

South Hams Council



Title:	Agenda																												
Date:	Thursday, 25th March, 2021																												
Time:	2.00 pm																												
Venue:	Via Teams																												
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 Long</td> </tr> <tr> <td>Cllr Austen</td> <td>Cllr McKay</td> </tr> <tr> <td>Cllr Baldry</td> <td>Cllr O'Callaghan</td> </tr> <tr> <td>Cllr Bastone</td> <td>Cllr Pannell</td> </tr> <tr> <td>Cllr Birch</td> <td>Cllr Pearce</td> </tr> <tr> <td>Cllr Brazil</td> <td>Cllr Pennington</td> </tr> <tr> <td>Cllr Brown</td> <td>Cllr Pringle</td> </tr> <tr> <td>Cllr Chown</td> <td>Cllr Reeve</td> </tr> <tr> <td>Cllr Hawkins</td> <td>Cllr Rose</td> </tr> <tr> <td>Cllr Hodgson</td> <td>Cllr Smerdon</td> </tr> <tr> <td>Cllr Holway</td> <td>Cllr Spencer</td> </tr> <tr> <td>Cllr Hopwood</td> <td>Cllr Sweett</td> </tr> <tr> <td>Cllr Jackson</td> <td>Cllr Taylor</td> </tr> <tr> <td>Cllr Kemp</td> <td>Cllr Thomas</td> </tr> </table>	Cllr Abbott	Cllr Long	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
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Cllr Jackson	Cllr Taylor																												
Cllr Kemp	Cllr Thomas																												
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.																												
Committee administrator:	Democratic.Services@swdevon.gov.uk																												

- 1. Minutes** **1 - 14**
to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Council held on 11 February 2021;
- 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. Business Brought Forward by the Chairman**
to consider business (if any) brought forward by the Chairman;
- 6. Investing in South Hams Economic Recovery** **15 - 22**
- 7. Enhancing the Democratic Decision-Making Process** **23 - 36**
- 8. 2021/22 Capital Strategy; 2021/22 Treasury Management Strategy; and 2021/22 Investment Strategy** **37 - 96**
- 9. Pay Policy Statement and Pay and Reward Strategy 2021/22** **97 - 122**
- 10. Questions**
to consider the following question received in accordance with Council Procedure Rule 8.

(a) From Cllr Birch to Cllr Pearce (Leader of Council)

“Following the Leader of the Council’s answer to my

question at the Executive meeting held on 11 March on the matter of Climate Change & Biodiversity (CC&B) projects, will she please list all the current projects contained in the CC&B Action Plan that are being implemented?

Will she also please confirm that Members will receive regular updates on progress in respect of the CC&B projects in the Members' bulletin?"

(b) From Cllr Hodgson to Cllr Bastone (Deputy Leader of Council)

"What progress has been made with Traveller sites in the South Hams and how and when will formal sites be established for both transit and permanent use by the Traveller Community?"

11. Notice of Motion

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

(a) By Cllrs Hopwood and Austen

'All types of businesses from the cake maker to the carpenter play a major role in our communities. They help to support economic growth from the ground up. Following the pandemic, these often innovative and dynamic small businesses are going to be key to our recovery. The principle of shopping locally and supporting local trades is something that we can all do as we support each other to grow and thrive in the coming years and that can begin as local as your own street, community or village. As a Council (and elected Members) we can support and encourage support local and be 'Support Local' advocates within our communities.'

(b) By Cllrs Hodgson and Rose

"In line with our formal declaration of a climate and biodiversity emergency, and our commitment to actions to change behaviour to address the causes of this situation, and mitigate the impacts, this Council supports the Climate and Ecological Emergency Bill proposed by a coalition of scientists, academics and lawyers with the aim of bringing the UK's climate policy into one with evolving scientific evidence. Currently this also supported by 96 cross-party members of parliament. Nationally we need a strong legislative

framework that embeds the Government's targets in law, enabling us as supportive players, to plan and develop our future trajectories, to fit in with those targets.

Council therefore resolves to:

- i. Support the Climate and Ecological Emergency Bill; and*
- ii. Inform the local media of this decision;*

(c) By Cllrs Birch and Holway

'Following the decision of Full Council at its meeting on 11 February 2021 to allocate the sum of £200,000 to Climate Change and Biodiversity projects, it is resolved that part of this sum be allocated to Members as a CC&B Locality Fund for CC&B projects, in a similar manner to that adopted in respect of the Sustainable Community Locality Fund.

Each Member will be allocated the sum of £3,000 for distribution for CC&B projects and it is a condition that any funds distributed be in respect of projects that fall within the ambit of the Council's Climate Change and Biodiversity Strategy and Action Plan adopted on 17 December 2020 (and any subsequent amendments).

The Member allocating his/her budget or any part thereof to any project will submit six monthly reports from the recipient organisation. The reports shall comply with the reporting arrangements to be determined by the Leader of the Council and the Chair of the Overview and Scrutiny Panel.

The allocation will be initially for the financial year 2021-22, and to be reviewed during the budget setting process for 2022-23, when the spend, quality of projects and reports submitted by Members, along with any other competing budget pressures, will be taken into consideration.'

(d) By Cllrs Brazil and O'Callaghan

'South Hams District Council continues to lobby government to close the loophole that allows domestic properties to switch to business rates and then pay nothing by claiming the small business exemption. Additionally, local authorities need to be permitted to charge up to 200% on second/holiday homes in their area.'

(e) By Cllrs Baldry and Thomas

- 1. Many South Hams councillors live quite a distance from*

Totnes. For some it is an hour a round trip to attend meetings. It isn't always easy, particularly during winter time to attend all the meetings because of inclement weather and work commitments

- 2. SHDC has declared a climate emergency and by attending meetings via Teams or Zoom we are not driving and using non-renewal resources but are cutting down on our carbon footprint – a priority of this council.*
- 3. Virtual meetings have saved the council a considerable amount of money.*
- 4. Councillors wish to attend SHDC meetings but are also keen to attend meetings of the Parish and Town Councils within their wards. Some are also County Councillors and there is often a clash of dates. This means that councillors have to choose which to attend. The result is less engagement with the District Council, or the County Council or the Parish Councils. Having remote meetings means that councillors can more easily attend most of the meetings, to the advantage of all the councils.*
- 5. The engagement of the public and press has also generally increased. The level of reporting about council business has increased as physical meetings no longer attracted the local press due to cutbacks in their staff.*
- 6. For some councillors who have work commitments, mobility issues or are carers remote meetings have been easier for them to attend. This may well help to attract a wider age range of potential councillors in future elections.*

This Council would like to have the flexibility to hold remote and physical meetings. We recognise that some meetings are better dealt with physically and we also recognise that perhaps a hybrid model could also work successfully.

This Council resolves to

- 1. Write to the Ministry of Housing, Communities and Local Government (MHCLG) urging that the temporary change to the meeting rules set out in the Local Government Act 1972 be made permanent so that after May we have the flexibility to hold meetings remotely or physically or by using a combination of the two.*
- 2. Write to our MPs, the County Council and Town and Parish Councils asking for support for this flexible approach to council meetings.*
- 3. Once our request is successful to explore the use of technology to develop remote meetings even more in order to attract a wider audience."*

(f) By Cllrs Hodgson and Rose

"This Council supports the government's Active Travel Initiative and agrees to work with Devon County Council to ensure this important pedestrian and cycling infrastructure linking towns and rural villages is fully developed in a timely manner and maintained, to recognise the significance of these non-vehicular routes to the health and well-being of South Hams residents and visitors and to enable behaviour change in line with responding to the Council's declaration of a climate and biodiversity Emergency and Devon County Council's Carbon Plan".

(g) By Cllrs Hodgson and Rose

"In line with this Council's climate and biodiversity emergency, this council commits to work with Devon County Council to implement Air Quality Management Action plans in SHDC to:

- Improve recording of air pollutants (including Nitrous Oxides and particulates) to ensure accurate and comprehensive real time data collection*
- Assess and report the cumulative impacts on human health and wildlife within 10 meters of monitored public highways and footpaths*
- Address and significantly reduce the air quality issues in those zones as a matter of priority*
- Implement urgent measures to protect residents from the impacts of these pollutants."*

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 - 15 October 2020	123 - 128
(b) Overview & Scrutiny Panel - 19 November 2020	129 - 134
(c) Development Management Committee - 2 December 2020	135 - 144
(d) Executive* - 17 December 2020	145 - 150

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(e) Development Management Committee - 6 January 2021	151 - 158
(f) Joint O&S Panel and Development Management Committee - 14 January 2021	159 - 164
(g) Overview & Scrutiny Panel - 14 January 2021	165 - 170
(h) Salcombe Harbour Board - 18 January 2021	171 - 174
(i) Executive* - 28 January 2021	175 - 186
(j) Development Management Committee - 3 February 2021	187 - 192
(k) Audit Committee - 4 February 2021	193 - 198
(l) Council Tax Setting Panel - 23 February 2021	199 - 202
(m) Overview & Scrutiny Panel - 25 February 2021	203 - 210
(n) Development Management Committee - 3 March 2021	211 - 218
(o) Executive* - 11 March 2021	219 - 226

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Agenda Item 1

MINUTES OF THE MEETING OF THE SOUTH HAMS DISTRICT COUNCIL HELD REMOTELY VIA TEAMS ON THURSDAY 11 FEBRUARY 2021

MEMBERS

* Cllr R Rowe – Chairman

* Cllr R J Foss – Vice-Chairman

* Cllr V Abbott	* Cllr M Long
* 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

* Denotes attendance

∅ Denotes apology for absence

Officers in attendance and participating:

For all items: Chief Executive; Deputy Chief Executive; Director of Governance and Assurance; Section 151 Officer; Director of Place and Enterprise; Monitoring Officer; Deputy Section 151 Officer; Head of Assets; and Democratic Services Manager

35/20 **MINUTES**

The minutes of the meeting of the Council held on 17 December 2020 were approved as a true and correct record.

36/20 **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.

37/20 **REVENUE BUDGET PROPOSALS FOR 2021/22**

The Council considered a report that detailed the formal proposals of the Executive in order to achieve a balanced Revenue Budget for 2021/22.

In her introduction, the Leader of Council paid particular tribute to the work of the Section 151 Officer; the Deputy Section 151 Officer and the Finance Team in presenting a balanced set of Revenue Budget proposals for 2021/22. In addition, the Leader also drew the attention of Members to two minor errors in the published agenda papers whereby reference had incorrectly been made to '*public* sector housing' instead of '*private* sector housing'. Finally, the Leader also set out the significant future financial challenges that were being faced by the Council.

In the ensuing debate, particular reference was made to:-

- (a) the proposed additional £200,000 funding for the Climate Change Action Plan. When questioned, the Leader advised that the recently established Community Board would be considering potential mechanisms for Bids to this fund to come forward. In response to a number of requests over the inability of Members to attend meetings of the Community Board, the Leader committed to following up this point outside of this Council meeting;
- (b) recommendation 6. Non-Executive Members thanked their Executive Member colleagues for taking into account the views arising from the Joint Budget Meeting of the Overview and Scrutiny Panel and Development Management Committee held on 14 January 2021 with regard to recommendation 6. By way of a further plea, Members also asked that monies be allocated towards funding the Recovery and Renewal Plan and Climate Change Action Plan sooner rather than later. In reply, the Leader assured Members that projects would be progressed in the upcoming months;
- (c) the business rates loophole for second homes. In acknowledging the repeated concerns raised, the Leader informed that lobbying to close the loophole was ongoing and she remained hopeful that this would be implemented as part of the Business Rates Reform during the Spring of 2021.

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

For the motion (26): Cllrs Abbott, Austen, Bastone, Birch, Brazil, Brown, Chown, Foss, Hawkins, Hodgson, Holway, Hopwood, Jackson, Kemp, Long, O'Callaghan, Pannell, Pearce, Pennington, Pringle, Reeve, Rose, Rowe, Smerdon, Spencer and Taylor

Against the motion (0):

Abstentions (0):

Absent (4): Cllrs Baldry(*), McKay(*), Sweett and Thomas(*)

and the vote on the motion was therefore declared **CARRIED**.

(NOTE (*): due to experiencing connection issues at the time of the recorded vote, Cllrs Baldry, McKay and Thomas were unable to take part in the vote. However, each Member had indicated their support for the recommendations during the debate.)

It was then:

RESOLVED

1. That Council Tax be increased by £5 (which equates to a Band D Council Tax of £175.42 for 2021/22, an increase of £5 per year or 10 pence per week. This is a 2.93% increase). This equates to a Council Tax Requirement of £6,718,291;
2. That the financial pressures set out in Appendix B of the presented agenda report (amounting to £696,761) be agreed;
3. That the net contributions to/(from) Earmarked Reserves of £414,600 (as outlined in Appendix D of the presented agenda report and including the proposed use of £746,000 of New Homes Bonus funding to fund the 2021/22 Revenue Budget) be agreed;
4. That the savings of £122,191 (as shown in Appendix A of the presented agenda report) be agreed;
5. That Partnership funding levels be agreed in accordance with Section 5 of the Executive report presented to its meeting held on 28 January 2021, including a £10,000 contribution to the CVS in 2021/22 and 2022/23;
6. That approval be given to the allocation of £500,000* for funding for the Recovery and Renewal Plan and a further £200,000* funding for the Climate Change Action Plan to be funded by:
 - a. Withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;
 - b. Utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme);
and
 - c. Utilising £450,000 of funding from the Business Rates Retention Earmarked Reserve;

(* This funding is to be put into an Earmarked Reserve for the purpose stated).

7. That an amount of £380,789 (the fifth tranche of COVID funding, as set out in paragraphs 11.2 and 1.9 of the Executive report presented to the meeting held on 28 January 2021 meeting) be approved (to be transferred into a 'COVID Earmarked Reserve') to protect against future COVID losses in 2021/22;
8. That the Council should set its total net expenditure for 2021/22 as £9,676,767 (as outlined at Appendix B of the presented agenda report);
9. That the minimum level of the Unearmarked Revenue Reserve be maintained at £1.5 million; and
10. That the level of reserves as set out within the presented agenda report and the assessment of their adequacy and the robustness of budget estimates be noted. (NB. this is a requirement of Part 2 of the Local Government Act 2003).

