

South Hams Council



Title:	Agenda																																													
Date:	Thursday, 26th September, 2019																																													
Time:	2.00 pm																																													
Venue:	Council Chamber - Follaton House																																													
Full Members:	<p style="text-align: center;">Chairman Cllr Rowe Vice Chairman Cllr Foss</p> <p><i>Members:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Cllr Abbott</td> <td style="width: 33%;">Cllr May</td> <td style="width: 33%;"></td> </tr> <tr> <td>Cllr Austen</td> <td>Cllr McKay</td> <td></td> </tr> <tr> <td>Cllr Baldry</td> <td>Cllr O'Callaghan</td> <td></td> </tr> <tr> <td>Cllr Bastone</td> <td>Cllr Pannell</td> <td></td> </tr> <tr> <td>Cllr Birch</td> <td>Cllr Pearce</td> <td></td> </tr> <tr> <td>Cllr Brazil</td> <td>Cllr Pennington</td> <td></td> </tr> <tr> <td>Cllr Brown</td> <td>Cllr Pringle</td> <td></td> </tr> <tr> <td>Cllr Chown</td> <td>Cllr Reeve</td> <td></td> </tr> <tr> <td>Cllr Hawkins</td> <td>Cllr Rose</td> <td></td> </tr> <tr> <td>Cllr Hodgson</td> <td>Cllr Smerdon</td> <td></td> </tr> <tr> <td>Cllr Holway</td> <td>Cllr Spencer</td> <td></td> </tr> <tr> <td>Cllr Hopwood</td> <td>Cllr Sweett</td> <td></td> </tr> <tr> <td>Cllr Jackson</td> <td>Cllr Taylor</td> <td></td> </tr> <tr> <td>Cllr Kemp</td> <td>Cllr Thomas</td> <td></td> </tr> <tr> <td>Cllr Long</td> <td></td> <td></td> </tr> </table>	Cllr Abbott	Cllr May		Cllr Austen	Cllr McKay		Cllr Baldry	Cllr O'Callaghan		Cllr Bastone	Cllr Pannell		Cllr Birch	Cllr Pearce		Cllr Brazil	Cllr Pennington		Cllr Brown	Cllr Pringle		Cllr Chown	Cllr Reeve		Cllr Hawkins	Cllr Rose		Cllr Hodgson	Cllr Smerdon		Cllr Holway	Cllr Spencer		Cllr Hopwood	Cllr Sweett		Cllr Jackson	Cllr Taylor		Cllr Kemp	Cllr Thomas		Cllr Long		
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Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.																																													
Committee administrator:	Member.Services@swdevon.gov.uk																																													

1. Minutes

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to approve as a correct record and authorise the Chairman to sign the minutes of the meetings of the Annual Council held on 16 May 2019 and the Special Council held on 25 July 2019;

2. Urgent Business

the Chairman to announce if any item not on the agenda should be considered on the basis that he considers it as a matter of urgency (any such item to be dealt with under 'Business Brought forward by the Chairman');

3. Exempt Information

to consider whether the consideration of any item of business would be likely to disclose exempt information and if so the category of such exempt information;

4. Declarations of Interest

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

5. Chairman's Engagements

6. Business Brought Forward by the Chairman

to consider business (if any) brought forward by the Chairman;

7. Medium Term Financial Strategy 2020/21 to 2024/25

41 - 86

8. Climate Change - Citizens Assembly Proposal

87 - 90

9. Heart of the SW - Joint Committee Governance Arrangements

91 - 102

10. Questions

to consider the following questions received in accordance with Council Procedure Rule 8:

(a) From Cllr Hodgson to Cllr Baldry, lead Executive Member for Environment

'With regard to the many public concerns that have been raised regarding the delays to the roll out of kerbside

collections and the potential impact on recycling rates the continued use of single use plastics until September 2020, would it be possible to implement a temporary arrangement with vehicles that WDBC commission to enable some of the new elements of the proposals including the switch from single use plastic bags to reusable collection bins to be implemented without further delay?’

(b) From Cllr Hodgson to Cllr Baldry, lead Executive Member for Environment

‘Please could the portfolio holder for the commissioning of waste services at SHDC report on the current levels of collection / missed bins and customer satisfaction with the new services to date?’

(c) From Cllr Hodgson to Cllr Pearce, Leader of the Council

‘Given the recent Declaration of a Climate and Biodiversity Emergency, can the contract with Fusion be amended to require that PV panels and / or Solar hot water panels be erected on the south facing roof of the Totnes Pavilions to reduce the impact of this facility on climate change and to ensure its resilience to rising energy prices and potential energy scarcity?’

(NB: a similar question was raised by myself some years ago at O&S – forerunner – when the renewal of contract was discussed and assurance was given then that this would be written into the new contract as and when it was due for renewal. TOTSOC – Totnes Renewable Energy Society – has informed me that they would like to support such an opportunity).

11. Notice of Motion

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

(a) By Cllrs Hodgson and Rose

“We propose that SHDC lobbies National Government to create a structure of fines that Local Authorities can impose for planning breaches. These would include illegal felling or damage to trees, illegal removal of Devon Bank and all mature hedgebanks. These fines could be imposed further to formal investigation by Enforcement officers (rather than the additional costs and time taken going through formal court proceedings).”

(b) By Cllrs Baldry and Thomas

"In the interest of public health, of our residents and of tourism there shall be no further closure of SHDC public lavatories.

This motion reverses the decision taken by the Executive on 22 November 2018 and 7 February 2019 and confirmed at Full Council on 21 February 2019 (following a Call-in to Overview and Scrutiny).

Where agreement has been reached with Parish Councils for them to take over or make a financial contribution for their lavatories, these arrangements will remain in place. Where no agreement has been reached by 31 December 2019, the lavatories listed at Resolution 3 and 4 of E.46/18 of the minutes of 22 November 2018 Executive meeting will remain open. Any change in expected Budget for 2020-21 will be taken account of in the 2020-21 Budget process."

(c) By Cllrs McKay and Birch

(Background:

There is growing recognition across the political spectrum that authorities at every level of Government can achieve savings, while at the same time giving the communities they serve a much improved experience and sense of belonging, by the simple expedient of re-thinking their relationship with these communities and working in partnership with them. Instead of a Local Authority seeing its role as delivering services to its clients/customers, its role becomes one of working with, not for, people and bringing individuals and groups together. It becomes a facilitator. It is not a complicated idea, but it is a very powerful one that could bring substantial benefits to both the Council and its Communities. This approach is often called Asset-Based Community Development (ABCD) or Asset-Based Working.)

'This Council:

- 1. acknowledges that within the network of Town and Parish Councils and community-based organisations (Community Land Trusts, Community Benefit Societies, Community Interest Companies etc) there is a wealth of talent, knowledge and expertise that should be regarded as an Asset by this Council;*
- 2. acknowledges that there is a great deal of evidence to support Asset Based Community Development (ABCD) as an effective strategy and that it is at the core of the*

success of Councils like Wigan and Cornwall and is being actively investigated by many other Councils across the UK and beyond;

3. *acknowledges that by adopting the ideas and principles of ABCD, and thereby investing in these Assets, that it would be able to:*
 - *bring huge benefits to the communities it serves;*
 - *create a sense of belonging and empowerment in communities;*
 - *remove the sense of frustration and impenetrable bureaucracy felt by many; and*
 - *release resources within the District Council and reduce costs.*
4. *acknowledges that reliance on a Capital Investment Strategy alone is insufficient and that it should also be investing in People and Organisations. They too are an Asset;*
5. *acknowledges that community consultation is the key to developing these Assets and that it needs to develop a culture of dialogue and engagement;*
6. *acknowledges that the Community Involvement Statement (CIS) which the Localism Act 2011 requires the Council to publish, should reflect the desire of this Council to help its Town and Parish Councils, and other community organisations, to achieve their locally defined objectives and to support them as required;*
7. *RESOLVES to consult with its communities through a programme to be determined by a Working Group of Members with a view to assessing how Asset-Based Community Development could benefit this Council and the communities it serves. The Working Group would also examine the setting up of a Community Support Fund through which development and support of community groups could take place. The Working Group to make recommendations to Full Council in four months' time.'*

(d) By Cllrs Hodgson and Sweett

'In support of its commitment to the Climate and Biodiversity crisis, this Council will form and support a Forum of Town and Parish Councils across the District that have Declared a Climate Emergency and assist them in creating Action Plans to address and mitigate this challenge.'

12. Reports of Bodies

to receive and as may be necessary approve the minutes and recommendations of the under-mentioned Bodies

* Indicates minutes containing recommendations to Council.

- | | |
|--|------------------|
| (a) Audit Committee - 25 July 2019 | 103 - 106 |
| (b) Development Management Committee - 14 August 2019 | 107 - 114 |
| (c) Overview & Scrutiny Panel - 5 September 2019 | 115 - 126 |
| (d) Development Management Committee - 11 September 2019
To follow | |
| (e) Executive* - 19 September 2019
To follow | |

Agenda Item 1

MINUTES OF THE ANNUAL MEETING OF THE SOUTH HAMS DISTRICT COUNCIL HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 16 MAY 2019

MEMBERS

* Cllr T R Holway – Chairman

* Cllr R Rowe – Vice-Chairman

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

* Denotes attendance

∅ Denotes apology for absence

Officers in attendance and participating:

For all items: Chief Executive, Monitoring Officer; Section 151 Officer; and Senior Specialist – Democratic Services

01/19

PETITION – CLIMATE CHANGE EMERGENCY

In accordance with Council Procedure Rule 28 (Petitions), notice had been received from Ms Ella Dangerfield of her wish to formally present a petition to the Chairman of the Council.

At this point, the Chairman confirmed that he had exercised his discretion to permit Ms Dangerfield to make a brief statement to the Council. In so doing, Ms Dangerfield provided an explanation that outlined why she had organised the petition that called on the Council to:

1. *Declare a 'Climate Emergency';*
2. *Pledge to make the district of the South Hams carbon neutral by 2030 (in line with the 2018 IPCC (Intergovernmental Panel on Climate Change) Special Report), taking into account both production and consumption emissions;*
3. *Call on Westminster to provide the powers and resources to make the 2030 target possible;*
4. *Work with other local governments (both within the UK and internationally) to determine and implement best practice methods to limit Global Warming to less than 1.5 degrees Celsius;*

5. *Continue to work with partners across the county and region to deliver this new goal through all relevant strategies and plans; and*
6. *Report to Full Council within six months with an Action Plan, outlining how the Council will address this Emergency. The Action Plan will detail the leadership role South Hams District Council will take in promoting community, public, business and other Council Partnerships to achieve this Carbon Neutral 2030 Commitment throughout the District. The Action Plan will also outline adequate staff time and resources to undertake the actions to achieve the target.*

A Member proceeded to advise that, in line with Council Procedure Rule 11(c) (Motions Without Notice – to change the order of business in the agenda), he wished to **PROPOSE** that:

'Agenda Items 14: Urgent Business and 19: Business Brought Forward by the Chairman be moved up the agenda to be considered immediately.'

This procedural motion was subsequently **SECONDED** and when put to the vote was declared **CARRIED**.

02/19

URGENT BUSINESS

At this point, a Member felt that, given the levels of public interest that had been generated by the petition, it would be courteous to give formal consideration to the matter of declaring a Climate Emergency at this meeting. However, since this matter had not been included on the published agenda for this meeting, then the only means for this matter to be considered would be via the Chairman agreeing that it could be raised as 'Urgent Business'.

The Chairman proceeded to consider this request and subsequently gave his agreement that this matter could be debated as an urgent item at this meeting.

03/19

BUSINESS BROUGHT FORWARD BY THE CHAIRMAN

Given the decision of the Chairman (Minute 02/19 above refers), a motion was then **PROPOSED** and **SECONDED** as follows:

'In light of the declaration of the Climate Emergency by Teignbridge Council on the 18 April 2019 and by Parliament on 1 May 2019 we request, as an urgent matter, the Council agrees to the matter of the adoption of Teignbridge Council's Climate Emergency Declaration and cooperation with Teignbridge on tackling Climate Change being referred to the Executive for its consideration at its next meeting on 6 June 2019 in order that a recommendation be put to the next meeting of Full Council.'

In his introduction, the proposer advised that he was aware from the latest published version of the Executive Forward Plan that the Executive was already due to consider a report related to Climate Change at its next meeting on 6 June 2019. It was therefore the intention of his motion for specific reference to be included in this report on the ambitious actions that had been recently approved by Teignbridge District Council (including a pledge to do what was within their powers to make the Teignbridge District carbon neutral by 2025).

In the ensuing debate, the following points were raised:-

- (a) An amendment was **PROPOSED** and **SECONDED** to read as follows:

'In light of the declaration of the Climate Emergency by Devon County Council and by Parliament on 1 May 2019 we request, as an urgent matter, the Council agrees to the matter of the adoption of Devon County Council's Climate Emergency Declaration and cooperation with Devon on tackling Climate Change being referred to the Executive for its consideration at its next meeting on 6 June 2019 in order that a recommendation be put to the next meeting of Full Council.'

In citing as an example the ongoing work on the aligned Devon Waste Strategy, the proposer advised that the Council was already working closely with Devon County Council (DCC). Since the Council did not currently work as closely with Teignbridge District Council (TDC), it was felt to be more appropriate to co-operate with DCC rather than Teignbridge District Council.

Another Member highlighted that the TDC portfolio holder for Climate Change had recently made contact with the Council pointing out that TDC was keen to work alongside its neighbouring District Councils and DCC on the actions necessary to become carbon neutral by 2025. As a consequence, the Member felt that the amendment was discourteous to TDC.

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

- (b) A further amendment was then **PROPOSED** and **SECONDED** to read as follows:

'In light of the declaration of the Climate Emergency by Devon County Council and Teignbridge District Council and by Parliament on 1 May 2019 we request, as an urgent matter, the Council agrees to the matter of the adoption of Devon County and Teignbridge District Councils' Climate Emergency Declarations and cooperation with Devon and Teignbridge on tackling Climate Change being referred to the Executive for its consideration at its next meeting on 6 June 2019 in order that a recommendation be put to the next meeting of Full Council.'

By including reference to both DCC and TDC, the proposer and seconder were of the view that their amendment was more inclusive and reflective of the views of the majority of Members and, when put to the vote, this amendment was declared **CARRIED**.

It was then:

RESOLVED

That, in light of the declaration of the Climate Emergency by Devon County Council and Teignbridge District Council and by Parliament on 1 May 2019, we request, as an urgent matter, the Council agrees to the matter of the adoption of Devon County and Teignbridge District Councils' Climate Emergency Declarations and cooperation with Devon and Teignbridge on tackling Climate Change being referred to the Executive for its consideration at its next meeting on 6 June 2019 in order that a recommendation be put to the next meeting of Full Council.

04/19 **ELECTION OF THE CHAIRMAN OF COUNCIL**

RESOLVED

That Cllr R Rowe be elected Chairman of the Council for the period expiring on the date of the Annual Meeting of the Council in 2020.

Cllr Rowe subsequently declared and signed her acceptance of office.

05/19 **ADDRESS BY THE NEW CHAIRMAN OF COUNCIL**

In addressing the Council, Cllr Rowe expressed her honour at being elected as Chairman of the Council and wished to thank her fellow Members for their vote of confidence.

During her address, Cllr Rowe also made specific reference to:-

- her wish to both congratulate and welcome new and returning Members to the Council following the recent local elections. In so doing, the Chairman also wished to pay tribute and thank those Members who had either retired or lost their seats during this election;
- the importance of all Members working for the benefit of the entire South Hams District and not being parochial;
- the emphasis that should be given to the '3Es' (Economy, Employment and Environment);
- the pride that she felt to be re-elected as both a Member and the Chairman. In expressing her pride, the Chairman expressed her best wishes to all Members and guaranteed that she would do her very best to uphold the office;
- her chosen charity being the Devon Air Ambulance; and

- her intention to hold a Civic Service in Stoke Gabriel during September 2019 and a Members Christmas Party. Members were informed that the dates of these events would be circulated in the next few weeks.

06/19 **VOTE OF THANKS TO RETIRING CHAIRMAN**

RESOLVED

That the thanks of the Council be extended to Cllr Holway for the manner in which he had performed his duties during his term of office as Chairman of the Council.

07/19 **RESPONSE OF THE RETIRING CHAIRMAN**

Cllr Holway proceeded to address the Council and highlighted how enjoyable he had found his year of office. In so doing, he made particular reference to:-

- his gratitude for the support he had received from the wider membership during his year of office. In particular, he wished to thank Cllr Rowe for her excellent support and he hoped that she and her husband would have an equally memorable year;
- the support he had also received from officers. Whilst Cllr Holway paid tribute to officers throughout the Council, he expressed particular gratitude to the Chief Executive and Democratic Services Officers; and
- the enjoyment he had gained from the civic events that he had attended.

08/19 **APPOINTMENT OF VICE CHAIRMAN OF COUNCIL**

RESOLVED

That Cllr R J Foss be appointed Vice Chairman of the Council for the period expiring on the date of the Annual Meeting of the Council in 2020.

Cllr Foss subsequently declared and signed his acceptance of office.

09/19 **MINUTES**

The minutes of the meeting of Council held on 21 February 2019 and the special meeting held on 21 March 2019 were both confirmed as a correct record and signed by the Chairman.

10/19

FORMAL ADOPTION OF THE COUNCIL CONSTITUTION

Members were informed that the previously approved amendments had been made to the published Council Constitution.

It was then:

RESOLVED

That the published version of the Council Constitution for 2019/20 be formally noted.

11/19

ELECTION OF LEADER OF THE COUNCIL AND CHAIRMAN OF THE EXECUTIVE FOR THE FOUR YEAR TERM FROM 2019/20**RESOLVED**

That Cllr J A Pearce be elected Leader of the Council and Chairman of the Executive for the period expiring on the date of the Annual Meeting of the Council in 2023.

In expressing her gratitude at being elected Leader of the Council, Cllr Pearce revealed to the Council that, in accordance with the Strong Leader model (Minute 57/10 refers), it was her wish to appoint Cllr Bastone to the position of Deputy Leader for the period expiring on the date of the Annual Meeting of the Council in 2023. Furthermore, she would also be appointing Cllrs Baldry; Hawkins; Hopwood; and May to serve with her and the Deputy Leader on the Executive for the 2019/20 Municipal Year.

Cllr Pearce proceeded to pay tribute to the foresight and courage of Cllr Tucker (who had been Leader of the Council for the previous 12 years) in having the vision to establish the Transformation Programme. It was now her intention to build upon these sure foundations to ensure that every aspect of the Council was focused upon the wellbeing and prosperity of all of the residents and businesses in the South Hams. Of particular note, Cllr Pearce advised that:

- the area must welcome visitors and allow tourism to flourish;
- she was committed to making all reasonable and rational carbon footprint savings;
- she recognised the importance of housing being built for local people and additional employment space being created; and
- it was now timely for the Council to again begin to work more closely with the Members of West Devon Borough Council. However, Cllr Pearce also stressed that 'One Council' would not be re-considered during her tenure as Leader.

12/19

REPRESENTATION ON POLITICAL GROUPS

The Chairman advised Members that a review of the representation of the political groups on the Council's Bodies had been carried out in consultation with the Leaders of the three Political Groups.

It was then:

RESOLVED

1. That it be noted that the Political Composition of the Council is as follows:-
 - A Conservative Group of 16 Members;
 - A Liberal Democrat Group of 10 Members;
 - A Green Party Group of 3 Members; and
 - Two non-aligned Independent Members.
2. That the political balance rules be disapplied for the Salcombe Harbour Board to enable the 4 Members on the Board to be selected on a 'fit for purpose' basis; and
3. That the overall political balance of Council Bodies, as reflected in the paper tabled to the meeting, be approved.

13/19

APPOINTMENT OF MEMBERS OF THE BODIES OF THE COUNCIL

The Council subsequently received nominations from the Group Leaders and Independent Members for the membership of the Bodies of the Council.

Two nominations (Cllrs M Long and J T Pennington) had been received for the Independent Member vacancy on the Development Management Committee.

When put to the vote, it was declared **CARRIED** that Cllr M Long be appointed to serve on the Development Management Committee.

It was then:

RESOLVED

That, for the 2019/20 Municipal Year, Members be appointed to the Bodies of the Council as set out in Appendix A to these minutes.

14/19

ELECTION OF CHAIRMEN AND VICE CHAIRMEN OF THE BODIES OF THE COUNCIL

The Council received nominations from its Group Leaders for the positions of Chairmen and Vice Chairmen of the Bodies of the Council.

It was then:

RESOLVED

That the Chairmen and Vice Chairmen of the Bodies of the Council for the 2019 / 2020 Municipal Year be as indicated below:-

Body	Chairman	Vice Chairman
Audit Committee	Cllr T R Holway	Cllr L Austen
Development Management Committee	Cllr J Brazil	Cllr R J Foss
Licensing Committee	Cllr D Brown	Cllr T R Holway
Overview and Scrutiny Panel	Cllr J P Birch	Cllr P C Smerdon
Salcombe Harbour Board	Cllr J Brazil	Co-opted Member

15/19

APPOINTMENT OF REPRESENTATIVES TO OUTSIDE BODIES

A paper was considered that set out details of those Outside Bodies to which the Council appointed representatives and included a list of nominations for representation on these Outside Bodies.

Two nominations (Cllrs G Pannell and P C Smerdon) had been received for the position on the Dartmoor National Park Authority.

When put to the vote, it was declared **CARRIED** that Cllr P C Smerdon be appointed to the position on the Dartmoor National Park Authority.

Two nominations (the lead Executive Member for Environment and Cllr J M Hodgson) had been received for the position on the Devon Authorities Strategic Waste Committee.

When put to the vote, it was declared **CARRIED** that the lead Executive Member for Environment be appointed to the position on the Devon Authorities Strategic Waste Committee.

Three nominations (Cllrs G Pannell, H Reeve and P C Smerdon) had been received for the two positions on the Devon County/South Hams Highways and Traffic Orders Committee.

In line with the Council Constitution, it was necessary for these two vacancies to be filled by virtue of a ballot. Upon completion of the ballot, it was subsequently declared **CARRIED** that Cllrs H Reeve and P C Smerdon be appointed to serve on the Devon County/South Hams Highways and Traffic Orders Committee.

Two nominations (Cllrs J M Hodgson and B Taylor) had been received for the position on the Local Enterprise Partnership Joint Scrutiny Committee.

When put to the vote, it was declared **CARRIED** that Cllr B Taylor be appointed to the position on the Local Enterprise Partnership Joint Scrutiny Committee.

Two nominations (Cllrs D Brown and G Pannell) had been received for the position on the Parking And Traffic Regulations Outside London Committee.

