

# West Devon Council



West Devon  
Borough  
Council

<b>Title:</b>	<b>Summons</b>																																										
<b>Date:</b>	<b>Tuesday, 26th March, 2024</b>																																										
<b>Time:</b>	<b>4.00 pm</b>																																										
<b>Venue:</b>	<b>Chamber - Kilworthy Park</b>																																										
<b>Full Members:</b>	<p style="text-align: center;"><b>Mayor</b> Cllr Daniel <b>Deputy Mayor</b> Cllr Sellis</p> <p><i>Members:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Cllr Ball</td> <td style="width: 33%;">Cllr Kimber</td> <td style="width: 33%;">Cllr Leech</td> </tr> <tr> <td>Cllr Blackman</td> <td>Cllr Moody</td> <td>Cllr Mott</td> </tr> <tr> <td>Cllr Bridgewater</td> <td>Cllr Oxborough</td> <td>Cllr Renders</td> </tr> <tr> <td>Cllr Calder</td> <td>Cllr Saxby</td> <td>Cllr Southcott</td> </tr> <tr> <td>Cllr Casbolt</td> <td>Cllr Vachon</td> <td>Cllr Wakeham</td> </tr> <tr> <td>Cllr Cheadle</td> <td>Cllr Watts</td> <td>Cllr Viney</td> </tr> <tr> <td>Cllr Cunningham</td> <td>Cllr West</td> <td>Cllr Mann</td> </tr> <tr> <td>Cllr Dexter</td> <td></td> <td></td> </tr> <tr> <td>Cllr Edmonds</td> <td></td> <td></td> </tr> <tr> <td>Cllr Elliott</td> <td></td> <td></td> </tr> <tr> <td>Cllr Ewings</td> <td></td> <td></td> </tr> <tr> <td>Cllr Guthrie</td> <td></td> <td></td> </tr> <tr> <td>Cllr Johnson</td> <td></td> <td></td> </tr> <tr> <td>Cllr Jory</td> <td></td> <td></td> </tr> </table>	Cllr Ball	Cllr Kimber	Cllr Leech	Cllr Blackman	Cllr Moody	Cllr Mott	Cllr Bridgewater	Cllr Oxborough	Cllr Renders	Cllr Calder	Cllr Saxby	Cllr Southcott	Cllr Casbolt	Cllr Vachon	Cllr Wakeham	Cllr Cheadle	Cllr Watts	Cllr Viney	Cllr Cunningham	Cllr West	Cllr Mann	Cllr Dexter			Cllr Edmonds			Cllr Elliott			Cllr Ewings			Cllr Guthrie			Cllr Johnson			Cllr Jory		
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Cllr Johnson																																											
Cllr Jory																																											
<b>Interests – Declaration and Restriction on Participation:</b>	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.																																										
<b>Committee administrator:</b>	Democratic.Services@swdevon.gov.uk																																										

**1. Apologies for Absence**

**2. Confirmation of Minutes**

**1 - 14**

To approve and adopt as a correct record the Minutes of the Meeting of the Council held on 20 February 2024 and the Special Meeting of the Council held on 5 March 2024

**3. 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;

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

**4. To receive communications from the Mayor or person presiding**

**5. Business brought forward by or with the consent of the Mayor**

**6. To respond to any questions submitted by the public and to receive deputations or petitions under Council Procedure Rules**

**7. To consider (any) questions submitted under Council Procedure Rules**

**8. To consider Motion(s) of which notice has been duly submitted by Members in accordance with Council Procedure Rules**

**9. To receive the Minutes of the following Committees, to note the delegated decisions and to consider the adoption of those Minutes which require approval**

**(a) Overview And Scrutiny Committee** **15 - 20**  
Meeting held on 13 February 2024

**(b) Council Tax Setting Committee** **21 - 24**  
Meeting held on 22 February 2024

**(c) Hub Committee** **25 - 32**  
Meeting held on 5 March 2024  
**Recommendations to agree:**

**Minute HC.57/23:  
Devon, Cornwall and the Isles of Scilly Climate Adaptation  
Plan:**

1. That Council be **RECOMMENDED** to endorse the Devon, Cornwall and Isles of Scilly Climate Adaptation Plan (as set out at Appendix A of the agenda report presented to the Hub Committee meeting).

**Minute HC.62/23:  
Housing Benefit War Pensions Disregard Policy:**

2. That Council be **RECOMMENDED** to adopt the Housing Benefit War Pensions Disregard Policy (as set out at Appendix A of the agenda report presented to the Hub Committee meeting).

The associated Committee Report can be accessed here (Agenda Items

8 and 11 refer):

<https://democracy.swdevon.gov.uk/documents/g1868/Public%20reports%20pack%2005th-Mar-2024%2014.00%20West%20Devon%20Hub%20Committee.pdf?T=10>

**Minute HC.67/23: Fusion Lifestyle – Leisure Contract  
Update**

*(This recommendation will be considered later in the agenda at standalone item 16).*

**10. 2024/25 Capital Strategy; 2024/25 Treasury Management Strategy; and 2024/25 Investment Strategy** **33 - 88**

**11. Annual Review of Health and Safety Policy Statement** **89 - 108**

	<b><i>Page No</i></b>
<b>12. Pay Policy Statement</b>	<b>109 - 118</b>
<b>13. Calendar of Meetings 2024/25</b>	<b>119 - 124</b>
<b>14. Political Composition and Six-Month Member Meeting Attendance Rule</b> Report to follow	
<b>15. Exclusion of Public and Press</b> “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 Part1 of Schedule 12A to the Act”;	
<b>16. Fusion Lifestyle - Leisure Contract Update</b>	<b>125 - 134</b>

# Agenda Item 2

At a Meeting of the **WEST DEVON BOROUGH COUNCIL** held in the **COUNCIL CHAMBER, KILWORTHY PARK, TAVISTOCK** on **TUESDAY** the **20th** day of **FEBRUARY 2024** at **2.00pm** pursuant to Notice given and Summons duly served.

## Members in attendance

- \* Denotes attendance
- ∅ Denotes apology for absence
- \*\* Denotes attendance via Teams

\* Cllr L Daniel – The Mayor (In the Chair)

∅ Cllr K Ball	∅ Cllr T Leech
* Cllr A Blackman	* Cllr U Mann
* Cllr A Bridgewater	∅ Cllr J Moody
* Cllr M Calder	* Cllr C Mott
* Cllr M Casbolt	* Cllr R Oxborough
∅ Cllr R Cheadle	* Cllr M Renders
* Cllr A Cunningham	* Cllr I Saxby
* Cllr G Dexter	* Cllr D Sellis (Deputy Mayor)
* Cllr C Edmonds	* Cllr T Southcott
* Cllr J Elliott	* Cllr P Squire
* Cllr M Ewings	* Cllr P Vachon
* Cllr S Guthrie	∅ Cllr N Viney
* Cllr A Johnson	* Cllr S Wakeham
* Cllr N Jory	∅ Cllr L Watts
* Cllr P Kimber	* Cllr C West

## Officers in attendance

Chief Executive, Deputy Chief Executive; Section 151 Officer; Director – Strategy & Governance; Monitoring Officer; Head of Democratic Services; Assistant Director – Strategy; Head of Finance, Head of Revenues & Benefits;

### **CM 61/23 MOMENT'S REFLECTION**

Since this was the first meeting of Full Council since former West Devon Borough Councillor, Mr Dick Eberlie had sadly passed away, Members paid tribute to him and stood to observe a moment's reflection in his memory.

### **CM 62/23 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs Ball, Cheadle, Leech (in attendance in a non-voting capacity via Teams), Moody, Viney (in attendance in a non-voting capacity via Teams) and Watts (in attendance in a non-voting capacity via Teams).

### **CM 63/23 CONFIRMATION OF MINUTES**

It was moved by Cllr L Daniel, seconded by Cllr M Renders and upon the motion being submitted to the Meeting was declared to be **CARRIED** and **“RESOLVED** that the Council agree the Minutes of the Meeting held on 19 December 2023 and the Special Meeting also held on 19 December 2023.”

**CM 63/23      DECLARATIONS OF INTEREST**

The Mayor invited Members to declare any interests in the items of business to be considered during the course of the meeting and these were declared as follows:

On behalf of the Council, Cllr C Mott declared a personal interest in agenda item 12: ‘Okehampton & Sydenham Damerel Community Governance Reviews – Final Recommendations’ (Minute CM 71/23 below refers) by virtue of all Members having been sent correspondence from Okehampton Hamlets Parish Council representatives and all Members remained in the meeting and took part in the debate and vote thereon; and

Cllrs C Edmonds and N Jory both declared a separate personal interest in agenda item 12: ‘Okehampton & Sydenham Damerel Community Governance Reviews – Final Recommendations’ (Minute CM 71/23 below refers) by virtue of having recently been co-opted as Sydenham Damerel Parish Councillors and remained in the meeting and took part in the debate but abstained from the vote on that part of the recommendation.

**CM 64/23      COMMUNICATIONS FROM THE MAYOR**

The Mayor proceeded to inform the meeting of:

- having recently received (on behalf of the Council) thanks from a local care organisation. In addition, the Mayor had also received thanks from a local constituent regarding the prompt work of the Council in replacing a Dog Waste Bin;
- the latest Mayors’ Young Persons Green Award winner to be presented with her award by the Mayor at a School Assembly on Friday, 23 February 2024;
- the Annual Mayoral Awards scheme was now open for applications. As a result, the Mayor encouraged all Members to promote the scheme within their local Wards; and
- the Energy from Waste Plant visit scheduled for 13 March 2024 at 10.00am. The Mayor hoped that as many Members as possible were able to attend the visit and promoted the benefits of attending Members car sharing.

**CM 65/23      TO RESPOND TO ANY QUESTIONS SUBMITTED BY THE PUBLIC AND TO RECEIVE DEPUTATIONS OR PETITIONS UNDER COUNCIL PROCEDURE RULES**

Members noted that no Public Questions had been received from the membership in accordance with the Council Procedure Rules.

**CM 66/23 QUESTIONS ON NOTICE**

Members noted that no Questions on Notice had been received from the membership in accordance with the Council Procedure Rules.

**CM 67/23 MOTIONS ON NOTICE**

The Mayor advised that no Motions on Notice had been received from the membership in accordance with the Council Procedure Rules.

**CM 68/23 MINUTES OF COMMITTEES**

**(a) Development Management & Licensing Committee: 12 December 2023**

It was moved by Cllr T Southcott, seconded by Cllr U Mann and upon being submitted to the Meeting was declared to be **CARRIED** and **“RESOLVED** that the Minutes of the meeting held 12 December 2023 be received and noted.”

**(b) Overview & Scrutiny Committee: 16 January 2024**

It was moved by Cllr P Kimber, seconded by Cllr A Johnson and upon being submitted to the Meeting was declared to be **CARRIED** and **“RESOLVED** that the Minutes of the meeting held on 16 January 2024 be received and noted.”

**(c) Hub Committee – 30 January 2024**

It was moved by Cllr M Ewings, seconded by Cllr M Renders and upon being submitted to the Meeting was declared to be **CARRIED** and **“RESOLVED** that the Minutes of the meeting held on 30 January 2024 be received and noted, with the exception of recommendations HC 41/23, HC 42/23, HC 45/23, HC 47/23 (part 2 and HC 48 (part 4).”

In respect of the Recommendations:

**HC 41/23 The Council Plan 2024-2028**

Members noted that this recommendation was to be considered at agenda item 11 (Minute 70/23 below refers).

**HC 42/23 Draft Revenue and Capital Budget Proposals For 2024-25**

Members noted that this recommendation was to be considered at agenda item 10 (Minute 69/23 below refers).

**HC 45/23 Council Tax Discounts and Council Tax Reduction Scheme 2024/25**

Members noted that this recommendation was to be considered at agenda item 13 (Minute 72/23 below refers).

#### **HC 47/23 Month 7 Revenue Budget Monitoring 2023/2024**

It was moved by Cllr M Ewings, seconded by Cllr M Renders and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the current virement limits within the Constitution be updated in line with those shown in paragraph 10 of the presented agenda report.

#### **HC 48/23 Capital Programme Monitoring as at 31 October 2023**

It was moved by Cllr M Ewings, seconded by Cllr M Renders and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that £180,000 of the Vehicle Replacement Reserve in 2023/24 be used to finance replacement vehicles currently on order, in accordance with the waste vehicle forward plan.”

#### **CM 69/23 DRAFT REVENUE AND CAPITAL BUDGET PROPOSALS FOR 2024/25**

The Council was presented with a report that outlined the recommendations of the Hub Committee in respect of a series of draft revenue and capital budget proposals for 2023/24 (Minute HC 42/23 refers).

During the ensuing discussion, the following points were raised:

- (a) Whilst regrettable, Members highlighted the compound effect that necessitated the need to increase Council Tax by 2.99%.
- (b) A number of Members recorded their thanks to the Section 151 Officer and her finance team for producing such a comprehensive set of budget proposals that would result in the achievement of a balanced budget.

It was then moved by Cllr M Ewings, seconded by Cllr M Renders and, 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 (25): Cllrs Blackman, Bridgewater, Calder, Casbolt, Cunningham, Daniel, Dexter, Edmonds, Elliott, Ewings, Guthrie, Johnson, Jory, Kimber, Mann, Mott, Oxborough, Renders, Saxby, Sellis, Southcott, Squire, Vachon, Wakeham and West

Against the motion (0)

Abstentions (0)

Absent (6): Cllrs Ball, Cheadle, Leech, Moody, Viney and Watts

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 (viii) of the motion. The voting was recorded as follows:

For the motion (25): Cllrs Blackman, Bridgewater, Calder, Casbolt, Cunningham, Daniel, Dexter, Edmonds, Elliott, Ewings, Guthrie, Johnson, Jory, Kimber, Mann, Mott, Oxborough, Renders, Saxby, Sellis, Southcott, Squire, Vachon, Wakeham and West

Against the motion (0).

Abstentions (0).

Absent (6): Cllrs Ball, Cheadle, Leech, Moody, Viney and Watts

and it was therefore declared **CARRIED** and "**RESOLVED** that:

- i) Council Tax for 2024/25 be increased by 2.99% (increasing a Band D council tax for 24/25 from £254.00 to £261.59 – an increase of £7.59 per year or under 15 pence per week). (NB. this equated to a Council Tax requirement of £5,627,384);
- ii) the financial pressures of £1,605,500 (as shown in Appendix A of the presented agenda report) be approved;
- iii) the savings/additional income of £(705,000) (as shown in Appendix A of the presented agenda report) be approved;
- iv) the net contributions to/(from) Earmarked Reserves of £(139,680) (as shown in Appendix D of the presented agenda report) be approved, to include the proposed use of £309,180 of New Homes Bonus funding to fund the 2024/25 Revenue Budget (as set out in section 3.4 of the presented agenda report) and £70,000 from the Business Rates Retention Earmarked Reserve (as set out in 3.3 of the presented report);
- v) the Council set its total net expenditure for 2024/25 (as shown in Appendix B of the presented agenda report) as £9,488,495;
- vi) the proposed Capital Programme Proposals for 2024/25 of £16,819,137 and the proposed financing of the Capital Programme (as set out in Appendix E of the presented agenda report) be approved;
- vii) the Reserves Strategy (as set out in Appendix H of the presented agenda report) be approved such that Unearmarked Reserves should continue to have a minimum level of £900,000 (as set out in the Medium Term Financial Strategy in September 2023), but an operating level of a minimum of £1.25million; and

viii) in line with the requirements of Part 2 of the Local Government Act 2003, the level of reserves as set out within the presented agenda report and the assessment of their adequacy, and the robustness of budget estimates be noted.”