38/20

CAPITAL BUDGET PROPOSALS 2021/22

Consideration was given to a report that set out the Capital Bids to the 2021/22 Capital Programme (totalling £2,380,000) and a suggested way that these Bids could be funded.

In line with statutory requirements, a recorded vote was undertaken on the substantive motion. The voting on the motion was recorded as follows:

For the motion (29): Cllrs Abbott, Austen, Baldry, Bastone, Birch, Brazil, Brown, Chown, Foss, Hawkins, Hodgson, Holway, Hopwood, Jackson, Kemp, Long, McKay, O'Callaghan, Pannell, Pearce, Pennington, Pringle, Reeve, Rose, Rowe, Smerdon, Spencer, Taylor and Thomas

Against the motion (0):

Abstentions (0):

Absent (1): Cllr Sweett

and the vote on the motion was therefore declared **CARRIED**.

It was then:

RESOLVED

1. That the Capital Programme for 2021/22 (totalling £2,380,000 (as detailed at Appendix A of the presented agenda report)) be approved; and
2. That the financing of the 2021/22 Capital Programme of £2,380,000 be approved from the funding sources as set out in Section 4 of the presented agenda report.

BUSINESS GRANTS SCHEME

Members considered a report that provided an update on the Council's Business Grants Scheme and sought to support a series of recommendations in order to maximise the flow of grant money to businesses who were in need at this critical time.

In discussion, the following points were raised:-

(a) A number of Members wished to put on record their thanks to those officers who had been responsible for processing Business Grants that had provided much needed financial support to local businesses in these difficult times;

(b) An amendment to the motion was **PROPOSED** and **SECONDED** that read as follows:

'3. To allocate a further £400,000 (£900,000 in total) under the Additional Restrictions Grant (ARG) scheme towards strategic economic recovery projects and priorities;

6. That the proposed method, means and timing of the allocation and expenditure of the sum at Recommendation 3 be determined by the Executive at its next meeting following consultation with Members.

During discussion on the amendment, the proposer advised that less than 10% of the monies contained within the ARG scheme had currently been paid out and it was therefore felt to be reasonable to allocate an additional £400,000 (from £500,000 to £900,000) towards strategic economic recovery projects and priorities. In contrast, other Members felt that the amendment was somewhat premature (the scheme was to run until March 2022) and many seasonal businesses had yet to make a claim in accordance with the scheme.

When put to the vote, the amendment was declared **LOST**.

It was then:

RESOLVED

1. That the Local Restrictions Support Grant (LRSG) (Closed) Addendum and the Closed Business Lockdown Payment (CBLP) Scheme details (as set out in the presented agenda report) be noted;
2. That the changes made to the operation of the Additional Restrictions Grant (ARG) and LRSG (Open), in accordance with the Scheme of Delegation, be noted;

3. That a further £500,000 (20%) be allocated under the ARG Scheme towards strategic economic recovery projects and priorities;
4. That ARG funding not issued by 31 December 2021 (in the form of direct Business Grants) be retained in a Business Support Earmarked Reserve for sustained economic support activities;
5. That authority be delegated to the Director for Place and Enterprise, in consultation with the Leader of Council; lead Executive Member for Finance; and the Section 151 Officer to approve subsequent grant policies should the Council move back into local restrictions.

40/20

ENHANCING THE DEMOCRATIC DECISION-MAKING PROCESS

The Council considered a report that sought approval to:

- Bring forward changes to enhance and improve the democratic decision-making process, with the intention of the new arrangements coming into effect for the new Municipal Year (from May 2021); and
- Instruct officers to undertake further work with a view to bringing forward further recommendations.

The Leader introduced the report and advised that it was intended to develop proposals for an enhanced scheme (for both public and Member participation) that will also include provision for the opportunity for Members to give notice of Questions on Notice at Executive meetings. The Leader also stated that these proposals would form part of the report that would be presented to the next Council meeting to be held on 25 March 2021.

Having received these assurances, Cllrs Pannell and Abbott (in their capacity as proposer and seconder of a Motion on Notice that was to be considered later in the meeting (Minute 43/20(c) below refers)) advised of their wish to now formally withdraw their Motion.

In discussion, reference was made to:-

- (a) the Question and Answer session with representatives from the Senior Leadership Team. When questioned, officers confirmed that the Member Question and Answer drop-in sessions would be re-started;
- (b) widespread support being expressed for the proposals by a number of Members;
- (c) an addition to the report recommendation. The following addition was **PROPOSED** and **SECONDED** and when put to the vote was declared **CARRIED**:-

'That the report to the next Council meeting also focuses on proposed revisions to the ability to publish the draft minutes of Full Council meetings within a week of the meeting being held.'

It was then:

RESOLVED

1. That the overarching aims and principles (as set out in Section 4 of the presented agenda report) be supported, with any consequential amendments then being made to the Council's Constitution;
2. That a further report be presented to the next Council meeting (to be held on 25 March 2021) that focuses on proposed revisions to:
 - a. the frequency and timing of meetings (Sections 4.8 – 4.11 of the presented agenda report refer);
 - b. the Public Participation Schemes at formal Member Meetings, including the introduction of a Scheme at Full Council meetings (Section 4.14 of the presented agenda report refers);
 - c. the role and purpose of Working Groups and Task and Finish Groups (Section 4.16 of the presented agenda report refers);
 - d. the ability to publish the draft minutes of Full Council meetings within a week of the meeting being held.
3. That officers be instructed to continue to consult with Members prior to the next Council meeting to be held on 25 March 2021; and
4. That officers be instructed to draft the Calendar of Meetings for 2021/22 with the provision for Overview and Scrutiny Panel meetings to take place two weeks after an Executive Meeting and the provision for six scheduled meetings of Council per Municipal Year.

41/20

IVYBRIDGE REGENERATION – PROJECT UPDATE

Consideration was given to a report that made recommendations with respect to the Ivybridge Regeneration Project at Leonards Road, Ivybridge.

In discussion, the following points were raised:-

- (a) It was highlighted that the proposals had been supported by local residents and local stakeholders. In particular, the support of Ivybridge Town Council and the local Chamber of Commerce was noted;
- (b) An amendment to the recommendation was **PROPOSED** and **SECONDED** as follows:

'That the Council:

1. *Delay the so called Ivybridge Regeneration project through to planning, tender, construction and lease (subject but not limited to the regulatory statutory planning process and the total scheme cost being within the £9 million financial envelope);*
2. *Note the financial case as set out within this report and the borrowing of £9 million from the Public Works Loans Board (PWLb) to finance the regeneration project;*
3. *Ringfence £10 million for the regeneration of Ivybridge to be financed by the PWLB, subject to a Business Case being produced that demonstrates that the regeneration initiative can be self-financing; and*
4. *Invite Ivybridge Town Council and the Ivybridge community to come forward with their own plans and ideas for the regeneration. These could include purchasing or working in partnership with Glanville Mill. Forming a food co-operative selling local produce. Subsidising rents for local artisans, producers and entrepreneurs. And possibly even a budget supermarket.*

In support of the amendment, the following views were expressed:

- The current scheme was felt to be a missed opportunity and the construction of a supermarket was both unimaginative and did not constitute town centre regeneration or increase the public realm;
- If approved, the amendment would encourage both local produce and stimulate the local economy;
- Concerns were raised that the Council would be taking on the £9 million risk and this had not been highlighted in the recent public consultation exercise; and
- The comments in the published agenda report regarding the proposed Foodstore tenant using '*locally sourced produce*' were felt to be untrue.

In contrast, other Members were of the view that:

- It had been proven that such schemes did result in an increased footfall in town centres;
- Any further project delays would be to the detriment of Ivybridge;
- The project had been fully costed;
- The amendment was inconsistent with the results of the recent public consultation exercise; and
- Receipt of such a last minute amendment was not helpful

When put to the vote, the amendment was declared **LOST**.

It was then:

RESOLVED

1. That approval be given to the Ivybridge Regeneration project through to planning, tender, construction and lease (subject, but not limited to, the regulatory statutory planning process and the total scheme cost being within the £9 million financial envelope);

2. That the financial case (as set out within the presented agenda report) and the borrowing of £9 million from the Public Works Loan Board (PWLB) to finance the regeneration project be approved;
3. That the spend of up to £450,000 be approved and funded from the Business Rates Retention Earmarked Reserve, recognising these will be abortive costs if the project does not proceed at any given stage pre-construction;
4. That the Procurement Strategy and any associated contract awards be approved;
5. That the variation of parking tariffs be approved in principle, subject to final tariff design by the Head of Assets, in consultation with the lead Executive Member for Enterprise and the Leader of Council; and
6. That authority be delegated to the Head of Assets, in consultation with the Director of Place and Enterprise and Monitoring Officer, to enter the Agreement for Lease (and the subsequent lease of 25 years + 15 years) with the proposed Foodstore tenant.

42/20

QUESTIONS ON NOTICE

It was noted that one question had been received in accordance with Council Procedure Rule 8:

(a) Question from Cllr Abbott to Cllr Birch (Chairman of the Overview & Scrutiny Panel)

'Will the Chair of the Overview and Scrutiny Panel be prepared to request the Panel to scrutinise the means of reporting back to Council and to evaluate the benefit to the Council of it being represented on the Outside Bodies?'

In thanking Cllr Abbott for his question, Cllr Birch stated that, at the next meeting of the O&S Panel to be held on 25 February 2021, he would seek to obtain the Panel's agreement to set up a Task and Finish Group to examine the matters raised in the question. In doing so, it would be required to report back with any recommendations to the meeting of the Panel on 1 April 2021. Furthermore, Cllr Birch informed that it would be his intention to propose that membership of the Task and Finish Group would extend beyond the Panel's membership.

43/20

MOTIONS ON NOTICE

It was noted that four motions had been received in accordance with Council Procedure Rule 10:

(a) By Cllrs Bastone and Holway

1. *'This Council supports the adoption of the Healthy Homes principles and notes:*

- *The powerful evidence which demonstrates the link between people's homes and their health, wellbeing and life chances;*
- *That the COVID-19 emergency has reinforced the need for healthy environments which provide space for recreation, children's play and walkable streets.*
- *That well-designed homes that meet all our citizens' needs over their lifetimes can radically reduce costs to NHS and social care budgets.*
- *That people have a basic right to live in environments free from unacceptable pollution.*
- *That homes must be affordable to heat and built to as near zero carbon standards as possible.*
- *That current government policy to deregulate planning is creating thousands of substandard homes through conversion of existing buildings into homes through permitted development.*
- *That this council is determined to create the highest quality places for residents which will be a fitting legacy for future generations.*

2. *This Council agrees (or to the extent that the below concern Executive functions, recommends to the Executive) to:*

- *Adopt the Healthy Homes Principle so that:*
 - *all new homes must be safe in relation to the risk of fire;*
 - *all new homes must have, as a minimum, the liveable space required to meet the needs of people over their whole lifetimes, including adequate internal and external storage space;*
 - *all main living areas and bedrooms of a new dwelling must have access to natural light;*
 - *all new homes and their surroundings must be designed to be inclusive, accessible, and adaptable to suit the needs of all;*
 - *all new homes should be built within places that prioritise and provide access to sustainable transport and walkable services, including green infrastructure and play space;*
 - *all new homes must secure radical reductions in carbon emissions in line with the provisions of the Climate Change Act 2008;*
 - *all new homes must demonstrate how they will be resilient to a changing climate over their full lifetime;*
 - *all new homes must be built to design out crime and be secure;*
 - *all new homes must be free from unacceptable and intrusive noise and light pollution;*

- *all new homes must not contribute to unsafe or illegal levels of indoor or ambient air pollution and must be built to minimise, and where possible eliminate, the harmful impacts of air pollution on human health and the environment, and;*
- *all new homes must be designed to provide year-round thermal comfort for inhabitants;*
- *Review all policies, processes and procedures to ensure that new homes meet the requirements of the principles. Draw up a list of appropriate suggested changes to any JLP policies in time for when work begins on the JLP first revision, detailing how South Hams, with partner LPAs, envisages delivering on the requirements of these principles;*
- *Review the corporate plan to ensure the healthy homes principles are a priority;*
- *Make the principles an integral part of activity throughout the council, including all decision making on housing and planning in so far as policy will permit; and*
- *Investigate ways to ensure that future local plans ensure that all new development is in line with the Healthy Homes Principles at the earliest possible date.*

3. This Council calls on the Government to:

- *Return full powers of conversion of buildings to residential use to local Planning Authorities requiring full planning applications to be submitted; and*
- *Support the Healthy Homes Bill being promoted by Baron Nigel Crisp.'*

In discussion, the importance of this motion was recognised and the proposer and seconder were thanked for bringing it forward.

It was then:

RESOLVED

1. This Council supports the adoption of the Healthy Homes principles and notes:
 - The powerful evidence which demonstrates the link between people's homes and their health, wellbeing and life chances;
 - That the COVID-19 emergency has reinforced the need for healthy environments which provide space for recreation, children's play and walkable streets.
 - That well-designed homes that meet all our citizens' needs over their lifetimes can radically reduce costs to NHS and social care budgets.
 - That people have a basic right to live in environments free from unacceptable pollution.
 - That homes must be affordable to heat and built to as near zero carbon standards as possible.

