 Lee Mount", Buckfastleigh
Parish Council: Staverton**

Development: Householder application for proposed garden room and studio.

Case Officer Update: The Case Officer highlighted a mistake in the report with the incorrect application number quoted. Within flood zone 2 and 3 and Policy TTV29 – residential extensions and replacement dwellings in the countryside requires extensions to be appropriate in scale and design in the context of the setting of the host dwelling. The application was not connected to the main building and would be ancillary, however, overall size and design of this proposal would compete with the main dwelling and it was not considered to fulfil policy requirements. In addition, no information had been provided on biodiversity and the application was not considered to comply with policies DEV26 and DEV32.

In response to questions raised, it was reported that the caravan has

currently been on site for at least 3 years.

Speakers were: Objector – None, Supporter – None, Parish Council – None, Ward Councillor – Cllr J Hodgson.

The Ward Member highlighted that the new building would be a working space and garden room for the current resident to live in. The Parish Council had raised no objections as long as it was ancillary to the main building. The application was not intended to be a residential building and was not visible and the Member understood that this was slightly unusual but the main dwelling was very small.

During the debate, most Members felt that this application did not comply with the 50% rule and were therefore of the view that the application should be refused. In contrast other Members felt that the proposals were acceptable and met local need.

Recommendation: Refusal

Committee decision: Refusal

**6d) 3679/22/FUL 92 High Street, Totnes
Town Council: Totnes**

Development: Change of use from shop to residential of part of the ground floor & entire first & second floors comprising two dwellings & second floor roof conversion/extension

The Case Officer: The Case Officer highlighted Policy DEV 18 (Protecting local shops and services) and Policy E3 (The Town Centre) of the emerging Totnes Neighbourhood Plan 'Within the town centre's primary shopping area, as defined in the Joint Local Plan, ground floor space and shopping frontages should be retained predominantly in retail use'. The key issues included:

- Loss of retail space;
- C3 Residential Use – includes holiday;
- Neighbour amenity;
- Lack of outdoor amenity;
- Lack of parking.

It was highlighted to Members that floors above shops could be converted without the need for planning permission.

Speakers were: Objector – None, Supporter – Richard Smith, Town Council – Cllr G Allen (statement read out), Ward Members, Cllr J Sweett

In response to questions, the Supporter reported that:

- the application met housing needs;

- they recognised trading over three floors was not efficient;
- the showroom would operate from the ground floor and the rest would be used as accommodation;
- there was no parking allocation at the site;
- anecdotally within the area there was a high percentage of shops with accommodation above.

The Ward Member highlighted the need to retain retail in the town centre and that the previous owner had retired. Totnes was a thriving market town and she therefore could not support the officer's recommendation that the application be conditionally approved. In addition, the Member stated that the lack of parking was an issue and the application contradicted Policies DEV18 and DEV 17.

During the debate, Members raised that Totnes did not have principle residency and any property could be let out. Transport was an issue, however this proposals might encourage people to arrive in a more sustainable way. The loss of retail space on the ground floor was recognised and Members questioned whether this was significant grounds for refusal. Finally, an additional condition was requested on the access and collection of refuse and this was accepted by the proposer and seconder.

Recommendation: Conditional Approval

Committee decision: Delegated to the Head of Development Management in consultation with Chair and Vice-Chair, Councillor Brazil and Cllr Rowe for approval subject to the inclusion of a condition that details how refuse from the retail unit shall be dealt with and stored shall be submitted to and agreed in writing with the Local Planning Authority prior to occupation. The agreed arrangement shall be maintained and retained in accordance with the agreed details for the life of the development until such time as an alternative strategy has been agreed in writing with the Local Planning Authority.