**CM 70/23 THE COUNCIL PLAN 2024-2028**

Council considered a report that sought approval for the Council Plan 2024-28 and the Year 1 Delivery Plan

During debate, the following points were raised:

- (a) As evolving Plans, officers confirmed that there would be the possibility for future iterations to specifically demonstrate where the Plan contributed to the twelve levelling up principles that were set out in the Levelling Up and Regeneration Bill;
- (b) When questioned, officers advised that the Council was in the process of reviewing and updating its corporate approach to its equality, diversity and inclusion duties;
- (c) Members highlighted their aspirations in relation to obtaining locally generated energy sources that would be for the benefit of local residents;
- (d) The Council set out its thanks to the Assistant Director Strategy for his tireless efforts in producing such comprehensive Plans that were reflective of the views of the membership.

It was then proposed by Cllr M Ewings, seconded by Cllr M Renders and upon being submitted to the Meeting was declared to be **CARRIED** and **RESOLVED** that:

1. the Council Plan 2024-2028 and Year 1 Delivery Plan (2024/25) as set out respectively in Appendix A and Appendix B of the presented agenda report be approved
2. funding for the 2024-25 delivery plan, as set out in section 4.2 of the agenda report, be approved; and
3. the funding for the 2024- 25 Delivery Plan (as set out in section 5.4 of the agenda report, be approved.

**CM 71/23 OKEHAMPTON & SYDENHAM DAMEREL COMMUNITY GOVERNANCE REVIEWS – FINAL RECOMMENDATIONS**

Members considered a report that provided the final recommendations of the People and Communities Hub Advisory Group regarding the two

Community Governance Reviews that had now reached the conclusion of the year-long Review process.

During the ensuing discussion, particular reference was made to:-

- (a) the longstanding challenges that had been experienced in Sydenham Damerel with regard to residents being reluctant to put themselves forward to serve on the parish council. As a result, the local Ward Member echoed the views of the Advisory Group in respect of hoping that a transition to a 'Parish Meeting' form of governance could be implemented as soon as was practically possible;
- (b) the role of Okehampton local Ward Members. Such was the nature of the issue, that a local Ward Member commented that, given the contrasting views of the town and parish council, it was not possible to please both councils. As a consequence, it would be a matter for all local Ward Members to demonstrate community leadership and mediate and support both councils through the transitional period;
- (c) the overriding view of the Advisory Group that an amalgamation of what constituted a rural and an urban council into one new council would not be appropriate.

It was then proposed by Cllr A Bridgewater, seconded by Cllr M Ewings upon being submitted to the Meeting was declared to be **CARRIED** and **"RESOLVED** that;

1. the submissions received on the Community Governance Reviews for the published draft proposals for Okehampton and Sydenham Damerel be noted;
2. the final recommendations in relation to these Reviews be approved as follows:

#### **For Okehampton**

1. That the existing parish boundaries of Okehampton Town Council and Okehampton Hamlets Parish Council be amended in line with Appendix B of the presented agenda report; and
2. That the Council strongly encourages the Town and Parish Council to work more closely together for the benefit of their local communities.

#### **For Sydenham Damerel**

That the Parish Council be abolished and replaced by a 'Parish Meeting' form of governance; and

3. the Monitoring Officer be granted delegated authority, in consultation with the lead Hub Committee Member for Communities and the Leader of Council, to execute the Reorganisation Orders in accordance with the Local Government and Public Involvement in Health Act 2007.

**CM 72/23 COUNCIL TAX DISCOUNTS AND COUNCIL TAX REDUCTION SCHEME 2024/25**

Consideration was given to a report that sought approval for the Council Tax Reduction Scheme for 2024/25.

The report also set out the current council tax discounts and premiums and reaffirmed the Council's intention to levy a 100% premium on Second Homes as allowed by the Levelling-Up and Regeneration Act 2024.

In the ensuing discussion, the following points were raised:

- (a) Some Members stated their opinion that homes should be for living in as opposed to profiteering from. As a consequence, these Members welcomed the measures that were set out in the presented agenda report;
- (b) A Member also welcomed the proposals relating to the Minimum Income Floor and commented that the current central benefits system was letting down a number of local residents;
- (c) When questioned, officers confirmed that, at present, there was no statutory definition in relation to the term 'substantially unfurnished property'.

It was then proposed by Cllr M Ewings, seconded by Cllr M Renders and upon being submitted to the Meeting was declared to be **CARRIED** and **"RESOLVED** that:

1. the contents of the report be noted;
2. a local Council Tax Reduction Scheme for 2024/25 be approved as follows:
  - Make no changes to the bands of the current banded scheme.
  - Removes the Minimum Income Floor (MIF) for self employed Claimants.
  - Disregards 100% of the of the 'Limited Capability for Work' element of Universal Credit;
3. the following Council Tax discounts be adopted with effect from 1 April 2024,:

- (a) The discount for unoccupied and substantially unfurnished properties is 100% for a maximum period of 1 month.
  - (b) The discount for unoccupied and substantially unfurnished properties for 1 month to 1 year is zero.
  - (c) The discount for properties which require major repair work to render them habitable is 50% for a maximum period of 12 months.
  - (d) The discount for unoccupied furnished properties (second homes) is zero.
  - (e) An empty homes premium of an additional 100% is levied on properties that have remained unoccupied and unfurnished for at least one year, but less than five years.
  - (f) An empty homes premium of an additional 200% is levied on properties that have remained unoccupied and unfurnished for at least five years, but less than ten years.
  - (g) An empty homes premium of additional 300% is levied on properties that have remained unoccupied and unfurnished for at least ten years; and
4. with effect from 1 April 2025, a Second Homes Premium of 100%, be adopted.”

(The Meeting terminated at 3.10pm)

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**Mayor**

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At a Special Meeting of the **WEST DEVON BOROUGH COUNCIL** held in the **COUNCIL CHAMBER, KILWORTHY PARK, TAVISTOCK** on **TUESDAY** the **5th** day of **MARCH 2024** at **4.30pm** pursuant to Notice given and Summons duly served.

### Members in attendance

- \* Denotes attendance
- ∅ Denotes apology for absence
- \*\* Denotes attendance via Teams

\* Cllr L Daniel – The Mayor (In The Chair)

∅ Cllr K Ball	∅ Cllr T Leech**
∅ Cllr A Blackman	* Cllr U Mann
∅ Cllr A Bridgewater	* Cllr J Moody
∅ Cllr M Calder**	* Cllr C Mott
∅ Cllr M Casbolt	* Cllr R Oxborough
* Cllr R Cheadle	* Cllr M Renders
* Cllr A Cunningham	* Cllr I Saxby
* Cllr G Dexter	* Cllr D Sellis (Deputy Mayor)
* Cllr C Edmonds	* Cllr T Southcott
* Cllr J Elliott	∅ Cllr P Squire
* Cllr M Ewings	∅ Cllr P Vachon**
∅ Cllr S Guthrie	* Cllr N Viney
* Cllr A Johnson	∅ Cllr S Wakeham
* Cllr N Jory	∅ Cllr L Watts**
∅ Cllr P Kimber**	* Cllr C West

### Officers in attendance:

Chief Executive, Deputy Chief Executive; Assistant Director Strategy; Monitoring Officer; Head of Democratic Services; Head of Communications and Devon County Council Service Manager: Economic Inclusion; Skills and Knowledge Economy / Programme Lead, Devolution

### CM 73/23 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Ball, Blackman, Bridgewater, Casbolt, Guthrie, Squire and Wakeham and also Cllrs Calder, Kimber, Leech, Vachon and Watts all of whom joined the meeting online via Teams in a non-voting capacity.

### CM 74/23 DECLARATIONS OF INTEREST

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

**PROPOSED DEVON & TORBAY COMBINED COUNTY AUTHORITY AND DEVOLUTION DEAL**

Members were presented with a report that set out the issues for the Council to consider in its response to the consultation on the proposed Devon and Torbay Combined County Authority and Devolution Deal.

In the ensuing debate, the following points were raised:

- (a) The impact on already stretched officer resources that would arise from the Combined County Authority (CCA) proposals was currently uncertain;
- (b) When questioned, it was noted that there was no information at this time regarding how the proposal would be funded beyond 2026. However, assurances had been received from Central Government that the establishment of a Combined County Authority (CCA) would lead to the further devolution of powers, services and grant funding;
- (c) By way of caution, a Member advised that he struggled to see any assurances in the proposal that would guarantee that the CCA did not end in ultimate failure. Furthermore, the Member felt that the CCA could simply represent a further layer of unwarranted bureaucracy;
- (d) It would be an intention of the proposals to formalise the arrangements in relation to the already existing Housing Task Force Partnership. For clarity, it was noted that the CCA would not replace the existing housing powers held by local authorities;
- (e) Officers confirmed that the partnership arrangements with Plymouth City Council in respect of the Joint Local Plan would not be impacted through the creation of the CCA. The lead officer also confirmed that the door would not be closed should Plymouth City Council wish to rejoin the discussions on the CCA;
- (f) Members felt that the transport section of the Council's response should be strengthened before being submitted. The following addition was therefore **PROPOSED** and **SECONDED** and, when put to the vote, was declared **CARRIED**:

- 2. *that the Council will respond to the consultation in line with the considerations set out in part 3 of the updated agenda report (as tabled to the meeting), subject to the Assistant Director Strategy being given delegated authority to strengthen the wording contained within the transport section of the response.*



- (g) A number of Members repeated their disappointment that not all district councils would have full voting rights on the CCA. However, irrespective of their concerns, all Members recognised that it was for the best for the Council to be actively involved in the proposals as opposed to being on the outside looking in.

It was then proposed by Cllr M Ewings, seconded by Cllr M Renders and upon being submitted to the Meeting was declared to be **CARRIED** and **RESOLVED:**

1. that the intention of Devon County Council and Torbay Borough Council to enter into a devolution deal with Government and to form a Combined County Authority, be noted; and
2. that the Council will respond to the consultation in line with the considerations set out in part 3 of the updated agenda report (as tabled to the meeting), subject to the Assistant Director Strategy being given delegated authority to strengthen the wording contained within the transport section of the response.”

(The Meeting terminated at 5.35 pm)

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**Mayor**

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# Agenda Item 9a

At a Meeting of the **OVERVIEW & SCRUTINY COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **13th** day of **February 2024** at **2:00 pm**.

**Present:**

Cllr P Kimber – Chairman  
Cllr A Johnson – Vice-Chairman

Cllr M Calder	Cllr T Southcott
Cllr M Casbolt	Cllr P Squire
Cllr J Elliott	Cllr P Vachon
Cllr S Guthrie	Cllr N Viney
Cllr U Mann	Cllr S Wakeham
Cllr I Saxby	Cllr C West

Director of Customer Services and Delivery  
Director of Strategy and Governance  
Senior Leisure Contracts Manager  
Senior Democratic Services Officer  
Senior Environmental Health Officer- Community Safety Partnership  
Regional Manager for the Southwest - Fusion  
Centre Manager for Meadowlands -Fusion  
Sports & Development Manager – Fusion (Via Teams)  
Head of Devon Building Control Partnership

**Also in Attendance:**

Cllr M Ewings, Cllr L Daniel, Cllr M Renders and Cllr C Edmonds

**\*O&S 24/23 APOLOGIES FOR ABSENCE**

Apologies for absence for this meeting were received from Cllr A Blackman

**\*O&S 25/23 CONFIRMATION OF MINUTES**

The minutes of the Meeting of the Overview and Scrutiny Committee held on 16 January 2024 were confirmed as a true and correct record.

**\*O&S 26/23 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**\*O&S 27/23 PUBLIC FORUM**

The Chairman confirmed that no formal requests had been received in accordance with the Overview and Scrutiny Procedure Rules.

**\*O&S 28/23 LEISURE CONTRACT – FUSION ANNUAL REPORT 2023**

The Senior Leisure Contracts Manager introduced the report and passed over to the Regional Manager for Fusion to give his presentation. During this he highlighted;

- Nationally recovery rates from attendance since the Covid pandemic were lower than before the pandemic, however Meadowlands and Parklands were doing slightly better than the national rate.
- Accountancy period had changed to a 15-month year reporting to councils.
- Children in Care Scheme developed in partnership with Fusion and the Council
- Café launched in Meadowlands and Parklands to launch in February 2024
- Wet and Wild swimming pool sessions returned to Meadowlands.
- Staff internally promoted into new management roles and enrolled on management training courses to ensure continuity.
- NPS scores – anything under an 8/10 is deemed a non-positive score. Changing rooms and facilities often score low across the leisure industry, however it does not make them complacent.
- Swimming lessons were the quickest recovery group since covid with a growth of 160%.
- Recruitment in leisure has been a struggle.
- Sports and Community Development work with OCRA working with schools, the holiday programme and fitness festivals.
- Pilot scheme with the PCN and Okehampton Medical Practice to provide a non-gym-based class in the college.
- Sporting Academy for talented athletes to access the centres free of charge.
- Outreach to local communities to find out what is required.
- Challenge with increase in National Minimal Wage.
- Car parking fees seen as a deterrent by users.

A Member thanked the staff at both centres for being so positive and welcoming on the visits to the centres by members of the O&S Committee recently. They were impressed with the café at Meadowlands and felt it drew people into the centre.

The Director of Customer Services and Delivery said the authority was successful on gaining some funding to decarbonise the leisure centres even further. This would fund the feasibility studies. Then a bid would be put in for further funding to carry out the work.

Another Member commented on the need for Parklands to be painted internally and externally to make it more appealing to users. The signage to Parklands needed to be improved. The Manager of Meadowlands

confirmed the dome and entrance canopy were to be cleaned during March. The Regional Manager stated there was a discussion to be had with the Council on car parking charges. Repairs on equipment was questioned by a Member as taking a long time. The Manager of Meadowlands stated that having changed suppliers to a more local firm the repairs were being completed much quicker. The Regional Manager would look into the slow response time from reception staff at Parklands. There would be closer working with health care providers to engage with those who could make use of the centres who currently are not. Looking to partners in communities to work with. Outreach officers would look to advertise in local newsletters.

The Manager of Meadowlands stated that several schools were lost for swimming sessions when the centre closed for 4-5 weeks for repair work. He had managed to gain four of these schools back and was working on others. The Regional Manager explained that the programme of swimming teacher training, lifeguard training and front-line staff training was in place so that when the services and programmes grow there are staff in place.

It was then **RESOLVED** that:

The Overview and Scrutiny Committee noted the contents and progress of Fusion's Annual Report for 2023 and proposals for 2024;

The Committee would review the pricing and timings of car parking fees at Meadowlands (Wharf Car Park).

**\*O&S 29/23 SOUTH DEVON AND DARTMOOR COMMUNITY SAFETY PARTNERSHIP**

The Leader of the Council introduced the report to Members. It was stated that through bidding for funding from the Police and Crime Commission West Devon received £27k to support the Let's Talk programmes. 6,500 people have gone through the programmes from all over the world. The Leader encouraged Members to attend the Annual Forum on 27 March which was being hosted by West Devon.