- That current government policy to deregulate planning is creating thousands of substandard homes through conversion of existing buildings into homes through permitted development.
 - That this council is determined to create the highest quality places for residents which will be a fitting legacy for future generations.
2. This Council agrees (or to the extent that the below concern Executive functions, recommends to the Executive) to:
- Adopt the Healthy Homes Principle so that:
 - all new homes must be safe in relation to the risk of fire;
 - all new homes must have, as a minimum, the liveable space required to meet the needs of people over their whole lifetimes, including adequate internal and external storage space;
 - all main living areas and bedrooms of a new dwelling must have access to natural light;
 - all new homes and their surroundings must be designed to be inclusive, accessible, and adaptable to suit the needs of all;
 - all new homes should be built within places that prioritise and provide access to sustainable transport and walkable services, including green infrastructure and play space;
 - all new homes must secure radical reductions in carbon emissions in line with the provisions of the Climate Change Act 2008;
 - all new homes must demonstrate how they will be resilient to a changing climate over their full lifetime;
 - all new homes must be built to design out crime and be secure;
 - all new homes must be free from unacceptable and intrusive noise and light pollution;
 - all new homes must not contribute to unsafe or illegal levels of indoor or ambient air pollution and must be built to minimise, and where possible eliminate, the harmful impacts of air pollution on human health and the environment, and;
 - all new homes must be designed to provide year-round thermal comfort for inhabitants;
 - Review all policies, processes and procedures to ensure that new homes meet the requirements of the principles. Draw up a list of appropriate suggested changes to any JLP policies in time for when work begins on the JLP first revision, detailing how South Hams, with partner LPAs, envisages delivering on the requirements of these principles;
 - Review the corporate plan to ensure the healthy homes principles are a priority;

- Make the principles an integral part of activity throughout the council, including all decision making on housing and planning in so far as policy will permit; and
- Investigate ways to ensure that future local plans ensure that all new development is in line with the Healthy Homes Principles at the earliest possible date.

3. This Council calls on the Government to:

- Return full powers of conversion of buildings to residential use to local Planning Authorities requiring full planning applications to be submitted; and
- Support the Healthy Homes Bill being promoted by Baron Nigel Crisp.

(c) By Cllrs Pannell and Abbott

‘Recognising the duty placed on Members of the Council “to represent their communities and bring their views into the Council’s decision making process”, “act as an advocate for constituents” and “to contribute to the good governance of the area” (Articles of the Constitution 2.3 Roles and functions of all Councillors) Council resolves to amend, with immediate effect, the Council Constitution to give Members more opportunity to ask questions, thus:

1. ORDINARY MEETINGS:

In addition to the annual meeting, delete three and insert five ordinary meetings of the Council will take place in accordance with a programme decided at the Council’s annual meeting. (Part 4: Rules of Procedure: Council Procedure Rules).

2. MEETINGS OF THE EXECUTIVE

2.3.2 Members of the public may speak only to ask questions at the start of the meeting in accordance with Article 3 of the Council’s Constitution and the guidance currently in place. Add “and Members of the Council may ask questions at the start of the meeting”; and

2.4 What business? At each meeting of the Executive, the following business will be conducted: i) consideration of the minutes of the last meeting; ii) declarations of interest, if any; iii) public questions; insert iv) Members’ questions, v) the Executive Forward Plan etc.”

As stated earlier in the meeting (Minute 40/20 above refers), it was noted that this Motion on Notice had been withdrawn by its proposer and seconder.

44/20

CLOSURE MOTION

In accordance with Council Procedure Rule 12.11(a)(iv), it was **PROPOSED** and **SECONDED** and when put to the vote was declared **CARRIED** that:

'The meeting be now adjourned with the remainder of the Business on the published agenda being deferred to the next Council meeting (to be held on 25 March 2021) for consideration.'

(Meeting commenced at 2.00pm and concluded at 6.00pm)

Chairman

Report to: **Council**
Date: **25th March 2021**
Title: **Investing in South Hams Economic Recovery**
Portfolio Area: **Leader**

Wards Affected: **Which Wards/all**

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

Date next steps can be taken:

Author: **Steve Mullineaux** Role: **Director Customer Service Delivery**

Contact: **Email: steve.mullineaux@swdevon.gov.uk**

Recommendations:

1. It is recommended that, in line with the Council's commitment to work with and support businesses, residents and communities through the Recovery period, Members approve an investment of £498,000 to support economic recovery, the major towns and the visitor economy of the South Hams. The funding will support the national roadmap for the easing of lockdown at a local level, as detailed below:
 - Keeping the streets clean - £130,000
 - Enhanced on street presence - £36,000
 - Supporting business and hospitality - £57,000
 - Improving the business environment in our key towns - £275,000

2. It is recommended that the total cost of £498,000 is funded as set out below:-
- i) £298,000 is allocated to the initiatives set out in this report from either the remaining funds from the Council's Additional Restrictions Grant scheme allocation, or in the event that the further Government guidance due to be published on the ARG scheme indicates that a different approach is required, that instead the £298,000 is funded by the Business Rates Retention Earmarked Reserve.
- ii) The final decision on the financing of the £298,000, is recommended to be delegated to the Director of Place of Enterprise, in consultation with the Section 151 Officer, the Leader and Executive Member for Finance, on receipt of the further guidance from the Government department responsible for Business Grants on the ARG scheme, which is anticipated to be received prior to the end of March 2021.
- iii) Note that £200,000 from the £500,000 of ARG funding previously allocated by Council on 11th February 2021, (minute CM39/20), earmarked for strategic economic recovery projects and priorities, is allocated to the initiatives set out in this report.

1. Executive summary

- 1.1. The Council continues to play a key role, alongside partners, in both response and recovery to the short, medium and long-term impacts of the pandemic and in the implementation of a range of essential support for individuals, the wider community and business.
- 1.2. In developing and adopting a broad ranging Recovery and Renewal Plan Members recognised the need to adopt a flexible, adaptable approach to the emerging challenges.
- 1.3. Tourism is a vital sector of the South Hams economy and a vibrant tourism sector benefits the whole of the South Hams. Using economic modelling data from EMSI, we know that;
- Accommodation and food services is the largest employment sector within the South Hams and over double the national average.
 - Over 5100 people are employed in this sector
 - This represents 13 % of all employment
 - There are many other sectors supporting the tourism sector.
- 1.4. Total value of Tourism to the South Hams economy is £260,226,000. This is from nights staying, day trips and other tourism related spend.

- 1.5. This report sets out a range of proposals that as part of its recovery plan, will supplement existing activity and make an investment, particularly in its coastal towns and areas of high visitor numbers, and boost the local economy.
- 1.6. The proposals will enable the Council to support and manage the anticipated huge increase in visitor numbers to provide a high quality visitor experience as well as mitigate some of the likely impacts on our communities following the Government's publication of its 'Roadmap' for the gradual easing of the lockdown.
- 1.7. The lockdown easing consists of 4 main phases:
- 29th March - Groups of 6 allowed to meet outdoors, 2 households allowed to meet outdoors, outdoor sports facilities opened.
 - 12th April – Non essential shops can reopen, self-catering holiday accommodation and campsites (without communal facilities) 2nd homes can be occupied, restaurants cafes and pubs can serve customers outdoors.
 - 17th May – Hotels and B&B's open, campsites fully open, restaurants cafes and pubs can serve customers indoors.
 - 21st June – All restrictions lifted.
- 1.8. It is anticipated that 'summer 2021' will begin at Easter and whilst the main restrictions on holiday stays are not lifted until the 12th April all expectations are that by this point visitor numbers will be present in record numbers.
- 1.9. This report recommends additional resources to be deployed from 1st April to ensure that existing service levels can be maintained and enhanced as appropriate in order to support our businesses and communities. The report recommends these resources are maintained until mid-September.
- 1.10. The total cost of the recommended initiatives is £498,000 as detailed below:
- Keeping the streets clean - £130,000
 - Enhanced on-street presence - £36,000
 - Supporting business and hospitality - £57,000
 - Improving the business environment in our key towns - £275,000

These initiatives are set out in sections 2, 3, 4 and 5.

- 1.11. It is recommended that the £498,000 (one-off revenue cost) is financed as set out in Recommendation 2 of this report.

2. Keeping the streets clean

- 2.1. It is recommended that from 1st April we move to a 'summer service', this means:
- Additional 'twilight' emptying of litter bins.

- Extra litter bin rounds for mid-afternoons at weekends at key locations.
- Extra bins at Hope Cove, Bigbury, Torcross–Memorial–Strete Gate, North Sands & South Sands, Dartmouth Embankment.
- Dedicated cleansing operative located in Salcombe, Thursday, Friday, Saturday, Sunday, Monday.
- Dedicated cleansing operative located in Dartmouth, Thursday, Friday, Saturday, Sunday, Monday.
- Dedicated Bigbury cleansing attendant.
- Slapton Line – additional litter picking/clean up.
- Additional recycling bank vehicle – therefore doubling capacity.

2.2. The anticipated costs of 2.1 are estimated at approximately £130,000.

3. Enhanced on-street presence.

3.1. Members will already be aware of the review of the Localities service. The restructured service had a number of strategic aims:

- Keep South Hams safe for those that live in, work in and visit our area.
- Raise the profile of the Council through more on-street visibility when it is needed most and increased public & business engagement.
- Operational delivery of a fair and consistent approach to education & enforcement with the aims of improving environmental quality, encouraging tourism and supporting the positive reputation of the Council.
- Generate a meaningful public and business insight through frequent patrols and constructive conversations that help improve public perception.
- Improved environmental quality through increased street patrols and contract monitoring.

3.2. Members agreed through the budget setting process for 2021/22 to an additional 4 seasonal posts thus enabling weekend, early morning and evening cover.

3.3. In anticipation of increased visitor numbers, it is recommended that the Council increases the number of seasonal posts by a further 2 posts for this year. This will ensure that:

- That the Council has the ability of respond quickly to any issues
- Carry out education and enforcement patrols in more areas over a wider timeframe
- Maintains an on-street presence in key locations
- There is sufficient monitoring of the street services

3.4. The costs of this are £36,000. Members should note that these costs are significantly higher than the previous 4 seasonal posts agreed in the 2021/22 budget process, as a significant portion of the funding was taken from existing salary budget savings. The £36,000 for these 2 posts also includes additional vehicle hire.

4. Supporting businesses and the reopening of outdoor hospitality.

- 4.1. We want to make sure that we support our businesses to ensure that they can operate safely. Providing confidence to residents and visitors alike is paramount if they are to recover from the last 12 months of lost income and growth.
- 4.2. The Council employed 3 additional temporary Covid Compliance Officers as a result of short term funding from Government to ensure the businesses operated safely. The roles were due to end on 31st March.
- 4.3. We received a letter from Robert Jenrick, MHCLG Secretary of State which encourages Councils to support businesses opening up out of lockdown by removing as much bureaucracy and red tape as possible specifically supporting Al fresco dining, takeaways and the freedom to use land for outdoor events and hold markets without obtaining additional planning permission. The Government have confirmed the following:
 - Extending pavement licences for a further 12 months, making it easier and cheaper for pubs, restaurants and cafes to continue to make al fresco dining a reality with outside seating, tables and street stalls to serve food and drinks.
 - Encouraging Councils to support local communities hold popular outdoor events like summer fairs, car-boot sales, and markets, without the need for planning permission.
 - The automatic right to provide takeaways and do deliveries, created at the start of the pandemic is going to continue, as will the right for pubs to have marquees and awnings without planning permission for up to two months.
- 4.4. As a result of the easing lockdown and the encouragement from the Secretary of State, the Council is receiving more contact than ever from businesses regarding compliance advice and requests for support around licence rules. Increased numbers of visitors are likely to result in an increase in demand for regulatory services such as noise and antisocial behaviour complaints.
- 4.5. It is recommended to extend the employment of the Covid Compliance Officers until the end of September and fund 'Town marketing activities' including a programme of vacant shop window dressing (temporary facades that improve the aesthetic, have a local place focus and expedite re-letting). The cost of the extensions and the marketing activities are at a cost of £57,000.

5. Improving the business environment in our key towns

- 5.1. The Council recognises the important role that the five major towns play in supporting the Tourism sector and the wider economy.

Therefore it is recommended that the Council create a Town Highstreet Investment Fund.

- 5.2. Each Town will be able to bid for 50:50 match funding of up to a maximum £50,000 per town for the five main towns. The total cost of this scheme will be £250,000.
- 5.3. The criteria will be for bids that will contribute directly to the growth in the Tourism or wider economy of the District.
- 5.4. The Council will also instigate a short term series of 'Town marketing' activities including a programme of vacant shop window dressing (temporary facades that improve the aesthetic, have a local place focus and expedite re-letting). The cost of this is estimated at £25,000
- 5.5. The total cost of supporting our towns would be £275,000.

6. Proposed Way Forward

- 6.1. That the Council support the recommendations set out in this report, which will ensure that visitors will experience the best that South Hams has to offer, residents will feel confident that towns and businesses are as safe as possible and businesses should see the benefit of returning consumer confidence.

7. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	None
Financial implications to include reference to value for money	Y	<p>The initiatives set out within this report have a total one-off revenue cost of £498,000.</p> <p>It is recommended that this is funded from</p> <ul style="list-style-type: none"> i) £298,000 is allocated to the initiatives set out in this report from either the remaining funds from the Council's Additional Restrictions Grant scheme allocation, or in the event that the further Government guidance due to be published on the ARG scheme indicates that a different approach is required, that instead the £298,000 is funded by the Business Rates Retention Earmarked Reserve. ii) The final decision on the financing of the £298,000, is recommended to be delegated to the Director of Place of Enterprise, in

		<p>consultation with the Section 151 Officer, the Leader and Executive Member for Finance, on receipt of the further guidance from the Government department responsible for Business Grants on the ARG scheme, which is anticipated to be received prior to the end of March 2021.</p> <p>iii) Note that £200,000 from the £500,000 of ARG funding previously allocated by Council on 11th February 2021, (minute CM39/20), earmarked for strategic economic recovery projects and priorities, is allocated to the initiatives set out in this report.</p> <p>The Council's total allocation of the Additional Restrictions Grant (ARG) is £2.51 million as set out in the report to Council on Business Grants on 11th February 2021.</p> <p>The Business Rates Retention Earmarked Reserve has sufficient funding to meet the cost of the £298,000 if this is required, on receipt of the further guidance expected for the Additional Restrictions Grant (ARG) scheme.</p>
Risk		
Comprehensive Impact Assessment Implications		
Supporting Corporate Strategy	Y	Covid-19 Economic Recovery and Renewal
Equality and Diversity		None
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		N/A

Supporting Information

Appendices:

None

Background Papers:

Council – 11th February 2021 – Business Grants (includes details of the Additional Restrictions Grant, ARG funding)

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

Report to: **Council**

Date: **25 March 2021**

Title: **Enhancing the Democratic Decision Making Process**

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

Wards Affected: **All**

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

Date next steps can be taken: If the recommendations are approved, the draft Calendar of Meetings for 2021/22 and the Constitution Review will be presented to Annual Council on 20th May 2021

Author: **Andy Bates** Role: **Chief Executive**
Drew Powell **Director of Governance and Assurance**

Contact: Drew.powell@swdevon.gov.uk

RECOMMENDATIONS:

That Council be RECOMMENDED to:

- 1. Support the overarching aims and principles as set out in section 4, with any consequential amendments being made to the Council's Constitution, and changes to come into effect from the Annual Council meeting in May 2021; and**
- 2. Instruct officers to continue to consult with Members prior to bringing a report and the amended Constitution to Annual Council on 20th May 2021.**

1. Executive summary

- 1.1** It is essential that Members and officers operate within a local governance framework of checks and balances to ensure that decision-making is lawful, informed by objective advice, transparent, and consultative.

- 1.2 There is also a duty to ensure that our governance processes support efficiency and value for money in delivering services to the community.
- 1.3 Members considered a Report at the last Council meeting on 11th February 2021 on enhancing the Democratic Decision-making Process (Minute 40/20 refers) and it was resolved that:
1. *That the overarching aims and principles (as set out in Section 4 of the presented agenda report) be supported, with any consequential amendments then being made to the Council's Constitution;*
 2. *That a further report be presented to the next Council meeting (to be held on 25 March 2021) that focuses on proposed revisions to:*
 - a. *the frequency and timing of meetings (Sections 4.8 – 4.11 of the presented agenda report refer);*
 - b. *the Public Participation Schemes at formal Member Meetings, including the introduction of a Scheme at Full Council meetings (Section 4.14 of the presented agenda report refers);*
 - c. *the role and purpose of Working Groups and Task and Finish Groups (Section 4.16 of the presented agenda report refers);*
 - d. *the ability to publish the draft minutes of Full Council meetings within a week of the meeting being held.*
 3. *That officers be instructed to continue to consult with Members prior to the next Council meeting to be held on 25 March 2021; and*
 4. *That officers be instructed to draft the Calendar of Meetings for 2021/22 with the provision for Overview and Scrutiny Panel meetings to take place two weeks after an Executive Meeting and the provision for six scheduled meetings of Council per Municipal Year.*

In line with the resolution, this report focuses on the following:

- the frequency and timing of meetings;
- The public participation schemes at formal member meetings, including the introduction of a scheme at full council meetings; and

- The role and purpose of working groups, and task and finish groups;

1.4 This report seeks approval in principle to:

- Bring forward the draft calendar of meetings for 2021/22 in line with minute 40/20 and specifically part 4 of the resolution;
- Introduce new procedures with regard to the timing and duration of meetings;
- Introduce a new scheme of public participation;
- Rationalise the role, purpose, and number of Working Groups and Task and Finish Groups; and
- To make any consequential changes to the Council's constitution to secure the above and to report back to the Annual Council meeting on 20 May 2021.

2. Background

- 2.1 Delivering good governance as a Council is dependent on a number of key principles: one of which is the need to take informed and transparent decisions, which are subject to effective scrutiny and the management of risk.
- 2.2 Another is the importance of engaging with the community and other stakeholders to ensure robust public accountability.
- 2.3 At present Members and officers work within the existing governance framework, the adopted Council Constitution, and established practice to deliver against these principles.
- 2.4 The potential to improve the clarity, efficiency, and accountability of decision-making has been identified through a number of different sources and was the subject of a report to Council on 11th February as detailed above.
- 2.5 Reflecting on the issues discussed on 11th February, and specifically with regard to the issues identified in 1.3 above, the Chief Executive has worked with the Director of Governance and Assurance and the Democratic Services Manager to develop a range of proposals for further consideration.
- 2.6 These proposals formed the basis for a series of meetings involving all Members, through a range of different forums.
- 2.7 The Chief Executive met with Members on the following dates:

- 03/03/21 - the four Group Leaders, Chairs of Overview and Scrutiny, Executive and Audit
- 04/03/21 - Independent Group
- 05/03/21 - Liberal Democrat Group
- 08/03/21 - Conservative Group
- 08/03/21 - Green Group

2.8 The consensus during these discussions was broad support for the proposals as set out in Section 4 below. The proposals are a combination of changes and additions to working practices and procedures and formal changes that will require changes to the Councils adopted Constitution and/or Standing Orders.

3. Outcomes

- 3.1 By implementing the proposed enhancements and changes to the current decision-making framework and arrangements, it is envisaged that improvements can be made to secure greater transparency, accountability, clarity of roles, and efficiency of the democratic process.
- 3.2 In order to test the effectiveness of the new approach it is proposed that a review of the new arrangements be undertaken following the first year in operation, with officers asked to report back and to recommend any modifications in September 2022. The Chief Executive will undertake the review with the Leader in full consultation with Committee Chairs and political Group Leaders, in the same way the current proposals were formulated.

4. Proposals and Areas for Development

Frequency and Timing of Meetings

- 4.1 In line with the recommendations from the meeting on 11th February, the Calendar of Meetings for 2021-22 will allow for Overview and Scrutiny Panel to meet two weeks after the Executive as opposed to in advance.
- 4.2 In addition, there will be provision for six scheduled Council meetings per year, as opposed to four. The Calendar will also be drafted to allow for a reasonable break during the summer (August) and over the Christmas and New Year period to enable Members and officers the opportunity to take leave. It is also proposed to change the start time for some meetings in order to remove potential diary clashes for Members.
- 4.3 The draft Calendar of Meetings for 2021/22 will be presented to the Annual Council meeting on 20 May 2021 for approval. As part of the Calendar, provision will be included for Question and Answer Sessions with members of the Senior Leadership Team.

Management of meetings

- 4.4 To further improve the efficiency and accessibility of meetings, it is recommended that consideration be given to taking steps to ensure meetings are not overly long and that there is provision for regular breaks.
- 4.5 Managing meetings effectively is a collective responsibility which extends from setting the agenda, the role of the Chair in conducting the meeting, to the actions and behaviour of Members and officers.
- 4.6 A number of recent meetings have extended beyond four hours, which is considered excessive and risks items towards the end of the agenda not receiving full consideration. This has been reiterated by a number of Members during their meetings with the Chief Executive, and was evidenced at the last Council meeting held on 11 February 2021 at which a Closure Motion was approved after four hours with some items of business not being considered.
- 4.7 It is common within council constitutions for there to be a time limit on the duration of the meeting – typically three hours. In the absence of adopting similar provisions (which was not supported by a number of Members) then it is essential that we introduce a package of measures which, taken together, are aimed at enhancing meeting efficiency:
- 4.8 Agenda Setting and Notification in Advance
- A focus on important decisions by reducing items to simply 'note' (i.e. not requiring a decision);
 - Drafting succinct, clear reports and recommendations;
 - Ensuring questions/motions are relevant to the business of the Council;
 - Both Motions and Questions on Notice to be received by 1.00pm seven clear working days before the meeting is held;
 - Wherever possible Members should make clear their intention to propose amendments in advance (by 12 noon the day before) so that all Members have time to consider them ahead of the meeting; and
 - Amendments affecting proposals for the Council's revenue budget (i.e. the annual budget setting process) must be made in advance in writing to the HoPS (as they are already

for Council) when those draft budget proposals are considered in the Joint DM and O&S Panel and in Executive.

4.9 Duration

- Move Full Council meetings to a 1:00pm start time with an agreed comfort break (20 minute recess) after two hours;
- Introduce a time limit (one hour maximum) for Questions and Motions on Notice at Council Meetings;
- Introduce a limit of one motion per Member or that second/ subsequent motions will only be debated once all first motions are considered; and
- In view of the increase to six Council meetings per year, it is proposed to clarify the Constitution to confirm that there will be no motions or questions on notice at Annual Council in view of its civic and ceremonial nature.

4.10 Equitable contribution

- Reduce the duration of speakers' contributions in a debate at Full Council from five minutes to three minutes;
- The introduction of an electronic timer system (green, amber, red to cut off automatically);
- Manage individual speaker's inputs – adhere to the provision in the Rules of Debate whereby each Member has an opportunity to contribute once per item, with Chair to rule in exception;
- Focus on precise, relevant, and non-repetitive inputs – ones that help to inform the decision; and
- Move to next item – once an item has been given a reasonable airing – recognise that, in line with the Constitution, the Chair (or others) should at times move that the meeting move to next item – this is about balancing the time and focus of the meeting.

4.11 Chairing Skills

- Introduce training for all Committee Chairs – this should be a requirement for all newly appointed chairs, even if they are very experienced councillors;

- Effective training and chairing skills will support some of the proposals set-out above that cannot be put into procedural rules; and
- A key role of the Chair will be to act with impartiality and to encourage contributions from the Members that allow for a constructive dialogue and debate.

4.12 Officer Input

- Actively support officer advice on procedural matters - value the timely officer input via, for example, the Monitoring Officer, Democratic Services Manager, etc.

Public Participation

4.13 A key part of the democratic process is ensuring that members of the public can engage in an appropriate manner and ask questions. In view of this, it is proposed to introduce a scheme at Full Council meetings and to review and amend the existing schemes at Executive, and Overview and Scrutiny Panel meetings.

4.14 It is not proposed to review the schemes at either of the Regulatory Committees (Development Management and Licensing) nor Salcombe Harbour Board, nor to introduce a scheme at Audit Committee meetings.

4.15 It is proposed that the following is applied to the scheme, with two notable exceptions¹

- Questions will be ruled out if they are substantially the same as a question that has been put within the past six months or could be considered by the Council to be confidential;
- In the event of questions being received that are of a similar nature, then one statement may be given in response to them. (NB. this would not preclude a supplementary from being asked);

¹ 1. Questions related to specific Development Management and Licensing Committee decisions – the minutes of these Committee meetings are presented to Full Council, so without such an exception we could receive such questions at Full Council, and
 2: Questions related to specific Standards Complaints – since Overview & Scrutiny is responsible for the Standards Complaints process, without this exception we could be receiving questions on such complaints).
 (Precise definitions, a full list of reasons as to why questions will be declined, and clear wording for the Constitution, to be determined by the Monitoring Officer).

- Questions are restricted to a word limit (currently 50 words for Exec) with an overall time limit for this agenda item (say 15 minutes);
- A limit of one question per questioner/organisation and only one question per agenda item, (the first one received on any item to be the question asked);
- Provision for one supplementary question that must relate to the response given to the original question;
- Questions need to be received in advance of the meeting date. It is proposed for consistency that this is 3 days before the meeting is held (i.e. 1:00 pm on the Monday ahead of the meeting). Questions will be taken in the order they are received;
- In recognition of the ability for urgent items to be brought forward once an agenda has been published, (or the publication of late reports) the Chairman be given the discretion to allow questions on matters that are felt to be urgent that don't comply with our deadline(s). Such questions would need to be accepted by the Monitoring Officer and would still be part of the agreed Public Forum time allocation;
- Questions to receive succinct written replies to be provided at the meeting. Neither the question nor the response will be read aloud at the meeting. If in attendance, the person who asked the question could ask a supplementary based on the written answer given and will be given a verbal response;
- Should question time expire before all questions have been answered then written responses will be sent and included in the formal Minutes (as Questions will be taken in the order they are received, this action will be taken regardless of whether or not the questioner is in attendance at the meeting);

Member Engagement - Questions on Notice

4.16 In addition to asking questions during the debate on Agenda items at Executive and Overview & Scrutiny, it is proposed that Members should also be allowed to ask on other matters provided questions relate to matters over which the Council has some control, or is responsible for, or the services it provides (or are provided on its behalf) to local people, or current key issue of interest/concern for our communities. Questions relating to matters outside the Council's remit will not be accepted.

4.17 As with the Public Scheme:

- Questions will be ruled out if they are substantially the same as a question that has been put within the past six months;
- In the event of questions being received that are of a similar nature, then one statement may be given in response to them;
- Questions are restricted to a word limit (say 50 words) and the agenda item a time limit (say 15 minutes);
- A limit of one question per Member and only one question per subject, (the first one received on any item to be the question asked);
- Provision for one supplementary question that must relate to the response given to the original question;
- Questions need to be received in advance of the meeting date, possibly in line with the public scheme with similar provision for questions on late or urgent items, again needing to be accepted by the Monitoring Officer and Chairman;
- Questions will be taken in the order they are received;
- Questions to receive succinct written replies to be provided at the meeting. Neither the question nor the response will be read aloud at the meeting. If in attendance, the Member who asked the question could ask a supplementary based on the written answer given and will be given a verbal response; and
- Should Member Question Time expire before all questions have been answered then written responses would be sent and included in the formal Minutes.

Reviewing the Role of Member 'Working' Groups

- 4.18 Historically, the Council has utilised a range of formal and informal Member groups to, for example, support policy development, service change, and project delivery. These groups have proved effective and have been periodically reviewed and amended as necessary.
- 4.19 However, the approach to setting up the groups, their purpose and lifespan has, to an extent, been ad hoc and incremental, as has the review process.
- 4.20 There are a range of groups with a range of names, including 'Working Group', 'Panel', 'Steering Group', and 'Board'. There is no clear differentiation between groups that, for example, are

partnerships, have wider governance functions, have decision making powers, or are simply advisory.