Conditions:

1. Standard time limit
2. Accord with plans
3. Accord with ecological appraisal
4. Materials to match
5. Conservation rooflights
6. Restrict change of use of ground floor

**6e) 3985/22/FUL "Squares Quay Car Park", Kingsbridge
Town Council: Kingsbridge**

Development: Proposed siting of 2 containers for paddle boarding school

Case Officer Update: The Case Officer reported they have received 47 letters of representation on this application. Kingsbridge Harbour Master had raised no objections. The officer made specific reference to Policy DEV17 'promoting competitive town centres' 'In the town centres of the Thriving Towns and Villages Policy Area the LPAs will enable and where appropriate support measures to enhance the economy'. In addition, the key issues for the Committee to consider included:

- visual impact;
- impact on the car park (paraphernalia, loss of car parking, conflict between users, stake park);
- flood Zone 2/3 and critical drainage area.

Speakers were: Objector – None, Supporter – Crispin Jones, Town Council - None, Ward Members – Cllr D O'Callaghan

The Supporter reported that during the peak of summer would expect 60 people a day to be using the facilities.

The Ward Member raised that the other Ward Member and Town Council supported this application. This was a successful award winning business that would bring the whole place to life and attract visitors and footfall to the town. Also, conditional approval of this application would dovetail into the new stake park and be great for young people.

During the debate, Members welcomed this application and felt that these types of activities would revitalise our parks.

Recommendation: Conditional Approval

Committee decision: Conditional Approval

Conditions:

1. Time limit (temporary 2 year consent)
2. Accord with plans
3. External lighting

DM.67/23

PLANNING APPEALS UPDATE

Members noted the list of appeals as outlined in the presented agenda report.

DM.68/23

UPDATE ON UNDETERMINED MAJOR APPLICATIONS

Members noted the update on undetermined major applications as outlined in the presented agenda report.

(Meeting commenced at 10:00 am. Meeting concluded at 1:31 pm. Meeting adjourned at 11:05am)

Chairman

Voting Analysis for Planning Applications – DM Committee 15 March 2023

Application No:	Site Address	Vote	Councillors who Voted Yes	Councillors who Voted No	Councillors who Voted Abstain	Absent
4118/22/FUL	"Edgecombe House", West Buckland	Conditional Approval	Cllrs Abbott, Brown, Foss, Reeve, Smerdon and Taylor (6)	Cllrs Hodgson, Long and O'Callaghan (3)	Cllrs Brazil, Pannell and Rowe (3)	
0116/23/FUL	"Higher Farleigh Meadow", Diptford	Refused	Cllrs Abbott, Brazil, Foss, O'Callaghan, Long, Pannell, Reeve and Taylor (8)	Cllrs Brown, Hodgson, Rowe and Smerdon (4)		
3111/21/HHO	"1 Lee Mount", Buckfastleigh	Refused	Cllrs Abbott, Brazil, Brown, Foss, O'Callaghan, Long, Pannell, Reeve, Rowe, Smerdon and Taylor (11)	Cllr Hodgson (1)		
309/22/FUL	92 High Street, Totnes	Conditional Approval	Cllrs Abbott, Brazil, Brown, Foss, Pannell, Reeve, Rowe, Smerdon and Taylor (9)	Cllrs Hodgson and Long (2)	Cllr O'Callaghan (1)	
305/22/FUL	"Squares Quay Car Park", Kingsbridge	Conditional Approval	Cllrs Abbott, Brazil, Brown, Foss, Hodgson, O'Callaghan, Long, Pannell, Reeve, Rowe, Smerdon and Taylor (12)			

**MINUTES OF THE MEETING OF
THE SALCOMBE HARBOUR BOARD
HELD AT CLIFF HOUSE, SALCOMBE, ON MONDAY, 20 MARCH 2023**

Members in attendance			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr J Brazil (Chairman)	*	Mr P Brown
*	Cllr D Brown	*	Ms A Jones
*	Cllr R J Foss	∅	Mr A Owens
∅	Cllr M Long	∅	Mr C Plant
		∅	Mr I Shipperley
		*	Mr I Stewart