The Leader also encouraged Members to take part in the upcoming priority setting process and speak with her on any community safety issues. Domestic homicide reviews in West Devon were a large part of Officer's workload. She reported the police were dealing with a case of a young person having been radicalised. There would be more feedback and updates in the Members bulletin on a monthly basis. The CSP Officer stated that she would email all Members with a list of partnership they work with. A new police front desk was opening at the police station in Tavistock.

It was then **RESOLVED** that:

The Overview and Scrutiny Committee acknowledged the work of the Community Safety Partnership and;  
Would encourage Members to take part in the annual priority setting process

to reflect the priorities in their communities.

## **\*O&S 30/23 DEVON BUILDING CONTROL PARTNERSHIP**

The Head of Devon Building Control Partnership took Members through the role of the partnership and gave updates on the past years events.

- Teignbridge, South Hams and West Devon work within this Partnership
- Approved inspectors are private sector inspectors and work in competition with the DBCP. The local authorities retain the statutory duty to enforce the building regulations within its geographical area.  
The majority of KPI's were being achieved and amongst them were;
- Full applications that were checked within 15 days, national guidelines look to 60%. DBCP are currently achieving 92%.
- Completion certificates issued within 7 days target is 85% and the partnership is achieving 98%

New legislation came into force in 2022, known as the Building Safety Act. Building Control bodies both private and public sector would be overseen by the Building Safety Regulator. This will include auditing building control teams and their managers. They will have the powers to investigate and sanction building control teams including financial penalties, suspensions and special measures and in certain circumstances could lead to criminal charges. Surveyors are required to undertake training and sit an examination.

There has been a downturn in application numbers in the current financial year due to rising costs in the construction industry and the financial uncertainty. They are 19% below the previous four year average which means the partnership will need to rely on earmarked reserves. Staff retention and recruitment is an issue, both regionally and nationally.

In response to a Member question the Head of Building Control stated that this was the biggest change in building control and the construction industry in decades and he had staff members who after 30 to 40 years in the profession having to prove their competency now are choosing to retire and therefore there was difficulty in recruiting. Building surveyors are no longer able to offer advice when on site. There are there only to oversee and issue a certificate if the works are correct. Concerns have been voiced to the government, the regulator and the LGA stating the stress this is causing. He believed on 6 April 2024 when this comes into force there could be less than 20% of local authority and private sector surveyors registers and licensed to carry out the role. Training sessions have been provided weekly over the

last 9 months for staff but he felt the exams are not written in a way that is helpful. He would be happy to facilitate further meetings with Members should they wish and in person next time to go through more detail.

#### **\*O&S 30/23 TASK AND FINISH GROUP UPDATES**

The Director of Customer Services and Delivery suggested the Fusion Task and Finish Group visit the centres and meet with the Managers and report back on a half-yearly basis to ensure they are doing what was promised and make them accountable. This was agreed by the Committee. It was agreed the SWW Task and Finish Group would meet with SWW Officers as a working group to work together on issues and report back to the Committee. A meeting date would be arranged and circulated to Members of the group.

#### **\*O&S 31/23 ANNUAL WORK PROGRAMME**

Livewest were to be invited to the next Overview and Scrutiny Committee meeting in April. A Livewest Task and Finish Group consisting of Cllrs Elliott, Johnson, Mann, Viney and West would be set up. An update on Waste and Recycling would go to the April meeting. In the next municipal year each Council Plan themes would be reviewed at each one of the Overview and Scrutiny meetings. The Lead Member for each theme would report back on actions and progress. A work programme for the next municipal year would be brought to the next Committee meeting. The Wildlife Warden would soon be in position and an update would be given at a future meeting. DCC would be invited to an Overview and Scrutiny Committee meeting in the new municipal year. If no Officers were available to attend, the Devon County Councillors for West Devon would be invited to attend.

(The meeting terminated at 4.30 pm)

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Chairman

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## MINUTES OF THE MEETING OF THE COUNCIL TAX SETTING COMMITTEE HELD ON WEDNESDAY, 22 FEBRUARY 2024

### MEMBERS

Chairman – Cllr L Daniel

Cllr M Ewings                      Cllr M Renders  
Cllr C Edmonds

Officers in attendance:  
Head of Revenues and Benefits; Specialist – Finance; Senior Accountant  
– Finance and Democratic Services Specialist

#### CTSC.1/23 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr N Jory.

#### CTSC.2/23 **MINUTES**

The minutes of the meeting of the Council Tax Setting Committee held on 22 February 2023 were confirmed as a correct record and signed by the Chairman.

#### CTSC.3/23 **DECLARATIONS OF INTEREST**

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

Cllr M Ewings declared an Other Registerable Interest (Minutes CTSC.4.23 below refer), as a Member of Devon and Cornwall Police and Crime Panel was involved in the precept setting. The Member remained in the meeting and took part in the debate and vote thereon.

#### CTSC.4/23 **COUNCIL TAX 2024/25**

Consideration was given to a report that calculated and set out the Council Tax for 2024/25, 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 2023 the Senior Leadership Team, under delegated authority from full Council, approved the Council Tax Base for the year 2024/25:

- (a) for the whole Council area as 21,512.23 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 **(Appendix A)**
2. That the Council Tax requirement for West Devon Borough Council's own purposes for 2024/25 (excluding Parish precepts) is calculated at £5,627,384 **(Appendix B)**.
3. That the following amounts are calculated by the Council for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and the Localism Act 2011 **(Appendix B)**:
- (a) £29,530,521 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) £21,631,234 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) £7,899,287 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) £367.20 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 West Devon Borough Council and parishes)**.
  - (e) £2,271,903 being the aggregate amount of all special items (Parish Precepts), referred to in Section

(f) £261.59

34(1) of the Act (as per the attached **Appendix C – Parish Precepts**).

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 West Devon Borough 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	1,143.78	1,334.41	1,525.04	1,715.67	2,096.93	2,478.19	2,859.45	3,431.34
Police & Crime Commissioner's tax requirements	183.00	213.50	244.00	274.50	335.50	396.50	457.50	549.00
Devon & Somerset Fire & Rescue Authority's tax requirements	66.45	77.53	88.60	99.68	121.83	143.98	166.13	199.36

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 2024/25 for each of the categories of dwellings shown at **Appendix D (total of all valuation band council taxes for West Devon Borough Council including parishes, county, police and crime commissioner and fire authority)**.
6. That the Council concluded that the basic amount of Council Tax for West Devon Borough Council for 2024/25 is not excessive in

accordance with principles approved under Section 52ZB Local Government Finance Act 1992 (see calculation at **Appendix B**).

(Meeting commenced at 10.30 am and concluded at 10.35 am).

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Chairman

# Agenda Item 9c

At a Meeting of the **HUB COMMITTEE** held in the **Council Chamber, Kilworthy Park, Tavistock** on **TUESDAY** the **5th** day of **March 2024** at **2.00 pm**.

## **Members in attendance:**

\* Denotes attendance

Ø Denotes apology for absence

* Cllr A Bridgewater	Ø Cllr T Leech (attended via Teams)
* Cllr L Daniel	* Cllr J Moody
* Cllr C Edmonds	* Cllr C Mott
* Cllr M Ewings (Leader)	* Cllr M Renders (Deputy Leader)
* Cllr N Jory	

## **Other Member(s) also in attendance in a non-voting capacity:**

Cllrs Cheadle; Cunningham; Dexter; Elliott; Mann; Oxborough; Viney and West

## **Officers in attendance**

Chief Executive; Deputy Chief Executive; Director – Governance & Assurance; Director – Place & Enterprise; Monitoring Officer; Head of Democratic Services; Assistant Director - Planning; Head of Economy & Place; Principal Planning Officer (JLP); Head of Planning; Head of Communications; Principal Accountants (via Teams); Head of Finance; Head of Revenues & Benefits; Head of Housing; Ukrainian Refugee Support Officer; and Senior Planning Officer (Conservation)

### **\*HC 50/23 APOLOGY FOR ABSENCE**

An apology for absence had been received from Cllr Leech, who joined the meeting online in a non-voting capacity.

### **\*HC 51/23 DECLARATIONS OF INTEREST**

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

### **\*HC 52/23 URGENT BUSINESS**

#### **(a) Car Parking Meters – Tavistock and Okehampton**

The Leader advised that she had agreed for one item of urgent business to be brought to this meeting and proceeded to invite the lead Hub Member for Communities to address the Committee. In so doing, the lead Member advised that he had just been made aware from Devon County Council that the proposed installation of Car Parking Meters in Tavistock and Okehampton had been suspended pending further discussions with the Borough Council. This update was welcomed by all Members and thanks were extended to the tireless work and campaigning that had been carried out by both local Ward Members and local Community Groups.

### **\*HC 53/23 MINUTES**

The Minutes of the Hub Committee meeting held on 30 January 2024 were confirmed as a correct record.

**\*HC 54/23 PUBLIC QUESTION TIME**

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

**\*HC 55/23 HUB COMMITTEE FORWARD PLAN**

Members were presented with the latest version of the Hub Committee Forward Plan that set out items on the agenda for Hub Committee meetings for the next four months. In noting its contents, Members also highlighted that:

- the report titled: '*Fusion Lifestyle – Leisure Contract Update*' (Minute HC 67/23 below refers)' would be presented by the lead Committee Member for Leisure, Health and Wellbeing and not the Leader of Council as indicated on the Plan; and
- the title of Cllr Moody's portfolio area had now been updated to read: '*Lead Hub Member for Enabling Inclusive, Accessible Services and Customer Communications*'.

**\*HC 56/23 PLYMOUTH AND SOUTH WEST DEVON JOINT LOCAL PLAN FIVE-YEAR REVIEW REPORT 2024**

The Hub Committee considered a report that sought agreement of the Plymouth and South West Devon Joint Local Plan (JLP) Five Year Review Report 2024 and approval for publication of the document on the Council's Website.

During the ensuing debate, reference was made to:

- (a) thanks were extended to those Members who had attended the recent Annual General Meeting of the Joint Local Plan Partnership Board. In addition, further thanks were given to the Assistant Director Planning, who was soon to leave the employ of the Council. Members wished the officer every success for the future and thanked him for his support, hard work and guidance; and
- (b) the status of the JLP. The Committee recognised that the JLP remained sound and up to date and acknowledged that this was a very positive position to be in.

It was then:

**RESOLVED**

1. That the Plymouth and South West Devon Joint Local Plan Five Year Review Report 2024 be published on the Council's website;
2. That the Plymouth and South West Devon Joint Local Plan continue to be used with full weight in the determination of planning applications and be referred to as appropriate in reports; and
3. That the Plymouth and South West Devon Joint Local Plan be used as a material consideration for planning decisions.

**HC 57/23 DEVON CORNWALL AND THE ISLES OF SCILLY CLIMATE ADAPTATION PLAN**

Members considered a report that sought the endorsement of the Devon, Cornwall and the Isles of Scilly Climate Adaptation Plan.

In discussion, the following points were raised:

- (a) When questioned, officers gave assurances that an ultimate Council decision to endorse the Plan would in no shape or form have any impact upon the Development Management decision-making process;
- (b) Members commented on the great amount of detail contained within the published agenda report and appendices and felt that there was information and advice set out that could be applied and implemented immediately;
- (c) Some Members were of the view that the Council had very little ability to influence the contents of the Plan. For absolute clarity, officers confirmed that there were no financial implications to the Council associated with endorsing the Plan and the need to distinguish between this Plan and the Devon Carbon Plan was also noted;
- (d) A Member emphasised the significant detrimental impact that was being placed on the agricultural industry as a consequence of being unfairly blamed for emissions. Other Members recognised the extent of the stresses on the industry, but also felt that there were a number of opportunities contained within the Plan that would in effect support the agricultural sector.

It was then:

**RESOLVED**

That Council be **RECOMMENDED** to endorse the Devon, Cornwall and Isles of Scilly Climate Adaptation Plan set out at Appendix A of the presented agenda report.

**\*HC 58/23 HOME FOR UKRAINE SCHEME AND AFGHAN RELOCATION ASSISTANCE PROGRAMME**

Consideration was given to a report that provided an update on the Council's participation in the respective Ukrainian and Afghan resettlement schemes. In addition, the report provided information on the conclusion of the Local Authority Housing Fund 1 and 2 initiative and also sought approval for the contribution of funds from identified Section 106 contributions towards 5 Affordable Homes.

In discussion, particular reference was made to:-

- (a) recommendation 3. Officers clarified that the recommendation to contribute £30,000 to provide 5 Affordable Homes at Pilchers Field, Crapstone was a wholly separate issue to the Home for Ukraine Scheme and Afghan Relocation Assistance Programme;
- (b) housing criteria. Members asked that officers ensure that the housing criteria of the Abbeyfield Society was aligned to the criteria applied by Devon Homes Choice;

- (c) the support provided by lead officers. For both the Home for Ukraine Scheme and Afghan Relocation Assistance Programme, a number of Members paid tribute to the excellent work and pragmatic approach that was provided by lead officers and host families.

It was then:

### **RESOLVED**

1. That the positive progress of the Council's participation in the resettlement schemes be noted;
2. That the successful conclusion of the Local Authority Housing Fund (LAHF1 and 2) initiative, delivering a total of 8 new properties in Okehampton and Tavistock, be noted; and
3. That the contribution of £30,000 to provide 5 Affordable Homes at Pilchers Field, Crapstone from identified Section 106 contributions, be approved.

#### **\*HC 59/23 DISCRETIONARY HOUSING PAYMENT POLICY**

Members considered a report which sought approval for the updated Discretionary Housing Payment Policy.

During debate, the following points were raised:

- (a) Officers committed to providing information to Members outside of the meeting in relation to the number of homelessness cases that have utilised the Discretionary Housing Payments Policy; and
- (b) Members commented that the scheme was incredibly effective and well received by Borough residents. When questioned, officers advised that they would continue to help and promote the ability for residents to self-serve whilst ensuring that they could also contact the Council in the best way for them as an individual.

It was then:

### **RESOLVED**

1. That the content of the presented agenda report be noted; and
2. That the Discretionary Housing Payment Policy as set out at Appendix A of the presented report, be approved, to take effect from 1 April 2024.

#### **HC 60/23 HOUSING BENEFIT WAR PENSIONS DISREGARD POLICY**

Consideration was given to a report which sought approval for the continuation of the discretionary disregard of War Pensions and War Widow(er) Pensions from Housing Benefit so as to ensure that those in receipt of those pensions were not adversely affected financially.



During debate, a Member felt that the requirement for Grant Thornton to undertake a 'Housing Benefit Assurance Process' audit was an unnecessary waste of public money.

It was then:

**RESOLVED**

1. That the contents of the presented agenda report be noted; and
2. That Council be **RECOMMENDED** to adopt the Housing Benefit War Pensions Disregard Policy as set out at Appendix A of the present report.

**\*HC 61/23 MONTH 10 REVENUE BUDGET MONITORING 2023/2024**

Members considered a report that provided a forecast for the year end budget position and that also enabled them to monitor income and expenditure variations against the approved budget for 2023/24.

In discussion, officers confirmed that, with regard to the Council's Treasury Management activities, the need to invest in sustainable organisations was a key consideration.

It was then:

**RESOLVED**

That the forecast income and expenditure variations for the 2023/24 financial year and the overall projected surplus of £159,000 (1.9% of the total Budget £8.588 million) be noted.

**\*HC 62/23 CAPITAL PROGRAMME MONITORING AS AT 31 JANUARY 2024**

Members were presented with a report that provided details of the Capital Programme financial position as at 31 January 2024.

With there being no debate, it was then:

**RESOLVED**

That the contents of the report be endorsed.