- 4.21 In addition, there is inconsistency in how the groups are constituted and how they function. There are also examples of 'Working Groups' that perhaps should have been formed as 'Task and Finish' groups; that is a group set up to fulfil a discrete purpose which is time bound.
- 4.22 In advance of the Annual Council meeting on 20 May 2021, and with a view to improving efficiency, it is opportune to set out the principles of when and how such groups should be set up, their function, and their name. Having agreed the principles, applying this logic to the existing list of groups would help ensure consistency and transparency in the future.
- 4.23 We currently have a number of meetings under the heading of working groups, some of which are active and others that have served their purpose and are no longer needed. It is therefore proposed that we review and rationalise each of these, assign them as appropriate against the categories below, and disband any that are no longer needed. This will also help to provide clarity as to the role and purpose of each group.
- 4.24 In terms of the groups and how we might wish to progress, the following is proposed:

1. 'Task and Finish' – A time-limited and single focus advisory group to support policy development and provide Member oversight of key projects.

A Member group set up by the Overview and Scrutiny Panel and selected from the whole Membership. The group will have a clear, time bound purpose and will report back to the Overview & Scrutiny Panel with its recommendations, i.e. its role is advisory with no decision-making powers. The group will then be dissolved. A good example of the effective use of the Task & Finish (T&F) approach is the Consultation and Engagement T&F Group, with the active support and commitment of the Executive Lead Member, through the recovery planning process. It had clearly defined Terms of Reference and scope, and reported back in a timely manner with recommendations that informed and ultimately resulted in new policy/working practices being adopted. It is proposed to retain 'Task & Finish' groups as the main vehicle for policy development.

There may also be occasions where the Executive will wish to establish a 'Task & Finish' group to provide oversight of a key corporate project.

It is further proposed to develop a standard set of terms of reference and operating procedures, including reporting deadlines, and agree a nominations protocol via group leaders. One of the clearly expressed ambitions of Members is that the talents of the whole membership should have opportunities to contribute to the work of 'Task & Finish' groups.

2. 'Governance Boards' – Constituted to oversee Governance arrangements for partnership activity and with specified decision-making powers

In practice these boards occur where the Council has a shared/joint responsibility with other partner councils or organisations. Examples – Devon Building Control Partnership and Joint SH/WD/PCC Local Plan Partnership Board. The terms of reference are agreed by Council (and set out in the Constitution) for each Board, which include voting rights for appointed Members.

It is proposed to retain Governance Boards in line with the definition above

3. 'Panels' – An occasional, ad hoc, Committee of the Council with specific decision-making powers.

These meet occasionally to carry out a specific task to exercise delegated authority – example Rate Relief Panel, Council Tax Setting Panel. This does not include the Overview and Scrutiny Panel which is clearly a fully constituted Committee of the Council

It is proposed to retain 'Panels' in line with the definition above

4.25 It has long been recognised that the iterative changes to the adopted Council Constitution over time have resulted in a document that is difficult to navigate and far from user-friendly.

4.26 Members are reminded that a key point that arose during the Member Workshops on the Governance Theme, within the Council's draft Recovery Plan, was that the Constitution required a full review and this would be undertaken in the upcoming months, with a priority being given to the changes needed to implement the proposals arising from this report.

4.27 It is proposed to undertake a full review of the Constitution with an initial focus on securing the changes as set out within this and the previous report.

Draft Minutes of Full Council Meetings

- 4.28 At the Council meeting on 11 February 2021, Members will also recall that it was resolved that this review should also include consideration of publishing the draft minutes of Full Council meetings within a week of the meeting being held to ensure that Members could cascade the decisions made to their local town and parish councils.
- 4.29 In light of these discussions, officers produced (and circulated to all Members) a 'Decision Log / Actions Arising' document from the Council meeting held on 11 February 2021 within a week of the meeting being held that set out the decisions made at this meeting, and any key actions that had arisen. The feedback from Members to this document was very positive and it is intended for this to become a permanent working practice upon the conclusion of Full Council meetings.

5. Proposed Way Forward

- 5.1 The report sets out a range of issues and proposals to improve the clarity, efficiency, and accountability of decision-making. The proposals are a combination of changes and additions to working practices and procedures and formal changes that will require changes to the Council's adopted Constitution and/or Standing Orders. It is recommended that the changes will be reported back to Members at Annual Council on 20 May 2021.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council's governance and decision-making powers are enshrined in legislation, primarily the Local Government Acts of 1972 and 2000. These set out what the Council can and cannot do, together with providing discretionary powers to determine its procedural rules within these parameters. Only the Council can make decisions regarding the Constitution and decision making processes
Financial implications to include reference to value for money		There are no direct financial implications arising from this report.

Risk		The report sets out a range of proposals to enhance the democratic decision-making process. Failing to consider and implement changes may result in the decision making process being inefficient and unclear to stakeholders.
Supporting Corporate Strategy		Supports all six corporate themes
Climate Change - Carbon / Biodiversity Impact		There are no direct impacts on climate change and biodiversity however maintaining effective decision-making through virtual committee meetings has the potential to reduce the need for travel and the associated carbon emissions.
Comprehensive Impact Assessment Implications		
Equality and Diversity		No direct implications.
Safeguarding		No direct implications.
Community Safety, Crime and Disorder		No direct implications
Health, Safety and Wellbeing		No direct implications
Other implications		No direct implications

Background Documents:

Council Constitution

Annual Council Agenda and Minutes – 16 May 2019

Council Agenda and Minutes – 11 February 2021

Appendices:

None

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Report to: **Council**

Date: **25 March 2021**

Title: **2021/22 Capital Strategy, 2021/22 Treasury Management Strategy and 2021/22 Investment Strategy**

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

Wards Affected: **All**

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

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

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Recommendations:

1. That the Council scrutinises and APPROVES the 2021/22:
 - i) Capital Strategy (as attached at Appendix A)
 - ii) Treasury Management Strategy (as attached at Appendix B)
 - iii) Investment Strategy (as attached at Appendix C)
2. That delegated authority be given to the Section 151 Officer, in consultation with the Leader of the Council and the Executive Member for Finance, to make any minor amendments to these Strategies if required throughout the 2021/22 Financial Year.

1. Executive summary

- 1.1 This report seeks approval of the proposed Capital Strategy, Investment Strategy and Treasury Management for 2021/22, together with their associated prudential indicators.

- 1.2 Revised reporting is required since the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes included the introduction of a capital strategy, to provide a longer-term focus to the capital plans and greater reporting requirements surrounding any commercial activity undertaken.
- 1.3 The current guidance for a Council's level of borrowing is the Prudential Code (2017) and "proper practice" must be adhered to. The following extracts from the Code summarise the Code's approach to level of borrowing (self-regulating) and the governance that should apply.

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

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

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

Capital Strategy - As from 2019/20, all local authorities are required to prepare an additional Capital Strategy report. The Capital Strategy for 2021/22 is attached in Appendix A.

In 3.5.3, the Capital Financing Requirement, the measure of the Council's underlying need to borrow for the capital programme, has been projected to be £24.1 million for 2021/22. This includes borrowing for leisure, an investment property in Dartmouth, waste, community housing, Batson Creek (Salcombe) commercial units and Batson Creek (Salcombe) Harbour Depot and Dartmouth Health and Wellbeing Hub.

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

Treasury Management Strategy - Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

- 1.4 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout all three of the Strategies presented for approval.

2. Outcomes/outputs

- 2.1 The budget for investment income has remained the same as 2020/21 and has been set at £203,000 for 2021/22.
- 2.2 External treasury management training (by Link Group) was arranged for all Members in March 2021 to ensure Members have up to date skills to continue to make capital and treasury management decisions.

3. Options available and consideration of risk

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

4. Proposed Way Forward

- 4.1 It is recommended for the Council to approve the Capital Strategy (Appendix A), Treasury Management Strategy (Appendix B) and Investment Strategy (Appendix C) for 2021/22.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The elements set out in paragraph 2 cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.</p> <p>It is within the Terms of Reference of the Audit Committee to receive regular reports on the treasury management function.</p> <p>It is within the Terms of Reference of the Executive to receive regular monitoring reports on the Council's Capital Programme and Capital Plans.</p>
Financial implications to include reference to value for money	Y	<p>Good financial management and administration underpins the entire treasury management strategy. The budget for investment income for 2021/22 has been set at £203,000.</p>
Risk	Y	<p>The security risk is the risk of failure of a counterparty. The liquidity risk is that there are liquidity constraints that affect the interest rate performance. The yield risk is regarding the volatility of interest rates/inflation. The Council produces an Annual Capital Strategy, Investment Strategy and Treasury Management Strategy in accordance with CIPFA guidelines.</p> <p>The Council engages a Treasury Management advisor and a prudent view is always taken regarding future interest rate movements. Investment interest income is reported quarterly to SLT and the Executive as part of budget monitoring reports.</p>
Supporting Corporate Strategy		<p>The treasury management function supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.</p>

<p>Climate Change - Carbon / Biodiversity Impact</p>		<p>The Council’s investments are predominantly sterling-denominated term deposits. These are not long-term investments that are specifically used by financial institutions to “on-finance” projects, but used as part of day-to-day cash flow balances. The Council also does not make equity investments in financial institutions.</p> <p>The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>The Council has Earmarked £400,000 in a Climate Change Earmarked Reserve as part of the 2020-21 Budget.</p> <p>On 17th December 2020, Council adopted the Climate Change and Biodiversity Strategy. The Council has committed to the following aims;</p> <ul style="list-style-type: none"> a) to reduce its organisational carbon emissions (Scope 1, 2 and 3 emissions) to net-zero by 2030; b) to commit to working with partners through the Devon Climate Emergency Response Group to aim to reduce the District of South Hams’ carbon emissions to net-zero by 2050 at the latest; c) That the Council aim for a 10% Biodiversity Net Gain in the habitat value of its green and wooded public open space by 2025; <p>The report also set out the proposed initiatives for the £400,000 in the Climate Change Earmarked Reserve. (£20,000 has already been allocated to support the delivery of work to improve the energy efficiency of the existing housing stock in light of the successful Green Homes Grant bid – Minute E.31/20 refers).</p> <p>A further £200,000 funding for the Climate Change Action Plan was approved by Council on 11th February 2021, as part of the 2021/22 Budget.</p>
<p><i>Comprehensive Impact Assessment Implications</i></p>		
<p>Equality and Diversity</p>		<p>None directly arising from this report.</p>

Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Capital Strategy 2021/22

Appendix B – Treasury Management 2021/22

Appendix C – Investment Strategy 2021/22

Background Papers:

Council: 30 April 2020 - Capital Strategy 2020/21, Investment Strategy 2020/21, Treasury Management Strategy 2020/21 (86/19)

Audit Committee: 4 February 2021 - Treasury Management Mid Year Review 2020/21

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	N/A

APPENDIX A

Capital Strategy 2021/22

1 Introduction

1.1 The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

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

2 Capital Expenditure and Financing

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

2.2 As at the end of January 2021, the Council has incurred capital expenditure of £3.08 million and will incur further capital expenditure by the end of March 2021. The Council's capital expenditure is summarised below:

Capital expenditure £'000	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Services	4,641	4,308	10,388	4,923	4,730
Community Housing	-	-	5,850	-	-
Ivybridge Regeneration	50	65	450	2,910	5,640
Commercial activities/ non- financial investments*	4,996	-	-	-	-
Total	9,687	4,373	16,688	7,833	10,370

* Commercial activities / non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

Community Housing

- 2.3** On 21st March 2019 the Council approved funding of £8.5m from a combination of internal borrowing and external borrowing (from the Public Works Loan Board) for Community Housing capital expenditure (Minute E.83/18 and C74/18). The four community housing schemes are expected to deliver 55 residential units. Borrowing costs will be reimbursed through property sales upon completion of the developments comprising a mix of open market units, discount purchase affordable housing and affordable rented.
- 2.4** In September 2020 the Council approved expenditure of up to £5.9m to build out the first two Community Housing Schemes (St Ann's Chapel – 13 units and South Brent – 17 units). The capital expenditure of £5.9m has been included in the 2021/22 capital expenditure estimates above.

Commercial Investment

- 2.5** In December 2019, the Council revised its Commercial Investment Strategy (originally approved in September 2018), which included multiple objectives: (a) to support regeneration and the economic activity of the Council (b) to enhance economic benefit (c) to grow business rate income (d) to assist with the financial sustainability of the Council as an ancillary benefit and (e) to help continue deliver and/or improve frontline services in keeping with its adopted strategy and objectives. This was approved by Council on 19th December 2019 (Minute C53/19).

Ivybridge Regeneration Project

- 2.6** In February 2021, the Council approved external borrowing of £9m from the Public Works Loan Board for capital expenditure in respect of the Ivybridge Regeneration Project. This is subject to, but not limited to the regulatory statutory planning process and the total scheme cost being within the £9m financial envelope. The project is expected to enhance Ivybridge town centre as a retail and social destination for the growing community and wider catchment area. The project aims not only to provide an anchor retail unit but to improve the town centre parking provision, town centre access, wheeled sports facility and the public realm. This multi benefit approach aligns with our adopted commercial investment strategy of inward investment in the district.

Leisure Investment

- 2.7** The Council has already invested £6.3m in Leisure Services. The leisure contract sets out for the Council to be reimbursed by the leisure contractor for the borrowing of the Leisure Investment and the income has already been factored into the Medium Term Financial Strategy. Following the impact of the COVID-19 pandemic on the leisure industry, the income due for 2020/21 has been deferred and will be received from April 2021 onwards in an agreed payment schedule.
- 2.8** In September 2019, Council approved an overall Borrowing Limit (for all Council Services) of £75 million.
- 2.9** On 26 November 2020, the Public Works Loans Board reduced interest rates by 1% for all new loans arranged from 26 November 2020. Local Authorities are required to submit a summary of their planned capital spending and PWLB borrowing for the following three years. This is updated on at least an annual basis. PWLB borrowing is permitted in the future for the four categories of regeneration, service delivery, housing and refinancing.