Other Members in attendance and participating:
Cllrs H Bastone and J Pearce

Item No	Minute Ref No below refers	Officers in attendance and participating
All agenda items		Director of Place & Enterprise; Salcombe Harbour Master; Deputy Harbour Masters; and Democratic Services Manager

- SH.27/22 APOLOGIES FOR ABSENCE**
It was noted that apologies for absence for this Board Meeting had been received from Cllr Long and Messrs Owens, Plant and Shipperley.
- SH.28/22 MINUTES**
The minutes of the Salcombe Harbour Board meeting held on 14 November 2022 were confirmed as a true and correct record.
- SH.29/22 URGENT BUSINESS**
There were no items of urgent business raised at this meeting.
- SH.30/22 DECLARATIONS OF INTEREST**
Members were invited to declare any interests in the items of business to be considered during the course of the meeting, and the following was made:

Ms Jones and Mr Stewart both declared a disclosable pecuniary interest in all related agenda items by virtue of paying harbour duties. As a result of the Deputy Monitoring Officer having granted each Board Member a dispensation, they were able to take part in the debate and vote on any related matters (Minute SH.05/22 refers).
- SH.31/22 PUBLIC QUESTION TIME**
In accordance with the Public Question Time Procedure Rules, there was one member of the public in attendance.

(a) Mr Eliot Eglington

In addressing the Board, Mr Eglington cited examples of how he felt he had been marginalised by the Harbour Authority and proceeded to state that it was his impression that visitors and second homeowners were in receipt of preferential treatment over local residents.

Following his address, the Chairman expressed his sorrow that Mr Eglington felt so dissatisfied and encouraged him to contact the Local Government Ombudsman. Furthermore, the Chairman was aware of the amount of communication that had been sent from Mr Eglington to officers and he asked that, with immediate effect, any further correspondence now be sent to him in the first instance.

SH.32/22

FEEDBACK FROM HARBOUR COMMUNITY FORUMS

The Board received verbal update reports from those Members who attended the Harbour Community Forums. The updates were given as follows:

Salcombe Kingsbridge Estuary Conservation Forum (SKECF)

The Board was informed that the Forum was next due to meet on 18 April 2023. By way of an update, the Estuaries Officer also informed that:

- It was proposed to set up a Working Group to review and monitor the water quality in the Estuary, with any Board members who were interested in serving on the Working Group being asked to let the Estuaries Officer know accordingly. In addition, given his longstanding interest in water quality, a specific request was made for the recently retired Board Vice-Chairman to be invited to be part of the Working Group;
- There was a current Dart Estuary project that was looking to re-store salt marshes. In light of the importance of these ecosystems, it was hoped that this project could be rolled out to other Estuaries in the local area.

South Devon & Channel Shellfishermen

The representative advised that the Shellfishermen were generally content and, in waiting for an upturn in weather conditions, were currently focusing on repairs and maintenance.

When questioned, the Harbour Master advised that the Fish Quay Bid remained in progress.

In addition, the Harbour Master made reference to a number of the Shellfishermen being part of a working group that was considering all aspects of the handling of live crabs and lobsters (including their sale and how they were cooked). The Harbour Master felt it was important that this review was closely monitored.

Kingsbridge and Salcombe Marine Business Forum

The representative made reference to the challenges associated with smaller local businesses being able to obtain a commercial mooring and the consequent perception that these moorings were monopolised by larger businesses. In reply, the Harbour Master recognised the challenges but encouraged those local businesses to submit their business plans to the Harbour Authority and he confirmed that the Authority would do all it could to support them.

Kingsbridge Estuary Boat Club (KEBC)

It was noted that the Club had last met at its Annual General Meeting on 8 February 2023 during which key club roles had been confirmed for the next twelve months.

The Club was particularly keen on gaining an understanding on the subjects of Mooring waiting lists and turnover on the pontoon.

Finally, the Harbour Master advised that working relations between the Club and the Harbour Authority were incredibly strong and the support provided by the Club was invaluable.

East Portlemouth Parish Council

The representative confirmed that there were no issues arising from the Parish Council.