**\*HC 63/23 OKEHAMPTON BUSINESS IMPROVEMENT DISTRICT**

The Hub Committee was presented with a report that sought approval for a number of actions to be taken for the progression of the Okehampton BID

In discussion, particular reference was made to:-

- (a) an alternative recommendation 2. In order to provide the lead officer with the necessary discretion, an alternative recommendation 2 was **PROPOSED** and **SECONDED** that read as follows:

*'That it be noted that the Head of Economy & Place will work with the BID Steering Group to carry out the actions required to progress the BID to ballot as set out in the published agenda report and in accordance with the indicative timetable outlined in paragraph 4.2 of the published agenda report therein.'*

When put to the vote, the alternative recommendation was declared **CARRIED**;

(b) the initial views of local businesses. Based upon informal discussions, the lead Member informed that the proposals had been very well received.

It was then:

**RESOLVED**

1. That officers be instructed to notify the Secretary of State of the Council's intention to progress to a ballot to vote on a Business Improvement District (BID) in Okehampton; and
2. That it be noted that the Head of Economy & Place will work with the BID Steering Group to carry out the actions required to progress the BID to ballot as set out in the published agenda report and in accordance with the indicative timetable outlined in paragraph 4.2 of the published agenda report therein.

**\*HC 64/23 TAVISTOCK CONSERVATION AREA APPRAISAL & MANAGEMENT PLAN**

A report was considered that sought approval for the commencement of the consultation on the Draft Tavistock Conservation Area Appraisal and Management Plan 2024.

In discussion, there was unanimous support expressed for the Plan, which was considered to be a particularly reader friendly document. In addition, the Committee encouraged Members to promote the public consultation exercise within their local communities.

It was then:

**RESOLVED**

That the commencement of the public consultation exercise on the draft Tavistock Conservation Area Appraisal and Management Plan (as set out at Appendix 1 of the presented agenda report) be approved.

**\*HC 65/23 OKEHAMPTON CONSERVATION AREA APPRAISAL & MANAGEMENT PLAN**

The Hub Committee considered a report that sought approval for the commencement of the consultation on the Draft Okehampton Conservation Area Appraisal and Management Plan 2024.

In discussion, the comments that were raised during the debate on the equivalent Plan for Tavistock (Minute \*HC 64/23 above refers) were repeated.

It was then:

**RESOLVED**

That the commencement of the public consultation exercise on the draft Okehampton Conservation Area Appraisal and Management Plan (as set out at Appendix 1 of the presented agenda report) be approved.

**\*HC 66/23 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.

**HC 67/23 FUSION LIFESTYLE – LEISURE CONTRACT UPDATE**

Members considered an exempt report that provided an update on the Fusion Lifestyle Leisure Contract.

In discussion, there was support expressed for the proposals set out within the exempt agenda papers.

It was then:

**RESOLVED**

That Council be **RECOMMENDED**:

1. to approve the contract variation and payment profile for the years 2023-24 to 2027-28 as set out in section 4 of the published exempt agenda report;
2. that the funds from the Leisure Earmarked Reserve (as specified in the published exempt agenda report) be used to fund the shortfall of the payment fee between the two years of 2023/24 and 2024/25; and
3. to delegate authority to the Director of Place and Economy, in consultation with the Section 151 Officer and the Leader of Council to finalise the terms of the profit share agreement for the five years 2023-24 to 2027-28.

(The meeting terminated at 4.15pm)

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Chairman

**(NOTE: THESE DECISIONS, WILL BECOME EFFECTIVE FROM 5.00PM ON THURSDAY, 14 MARCH 2024, WITH THE EXCEPTION OF MINUTES HC 57/23, HC 60/23 (Part 2) and HC 66/23 (Part 1) WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 26 MARCH 2024, UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES)**

Report to: **Council**

Date: **26 March 2024**

Title: **2024/25 Capital Strategy, 2024/25 Treasury Management Strategy and 2024/25 Investment Strategy**

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

Wards Affected: **All**

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

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

Contact: **01803 861413 [lisa.buckle@swdevon.gov.uk](mailto:lisa.buckle@swdevon.gov.uk)**  
**01803 861559 [clare.scotton@swdevon.gov.uk](mailto:clare.scotton@swdevon.gov.uk)**

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**RECOMMENDATIONS:**

- 1. That the Council approves the following strategies for 2024-25:**
  - a. Capital Strategy (as attached at Appendix A);**
  - b. Treasury Management Strategy (as attached at Appendix B); and**
  - c. Investment Strategy (as attached at Appendix C); and**
- 2. That delegated authority be given to the Section 151 Officer, in consultation with the Leader of the Council and the Hub Committee Member for Resources, to make any minor amendments to these Strategies if required throughout the 2024/25 Financial Year.**

**1. Executive summary**

- 1.1 This report recommends to Council, approval of the proposed Capital Strategy, Investment Strategy and Treasury Management for 2024/25, together with their associated prudential indicators.

- 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 as "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 2024/25 is attached in Appendix A.

In 4.3, the Capital Financing Requirement, the measure of the Council's underlying need to borrow for the capital programme, has been projected to be £23.7 million for 2024/25. This includes borrowing for leisure, waste fleet, Kilworthy Park and four investment properties.

**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 are due to be considered and scrutinised by the Audit and Governance Committee at their meeting on 19 March 2024. A verbal update will be given at the Council meeting on any recommendations the Committee may have made to Council.

## 2. Outcomes/outputs

- 2.1 In light of the recent raise in interest rates, the budget for investment income has increased for 2024/25 and has been set at £800,000.
- 2.2 External treasury management training (by Link Group) was arranged for all Members in November 2023 to ensure Members have up to date skills to continue to make capital and treasury management decisions.

## 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 2024/25.

## 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 Hub Committee 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	Good financial management and administration underpins the entire treasury management strategy. The budget for investment income for 2024/25 has been set at £800,000.
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 Hub Committee as part of budget monitoring reports.</p>
Consultation and Engagement Strategy	N	External consultation and engagement has not been undertaken with regard to this report.
Supporting Corporate Strategy		The treasury management function supports all of the Thematic Delivery Plans within 'A Plan for West Devon'.
Climate Change - Carbon / Biodiversity Impact		<p>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.</p> <p>The Council declared a Climate Change and Biodiversity Emergency on 23 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>Further detail is set out in the Council's 'A Plan for West Devon' strategy.</p>



<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 2024/25

Appendix B – Treasury Management 2024/25

Appendix C – Investment Strategy 2024/25

**Background Papers:**

None

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## **Capital Strategy 2024/25**

### **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 2024, the Council has incurred capital expenditure of £2,875,278 and will incur further capital expenditure by the end of March 2023. The Council capital expenditure is summarised below:

<b>Capital expenditure</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Services (including Housing)	2,032,000	4,061,000	11,465,000	9,782,000	1,945,000
<b>Total</b>	<b>2,032,000</b>	<b>4,061,000</b>	<b>11,465,000</b>	<b>9,782,000</b>	<b>1,945,000</b>

## **Transport Hub**

- 2.3** West Devon Borough Council has been successful in a £14.9million bid to develop a new railway station and integrated transport hub on the Eastern edge of Okehampton. The plans will see the construction of a brand new, purpose built station and car park, which will be easily accessible from the nearby A30, built at the bottom of Devon County Council's business park off Exeter Road. The aim is to create an area with facilities for bus connections, cycle links and electric vehicle charging. The Borough Council will be the accountable body for the capital project and the estimated capital expenditure (profiled over the next three financial years) has been included within the Council's capital expenditure estimates within the strategy. The funding will be provided by the Department for Levelling Up Housing and Communities (DLUHC) and the project will be delivered in partnership with Devon County Council and Network Rail.

## **2.4 20 Plymouth Road**

A scheme was agreed at Full Council on 19<sup>th</sup> December 2023 to repurpose 20 Plymouth Road in Tavistock from office accommodation to three residential units. This will support the Council's temporary Housing needs. The scheme will be financed using £500k from internal borrowing and £150k from Housing Revenue Grants.

## **Regeneration and Investment Strategy**

- 2.5** The Council has approved a Regeneration and Investment Strategy (Minute Reference CM72, Council 5<sup>th</sup> April 2022). To date, Investment Properties have a value of £16.62 million in aggregate as at 31 March 2023.

## **Overall Borrowing Limit**

- 2.6** In September 2019, Council approved an overall Borrowing Limit (for all Council Services) of £50 million. As at the end of January 2024, the Council's current level of external borrowing is £27.2m.
- 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 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 Hub Committee 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:

<b>Financing of capital expenditure</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
<b>Capital Expenditure</b>	<b>2,032,000</b>	<b>4,061,000</b>	<b>11,465,000</b>	<b>9,782,000</b>	<b>1,945,000</b>
<b>Financed by:</b>					
External sources (Capital grants, NHB, S106)	1,774,000	*3,489,000	*9,916,000	*7,386,000	*1,945,000
Own resources (Capital receipts, Earmarked reserves)	258,000	572,000	1,052,000	396,000	0
<b>Net financing need for the year</b> (This is the prudential borrowing required)	<b>0</b>	<b>0</b>	<b>800,000</b>	<b>2,000,000</b>	<b>0</b>

*\*This includes Government Grant funding from the Department for Levelling Up Housing and Communities (DLUHC) for the Okehampton Transport Hub*

- 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:

<b>Replacement of debt finance</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
MRP	647,000	660,000	674,000	686,000	760,000
Use of capital receipts	0	0	0	0	0

### **3 Treasury Management**

- 3.1** 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.
- 3.2** 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.
- 3.3** As at 31 January 2024, the Council had external borrowing of £27.2 million.
- 3.4** As at 30 September 2023, the Council held £26.4m of Investments.

### **4 Borrowing Strategy**

- 4.1** 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.
- 4.2** 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.
- 4.3** Projected levels of the Council's total outstanding debt which comprises borrowing is shown below, compared with the capital financing requirement.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Debt at 31 March	27,726,000	27,013,000	26,371,000	25,625,000	24,956,000
Capital Financing Requirement	24,253,000	23,593,000	23,720,000	25,034,000	24,274,000

**4.4** 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 £23.7million for 2024/25. This includes borrowing for leisure, waste fleet, Kilworthy Park, Housing projects and four investment properties.

## **5 Investment Strategy**

**5.1** 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.

**5.2** 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.

**5.3** 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.). One example of which is the CCLA Local Authorities' Property Fund in which the Council is invested to balance the risk of loss against the risk of receiving returns below inflation.

**5.4** 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.

**5.5** Further details on treasury investments can be found in the treasury management strategy (Appendix B).

### **Governance**

**5.6** 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.

**5.7** Semi-annual reports on treasury management activity are presented to the Audit and Governance Committee which is responsible for scrutinising treasury management decisions.

## **6 Investments for Service Purposes**

### **6.1 Governance**

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.

## **7 Risk Management and Due Diligence**

**7.1** 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.

**7.2** 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 West Devon Borough Council's boundary. 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.

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.



- 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.
- 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.

**7.3** 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. The frequency of this reporting is anticipated to be every 6 months and 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**

**7.4** Acquisitions must conform to the adopted Regeneration and Investment Strategy. Any deviation from the agreed Strategy will require Council approval. The Council has approved a Regeneration and Investment Strategy (Minute Reference CM72, Council 5<sup>th</sup> April 2022).

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

**7.6** The Regeneration and Investment Committee will consider and evaluate (in accordance with this Strategy) proposals for acquisition of assets on a case by case basis, and will make any necessary recommendations to the Head of Paid Service and Section 151 Officer who will make a decision in consultation with the Leader of the Council and Chairman of the Regeneration and Investment Committee.

**7.7** The Council 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. Investment indicators are set out within the Council's Treasury Management Strategy.

**7.8** 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 15% annually of all rental income and other income into a Maintenance, Management and Risk Mitigation (MMRM) Reserve. This is part of the Council's contingency arrangements.

**7.9** Specialists will be commissioned to act on behalf of the Council to source suitable properties and manage the acquisition due diligence process.

- 7.10** Before a final decision is made to proceed with an acquisition, local ward Members will be briefed and be able to share their views with the Regeneration and Investment Committee.
- 7.11** Development proposals on Council owned land must also conform to the objectives of the Regeneration and Investment Strategy.
- 7.12** Unlike investment acquisitions however, they shall not benefit from the same scheme of delegation. Instead, approvals must be sought through the Hub Committee and Full Council process. Decisions on in area development shall consider, as appropriate, the views of the local Members and key stakeholders (Town Council / Parish Council) as one of many aspects of any projects brought forward.

### **Debt Proportionality**

- 7.13** 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).
- 7.14** Investment Property acquisitions expand the Council's balance sheet and interest costs will form a higher percentage of locally derived income. It would absorb a high level of reserves if there are shortfalls in or disruption to the income stream required to meet the additional expenditure.
- 7.15** 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.
- 7.16** In order that investments remain proportionate to the size of the Council, borrowing for the Regeneration and Investment Strategy is subject to an overall limit (for all Council services) of £50 million.
- 7.17** The Council set an upper limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £50 million. Interest payments at 2.6% (current debt) and 5% (borrowing headroom) would equate to 18.8% of available reserves (Appendix G to the Budget Proposals report for 2024/25 – Council 20<sup>th</sup> February 2024).

## **Liquidity**

- 7.18** 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 Authority will spread its liquidity profile across its portfolio and also have a spread of the sector in which the Council invests. The Council also documents potential exit strategies as part of its due diligence checks.
- 7.19** 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 in excess of £475,000 as at 31 March 2024. This will be reviewed with the same frequency as the risk reporting procedure set out in the Council's Commercial Investment Strategy.

## **8 Asset Management**

- 8.1** To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place.
- 8.2** 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.
- 8.3** Repayments of capital grants, loans to third parties for capital expenditure and investments also generate capital receipts.
- 8.4** The Council estimates to receive nil capital receipts in the coming financial year as follows:

<b>Capital Receipts</b>	<b>2022/23 actual</b>	<b>2023/24 forecast</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>
Asset sales	0	0	0	0	0
Loans repaid	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **9 Liabilities**

### **Governance**

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

## **10 Revenue Budget Implications**

- 10.1** 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*

	<b>2022/23 actual</b>	<b>2023/24 forecast</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>
Financing costs	778,880	88,480	577,489	776,360	785,209
Proportion of net revenue stream	10.0%	1.0%	6.1%	7.7%	7.5%

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

### **Sustainability**

- 10.3** 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.
- 10.4** 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 2024/25 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.
- 10.5** 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.
- 10.6** Members, via the Hub Committee 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.

- 10.7** 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.
- 10.8** The Council's Senior Leadership Team has oversight for the delivery of and challenge to the Capital Strategy and Capital Programme.

### **Affordability**

- 10.9** 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 Hub/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).
- 10.10** 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.
- 10.11** 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.
- 10.12** 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).
- 10.13** 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**

- 10.14** 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.

- 10.15** 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.
- 10.16** In addition, this increases the Council's level of fixed interest and repayment costs that it will incur each year. In 2024/25 the borrowing liability is estimated at £26.4 million with ongoing financing costs of the borrowing of approx. £1.4m. This is a clear risk that all Members need to be aware of.
- 10.17** 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.
- 10.18** 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.
- 10.19** There are risks (and rewards) associated with the purchase of these type of assets, therefore all Members need to have sight of and understand the risks and rewards inherent in these commercial investments (development opportunities).