2.10 Governance

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

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

Financing of capital expenditure £'000	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Expenditure	9,687	4,373	16,688	7,833	10,370
Financed by:					
External sources (Capital grants, NHB, S106)	2,261	900	2,630	1,100	2,300
Own resources (Capital receipts, Earmarked reserves)	2,189	1,623	2,469	3,323	2,430
Net financing need for the year (This is the prudential borrowing required)	5,237	1,850	11,589	3,410	5,640

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

Replacement of debt finance £'000	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
MRP	34	344	503	563	583
Use of capital receipts	-	-	-	-	5,187*

**Capital receipts generated from the sale of the Community Housing assets*

3 Treasury Management

3.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

3.2 The Council is typically more cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

3.3 As at 31 March 2020, the Council had external borrowing of £14.566 million.

3.4 As at 30 September 2020, the Council held £44.833m of Investments. Due to the bank base rate falling to 0.1% in March 2020 – an historic low, investment income will be much reduced in 2021/22. Treasury investments are expected to fall to approximately £38 million by 31 March 2021. The Council is in the process of paying out Business Grants for various grant schemes where significant funds will be paid out prior to 31 March 2021.

3.5 Borrowing Strategy

3.5.1 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future.

3.5.2 These objectives are often conflicting, and the Council therefore will seek to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.

3.5.3 Projected levels of the Council's total outstanding debt which comprises borrowing is shown below, compared with the capital financing requirement.

£'000	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Estimate	Estimate	Estimate
Debt at 31 March	14,566	14,475	19,568	28,471	22,346
Capital Financing Requirement	11,494	13,000	24,086	26,933	26,803

3.5.4 The Capital Financing Requirement is the measure of the Council's underlying need to borrow for the capital programme. This has been projected to be £24.1 million for 2021/22. This includes borrowing for leisure, an investment property in Dartmouth, waste, community housing, Batson Creek (Salcombe) commercial units and Batson Creek (Salcombe) Harbour Depot and Dartmouth Health and Wellbeing Hub.

4 Investment Strategy

4.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

4.2 The Council's policy on treasury investments is to prioritise security and liquidity over yield, i.e. to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss.

4.3 Money that will be held for longer terms is invested more widely including in collective investment schemes (pooled funds whose underlying assets are company shares, bonds, property etc.). Examples of which are the CCLA Local Authorities' Property Fund and the CCLA Diversified Income Fund in which the Council is invested to balance the risk of loss against the risk of receiving returns below inflation.

4.4 Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

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

4.6 Governance

4.6.1 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Corporate Director for Strategic Finance (S151 Officer) and finance staff (where appropriate), who must act in line with the treasury management strategy approved by Council.

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

5 Investments for Service Purposes

5.1 The Council has a £50,000 investment in the South West Mutual Bank which takes the form of shareholding in the bank, with the purpose of encouraging local economic growth.

5.2 A report was approved by Members in February 2020 for the setting up of a Housing Company in the form of a Community Benefit Society (CBS). This has charitable status and would be capable of holding the affordable housing developed by the community housing programme (see 2.3 and 2.4).

5.3 Governance

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

6 Commercial Investment Strategy

6.1 In December 2019 (Minute C53/19) the Council revised its Commercial Investment Strategy. This strategy covers both commercial development on Council-owned land and commercial acquisitions and has multiple objectives:

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

6.2 Each acquisition or development opportunity will be assessed on its fit with meeting the objectives stated above and should deliver one or more of the following outcomes (benefits):

- Job creation or safeguarding
- Health & Wellbeing
- Town centre regeneration
- Tourism / increased footfall / Business rate growth
- Improved asset utilisation
- A minimum yield of 2% is targeted. However, in some circumstances, e.g. where community benefits are likely to be achieved, a lower return may be acceptable
- Climate Change Mitigation

6.3 This Strategy will be achieved by acquisitions and developments within the South Hams District. This will include the focussed acquisition of existing assets and the development of new properties which are to be let to third parties.

6.4 Details of the Council's commercial investment strategy can be found in the report approved by Full Council on 19th December 2019 - minute Reference CM53/19.

<http://mg.swdevon.lan/ieListDocuments.aspx?CId=151&MId=1334&Ver=4>

6.5 Risk Management and Due Diligence

6.5.1 The Council accepts there is a higher risk on commercial investment than with treasury investments. Financial risk will be weighed up against social and economic benefits of the investment. The principal risk exposures include variances resulting in a disruption or fall in income streams, fall in capital value which is either site-specific or due to general market conditions, deterioration in the credit quality of the tenant.

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

- The tenants need to be of good financial standing (this is assessed using Dun & Bradstreet credit rating reports and annual accounts). The number of tenants e.g. sole tenant or multi tenanted will be assessed.
- The property condition such as date of construction and any imminent or significant refurbishment or modernisation requirements (forecast capital expenditure).
- How the property investment, financial or non-specified investment meets the Council's multiple objectives as set out in the Council's strategy.
- The lease must meet certain standards, such as being in a commercial popular location and have a number of years left on the lease providing a certain and contractually secure rental income stream into the future. Any break clauses will be assessed along with the number of unexpired years, bank guarantees and rent reviews.
- The location will be within the South Hams District Council's boundary as set out in the Commercial Investment Strategy. The population of the catchment area, the economic vibrancy and known or anticipated market demand as well as proximity to travel infrastructure and other similar properties will be assessed.

- Rental income paid by the tenant must exceed the cost of repaying the borrowed money from the Public Works Loan Board (which is itself funded by the Government). The surplus is then an ancillary benefit which supports the Council's budget position and enables the Council to continue to provide services for local people.
- Future borrowing from the Public Works Loan Board must meet one of the four permitted categories of borrowing of regeneration, service delivery, housing or re-financing of existing debt.
- The gross and net yield are assessed against the Council's criteria.
- The prevailing interest rates for borrowing at the time.
- Debt proportionality considerations.
- The life and condition of the property is assessed by a valuer and the borrowing is taken out over the life of the asset. The amount of management and maintenance charges are assessed as well as the ease of in-house management. 10% of all rental income (or an amount as deemed prudent) is put into a Maintenance and Management Reserve to cover any longer-term maintenance issues.
- The potential for property growth in terms of both revenue and capital growth will be assessed.
- The risks are determined by the property sector e.g. office, retail, industrial, associated with specific properties and the mix of sectors within the Council's portfolio.
- Details of acquisition costs e.g. stamp duty land tax, legal costs
- The documented exit strategy for a purchase/new build.
- The legal and technical due diligence checks will also identify any specific problems such as anomalies in the title deed, restrictive use classes, indemnities, local competition, construction or refurbishment requirements.
- The Council engages the use of external advisors to assist in undertaking elements of the due diligence checks such as technical, legal, accounting, property and taxation advice.
- The Council undertakes sensitivity analysis of the interest repayments on its borrowing requirements as a percentage of its available reserves to ensure there is sufficient coverage in the event that rental income is

below that forecasted. This ensures that the Council has the available reserves to enable service delivery to be maintained in the short to medium term, whilst alternative solutions are implemented.

6.5.3 Risk of loss shall be assessed on a case by case basis as part of the acquisition due diligence and will be a criteria considered throughout the approval process. Risk of loss during the management phase of the investment shall be reported in accordance with the criteria below. In accordance with Para 23-25 of Statutory Guidance on Local Government Investments, quantitative indicators or risk and portfolio performance will be reported to Audit Committee. The frequency of this reporting is anticipated to be every 6 months and will include the following indicators (as applicable):

- Rental value by property
- Rental value by tenant
- Sector split by purchase price
- Purchase price
- Rental income profile
- Tenant lease length
- Gross Yield
- Management, Maintenance and Risk Mitigation Reserve (MMRM)
- Current value

6.6 Governance

6.6.1 Acquisitions must conform to the adopted Commercial Investment Strategy. Any deviation from the agreed Strategy will require Council approval.

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

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

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

6.6.5 Executive Members will consider debt proportionality (the amount borrowed to date against the net service expenditure ratio) on a case by case basis for each acquisition as part of the decision making process, with information provided to them as well as the S151 officer, the Head

of Paid Service and the Leader of the Council. Investment indicators are set out within the Council's Treasury Management Strategy.

- 6.6.6** The Council undertakes sensitivity analysis of the interest repayments on its borrowing requirements as a percentage of its available reserves to ensure there is sufficient coverage in the event that rental income is below forecast. The Council also sets aside 10% annually of all rental income into a Maintenance, Management and Risk Mitigation (MMRM) Reserve. This is part of the Council's contingency arrangements.
- 6.6.7** Officers, working with their specialist advisors in the market will sift opportunities and only present to Executive Members, opportunities that closely meet the Strategy. They will then lead the Executive Members into debate over specific benefits and risks of each opportunity before the Executive Members make a decision. In this way, risk will be transparent through the process.
- 6.6.8** Projects and their outcomes will be kept under constant review by officers and reported to Executive and Audit Committee.

Development on Council Owned Land

- 6.6.9** The Council will delegate the authority and decision making function relating to 'Development on Council Owned Land' to the Executive, assuming that the proposed expenditure complies with the Council approved total borrowing limits.
- 6.6.10** This delegation is to include the granting of associated leases in excess of 16 years as and when required, as recommended by the Assets CoP Lead, on a project by project basis.
- 6.6.11** Any project will be subject to Due Diligence and Legal Searches and occasionally other data as need arises.
- 6.6.12** Specialists will be commissioned to act on behalf of the Council to source suitable development and tenant opportunities and manage the due diligence process.
- 6.6.13** Officers will provide Members of the Executive with a set of data and an indicative cash flow for each project under investigation. These will aid decision making on whether to proceed or not.

Investment Acquisitions within the South Hams

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

6.6.15 In the event of three or more Executive Members expressing their opposition to the proposal, then the matter will proceed no further.

6.6.16 Any project will be subject to Due Diligence and Legal Searches and occasionally other data as need arises. In line with this strategy, a report will be presented (for noting purposes) to the subsequent meeting of the Executive.

6.7 Debt Proportionality

6.7.1 The commercial investment strategy considers the risks of investment and the Council engaged Treasury Management advisors to analyse the level of debt proportionality to the Council's finances (e.g. levels of reserves, asset base and level of interest costs as a percentage of income).

6.7.2 Investment Property acquisitions expand the Council's balance sheet and interest costs will form a higher percentage of locally derived income. It would absorb some reserves if there are shortfalls in or disruption to the income stream required to meet the additional expenditure.

6.7.3 Sensitivity analysis on the level of debt interest against the Council's level of reserves is considered as part of the Medium Term Financial Strategy and as part of the budget proposals each year. This ensures that the Council has the available reserves to enable service delivery to be maintained in the short to medium term, whilst alternative solutions are implemented.

6.7.4 In order that commercial investments remain proportionate to the size of the Council, borrowing for the Commercial Investment Strategy is subject to an overall limit (for all Council services) of £75 million.

6.7.5 The Council set an upper limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million. Interest payments at 2% would equate to 12.4% of available reserves (Appendix F to the Budget Proposals report for 2021/22 – Council 11th February 2021).

6.8 Liquidity

- 6.8.1 Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council will spread its liquidity profile across its portfolio and also have a spread of the sector in which the Council invests. The Council also documents potential exit strategies as part of its due diligence checks.
- 6.8.2 Liquidity will be a factor in determining the amount of rent set aside in the Maintenance Management and Risk Mitigation Reserve for each investment which has a balance of £37,000 as at 31 March 2021. This will be reviewed with the same frequency as the risk reporting procedure set out in the Council's Commercial Investment Strategy.

7 Asset Management

- 7.1 To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place.
- 7.2 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.
- 7.3 Repayments of capital grants, loans to third parties for capital expenditure and investments also generate capital receipts.
- 7.4 The Council estimates to receive £393,000 capital receipts in the coming financial year as follows:

Capital Receipts £'000	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Asset sales	340	154	393	0	5,187*
Loans repaid	0	0	0	0	0
TOTAL	340	154	393	0	5,187

**Capital receipts generated from the sale of the Community Housing assets*

8 Liabilities

- 8.1 In addition to the current debt of £14.5m detailed above, the Council is committed to making future payments to cover its pension liability. This is in the form of employer pension contribution rates (the primary rate). The Council's secondary rate has been zero from 1 April 2020. The Pensions Reserve for the net defined benefit liability was £48.5m at 31 March 2020.

8.2 Governance

8.2.1 Decisions on incurring new discretionary liabilities are taken by Head of Practice in consultation with the Corporate Director for Strategic Finance (Section 151 Officer).

8.2.2 The risk of liabilities crystallising and requiring payment is monitored as part of the budget monitoring and reported to the Executive quarterly.

9 Revenue Budget Implications

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

Proportion of financing costs to net revenue stream

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Financing costs (£)	(165,967)	589,432	813,311	963,290	823,405
Proportion of net revenue stream	(1.9)%	6.3%	8.4%	10.2%	8.6%

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

9.3 Sustainability

9.3.1 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future.

- 9.3.2** The Corporate Director of Strategic Finance (S151 Officer) is satisfied that the proposed capital programme is prudent, affordable and sustainable and it is fully integrated with the Council's 2021/22 Medium Term Financial Strategy, Treasury Management Strategy and Investment Strategy and other strategic plans. The Capital Strategy is compiled in line with the requirements of the 2017 CIPFA Prudential Code and 2017 Treasury Management Code. The risks associated with the Commercial Investment Strategy are covered within the Investment Strategy.
- 9.3.3** The delivery of the individual capital schemes on the plan is directly linked to the original approval of the capital project supported by each project having a project lead who is responsible for the delivery of the project (appropriate skills, contracting, planning etc.) and the subsequent achievement of the objectives of that project.
- 9.3.4** Members, via the Executive meetings, receive quarterly budget monitoring reports on the Council's Capital Programme. Through these updates, which are driven by the requirement of financial reporting, Members can review and challenge the delivery of projects and any changes to both the timing and expenditure of the capital project.
- 9.3.5** If subsequent to the capital project being completed there are variations to the income expected to be generated from that asset, this will be reported as a variance in the quarterly budget monitoring reporting and if ongoing will be included in the following year's revenue budget proposals.
- 9.3.6** The Council's Senior Leadership Team has oversight for the delivery of and challenge to the Capital Strategy and Capital Programme.