When put to the vote, it was declared **CARRIED** that Cllr D Brown be appointed to the position on the Parking And Traffic Regulations Outside London Committee.

Two nominations (Cllrs T R Holway and K Kemp) had been received for the position on the South Devon and Dartmoor Community Safety Partnership.

When put to the vote, it was declared **CARRIED** that Cllr T R Holway be appointed to the position on the South Devon and Dartmoor Community Safety Partnership.

It was then:

RESOLVED

1. That the Council be represented on the list of Outside Bodies as presented to the meeting;
2. That the Members named in Appendix B to these minutes be appointed as the Council's representatives to those Bodies for the 2019/20 Municipal Year, and that, for the purposes of Members' Allowances, attendance at meetings of these bodies be regarded as an approved duty; and
3. That Members appointed to Outside Bodies provide a written report following each meeting; regular feedback and consultation on the issues affecting the Bodies concerned.

16/19

APPOINTMENT OF OTHER GROUPS

Members proceeded to consider the appointment for the 2019/2020 Municipal Year of the:-

- (a) Accommodation Strategy Member Working Group;
- (b) Affordable Housing Delivery Working Group;
- (c) Council Tax Setting Panel;
- (d) Devon Building Control Partnership;

- (e) Discretionary (Majors) Business Rate Relief Decision Panel;
- (f) Joint SH/WD/Plymouth Local Plan Partnership Board;
- (g) Joint SH/WD Member/Officer Working Group;
- (h) Political Structures Working Group;
- (i) Public Spaces Working Group;
- (j) Rate Relief Panel;
- (k) Slapton Line Steering Group;
- (l) Waste and Recycling Working Group and
- (m) Waste Partnership Board.

Once the principle and size of these Groups had been determined by the Council, Members proceeded to consider the appointments to each of these Bodies and, based upon these two decisions, it was then necessary for ballots to be undertaken on:

1. Affordable Housing Delivery Working Group

Four nominations (Cllrs H D Bastone, J Brazil, J M Hodgson and J A Pearce) had been received for the three positions on the Affordable Housing Delivery Working Group. Upon completion of the ballot, it was subsequently declared **CARRIED** that Cllrs H D Bastone, J Brazil and J A Pearce be appointed to serve on the Affordable Housing Delivery Working Group.

2. Devon Building Control Partnership

Three nominations (Cllrs H D Bastone, J P Birch and J M Hodgson) had been received for the two positions on the Devon Building Control Partnership. Upon completion of the ballot, it was subsequently declared **CARRIED** that Cllrs H D Bastone and J P Birch be appointed to serve on the Devon Building Control Partnership.

3. Joint SH/WD/Plymouth Local Plan Partnership Board

Three nominations (Cllrs H D Bastone, J P Birch and J A Pearce) had been received for the two positions on the Joint SH/WD/Plymouth Local Plan Partnership Board. Upon completion of the ballot, it was subsequently declared **CARRIED** that Cllrs H D Bastone and J A Pearce be appointed to serve on the Joint SH/WD/Plymouth Local Plan Partnership Board.

4. Waste Partnership Board

Four nominations (Cllrs H D Bastone, J M Hodgson, N A Hopwood and the lead Executive Member for Environment) had been received for the three positions on the Waste Partnership Board. Upon completion of the ballot, it was subsequently declared **CARRIED** that Cllrs H D Bastone, N A Hopwood and the lead Executive Member for Environment be appointed to serve on the Waste Partnership Board.

It was then:

RESOLVED

That the appointment of the Other Groups of the Council for the 2019/2020 Municipal Year be approved, as shown in Appendix C to these minutes.

17/19 **DECLARATIONS OF INTEREST**

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

18/19 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman advised that she did not have any further announcements to make at this time.

19/19 **APPOINTMENT OF SALCOMBE HARBOUR BOARD CO-OPTED MEMBERS**

The Council considered a report that sought to appoint three Co-Opted Members to serve on the Salcombe Harbour Board.

With no questions or issues being raised, it was then:

RESOLVED

That, with immediate effect, Messrs Hugh Marriage, Mark Taylor and Chris Plant be appointed to serve on the Salcombe Harbour Board as Co-Opted Members for the period to the date of the Annual Council meeting in May 2022.

20/19 **ANNUAL REPORT**

Members considered a report that presented the Council's Annual Report for the 2018/19 Financial Year.

The Leader introduced the report and made specific reference to:-

- the successes associated with the adoption of the Joint Local Plan and the awarding of the new contract for recycling, waste collection and street cleansing services;
- her congratulations to the work of Members and officers in setting a balanced Budget for 2019/20. That being said, the Leader did also make the point to Members that the budget setting process for 2020/21 would be equally challenging;

- the importance of the Council reducing failure demand and getting it 'right first time'. In addition, the Leader was of the view that the Council needed to focus on improving and developing its online processes and advised that the cost comparisons between a resident self-serving or having face to face contact with an officer were very significant; and
- her wish for working relationships between Members and officers to be further improved.

During the subsequent debate, the following points were raised:-

- (a) A Member acknowledged the significant benefits of Members and officers working closely together and supported the introductory comments made by the Leader;
- (b) The format and presentation of the Annual Report were welcomed;
- (c) Since the contract was still in its infancy, a Member felt it was too early to consider the new recycling, waste collection and street cleansing services to be a success. In response, the Leader cited the financial benefits that would be realised by the Council from the new contract and expressed her confidence that, once it had settled down, then the new arrangements would prove to be very successful.

It was then:

RESOLVED

1. That the progress and achievements made by the Council be noted;
2. That the Annual Report (as outlined at Appendix A of the presented agenda report) be adopted and published for the 2018/19 Financial Year.

21/19

QUESTIONS

It was noted that no questions had been received in accordance with Council Procedure Rule 8.

22/19

NOTICE OF MOTIONS

It was noted that two motions had been received in accordance with Council Procedure Rule 10.1.

(a) By Cllrs Hodgson and Brazil

'No trees on SHDC land will be felled without at least 3 days prior notification to the local Ward Members that this has been proposed and the reasons why this is necessary.'

Cllr Hodgson introduced her motion and advised that it had been prompted by the recent felling works at Follaton House. The Member was strongly of the view that the local Ward Member(s) should have been notified in advance of these works being carried out.

In the ensuing debate, an addition to the motion was **PROPOSED** and **SECONDED** as follows:

'unless the tree is in a dangerous state in which case immediate felling can take place, but the local Ward Member(s) must be informed at the earliest opportunity.'

The proposer and seconder of the original motion were supportive of this addition and it was therefore incorporated into the substantive motion.

It was then:

RESOLVED

That no trees on SHDC land will be felled without at least 3 days prior notification to the local Ward Member(s) that this had been proposed and the reasons why this is necessary, unless the tree is in a dangerous state in which case immediate felling can take place, but the local Ward Member(s) must be informed at the earliest opportunity.

(b) By Cllrs Bastone and Birch

'This Council will lobby MPs and write to MHCLG to express its concerns about the standards of new housing, calling for:

- 1. A minimum number of inspections to be carried out on every new dwelling by the Building Control body, local authority or private sector;*
- 2. Quality of work to be incorporated to a higher degree than present, in the Building Regulations;*
- 3. Newly constructed timber framed housing to be included in the Governments Building Safety Programme; and*
- 4. Local Authorities to become the sole provider of Building Control, at least on high risk and all new residential buildings.'*

Cllr Bastone introduced his motion and made the following points:-

- A number of reports were being received by local authorities in respect of the poor workmanship associated with new housing developments that had been built by national building companies. In many such instances, safety was being compromised;
- Since they were able to choose from a range of Building Control service providers, it was frequently the case that national building companies were employing their own Building Inspectors, which was often to the detriment of the build quality;

- In support of a similar motion that had recently been approved by Cheshire East Council, the proposer asked that Members support the proposal for local authorities to once again become the sole provider of the Building Control service.

During the debate, reference was made to:-

- (a) the views of the seconder. In support of the motion, the seconder emphasised that such poor quality work was leading to great stress and suffering being experienced by many young working families;
- (b) newly constructed timber framed housing. A Member welcomed reference to this type of housing and felt that this aspect of the motion was very important;
- (c) the need for local authority control. A Member stated that the standards of new housing would be greatly improved by the Building Control function being solely provided by local authorities.

It was then:

RESOLVED

This Council will lobby MPs and write to MHCLG to express its concerns about the standards of new housing, calling for:

1. A minimum number of inspections to be carried out on every new dwelling by the Building Control body, local authority or private sector;
2. Quality of work to be incorporated to a higher degree than present, in the Building Regulations;
3. Newly constructed timber framed housing to be included in the Governments Building Safety Programme; and
4. Local Authorities to become the sole provider of Building Control, at least on high risk and all new residential buildings.

23/19

REPORTS OF BODIES

RESOLVED

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

- (a) Council Tax Setting Panel

22 February 2019

CTSP.2/18 Declaration of the Council Tax Base and Individual Tax Bases for Town and Parishes: 2019/20

The Section 151 Officer was asked to provide an update to the letter that she had been instructed to write to the Town Clerk of Totnes Town Council to ask them to provide a statement explaining the increase in their element of the Council Tax.

A response had been received by the Town Clerk that had highlighted that the increase had been deemed necessary to undertake some essential asset improvement works and to fund a number of projects (e.g. investing in the Market Square area to improve the appearance and usability of the space and to continue and develop the 'Visit Totnes' tourism brand).

In referring to the response, the Member queried the point whereby the Town Council was '*paying SHDC to delay Pay on Entry installation in Totnes public toilets*'.

The Section 151 Officer further clarified that, whilst town and parish councils were not subject to any central government capping thresholds, they were encouraged to show 'financial restraint' when setting their annual precepts.

- | | | |
|-----|----------------------------------|---------------|
| (b) | Development Management Committee | 13 March 2019 |
| (c) | Audit Committee | 21 March 2019 |
| (d) | Overview and Scrutiny Panel | 28 March 2019 |

O&S.94/18: General Dispensations to Members and Appointment of Independent Persons

It was then:

RESOLVED

That Mrs Victoria Spense and Mr Martin Gleed (West Devon Borough Council Independent Persons) be also appointed to South Hams District Council from the Annual Meeting in May 2019 until the Annual Meeting in May 2023 and that all appointed Independent Persons be in receipt of regular performance reviews.

- | | | |
|-----|----------------------------------|---------------|
| (e) | Salcombe Harbour Board | 1 April 2019 |
| (f) | Development Management Committee | 10 April 2019 |

(Meeting commenced at 3.00 pm and concluded at 5.45 pm)

Membership of Council Bodies 2019/20

Appendix A

A. Audit Committee

Cllr L Austen
Cllr J Brazil
Cllr T R Holway
Cllr J McKay
Cllr J T Pennington
Cllr B Spencer
Cllr B Taylor

B. Development Management Committee

Cllr V Abbott
Cllr J Brazil
Cllr D Brown
Cllr R J Foss
Cllr J M Hodgson
Cllr T R Holway
Cllr K Kemp
Cllr M Long
Cllr G Pannell
Cllr K Pringle
Cllr R Rowe
Cllr B Taylor

C. Licensing Committee

Cllr D Brown
Cllr R J Foss
Cllr T R Holway
Cllr K Kemp
Cllr D W May
Cllr G Pannell
Cllr K Pringle
Cllr H Reeve
Cllr R Rowe
Cllr P C Smerdon
Cllr J Sweett
Cllr D Thomas

D. Overview and Scrutiny Panel

Cllr L Austen
Cllr J P Birch
Cllr M Chown
Cllr S Jackson
Cllr J McKay
Cllr D M O'Callaghan
Cllr J T Pennington
Cllr H Reeve
Cllr J Rose
Cllr P C Smerdon
Cllr B Spencer
Cllr J Sweett
Cllr D Thomas

E. Salcombe Harbour Board

Cllr J Brazil
Cllr D Brown
Cllr R J Foss
Cllr M Long

Representation on Outside Bodies 2019 / 2020**Appendix B**

	ORGANISATION	Nominee(s)
1.	Dartmoor National Park Authority	Cllr P C Smerdon
2.	Devon Authorities Strategic Waste Committee	lead Executive Member for Environment (Substitute: Cllr D Brown)
3.	Devon County Locality Committee	Leader and Deputy Leader of Council
4.	Devon County/South Hams Highways and Traffic Orders Committee	Cllrs H Reeve and P C Smerdon
5.	Devon Districts Forum	Leader of Council
6.	Governance Board (South Devon Healthcare NHS Foundation Trust)	Cllr J D Hawkins
7.	Greater Dartmoor Local Enterprise Action Fund	Cllr P C Smerdon
8.	Heart of the South West Devolution Joint Committee	Leader of the Council (Substitute: Deputy Leader of the Council)
9.	iESE Transformation Limited	Cllr N A Hopwood
10.	Joint Advisory Committee (JAC) on Housing for Local Needs in the Dartmoor National Park	Cllrs L Austen and J Brazil
11.	Local Enterprise Partnership Joint Scrutiny Committee	Cllr B Spencer
12.	Local Government Association:- (i) District Council Network – Leader of Council (ii) General Assembly – Leader of Council (iii) South West Branch – Leader of Council (iv) Rural Commission – Leader of Council (v) LGA Committee, Panel, etc appointments (NB: These appointments are made via an Electoral College process through the LGA. Council has been given delegated authority to the Monitoring Officer, in consultation with the Leaders of the political groups, to agree any such appointments).	
13.	PATROL – Parking and Traffic Regulations Outside London	Cllr D Brown
14.	Police & Crime Commissioners Scrutiny Panel	Cllr N A Hopwood

15. South Devon AONB Partnership Committee Cllrs R Rowe and B Taylor
16. South Devon Coastal Local Action Group Cllr B Taylor
17. South Devon and Dartmoor Community Safety Partnership Cllr T R Holway
18. South West Councils Leader and Deputy Leader of Council
19. SPARSE Rural and Rural Services Network Cllr R J Foss

Appointment of Other Groups 2019/2020**Appendix C**

- (a) **Accommodation Strategy Member Working Group**
 Cllr H D Bastone
 Cllr J P Birch
 Cllr N A Hopwood
 Cllr D W May
- (b) **Affordable Housing Delivery Working Group**
 Cllr H D Bastone
 Cllr J Brazil
 Cllr J A Pearce
- (c) **Council Tax Setting Panel**
 Chairman of Council
 Leader of Council
 Chairman of Overview and Scrutiny Panel
 Leader of the Opposition
- (d) **Devon Building Control Partnership**
 Cllr H D Bastone
 Cllr J P Birch
- (e) **Discretionary (Majors) Business Rate Relief Decision Panel**
 Chairman of the Overview and Scrutiny Panel
 Lead Executive Member for Enterprise
 Leader of Council
- Substitute Member:
 Deputy Leader of Council
- (f) **Joint SH/WD/Plymouth Local Plan Partnership Board**
 Cllr H D Bastone
 Cllr J A Pearce
- (g) **Joint SH/WD Member Officer Working Group**
 Cllr K J Baldry
 Cllr H D Bastone
 Cllr D W May
 Cllr J A Pearce
- (h) **Political Structures Working Group**
 Leader (Chairman)
 Deputy Leader (Vice-Chairman)
 Cllr V Abbott
 Cllr K J Baldry
 Cllr J P Birch
 Cllr J M Hodgson
 Cllr T R Holway
 Cllr G Pannell
 Cllr R Rowe
 Cllr P C Smerdon

- (i) Public Spaces Working Group**
Cllr L Austen
Cllr R J Foss
Cllr J McKay
Cllr R Rowe
Cllr J Sweett
- (j) Rate Relief Panel**
Leader of Council
Deputy Leader of Council
Lead Executive Member for Enterprise
- (k) Slapton Line Steering Group**
Cllr J Brazil
Cllr R J Foss
- (l) Waste and Recycling Working Group**
Cllr J M Hodgson
Cllr D M O'Callaghan
Cllr J McKay
Cllr K Pringle
Cllr B Taylor
- (m) Waste Partnership Board**
Cllr H D Bastone
Cllr N A Hopwood
Lead Executive Member for Environment

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A. Audit Committee

Cllr L Austen
Cllr J Brazil
Cllr T R Holway
Cllr J McKay
Cllr J T Pennington
Cllr B Spencer
Cllr B Taylor

B. Development Management Committee

Cllr V Abbott
Cllr J Brazil
Cllr D Brown
Cllr R J Foss
Cllr J M Hodgson
Cllr T R Holway
Cllr K Kemp
Cllr M Long
Cllr G Pannell
Cllr K Pringle
Cllr R Rowe
Cllr B Taylor

C. Licensing Committee

Cllr D Brown
Cllr R J Foss
Cllr T R Holway
Cllr K Kemp
Cllr D W May
Cllr G Pannell
Cllr K Pringle
Cllr H Reeve
Cllr R Rowe
Cllr P C Smerdon
Cllr J Sweett
Cllr D Thomas

D. Overview and Scrutiny Panel

Cllr L Austen
Cllr J P Birch
Cllr M Chown
Cllr S Jackson
Cllr J McKay
Cllr D M O'Callaghan
Cllr J T Pennington
Cllr H Reeve
Cllr J Rose
Cllr P C Smerdon
Cllr B Spencer
Cllr J Sweett
Cllr D Thomas

E. Salcombe Harbour Board

Cllr J Brazil
Cllr D Brown
Cllr R J Foss
Cllr M Long

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Representation on Outside Bodies 2019 / 2020**Appendix B**

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4.	Devon County/South Hams Highways and Traffic Orders Committee	Cllrs H Reeve and P C Smerdon
5.	Devon Districts Forum	Leader of Council
6.	Governance Board (South Devon Healthcare NHS Foundation Trust)	Cllr J D Hawkins
7.	Greater Dartmoor Local Enterprise Action Fund	Cllr P C Smerdon
8.	Heart of the South West Devolution Joint Committee	Leader of the Council (Substitute: Deputy Leader of the Council)
9.	iESE Transformation Limited	Cllr N A Hopwood
10.	Joint Advisory Committee (JAC) on Housing for Local Needs in the Dartmoor National Park	Cllrs L Austen and J Brazil
11.	Local Enterprise Partnership Joint Scrutiny Committee	Cllr B Spencer
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14. Police & Crime Commissioners Scrutiny Panel Cllr N A Hopwood
15. South Devon AONB Partnership Committee Cllrs R Rowe and B Taylor
16. South Devon Coastal Local Action Group Cllr B Taylor
17. South Devon and Dartmoor Community Safety Partnership Cllr T R Holway
18. South West Councils Council Leader and Deputy Leader of
19. SPARSE Rural and Rural Services Network Cllr R J Foss

- (a) Accommodation Strategy Member Working Group**
Cllr H D Bastone
Cllr J P Birch
Cllr N A Hopwood
Cllr D W May
- (b) Affordable Housing Delivery Working Group**
Cllr H D Bastone
Cllr J Brazil
Cllr J A Pearce
- (c) Council Tax Setting Panel**
Chairman of Council
Leader of Council
Chairman of Overview and Scrutiny Panel
Leader of the Opposition
- (d) Devon Building Control Partnership**
Cllr H D Bastone
Cllr J P Birch
- (e) Discretionary (Majors) Business Rate Relief Decision Panel**
Chairman of the Overview and Scrutiny Panel
Lead Executive Member for Enterprise
Leader of Council

Substitute Member:
Deputy Leader of Council
- (f) Joint SH/WD/Plymouth Local Plan Partnership Board**
Cllr H D Bastone
Cllr J A Pearce
- (g) Joint SH/WD Member Officer Working Group**
Cllr K J Baldry
Cllr H D Bastone
Cllr D W May
Cllr J A Pearce
- (h) Political Structures Working Group**
Leader (Chairman)
Deputy Leader (Vice-Chairman)
Cllr V Abbott
Cllr K J Baldry
Cllr J P Birch
Cllr J M Hodgson
Cllr T R Holway
Cllr G Pannell
Cllr R Rowe
Cllr P C Smerdon

- (i) Public Spaces Working Group**
Cllr L Austen
Cllr R J Foss
Cllr J McKay
Cllr R Rowe
Cllr J Sweett
- (j) Rate Relief Panel**
Leader of Council
Deputy Leader of Council
Lead Executive Member for Enterprise
- (k) Slapton Line Steering Group**
Cllr J Brazil
Cllr R J Foss
- (l) Waste and Recycling Working Group**
Cllr J M Hodgson
Cllr D M O'Callaghan
Cllr J McKay
Cllr K Pringle
Cllr B Taylor
- (m) Waste Partnership Board**
Cllr H D Bastone
Cllr N A Hopwood
Lead Executive Member for Environment

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**MINUTES OF THE SPECIAL MEETING OF THE SOUTH HAMS DISTRICT
COUNCIL HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 25 JULY 2019**

MEMBERS

* Cllr R Rowe – Chairman

* Cllr R J Foss – Vice-Chairman

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

* Denotes attendance

∅ Denotes apology for absence

Officers in attendance and participating:

For all items: Chief Executive, Deputy Monitoring Officer; and Senior Specialist –
Democratic Services

24/19 URGENT BUSINESS

The Chairman informed that she had no items of urgent business for consideration at this meeting.

25/19 DECLARATIONS OF INTEREST

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

26/19 COMMERCIAL INVESTMENT STRATEGY

Consideration was given to a report that sought approval to a revised Commercial Investment Strategy to relax the current geographical investment restriction for Renewable Energy generation assets.

During discussion, particular reference was made to:-

- (a) an amendment to the draft Strategy was **PROPOSED** and **SECONDED** as follows:

Reference: Governance Arrangements Bullet Point 2 be amended to read:

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

In support of the amendment, the proposer and seconder reiterated the importance of local Ward Members being involved in the decision-making process from the earliest opportunity. When put to the vote, the amendment was declared **CARRIED**;

- (b) solar arrays. A Member asked that, when making investment decisions related to solar energy in accordance with the Strategy, consideration be given to whether solar arrays were positioned on elevated apparatus thereby ensuring that the land underneath them could still be used.

It was then:

RESOLVED

That the revised Commercial Investment Strategy be approved, subject to inclusion of the following amendment:

- Reference: Governance Arrangements Bullet Point 2 being amended to read:

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

27/19

RESTRUCTURE OF THE SENIOR LEADERSHIP TEAM

Members were presented with a report that sought to approve a revised Senior Leadership Team structure, roles and salaries to come into effect from 1 September 2019.

In discussion, reference was made to some comments that had been expressed on social media and, for absolute clarity, the Leader confirmed that this proposal was in no means the first step to re-exploring the 'One Council' proposal with West Devon Borough Council. In expanding upon the point, the Leader stated that she had absolutely no intention of revisiting the 'One Council' proposal during this Council administration.