## **11 Knowledge and Skills**

- 11.1** The Council employs professionally qualified and experienced staff in senior positions with responsibility for recommending capital expenditure, borrowing and investment decisions to Members.
- 11.2** The Director of Place & Enterprise is a Chartered Civic Engineer with 20 years of experience. In addition, the Director of Place & Enterprise holds a MSc in Construction Law.
- 11.3** The Corporate Director of Strategic Finance (S.151 Officer) is a Chartered Accountant (ICAEW) with 20 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.
- 11.4** The Principal Estates Specialist is a Chartered Surveyor, with over 15 years post qualification experience.
- 11.5** The Monitoring Officer is a qualified solicitor with over 20 years public sector experience.
- 11.6** 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. The Council tendered its Treasury Management services for a three year contract term starting from 1<sup>st</sup> April 2024. The successful tender was Link Asset Services. A list is below of advisers that the Council has used in the past:-
- Link Group – Treasury Management Advice
  - Savills – Property Agents
  - Womble Bond Dickinson – Solicitors
- 11.7** 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.
- 11.8** External treasury management training (by Link Group) for Members will be carried out every two years to ensure Members have up to date skills to continue to make capital and treasury management decisions. Training was completed in November 2023.



## Treasury Management Strategy Statement 2024/25

### 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 Council has approved a Regeneration and Investment Strategy (Minute Reference CM72, Council 5<sup>th</sup> April 2022). PWLB borrowing is permitted for the four categories of regeneration, service delivery, housing and refinancing.
- 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 annual 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. In addition, this Authority will receive quarterly update reports.

**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 Committee for this purpose. Prior to the annual strategies being recommended to Council on 26<sup>th</sup> March 2024, the strategies are presented to the Council's Audit and Governance Committee on 19<sup>th</sup> March 2024 for scrutiny.

## Quarterly reports

1.2.10 In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required via the budget monitoring process. Whilst these additional reports do not have to be reported to Full Council, they do require to be adequately scrutinised. This role is undertaken by the Audit and Governance Committee. (The reports, specifically, should comprise a brief overview of Treasury Management performance and updated Treasury/Prudential indicators).

### **1.3 Treasury Management Strategy for 2024/25**

1.3.1 The strategy for 2024/25 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 Treasury Management 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.

1.4.2 The Code states that they expect all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making. The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and council Members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

1.4.3 As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.

- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
  - Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”
- 1.4.4 In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’ which is available from the CIPFA website to download.
- 1.4.5 Training was undertaken by Members on 14 November 2023 and this will be arranged on a cyclical basis.
- 1.4.6 The training needs of treasury management officers are periodically reviewed.
- 1.5 Treasury Management advisors**
- 1.5.1 The Council tendered its Treasury Management services for a three year contract term starting from 1<sup>st</sup> April 2024. The successful tender was Link Asset Services.
- 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 investment, such as investment properties. The Council currently has four investment properties. 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
  - Womble Bond Dickinson – Solicitors

## **2 The Capital Prudential Indicators 2024/25 – 2026/27**

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 are prudent, affordable and sustainable.

### **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:

<b>Capital expenditure</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Services (including housing)	2,032,000	4,061,000	11,465,000	9,782,000	1,945,000
<b>Total</b>	<b>2,032,000</b>	<b>4,061,000</b>	<b>11,465,000</b>	<b>9,782,000</b>	<b>1,945,000</b>

*West Devon Borough Council has been successful in a £14.9million bid to develop a new railway station and integrated transport hub on the Eastern edge of Okehampton. The Borough Council will be the accountable body for the capital project and the estimated capital expenditure (profiled over the next three financial years) has been included within the Council's capital expenditure estimates within the strategy. The funding will be provided by the Department for Levelling Up Housing and Communities (DLUHC) and the project will be delivered in partnership with Devon County Council and Network Rail. This has been included in the capital expenditure estimates in the table above.*

2.2.2 Other long-term liabilities - The above financing need excludes other long-term liabilities, such as 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.

<b>Financing of capital expenditure</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
<b>Capital Expenditure</b>	<b>2,032,000</b>	<b>4,061,000</b>	<b>11,465,000</b>	<b>9,782,000</b>	<b>1,945,000</b>
<b>Financed by:</b>					
External sources (Capital grants, NHB, S106)	1,774,000	*3,489,000	*9,916,000	*7,386,000	*1,945,000
Own resources (Capital receipts, Earmarked reserves)	258,000	572,000	1,052,000	396,000	0
<b>Net financing need for the year</b> (This is the prudential borrowing required)	<b>0</b>	<b>0</b>	<b>800,000</b>	<b>2,000,000</b>	<b>0</b>

*\* This includes Government Grant funding from the Department for Levelling Up Housing and Communities (DLUHC) for the Okehampton Transport Hub*

## **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:

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Capital Financing Requirement</b>					
CFR – services (including housing)	3,984,000	3,571,000	3,952,000	5,526,000	5,033,000
CFR - Non-financial investments	20,269,000	20,022,000	19,768,000	19,508,000	19,241,000
<b>Total CFR</b>	<b>24,253,000</b>	<b>23,593,000</b>	<b>23,720,000</b>	<b>25,034,000</b>	<b>24,274,000</b>
<b>Movement in CFR</b>	<b>(647,000)</b>	<b>(660,000)</b>	<b>127,000</b>	<b>1,314,000</b>	<b>(760,000)</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	0	0	800,000	2,000,000	0
Less MRP/VRP and other financing movements	(647,000)	(660,000)	(673,000)	(686,000)	(760,000)
<b>Movement in CFR</b>	<b>(647,000)</b>	<b>(660,000)</b>	<b>127,000</b>	<b>1,314,000</b>	<b>(760,000)</b>

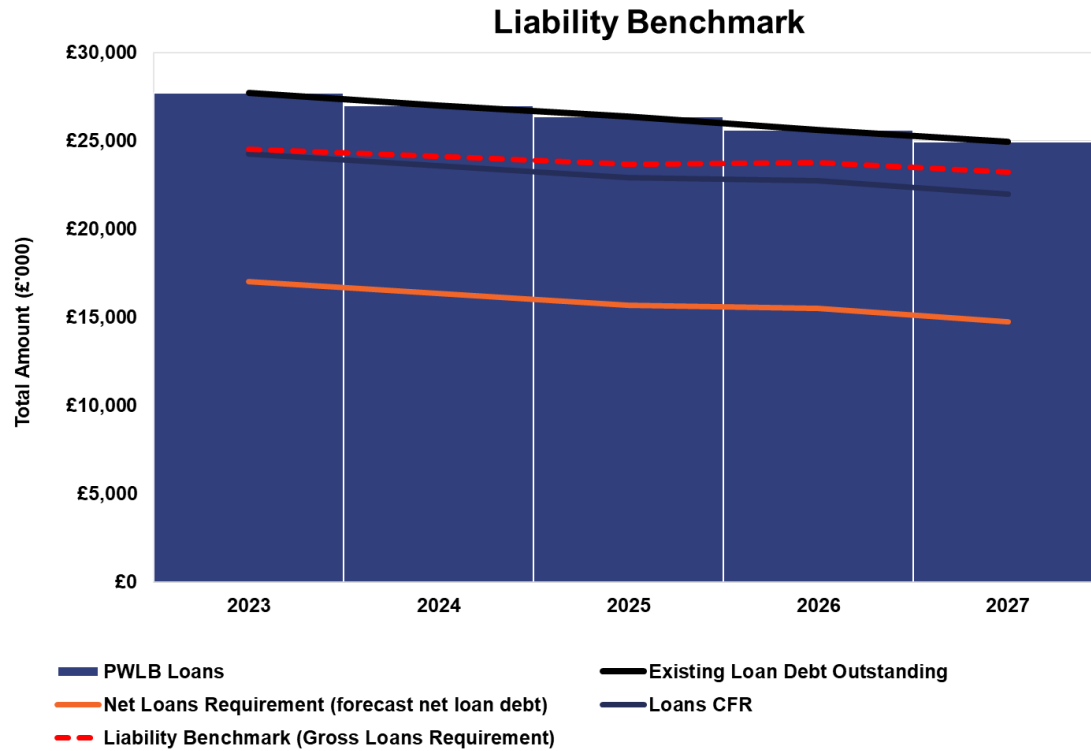
## 2.4 Liability Benchmark

2.4.1 The Council is required to estimate and measure the Liability Benchmark (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 This chart shows that PWLB loans currently exceed the Loans CFR. As other capital projects come on stream and expenditure is incurred, this will bring the loans back in line with the CFR.

## 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	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Fund balances / reserves	10,471,000	10,851,000	10,041,000	9,641,000	9,241,000
Capital receipts	70,000	40,000	40,000	40,000	40,000
Provisions	733,000	800,000	800,000	800,000	800,000
Other	2,125,000	250,000	250,000	250,000	250,000
<b>Total core funds</b>	<b>13,399,000</b>	<b>11,941,000</b>	<b>11,131,000</b>	<b>10,731,000</b>	<b>10,331,000</b>
Working capital*	16,379,000	14,000,000	14,000,000	14,000,000	14,000,000
(Under)/over borrowing**	3,473,000	3,420,000	2,651,000	591,000	682,000
<b>Expected cash position</b>	<b>19,852,000</b>	<b>17,420,000</b>	<b>16,651,000</b>	<b>14,591,000</b>	<b>14,682,000</b>

\* 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 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 2024 the Council had no VRP overpayments.

### 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 2023 and for the position as at 31 January 2024 are shown below for both borrowing and investments.

Treasury Portfolio	31 March 2023 Actual		31 January 2024 Current	
Treasury Investments:				
Short term – fixed	10,200,000	3.98%	25,600,000	4.65%
Money Market Funds	10,800,000	3.98%	8,000,000	4.87%
CCLA – Local Authority Property Fund	462,000	4.26%	452,000	4.94%
<b>Total treasury investments</b>	<b>21,462,000</b>		<b>34,052,000*</b>	
Treasury External Borrowing				
PWLB	27,726,000	2.54%	27,238,000	2.54%
<b>Total external borrowing</b>	<b>27,726,000</b>		<b>27,238,000</b>	
<b>Net treasury investments / (borrowing)</b>	<b>(6,264,000)</b>		<b>6,814,000</b>	

*\*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 has approved a Regeneration and Investment Strategy (Minute Reference CM72, Council 5<sup>th</sup> April 2022). PWLB borrowing is permitted for the four categories of regeneration, service delivery, housing and refinancing.

3.2.3 The Council's current Non-Treasury Investment portfolio position is summarised below.

<b>Asset</b>	<b>Year Purchased</b>	<b>Asset life for the calculation of MRP (Years)</b>	<b>Value at 31 March 2022 (£)</b>	<b>Value at 31 March 2023* (£)</b>
Four Investment Properties at Bristol, Plymouth, Exeter and Okehampton	2018/19	50	19,120,000	16,625,000

\*following fair value adjustments

3.2.4 The Fair Value Valuation at 31.3.2023 of the four investment properties was £16.625 million.

3.2.5 There has been a downward movement in Investment Properties which relates to the reduction in the value of these properties, predominantly the property in Bristol. The reduction in value is caused by a softening of the yield. The accommodation is open plan and as such is set up for a single occupier. The office market is witnessing a trend towards good quality, smaller office suites, which better suit the new hybrid ways of working.

3.2.6 Although the fair value valuation has decreased, there is no loss to the Council as this is a desktop valuation at a point in time and the changes in valuation do not have an impact on the Council's 'bottom line' in its revenue account. Any loss would only be crystallised if the Council sold the asset, which the Council does not intend to do. These investment properties are long term strategic assets of the Council which are held for the long term and the foreseeable future.

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

<b>Non-Treasury Investment Indicators</b>	<b>Actual 2022/23</b>	<b>Estimate as at 31 Mar 24</b>
Total investment income as a proportion of the Council's Net Budget	3.81%	3.37%
Borrowing for Non-Treasury investments as a proportion of the Council's Net Budget	268.34%	239.44%
Investment income from Investment Properties compared to the interest expense incurred by them	213.59%	222.07%

3.2.8 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.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>External Debt</b>					
Debt at 1 April	28,341,000	27,726,000	27,013,000	26,371,000	25,625,000
Expected change in Debt	(615,000)	(713,000)	(642,000)	(746,000)	(669,000)
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	27,726,000	27,013,000	26,371,000	25,625,000	24,956,000
The Capital Financing Requirement	24,253,000	23,593,000	23,720,000	25,034,000	24,274,000
Under / (over) borrowing*	(3,473,000)	(3,420,000)	(2,651,000)	(591,000)	(682,000)

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

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>External Debt for investment activities / non-financial investments</b>					
Actual debt at 31 March for Investment Activities	21,849,000	20,563,000	20,357,000	20,056,000	19,838,000
Percentage of all PWLB external debt %	75%	76%	77%	78%	79%

3.2.10 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 2024/25 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.

3.2.11 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 2024/25.

### 3.3 Treasury Indicators: Limits to Borrowing Activity

3.3.1 **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.

<b>Operational boundary</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Total external debt	35,000,000	35,000,000	35,000,000	35,000,000

3.3.2 **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.

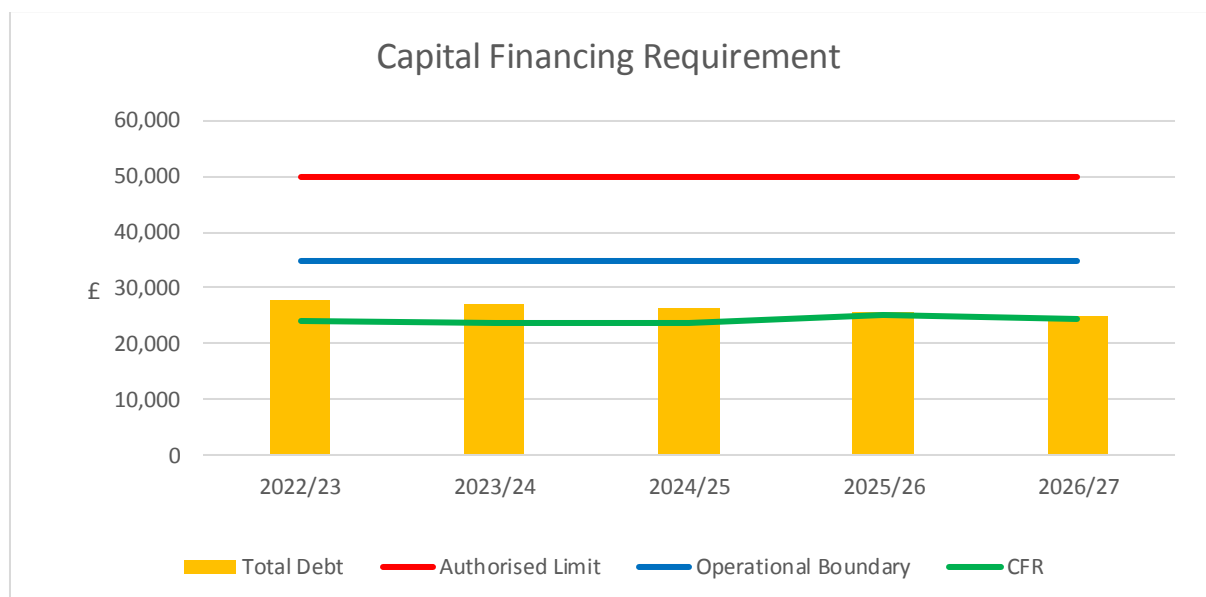
3.3.3 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

3.3.4 The Council is asked to approve the following authorised limit of £50 million:

<b>Authorised limit</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Total external debt	50,000,000	50,000,000	50,000,000	50,000,000

3.3.5 The graph below shows the CFR and borrowing projections.

	<b>Actual 2022/23</b>	<b>Estimate 2023/24</b>	<b>Estimate 2024/25</b>	<b>Estimate 2025/26</b>	<b>Estimate 2026/27</b>
General Fund	3,984,000	3,571,000	3,952,000	5,526,000	5,033,000
Investment activities / non-financial investments	20,269,000	20,022,000	19,768,000	19,508,000	19,241,000
<b>Total CFR</b>	<b>24,253,000</b>	<b>23,593,000</b>	<b>23,720,000</b>	<b>25,034,000</b>	<b>24,274,000</b>
<b>External Borrowing</b>	<b>27,726,000</b>	<b>27,013,000</b>	<b>26,371,000</b>	<b>25,625,000</b>	<b>24,956,000</b>
<b>Authorised Limit</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b>Operational Boundary</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>





### 3.4 Prospects for Interest Rates

3.4.1 The Council engages 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.

	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
<b>BANK RATE</b>	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

3.4.2 It is expected that the MPC will keep Bank Rate at 5.25% until the second half of 2024 to combat on-going inflationary and wage pressures, even if they have dampened somewhat of late. It is not thought that the MPC will increase Bank Rate above 5.25%.