9.4 Affordability

- 9.4.1** Affordability is critical in applying the capital strategy and approving projects for inclusion in the capital programme. This is either demonstrated by a report on the project being presented to Executive/Council for approval supported by a business case identifying the expenditure and funding, appraisal of alternative options and the risks and rewards for the approval of the scheme, or by delegated procedures set out within the commercial investment strategy (containing this information).
- 9.4.2** All projects need to have a clear funding source. If external funding such as an external grant is to be used, there needs to be a clear funding commitment.

- 9.4.3** Affordability of each project needs to be clear, not only for the funding of the capital spend, but also to cover any ongoing costs of the operation and funding of that capital spend.
- 9.4.4** Where borrowing is to be used the affordability is of greater importance and the affordability has to include the interest costs of that borrowing and the provision for the repayment of the borrowing (MRP). This repayment is matched to a prudent asset life and any income streams estimated to fund this asset must be sustainable. The rules around the governance of this borrowing are outlined in the Prudential Code (as summarised above).
- 9.4.5** At no stage should the asset value be lower than the value of outstanding debt unless there is a clear plan to mitigate that shortfall or to sell that asset.

9.5 Risks

- 9.5.1** The risks associated with a significant Capital Programme and a significant level of borrowing can be mitigated through all capital projects being supported by a business case, having adequate project management and/or project boards, suitable skills for the delivery of the project, tax planning, cash flow, clear operational plan for the use of the asset, security and due diligence on loans and purchases, use of external advice where appropriate, project contingencies, full tender process and regular and transparent reporting to Members.
- 9.5.2** There are clear links from the capital strategy to both the treasury management strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by Members at the Audit Committee and Council. For any new borrowing, and this is a greater risk as the value of borrowing increases, this does increase the Council's overall liabilities that will need to be repaid in the future.
- 9.5.3** In addition, this increases the Council's level of fixed interest and repayment costs that it will incur each year. In 2021/22 the borrowing liability is estimated at a maximum of £20m with ongoing financing costs of the borrowing of approx. £1m. This is a clear risk that all Members need to be aware of.

9.5.4 However, this risk for assets is mitigated by a robust business case and a MRP that will repay the borrowing costs over a (prudent) asset life. Any variations from this are set out in the MRP Policy (section 2.5 of the Treasury Management Strategy). Any variation in expected income is an issue, however given the wide range of operational assets and different income streams this helps to mitigate this risk.

9.5.5 As outlined above in the position statement, investment properties have a different type and level of risk. Risk arises from both variations in income streams (tenant non-renewal etc.) and from asset values (impact economic conditions and retail trends etc.). The Council has established a clear strategy, criteria and a governance route for these purchases which has included member training, second opinion on asset values, due diligence, site visits, surveys etc. The Council currently owns one investment property in Dartmouth.

9.5.6 There are risks (and rewards) associated with the purchase of these type of assets.

10 Knowledge and Skills

10.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for recommending capital expenditure, borrowing and investment decisions to Members.

10.2 The Director of Place & Enterprise is a Chartered Civic Engineer with 18 years of experience. In addition, the Director of Place & Enterprise holds a MSc in Construction Law.

10.3 The Corporate Director of Strategic Finance (S.151 Officer) is a Chartered Accountant (ICAEW) with 17 years of experience of being a S151 Officer (Chief Finance Officer). In addition, the Corporate Director for Strategic Finance holds a BSc in Mathematics and has previously worked in the private sector for accountancy firms.

10.4 The Estates Specialist is a Chartered Surveyor, qualified for over 15 years, with an Estate Surveying degree. In addition they are a Registered Valuer.

10.5 The Monitoring Officer is a qualified solicitor with over 20 years public sector experience as a Monitoring Officer.

10.6 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The appropriate expertise is always resourced in relation to any financial, legal and asset related due diligence required. A list is below:-

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

10.7 This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

10.8 Following the District Elections in May 2019, a comprehensive Members' Induction Programme was undertaken in May 2019. This included specific financial and treasury management training.

10.9 External treasury management training (by Link Group) was arranged for all Members in March 2021 to ensure Members have up to date skills to continue to make capital and treasury management decisions.

Treasury Management Strategy Statement 2021/22

1. Introduction

1.1 Background

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

1.2 Reporting Requirements

Capital Strategy

- 1.2.1 The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability
- 1.2.2 The aim of this capital strategy is to ensure that all elected Members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 1.2.3 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:
- The corporate governance arrangements for these types of activities;
 - Any service objectives relating to the investments;
 - The expected income, costs and resulting contribution;
 - The debt related to the activity and the associated interest costs;
 - The payback period (MRP policy – Minimum Revenue Provision);
 - For non-loan type investments, the cost against the current market value;
 - The risks associated with each activity.
- 1.2.4 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.
- 1.2.5 The Capital Strategy sets out details of the Council's Commercial Investment Strategy, which included multiple objectives: (a) to support regeneration and the economic activity of the Council (b) to enhance economic benefit (c) to grow business rate income (d) to assist with the financial sustainability of the Council as an ancillary benefit and (e) to help continue deliver and/or improve frontline services in keeping with its adopted strategy and objectives.
- 1.2.6 If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

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

Treasury Management Reporting

- 1.2.8 The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy (this report) -
The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b. A mid-year treasury management report – This is primarily a progress report and will update Members on the capital position, amending treasury and prudential indicators as necessary, and whether any policies require revision.

c. An annual treasury report – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

- 1.2.9 The above reports are required to be adequately scrutinised before being approved by Council. Periodic Treasury Management reports are reported to the Audit Committee for this purpose. Prior to the annual strategies being recommended to Council, an all Member briefing and Treasury Management training session has been arranged by officers so that Members have a full understanding of the contents covered in the annual strategies and are able to discuss these in more depth prior to their approval.

1.3 Treasury Management Strategy for 2021/22

- 1.3.1 The strategy for 2021/22 covers two main areas:

Capital issues

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

Treasury management issues

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

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

1.4 Training

1.4.1 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. The Members will receive training during March 2021. The training needs of treasury management officers are periodically reviewed.

1.5 Treasury Management Consultants

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

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

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

1.5.4 The scope of investments within the Council's operations now includes both conventional treasury investments (the placing of residual cash from the Council's functions), and other types of investment, such as investment properties. The Council currently has one investment property in Dartmouth. The Council's negotiating team includes the Strategic Director of Place and Enterprise and the S.151 Officer, who are both members of the Senior Leadership Team. Both Officers are aware of the core principles of the prudential framework and of the regulatory regime within which Local

Authorities operate. The S.151 Officer has attended specific treasury management training courses around the new MHCLG Guidelines on investments and the accounting treatment.

1.5.5 Investments require specialist advisors and the appropriate expertise is always resourced in relation to these activities. The specialist advisors used by the Council are:

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

2. The Capital Prudential Indicators 2021/22 – 2023/24

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

2.2 Capital Expenditure

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

Capital expenditure £'000	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Services	4,641	4,308	10,388	4,923	4,730
Community Housing*	-	-	5,850	-	-
Ivybridge Regeneration**	50	65	450	2,910	5,640
Commercial activities/ non-financial investments***	4,996	-	-	-	-
Total	9,687	4,373	16,688	7,833	10,370

* At Council in September 2020, a report was presented on Community Housing Delivery (E.20/20). It was resolved that approval be given to the Community

Housing Development Expenditure of up to £5.9 million to build out the first two Community Housing Schemes (St Ann’s Chapel (13 units) and South Brent (17 units)) and that approval be given to funding of up to £5.9 million to build the schemes from a combination of internal borrowing and external borrowing (from the Public Works Loan Board).

** On 11 February 2021, Council approved the Ivybridge Regeneration project through to planning, tender, construction and lease (subject but not limited to the regulatory statutory planning process and the total scheme cost being within the £9 million financial envelope). The project team are now looking to run the tender exercise to appoint the design and build contractor. When appointed they will work towards a planning application.

*** Commercial activities / non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc. The Council currently has one investment property in Dartmouth.

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

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

Financing of capital expenditure £'000	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Expenditure	9,687	4,373	16,688	7,833	10,370
Financed by:					
External sources (Capital grants, NHB, S106)	2,261	900	2,630	1,100	2,300
Own resources (Capital receipts, Earmarked reserves)	2,189	1,623	2,469	3,323	2,430
Net financing need for the year (This is the prudential borrowing requirement)	5,237	1,850	11,589	3,410	5,640

2.2.4 The net financing need for commercial activities / non-financial investments included in the above table against expenditure is shown below:

Commercial activities / non-financial investments £'000	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Expenditure	4,996*	-	-	-	-
Financing costs	-	-	-	-	-
Net financing need for the year	-	-	-	-	-
Percentage of total net financing need %	95.4%	-	-	-	-

*Financing costs for this investment property commenced in the 2020/21 financial year

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

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

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

£'000	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Financing Requirement					
CFR – services	6,498	8,048	13,542	13,525	12,990
Community Housing	-	-	5,187	5,187	-
Ivybridge Regeneration	-	-	450	3,360	9,000
CFR - Commercial activities/ non-financial investments	4,996	4,952	4,907	4,861	4,813
Total CFR	11,494	13,000	24,086	26,933	26,803
Movement in CFR	5,203	1,506	11,086	2,847	(130)

Movement in CFR represented by					
Net financing need for the year (above)	5,237	1,850	11,589	3,410	5,640
Less MRP/VRP and other financing movements	(34)	(344)	(503)	(563)	(5,770)*
Movement in CFR	5,203	1,506	11,086	2,847	(130)

** This includes capital receipts of £5.19 million following the sale of the asset after construction*

2.3.5 A key aspect of the regulatory and professional guidance is that elected Members are aware of the size and scope of any investment activity in relation to the authority's overall financial position. The capital expenditure figures shown in 2.2 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

2.4 Core Funds and Expected Investment Balances

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

Year End Resources £'000	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Fund balances / reserves	16,008	12,825	13,073	13,073	13,028
Capital receipts	3,059	2,865	990	940	890
Provisions	1,611	1,772	1,611	1,611	1,611
Other	405	405	405	405	405
Total core funds	21,083	17,867	16,079	16,029	15,934
Working capital*	11,303	11,300	11,300	11,300	11,300
(Under)/over borrowing*	3,072	1,475	(4,518)	1,538**	(4,457)
Expected cash position	35,458	30,642	22,861	28,867	22,777

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

**There is a projected over-borrowing position of £1.538m in 2022/23. This is due to the Ivybridge Regeneration project, where it is envisaged that the borrowing will be taken out at the beginning of the project. The Council will move back into an under-borrowing position in 2023/24.

2.5 Minimum Revenue Provision (MRP) Policy Statement

2.5.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). **The MRP is the capital repayment of any borrowing.**

2.5.2 MHCLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

- 2.5.3 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:
- **Based on CFR** – MRP will be based on the CFR.
- 2.5.4 This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.
- 2.5.5 From 1 April 2008 for all unsupported borrowing (including finance leases, excluding the Community Housing Programme – see 2.5.10) the MRP policy will be:
- **Asset life (equal instalment) method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
 - **Asset life (annuity) method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
- 2.5.6 These options provide for a reduction in the borrowing need over the asset's life.
- 2.5.7 The asset life methods are simple to operate and gives certainty in each year as to the level of charge applied. The other advantage is that they make business cases and scheme appraisals easier to compile. The annuity method is intended to have the advantage of linking MRP to the flow of benefits from an asset where these are expected to increase in later years. The annuity method gives rise to a lower charge in the early years, which steadily increases over the asset life. This approach means that the MRP for repayment of the debt liability will increase each year over the life of the asset, as the proportion of the interest calculated each year reduces and the principal repayment increases.
- 2.5.8 With all options, MRP should normally commence in the financial year following the one in which expenditure was incurred. Regulation 28 does not define 'prudent'. However, MRP guidance has been issued, which makes recommendations to Councils on the interpretation of that term. Councils are legally obliged to 'have regard' to the guidance. The Council's policy will be that MRP will not normally commence until the start of the financial year following the one in which the expenditure was incurred and the asset became operational. The Council will postpone making MRP until the financial year following the one in which the asset becomes operational.

2.5.9 **MRP Overpayments** - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2021 the Council had no VRP overpayments.

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

3 Borrowing

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

3.2 Current Portfolio Position

3.2.1 The overall treasury management portfolio as at 31 March 2020 and for the position as at 31 January 2021 are shown below for both borrowing and investments.

Treasury Portfolio	31 March 2020 Actual		31 January 2021 Current	
	£'000	Rate%	£'000	Rate%
Treasury Investments:				
Short term – fixed	15,500	0.91	44,650	0.02
Money Market Funds	16,100	0.41	22,800	0.01
Heritable Bank	22	-	22	-
CCLA – Local Authority Property Fund	1,348	3.25	1,348	3.21
CCLA – Diversified Income Fund	1,792	3.61	1,792	3.35
Total treasury investments	34,762		70,612*	
Treasury External Borrowing				
PWLB (average rate)	14,566	2.43	14,499	2.43
Total external borrowing	14,566		14,499	
Net treasury investments / (borrowing)	20,196		56,113	

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

3.2.2 In December 2019 (Minute 53/19) the Council approved an updated Commercial Investment Strategy, which included multiple objectives: (a) to support regeneration and the economic activity of the Council (b) to enhance economic benefit (c) to grow business rate income (d) to assist with the financial sustainability of the Council as an ancillary benefit and (e) to help continue deliver and/or improve frontline services in keeping with its adopted strategy and objectives.