It was then:

RESOLVED

1. That, with effect from 1 September 2019, a new Senior Leadership Team structure be developed that has the capacity to meet the Councils' needs and addresses four key requirements:

- Customer facing;
- Community facing;
- Financial; and
- Governance and Assurance;

To meet these requirements, the team will comprise of the Chief Executive and four Director roles:

- Strategic Director of Customer Service and Delivery;
- Strategic Director of Place and Enterprise;
- Corporate Director of Governance and Assurance; and
- Corporate Director of Strategic Finance (and Section 151 Officer);

That, for each of the four Director roles, the role profiles and salaries be approved as outlined in Appendix A of the presented agenda report;

2. That the Chief Executive be requested to review and implement changes to the Extended Leadership Team and Pay Structure to take account of the new Senior Leadership Team structure, other recent changes in the organisation and Benchmarking data by the end of December 2019; and
3. That it be noted that the combined restructures will achieve ongoing annual revenue savings estimated to be at least £120,000 per annum (£60,000 per annum for each Council).

28/19

OUTSIDE BODIES

Members considered a report that requested that the Council made appointments to two additional Outside Bodies: Hope Harbour and the Governance Board (South Devon Healthcare NHS Foundation).

The Council proceeded to note that the Group Leaders and Independent Members had been invited to submit their nominations for these Outside Bodies and the following had been received:

- Hope Harbour – one nomination (Cllr M Long) for one position; and
- Governance Board (South Devon Healthcare NHS Foundation) – three nominations (Cllrs S Jackson, J T Pennington and R Rowe) for one position.

It was then:

RESOLVED

That, for the remainder of the 2019/20 Municipal Year:

1. the Council be represented by Cllr M Long on the Hope Harbour and Cllr R Rowe on the Governance Board (South Devon Healthcare NHS Foundation) Outside Bodies;
2. attendance at meetings of these Bodies be regarded as an 'Approved Duty' (for the purposes of Members' Allowances); and
3. these appointed Members provide regular feedback and consultation on issues affecting the Bodies concerned.

29/19

REPORTS OF BODIES

RESOLVED

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

- | | | |
|-----|----------------------------------|-------------|
| (a) | Development Management Committee | 22 May 2019 |
| (b) | Executive | 6 June 2019 |

E.06/19: Climate Change

In proposing the Executive recommendations, the Leader informed of her intention to add a further recommendation that read as follows:

'That the Council establish a politically balanced Climate Change and Biodiversity Working Group that comprises of 6 Members, with the Group Leaders being given delegated authority to put forward their respective nominations after this meeting, with the Group being chaired by the lead Executive Member for Climate Change.'

Each of these recommendations were duly **SECONDED** by the Deputy Leader.

In the subsequent debate, the following amendment (indicated in red font) was **PROPOSED** and **SECONDED**:

*'1. That a Climate Change **and Biodiversity** Emergency be declared;*

2. That an Action Plan be developed that outlines how the Council will address the Emergencies and meet or exceed the targets set by the Intergovernmental Panel on Climate Change (IPCC), including an assessment of the viability of a 2030 target and respond to the concerns raised by the IPBES report on global species and habitat loss to be brought to Council for approval within 6 months;

3. That the Council commit to collaborating with Devon County Council, all the Devon District Councils, Plymouth City Council and other agencies to address the Emergencies;

4. That the Action Plan identify Key Performance Indicators measured against any relevant national standards;

5. That a politically balanced Climate Change and Biodiversity Working Group be established that comprises of 6 Members, with the Group Leaders being given delegated authority to put forward their respective nominations after this meeting, with the Group being chaired by the lead Executive Member for Climate Change; and

6. That the Working Group be instructed, at its first meeting, to consider the setting up of a Citizens' Assembly and to submit a recommendation to the next Council meeting to be held on 26 September 2019 and that prior to that it be submitted to the September meetings of the Executive and Overview and Scrutiny Panel for comment.'

The proposer of this amendment spoke to each part in turn and advised that these had been presented following discussions with the Leader of Council.

In discussion, the Leader confirmed that this was the case and, as the proposer of the original motion, she was therefore supportive of this amendment. The Deputy Leader also confirmed his support for the amendment and it was therefore included as part of the substantive motion.

At this point, a further amendment was **PROPOSED** and **SECONDED** as follows:

'1. That both a Climate Change and Ecological Emergency be declared;

2. That an Action Plan be developed that outlines how the Council will address the Emergencies and meet or exceed the targets set by the Intergovernmental Panel on Climate Change (IPCC), including an assessment of the viability of a 2030 target and respond to the concerns raised by the IPBES report on global species and habitat loss to be brought to Council for approval within 6 months;

3. That the Council commit to collaborating with Devon County Council, all the Devon District Councils, Plymouth City Council and other agencies to address the Emergencies;

4. That the Action Plan identify Key Performance Indicators measured against any relevant national standards;

5. That a politically balanced Climate Change and Biodiversity Working Group be established that comprises of 6 Members, with the Group Leaders being given delegated authority to put forward their respective nominations after this meeting, with the Group being chaired by the lead Executive Member for Climate Change;

6. That the Working Group be instructed, at its first meeting, to consider the setting up of a Citizens' Assembly and to submit a recommendation to the next Council meeting to be held on 26 September 2019 and that prior to that it be submitted to the September meetings of the Executive and Overview and Scrutiny Panel for comment; and

7. That the Council takes steps to reinforce its Joint Local Plan Policies in respect of wildlife and biodiversity through the Supplementary Planning Document to require developers to demonstrate biodiversity gain as part of any relevant planning application so that there is a robust and consistent basis to assess and secure meaningful biodiversity enhancements having regard to a mitigation hierarchy, namely to avoid impact first, provide mitigation where there is unavoidable harm and, in the event that there is no alternative, provide compensatory measures as a last resort.'

The proposer felt that the term 'Ecological' would strengthen the motion and advised that part 7 had been drafted in consultation with the Council's Deputy Monitoring Officer.

With the exception of the term 'Ecological', the Leader and Deputy Leader both confirmed their support for the other two parts of the amendment and they were therefore included in the substantive motion.

In the debate on the term 'Ecological', the point was made that the overwhelming majority of local authorities had declared a Climate Change and *Biodiversity* Emergency. As a result, it was considered important to make the same declaration as other local authorities and, when put to the vote, the amendment was declared **LOST**.

It was then:

RESOLVED

1. That both a Climate Change and Biodiversity Emergency be declared;
2. That an Action Plan be developed that outlines how the Council will address the Emergencies and meet or exceed the targets set by the Intergovernmental Panel on Climate Change (IPCC), including an assessment of the viability of a 2030 target and respond to the concerns raised by the IPBES report on global species and habitat loss to be brought to Council for approval within 6 months;
3. That the Council commit to collaborating with Devon County Council, all the Devon District Councils, Plymouth City Council and other agencies to address the Emergencies;
4. That the Action Plan identify Key Performance Indicators measured against any relevant national standards;
5. That a politically balanced Climate Change and Biodiversity Working Group be established that comprises of 6 Members, with the Group Leaders being given delegated authority to put forward their respective nominations after this meeting, with the Group being chaired by the lead Executive Member for Climate Change;
6. That the Working Group be instructed, at its first meeting, to consider the setting up of a Citizens' Assembly and to submit a recommendation to the next Council meeting to be held on 26 September 2019 and that prior to that it be submitted to the September meetings of the Executive and Overview and Scrutiny Panel for comment; and
7. That the Council takes steps to reinforce its Joint Local Plan Policies in respect of wildlife and biodiversity through the Supplementary Planning Document to require developers to demonstrate biodiversity gain as part of any relevant planning application so that there is a robust and consistent basis to assess and secure meaningful biodiversity enhancements having regard to a mitigation hierarchy, namely to avoid impact first, provide mitigation where there is unavoidable harm and, in the event that there is no alternative, provide compensatory measures as a last resort.

E.08/19: Devon Wide Housing Assistance Policy

RESOLVED

That the existing 2018/19 Homes Assistance Policy be updated with the revised 2019/21 Devon Housing Assistance Policy.

- | | | |
|-----|----------------------------------|--------------|
| (c) | Overview and Scrutiny Panel | 13 June 2019 |
| (d) | Development Management Committee | 19 June 2019 |
| (e) | Audit Committee | 20 June 2019 |
| (f) | Salcombe Harbour Board | 24 June 2019 |
| (g) | Overview and Scrutiny Panel | 11 July 2019 |

O&S.18/19: Overview and Scrutiny Annual Report

RESOLVED

That the Overview and Scrutiny Annual Report for 2018/19 be approved.

- | | | |
|-----|-----------|--------------|
| (h) | Executive | 18 July 2019 |
|-----|-----------|--------------|

E.14/19: Ivybridge Regeneration

A non-Executive Member asked that, prior to being signed off at the next Executive meeting as a 'true and correct record', consideration be given to expanding the draft minute to emphasise the importance of youth facilities in the town.

E.18/19: Adoption of the Totnes Air Quality Action Plan

RESOLVED

That the amended Air Quality Action Plan for Totnes be adopted.

E.19/19: Medium Term Financial Position for 2020/21 Onwards

RESOLVED

That the Council consult with all of the Town and Parish Councils within the District on the basis that the District Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils (with effect from 1 April 2020) by 50% per annum over the next two years, in order to allow time for Town and Parish Councils to plan for the reduction in their budget setting processes.

E.22/19: Car Parking Order Amendments

RESOLVED

That the Off-Street Parking Order be amended to include reference to Electric Charging Points to enable future provision and enforcement of the Electric Charging point bays.

(Meeting commenced at 2.00 pm and concluded at 3.20 pm)

Chairman

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Report to: **COUNCIL**
Date: **26 September 2019**
Title: **Medium Term Financial Strategy 2020/21 to 2024/25**
Portfolio Area: **Cllr J Pearce – Budget Setting Process**
Wards Affected: **All**

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

Date next steps can be taken: Recommendation to Council 26th September 2019

Author: **Lisa Buckle** Role: **Strategic Finance Lead (S151 Officer)**

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

RECOMMENDATIONS:**That Council be RECOMMENDED:**

- 1. to set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to enable the continued delivery of services. The actual council tax for any given year will be decided by Council in the preceding February;**
- 2. to respond to any Government announcement/consultation on Business Rates Reform;**
- 3. to continue to actively lobby and engage with the Government, Devon MPs and other sector bodies such as the District Councils Network and the Rural Services Network, for a realistic business rates baseline to be set for the Council for 2020 onwards and for when the business rates reform is introduced for 2021-22;**

- 4. that SHDC continues to lobby in support of the Government eliminating Negative Revenue Support Grant in 2020/21 (and thereafter) and continues to lobby for Rural Services Delivery Grant allocations which adequately reflect the cost of rural service provision;**
- 5. to use £500,000 of New Homes Bonus funding for 2020-21 (or any alternative scheme) to fund the revenue base budget and then reduce to £350,000 by 2021-22 and £250,000 by 2022-23 for modelling purposes;**
- 6. that the Council maintains a policy of a minimum level of Unearmarked Reserves of £1.5 million and that the annual level of contributions to Earmarked Reserves (£684,300 as per Appendix E) and the adequacy of the existing level of Unearmarked Reserves (£1.9 million) and Earmarked Reserves (£13.3 million) is reviewed by Members as part of the budget setting process. This will assess the adequacy of Reserves levels, in light of future plans and pressures;**
- 7. that the Council continues dialogue with the actuaries of the Devon Pension Fund and DCC on the options for the Council's Pension position, with the aim of reducing the current contributions, increasing affordability, whilst best managing the pension deficit. One option the Council could consider is paying off some or all of the Deficit in a lump sum. This will be modelled, with a report being presented to Members by January 2020 on this option with both the costs and the benefits, once the results of the Triennial Pension Revaluation are known;**
- 8. that the Council maintains an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million;**
- 9. to note the forecast budget gap for 2020/21 of £0.49 million and the position for future years.**
- 10. to note the current options identified and timescales for closing the budget gap in 2020/21 and future years, to achieve long term financial sustainability.**

(NB. these recommendations are set out in detail in Appendix C)

1. Executive summary

- 1.1 The Council's Medium Term Financial Position (MTFP) is based on a financial forecast over a rolling five year timeframe to 2024/25. The Council, along with other local authorities, has faced unprecedented reductions in Government funding since the Comprehensive Spending Review 2010. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £4 million.
- 1.2 South Hams has continued to work in partnership with West Devon Borough Council which has allowed South Hams District Council to achieve annual savings of £3.9 million and more importantly protect all statutory front line services.
- 1.3 Between both Councils the annual shared services savings being achieved are over £6 million. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.
- 1.4 South Hams District Council is currently forecasting a £0.49 million budget gap in 2020/21. It is important to note that this is a snapshot (a position statement) in September 19 and future Member decisions on the budget strategy and Government announcements will inform future figures within the Medium Term Financial Strategy (MTFS).
- 1.5 In the Financial Modelling in Appendix B1 (including Negative RSG in 2020/21), the total budget gap is £495,992 in 2020/21 and this is predicted to decrease to £413,733 in 2021/22 (the £413,733 assumes the budget gap in 20/21 of £495,992 has not been closed). The aggregated Budget Gap is £2.36 million over the five years.
- 1.6 In the Financial Modelling in Appendix B2 (excluding Negative RSG in 2020/21), the total budget gap is £95,992 in 2020/21 and this is predicted to increase to £413,733 in 2021/22 (the £413,733 assumes the budget gap in 20/21 of £95,992 has not been closed). The aggregated Budget Gap is £1.96 million over the five years. The Budget Gap of £95,992 would increase by £50,078 if the two Planning Enforcement posts are approved by Council;
- 1.7 It is important to note that this Medium Term Financial Strategy sets out the budget strategy for the Council for the next five years, with annual reviews and updates when items are further known or are announced by the Government (e.g. it is envisaged that the One Year Spending Review for 2020-21 will be announced in September 2019).
- 1.8 This is the starting point for developing a meaningful five year strategy that sets out the strategic intention for all of the different strands of funding available to the Council. The Council will then be able to rely on this to inform future decisions.

2 BACKGROUND AND UPDATE ON THE BUDGET 2020/21

- 2.1 Over the past four years, South Hams District Council has had a 39.5% reduction in Government funding. This compares against 38.8% for the average for Shire District Councils. The Council now receives **no main Government Grant (Revenue Support Grant)** – this has been reduced to zero. Core Government funding has been reduced by £4million per year since 2009/2010.
- 2.2 Negative Revenue Support Grant (RSG) for 2019/20 of £400,000 was eliminated by the Government for one year. It is probable that there will be Government funding to remove negative Revenue Support Grant (RSG) for one more year in 2020/21, but this has not been confirmed by the Government. The modelling in this report shows different scenarios, one which assumes that negative RSG will remain for 2020/21 onwards in some form (e.g. as part of the business rates baseline) and one where it is assumed that negative RSG is excluded for 2020/21 and will not impact on the Council until 2021/22 – i.e. a delay of implementation of one year.
- 2.3 Negative RSG is currently estimated to be £400,000 per annum which would be deducted off the Council's business rates funding and represents negative Government grant (it is effectively the Council's further predicted funding cuts). The Council would need to pay this money (£400,000) over to the Government out of its business rates income.
- 2.4 The new Chancellor (Sajid Javid) has announced that there will be a one year Spending Review covering the period 2020-21, with a multi-year (covering more than one year) Spending Review held thereafter.
- 2.5 Rishi Sunak (Chief Secretary to the Treasury) announced that the Government's Priorities in the Spending Review will be: "We will invest in the priority areas of schools and policing, while delivering our promises on the NHS, defence and Official Development Assistance (ODA)." It is noted that local government is not mentioned as a priority for funding by Rishi Sunak – therefore investment for local Councils is not a stated priority.
- 2.6 The Chancellor announced the Spending Review for 2019 on 4th September. The Council is awaiting a technical consultation to be announced by the Government but it is thought that the key elements will be as below. The Council Tax Referendum limit is likely to be proposed at 2% for District Councils. It has not yet been confirmed whether this would also include the normal £5 limit and officers are anticipating it will be a 2% or £5 council tax limit for District Councils – whichever is the higher.
- 2.7 It is probable that there will be funding to remove negative Revenue Support Grant (RSG) for one year in 2020/21, but this has not been confirmed. In addition, legacy payments for New Homes Bonus are likely to be honoured but the scheme for 2020/21 is still for

discussion with Ministers. Reform of the Business Rates Retention Scheme and the Fairer Funding Review will both be delayed until 2021/22. Individual Council funding figures for 2020/21 are due to be released in December with the Local Government Finance Settlement.

3 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES

- 3.1 The last pay offer covered the two years up to 31 March 2020. A 1% pay increase has been modelled from 2020/21 onwards. In view of past national agreements, consideration may need to be given to this being increased for modelling purposes to say 2%. The Medium Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council.
- 3.2 The report assumes inflation will run at 2.5% over the five year period. The Consumer Prices Index (CPI) was 2.0% in July 2019.
- 3.3 The predicted interest rate forecast from our treasury management advisors, Link Services, is that interest rates will remain at 0.75% up to December 2020. By March 2022 the bank base rate is predicted to increase to 1.5%.
- 3.4 An increase in council tax of the higher of £5 or 2% for the next five years has been modelled for council tax purposes. This would equate to a Band D council tax for South Hams of £170.42 in 2020/21 as shown in Appendices B1 and B2 and equates to a council tax increase of 3.02% (an increase of £5). A 1% increase in council tax generates £64,000.
- 3.5 It has been assumed that the number of properties within the District will increase by 600 per annum from 2020/21 to 2024/25 – this is an increase of approximately 1.6% and is based on projections from the Strategic Planning team.

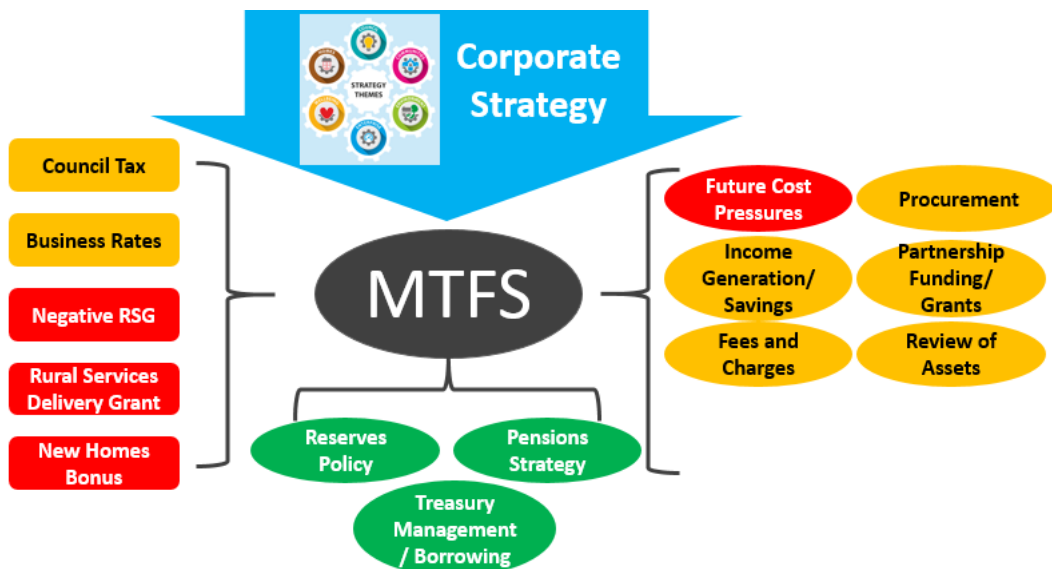
4. THE COMPONENTS MAKING UP A MEDIUM TERM FINANCIAL STRATEGY (MTFS)

- 4.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Appendix C goes through each of these components in detail and makes recommendations where appropriate. The recommendations are summarised below.

Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFS where the Council has a degree of control. Red items signal components where the Council has

hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.

Net Budget £8.8 million 2019/2020



Council Tax

- 4.2 Members have options to either freeze council tax or to raise council tax anywhere between zero and the higher of £5 or 2% (this is assumed to be the council tax referendum limit for 2020/21 – this has not been confirmed by the Government). Anything above 2%/£5 would require a council tax referendum, which is a costly exercise. Recent funding settlements from the Government are based on the assumption that Councils increase council tax by the maximum allowed. The actual council tax for any given year will be decided by Council in the preceding February. (The council tax for 2020/21, the SHDC share, will be set at the Council meeting on 13th February 2020).

A £5 increase in council tax for 2020/21 would equate to an increase of 3.02% and a Band D council tax for SHDC of £170.42.

Recommendation 1: To set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to enable the continued delivery of services. The actual council tax for any given year will be decided by Council in the preceding February.

Business Rates

- 4.3 The income from Business Rates which South Hams District Council retained in 2018-19 was the funding baseline of £2,262,987 plus the pilot gain of £575,000. Estimates have been made of the Baseline

funding Level for 2020/21 onwards as set out in Appendix B. This is £1.94m for 2020/21 and £1.99m for 2021/22. The reform of Business Rates will now be delayed until 2021-22.

Recommendation 2: To respond to any Government announcement/consultation on Business Rates Reform.

Recommendation 3: To continue to actively lobby and engage with the Government, Devon MPs and other sector bodies such as the District Councils Network and the Rural Services Network, for a realistic business rates baseline to be set for the Council for 2020 onwards and for when the business rates reform is introduced for 2021-22.

Negative Revenue Support Grant and Rural Services Delivery Grant (RSDG) for 2020-21 onwards

The negative RSG currently included within the Council's modelling for 2020/21 amounts to £400,000. If the Government eliminates this, as an outcome of the one year Spending Review for 2020/21, the Council's budget position is bettered by £400K for 2020/21. However the benefit of this is likely to only be for one year, with negative RSG expected to be implemented in full in 2021/22 – so it just gives the Council longer to prepare for the extra cuts in funding. If the position changes, the MTFS will be updated to reflect this.

It is probable that there will be funding to remove negative Revenue Support Grant (RSG) for one year in 2020/21, but this has not been confirmed.

Rural Services Delivery Grant (RSDG) – The Council currently receives an allocation of £408,055 per annum for this grant which is given to Councils to compensate for the extra costs of delivering services in rural areas. The Government has not indicated what RSDG allocations will be for 2020-21 onwards (The financial modelling for 2020-21 onwards assumes that this grant will continue at the same level of £408K per annum).

Recommendation 4: That SHDC continues to lobby in support of the Government eliminating Negative Revenue Support Grant in 2020/21 (and thereafter) and continues to lobby for Rural Services Delivery Grant allocations which adequately reflect the cost of rural service provision.