3.4.3 We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.

3.4.4 Naturally, timing on this matter will remain 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.

3.4.5 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 also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

3.4.6 **PWLB rates** – The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. At the time of writing there is c70 basis points difference between the 5 and 50 year parts of the curve.

### **3.5 Borrowing Strategy**

3.5.1 The Council is not expecting to take any new external loans during the current and next two financial years as the current Capital Financing Requirement estimates will be fully financed by existing borrowing. We will continue to assess the opportunities to borrow and look to use a mix of external loans to finance any further increases 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. That is, Bank Rate remains elevated through to the second half of 2024. Based on the current external loan portfolio, the Council would need to repay some of the existing loans to achieve an internal borrowing position. The current PWLB early repayment terms do not make this financially beneficial, but it will be continually reviewed to ensure any opportunities to mitigate the net interest costs are considered.

3.5.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 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 may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

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)

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 2024/25

	<b>Lower</b>	<b>Upper</b>
Less than 1 year	0%	10%
Between 1 and 2 years	0%	10%
Between 2 years to 5 years	0%	30%
Between 5 years to 10 years	0%	30%
Between 10 years to 20 years	0%	50%
20 years and above	0%	100%

### 3.10 Approved Sources of Long and Short Term Borrowing

Approved sources of borrowing are as follows:

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
UK Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Medium Term Notes	●	
Finance leases	●	●

### TREASURY MANAGEMENT SCHEME OF DELEGATION

#### **(i) Full Council**

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

#### **(ii) Hub Committee**

- 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 Corporate Director of Strategic Finance (S151) to the nominated posts for the taking of investment decisions**

- Head of Finance Practice (Deputy S151)
- Principal Accountants

## 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 2024/25

#### 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 Council 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 Council 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 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 £4 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 1.4.5).
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 advisors**, to provide expert treasury management advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council 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 2023/24 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. More recently, a further extension to the over-ride to 31 March 25 has been 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 investment (£500,000) 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 £0.5m in the CCLA Property Fund.

1.1.5 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 Link 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

	<b>Minimum credit criteria/colour band</b>	<b>Limit per institution Max % of total investments</b>	<b>Maximum maturity</b>
DMADF	n/a	100%	6 months
Money Market Funds	AAA	£4.5m	Daily liquidity
Cash Plus Funds/ Ultra short bond funds	AAA, AA	£4.5m	T+1 to T+4
CCLA Local Authorities Property Fund	Not credit rated	£1.0m	No fixed maturity date but will generally be held for up to 7 years
Local Authorities	Yellow	£3 million per institution	5 years
Unsecured investments with banks and building societies	Yellow Purple Blue Orange Red Green No Colour	£4.5m (£5.5m 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	nil	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. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

## **CDS Prices**

**1.2.8** 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 Council 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 £4 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 £3 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.

## Loans

**1.3.2** 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 having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 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 have peaked at 5.25% in Q4 of 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:

<b>Upper limit for principal sums invested for longer than 365 days</b>			
<b>£</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Principal sums invested for longer than 365 days	£500,000	£500,000	£500,000
Current investments as at 31.01.24 in excess of 1 year maturing in each year*	£500,000	£500,000	£500,000

\* *Monies already invested in the CCLA Property Fund (£500,000 at 31.3.2023)*

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.

### **ESG (Environmental, Social and Governance)**

1.4.8 For short term investments with counterparties, the Council utilises the ratings provided by Fitch, Moody's and Standard & Poor's to assess creditworthiness, which do include analysis of ESG factors when assigning ratings:

**Environmental:** Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact.

**Social:** Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts.

**Governance:** Management structure, governance structure, group structure, financial transparency

The Council will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process and will update accordingly.

## **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	£4.5 million per fund	Liquid
Ultra Short Dated Bond Funds	AAA	£4.5 million	Liquid
Local authorities	Yellow	£3 million per institution	12 months
Term deposits with banks and building societies	Blue	£4.5 million per institution (£5.5 million 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 of £500,000 is currently the only investment type 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 million	No fixed maturity date but will generally be up to 7 years
UK Government Gilts	Yellow	£3 million	5 Years
Share capital in a body corporate (See note 1 below)	N/A	Nil*	N/A
Loan capital in a body corporate (See note 1 below)	N/A	Nil*	N/A
<b>TOTAL</b>		<b>£4 million</b>	

\*Although the current limit is nil for 2024/25, this could change in the future therefore this row has been included for completeness.

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. The share capital or loan capital for 2024/25 is shown for completeness only.

## APPENDIX C2

### 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 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)

##### AA-

- Belgium
- France
- Qatar
- U.K

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Report to: **COUNCIL**

Date: **26 March 2024**

Title: **Annual Review of Health and Safety Policy Statement**

Portfolio Area: **Corporate Policy**

Wards Affected: **All**

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

Date next steps can be taken: Immediately following this meeting.

Author: **Ian Luscombe** Role: **Head of Environmental Health and Licensing**

Contact: **01822 813713 Ian.Luscombe@swdevon.gov.uk**

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## **RECOMMENDATIONS**

**That Council AGREE to adopt the updated policy statement and that it is signed by the Head of Paid Service and the Leader of the Council.**

### **1. Executive summary**

- 1.1 The Council is required to prepare a written health and safety policy statement by the Health and Safety at Work Act 1974. The policy should be agreed and signed off by the Head of Paid Service and the Leader of the Council.
- 1.2 The Joint South Hams District Council and West Devon Borough Council Health and Safety policy documents the Council's position regarding its intentions, organisation and arrangements for ensuring the health, safety and welfare at work of their employees, and the health and safety of any other person working in, visiting the Councils, or who may be affected by their activities
- 1.3 The policy is required to be reviewed annually and where appropriate, revised to reflect any significant change within the Organisation.
- 1.4 There are no changes to the Policy this year.

## **2. Background**

- 2.1 The Council is required to have a written health and safety policy under the Health and Safety at Work Act 1974. The Policy is an important document to set the responsibility for the health and safety of staff in the Council's employment and those persons effected by its activities. The Policy covers the entire range of Council Services.
- 2.2 The Policy is supplemented by a number of Safety Codes dealing with specific issues relevant to particular Service Groups and/or activities, e.g., Work at Height, Working Alone, Incident Reporting, etc. These Codes will have the same status as the Policy
- 2.3 The Policy adopts a sensible approach to managing risk which reflects best practice and is based on integrated management principles enabling the Council to achieve a correct balance in managing health and safety as part of an overall risk management
- 2.4 The Policy should be reviewed annually and revised to include any significant changes
- 2.5 Health and Safety performance is reported separately through the Council's Audit and Governance committee.

## **3. Outcomes/outputs**

- 3.1 The Council is required to have a Health and Safety Policy agreed by senior management and members, signed off by the Head of Paid Service and the Leader of the Council

## **4. Options available and consideration of risk**

- 4.1 There is a statutory requirement to agree and implement the Councils Health and Safety Policy. Failure to do so would risk prosecution by the Health and Safety Executive and put employee's health and safety at unacceptable risk.

## **5. Proposed Way Forward**

- 5.1 The Council should agree the revised Health and Safety Policy and continue to review it on an annual basis and/or when significant changes occur.
- 5.2 The Risk Management Officer group should provide a basis for integrating health and safety into its management structure and achieve continuous improvement in health and safety standards.

## **6. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address

Legal/Governance	Y	Health and Safety at Work etc Act 1974 The Policy conforms to the 2013 HSE guidance in order to ensure that the Council is legally compliant. Accordingly, the Policy needs to be formally adopted by the Council.
Financial	Y	Achieving legal compliance requires the Council's officers to actively engage in carrying out health and safety responsibilities intrinsic to their job role.  The cost will be officer time which is accounted for within existing budgets.  Achieving best practice will require an ongoing commitment to continuously improve the health and safety management system which will add to the cost of officer time.
Risk		The potential cost of not achieving legal compliance includes: i HSE enforcement costs ii legal and court cost iii compensation costs iv loss of credibility.
Comprehensive Impact Assessment Implications		
Equality and Diversity		The Policy applies to all members of staff and has considerations of the effect of Council activities on non-employees. Effective management of health and safety should ensure that equality and human rights are not infringed.
Safeguarding		Indirect impact derived from suitable and sufficient risk assessment of activities associated with vulnerable groups
Community Safety, Crime and Disorder		No direct impact
Health, Safety and Wellbeing		As above, indirect impact on wellbeing derived from suitable and sufficient assessment of risk of work activities, e.g. lone working
Other implications		None

### **Supporting Information**

#### **Appendices:**

A: South Hams District and West Devon Borough Council's Health and Safety Statement

#### **Background Papers:**

None

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## HEALTH AND SAFETY STATEMENT AND POLICY

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### Revisions

Version 1	September 2015
Version 2	November 2016
Version 3	July 2017
Version 4	October 2018
Version 5	November 2019
Version 6	November 2020
Version 7	November 2021
Version 8	November 2022
Version 9	February 2023
Version 10	January 2024

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## **Health and Safety Statement**

South Hams District Council and West Devon Borough Council are fully committed to ensuring a high standard of health and safety. The Councils recognise their statutory duties protect the health, safety and welfare of staff and others connected to our work activities. We recognise the potential strategic, operational and financial risks associated with failures in health and safety and the importance of maintaining a well-resourced internal health and safety service.

To demonstrate our commitment to health and safety we annually update the health and safety policy statement and have developed a health and safety improvement programme to continue the cycle of continuous improvement by reviewing and updating the health and safety procedures related to the work that we do. This statement, and the associated management systems detail how South Hams District Council and West Devon Borough Council will manage our health and safety responsibilities and deal with any incidents that may occur.

It will be the responsibility of the Councils' Senior Leadership team (SLT) to monitor the implementation of this policy and the councils' overall risk management performance. This will be achieved through the use of regular reporting commissioned by SLT and annual audits.

The Risk Management Group will be responsible for ensuring the work programme is delivered. They will champion health and safety compliance within the Community of Practice business areas.

The organisations have identified that technical expertise for health and safety will be provided by the Environmental Health team. They provide advice and support to the organisation as necessary.

We expect all staff to take reasonable steps to be aware of the policy, risk assessments, and the controls identified. To support the Heads of Practice in assessing risks, implementing controls, and to actively engage in any training, exercises or workshops will arranged to test the organisation's effectiveness.

Members are required to make themselves aware of the health and safety arrangements that are likely to effect them.

The Councils are committed to ensuring that the internal health and safety service is adequately resourced to enable the full implementation of this policy. This commitment includes the provision of sufficient financial resources, management and employee time, training and advisory support. The Council has appointed a competent person to provide competent health and safety advice to the Councils.

This Health and Safety arrangements will be reviewed at least annually or more frequently where there have been significant changes to the Councils or factors affecting the Councils' activities.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Andy Bates, Chief Executive

## 1. Statement of Intent

- 1.1 This is a statement of policy by South Hams District Council and West Devon Borough Council (the Councils) about their intentions, organisation and arrangements for ensuring the health, safety and welfare at work of their employees, and the health and safety of any other person working in, visiting the Councils, or who may be affected by their activities.
- 1.2 It is the intention of the Councils to do all that is reasonably practicable to provide safe and healthy working conditions for its employees and to enlist their support in achieving this. The Councils also recognise their responsibilities to ensure the health and safety of elected members, members of the public, visitors and contractors when on their premises and others who may be affected by their activities.

## 2. Policy

- 2.1 It is the policy of the Councils as employers that they will comply so far as is reasonably practicable, with the requirements of the Health and Safety at Work etc. Act 1974 and all other relevant statutory provisions.
- 2.2 This policy is supported by Codes of Practice that apply throughout the Councils and will have the same status as this policy. The Codes of Practice will reflect:
- minimum legal requirements
  - best practice.
- 2.3 The Councils will do all that is reasonably practicable to prevent personal injury and illness, loss and damage to premises, plant and equipment by:
- Appropriate assessment and management of risk for all activities and seeking to eliminate hazards and/or reduce risks;
  - ensuring appropriate competence of all employees in health and safety by the provision of information, instruction, training, supervision, management support and performance appraisal;
  - ensuring close co-operation and participation of management and staff through normal working relationships and consultation with employees.
- 2.4 The Councils will pursue the above aims by the implementation of the objectives at **Appendix A**
- 2.5 The remainder of this document contains the following sections:
- Organisation and responsibilities
  - Arrangements for implementation
  - Objectives.

### **3. Policy Review**

- 3.1 This policy will be reviewed annually, in consultation with the unions, by the Internal Health and Safety Service who will advise the Senior Leadership Team (SLT) on possible amendments
- 3.2 The Codes of Practice will be reviewed by the Internal Health and Safety Service as and when legislation changes, best practice dictates or when otherwise necessary.

### **4. Organisation and responsibilities**

- 4.1 This part of the policy describes the organisational arrangements within the Councils for ensuring health and safety at work. Health and Safety issues are line management responsibilities alongside and of equal importance to responsibilities for the provision of services and the management of resources.

#### **4.2 Head of Paid Service**

- 4.2.1 The **Head of Paid Service** has overall responsibility to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all the Councils' employees and members, to ensure, so far as is reasonably practicable, the health and safety of others who work in and visit the Councils or may be affected by the Councils' activities.
- 4.2.2 The **Head of Paid Service** will include Health and Safety in his/her annual report to Council.

#### **4.3 Directors and Assistant Directors**

- 4.3.1 Directors and Assistant Directors are responsible for the implementation of this policy in the areas over which they have control. Oversight of the function sits with the Director for Governance and Assurance.

#### **4.3.2 Head of Environmental Health and Licensing**

The **Head of Environmental Health and Licensing** will be responsible for providing an internal health and safety service to the Councils which will be the competent assistance as required by the Management of Health and Safety at Work Regulations 1999.

#### **4.4 Heads of Service**

Heads of Service are responsible for ensuring the implementation, coordination and monitoring of this policy and associated Codes of Practice, and the overall health and safety management of the staff within their control. In particular, they must:

- carry out risk assessments and ensure that safe working conditions are maintained;
- ensure that staff within their control are trained and instructed in safe methods and comply with them;
- ensure that all accidents, incidents and near misses are reported and investigated and steps taken wherever possible to prevent a recurrence.