SH.33/22

HARBOUR MASTER'S REPORT

The Harbour Master presented a report that provided an update on a number of recent issues that had affected the Harbour. In particular, the report provided specific updates on service performance, major projects and any other issues that impacted upon the Harbour.

In discussion, particular reference was made to:-

- (a) the security arrangements. Members acknowledged that, given the upgrades and improvements in the security arrangements, this year would be a transitional one. The lead Executive Member informed that Automatic Number Plate Recognition (ANPR) technology was now in place in Dartmouth and it was felt that such provision could also be installed in Salcombe. It was agreed that the Harbour Master should give further consideration to this matter outside of this Board meeting;
- (b) seasonal recruitment challenges. Whilst they had now been overcome, the Harbour Master stated that, for the first year in his tenure, the Harbour Authority had experienced some challenges in filling some of its seasonal vacancies;
- (c) the five-year Plan. Given that the Harbour Authority was about to embark on its busy season, the Board was supportive of the suggestion of the Chairman to defer any further work on the Plan until after September 2023;

- (d) the climate change agenda. The Harbour Master informed that updates on the progress being made with regard to the Harbour Authority's drive for carbon emissions to hit net zero by 2030 would be raised at both the Annual Harbour Inspection and a future Board meeting;
- (e) the recent Incident Management Exercise undertaken on a local oil spill scenario. The Harbour Master confirmed that he would circulate to Board Members a copy of the outcome report once it had been received.

It was then:

RESOLVED

That the Board note and endorse the contents of the Harbour Master's report.

SH.34/22 COMMERCIAL PONTOON ALLOCATION

Following informal discussions at the last Harbour Board workshop, an item had been included on the published agenda that sought the consideration of the Board to a proposal from a local business to replace a block of five pontoons with a modular pontoon that would accommodate up to 18 yawls.

In discussion, the Board recognised that the proposal would see the local business take on the complete financial risk and noted both the wider economic benefits and the resultant return of the iconic yawls to the Harbour. Finally, Members were content that the proposals satisfied the fairness test and proceeded to express their support for the initiative.

It was then:

RESOLVED

That the Board support the proposed commercial pontoon allocation as set out at the meeting.

(Meeting commenced at 2:30 pm and concluded at 4.20 pm)

Chairman

**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD IN THE COUNCIL CHAMBER ON THURSDAY 2 MARCH 2023**

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

<p>Non-Executive Members also present either in person or remotely for all or part of the meeting:</p> <p>Cllrs Abbott, Brazil, Brown, Long, O’Callaghan, Pannell, Pringle and Rowe</p>
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Officers in attendance and participating:		
All items		Senior Leadership Team; Monitoring Officer; Democratic Services Manager; Assistant Director – Planning; Head of Housing; Head of Revenues and Benefits; Head of Assets; Specialist – Climate Change and Principal Assets Officer

E.77/22 MINUTES

The minutes of the Executive meeting held on 26 January 2023 were confirmed as a true and correct record.

E.78/22 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting.

Cllr H Bastone declared an interest in agenda item 18 ‘Plymouth and South Devon Freeport’ (Minute E.92/22 below refers) by virtue of being the Council’s nominated Director of the Plymouth and South Devon Freeport and remained in the meeting and took part in the debate and vote thereon.

E.79/22 PUBLIC QUESTION TIME

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

E.80/22 EXECUTIVE FORWARD PLAN

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

In view of the forthcoming District Council Elections, Members requested that the lead Executive Members' names be removed from the items of business listed for post 4 May 2023.

E.81/22 **BETTER LIVES FOR ALL – YEAR 3 UPDATES**

A report was considered that set out an updated year 3 delivery plan for the Better Lives for All Strategy

In her introduction, the Leader stated how successful the Strategy had been with good progress being made on most (but not all) of the actions contained therein.

During the ensuing debate, the success of the Strategy was recognised, however a request was made for the pictorials be more varied.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** to approve the minor amendments to the Year 3 Better Lives for All delivery plans (as set out in Appendix A of the presented agenda report).