New Homes Bonus (NHB)

- 4.4 The Government has stated that 2019/20 represents the final year of NHB funding and from 2020 onwards they will explore how to incentivise housing growth most effectively and will consult on this issue. The financial modelling has included using £500,000 of New Homes Bonus funding for 2020/21 to fund the revenue base budget and this has then been reduced to £350,000 in 2021/22 and £250,000

in 2022/23 for modelling purposes. The Council is awaiting announcements from the Government on how New Homes Bonus is going to be reformed. Legacy payments for New Homes Bonus are likely to be honoured but the scheme for 2020/21 is still for discussion with Ministers.

- 4.5 For 2019/20 there are no changes to the New Homes Bonus baseline of 0.4% (the previous concern was that this could be increased to 0.6%). The baseline is the proportion of housing growth which is deducted as 'natural growth as such' before New Homes Bonus is paid to a Council – this is the equivalent of 179 properties for South Hams. So the Council receives no New Homes Bonus on the first 179 properties of property growth per year. The Council's New Homes Bonus allocation for 2019/20 was £1,226,862.

Recommendation 5: To use £500,000 of New Homes Bonus funding for 2020-21 (or any alternative scheme) to fund the revenue base budget and then reduce to £350,000 by 2021-22 and £250,000 by 2022-23 for modelling purposes.

Reserves Policy

- 4.6 The current levels of Reserves are £1.9 million Unearmarked Reserves and Earmarked Reserves of £13.3 million. The Council's Net Budget is £8.83 million for 2019/20. Therefore Unearmarked Reserves equate to 21.5% of the Council's Net Budget. A full list of Earmarked Reserves is shown in Appendix D.
- 4.7 As part of the Medium Term Financial Strategy report, it is recommended to approve the same policy of maintaining a minimum level of Unearmarked Reserves of £1.5 million. The Unearmarked Reserves (General Fund) balance of £1.898 million stands above the minimum balance of £1.5 million and acts as a safeguard against unforeseen financial pressures. Given the increase in financial risks which the Council faces through undertaking additional borrowing of up to a limit of £75 million, the Council should consider increasing this level through a stepped increase over the next five years, to reflect the new level of risks.

Recommendation 6: That the Council maintains a policy of a minimum level of Unearmarked Reserves of £1.5 million and that the annual level of contributions to Earmarked Reserves (£684,300 as per Appendix E) and the adequacy of the existing level of Unearmarked Reserves (£1.9 million) and Earmarked Reserves (£13.3 million) is reviewed by Members as part of the budget setting process. This will assess the adequacy of Reserves levels, in light of future plans and pressures.

Pensions Strategy (Actuarial Valuation)

- 4.8 The Council has taken specialist pension advice on the options for the Council's Pension position (informing the actuarial valuation), with the aim of reducing the current deficit contributions, increasing affordability, whilst best managing the pension deficit. Options were presented to the Council's Audit Committee on 31st January and this work is being progressed by the S151 Officer in accordance with the timetable for the Triennial Pension Revaluation.

Recommendation 7 - That the Council continues dialogue with the actuaries of the Devon Pension Fund and DCC on the options for the Council's Pension position, with the aim of reducing the current contributions, increasing affordability, whilst best managing the pension deficit. One option the Council could consider is paying off some or all of the Deficit in a lump sum. This will be modelled, with a report being presented to Members by January 2020 on this option with both the costs and the benefits, once the results of the Triennial Pension Revaluation are known.

Treasury Management and Borrowing Strategy

- 4.9 The Council has taken external treasury management advice on the Council's overall borrowing levels and debt levels (see Exempt Appendix G to the Medium Term Financial Strategy in September 2018). The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy (MTFS) in September 2018 of £75 million. In March 2019, the Council approved its Capital Strategy and Treasury Management Strategy which contained the new requirements issued by MHCLG in February 2018 of the new guidance.
- 4.10 The Council needs to re-consider its borrowing limit as part of this MTFS in September 2019. Officers are not recommending any change to the current borrowing limit of £75 million. The previous treasury management advice on an appropriate and proportional borrowing limit for Borough Council was based on a range of benchmarking of indices. Borrowing needs to be proportionate and affordable and with always having regard to the risks involved in the repayment of the debt.

Recommendation 8 – That the Council maintains an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million.

Income Generation/Savings and Fees and Charges

- 4.11 The Council's Extended Leadership Team will present further budget options to Members for income generation/savings/reduced expenditure, as part of the Budget Setting Workshop being planned for late September/early October.

Procurement

- 4.12 A separate report was considered in July 2019 for the IT procurement. This report considered the options available for procuring an IT platform which meets the Councils' customer satisfaction aspirations, and digital vision, and describes the rationale and methodology used in arriving at a recommendation.

Partnership Funding/Grants

- 4.13 Partnership Funding levels for 2020/21 onwards is a separate report on the Executive agenda for the meeting on 19 September 2019. That report recommends that the Executive adopts a commissioning model to award partnership funding from 2020-23, based on one or all of the following:
- i) local need;
 - ii) alignment to the Council's Corporate Strategy; and
 - iii) statutory duty;

Commercial Property and Review of Assets

- 4.14 The Council's Asset Base is £91 million at 31 March 2019. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.
- 4.15 In July 2019, the Executive considered reports on the Kingsbridge hotel, Ivybridge Regeneration and Dartmouth Health and Wellbeing Hub development. Consultation on the Kingsbridge and Ivybridge schemes will be taking place at the end of September and stakeholders e.g. Members, residents, businesses, will be made aware of how to engage in the consultation process.

Council Tax Support Grant (CTSG) for 2020/21 onwards

- 4.16 The Council is consulting with all of the Town and Parish Councils within the District, on the basis that the District Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils with effect from 1st April 2020 (by a 50% reduction per annum over the next two years), in order to allow time for Town and Parish Councils to plan for the reduction in their budget setting processes. This is also in line with the reduction of the Grant to Nil that other Devon District Councils have implemented and given the number of years which have passed since Council Tax Benefit was abolished in 2014.
- 4.17 The Council is mindful of the need for the District Council and the Town and Parish Councils to work together collaboratively to deliver services to our residents to effect real change for our communities.

- 4.18 The Council has requested responses back from Town and Parish Councils by the end of September 2019 and the results will be presented to Members at the Executive meeting on 31st October 2019.

5 BUDGET PRESSURES, SAVINGS AND INCOME GENERATION

- 5.1 Financial modelling has been undertaken for the next five years to predict the Council's financial situation for the short and medium term.

- 5.2 **Appendix A** to the Medium Term Financial Strategy sets out the Budget Pressures forecast for the next five years and the additional savings and income forecast. **These figures in Appendix A show the changes to the existing base budget.**

(As set out in Appendix A)	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Cost Pressures	1,125,762	515,761	335,000	335,000	335,000
Contribution to Earmarked Reserves	(30,000)	180,000	130,000	130,000	78,000
Savings and additional income	(515,627)	(424,870)	(139,196)	(12,100)	(2,100)

- 5.3 On 5 September 2019 the Overview and Scrutiny Panel considered a report on Planning Enforcement, which contained a recommendation (to Executive on 19th September and Council on 26th September) for two additional permanent case managers for Planning Enforcement.

- 5.4 The two posts are recommended to be funded from the Planning Earmarked Reserve in 2019/20 and will be built into the budget setting process as a cost pressure for 2020/21 onwards in the next budget report, if approved (these posts are not yet included as a cost pressure within the financial modelling in Appendices A and B). The annual cost pressure will be £50,078 (SHDC share of the cost).

6. OVERALL POSITION – BUDGET GAP

- 6.1 Appendices A, B1 and B2 illustrate the overall financial forecast for the forthcoming five years. The Council's Net Budget is £8.8 million in 2019/20.

- 6.2 A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if Council Tax is increased by the higher of 2% or £5 (Appendices B1 and B2).

6.3 The following table illustrates the predicted budget gap from 2020/21 onwards for the Council as shown in Appendices A and B1 and B2:

(Two scenarios are shown – Appendix B1 which includes negative RSG in 2020/21 and Appendix B2 which excludes negative RSG in 2020/21)

Cumulative Budget Gap	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	Total Aggregated Budget Gap £
Modelling in Appendix B1 (Includes Negative RSG in 2020/21)	495,992	413,733	382,386	474,135	596,448	2,362,694
Modelling in Appendix B2 (Excludes Negative RSG in 2020/21)	95,992	413,733	382,386	474,135	596,448	1,962,694

6.4 In the Financial Modelling in Appendix B1 (including Negative RSG in 2020/21), the total budget gap is £495,992 in 2020/21 and this is predicted to decrease to £413,733 in 2021/22 (the £413,733 assumes the budget gap in 20/21 of £495,992 has not been closed). The aggregated Budget Gap is £2.36 million over the five years.

6.5 In the Financial Modelling in Appendix B2 (excluding Negative RSG in 2020/21), the total budget gap is £95,992 in 2020/21 and this is predicted to increase to £413,733 in 2021/22 (the £413,733 assumes the budget gap in 20/21 of £95,992 has not been closed). The aggregated Budget Gap is £1.96 million over the five years.

6.6 The Budget Gap in both Appendices B1 and B2 would increase by £50,078 if the two Planning Enforcement posts are approved.

7 FINANCIAL SUSTAINABILITY AND TIMESCALES

7.1 The Council is progressing various options for closing the budget gap in 2020/21 and future years, to achieve long term financial sustainability. The table below sets out a timescale for those options and the various strands that the Council is exploring.

Option	Possible Budget Impact	Timescale
<p>Pensions Strategy (Actuarial Valuation) The Council has received specialist pensions advice on its Pensions position (informing the actuarial valuation). Options were reported to the January Audit Committee and the S151 Officer is progressing this work with the Pensions team at Devon County Council and the actuaries.</p> <p>One option the Council could consider is paying off some or all of the Deficit in a lump sum. This will be modelled, with a report being presented to Members by January 2020 on this option with both the costs and the benefits.</p>	<p>Up to £200,000</p>	<p>Report to the Audit Committee in January 2019. New pension contributions for the three years 2020/21 to 2022/23 are likely to be notified to the Council by December 2019.</p> <p>Report of options by January 2020</p>
<p>Council Tax Support Grant The grant to Town and Parish Councils has been reduced by 9.85% over the four year period of the finance settlement from 2016/17 to 2019/20.</p> <p>Council has approved to consult with all of the Town and Parish Councils within the District, on the basis that the District Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils with effect from 1st April 2020 (by a 50% reduction per annum over two years), in line with the reduction to Nil that other Devon District Councils</p>	<p>£74,000 for 2020/21 Onwards</p>	<p>To be considered as part of the 2020/21 Budget process</p> <p>The results of the consultation exercise will be reported back to Members at the Executive meeting on 31st October 2019.</p>

Option	Possible Budget Impact	Timescale
<p>have implemented and given the number of years which have passed since Council Tax Benefit was abolished in 2014.</p>		
<p>Asset Review/ Corporate Property Strategy There was a separate report on the Executive agenda in December 2018 For 'Commercial Development Opportunities' See Section 4.15</p>	<p>Initial income projections have been included within the budget</p>	<p>Regular updates will be provided to Members.</p>
<p>Extended Leadership Team (ELT) Budget options The Council's Extended Leadership Team have been directed by the Executive to present further budget options to Members for income generation/savings/reduced expenditure for 2020/21, taking into consideration the Council's corporate strategy and the latest budget position.</p>	<p>To be quantified</p>	<p>October 2019</p>
<p>Funding Options</p>		
<p>Negative Revenue Support Grant Negative Revenue Support Grant (RSG) for 2019/20 of £400,000 was eliminated by the Government for one year.</p> <p>It is probable that there will be funding to remove negative Revenue Support Grant (RSG) for one year in 2020/21, but this has not been confirmed.</p>	<p>Negative RSG of £400,000 for 2020/21 onwards has been built into this budget report in Appendix B1.</p> <p>Appendix B2 shows the position if negative RSG is excluded for 2020/21.</p>	<p>The position for 2020/21 onwards has not been formally confirmed and it is hoped that this will be announced as part of the Local Government Finance Settlement in December 2019.</p>

Option	Possible Budget Impact	Timescale
<p>New Homes Bonus allocations for 2020/21 onwards</p> <p>The Government has stated that 2019/20 represents the final year of NHB funding and from 2020 onwards they will explore how to incentivise housing growth most effectively and will consult on this issue. Legacy payments for New Homes Bonus are likely to be honoured but the scheme for 2020/21 is still for discussion with Ministers.</p> <p>The financial modelling has included using £500,000 of New Homes Bonus funding for 2020/21 to fund the revenue base budget and this has then been reduced to £350,000 in 2021/22 and £250,000 in 2022/23 for modelling purposes</p> <p>The Council is awaiting announcements from the Government on how New Homes Bonus is going to be reformed. This remains a risk for the Council.</p>	<p>To be assessed</p> <p>It is not known what NHB allocations (or a similar scheme) will be in future years when the NHB scheme is replaced.</p>	<p>Awaiting further announcements from the Government</p>
<p>Contributions to Earmarked Reserves</p> <p>The Council could vary the amount of contribution into some of the Earmarked Reserves. This will be considered in more detail as part of the budget process.</p> <p>Contributions to Earmarked Reserves are shown in Appendix E.</p>	<p>To be Assessed</p>	<p>To be decided as part of the Budget Process</p>
<p>Use of Reserves as a temporary measure</p> <p>The Council could temporarily utilise Reserves to balance an element of the 2020/21 budget, whilst longer term solutions are being implemented. This would be a very short term solution though.</p> <p>The current levels of Reserves are</p>	<p>To be Assessed</p>	<p>To be decided as part of the Budget Process</p>

Option	Possible Budget Impact	Timescale
£1.9 million Unearmarked Reserves and Earmarked Reserves of £13.3 million.		

8. CAPITAL PROGRAMME AND PRUDENTIAL BORROWING

8.1 The Capital Programme is set by the Council annually and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing. Bids to the Capital Programme will be presented to Members by December 2019.

8.2 **Commercial Property Acquisition Strategy** – The Council has agreed a commercial property acquisition strategy of up to £60 million.

In July 2019, the Executive considered reports on the Kingsbridge hotel, Ivybridge Regeneration and Dartmouth Health and Wellbeing Hub development as detailed in 4.15 of this report. Purchases made within the strategy will be capital expenditure. A report on the updated Commercial Investment Strategy to include the renewable energy sector was a separate report on the July 2019 Executive agenda. The Council is progressing work on the business case for the renewable energy sector.

8.3 **Prudential Borrowing** - The Council will consider the use of prudential borrowing to support capital investment to deliver services and will ensure that the full costs of borrowing are taken into account when investment decisions are made.

8.4 An overall Borrowing Limit (£75 million) has been approved as part of the Medium Term Financial Strategy, with £60 million being for the Commercial Investment Strategy and £15 million for other borrowing requirements.

9. Sensitivity Analysis and Risk Analysis

9.1 The Council carries out sensitivity analysis and risk analysis of its Budget Proposals on an annual basis and this is shown in Appendix F.

10 PROPOSED WAY FORWARD

10.1 The MTFs is the starting point for developing a meaningful five year strategy that sets out the strategic intention for all of the different strands of funding available to the Council. The Council will then be able to rely on this to inform future decisions. The different elements that make up a Medium Term Financial Strategy are shown in the

diagram in 4.1 and Appendix C. This report is asking Members to set the strategic intention for each of these components of the MTFs.

11. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Council is responsible for approving the budget framework. It is the role of the Overview and Scrutiny Panel to scrutinise the Budget proposals being proposed by the Council on an annual basis. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of the Budget annually is evidence that the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements and, in particular, that it will set a lawful budget.</p>
Financial Implications to include reference to value for money	Y	<p>In the Financial Modelling in Appendix B1 (including Negative RSG in 2020/21), the total budget gap is £495,992 in 2020/21 and this is predicted to decrease to £413,733 in 2021/22 (the £413,733 assumes the budget gap in 20/21 of £495,992 has not been closed). The aggregated Budget Gap is £2.36 million over the five years.</p> <p>In the Financial Modelling in Appendix B2 (excluding Negative RSG in 2020/21), the total budget gap is £95,992 in 2020/21 and this is predicted to increase to £413,733 in 2021/22 (the £413,733 assumes the budget gap in 20/21 of £95,992 has not been closed).</p>

		<p>The aggregated Budget Gap is £1.96 million over the five years.</p> <p>The recommendations adopted and the annual budget setting process will ensure the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Council's auditors, Grant Thornton, provided an unqualified value for money opinion for the District Council for 2018-19, which was reported to the Council's Audit Committee in July 2019.</p> <p>The Budget Gap in both Appendices B1 and B2 would increase by £50,078 if the two Planning Enforcement posts are approved.</p>
Risk	Y	Each of the budget options taken forward by Members will consider the risks of the option.
Supporting Corporate Strategy		The Budget report supports all six of the Corporate Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Comprehensive Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Budget pressures and savings

Appendix B1 – Modelling of the Budget (MTFS) Position including negative RSG in 2020/21

Appendix B2 – Modelling of the Budget (MTFS) Position excluding negative RSG in 2020/21
Appendix C – Components of a MTFS
Appendix D – Schedule of Reserves (Unearmarked and Earmarked)
Appendix E – Contributions to Earmarked Reserves
Appendix F – Sensitivity Analysis

Background Papers

Council – 21st February 2019 – Budget Proposals 2019-20 onwards update report

Executive – 13th September 2018 – Medium Term Financial Strategy 2019/20 to 2023/24

Executive – 18th July 2019 – Medium Term Financial Position for 2020/21 onwards

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BUDGET PROPOSALS 2020/21 SEPTEMBER 2019
(This shows the changes to the existing Base Budget)

APPENDIX A

	BASE	Yr1	Yr2	Yr3	Yr 4	Yr 5
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£	£
BUDGET PRESSURES						
Inflation and increases on goods and services	220,000	110,000	110,000	110,000	110,000	110,000
Torr Quarry Transfer Station	142,500					
Triennial Pension revaluation		25,000				
Salaries - provision for pay award at 1% for 20/21 onwards	280,000	70,000	70,000	70,000	70,000	70,000
Waste collection, recycling and cleansing contract (estimate)		130,000	130,000	130,000	130,000	130,000
National Living Wage and National Insurance	50,000	50,000	25,000	25,000	25,000	25,000
Additional Level 5 Planning Specialist post (shdc share of costs of 60%)	29,000					
Employer's pension costs - Waste collection, recycling and cleansing contract	290,000					
Depot annualised costs - Waste collection, recycling and cleansing contract	22,200	60,762	60,761			
Devon aligned service for waste		175,000	175,000			
Implementation costs for Devon aligned service for waste (one-off) This is additional staffing support for implementation such as roadshows, communications and customer services support.		125,000	(125,000)			
Reduction in recycling income	125,000	65,000				
Blue and Clear recycling bag processing (safe working practice requirement)	75,000					
Haulage contract	60,000					
Reduction in Housing Benefit administration subsidy and Council Tax Support Admin Grant	15,000					
Car parking costs - collection fees	25,000					
ICT future service provision		150,000				
ICT support contracts - increase the budget to better align to actual expenditure	50,000					
Housing Benefit overpayment recoveries		100,000	70,000			
Payment collection expenses		25,000				
Maintenance of trees		40,000				
TOTAL BUDGET PRESSURES	1,383,700	1,125,762	515,761	335,000	335,000	335,000

Changes to contributions to Earmarked Reserves

Reduce the contribution from the New Homes Bonus Reserve (assumes a contribution of £500,000 in 2019/20 and 2020/21 with reduced contributions from 2021/22 onwards)	141,084		150,000	100,000	100,000	50,000
Vehicle Fleet Replacement Reserve (Council 6th December 2018)	60,000					
Contribution to Economic Regeneration Projects Reserve (Business Rates Pilot gain). This contribution is one-off for 2018/19 only.	(475,000)					
Reduce contribution to Land and Development Reserve	(43,000)					
Dartmouth Ferry - to increase annual contribution to £235,000 by 2024/25		30,000	30,000	30,000	30,000	28,000
Transformation Project (T18) - Approved at 11 December 2014 Council Contribution to Strategic Change Reserve to meet pension strain costs	(150,000)	(60,000)				
Total changes in contributions to Earmarked Reserves	(466,916)	(30,000)	180,000	130,000	130,000	78,000

BUDGET PROPOSALS 2020/21 SEPTEMBER 2019
(This shows the changes to the existing Base Budget)

APPENDIX A

SAVINGS AND INCOME GENERATION IDENTIFIED	Yr1	Yr2	Yr3	Yr 4	Yr 5	Yr 5
	2019/20	2020/21	2021/22	2022/23	2023/24	2023/24
	£	£	£	£	£	£
Boat Storage Charges (as per Fees and Charges report)	(3,000)					
Duty Planning - charged appointment basis (as per Fees and Charges report)	(9,000)					
Savings from re-procurement of contracts (e.g. leisure contract)	(22,000)	(165,000)	(105,000)	(76,000)	0	
Procurement of waste collection, recycling and cleansing contract (Note - The employer's pension costs of £290,000, the depot annualised costs of £22,200 and the increase to the Vehicle Earmarked Reserve of £60,000 are deducted from this figure to show the total net annual saving as per the report to Council on 6th December 2018)	(658,351)	(129,674)	(129,672)			
Income from Commercial Developments (Executive 13/12/18)			(115,911)	(41,096)		
Planning fee income	(40,000)					
Dartmouth Lower Ferry	(25,000)					
Public Conveniences - Pay on Entry, contributions and transfer to Parish Council/ closure 1.9.2019 where agreement has not been reached for transfer - Includes rate relief from 2020 - Savings as set out in the Executive report 22nd November 2018	(118,275)	(112,053)	(5,187)			
Other budget savings (cessation of Communities Together Fund)	(7,000)					
Reduce partnership grant funding to the CVS (£12,600) and South Devon AONB (£9,700)	(22,300)					
Advertising on website and e-bulletins	(3,500)					
Corporate consultancy income	(20,000)					
Energy Certificate for Eco Schemes	(10,000)					
Food and Health and Safety advice	(3,000)					
Increase investment in CCLA from £1.5m to £3.5m (treasury management income) - Appendix F	(60,000)					
Dartmouth Park and Ride - charging review			(30,000)	(20,000)	(10,000)	
Senior Leadership Team - Interim arrangement (£34,000) - Restructure (£60,000) as per July 2019 Council report	(34,000)	(60,000)				
Review ICT contracts	(10,300)	(6,300)				
Review cleaning contract Follaton	(5,000)					
Vehicle Trackers	(2,900)					
Digital Downloads of Planning applications	(3,500)	(3,500)				
Implement e-billing for Council Tax	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Council Tax Support Grant - proposal to reduce by 50% per annum over two years	(8,000)	(37,000)	(37,000)			
TOTAL SAVINGS AND INCOME GENERATION	(1,067,226)	(515,627)	(424,870)	(139,196)	(12,100)	(2,100)

Appendix B1 - Council Tax is increased by the higher of £5 or 2% each year						
(Including Negative RSG of £400,000 in 2020/21)						
Line No.	BASE 2019/20 £	Yr 1 2020/21 £	Yr 2 2021/22 £	Yr 3 2022/23 £	Yr 4 2023/24 £	
No. Modelling for the financial years 2020/21 onwards						
1	8,983,194	8,832,752	8,916,895	9,270,045	9,627,196	9,9
2	1,383,700	1,125,762	515,761	335,000	335,000	3
3	(1,067,226)	(515,627)	(424,870)	(139,196)	(12,100)	
4	(466,916)	(30,000)	180,000	130,000	130,000	
5	8,832,752	9,412,887	9,187,786	9,595,849	10,080,096	10,3
Funded By:-						
(See Note 1 below regarding New Homes Bonus funding)						
6	6,315,689	6,608,840	6,907,990	7,213,141	7,524,292	7,8
7	112,000	100,000	100,000	100,000	100,000	1
8	1,897,008	1,944,000	1,994,000	2,046,000	2,096,000	2,0
9		(400,000)	(400,000)	(400,000)	(400,000)	(4,0
10	100,000	100,000	100,000	100,000	100,000	1
11		156,000	160,000	160,000	160,000	1
12	408,055	408,055	408,055	408,055	408,055	4
13	8,832,752	8,916,895	9,270,045	9,627,196	9,988,347	10,2
Budget Gap per year						
14	0	495,992	(82,259)	(31,347)	91,749	1
Actual Predicted Cumulative Budget Gap						
	0	495,992	413,733	382,386	474,135	5
Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)						
	0	495,992	909,725	1,292,111	1,766,246	2,3
Modelling Assumptions:						
Council Tax (Band D) (Modelling the higher of £5 or a 2% increase)	165.42	170.42	175.42	180.42	185.42	
Council Tax Base (Assumes an increase in Band D Equivalent properties of 600 per annum)	38,179.72	38,779.72	39,379.72	39,979.72	40,579.72	41,

Note 1 - New Homes Bonus Funding

The modelling for 2020/21 includes a contribution of £500,000 from New Homes Bonus (NHB) funding to fund the Base Budget. Appendix A shows the movement between years of the funding from NHB. Funding from NHB will reduce from 2021/22 onwards.