4.5 Heads of Service may nominate officers with Day-to-Day Responsibility for Health and Safety in their respective services/departments and inform their staff and the Internal Health and Safety Service accordingly but this will not remove the Head of Service's responsibilities.

#### 4.6 **Employees and Elected Members**

Employees shall:

- take reasonable care for the health and safety of themselves and of other persons who may be affected by their acts or omissions;
- co-operate with their manager in the implementation of this policy;
- follow safe working practices at all times;
- report accidents, incidents and near misses to their line manager;
- report unsafe working conditions and hazards to their line manager or other appropriate person.

#### 4.7 **Key staff with additional health and safety responsibilities**

In addition to their responsibilities as managers the following Heads of Services will also have the responsibilities shown at **Appendix B**:

- Head of Environmental Health and Licensing
- Head of Maritime
- Head of Human Resources
- Members of the Internal Health & Safety group
- 

#### 4.8 **Members of the Internal Health & Safety group**

- Membership of the Internal Health and Safety Group will consist of Heads of Service, Managers and other relevant persons
- The group will be a forum for discussion for Internal Health and Safety matters and responsible for developing and progressing health and safety awareness throughout the Councils.
- The group will identify and implement work programmes relating to internal health and safety, including a programme of auditing and review, and any other tasks arising to achieve compliance with regulatory requirements or best practice.

- A member of SLT will be in attendance. This will enable key decisions to be made or effectively escalated to SLT.
- This group will also be a point of contact for Union Representatives and Staff Forums.

#### **4.9 Head of Environmental Health and Licensing (Internal Health and Safety)**

The Head of Environmental Health and Licensing is responsible for the Internal Health and Safety service. The Internal Health and Safety service provides the competent advice to the Councils on matters relating to health, safety and welfare at work across the Councils. Their objectives include:

- providing specialist support and guidance to the Councils on the effective management of health and safety;
- to help promote and maintain a high standard of total health (physical and mental) for all persons working in the Councils;
- the safeguarding of all staff from health and safety hazards arising from their work or the environment by means of accident prevention, environmental control and prevention of injury and illness;
- to receive all Incident/Near Miss reports, maintain an Incident/Near Miss database and publish performance statistics.

### **5. Arrangements for implementation**

5.1 This part of the policy describes the general arrangements for the implementation and monitoring of health and safety at work.

#### **5.2 Strategic aims, objectives and action plan**

The aims, objectives and action plan set out the Councils' commitment to provide a healthy and safe environment for all those who work in and visit the Councils. The plan reflects best practice and is based on the principles of loss control and quality management.

This approach is designed to:

- a. address the health and safety implications of the various activities of the organisations;
- b. identify the hazards and assess the level of risk;
- c. apply the following general principles of prevention in the order shown:
  - avoiding risks;
  - evaluating the risks which cannot be avoided;
  - combating the risks at source;
  - adapting the work to the individual, especially as regards the design of workplaces, the choice of work equipment and the choice of working and production methods, with a view, in particular, to alleviating

monotonous work and work at a predetermined work-rate and to reducing their effect on health;

- adapting to technical progress;
- replacing the dangerous by the non-dangerous or the less dangerous;
- developing a coherent overall prevention policy which covers technology, organisation of work, working conditions, social relationships and the influence of factors relating to the working environment;
- giving collective protective measures priority over individual protective measures; and
- giving appropriate training and instructions to employees.

### **5.3 Codes of Practice**

5.3.1 Where a need is identified, through legislation, risk assessments, best practice, health and safety auditing, the proceedings of committees or other means, a Code of Practice will be established to set the standard of implementation and operation for the identified topic. These Codes of Practice will be reviewed as and when legislation changes or practice dictates.

5.3.2 The Codes of Practice shall have the same status as the main policy document and will outline how to implement the requirements of the main policy in specific risk areas.

### **5.4 Training**

5.4.1 The Internal Health and Safety Service in conjunction with the training partnership and workplace managers and supervisors, will provide guidance on Health and Safety Training and general training needs. The Heads of Service will identify through the appraisal process the training needs of each of their employees with regards to health and safety. The Head of Service should have regard to developing a training competency matrix, which will establish key training for all staff.

5.4.2 Each Head of Service will ensure that good working arrangements for health and safety training exist. This training will include attendance at corporate induction training and appropriate special to job induction training.

5.4.3 Each Head of Service will ensure that health and safety is included as an integral part of their annual business plan.

5.4.4 Records of safety training provided will be maintained the Councils HR system and may also be maintained by Heads of Service.

5.4.5 The identification of health and safety training needs is to be part of the annual appraisal process. Managers are responsible for identifying the training needs of individuals. The Internal Health and Safety Service needs in conjunction



with Human Resources will be responsible for an analysis of the corporate training.

## **5.5 Risk assessment**

5.5.1 Each manager/supervisor shall make a suitable and sufficient assessment of:

- the risks to the health and safety of his employees to which they are exposed whilst they are at work; and
- the risks to the health and safety of others who may be affected by their activities,

for the purpose of identifying the measures necessary to ensure a safe and healthy place of work.

5.5.2 In addition to the general risk assessment set out at paragraph 5.5.1 there may also be a need for a specific risk assessment and the need for that should be identified and if possible carried out at the same time. These specific assessments are shown in the appropriate Code of Practice on Assessment of Risk but include:

- manual handling ((including the lifting, putting down, pushing, pulling, carrying or moving of a load);
- display screen equipment (computing and word processing);
- hazardous substances etc;
- young people
- pregnancies.

5.5.3 Risk assessments will be reviewed:

- Periodically as recorded on the risk assessment;
- when an accident, incident or near miss occurs;
- when purchasing new equipment;
- changing work practices etc; or moving into a new work area.

5.5.4 Managers/supervisors are to monitor work activities to ensure that risk assessments and control measures are still suitable and sufficient and take appropriate action to review when necessary.

5.5.5 Where a need for a generic risk assessment is identified (e.g. work in offices, activities of a similar nature taking place in more than one service) the internal health and safety service will be responsible for carrying out the assessment and monitoring as required by paragraph 5.5.4

## **5.6 Health and safety standards, audit and inspection**

5.6.1 A set of health and safety standards has been designed and each Service will make their own arrangements for reviewing their level of achievement annually which will be reported in their service plan. The standards are shown at **Appendix C.**

5.6.2 The Internal Health and Safety Service CoP will develop a programme of audits and a standardised form to identify whether the management of risk has been carried out in each service area. The programme should be designed to reflect the needs of the Councils and the individual Service and will take into account the particular kinds of hazard or health and safety issues encountered. The timing of health and safety audits will appear in the annual safety plan and will be proportionate to the level and scope of the hazards and risks present.

5.6.3 The combination of the review of safety standards and the audit process is designed to ensure that we can demonstrate our level of health and safety management. The results will be analysed, considered, prioritised and shaped into an action programme.

5.6.4 Health and Safety compliance will be monitored by the Council’s Performance Board and by Internal Audit. These audits will be reported to the Audit and Governance Committees of the Councils.

**5.15 Consultation With Employees**

5.15.1 Consultation with employees on health and safety matters is essential and a statutory requirement.

5.15.2 Suitable arrangements are to be put in place for staff consultation and Terms of Reference agreed as appropriate.

.....  
Andy Bates  
Chief Executive

.....  
Julian Brazil  
Leader of the Council

.....  
Mandy Ewings  
Leader of the Council

South Hams District Council  
Follaton House  
Totnes  
TQ9 5NE

West Devon Borough Council  
Kilworthy Park  
Tavistock  
PL19 0BZ

Date                    January 2024

## **Appendices**

Appendix A Aims and Objectives

Appendix B Key Staff With Additional Health and Safety Responsibilities

Appendix C Standards Linked To Health and Safety Objectives

### **Appendix A Aims and Objectives**

#### **Aims**

- To ensure that a robust safety management system is in place;
- To provide and maintain a work environment that is safe and without risk to health for all employees, contractors and others who may be affected by the activities of the council;
- To avoid all accidents and to ensure that no one suffers ill health as a result of working at South Hams District Council or West Devon Borough Council or by the activities of the Councils;
- To plan and manage activities so that hazards are assessed and risks eliminated or controlled in so far as is reasonably practicable by appropriate prevention and protection measures

#### **Objectives**

- Fully integrate health and safety into the management and decision-making processes within the Councils.
- Ensure appropriate systems are developed and maintained for the effective communication of health, safety and welfare matters throughout the Councils.
- Comply with all relevant Statutes, Regulations and Codes of Practice. The minimum standards that will be adopted by the Councils will be those required by law, although the Councils will always seek to exceed these where there is a demonstrable benefit.
- Devote appropriate resources in the form of finance, equipment, personnel and time to ensure the maintenance of health, safety and welfare standards.
- Provide necessary information, instruction and training to employees and others, including temporary staff, to ensure their competence with respect to health, safety and welfare.
- Ensure appropriate liaison with all necessary persons to ensure an appropriate standard of health, safety and welfare. The Councils will also ensure that adequate arrangements are also in place for ensuring the health and safety of non- employees who may be affected by the Councils' activities.
- Ensure that all employees are aware of their responsibilities to take reasonable care of themselves and others who could be affected by their acts or omissions and to co-operate with management in achieving the standards required.
- Ensure that managers are aware of their specific duties and responsibilities to comply with the letter and spirit of the Councils' policy and that the management of health, safety and welfare is an integral part of their function and their performance will be monitored along with their other duties.

- Carry out appropriate investigation of accidents, incidents and 'near-misses' and necessary action taken to reduce the likelihood of a recurrence.
- Establish procedures to ensure that safe equipment and plant are provided for employees and non-employees.
- Establish procedures for the appointing and monitoring of the competency of contractors.

### Key Staff with Additional Health and Safety Responsibilities

1. Head of Environmental Health and Licensing, in addition to his enforcement responsibilities in the commercial sector, will:
  - a. Continue to be appointed as the Councils statutory appointed competent person under the health and safety at work act 1974
  - b. Provide a health and safety advisory service to the Councils by means of the Internal Health and Safety Service;
  - c. Advise the Internal Health and Safety Service on matters of Environmental Health and Licensing, relating to activities carried out by the Councils;
  - d. When necessary, monitor the atmosphere and assess noise levels in certain areas of work;
2. Head of Maritime will ensure that:
  - a. The Dartmouth Lower Ferry operates in accordance with the South Hams District Council's approved Domestic Safety Management Code as required by the Merchant Shipping (Domestic Passenger Ships) (Safety Management Code) Regulations 2001) and that reviews of the Code take place when necessary and at not less than 3 yearly intervals.
  - b. The Salcombe Harbour Safety Management System as required by the Department for Transport Port Marine Safety Code is produced and reviewed at the prescribed intervals.
3. Head of Human Resources will have responsibility for:
  - a. Advising elected Members and Officers on the personnel implications of the Councils' Health and Safety Policy;
  - b. Consultations and negotiations with representatives of the staff on those aspects of the Health and Safety policy which affect the staff and their conditions of employment;
  - c. In conjunction with the Internal Health and Safety Service provide suitable induction and other training for staff in health and safety matters, including the administration of the training programme and the organisation of training courses within the Council;

- d. Ensure that an appropriate paragraph concerning risk management and health and safety is included in each job description.
4. Internal Health & Safety group will have responsibility for:
- a. identifying and implement work programmes relating to internal health and safety, including a programme of auditing and review, and any other tasks arising to achieve compliance with regulatory requirements or best practice.
  - b. the administration of health and safety training across the organisations and develop a training competency matrix.

## APPENDIX C

### Standards linked to Health and Safety Objectives

<b>Performance levels</b>			
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Communication and Consultation</b> - <i>Management will ensure that appropriate systems are developed and maintained for the effective communication of health, safety and welfare matters throughout the Councils. The Councils will liaise and work with all necessary persons to ensure an appropriate standard of health, safety and welfare. The Council will also ensure that adequate arrangements are also in place for ensuring the health and safety of non- employees</i>			
Health & safety is not discussed and changes are made without consulting with staff or managers	Health & Safety is a standard item on managers meetings, for all staff during first week induction and following any incident. Changes which may affect H&S are openly discussed with managers	Health & Safety is a standard item on managers and team meetings, for all staff during first week induction and following any incident and as part of risk assessment. Changes which may affect H&S are openly discussed with managers and staff	Health & Safety is a standard item on managers and team meetings for all staff during first week induction and following any incident and as part of risk assessment. Any matters arising are followed up to a conclusion Changes which may affect H&S are openly discussed with managers and staff and comments or arguments welcomed
<b>Contractors</b> - <i>The Councils will ensure that procedures are established for appointing and monitoring the competency of contractors.</i>			
Contractors are selected without considering any health and safety implications	Contractors are selected after checking their health and safety management and systems	Contractors are selected after checking their health and safety management and systems and agreeing method statements and working processes. The Council's Internal Health and Safety Service is involved.	Contractors are not used  OR  Contractors are selected after checking their health and safety management and systems and agreeing method statements and working processes. The Council's Internal Health and Safety Service is involved. Contractors are actively monitored during the contract works and a record is maintained.
<b>Monitoring of health and safety including risk assessments and working practices</b>			

No monitoring of health and safety takes place	When problems are brought to the attention of managers the matter is looked into	Regular checks of some aspects of health and safety are made	A programme of checks on health and safety is produced and followed
<b>Planning</b> <i>including the effects of service changes and requirements on health and safety</i>			
There is no consideration of health and safety in my planning	Health and safety is included in my Service Plan but not to any great extent	Health and safety is included in my Service Plan and general planning for my service. Key hazards are identified together with targets for removing or mitigating the risks	Health and safety is a feature of all planning in the service. My service plan identifies key hazards and shows targets for removing or mitigating the risks. Progress is actively monitored.
<b>Risk assessment</b> - <i>The Councils' approach to health, safety and welfare is based on the identification, management and control of risks. There are distinct benefits to be gained from providing a safe and healthy working environment, and appropriate levels of resources will be allocated to promoting, developing and maintaining the standards of health, safety and welfare within the Councils.</i>			
No risk assessments have been carried out	Risk assessments have been carried out for all activities	Risk assessments have been carried out for all activities, control measures put in place and communicated to those affected. Review of assessments is carried out	Risk assessments have been carried out for all activities, control measures put in place and have been communicated to those affected and training has been provided. Monitoring and reviewing of assessments is carried out and recorded.
<b>Training</b> - <i>The Councils will provide the necessary information, instruction and training to employees and others, including temporary staff, to ensure their competence with respect to health, safety and welfare.</i>			
Training is not provided.	Health and safety training needs are identified during the annual appraisal process but not monitored	Health and safety training needs are identified during the annual appraisal process, and when they arise during the year	Health and safety training needs are identified during the annual appraisal process, and when they arise during the year and monitoring carried out to ensure that training takes place

**South Hams District Council and West Devon Borough Council aim to ensure equality of opportunity in the delivery of their policies, services and employment practices. South Hams District Council and West Devon Borough Council will challenge discrimination, and encourages other organisations within South Hams and West Devon to act in accordance with Equality legislation.**



Report to: **Council**  
Date: **26 March 2024**  
Title: **Pay Policy Statement**  
Portfolio Area: **Leader – Cllr M Ewings**  
  
Wards Affected: **All**

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

Date next steps can be taken: Immediately following this meeting.