E.82/22 **MONTH 10 REVENUE BUDGET MONITORING 2022/2023**

A report was considered that enabled Members to monitor income and expenditure variations against the approved budget for 2022/23 and that also provided a forecast for the year end position.

During discussion, reference was made to:-

- (a) income generated from Employment Estates. Whilst some commercial units had recently been constructed, it was felt that there remained much demand for additional employment space in the district and it was hoped that the new Council administration would give great emphasis to this requirement;
- (b) planning income. It was noted that, whilst the number of planning applications received remained high, the anticipated shortfall in income was attributed to the reduction in large (major) applications;
- (c) the work of Treasury Management officers. Members wished to put on record their gratitude for the excellent work carried out by Treasury Management officers.

It was then:

RESOLVED

That the forecast income and expenditure variations for the 2022/23 financial year and the overall projected surplus of £127,000 (1.2% of the total Budget of £10.464 million) be noted

E.83/22 CAPITAL PROGRAMME MONITORING 2022/23

The Executive considered a report that advised of the progress made on individual schemes within the approved Capital Programme, including an assessment of their financial position.

In discussion, Members welcomed the commitment in the published agenda report for a 'fundamental review to be carried out into all capital schemes within the existing Programme.

It was then:

RESOLVED

That the content of the Capital Programme Monitoring Report be noted.

E.84/22 WRITE-OFF REPORT Q1 AND Q2 2022/23

A report was considered that informed Members of the proposal to write-off a series of debts with a value of more than 5,000 for the period from 1 April 2022 to 30 September 2022.

It was then:

RESOLVED

1. That it be noted that, in accordance with Financial Regulations, the Section 151 Officer has authorised the write-off of individual South Hams District Council debts totalling £94,271.49 (as detailed in Tables 1 and 2 of the presented agenda report);
2. That the write-off of individual debts in excess of £5,000 totalling £81,599.34, (as detailed in Table 3 of the presented agenda report) be approved; and
3. That, with effect from 1 April 2023, the Council Tax, Non-Domestic rates (Business Rates) and Housing Benefit overpayments write-off policy (as attached at Appendix .A of the presented agenda report) be adopted.

E.85/22 COUNCIL TAX DISCRETIONARY DISCOUNT POLICY

Members considered a report which sought approval for the Council Tax Discretionary Discount Policy

In the ensuing debate, Members were supportive of the further measures contained within the Policy that would enable the Council to provide additional support to residents.

It was then:

RESOLVED

1. That approval be granted to implement the Council Tax Discretionary Discount Policy (as attached at Appendix A of the presented agenda report) from 1 April 2023; and
2. That authority be delegated to the Director of Strategic Finance (S151 Officer) to agree awards of a Council Tax Discretionary Discount, which have been recommended for authorisation by the Principal Revenues Officer, in consultation with the Head of Revenues and Benefits.

E.86/22 HOUSING CRISIS UPDATE

The Executive was presented with a report that sought approval for three actions to help address the Housing Crisis declared by the Council.

In discussion, the following points were raised:

- (a) It was confirmed that local Ward Members and the Town Council were engaged with the proposed affordable-led housing scheme in Kingsbridge;
- (b) Such was the extent of support given for the proposal to purchase up to 7 properties, some Members felt that this should be extended to the maximum permissible 11 properties. In recognising the point, the Leader felt that it was a delicate balance when proposing the use of Section 106 monies and it was her view that local stakeholders should be given at least two years to bring forward proposals within the area from which Section 106 monies had been obtained. Furthermore, the challenges associated with purchasing 7 properties before November 2023 were also noted.

Notwithstanding the challenges, a majority of Members did still ask for the option to purchase up to 11 properties to be kept in mind and, should the opportunity present itself, a further report be presented back to the Executive.