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Appendix B1 - Council Tax is increased by the higher of £5 or 2% each year						
Line (Excluding Negative RSG of £400,000 for 2020/21)						
No. Modelling for the financial years 2020/21 onwards	BASE 2019/20 £	Yr 1 2020/21 £	Yr 2 2021/22 £	Yr 3 2022/23 £	Yr 4 2023/24 £	
1 Base budget brought forward	8,983,194	8,832,752	9,316,895	9,270,045	9,627,196	9,9
2 Budget pressures (as per Appendix A)	1,383,700	1,125,762	515,761	335,000	335,000	3
3 Savings already identified (as per Appendix A)	(1,067,226)	(515,627)	(424,870)	(139,196)	(12,100)	
4 Changes in contributions to Earmarked Reserves (App A)	(466,916)	(30,000)	180,000	130,000	130,000	
5 Projected Net Expenditure:	8,832,752	9,412,887	9,587,786	9,595,849	10,080,096	10,3
Funded By:-						
(See Note 1 below regarding New Homes Bonus funding)						
6 Council Tax income - Modelling a £5 increase in 2020/21	6,315,689	6,608,840	6,907,990	7,213,141	7,524,292	7,8
7 Collection Fund Surplus	112,000	100,000	100,000	100,000	100,000	1
8 Localised Business Rates (baseline funding level)	1,897,008	1,944,000	1,994,000	2,046,000	2,096,000	2,0
9 Tariff/Top Up Adjustment amount (negative RSG)			(400,000)	(400,000)	(400,000)	(400,000)
10 Business Rates Pooling Gain	100,000	100,000	100,000	100,000	100,000	100,000
11 Business Rates - changes to Baseline Need following the Reset		156,000	160,000	160,000	160,000	160,000
12 Rural Services Delivery Grant	408,055	408,055	408,055	408,055	408,055	408,055
13 Total Projected Funding Sources	8,832,752	9,316,895	9,270,045	9,627,196	9,988,347	10,2
Budget Gap per year						
14 (Projected Expenditure line 5 - Projected Funding line 13)	0	95,992	317,741	(31,347)	91,749	1
Actual Predicted Cumulative Budget Gap						
	0	95,992	413,733	382,386	474,135	5
Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)						
	0	95,992	509,725	892,111	1,366,246	1,9
Modelling Assumptions:						
Council Tax (Band D) (Modelling the higher of £5 or a 2% increase)	165.42	170.42	175.42	180.42	185.42	
Council Tax Base (Assumes an increase in Band D Equivalent properties of 600 per annum)	38,179.72	38,779.72	39,379.72	39,979.72	40,579.72	41,

Note 1 - New Homes Bonus Funding

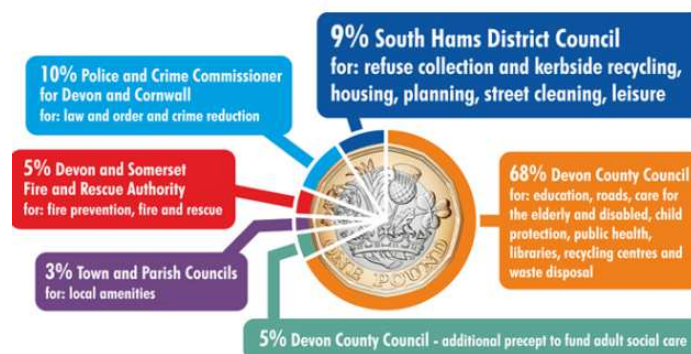
The modelling for 2020/21 includes a contribution of £500,000 from New Homes Bonus (NHB) funding to fund the Base Budget. Appendix A shows the movement between years of the funding from NHB. Funding from NHB will reduce from 2021/22 onwards.

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Council Tax



- Average Band D total bill was £1,913 for 2019-20 (SHDC Band D of £165.42 equates to a 9% share of the council tax bill)



- 2019/20 increase of £5 to £165.42 (3.12%) – a 1% increase raises £63,000
- Government Council Tax referendum threshold higher of £5 or 2.99% for 2019-20. The Council Tax Referendum limit is likely to be proposed at 2% for District Councils for 2020-21. It has not yet been confirmed whether this would also include the normal £5 limit and officers are anticipating it will be a 2% or £5 council tax limit for District Councils – whichever is the higher.
- The Government has not announced any plans to change the council tax system or to carry out a council tax revaluation within the near future. In 2018/19 the Council had 43,998 properties on the Valuation List, the make of up of which was 4,977 (Band A), 8,621 (Band B), 8,628 (Band C), 7,985 (Band D), 6,718 (Band E), 3,709 (Band F), 3,020 (Band G) and 340 properties in Band H. There are more Band C properties in the District than any other Band (representing 20%).
- **Council Tax Strategy Options:** Members have options to either freeze council tax or to raise council tax anywhere between zero and £5 (or 2%). Anything above £5 (or 2%) will require a council tax referendum (limits to be confirmed for 2020-21), which is a costly exercise. Recent funding settlements from the Government are based on the assumption that Councils increase council tax by the maximum allowed.

Recommendation 1: To set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to enable the continued delivery of services.

If this recommendation were to be agreed, it would have the following impact on council tax:

Council Tax	2019/20 CURRENT YEAR	2020/21 Year 1	2021/22 Year 2	2022/23 Year 3	2023/24 Year 4	2024/25 Year 5
Band D	£165.42	£170.42	£175.42	£180.42	£185.42	£190.42
£ Increase		£5.00	£5.00	£5.00	£5.00	£5.00

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Business Rates

- Self-sufficient local government: Business Rates Retention (BRR) of **growth above the business rates baseline**. The Government introduced the BRR system in April 2013 with the aim of providing a direct link between business rates growth (economic growth) and the money councils have to spend on local services.
- The title of the scheme (Business Rates Retention) has caused public confusion – as it implies that Councils are able to keep 40% of **all of** the business rates that they collect. This is not the case. Councils are only able to keep a share of any business rates growth above a baseline set by the Government.
- The baseline is the amount of money that the Government has assessed that the Council needs to keep to fund its services, based on a needs formula. The Baseline is around £1.9 million for South Hams for 2019/20. Out of the total business rates of £31 million, the Council currently keeps approximately 6 pence in every £1 to run its services. The rest is paid back to the Government and a proportion goes to Upper Tier Councils e.g. the County Council, to pay for their services.
- There is a risk of volatility in the system because Councils are exposed to any loss of income if businesses go into decline. The Council retains a Business Rates Volatility Earmarked Reserve to cope with any fluctuations in business rates.
- Since 2013/14 (when Business Rates Retention was introduced with a 50% scheme), the Council has been part of a Devonwide Business Rates Pool which has included all of the Devon District Councils (except South Hams for some of the latter years), Plymouth City Council (Lead Authority), Devon County Council and Torbay Unitary Council. The Pool has made Pooling gains every year and South Hams receives a share of the gains. The table below shows the business rates position from the 2018/19 Accounts.
- The Income from Business Rates (receivable in 2018/19) was £31.03million. The amount which was retained by the Council (40% share less the tariff less other adjustments) was the funding baseline of £2,262,987 (£1,854,932 plus £408,055 of rural services delivery grant) plus the pilot gain of £575,000.



Business Rates Pilot 18/19

- In 2018/19 the Devon Authorities applied to the Government to be a business rates Pilot area and Devon was chosen by the Government to be one of ten Pilot areas nationally.
- South Hams benefitted by approximately £575,000. This was one-off additional revenue money for the year of the pilot only (2018-19). Of this amount, £100,000 was used to fund the revenue base budget in 2018/19, with the remainder (£475,000) being transferred into an Economic Regeneration Projects Earmarked Reserve, to meet the primary aims of the Pilot bid which were to achieve higher levels of investment in economic regeneration in Devon and encourage further business rates growth.
- South Hams is a low growth area. South Hams is a beneficiary of the pooling and pilot arrangements as the growth across the whole of Devon is divided up amongst all Devon Councils
- As Council funding is more reliant on business rates income, it puts South Hams in a more precarious position than most Councils due to its low growth and it is extremely important that the Council remains within the Devon pooling arrangements.
- The diagram below compares the split of business rates income under the 50% scheme (from 2013/14 to 2017/18) to the 100% scheme (Pilot status in 2018/19) to the 75% scheme which could be rolled out nationally from 2020/21 onwards.

Split of business rates income	50% scheme (Devon Pool) From 2013/14	100% scheme (Devon Pilot status) 2018/19 only	75% scheme (could be rolled out nationally)
SHDC (see note)	40%	40%	40%
Central Government	50%	Nil	25%
DCC	9%	59%	34%
Fire	1%	1%	1%
Total	100%	100%	100%

NOTE: Even though South Hams starts off with a 40% share, a tariff is then deducted and paid over to Central Government, and therefore the amount of money South Hams ends up keeping is its business rates baseline funding amount plus any Pooling or Pilot Gain each year.

Business Rates Baseline Re-set

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The future for Business Rates in 2020 onwards

- One of the largest financial risks that the Council is facing is around how the Government will re-set the Business Rates Baseline for the Council in 2020 onwards when the 75% scheme is rolled out nationally. Many factors will influence this, including the Government's Fairer Funding Review.
- Business Rates Reform will now be delayed until 2021-22

Recommendation 2: To respond to any Government announcement/consultation on Business Rates Reform

Recommendation 3: To continue to actively lobby and engage with the Government, Devon MPs and other sector bodies such as the District Councils Network and the Rural Services Network, for a realistic business rates baseline to be set for the Council for 2020 onwards and for when the business rates reform is introduced for 2021-22.

Rural Services Delivery Grant

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- Rural Services Delivery Grant – The 2018/19 funding was increased from £65m to £81m. The Council currently receives an allocation of £408,055 per annum for this grant which is given to Councils to compensate for the extra costs of delivering services in rural areas. In 2018-19, the £408,055 was built into the Council's business rates baseline due to the Council's Pilot status. The Government has not indicated what RSDG allocations will be for 2020-21 onwards (The financial modelling for 2020-21 onwards assumes that this grant will continue at the same level of £408K per annum).
- The Strategy for Rural Services Delivery Grant (RSDG) is that the Council will continue to provide local evidence of the cost of delivering services in rural areas, in order to lobby for higher allocations of RSDG as has happened in previous years.

Negative Revenue Support Grant



Business Rates Tariff Adjustment in 2019/20 (Negative Revenue Support Grant)

- The Business Rates Tariff Adjustment is an amount (originally scheduled to be applied in 2019/20) which increases an authority's tariff. It is applied where cuts to a Council's Settlement Funding Assessment (SFA) cannot be achieved through further cuts to the Revenue Support Grant (RSG), as the RSG is already zero. In effect the Tariff Adjustment is negative Revenue Support Grant which the Government chose to reflect through a change to the tariff, although this change has nothing to do with the business rates system and has caused confusion.
- In response to the technical consultation issued on 24 July 2018, the Government withdrew temporarily Negative Revenue Support Grant in 2019/20. This cost the Government £153m as negative RSG affects 168 Councils (with both South Hams and West Devon being affected).
- It is not known what will happen to negative RSG in 2020/21 and Councils including ourselves have stressed to the Government the importance of being given certainty of this as soon as possible. It is probable that there will be funding to remove negative Revenue Support Grant (RSG) for one year in 2020/21, but this has not been confirmed.
- The modelling within the MTFS currently assumes that negative RSG remains in some form (e.g. as part of the business rates baseline reset) from 2020/21 onwards in Appendix B1. Appendix B2 shows the modelling if negative RSG is excluded for 2020/21.
- The negative RSG currently included within the Council's modelling for 2020/21 amounts to £399,900. **If the Government eliminates this, as an outcome of the one year Spending Review for 2020/21, the Council's budget position is bettered by £400K for 2020/21. However the benefit of this is likely to only be for one year, with negative RSG expected to be implemented in full in 2021/22 – so it just gives the Council longer to prepare for the extra cuts in funding.** If the position changes, the MTFS will be updated to reflect this.

Recommendation 4: That SHDC continues to lobby in support of the Government eliminating Negative Revenue Support Grant in 2020/21 (and thereafter) and continues to lobby for Rural Services Delivery Grant allocations which adequately reflect the cost of rural service provision.



COMMUNITIES

Council and residents working together to create strong and empowered communities

New Homes Bonus

- The New Homes Bonus was introduced in 2011 to provide a clear incentive for local authorities to encourage housing growth in their areas. It rewards local Councils for additional homes added to the council tax base, as well as long term empty properties brought back into use. The Council receives £1,337 per property over the baseline plus £280 per affordable home. The Council has modelled an extra 600 properties per annum in its Taxbase (estimate of housing growth).
- The length of New Homes Bonus payments was reduced in length from 6 years to 5 years in 2017-18 and 4 years from 2018-19. From 2017-18 the Government has introduced a national baseline for housing growth of 0.4% below which New Homes Bonus will not be paid, which the Government has said reflects a percentage of housing that would have been built anyway. The baseline equated to 179 Band D Equivalent properties for South Hams. **So for the first 179 extra properties per annum the Council receives no NHB.**
- **The Government has previously stated that 2019-20 represents the final year of NHB funding** and from 2020 onwards they will explore how to incentivise housing growth most effectively, for example by using the Housing Delivery Test results to reward delivery or incentivising plans that meet or exceed local housing need. The Government will consult widely on any changes prior to implementation. It is not known if NHB will continue for one more year in 2020-21 with wider reform for 2021-22. Legacy payments for New Homes Bonus are likely to be honoured but the scheme for 2020/21 is still for discussion with Ministers. The table below shows possible levels of NHB (or an alternative introduced post 2020) and how this could be used.

	2019-20	2020-21	2021-22	2022-23
Amount of NHB	1,226,862	1,100,000	1,000,000	900,000
To fund Capital (e.g. affordable housing)	(690,000)	(600,000)	(650,000)	(650,000)
To fund the Revenue Base Budget	(500,000)	(500,000)	(350,000)	(250,000)
Other	(36,862)	TBA	TBA	TBA
Funding remaining/shortfall	Nil	TBA	TBA	TBA

Recommendation 5: To use £500,000 of New Homes Bonus funding for 2020-21 (or any alternative scheme) to fund the revenue base budget and then reduce to £350,000 by 2021-22 and £250,000 by 2022-23 for modelling purposes.

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Reserves Policy

- Current Levels of Reserves (at 31/3/19): £1.898 million Unearmarked Reserves and Earmarked Reserves of £13.3 million
- The Council's Net Budget is £8.83 million for 2019/20. Therefore Unearmarked Reserves equate to 21.5% of the Council's Net Budget.
- The Council currently makes annual contributions to Earmarked Reserves of £714,300 (2019/20) and these are shown in Appendix E.
- It is recommended that the annual level of contributions to Earmarked Reserves (£684,300 projected for 2020/21 as per Appendix E) and the adequacy of the existing level of Earmarked Reserves (£13.3 million) is reviewed by Members as part of the budget setting process. This will assess their adequacy in light of future plans and pressures.

Minimum level of Reserves to be held

- As part of the Medium Term Financial Strategy report, it is recommended to approve the same policy of maintaining a minimum level of Unearmarked Reserves of £1.5 million. The Unearmarked Reserves (General Fund) balance of £1.898 million stands above the minimum balance of £1.5 million and acts as a safeguard against unforeseen financial pressures. Given the increase in financial risks which the Council faces through undertaking additional borrowing of up to a limit of £75 million, the Council should consider increasing this level through a stepped increase over the next five years, to reflect the new level of risks.
- Further detail on the Council's Unearmarked and Earmarked Reserves is set out in Appendix D of the Medium Term Financial Strategy.

Recommendation 6: That the Council maintains a policy of a minimum level of Unearmarked Reserves of £1.5 million and that the annual level of contributions to Earmarked Reserves (£684,300 as per Appendix E) and the adequacy of the existing level of Unearmarked Reserves (£1.9 million) and Earmarked Reserves (£13.3 million) is reviewed by Members as part of the budget setting process. This will assess the adequacy of Reserves levels, in light of future plans and pressures.

Pension Strategy

- SHDC currently pays a 14.6% employer pension contribution for staff in the Local Government Pension Scheme. This is called the future service contribution rate. This is the anticipated cost to the Council of the pension rights that staff will accrue in the future and is expressed as a percentage (%) of pensionable payroll. Employees pay a separate amount out of their salary into the Pension Fund (the employee contribution).
- In addition to the 14.6%, the Council pays an annual sum of £215,000 into the Pension Fund as a past service deficit annual contribution. This cost arises where the cost of pension rights that have already been accrued turn out to be higher than expected. This happens where the Fund experience differs from previous assumptions, and so the contributions paid do not match the cost of the pension rights accrued during a previous period. The Council has been paying this sum annually for a long period of time.
- The Pension Fund has an Actuarial Valuation every 3 years which re-calculates the employer contributions that need to be paid for the next three years and the deficit contributions. Below are the results of the 2016 Actuarial Valuation. The results of the 2019 Actuarial Valuation are expected to be known around December 2019.
- The Council is currently paying the Deficit off over a 24 years recovery period. One option the Council could consider is paying off some or all of the Deficit in a lump sum. This will be modelled, with a report being presented to Members by January 2020 on this option with both the costs and the benefits. The Council has currently included a £25,000 cost pressure for 2020/21 for the Triennial Pension Valuation. New contribution rates will be advised to the Council by DCC in December 2019, which will inform the cost pressure.

SHDC Pension Fund	2016 Actuarial Valuation
Assets	£78.4 million
Liabilities	£(82.3) million
Deficit	£(3.9) million
Funding Level	95%
Deficit Recovery Period	24 years

Recommendation 7 - That the Council continues dialogue with the actuaries of the Devon Pension Fund and DCC on the options for the Council's Pension position (e.g. paying a lump sum to pay off the deficit either in part or in whole), with the aim of reducing the current contributions, increasing affordability, whilst best managing the pension deficit. A report will be presented to Members by January 2020 of options, once the results of the Triennial Pension Revaluation are known.

Treasury Management /Borrowing Strategy



The Council's Treasury Management Strategy details its borrowing limits and specifies approved institutes for investment, (with maximum limits), based on credit ratings and other pertinent factors. It also publishes Prudential Indicators which set investment and borrowing performance indicators to ensure that the Council stays within these guidelines.

Borrowing Limits

- The Treasury Management Strategy for 2019-20 (approved by Council in March 2019) shows the approved level of Borrowing Limits: Operational Boundary of £70 million and Authorised Limit of £75 million
- The Council took external treasury management advice on the Council's overall borrowing levels in September 2018 and this advice was attached in Exempt Appendix G to the Medium Term Financial Strategy in September 2018. Their recommendation was that the Council limits its overall borrowing envelope for its whole operations and services to £75 million. This advice was based on a range of benchmarking of indices that they undertook. Borrowing needs to be proportionate and affordable and with always having regard to the risks involved in the repayment of the debt. Members are able to set a higher borrowing limit if they wish to do so. The S151 Officer's advice is to keep borrowing levels within the £75 million limit advised. Sensitivity analysis is shown in Appendix F.
- The Council has published new indicators for the Investment Strategy for 2019/20 and these include indicators such as the following:
Level of debt compared to Net Service Expenditure (proportionality)
(This indicator shows debt in 2019/20 is projected to be 259.4% the net service expenditure)
Net Commercial Income to Net Service Expenditure ratio (7.3%)

Recommendation 8 – That the Council maintains an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million.

Treasury Management /Borrowing Strategy (continued)

- The Council maintains regular engagement with our Treasury Management advisors and constantly seeks their advice on our strategic direction and key operational decisions. The Council's Borrowing Strategy will be to borrow appropriately to meet the Council's objectives as a form of financing. The key is affordability criteria and the Council being able to service that borrowing.
- The Council will set a framework around the borrowing through its annual Treasury Management Strategy. There will be regular (at least annual) reviews of the Council's borrowing levels and the Council will weigh up opportunities against that borrowing limit. The key borrowing mechanism is through the PWLB. However the Council will continue to explore other sources.

Minimum Revenue Provision (repaying the Principal element of debt repayments)

- The Council has currently approved the following Minimum Revenue Provision Policy through its Treasury Management Strategy for 2019/20. No changes are currently proposed to the Council's MRP Policy but this will be kept under regular review. If there are projects which officers feel would warrant a different approach, this will be brought back to Members on a business case basis for approval to vary the current MRP Policy.