Author: **Andy Wilson** Role: **Head of Human Resources**

Contact: **01803 861154: andy.wilson@swdevon.gov.uk**

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**RECOMMENDATION:**

**That Council:**

- 1. ADOPTS the Pay Policy Statement for 2023/24 (as set out at Appendix A); and**
- 2. NOTES the narrowing in pay differentials compared to the previous 12 months.**

**1. Executive summary**

- 1.1 The Council is required under the Localism Act 2011 to adopt and publish a pay policy statement each year before 31 March.
- 1.2 The purpose of the pay policy statement is to track the remuneration of the senior leadership team and report how their pay compares to that of other employees.
- 1.3 The pay ratio is seen as an important indicator of organisational health and where differentials become excessive this is seen as potentially damaging.
- 1.4 Pay ratios have improved, as at March 2023, compared to the previous reporting period (March 2022), which is positive, and reflects the work undertaken by the Council to ensure that all employees are recognised and rewarded appropriately.

- 1.5 The report proposes that the Council adopts the pay policy statement (attached at Appendix A).

## **2. Background**

- 2.1. Section 38 of the Localism Act 2011 requires local authorities in England and Wales to prepare and publish a statutory pay policy statement for 2012/2013 and each financial year thereafter. Once adopted, the policy will be published on the Council's website.
- 2.2. The pay policy statement sets out the authority's policies for the financial year relating to the remuneration of its chief officers, the remuneration of its median and lowest-paid employees and the relationship between the salary of the Head of Paid Service and the salaries of the median and lowest paid employees.
- 2.3. The purpose of this report is not to set the pay of the chief executive and senior leadership team (SLT), which was the subject of a report to the Hub Committee on 7th March 2023 which set out the recommendations of an independent external review undertaken by the Local Government Association which were subsequently approved by Council on 4<sup>th</sup> April 2023 (Minute CM 82).
- 2.4. Members will also be aware of the work undertaken in the previous year to complete a review of pay and reward, which ensured that all employees across the Council received a minimum pay award of 6%, with employees toward the bottom end of the pay scales typically receiving pay increases of between 7 and 9%.
- 2.5. The chief executive and head of HR continue to actively monitor our pay and reward, and how this compares to the local and where appropriate, regional/ national jobs market, to ensure that we continue to be able to attract staff to work for us, and that all staff are rewarded fairly for the work they do.

## **3. Pay Policy Statement**

- 3.1. The Hutton Report identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of Head of Paid Service to median earnings. Tracking this multiple will ensure that the Council is accountable for the relationship between the pay of its executives and the wider workforce. Through the pay policy statement, the Council can track this multiple on an annual basis.
- 3.2. If the relationship between the salary of the Head of Paid Service and the lowest paid employee exceeds a factor of 10, the Leader is required to bring a report to Full Council for consideration.
- 3.3. The median pay of employees is as follows:
  - o The annual median salary of all employees is £32,020 p.a.

- The annual salary of the lowest paid employee is £21,968 p.a
- 3.4. The pay ratio between the Head of Paid Service and other employees is as follows:
- The relationship between the remuneration of the Head of Paid Service and the median salary of all employees is 3.97 (compared to 4.60 in 2022).
  - The relationship between the remuneration of the Head of Paid Service that of the lowest paid employee is 5.78 (compared to 6.24 in 2022).
- 3.5. Since the previous report to Council in March 2022, the pay ratio has reduced meaning that overall, the ratio between the Head of Paid Service and other employees has improved.
- 3.6. The Council also has a separate statutory duty to publish a report on the gender pay gap of its employees by 4 April 2024. The report will be published through the Government’s gender pay gap reporting service and on the Council’s website.

**4. Options available and consideration of risk**

- 4.1. The Council has a legal requirement under the Localism Act 2011 to publish a Senior Pay Policy each year.

**5. Proposed Way Forward**

- 5.1. Council is asked to adopt the pay policy statement at Appendix A and publish it on its website to meet its statutory requirements.

**6. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Localism Act 2011 requires the Council to adopt and publish a pay policy statement annually.
Financial implications including reference to value for money	N	There are no risks associated with the report or the pay policy statement.
Risk	N	
Supporting Corporate Strategy	N	

Consultation & Engagement Strategy	N	
Climate Change – Carbon/ Biodiversity impact	N	
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity	N	There are no equality or diversity implications associated with the report or the pay policy statement.
Safeguarding	N	There are no safeguarding implications associated with the report or the pay policy statement.
Community Safety, Crime and Disorder	N	There is no positive or negative impact on crime and disorder reduction associated with the report or the pay policy statement.
Health, Safety and Wellbeing	N	There are no health, safety and wellbeing implications associated with the report or the pay policy statement.
Other implications	N	There are no other implications associated with the report or the pay policy statement.

### **Supporting Information**

#### **Appendices:**

A: Pay Policy Statement 2023/2024

#### **Background Papers:**

None.



West Devon  
Borough  
Council

## PAY POLICY STATEMENT

### Purpose and scope of the Policy

1. Section 38 of the Localism Act 2011 (the Act) requires local authorities in England and Wales to produce a statutory pay policy statement for 2012/2013 and each financial year thereafter.
2. The pay policy statement must be approved by a resolution of the Council before it comes into force and each subsequent statement must be prepared and approved before the end of the preceding financial year to which it relates.
3. The Council may by resolution amend this pay policy statement at any time during the year, subject to the amended statement being published as soon as is reasonably practicable.
4. This Pay Policy Statement reflects the position on the reporting date of 31<sup>st</sup> March 2023.
5. The pay policy must set out the authority's policies for the financial year relating to—
  - 5.1. the remuneration of its chief officers,
  - 5.2. the remuneration of its lowest-paid employees, and
  - 5.3. the relationship between—
    - 5.3.1. (i) the remuneration of its chief officers, and
    - 5.3.2. (ii) the remuneration of its employees who are not chief officers.
6. For the purposes of this pay policy, and in accordance with section 43 (2) of the Act, the following officers are considered to be relevant chief officers and deputy chief officers within scope of the Councils' statutory obligation:
  - Chief Executive
  - Directors
  - Section 151 Officer
  - Monitoring Officer

7. The above officers are collectively known as Chief Officers for the purpose of this pay policy statement.

### **Shared Services**

8. For the purposes of this pay policy statement, it should be noted that all of the identified chief officers operate under a shared service agreement with South Hams District Council and their salary costs are shared on an agreed basis. For the purpose of this pay policy statement, all shared chief officers are shown, notwithstanding the identity of their employing authority.

### **Current Senior Leadership Arrangements**

9. The current senior leadership structure was introduced in September 2019 and comprises of a Chief Executive, Director of Customer Service and Delivery, Director of Strategy and Governance, Director of Place and Enterprise, and Director of Strategic Finance.
10. The substantive salaries of the Senior Leadership Team were agreed by the Council on the recommendation of the Leader after taking advice on comparable salary levels in other organisations.
11. The salary of the Monitoring Officer includes an additional responsibility allowance, set at 20% of their substantive salary, in recognition of carrying out the duties of the Monitoring Officer.

### **Remuneration for Chief Officers**

12. The council has chosen to introduce local arrangements for the Senior Leadership Team pay because it believes that this delivers a better outcome in terms of managing performance and flexibility.
13. The Leader of the Council may recommend to Full Council changes to the remuneration package following a review and after taking independent pay advice from the Local Government Association, South West Councils or a similar body.
14. Salary increases in relation to cost of living will be made in line with the relevant recommendation of the National Joint Council for Local Government Services (the NJC), the Joint Negotiating Committee for Chief Executives (the JNC) or other relevant national negotiating body for each chief officer.
15. The salary for the Chief Executive includes remuneration for holding the statutory office of Head of Paid Service.

16. The salary for the Chief Executive is a spot salary. Directors will be paid in accordance with an incremental grade as part of the Council's pay and grading structure. The pay band has three incremental points and post holders can progress through the increments each April, subject to satisfactory performance.
17. From time to time, the Chief Executive will designate a Chief Officer to carry out the role of Deputy Chief Executive in addition to their substantive role. The nominated Deputy Chief Executive receives a special responsibility allowance equivalent to 20% of their salary.
18. Where possible, salary levels will be consistent with similar organisations, although the Council will retain the right to have due regard to market forces that may affect its ability to recruit and retain high quality officers, whilst balancing this against the need to ensure value for money for residents.
19. The salaries, including the special responsibility allowances paid to the Deputy Chief Executive and the Monitoring Officer are the only remuneration for work carried out. At present, there are no additional payments made to chief officers relating to performance or any other matters and no bonus is payable.
20. Additional payments are made by Central Government to officers carrying out additional duties at elections. The determination of the allowance is made by the Government and these payments are not within the scope of this policy. There are no payments made by the Council for election duties.
21. In accordance with the provisions of the Council's Travel and Subsistence Policy, that applies equally to all employees, the relevant chief officers may attract an essential car user lump sum allowance and be reimbursed with business expenses subject to the submission of a claim with receipts. For 2022/23, all of the Chief Officers are designated as casual car users and will not receive an essential car user lump sum allowance.
22. From 1 April 2013, all business mileage will be reimbursed in accordance with the approved HMRC rates, currently 45p per mile. This replaces the previous policy under which business mileage was reimbursed at the higher rate agreed by the NJC, currently 50.5p per mile for essential users and 65p per mile for casual users.

### **Severance payments**

23. Any termination payments payable to the relevant chief officers will be in accordance with the Council's Redundancy and Interests of Efficiency Policy. All such payments are equally applicable to all employees and no additional payments will be made without the express approval of the Full Council. All severance payments are subject to the provisions of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as amended.

## **Relationship with the remuneration of other employees of the Council**

24. The Hutton Report (March 2011) identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of highest earnings to median earnings. Tracking this multiple will ensure that the Council is accountable for the relationship between the pay of its executives and the wider workforce. Through this pay policy statement, the Council will track this multiple on an annual basis and will publish the following information on its website each year (see Appendix A):
- The level and elements of remuneration to each relevant chief officer
  - The remuneration of the lowest paid employees
  - The relationship between the remuneration of the Head of Paid Service and the median earnings of all employees
  - Other specific aspects of relevant chief officer remuneration
25. Each year the published data will be reviewed by the Leader of the Council and if the multiplier between the highest and the lowest paid employee within the Council exceeds a factor of 10, the Leader shall present a report to the Full Council for consideration.
26. For the purposes of this pay policy statement, the 'lowest paid employees' are identified as those employees carrying out a substantive role within the Council's established workforce with the lowest annual full-time equivalent salary.
27. The 'median earnings' have been identified by listing all salaries paid to employees in ascending order and finding the salary paid to the employee ranked in the middle of the list.



## Appendix A

1. The levels and elements of remuneration for each Chief Officer at the reporting date of 31 March 2023 are as follows:

Post	Salary (£) per annum	Comments
Chief Executive*	£127,075	
Director of Customer Service and Delivery	£97,658	Includes a special responsibility allowance of 20% for carrying out the duties of Deputy Chief Executive
Director of Place and Enterprise	£81,382	
Director of Governance and Assurance*	£81,382	
Director of Strategic Finance and Section 151 Officer	£81,382	
Monitoring Officer*	£66,024	Including a Responsibility Allowance of 20%
* employed by South Hams District Council		

**Please note:** All chief officers operate under a shared service agreement with South Hams District Council and all salary and associated costs are shared on an agreed basis between the two councils.

The Senior Leadership Team (SLT) consists of the Chief Executive and the four Directors but excludes the Monitoring Officer.

2. The lowest paid employee is a Corporate Business Support Officer, paid in accordance with spinal column point 6 of the National Joint Council for Local Government Services pay spine, currently £21,968pa.
3. The annual median salary of all employees £32,020pa.
4. The Chief Executive's salary is a pay multiple of 3.97 times the median earnings.

5. The Chief Executive's salary is a pay multiple of 5.78 times the lowest paid employee.

Report to: **Council**  
Date: **26 March 2024**  
Title: **Calendar of Meetings 2024/25**  
Portfolio Area: **Council – Cllr Ewings, Leader**

Wards Affected: **All**

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

Date next steps can be taken: Immediately following this meeting

Author: **Darryl White** Role: **Head of Democratic Services**

Contact: **Email: [darryl.white@swdevon.gov.uk](mailto:darryl.white@swdevon.gov.uk)**

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**RECOMMENDATION:**

**That Council be RECOMMENDED to approve the draft Calendar of Meetings for 2024/25 (as presented at Appendix A).**

**1. Executive summary**

- 1.1 Each year, the Council is required to approve a Calendar of formal decision-making Meetings for the forthcoming year.

**2. Background**

- 2.1 The Constitution sets out requirements relating to the number and frequency of meetings of Council Bodies. In setting the Calendar of Meetings each year, the Council can ensure that these requirements are met. Adoption of a twelve-month Calendar also enables for forward planning and avoids potential meeting clashes.

**3. Outcomes/outputs**

- 3.1 Set out at Appendix A is the draft Calendar of Meetings for 2024/25.
- 3.2 In drawing up the calendar of meetings, a number of parameters have been taken into account. These include:
- 3.2.1 Constitutional requirements which, for some Bodies, sets the number and frequency of meetings that are to be held annually;

3.2.2 The wishes of Members that Tuesdays are seen as 'Member Days' and therefore as many meetings as possible are arranged to take place on this day; and

3.2.3 The wishes of Members, wherever possible, to avoid formal meetings being held during school holidays. In particular, that a reasonable break be factored in during the summer (August) and over the Christmas and New Year break.

#### 4. Options available and consideration of risk

4.1 By approving the Calendar of Meetings each year, the Council will avoid potential Member meeting clashes and ensure that its Constitutional requirements are provided for with the wishes of Members, wherever possible, being taken into account.

#### 5. Proposed Way Forward

5.1 Approval of the Calendar of Meetings will support the organisation in its corporate work programming for the next twelve months.

#### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Statutory Powers – Local Government Act 1972
Financial implications to include reference to value for money	N	There are no direct financial implications
Risk	N	These are addressed in the report
Supporting Corporate Strategy		Efficient and Effective Council
Climate Change - Carbon / Biodiversity Impact		Attendance at formal Member meetings is required for voting Members, however car sharing is actively encouraged. The use of Microsoft Teams is also now actively encouraged for all informal Member Briefing sessions and Workshops
Comprehensive Impact Assessment Implications		
Equality and Diversity		Not applicable

Safeguarding		Not applicable
Community Safety, Crime and Disorder		Not applicable
Health, Safety and Wellbeing		Not applicable
Other implications		Not applicable

**Supporting Information**

**Appendices:**

Calendar of Meetings 2024/25 – Appendix A

**Background Papers:**

None

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Draft Calendar of Meetings 2024/25 - West Devon

	2024								2025				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Easter: 18-21 Apr	May
<b>Audit &amp; Governance</b>			23			22	26				11 (11am)		
<b>Council</b>	21 (11am)		16			1		10		18 (2pm)	25		20 (11am)
<b>Hub</b>		11	23		24			3	28		11 (2pm)	8	
<b>Pa&amp;S</b>		25				15			14	11		15	
<b>TSC</b>										20 (or later)			
<b>DM &amp;L</b>	14	4	2 & 30		10	8	12	17	21	25	18	15	13
<b>Site Inspections (Thursdays)</b>	9 & 30	27	25		5	3	7	12	16	20	13	10	8

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of the Local Government Act 1972.

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