- (c) Members reiterated the legal duty upon the Council to house homeless people;

- (d) Lead officers and the Leader of Council were thanked for their unwavering commitment to addressing the Council's Housing Crisis and the contents of the published agenda report were felt to be excellent examples of the work that was being undertaken.

It was then:

RESOLVED

1. That the spending of up to £385,000 of Section 106 Affordable Housing Contributions be approved for the purchase of up to 7 properties as part of the Government Local Authority Housing Fund;
2. That the Head of Assets, in consultation with the Head of Housing and Section 151 Officer, be authorised to identify within the available funding, up to 7 suitable properties and to take the necessary steps for the Council to purchase those properties;
3. That the progress of the Expressions of Interest exercise proposed to bring forward affordable-led housing schemes in Kingsbridge be noted; and
4. That the spending of Section 106 Affordable Housing Contributions on the terms set out at exempt appendix A of the presented agenda report be approved.

E.87/22 DEVELOPMENT MANAGEMENT / PLANNING ENFORCEMENT IMPROVEMENT PLAN UPDATE

Members considered a report that provided an update on progress made against the key elements of the Planning Improvement Plan.

During her introduction, the Leader highlighted the service improvements that were already being realised but did also accept that there were further improvements still to be made.

In the ensuing debate, reference was made to:

- (a) some of the further service improvements to be made. At the invitation of the Leader, the Assistant Director Planning highlighted further future improvements to be made that included:

- Development Management Committee decisions to include time limits on the need to sign Section 106 Agreements;
- A comprehensive review of the Council's Enforcement Policy with the overriding aim of providing a more consistent approach;
- Additional training provision for Planning Enforcement Officers; and

- Consideration being given to the approach to Consultation and Engagement on Conservation Area Appraisals.

(b) the work of officers in the Development Management service. A Member wished to record her thanks to officers, who worked exceptionally hard in very difficult circumstances.

It was then:

RESOLVED

1. That progress on delivery of the Planning Improvement Plan and the update on performance be noted;
2. That officers be instructed to bring a report on the delivery of the improvement plan to the Executive in 6 months' time; and
3. That the progress with the development of Conservation Area Appraisals and Neighbourhood Plans over the past 2 years be noted.

E.88/22

SERVICE LEVEL AGREEMENT SHDC AND SOUTH DEVON AONB

Further to the meeting of 13 October 2022 at which it was agreed that additional funding of £8,000 would be made to South Devon AONB subject to a Service Level Agreement (SLA) (Minute E.45/22 refers), Members considered a report that set out the proposed SLA.

In debate, the following points were raised:

- a) To ensure that the lead Executive Member was kept informed, an addition was **PROPOSED** and **SECONDED** to Recommendation 3 that read as follows:

3. that officers be instructed, in consultation with the lead Executive Member, to monitor the performance measures set out in the SLA and that the additional year2 funding is contingent upon the targets being achieved

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

- b) Some Members were of the view that the working relationship between the AONB Unit and the Council had become rather distant in recent years and that this was regrettable. As an example, Members used to be in receipt of regular briefing notes and reports from the Unit that they no longer received;

- c) Some further frustrations were expressed by the Executive over the delays in responses from the Unit to planning applications and the apparent lack of consistency of approach. These resulted in much frustration amongst Members and the general public and it was hoped that this agenda item would lead to improvements being realised in this regard. However, in disagreement with these views, another Member felt the need to retain a sense of perspective as the Unit was felt to have a number of conflicting work priorities and was not blessed with plentiful resources.

It was then:

RESOLVED

1. That the proposed Service Level Agreement (SLA) with South Devon AONB (as shown at Appendix A of the presented agenda report) be approved in respect of securing focused support to meet the demand of South Hams District Council Development Management Service;
2. That the £8,000 per annum as agreed at the Executive meeting of 13 October 2022 (Minute E.45/22 refers), be added to the existing Annual payment to South Devon AONB with effect from 1 April 2023; and
3. That officers be instructed, in consultation with the lead Executive Member, to monitor the performance measures set out in the SLA and that the additional Year 2 funding is contingent upon the targets being achieved.