Borrowing	MRP Methodology
Commercial Property acquisition (Borrowing of up to £60 million)	<p>Annuity Method (over the 50 years)</p> <p>The revenue budget bears an equal annual charge (for principal and interest) over the life of the asset by taking into account the time value of money. Since MRP only relates to the 'principal' element, the amount of provision made annually gradually increases during the life of the asset. The interest rate used in annuity calculations will be referenced to prevailing average PWLB rates.</p> <p>For some commercial property investments it is proposed to repay MRP based on 50% on the annuity method over the 50 year life (the assets will be regularly maintained), and 50% will be paid on maturity of the loan from either sale of the asset (a capital receipt) or through refinancing of the debt. The position will be regularly monitored. If at any point in time the valuation of the asset falls below the open market value then the MRP policy will be revisited.</p>

Borrowing	MRP Methodology
Waste Fleet, Leisure Investment	<p>Asset Life Method</p> <p>MRP is charged using the Asset Life method – based on the estimated life of the asset.</p> <p>This option provides for a reduction in the borrowing need over approximately the assets' life.</p>

Investments

The Council has widened its use of approved counterparties from countries with a minimum sovereign credit rating of AA-. The criteria, time limits and monetary limits applying to institutions are set out within the Council's treasury management strategy approved at Council in March 2019.



Future Cost Pressures

- The Council's Strategy is to identify cost pressures as early as possible. Cost pressures can be annual or one-off and can arise for a variety of reasons e.g. legislative changes, increase in demand, factors beyond the Council's control e.g. market conditions such as recycling rates, economic conditions or natural events.
- Appendix A of the Medium Term Financial Strategy (MTFS) sets out the cost pressures which have been identified for the next five years and these total £2.646 million for 2020/21.
- The Medium Term Financial Strategy has included a cost pressure of £110,000 for Inflation and increases on Goods and Services. The main items are for staff salary increments, Business Rates increases, Utilities inflation and fuel inflation and an amount to fund a 2.5% uplift on other expenditure budgets.
- The strategy takes account of a 1% rise in pay, however, the Council needs to respond to national pay bargaining. The Council built the 2% pay award for 2019/20 which was nationally agreed into the MTFS and this equated to £280,000. Thereafter 1% has been profiled each year for years 1 to 5 of the MTFS.
- A cost pressure of £150,000 has been included in 19/20 for ICT future service provision and there was a separate report on the Executive agenda in July regarding this for consideration.
- The strategy will be to state cost pressures as they come onto the horizon and to put mitigation in place through the budget setting process on an annual basis.

Income Generation / Savings

Fees and Charges



- The Council's Extended Leadership Team will present further budget options to Members for income generation/savings/reduced expenditure, as part of the Budget Setting Workshop being planned for late September/early October.
- The Extended Leadership Team will bring forward business cases to Members to invest in technology to make savings or reduce costs in the base budget. This could also be through working with Partners e.g. Town and Parish Councils.
- Income from Fees and Charges will be annually reviewed and set. Some fees and charges are set by statute (e.g. planning fees) and others are set on a cost recovery basis e.g. licensing.
- The Council's strategy is that COP Leads will work with Executive Lead Members to review fees and charges on a regular (at least annual) basis and these will be presented to the relevant Committee or Council for approval as part of the budget setting process.
- For those not prescribed, fees will be set at a realistic rate following appropriate consultation e.g. car parking tariffs, where the Council will be looking to work with towns to achieve the optimum flow of parking to generate business in the towns with neutral income effect.
- Some income will be incidental e.g. recycling and will be market led in terms of income received. The strategy will be to share that risk with the contractor.
- The Council will continue to carry out paid consultancy work for other Local Authorities for example business transformation (T18), Human Resources (carrying out assessments using the behavioural framework) – to generate income for SHDC.
- Assets and Estate Management – the strategy is that rental income will be at market rates and rents are reviewed in a timely manner with active debt recovery. The Council has target occupancy levels, though rent free periods can also be allowed in limited circumstances where there is a business need.



ENVIRONMENT

Protecting, conserving and enhancing our built and natural environment

Procurement

- The Council's strategy is to market test its services through a pragmatic and rational approach and to look at the whole value for money case in terms of whether or not to procure. This would include soft market testing and taking procurement advice around the legislative framework.
- Where the Council does go out to procurement, there will be a balance between cost and quality. The Council's strategy is to build flexibility and risk sharing into the Council's contracts, whilst retaining value for money and having the ability to make potential changes on the contract.
- The Council will procure some services externally, where appropriate, keeping risk in mind. Where the Council doesn't have the necessary in-house expertise, the cost of using external advisers will be included within the cost of the project.
- The Council will also future proof its services. For example ICT contracts are much more dynamic and ever-changing and more suited to shorter contracts. Other services such as waste are more suited to longer term contracts.
- In July 2019, the Executive considered a report for the IT procurement. This report considered the options available for procuring an IT platform which meets the Councils' customer satisfaction aspirations, and digital vision, and describes the rationale and methodology used in arriving at a recommendation.



COMMUNITIES

Council and residents working together to create strong and empowered communities

Partnership Funding/Grants



WELLBEING

Supporting positive, safe and healthy lifestyles and helping those most in need

- There is a separate report on the Executive agenda for Partnership Funding levels for 2020/21 onwards. It is recommended that the Executive adopts a commissioning model to award partnership funding from 2020-23, based on one or all of the following:
 - i) local need ii) alignment to the Council's Corporate Strategy iii) statutory duty
- The Council's SeaMoor Lotto (Community Lottery) will help certain projects / groups. Partners can join the Lottery facilitated by the Council in order to raise funding.

Review of Assets



COMMUNITIES

Council and residents working together to create strong and empowered communities

ENTERPRISE

Creating places for enterprise to thrive and business to grow



- The Council's Asset Base is £91 million at 31 March 2019. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.

Commercial Investment Strategy

- The Council has approved a commercial investment strategy of £60 million within the Council's overall borrowing limit of £75 million.
- On 18th July the Executive recommended to Council (which was approved), an update to the Commercial Investment Strategy to include the renewable energy sector. The Council's commercial investment strategy has multiple objectives as stated below:

Overall Objectives:

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

- To support regeneration and the economic activity of the District
- To enhance economic benefit & business rates growth
- To assist with the financial sustainability of the Council as an ancillary benefit
- To help the Council continue to deliver and/or improve frontline services in line with the Council's adopted strategy & objectives.

South Hams District Council was a business rates pilot area for 2018/19, which set out the economic objectives of the pilot area.

- New property acquisitions are assessed against the Council's multiple objectives and the criteria which are set out in the Strategy. The Council will only acquire properties where the running cost does not require Council subsidy. Per acquisition, a target minimum net yield (an ancillary benefit) of 2.0% is to be sought, after acquisition, management, maintenance, capital repayment and funding costs. However, the Council may opt to accept a lower net yield return if the community benefits of job creation or safeguarding, tourism, town centre regeneration, business rate growth or effective asset utilisation are deemed more important than a purely financial return.

Appendix D - Earmarked Reserves as at 31 March 2019

	31.3.2018	Transfers (Out)	Transfers In	31.3.2019
	£000	£000	£000	£000
Specific Reserves - General Fund				
16/17 Budget Surplus Contingency	25	(25)	0	0
Affordable Housing	998	(10)	0	988
Beach Safety	14	0	0	14
Building Control	0	0	0	0
Business Rates Retention	(8,641)	0	13,755	5,114
Capital Programme	791	(888)	181	84
Community Housing Fund	1,671	(386)	0	1,285
Community Parks and Open Spaces	111	(21)	17	107
District Elections	68	0	10	78
Economic Initiatives	49	(22)	0	27
Economic Regeneration Reserve	0	(96)	475	379
Environmental Health Initiatives Reserve	20	0	0	20
Ferry Repairs & Renewals	459	(91)	87	455
Homelessness Prevention Reserve	82	0	30	112
ICT Development	140	(64)	50	126
Innovation Fund (Invest to Earn)	25	(8)	0	17
Joint Local Plan Reserve	0	(136)	167	31
Land and Development	67	(36)	63	94
Leisure Services Reserve	87	(30)	0	57
Marine Infrastructure Reserve	152	0	58	210
Members Sustainable Community Locality	53	(47)	0	6
New Homes Bonus	869	(991)	1,277	1,155
On-Street Parking	44	0	0	44
Pay & Display Equipment Renewals	102	0	21	123
Pension Fund Strain	0	(99)	99	0
Planning Policy & Major Developments	228	(153)	50	125
Renovation Grant Reserve	7	0	0	7
Repairs & Maintenance	249	(316)	112	45
Revenue Grants	372	(119)	325	578
S106 Monitoring Reserve	137	(13)	0	124
S106 Technical Support Reserve	0	0	20	20
Section 106 Deposits (no conditions)	38	0	0	38
Strategic Change	0	(210)	210	0
Support Services Trading Reserve	20	0	23	43
Sustainable Waste Management	4	0	25	29
Vehicles & Plant Renewals	1,023	(249)	490	1,264
Sub-Total	(736)	(4,010)	17,545	12,799
Specific Reserves - Salcombe Harbour				
Pontoons	162	0	51	213
Renewals	111	(35)	41	117
Revenue Account Reserve	143	0	21	164
Sub-Total	416	(35)	113	494
TOTAL - Earmarked Revenue Reserves	(320)	(4,045)	17,658	13,293

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ANALYSIS OF CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES

Estimate 2019/20			Estimate 2020/21	
To £	(From) £		To £	(From) £
181,600		Capital Programme	181,600	
16,900		Community Parks & Open Spaces	16,900	
10,000		District Elections	10,000	
87,000		Ferry major repairs & renewals	117,000	
	(500,000)	New Homes Bonus		(500,000)
20,800		Pay & Display Equipment	20,800	
99,000		Pension Fund Strain Payments	99,000	
55,000		Repairs and maintenance	55,000	
60,000		Strategic Change Reserve		
0		Strategic Issues	0	
550,000		Vehicles & Plant Renewals	550,000	
7,000		Land and Development Reserve	7,000	
50,000		IT Development Reserve	50,000	
25,000		Sustainable Waste Management	25,000	
50,000		Planning Policy and Major Developments	50,000	
2,000		Interest credited to reserves	2,000	
1,214,300	(500,000)	TOTALS	1,184,300	(500,000)
714,300		GRAND TOTAL	684,300	

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Sensitivity analysis and risk analysis of the Medium Term Financial Strategy (MTFS)

1. The budget assumes approximately £7.5 million of income from fees and charges, recycling and investments. Whilst this assumption is realistic, given the position of the economy there is a risk that income could fall or be less than anticipated. A 5% reduction in income would result in a loss of £375,000.
2. The MTFS relies on proposed savings over the next 5 years of £1,094,000. A 5% reduction in the savings would equate to £54,700.
3. The MTFS assumes budget pressures over the next 5 years of £2.65 million. A 5% increase in the budget pressures would equate to £132,500.
4. Council Tax Income and New Homes Bonus have been modelled based on an extra 600 Band D Equivalent properties per annum increase. Each extra property attracts £1,337 in NHB. If this figure were to actually be say 550 properties (i.e. 50 properties less), this would mean that Council Tax Income would be £8,500 less and New Homes Bonus income would be £67,000 less.
5. Council Tax has been assumed in the MTFS to increase by the higher of £5 or 2% over each of the five years. For example, for 2020-21 this would equate to a Band D of £170.42 (an increase of £5). The additional council tax income this would generate is £191,000. If council tax for 2019/20 were to remain at £165.42, the income from council tax would be overstated by this amount in the MTFS.
6. If Council Tax income collection fell by 1% (collection in 18/19 was 98.2% – the national average was 97%), this would mean a reduction of council tax income of around £66,000. Similarly if Business Rates income collection fell by 1% (collection in 18/19 was 98.4% - the national average was 98.3%), this would mean a reduction in business rates income of £19,000.
7. Income from investments has been assumed to increase in line with the expected interest rate forecasts in Section 3.3. A 0.25% variation in interest rates on investment income equates to £60,000.

Borrowing Levels

Exempt Appendix G of the Medium Term Financial Strategy from last year (approved September 2018) gave advice on the borrowing level for the Council and the Interest payments on the borrowing as a percentage of available Reserves. The tables below show the impact that a change of Interest payable at 2.5% on borrowing has on this Indicator.

Total Borrowing	Interest repayments at 2.5%	Level of Reserves (£1.9m Unearmarked Reserves and £13.3m Earmarked Reserves)	Interest payments (at 2.5%) as % of available Reserves
£75m	£1,875,000	£15,200,000	12.3%

8. An allowance of 2.5% for inflation is included in the budget. Inflation costs are being managed through cost effective procurement.
9. The capital programme is funded by receipts, grants, and contributions. Realistic assumptions about these have been made for the future.
10. Known liabilities have been provided for and there are no significant outstanding claims.

Summary & conclusion

Sensitivity analysis and risks are identified above with a potential total adverse revenue effect for 2019/20 of **£973,700**. However, revenue reserves are recommended to be maintained at a minimum of £1.5 million. I therefore confirm the robustness of the Medium Term Financial Strategy and the adequacy of the reserves.

Mrs Lisa Buckle, Strategic Finance Lead (S151 Officer)

Report to: **Council**

Date: **26 September 2019**

Title: **Climate Change – Citizens’ Assembly**

Portfolio Area: **Leader – Cllr Judy Pearce**

Wards Affected: **All**

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

Date next steps can be taken: **Immediately**

Author: **Darryl White** Role: **Senior Specialist – Democratic Services**

Contact: darryl.white@swdevon.gov.uk or **01803 861247**

RECOMMENDATION

That, in considering the setting up of a Citizens’ Assembly, the Climate Change and Biodiversity Working Group RECOMMEND to Council that:

The Working Group be provided with full particulars of the Citizens’ Assembly proposed by Devon County Council including, but not limited to, the issues and matters to be addressed; the number of assembly members and their geographic spread; and means of administration / operation.

(This will inform the benefits and options of establishing a Citizens Assembly for the South Hams).

1. Executive summary

- 1.1 At a Special meeting of the Council held on 25 July 2019, the Council declared a ‘Climate Change and Biodiversity Emergency’ (Minute 29/19(b) refers);
- 1.2 At the same meeting, the Council established a politically balanced ‘Climate Change and Biodiversity Working Group’ and instructed this Group, at its first meeting to:

‘consider the setting up of a Citizens’ Assembly and to submit a recommendation to the next Council meeting to be held on 26 September 2019 and that prior to that it be submitted to the

September meetings of the Executive and Overview and Scrutiny Panel for comment.'

- 1.3 This report presents the recommendations of the Working Group in respect of the setting up of a Citizens' Assembly.

2. Background

- 2.1 The Working Group (comprising of Cllrs Pearce (Chairman), Austen, Birch, Hodgson, Holway and McKay) held its inaugural meeting on 29 August 2019 and approved its Terms of Reference;

- 2.2 When considering the merits of setting up a Citizens' Assembly at this meeting, the Group proceeded to make the following recommendation to Council:

'That the Working Group be provided with full particulars of the Citizens' Assembly proposed by Devon County Council including, but not limited to, the issues and matters to be addressed; the number of assembly members and their geographic spread; and means of administration / operation.

(This will inform the benefits and options of establishing a Citizens Assembly for the South Hams).'

3. Overview and Scrutiny Panel Comments

- 3.1 In accordance with the resolution arising from the Special Council meeting, the Working Group recommendation was presented to the Overview and Scrutiny Panel meeting held on 5 September 2019 for its comment (Minute O&S.28/19 refers).

- 3.2 In so doing, the Panel was of the view that the lack of any timeframe in the Working Group recommendation was unfortunate and a number of Members felt that it would be appropriate for the full particulars to be provided to the next meeting of the Working Group.

4. Executive Comments

- 4.1 At the time of writing this report, the Executive had not met to provide its comments on the Working Group recommendation and these would be available via the published draft Executive minutes that are to be presented later on the agenda.

5. Options available and consideration of risk

- 5.1 In the event of the recommendation being approved, the Working Group will have access to the full particulars before it makes a final decision on the merits of setting up a Citizens Assembly;
- 5.2 As is custom for all Working Groups of the Council, all Members (irrespective of being appointed to serve on the Working Group) will be able to attend and contribute to the deliberations before a final decision is reached.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council has formally constituted the Climate Change and Biodiversity Working Group for the remainder of the 2019/20 Municipal Year.
Financial implications to include reference to value for money	Y	Whilst there are ultimately financial implications to the Council should the Working Group opt to set up a Citizens' Assembly, there are no financial implications directly arising from this report.
Risk	Y	Risk measures are highlighted at Section 5 above.
Supporting Corporate Strategy	Y	Relevant theme – communities.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/A
Safeguarding	N	N/A
Community Safety, Crime and Disorder	N	N/A
Health, Safety and Wellbeing	N	N/A
Other implications	N	None

Background Documents:

Council Constitution;
 Working Group Terms of Reference;
 Special Council agenda and minutes – 25 July 2019 meeting; and
 Overview and Scrutiny Panel agenda and minutes – 5 September 2019.

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Report to: **Council**

Date: **26 September 2019**

Title: **Heart of the South West Joint Committee
Governance Review Report**

Portfolio Area: **Council**

Wards Affected: **all**

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

Date next steps can be taken: **Immediately**

Author: **Sophie Hosking** Role: **Chief Executive**

Contact: **Telephone/email: Sophie.hosking@swdevon.gov.uk**

Recommendations:

That South Hams District Council is **RECOMMENDED** to:

- a) approve the amendments (shown in red on the attached document at Appendix A) to the Committee's list of functions in the Arrangements document and to note the updated budget position for 2019/20 for the Heart of the South West Joint Committee; and
- b) agree the reappointment of Somerset County Council as the Administering Authority to the Joint Committee for the period from 22 January 2020 to 21 January 2022.

1. Executive summary

- 1.1 This report provides an update to the Constituent Authorities on the Joint Committee's governance arrangements and budgetary position for 2019/20. The report contains recommendations for amendments to the Committee's Arrangements document following the governance review.
- 1.2 In recent months the Joint Committee has reviewed and updated its governance arrangements in the light of experience since its establishment in early 2018 and in response to changing Government policy and local circumstances. Some changes are required to the Committee's Arrangements document as a result and these need to be formally agreed by the Constituent Authorities. It is essential that the Joint Committee remains fit for purpose, represents a sustainable way of working into the future; and delivers value for the resources committed to it by the Constituent Authorities.

2. Background

- 2.1 The Heart of the South West (HotSW) partnership consists of 23 organisations: 17 County, Unitary and District Councils, Dartmoor and Exmoor National Park Authorities, the HotSW Local Enterprise Partnership and 3 Clinical Commissioning Groups.
- 2.2 Since 2015 the partnership has been working on proposals to dramatically improve productivity and economic prosperity across the HotSW area. Working together the partners are certain that we will achieve our aims more effectively and quickly than by working alone.
- 2.3 From the outset our partnership has had discussions with Government about the possible benefits that devolution could bring to the HotSW area. The Government's approach to devolution has changed over the 2015-18 period and the partnership has constantly adjusted its position on the subject to ensure continued discussions with Government and to get our voice heard. Devolution under the broadest definition can include devolution of functions and powers to local areas as well as less formal freedoms and flexibilities.
- 2.4 In January 2018 it was agreed to establish a HotSW Joint Committee to put the partnership onto a more formal footing and give it a status that was not possible as an informal arrangement.
- 2.5 The Joint Committee has agreed and published a HotSW Productivity Strategy. This is a 20 year Strategy designed to deliver the ambitions of the Committee to improve productivity and economic prosperity. A Delivery Plan will contain the proposals and actions required to deliver the Strategy and will be overseen by the Committee.
- 2.6 The Joint Committee also provides a formal structure through which to hold discussions with Government under the heading of 'devolution' but which actually spans a wide range of policy areas including opportunities arising from the Brexit negotiations. We hope that opportunities arising from these discussions will help us to deliver programmes where we don't currently have the structures and funding locally for this to happen.

Review of the role and functions of the Joint Committee

- 2.7 The Constituent Authorities have previously agreed one addition to the list of delegated functions by giving the Joint Committee the function of agreeing the local authorities' input into the development of the HotSW Local Industrial Strategy (LIS).

- 2.8 In addition to the above policy development, the need to review the governance arrangements arose from:
- a. Changes in Government Policy away from large devolution 'deals' to a more targeted dialogue on key themes of relevance to the local authorities and partners, e.g. Housing. The Joint Committee's influencing role has become increasingly important as recognised by Ministers, local MPs and Government officials. The ambition remains to draw down additional functions, powers and funding from Government.
 - b. The evolution of the Joint Committee's role from agreeing policy (the HotSW Productivity Strategy) to overseeing delivery of the Strategy alongside the LEP.
 - c. The developing relationships with other key local partnerships to ensure that there are appropriate reporting lines i.e. HotSW LEP Joint Scrutiny Committee, Peninsula Transport Board, Great South West, HotSW Local Transport Board.
- 2.9 Accordingly, the Committee has refined its focus into the following areas:
- Strategic policy development
 - Influencing Government / key agencies to achieve direct intervention, support, funding and powers
 - Designing and delivering strategic HotSW responses to 'Government' offers
 - Designing and delivering public sector reform where this will deliver improved productivity, e.g. in health and education
 - Delivering at scale –(beyond what individual councils can achieve)
 - Oversight of the Delivery Plan – working with the HotSW LEP to ensure delivery of the HotSW Productivity Strategy.
- 2.10 It is not proposed at this stage to request the delegation of further functions from the Constituent Authorities to the Joint Committee.
- 2.11 These refinements to the focus of the Committee have been reflected in amendments to the list of functions contained in the Joint Committee's 'Arrangements' document – see Appendix A attached.

Appointment of Administering Authority

- 2.12 At the time of the establishment of the Joint Committee, the Constituent Authorities agreed to appoint Somerset County Council as the Administering Authority for the Joint Committee for a two-year period from 22 January 2018.

- 2.13 With this appointment coming to an end early in the new year the HotSW chief Executives' Executive Group has considered an appointment for the next two year period (as required by the Joint Committee's Arrangements' document).
- 2.14 The detail of the Administering Authority role is set out in the Joint Committee's Arrangements document but in summary it includes:
- Running the Joint Committee business and meetings;
 - Administering the Joint Committee's budget;
 - Responsibility for the Committee's communications and engagement plan including maintaining the Joint Committee's website.
- 2.15 The view of the HotSW Chief Executive' Executive Group is that Somerset County Council has done an excellent job of supporting the Committee and their recommendation is to reappoint the County Council to the Administering Authority role for a further two year period from 22 January 2020 to 21 January 2022. The Joint Committee will consider this recommendation at its meeting on the 27 September and it is likely to be agreed. In anticipation of this approval, South Hams District Council is recommended to agree to the reappointment of Somerset County Council as the Administering Authority to the Joint Committee for the period from 22 January 2020 to 21 January 2022.

3. Outcomes/outputs

- 3.1 The subject matter focus for the Joint Committee will fall into the following areas of the Delivery Plan:
- Housing – including bid(s) for securing a commitment from Government to work with the HotSW partners to accelerate housing delivery
 - Major Route Corridor Study agreed and completed
 - Agreed HotSW LIS which meets our transformational objectives
 - Successful engagement plan with MPs / Ministers
 - Successful operational phase of the Brexit work in collaboration with Government
 - Preparation for / response to offers of public sector reform to improve productivity
 - Agreement and submission of Coastal Communities proposal to Government seeking additional Government support for our coastal communities
 - Development of the JC's investment framework required to deliver the Productivity Strategy within a new national funding environment.
 - Enable the partners to prepare for and respond to opportunities arising from the Comprehensive Spending Review and the Shared Prosperity Fund

Joint Committee Political Arrangements

- 3.2 The Committee has agreed to change its meeting arrangements to achieve a better balance between formal decision-making meetings (fewer) and more opportunities for informal engagement and challenge sessions.
- 3.3 In addition, two informal engagement sessions will be arranged per annum to engage relevant Portfolio Holders and Directors on Joint Committee business.

Joint Committee Management Support Arrangements

- 3.4 Comprehensive management support arrangements have been in place to support the partnership (and latterly the Joint Committee) since 2015. These have been recently reviewed and refined. To minimise direct support costs impacting on the Committee's budget, most of the officer resource is provided by the Constituent Authorities on an 'in-kind' voluntary basis. In addition, Somerset County Council was appointed as the Administering Authority to the Joint Committee to support and run the Joint Committee and its meetings. SCC has been paid for undertaking this role from the Joint Committee budget. Other direct budget contributions towards the Committee support costs have been allocated to refund those Constituent Authorities who have provided officer resources for project management capacity and administrative support to the Brexit Resilience and Opportunities Group.
- 3.5 The diagram in Appendix B to this report shows the revised management support arrangements of the Joint Committee. The revised arrangements provide for:

- A CEx Executive Group to lead the work of the Joint Committee and to include theme leads from the Delivery Plan. The membership of this Group is set out in Appendix B.
- Use of existing Devon and Somerset Chief Executives' and Leaders' meetings to support the work of the Committee.
- 1 x joint meeting per annum of the Devon and Somerset Chief Executives.
- Better alignment of the Joint Committee's support arrangements with the LEP.
- A Policy and Technical Officer Group of senior policy officers to focus on: delivery of the Delivery Plan; monitoring progress/measuring performance; and drafting responses to national policy changes.
- A dedicated and resourced programme management function, (funded from the Joint Committee's budget) to manage Joint Committee business on behalf of the CEx Executive Group and in addition to the Administering Authority role. This arrangement was initially agreed for 6 months (April to Oct 2019) pending a review of the work load.

Heart of the South West Joint Committee Budget Position

- 3.6 The Joint Committee remains completely reliant on the Constituent Authorities for its budget and there are no obvious sources of additional funding to support running costs or delivery of its work programme.
- 3.7 The Joint Committee budget as at the end of March 2019 was as follows:

Constituent Authorities	Contributions – 18/19 £	Expenditure – 18/19 £
County Council x2	10,500	40,000 – Administering Authority costs (including staffing, venue hire, publicity costs) 16,346 – Brexit admin support costs 9750 – Housing audit 5000 – Housing conference 8759 - Transport consultancy 660 - Portfolio-holder event costs
Unitaries x 2	4,000	
Districts / National Park Authorities x 15	1,400	
Underspend carried forward from Devolution Budget	66838	
Total	116,838	80513 36,325 (carry forward to 2019/20)

- 3.8 The Joint Committee budget covers the costs of running the Committee and the work programme. Contribution levels for each council tier are based on population levels. The Committee agreed earlier this year that a larger annual budget was likely to be required to fund work programme priorities in future years and approved 'in principle' to seek the agreement of the Constituent Authorities to double the 2018/19 core contributions as a one-year arrangements so giving maximum contributions of:

County Council - £21,000
Unitary Council - £8,000
District Council / National Park Authorities – £2,800

- 3.9 For 2019/20 the Constituent Authorities have been invoiced 50% of the amounts stated above. A second invoice was to be sent to each Constituent Authority for the other 50% in the autumn if the budget proved to be insufficient to fund the work required in 2019/20 and only if fully costed work programme proposals were available to justify the request.
- 3.10 The overall budget position for 2019/20 is detailed in the tables in 3.12. There are no plans to invoice the Constituent Authorities for the second budget contribution for 2019/20 because of the need to take stock of the direction of the Committee's work programme following the recent elections and delays in progressing discussions with Government as a result of Brexit.

As it stands the contributions collected from the Constituent Authorities (£48,600) together with the underspend carried forward from 2018/19 (£36,326) totalling £84,926 is sufficient to cover the planned and anticipated costs for 2019/20 of £60K.

3.11 A key unknown aspect of the work programme is the preparations for Brexit and the budget impacts of any work which the Committee may wish to commission. This will be kept under review in the coming months as the position becomes clearer.

3.12

Income	£ (,000)
Constituent Authority contributions	48,600 - committed 48,600 – in principle
2018/19 underspend	36,326
<u>Total</u>	133.5 (of which 48.6k is in principle)

Expenditure	£ ,000
Administering Authority Programme Office	20 – committed (for the year) 10 – committed (April to Sept) (Oct to March 2020 tbc but estimated at £10k)
Brexit Resilience and Opportunities Group – officer support costs	10 – in principle (April to Sept) (Oct onwards tbc but estimated at up to £10k)
Housing Task Force	Tbc
Growth Corridor Work	Tbc
MP/ Ministerial engagement	Tbc
Brexit work programme	Tbc
Coastal Communities proposal	Tbc
<u>Total</u>	£60k (including anticipated commitments detailed above)

3.13 Further discussions are planned as to how to establish a financially stable Joint Committee budget for future years as a pre-requisite to preparing a budget proposal for 2020/21 for submission to the Constituent Authorities.

4. Options available and consideration of risk

4.1 The key risk to the Constituent Authorities is a Committee without a clear role and functions and with unsustainable support arrangements which threaten the security and operation of the model. If the Committee cannot be sustained into the future then the momentum already achieved with Government will be at risk and the opportunity to realise additional funds, powers and responsibilities from the Government for the benefit of HotSW will be severely compromised. This in turn would compromise the ability to deliver the Productivity Strategy.

5. Proposed Way Forward

- 5.1 It is proposed to accept the amendments to the Arrangements Document and to note the updated budget position of the HotSW Joint Committee.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The review of the role and functions of the Joint Committee has clearly taken account of the legal framework within which the Joint Committee operates.
Financial implications to include reference to value for money		Financial implications clearly set out in Section 3 of the report
Risk		Set out in Section 4 of the report
Supporting Corporate Strategy		Council – delivering efficient and effective services
Climate Change - Carbon / Biodiversity Impact		None directly arising from this report
Comprehensive Impact Assessment Implications		
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 – Extract from the Joint Committee’s Arrangements Document
 Appendix B – Heart of the South West Joint Committee Support Structure

Background Papers:

- Heart of the SW Joint Committee Arrangements document as agreed by all Constituent Authorities
- Heart of the SW Joint Committee Inter-Authority Agreement as agreed by all of the Constituent Authorities

Approval and clearance of report

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

APPENDIX A – EXTRACT FROM THE JOINT COMMITTEE’S ARRANGEMENTS DOCUMENT

2. Joint Committee Functions:

2.1 The only delegated functions of the Joint Committee relate to:

- (a) the approval of the HotSW Productivity Strategy; and
- (b) the development and endorsement of the HotSW Local Industrial Strategy (LIS) (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government.

All other matters referred to in 2.3 below are ‘referred’ matters where the Joint Committee will make recommendations to the Constituent Authority or Authorities for decision. Additional delegated or referred functions may be proposed for the Joint Committee in the future by the Joint Committee or any of the Constituent Authorities but shall only be agreed if approved by all of the Constituent Authorities.

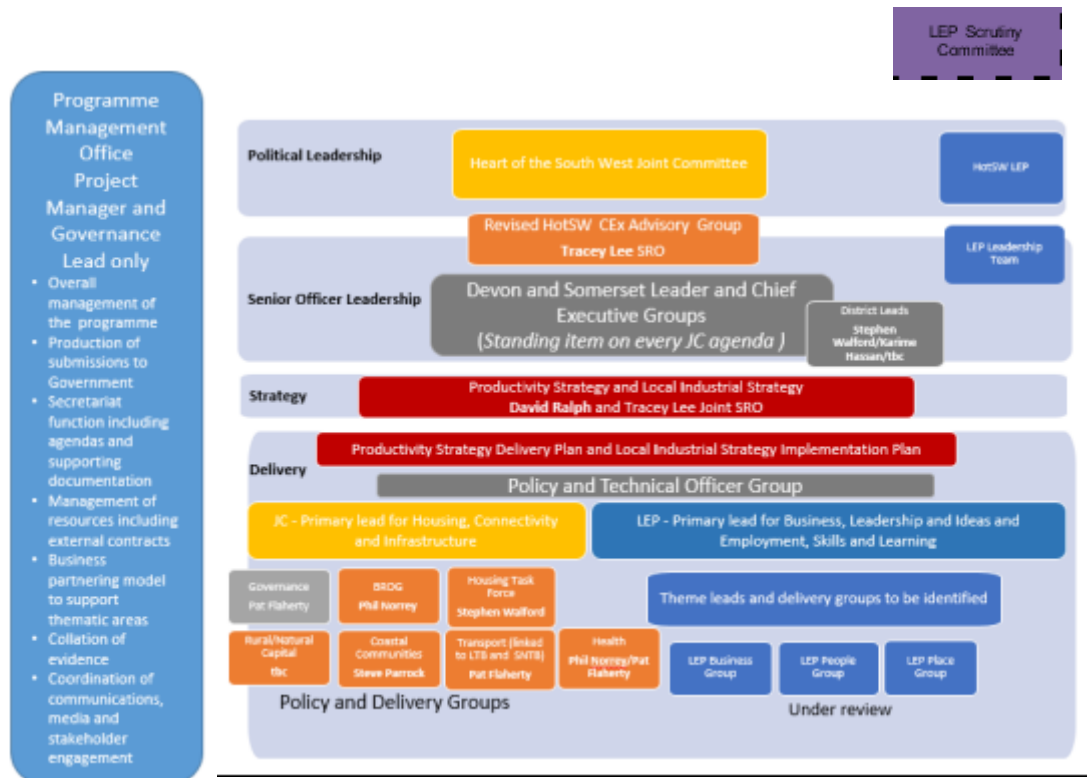
2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation to the other functions of the Joint Committee.

2.3 The Joint Committee shall:

- (a) Develop and agree the HotSW Productivity Plan in collaboration with the LEP.
- (b) Maintain oversight of the HotSW Delivery Plan = working alongside and in collaboration with the LEP using each other’s strengths and roles to ensure delivery of the HotSW Productivity Strategy.
- (c) Continue discussions /negotiations with the Government and Government agencies to achieve direct intervention, support, funding and powers to the benefit of the HotSW and assist with the delivery of the Productivity Plan and the LIS, working with the LEP.
- (d) Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government’s strategic infrastructure commitments, eg, strategic road and rail transport improvements.
- (e) Design and deliver the strategic HotSW response to ‘Government’ offers and respond to Government calls for evidence if appropriate.
- (f) Design and deliver public sector reform where this will deliver improved productivity to the HotSW, eg health, education.
- (g) Deliver at scale (beyond what individual councils can achieve).
- (h) Work with the LEP to identify and deliver adjustments to the LEP’s democratic accountability and to assist the organisation to comply with the revised (November 2016) LEP Assurance Framework. This includes endorsing the LEP’s assurance framework on behalf of the Constituent Authorities as and when required. However, this is subject to the Framework being formally approved by the LEP’s Administering Authority.
- (i) Ensure that adequate resources (including staff and funding) are allocated by the Constituent Authorities to enable the objectives in (a) to (e) above to be delivered.

APPENDIX B

HotSW Joint Committee Support Structure



Chief Executives' Executive Group Membership and Roles

Theme/Role	Lead	Body
HotSW Leaders SRO	Tracey Lee	JC (PCC)
Productivity Strategy SRO	Tracey Lee/David Ralph	JC (PCC)/LEP
LIS SRO	David Ralph/Tracey Lee	LEP/JC (PCC)
BROG	Phil Norrey	JC (DCC)
Governance lead	Pat Flaherty	JC (SCC)
Housing lead	Stephen Walford	JC (MDDC)
Transport lead	Pat Flaherty	JC (SCC)
Coastal Communities lead	Steve Parrock	JC (TC)
District Council Leads X 3	Stephen Walford (Devon - Rural) Karime Hassan (Devon - City/Urban) Stuart Brown (Somerset)	JC (MDDC/ECC/MDC)
Rural/Natural Capital lead	Kevin Bishop	JC (DNP)
Health theme	Via Phil Norrey and Pat Flaherty in the short term	JC (DCC/SCC)

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**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
 HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 25 JULY 2019**

Members in attendance * Denotes attendance			
*	Cllr L Austen (Vice-Chairman)	*	Cllr J T Pennington
*	Cllr J Brazil	*	Cllr B Spencer
*	Cllr T R Holway (Chairman)	*	Cllr B Taylor
*	Cllr J McKay		

Members also in attendance:
Cllrs H D Bastone, J D Hawkins, N A Hopwood, D W May and J A Pearce

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Chief Executive; Section 151 Officer; Finance HOP Lead; Senior Specialist – Democratic Services; and Grant Thornton Representatives.

A.11/19 MINUTES

The minutes of the meeting of the Committee held on 20 June 2019 were confirmed as a correct record and signed by the Chairman, subject to an amendment being made to reflect the fact that Cllr B Spencer was incorrectly recorded as being in attendance.

A.12/19 URGENT BUSINESS

The Chairman advised that he had no urgent items to be raised at this meeting.

A.13/19 DECLARATIONS OF INTEREST

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

A.14/19 GRANT THORNTON AUDIT PROGRESS REPORT (ISA 260) – AUDIT FINDINGS REPORT

The Committee considered a paper from Grant Thornton that summarised the key findings and other matters arising from the statutory audit of the Council and the preparation of the Council’s financial statements for the year ended 31 March 2019.

The Grant Thornton representatives provided a detailed introduction into their paper and, in the ensuing discussion, the following points were raised:-

- (a) The Committee echoed the importance of emerging guidance from CIPFA and Central Government on the acquisition of investment properties and related borrowing being closely (and regularly) monitored;
- (b) With regard to the Council's CCLA Investments, whilst Grant Thornton was of the view that these should be treated as a short term investment, officers did not agree and continued to classify these as a long term investment. When questioned, the Section 151 Officer informed that the Council's position in this regard was consistent with some of the other local authorities in the county;
- (c) Some Members expressed their disappointment over the last minute requirement for the Council to pay an additional £4,500 in Audit Fees to Grant Thornton and questioned the justification for this increase. In reply, Grant Thornton representatives acknowledged these concerns and informed that that were attributed to the requirements to undertake additional work coupled with the audit timetable having been brought forward by two months. Whilst the representatives were content that Grant Thornton had adequately resourced the South Hams audit, this had not been the case for other local authorities in the county and there was a recognised shortage of auditors in the region. As a result, the representatives advised that there would be a need to undertake a lessons learned review during the upcoming months with the importance of delivering quality audits at the forefront of this exercise.

It was then:

RESOLVED

That the contents of the Grant Thornton Audit Progress Report be acknowledged.

A.15/19

AUDITED STATEMENT OF ACCOUNTS 2018/19 AND ANNUAL GOVERNANCE STATEMENT 2018/19

Members considered a report that sought approval of:

- the wording of the Letter of Representation (as set out in Appendix A of the presented agenda report);
- the audited Statement of Accounts for the financial year ended 31 March 2019 (as detailed in Appendix B of the presented agenda report); and
- the Annual Governance Statement post audit (as outlined at Appendix C to the presented agenda report).

In debate, particular reference was made to:-

- (a) the development of local Town Centre Strategies. The Committee was informed that the development of the local Strategies would be a key piece of work for the Director of Place and Enterprise when the role was appointed to in the autumn;
- (b) the financial future of the Council. The Section 151 Officer confirmed that Negative Revenue Support Grant had been factored into the forecasted budget gap of £470,000 for 2020 onwards;
- (c) the Development Management Performance Indicators. A Member repeated his previous concerns that the current Development Management performance measures were not fit for purpose. In making the point that the reference to being 'on or above target' was only due to the prior agreement of time extensions, the Member felt that the measures should be subject to review. Officers advised that they were currently reviewing the current corporate approach to performance measures and the importance of Members expressing their views (and the subsequent need for Member training) was recognised.

It was then:

RESOLVED

That the Committee approve:-

1. the wording of the Letter of Representation (as set out in Appendix A of the presented agenda report);
2. the audited Statement of Accounts for the financial year ended 31 March 2019 (as detailed in Appendix B of the presented agenda report); and
3. the Annual Governance Statement post audit (as outlined at Appendix C of the presented agenda report).

A.16/19

ANNUAL TREASURY MANAGEMENT REPORT 2018/19

A report was considered that sought approval of the actual 2018/19 prudential and treasury indicators.

With no questions or issues being raised, it was then:

RESOLVED

1. That the actual 2018/19 prudential and treasury indicators (as outlined in the presented agenda report) be approved; and

2. That the Annual 2018/19 Treasury Management Report be noted.

A.17/19 BUDGET BOOK FOR 2019/20

A report was considered that presented the draft Budget Book for 2019/20.

To enable for Members to be able to draw comparisons with previous years, it was agreed that a paper copy of both the 2018/19 and 2019/20 Budget Books would be made available in the Members' Room.

It was then:

RESOLVED

That the content of the draft Budget Book for 2019/20 be noted.

A.18/19 PROPOSED COMMITTEE WORKPLAN FOR THE 2019/20 FINANCIAL YEAR

In considering its Annual Workplan, the Committee requested that an additional item be included on the agenda for the next meeting on 7 November 2019 entitled: 'Assurance and Governance of the Frontline Services (Waste and Cleansing) Contract'.

(Meeting commenced at 9.30 am and finished at 11.05 am)

Chairman

**MINUTES OF THE MEETING OF THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD AT FOLLATON HOUSE, TOTNES, ON WEDNESDAY,
14 AUGUST 2019**

Members in attendance			
* Denotes attendance			
∅ Denotes apologies			
*	Cllr V Abbott	*	Cllr K Kemp
*	Cllr J Brazil (Chairman)	*	Cllr M Long
*	Cllr D Brown	*	Cllr G Pannell
*	Cllr R J Foss (Vice Chairman)	*	Cllr K Pringle
*	Cllr J M Hodgson	*	Cllr R Rowe
*	Cllr T R Holway	*	Cllr B Taylor

Other Members also in attendance:
Cllrs Hawkins and Pennington

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Development Management Practice, Planning Senior Specialist, Planning Specialists, Deputy Monitoring Officer, Specialist Democratic Services
	1548/19/OPA	Devon County Council (DCC) Highways Officer
	1386/19/OPA	Specialist Strategic Planning

DM.17/19 MINUTES

The minutes of the meeting of the Committee held on 17 July 2019 were confirmed as a correct record and signed by the Chairman.

DM.18/19 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered and the following were made:

Cllr R Foss declared a personal interest in application **0620/18/FUL**: Provision of an agricultural workers dwelling – Borough Farm, East Allington, by virtue of being involved with Kingsbridge Show which took place on this site and he remained in the meeting and took part in the debate and vote thereon;

Cllr V Abbott declared a personal interest in application **1386/19/OPA**: construction of 2no. residential dwellings on an infill site, formerly Whiteoaks camp site – ‘Whiteoaks’, Davids Lane, Filham by virtue of knowing the applicant and he remained in the meeting and took part in the debate and vote thereon;

Cllrs R Rowe and B Taylor declared a personal interest in the following planning applications that were sited within the South Devon AONB by virtue of being Members of the South Devon AONB Partnership Committee and they remained in the meeting and took part in the debate and vote thereon:

- 1430/19/FUL:** Erection of 16 metal self-storage units as part of farm diversification scheme – Barn, Higher Easton Farm, St Anns Chapel;
- 1291/19/HHO:** Householder application for rear extension and modifications (retrospective) – 36 Above Town, Dartmouth;
- 2134/19/FUL:** Erection of a monument to commemorate the 150th Anniversary of lifeboat based at Salcombe – Cross Gardens, Onslow Road, Salcombe; and
- 2132/19/FUL:** Proposed erection of monument – The Quay, Car Park, Kingsbridge.

DM.19/19

PUBLIC PARTICIPATION

The Chairman announced that a list of members of the public and town and parish council representatives, who had registered their wish to speak at the meeting, had been circulated.

DM.20/19

PLANNING APPLICATIONS

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

a) 1430/19/FUL Barn, Higher Easton Farm, St Anns Chapel**Parish: Bigbury**

Erection of 16 metal self-storage units as part of farm diversification scheme

Case Officer Update: None

Speakers included: Supporter – Mrs Hazel Marshall: Ward Member – Cllr Taylor

Recommendation: Refusal

During discussion, a number of Members stated that this proposal satisfied a need, and the support of the Parish Council was also noted.

Committee Decision: Conditional Approval, with the Head of DM Practice being given delegated authority, in consultation with the Chairman of the Committee and the local Ward Member, to approve the final wording of the conditions.

Reasons:

The public benefit of the proposal outweighed the harm and the landscaping scheme would conserve and enhance the Area of Outstanding Natural Beauty in accordance with Policy DEV 25.

b) 1291/19/HHO 36 Above Town, Dartmouth**Parish: Dartmouth**

Householder application for rear extension and modifications (retrospective)

Case Officer Update: None

Speakers included: Objector – Mr Gareth Roberts: Supporter – Mr Ciaran McClennon: Town Council – Cllr Graham Evans: Ward Members Cllrs Hawkins and Rowe

Recommendation: Conditional Approval

Committee Decision: Conditional Approval

Conditions:

Standard Time Limit

Accord with plans

Material samples to be submitted

No use of flat roof areas for amenity purposes

Non-opening windows/doors to west elevation

No insertion of new windows, doors or openings restriction

Use of obscure glass to window facing no. 34

c) 1548/19/OPA Land adjoining Westerland Dale, Westerland, Marldon**Parish: Marldon**

Outline application (all matters reserved) for construction of a single storey dwelling with garage, and alterations to existing vehicular access

Case Officer Update: None

Speakers included: Supporter – Mr Derek Webber: Parish Council – Cllr Gordon Page: Ward Member – Cllr Pennington

Recommendation: Refusal

Committee Decision: Refusal

d) 1386/19/OPA Whiteoaks, Davids Lane, Filham**Parish: Ugborough**

Construction of 2no. residential dwellings on an infill site, formerly Whiteoaks camp site

Case Officer Update: None

Speakers included: Supporter – Mrs Rachel French: Ward Member – Cllr Holway

Recommendation: Refusal

Members had a difficult debate on this application. The case officer outlined the Policy reasons for Refusal of the proposal. Some Members argued the sustainability of the site, and that the site bordered an allocated site where permission for 200 houses had already been given. However, the infrastructure to support the allocated site was not in place until that site was constructed, and therefore the proposal was contrary to policies within the JLP and the Ugborough Neighbourhood Plan.