E.89/22

OFF-STREET PARKING ORDER AMENDMENT

Members were presented with a report that sought approval for the introduction of pay and display charges at the new Dartmouth Health Hub car park and amendments made to other existing charges as set out in Appendices A and B of the presented agenda report.

When questioned, officers clarified the electric car charging point provisions in the car park.

It was then:

RESOLVED

1. That the Head of Assets be authorised to publish notice of proposals for the South Hams District Council (Off-Street Parking Places) (Variation No.1) Order 2022; the amendments to be made to be:
 - 1.1 A new car park to be named as Dartmouth Health Hub car park and incorporated into the Order;

- 1.2 To introduce pay & display charges at the Dartmouth Health Hub car park in accordance with Appendix A of the presented report;
 - 1.3 To amend the pay and display charges in Dartmouth Park & Ride car park in accordance with Appendix B of the presented agenda report; and
 - 1.4 To introduce Dartmouth Health Hub Reserved Parking Permit for Health Hub staff use (staff & authorised visitors to be administered by NHS); and
2. That the Head of Assets be requested to prepare a subsequent report summarising any representations received in response to the notice of proposals for consideration by the Executive before making a decision to make the Off-Street Parking Places Order as proposed or with modifications.

(NOTE. By virtue of being local Ward Members, Cllrs Bastone and Hawkins abstained from the vote on this agenda item).

E.90/22

RECRUITMENT AND RETENTION

The Executive was presented with a report that detailed a range of actions being taken to respond to ongoing recruitment and retention challenges, which included a comprehensive new organisation development plan. The report also included advice following an independent report undertaken by the Local Government Association on senior officer pay.

Following the introduction, the Executive congratulated officers on the quality of the organisational development plan that had recently been launched to staff. In reply, the Chief Executive stated that he and his officer team were fully committed to making the plan work;

(NOTE. Once all questions had been asked, the Council's Senior Leadership Team left the meeting room prior to the debate on this agenda item).

During debate, the following points were raised:

- (a) In emphasising the importance of staff retention, Members recognised the importance of remaining (and continuing to remain) competitive on pay in the constantly evolving employment market;
- (b) The challenges and additional complexities associated with working across two different local authorities was highlighted and, as a consequence, Members felt that the Senior Leadership Team represented excellent value for money;

- (c) Whilst acknowledging the annual requirement to publish the pay policy statement, a Member hoped that these proposals would not lead to a significant increase in the multiplier between senior officer salaries and the Council's median average earnings.

It was then:

RESOLVED

1. That the action taken to respond to recruitment and retention challenges, as set out in paragraphs 2.4 to 2.9 of the report be noted; and
2. That Council be **RECOMMENDED** to accept the recommendations of the independent report on senior officer pay, undertaken by the Local Government Association, and approve the revised pay and grading structure for the Senior Leadership Team.

E.91/22 **EXCLUSION OF PUBLIC AND PRESS**

RESOLVED

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

E.92/22 **PLYMOUTH AND SOUTH DEVON FREEPORT**

The Executive considered an Exempt report which sought approval for the acquisition of Freeport land and a change to the approved borrowing terms.

During discussion, it was recognised that a final decision would be required by Full Council on 30 March 2023 and it was agreed that an all Member Briefing should be convened before this meeting.

It was then:

RECOMMENDED:

That Council be **RECOMMENDED** to approve each of the four parts of the recommendation as set out in the exempt agenda report.

(Meeting commenced at 10.00 am and concluded at 12.25 pm)

Chairman

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF MINUTES E.81/22, E.90/22 (PART 2) and E.92/22 (WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 30 MARCH 2023) WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 13 MARCH 2023 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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PUBLIC QUESTIONS AT COUNCIL MEETINGS

There is a period of 15 minutes at meetings of the Full Council (excluding the Annual Meeting) during which members of the public can ask questions about items on the agenda.

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

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

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

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

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