Committee Decision: Refusal

e) 0620/18/FUL Borough Farm, East Allington**Parish: East Allington**

Provision of an agricultural workers dwelling

Case Officer Update: None

Speakers included: Supporter – Mrs Amanda Burden: Ward Member – Cllr Foss

Recommendation: Refusal

During discussion, a number of Members disagreed with the view of the agricultural consultant and felt that the applicant had demonstrated an agricultural need for an additional dwelling based on the stock levels at the farm. Members also felt it was important to support rural businesses where possible. The Head of DM Practice asked that approval be conditional and that conditions be agreed in consultation with the Committee Chairman and local Ward Member.

Committee Decision: Conditional Approval, with the Head of DM Practice being given delegated authority, in consultation with the Chairman of the Committee and the local Ward Member, to approve the final wording of the conditions.

Reasons:

Members had considered the evidence provided to them including stock levels and had considered the agricultural consultant's report but had come to a different conclusion.

f) 2134/19/FUL Cross Gardens, Onslow Road, Salcombe**Parish: Salcombe**

Erection of a monument to commemorate the 150th Anniversary of lifeboat based at Salcombe

Case Officer Update: As the consultation period had not ended, the recommendation should be amended to take account of any further letters of representation received

Speakers included: Ward Member – Cllrs Long and Pearce (statement supplied)

Recommendation: Conditional Approval

Committee Decision: Conditional Approval delegated to Head of Development Management Practice, subject to no additional material comments being made

Conditions:

1. Time limit
2. Accord with plans

g) 2132/19/FUL The Quay, Car Park, Kingsbridge**Parish: Kingsbridge**

Proposed erection of monument

Case Officer Update: As the consultation period had not ended, the recommendation should be amended to take account of any further letters of representation received; no objection from Kingsbridge Town Council

Speakers included: None

Recommendation: Conditional Approval

Committee Decision: Conditional Approval delegated to Head of Development Management Practice, subject to no additional material

comments being made

Conditions:

1. Time limit
2. Approved plans

DM.21/19 PLANNING APPEALS UPDATE

Members noted the list of appeals as outlined in the presented agenda report. The Head of Development Management Practice provided further detail on specific decisions.

DM.22/19 PERFORMANCE INDICATORS

Members noted the Planning Performance Indicators as set out in the presented report.

(Meeting commenced at 10.00am and concluded at 1.05pm)

Chairman

Voting Analysis for Planning Applications – DM Committee 14 August 2019

Application No:	Site Address	Vote	Councillors who Voted Yes	Councillors who Voted No	Councillors who Voted Abstain	Absent
1430/19/ARM	Higher Easton Farm, St Anns Chapel	Conditional Approval	Cllrs Abbott, Brazil, Brown, Foss, Holway, Kemp, Long, Pannell, Taylor, Rowe, Pringle, Hodgson (12)	(0)	(0)	(0)
1291/19/HHO	36 Above Town, Dartmouth	Conditional Approval	Cllrs Abbott, Brazil, Foss, Holway, Kemp, Long, Pannell, Taylor, Rowe, Pringle (10)	Cllrs Brown, Hodgson (2)	(0)	(0)
1548/19/OPA	Land adjoining Westerland Dale, Westerland, Marldon	Refusal	Cllrs Brazil, Brown, Foss, Holway, Kemp, Long, Pannell, Taylor, Pringle, Hodgson (10)	Cllrs Abbott, Rowe (2)	(0)	(0)
Page 13 1386/19/OPA	Whiteoaks, Davids Lane, Filham	Conditional Approval	Cllrs Brown, Pringle, Holway, Hodgson, Abbott (5)	Cllrs Brazil, Foss, Kemp, Long, Pannell, Taylor, Rowe (7)	(0)	(0)
1386/19/OPA	Whiteoaks, Davids Lane, Filham	Refusal	Cllrs Brazil, Foss, Kemp, Long, Pannell, Taylor, Rowe (7)	Cllrs Brown, Pringle, Holway, Hodgson, Abbott (5)	(0)	(0)
0620/18/FUL	Borough Farm, East Allington	Conditional Approval	Cllrs Abbott, Foss, Holway, Kemp, Long, Pannell, Taylor, Rowe, Hodgson (9)	Cllrs Brown, Pringle (2)	Cllr Brazil (1)	(0)
2134/19/FUL	Cross Gardens, Onslow Road, Salcombe	Conditional Approval	Cllrs Abbott, Brazil, Brown, Foss, Holway, Kemp, Long, Pannell, Taylor, Rowe, Pringle, Hodgson (12)	(0)	(0)	(0)
2132/19/FUL	The Quay, Car Park, Kingsbridge	Conditional Approval	Cllrs Abbott, Brazil, Brown, Foss, Holway, Kemp, Long, Pannell, Taylor, Rowe, Pringle, Hodgson (12)	(0)	(0)	(0)

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**MINUTES OF THE MEETING OF THE
OVERVIEW & SCRUTINY PANEL
HELD AT FOLLATON HOUSE, TOTNES ON
THURSDAY, 5 SEPTEMBER 2019**

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

Other Members also in attendance:
Cllrs V Abbott, K J Baldry, H D Bastone, J Brazil, J D Hawkins, T R Holway, N A Hopwood, D W May, G Pannell and J A Pearce

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Deputy Chief Executive; and Senior Specialist – Democratic Services
7	O&S.23/19	Assets Specialist and Fusion Representatives
8(a) and 8(b)	O&S.24/19(a) and O&S.24/19(b)	Commissioning Manager
8(c)	O&S.24/19(c)	Strategic Planning Manager (Joint Local Plan)
9	O&S.25/19	Planning Enforcement Specialist
10	O&S.26/19	Housing Specialists
11	O&S.27/19	Commissioning Manager

O&S.20/19 MINUTES

The minutes of the meeting of the Overview and Scrutiny Panel held on 13 June 2019 were confirmed as a correct record and signed by the Chairman.

However, a Member did wish to express his disappointment that Minute O&S.12/19(c) 'Executive Forward Plan (c): Council Tax Reduction Scheme 2020/21' had not included specific comments that he had expressed at that meeting in relation to increasing the capping level to 30% and an error that he had cited regarding the Minimum Income Floor.

In response, officers advised that, in the event of a Member wishing to have a specific discussion point included in the published minutes, then they had the ability to make the request at that meeting.

O&S.21/19 DECLARATIONS OF INTEREST

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

O&S.22/19 PUBLIC FORUM

In accordance with the Public Forum Procedure Rules, the Chairman informed that three questions had been received for consideration during this agenda item.

1. Question from Ms Ella Dangerfield

'Has this Council consulted its employees on their views about the ethics and potential financial risks of investing their pension funds in fossil fuel industries?'

In reply, the Leader of the Council provided the following response:

'The Council's past and present employees were enrolled into the Devon Pension Fund (that was administered by Devon County Council (DCC)). The Investment Strategy was set by the DCC Investment and Pension Fund Committee.

UNISON representatives were included as non-voting members of the Committee. Each year, DCC held an Annual Consultative Meeting, which was open to all members of the Pension Fund. This included presentations on the Pension Fund's Investment Strategy and performance and provided the opportunity for Pension Fund members to ask questions and raise issues. The last two annual consultative meetings had both included presentations on responsible investment including issues around Climate Change.

The Devon Pension Fund's current approach was to manage the risks in relation to Climate Change and to promote change through engagement with companies rather than through divestment. The Devon Pension Fund was a member of the International Investors Group on Climate Change (IIGCC).'

2. Question from Mr Robert Vint

'How will the Council ensure that the forthcoming Plymouth and South West Devon Joint Local Plan Supplementary Planning Document will fully accord with the emerging Climate Action Plans for the South Hams and for Devon? What options are being explored to ensure the construction of zero-carbon homes and to enable the provision of local renewable energy projects in accord with the recommendations of the 'South West Devon Strategic Energy Study' (2013)?'

In response, the Leader stated that:

‘The Plymouth and South West Devon Supplementary Planning Document (SPD) provided guidance on the application of policies in the Plymouth and South West Devon Joint Local Plan (JLP), which was adopted in March 2019. The JLP set out a strategy that aimed to direct new development to the most sustainable locations, which contained a target to reduce carbon emissions across the plan area by 50% on 2005 levels by 2034, and which had detailed policies which would require developers to implement low carbon building techniques (Policy DEV32) and which enable the provision of local renewable energy projects (Policy DEV33). Additionally, the JLP also supported community-led energy efficiency and energy generation projects. The SPD would provide detailed guidance on how these DEV policies should be applied when planning applications were being considered. It should, however, be noted that the SPD could not introduce new policy measures – new policy could only be introduced through a Local Plan, for example the review and update of the JLP.’

Mr Vint proceeded to ask the following supplementary question:

‘Is the Council aware of the legal obligation to set robust evidence-based carbon reduction targets and to make these central to Local Plans – and are the Council and its partners therefore preparing to incorporate carbon reduction targets into the Joint Local Plan in light of the recent threat of legal action against Councils that failed to do this?’

In her response, the Leader felt that she had at least partially answered this question in her original reply and highlighted that the three partner councils in the JLP area had all declared their own Climate Change Emergency. Whilst a particularly technical area, the Leader assured Mr Vint that planning officers were fully aware of the Council’s obligations in this respect. Furthermore, the aforementioned SPD was proposed to make reference to a requirement for the majority of planning applications to include a supporting energy statement.

3. Question from Mr Peter Scott

‘What progress has been made since May in investigating opportunities for investing in Solar Photovoltaic Panels over Council owned car parks, on Follaton House, and on other Council-owned properties – including those leased to tenants? Have any solar energy businesses been invited to submit proposals to the Council?’

The Deputy Leader replied that:

'The Council was serious about its provision of renewable energy and reducing its carbon footprint and energy usage not only being generated by the Council, but also by our tenants and residents.

Cllr Baldry (in his capacity as lead Executive Member for the Environment) and the Assets Head of Practice had recently met with an organisation that was able to offer the provision of Solar Photovoltaic Panels across our estate.

This organisation had since concluded that our rental properties were unviable for any provision and that Follaton House was already well provisioned. However, there was felt to be scope with our Leisure Centre buildings and officers had put the organisation in touch with Fusion (our Leisure provider) and had also offered, as a Council, to work in partnership with Fusion to investigate the potential for a Council funded opportunity to be established. The investigations into Council owned car parks were ongoing.'

O&S.23/19 **FUSION UPDATE AND FEEDBACK ON THEIR CASHLESS PROJECT**

Representatives from Fusion Leisure conducted a presentation that outlined their cashless project proposals that were to come into effect on 1 October 2019. During their presentation, the representatives expressed their apologies to Members for the late notification and poor communication strategy that had prompted this agenda item.

In the ensuing debate, reference was made to:

- (a) the shift towards cashless. In acknowledging the changing spending habits of consumers, some Members cited their own examples of the shift away from purchasing with cash;
- (b) the detrimental impact on some of the most vulnerable groups in the District. Whilst acknowledging that Fusion was implementing a number of measures to mitigate the impact of the project, some Members did still wish to make the point that there would still be a detrimental impact particularly on some of the most vulnerable groups;
- (c) adopting a pragmatic approach. Fusion representatives emphasised that their core business principles were to ensure that people were active and to increase custom and, as a consequence, they would be adopting a pragmatic approach during the project roll out phase;
- (d) the Communication Strategy that had underpinned this project. A Member stated that his primary concern had related to the lack of advanced communication with Members. In stressing the importance of the Council and Fusion working closely together, it was felt that Members should have been in receipt of a Briefing Note that they could have used to respond to concerns that were being raised by their constituents;

- (e) clear messaging on the website and social media. Fusion representatives recognised that the South Hams was a tourist area and it was therefore vitally important that this project was clearly communicated on their website and social media pages;
- (f) the fraud related risks. The representatives highlighted the extent of the challenges that the business was facing from fraud and advised that they were taking every possible step to keep these risks to a minimum;
- (g) consultation with town councils. The representatives confirmed that they would be happy to attend town council meetings to provide a presentation on the cashless project before the formal 'go live' date of 1 October 2019;
- (h) the management of the reception areas. Whilst there were currently no plans to reduce the staffing levels in the centre reception areas, it was confirmed that the management of these areas would be reviewed in the upcoming months;
- (i) the establishment of a Task and Finish Group. The Panel endorsed the suggestion to establish a Task and Finish Group to undertake a review of the relationship between Fusion and our local communities.

It was then:

RESOLVED

That a Task and Finish Group (comprising of Cllrs Smerdon (Chairman), Austen, O'Callaghan, Reeve and Sweett) be established to undertake a review of the relationship between Fusion and our local communities, with a concluding report being presented to the Panel meeting on the afternoon of 23 January 2020, before Fusion representatives then present their annual report to the next Panel meeting on 27 February 2020.

Also, in reviewing the relationship, the Task and Finish Group should visit all four Leisure Centres in the District and the concluding report should include reference to the delivery of Fusion's key objectives and consequent outcomes.

O&S.24/19 EXECUTIVE FORWARD PLAN

The Panel was presented with the most recently published Executive Forward Plan. In accordance with Procedure Rules, formal requests had been made for three future Executive agenda items to be first considered by the Panel. These items were as follows:

(a) Partnership Funding Levels 2020/21

The lead Executive Member for Communities advised that the Executive report would be seeking adoption of a 'Commissioning Model' based approach to award partnership funding for a three year period (instead of the current process of reviewing annually). The Member also informed that it was to be recommended that future funding decisions would be based upon one (or all) of the following:

- Local need;
- Alignment to the Council's Corporate Strategy; and
- Statutory duty.

With no questions forthcoming, the lead Executive Member was thanked for his update.

(b) Customer Satisfaction Quarterly Updates

The lead Executive Member advised that the key updates related to the Council website. Of particular note, the Panel was informed that a designated website officer had now been recruited and had started in their new role on Monday, 2 September 2019.

With regard to feedback on the Council website, it was noted that the views of Members and stakeholders (including town and parish councils) would be welcomed. In addition, it was noted that the Council was struggling to gain feedback from customers and, as a result, if any Members knew of potential volunteers in their local wards who could help to review the effectiveness of the website, then they were asked to contact the lead Member or the Commissioning Manager accordingly.

(c) Local Development Scheme

For clarity, the Leader advised the Panel that every Local Authority was required to prepare a Local Development Scheme (LDS) for its approval. It was noted that the LDS could be summarised as being a three year project plan that set out a definitive timetable for local development related documents.

O&S.25/19 PLANNING ENFORCEMENT PLAN REVIEW

The Panel considered a report that recommended that the Executive approve:

- an updated Enforcement Plan;
- a Harm Assessment Matrix;
- a draft Enforcement Plan.

During the ensuing debate, the following points were raised:-

- (a) The Panel was advised that, due to the budget implications and the complexity of the cases, outsourcing of some of the service workload was not deemed to be a viable option;
- (b) With regard to the role that could be played by local ward Members, it was agreed that drop-in sessions would be held with Planning Enforcement officers in the next few months in an attempt to reduce the number of cases. Members were of the view that such was the importance of regular dialogue between officers and local ward Members that this action should be given greater priority in the draft Enforcement Plan.

In addition, the Panel felt that consideration should be given to Members being in receipt of notification of each Planning Enforcement Case (once it has been registered) within their local ward alongside its priority rating;

- (c) the role of the Locality Service. The Panel acknowledged the role played by Mobile Locality Officers in supporting the Enforcement function. As a general point, the Panel also felt that it would now be timely to review the Locality Service and requested consideration of this matter at its next meeting on 17 October 2019;
- (d) the communication links between Planning Enforcement and the Development Management service. The Enforcement Specialist confirmed that, whilst there was always room for further improvements, the communication links between Enforcement and Development Management was now much better;
- (e) the status of the Enforcement service. Whilst it was defined as a discretionary service, Members were of the view that it was a critically important function that should be appropriately resourced and therefore proceeded to emphasise their support for the proposal to increase staffing levels and requested that the draft Action Plan be updated to reflect this need;
- (f) the proposed 80% target for enforcement cases that were prioritised as 'low'. When questioned, officers felt that any increase in the proposed targets would result in them becoming unrealistic and almost unachievable.

It was then:

RECOMMENDED

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

1. the updated Enforcement Plan; the Harm Assessment Matrix and the proposed Enforcement Plan be approved;

2. Council be **RECOMMENDED** that the additional two permanent staff for Planning Enforcement be approved to be funded from the Planning Enforcement Reserve in 2019/20 and to be built into the Budget Setting process as a cost pressure for 2020/21; and
3. Members receive notification of each Planning Enforcement Case (once it has been registered) within their local ward alongside its priority rating.

O&S.26/19 **HOMELESS STRATEGY ACTION PLAN**

Consideration was given to a report that sought to recommend to the Executive that the draft Homelessness Strategy Action Plan 2019/20 and the draft South Hams and West Devon Rough Sleeper Strategy 2019/22 be adopted.

During the ensuing discussion, reference was made to:-

- (a) the appreciation for the work undertaken by the service. A number of Members wished to record their thanks for the excellent work and commitment of the officers within the housing service;
- (b) cascading the Action Plan and Strategy. Officers assured the Panel that, once adopted, the Action Plan and Strategy would be published on the Council website. Furthermore, the Panel requested that copies of these documents should be sent to Town and Parish Council Clerks with an explanatory note of the relevant services (and officer contact details) that were provided by the Council;
- (c) homelessness prevention sessions in local schools. Having been informed that the prevention sessions that had been held to date had been well received, officers also advised that they were committed to providing a future session at the King Edward VI Community College in Totnes.

It was then:

RECOMMENDED

That the Executive be **RECOMMENDED** that:

1. the Homelessness Strategy Action Plan 2019/20 and the South Hams and West Devon Rough Sleeper Strategy 2019/22 be adopted; and
2. once adopted, copies of these documents be sent to Town and Parish Council Clerks with an explanatory note of the relevant services (and officer contact details) that are provided by the Council.

O&S.27/19 **CORPORATE STRATEGY**

The Panel considered a report that provided an update on the Council's progress in refining its service offerings under each of the Council's six corporate themes namely: Efficient and Effective Council; Communities; Enterprise; Environment; Homes; and Wellbeing.

During the ensuing discussion, the following points were raised-

- (a) The Panel emphasised the importance of any set targets being based upon the SMART (Specific, Measurable, Achievable, Relevant and Time-bound) principles;
- (b) As part of its recommendations to the Executive, the Panel felt that targets should be included that were aligned to the following subject areas:
 - o Climate Change;
 - o Electrical Vehicle Charging Points; and
 - o Planning Enforcement.

It was then:

RESOLVED

1. That the Panel acknowledge the progress made to date on refining the Council's Corporate Strategy; and
2. That the Executive be **RECOMMENDED** to:-
 - a. Provide the Panel with its targets that are to be based upon the SMART (Specific, Measurable, Achievable, Relevant and Time-bound) principles; and
 - b. Include targets arising from the following subject areas:
 - Climate Change;
 - Electrical Vehicle Charging Points; and
 - Planning Enforcement.

O&S.28/19 **CLIMATE CHANGE AND BIODIVERSITY – CITIZENS' ASSEMBLY**

In accordance with the Council resolution (Minute 29/19(b) refers), the Panel was given the opportunity to comment on the following recommendation that was generated by the Climate Change and Biodiversity Working Group that was to be submitted to the Council meeting to be held on 26 September 2019:

'That the Working Group be provided with full particulars of the Citizens' Assembly proposed by Devon County Council including, but not limited to, the issues and matters to be addressed, the number of assembly members and their geographic spread and means of administration / operation.

(This will inform the benefits and options of establishing a Citizens' Assembly for the South Hams.)'

In discussion, the following comments were made:-

- (a) The Panel was of the view that the lack of any timeframe in the Working Group recommendation was unfortunate and a number of Members felt that it would be appropriate for the full particulars to be provided to the next meeting of the Working Group;
- (b) With regard to the Terms of Reference for the Working Group, officers committed to circulating these to all Members. As a specific point, a Working Group Member sought clarification as to whether or not the Terms of Reference had been amended to reflect the fact that the Council was a 'Category 1' responder;
- (c) It was acknowledged that a number of town and parish councils had expressed a wish to be involved in the development of the Action Plan. By way of an assurance, the Leader informed that the Action Plan would be included as a discussion point during the next Town and Parish Council event;
- (d) A Member advised that he would seek clarity over the scope and extent of the Action Plan during the next Council meeting that was to be held on 26 September 2019.

O&S.29/19 **BREXIT – MAIN RISK AREAS TO THE COUNCIL AND FUTURE COMMUNICATION STRATEGY TO MEMBERS**

The Deputy Chief Executive provided an update on Brexit and advised that:

- he had been assigned the role of Council lead officer for Brexit;
- to date, very little information had been forthcoming from Central Government;
- the Council was in the process of reviewing its Business Continuity Plans based upon some of the potential outcomes that may arise from Brexit;
- the Devon County Council Chief Executive had taken on the role of Regional Lead for Brexit;
- all Members would play an important role as Community Leaders in their local wards;
- the significant impact on the Council that would arise from a potential snap General Election. In light of the potential short timeframes, the Panel was informed that there would be an inevitably detrimental impact on some Council service standards; and
- contact had already been made with the local fishing industry.

Moving forward, the Panel concluded that future Brexit related communication to Members should be undertaken via a regular 'Brexit Briefing Note'. In the event of the content of any of these being considered to be confidential, then Members would be advised accordingly.

O&S.30/19 **ANNUAL PANEL WORK PROGRAMME**

During consideration of the latest version of the Panel's Annual Work Programme, the following additions, amendments and deletions were made:

- (a) The Panel acknowledged that it had earlier agreed a proposal to review the Locality Service at its next meeting on 17 October 2019 (Minute O&S.25/19 above refers);
- (b) Members also noted that the concluding report of the Leisure Task and Finish Group would be presented to the Panel meeting on the afternoon of 23 January 2020 (Minute O&S.23/19 above refers).

(Meeting started at 10.00 am and concluded at 1.25 pm)

Chairman

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