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

Non-Treasury Investments				
Asset	Purchase Price (£)	Year Purchased	Asset life for the calculation of MRP (Years)	Value at 31 March 2020* (£)
Lee Mill Tesco	4,400,000		50	13,850,000
Dartmouth M&S	5,029,000	2019/20	50	4,996,148
TOTAL	9,429,000			18,846,148

*following fair value adjustments

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

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

Non-Treasury Investment Indicators	Actual 2019/20	Current as at 28 February 2021
Total investment income as a proportion of the Council's Net Budget	7.54%	6.44%
Borrowing for Non-Treasury investments as a proportion of the Council's Net Budget	57.74%	53.73%
Investment income compared to the interest expense incurred by them	-	434.56%

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

£'000	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Estimate	Estimate	Estimate
External Debt					
Debt at 1 April	5,490	14,566	14,475	19,568	28,471
Expected change in Debt	9,076	(91)	5,093	8,903	(6,125)
Other long-term liabilities (OLTL)	-	-	-	-	-
Expected change in OLTL	-	-	-	-	-
Actual gross debt at 31 March	14,566	14,475	19,568	28,471	22,346
The Capital Financing Requirement	11,494	13,000	24,086	26,933	26,803
Under / (over) borrowing	(3,072)	(1,475)	4,518	(1,538)*	4,457

**There is a projected over-borrowing position of £1.538m in 2022/23. This is due to the Ivybridge Regeneration project, where it is envisaged that the borrowing will be taken out at the beginning of the project. The Council will move back into an under-borrowing position in 2023/24. See 2.6 of the Capital Strategy in Appendix A for further explanation of this project.*

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

	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Estimate	Estimate	Estimate
External Debt for commercial activities / non-financial investments					
Actual debt at 31 March £'000	5,100	5,056	5,011	4,965	4,917
Percentage of total external debt %	35%	35%	26%	17%	22%

3.2.8 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

3.2.9 The Corporate Director for Strategic Finance (S151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report for 2021/22.

3.3 Treasury Indicators: Limits to Borrowing Activity

3.3.1 In September 2019, Council approved an overall Borrowing Limit (for all Council Services) of £75 million. The Operational Boundary has been set at just below this level at £70 million. Council are asked to re-affirm the total Authorised Borrowing Limit of £75 million.

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

Operational boundary £'000	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Total external debt	70,000	70,000	70,000	70,000

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

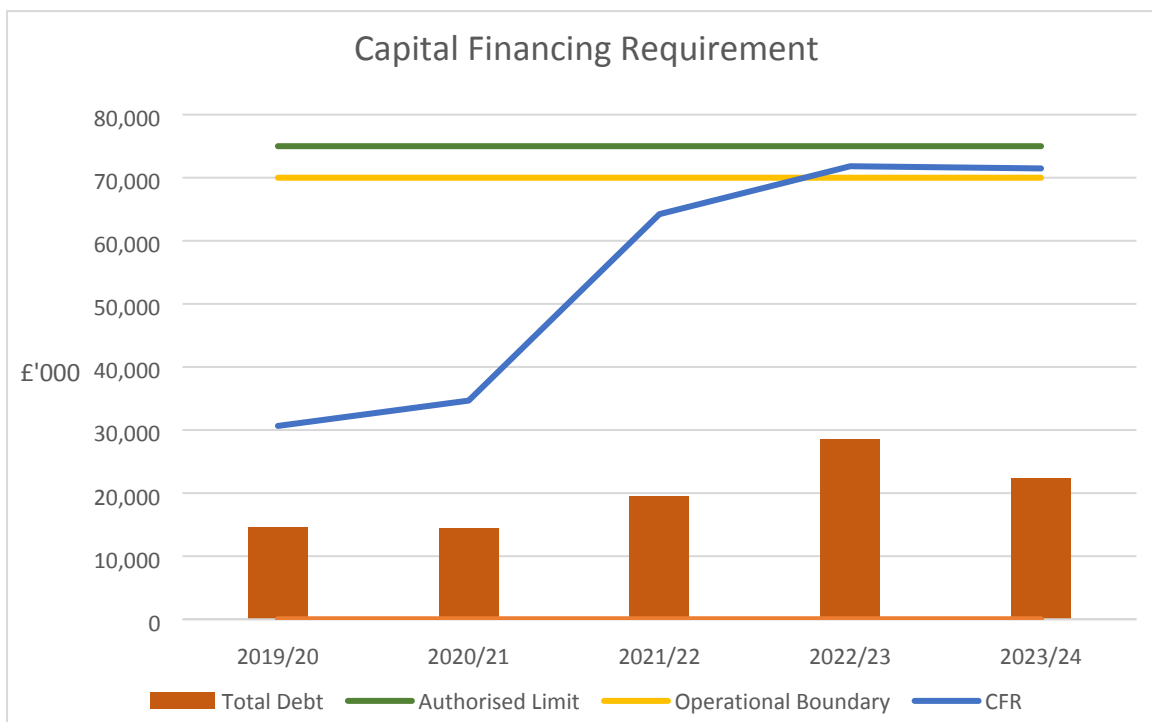
1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

2. The Council is asked to approve the following authorised limit of £75 million:

Authorised limit £'000	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Total external debt	75,000	75,000	75,000	75,000

3.3.4 The graph below shows the CFR and borrowing projections.

CAPITAL FINANCING REQUIREMENT					
	Actual 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000
General Fund	6,498	8,048	13,452	13,525	12,990
Community Housing	-	-	5,187	5,187	-
Ivybridge Regeneration	-	-	450	3,360	9,000
Commercial activities / non-financial investments	4,996	4,952	4,907	4,861	4,813
Total CFR	11,494	13,000	24,086	26,933	26,803
External Borrowing	14,566	14,475	19,568	28,471	22,346
Authorised Limit	75,000	75,000	75,000	75,000	75,000
Operational Boundary	70,000	70,000	70,000	70,000	70,000



3.4 Prospects for Interest Rates

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

Link Group Interest Rate View														
	Now	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Bank Rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
3 month ave. earnings	-	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
6 month ave. earnings	-	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
12 month ave. earnings	-	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%

3.4.2 The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it subsequently left Bank Rate unchanged at its subsequent meetings, including its last meeting on 4th February 2021, although some forecasters had suggested that a cut into negative territory could happen. However, at that last meeting, we were informed that financial institutions were not prepared for implementing negative rates. The Monetary Policy Committee (MPC), therefore, requested that the Prudential Regulation Authority require financial institutions to prepare for such implementation if, at any time in the future, the MPC may wish to use that as a new monetary policy tool. The MPC made it clear that this did not in any way imply that they were about to use this tool in the near future.

3.4.3 As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as it is unlikely that inflation will rise sustainably above 2% during this period so as to warrant increasing Bank Rate.

3.5 Borrowing Strategy

3.5.1 The Council will continue to assess the opportunities to borrow and look to use a mix of external loans to finance any increase in the Capital Financing Requirement (CFR). Any opportunities to reduce interest costs by maintaining an under-borrowed position will be considered. This means that the capital borrowing need (the CFR), will not be fully funded with external loans as cash supporting the Council's reserves, balances and cash flow will be used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

3.5.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Corporate Director for Strategic Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then external borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the external loan portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

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

3.6 Policy on Borrowing in Advance of Need

3.6.1 Any decisions to borrow in advance will be secured on a case by case basis on the most advantageous terms available, predominantly through borrowing or any other unallocated or available Council reserve, or capital receipt.

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

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

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

3.6.4 The Council will not borrow more than, or in advance of need as part of the funding for investments of developments so as to benefit from the investment of the extra sums borrowed (para 46 & 47 SGLGI). There are no circumstances in which the Council would seek to disregard the prohibition on borrowing ahead of need, purely for profit.

3.6.5 The Council's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired rental income or borrowing costs increasing are explained in the section on Risk Assessment within the Capital Strategy.

3.6.6 Latest guidance issued by the Secretary of State makes clear that borrowing to finance the acquisition of non-financial investments (e.g. commercial property investment) made purely for profit shall be considered 'borrowing in advance of need'.

3.6.7 Such investment would most likely be considered capital and determined under the guiding principles outlined separately in the Capital Strategy and outside the scope of this Treasury Management Strategy. However, and to be clear, the Council will not borrow for capital investment made solely for yield generating opportunities.

3.7 Debt Rescheduling

3.7.1 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020.

3.7.2 If rescheduling was recommended, it will be presented and reported to the Council, at the earliest meeting available.

3.8 New Financial Institutions as a Source of Borrowing

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

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

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

3.9 Maturity Structure of Borrowing

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

Maturity structure of fixed interest rate borrowing 2021/22		
	Lower	Upper
Less than 1 year	0%	10%
Between 1 and 2 years	0%	10%
Between 2 years to 5 years	0%	50%
Between 5 years to 10 years	0%	50%
Between 10 years to 20 years	0%	50%
20 years and above	0%	100%

3.10 Approved Sources of Long and Short Term Borrowing

3.10.1 Approved sources of borrowing are as follows:

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

APPENDIX B1

TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

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

(ii) Executive

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

(iii) Audit Committee

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

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

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

APPENDIX B2

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

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

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

APPENDIX C

Annual Investment Strategy 2021/22

1. Annual Investment Strategy

1.1 Investment Policy – Management of Risk

- 1.1.1 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of economic regeneration and income yielding assets, are covered in the Capital Strategy, (a separate report).
- 1.1.2 The Council’s investment policy has regard to the following: -
- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
 - CIPFA Treasury Management Guidance Notes 2018
- 1.1.3 The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.
- 1.1.4 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
 2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix C1 under the categories of 'specified' and 'non-specified' investments.
 - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
 - Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being £6.86 million of the total investment portfolio, (see Appendix C1).
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 1.2.6.
7. **Transaction limits** are set for each type of investment in 1.2.6.
8. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 1.4.6).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 1.3.1).
10. This authority has engaged **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. **Statutory override on pooled investments.** As a result of the change in accounting standards for 2018/19 under IFRS 9, the Ministry for Housing, Communities and Local Government (MHCLG) agreed a temporary override to allow English Local Authorities time to adjust their portfolio of all pooled investments, by announcing a statutory override to delay implementation of

IFRS 9 for five years commencing from April 2018. The Council will use the statutory override to account for any changes in the fair value on its pooled investments. For the Council's Money Market Fund investments, the change in fair value was immaterial in 2019/20.

13. Investments in equity instruments designated at fair value through other comprehensive income. Upon transition to IFRS9 – Financial Instruments on 1 April 2018, the Council elected to designate the CCLA Property Fund investment (£0.5m) and the CCLA Diversified Income Fund (£1m) as fair value through other comprehensive income. These investments are eligible for the election because they meet the definition of equity instruments in paragraph 11 of IAS32 and are neither held for trading (the Council holds this investment as a long term strategic investment) nor contingent consideration recognised by an acquirer in a business combination to which IFRS3 applies. They are not considered to be puttable instruments because the Council does not have a contractual right to put the instrument back to the issuer for cash. The Council currently holds £1.5m in the CCLA Property Fund and £2m in the CCLA Diversified Income Fund.

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

1.1.6 The above criteria are unchanged from last year.

1.2 Creditworthiness Policy

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

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

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

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

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

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

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

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

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

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

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

Creditworthiness

- 1.2.7 Although the credit rating agencies changed their outlook on many UK banks from Stable to Negative during the quarter ended 30 June 20 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major financial institutions, including UK banks. However, during Q1 and Q2 2020, banks made provisions for *expected* credit losses and the rating changes reflected these provisions. As we move into future quarters, more information will emerge on *actual* levels of credit losses. (Quarterly earnings reports are normally announced in the second half of the month following the end of the quarter.) This has the potential to cause rating agencies to revisit their initial rating adjustments earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that banks went into this pandemic with strong balance sheets. This is predominantly a result of regulatory changes imposed on banks following the Great Financial Crisis. Indeed, the Financial Policy Committee (FPC) report on 6th August revised down their expected credit losses for the UK banking sector to "somewhat less than £80bn". It stated that in its assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.
- 1.2.8 All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.
- 1.2.9 **CDS prices.** Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. Nevertheless, prices are still elevated compared to end-February 2020. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal. While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

1.3 Other Limits

1.3.1 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) **Non-specified investment limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being £6.86 million of the total investment portfolio.
- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** (see Appendix C2).
- c) **Other limits.** In addition:
 - no more than £6 million will be placed with any non-UK country at any time;
 - limits in place above will apply to a group of companies;
 - sector limits will be monitored regularly for appropriateness.

1.3.2 **Loans.** In accordance with the Statutory Guidance on Local Government Investments, a local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth.

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

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

1.4 Investment Strategy

1.4.1 **In-house Funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

1.4.2 **Investment Returns Expectations.** Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising, so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

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

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

Upper limit for principal sums invested for longer than 365 days			
£m	2021/22	2022/23	2023/24
Principal sums invested for longer than 365 days	£3.5	£3.5	£3.5
Current investments as at 31.01.20 in excess of 1 year maturing in each year*	£3.5	£3.5	£3.5

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

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

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

1.5 Investment Performance / Risk Benchmarking

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

1.6 End of Year Investment Report

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

APPENDIX C1

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

Specified Investments

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

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

Non-Specified Investments

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

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

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
Property Investment Funds – CCLA	N/A	£1.5 million	No fixed maturity date but will generally be up to 7 years
Diversified Income Fund – CCLA	N/A	£2 million	No fixed maturity date but will generally be up to 7 years
UK Government Gilts	Yellow	£3 million	5 Years
Share capital in a body corporate (See note 1 and note 2 below)	N/A	nil	N/A
Loan capital in a body corporate (See note 1 and note 2 below)	N/A	£0.36 million	N/A
TOTAL		£6.86 million	

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

Note 2. The Executive report on 28 January 2021 set out the details of the proposed secured loan to South Brent Community Land Trust of up to £360,000 for seven years.

APPROVED COUNTRIES FOR INVESTMENTS

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

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K

Report to: **Full Council**

Date: **25 March 2021**

Title: **Pay Policy Statement and Pay and Reward Strategy 2021/22**

Portfolio Area: **The Leader of the Council – Cllr J Pearce**

Wards Affected: **All**

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

Date next steps can be taken: Immediately following this meeting.
(e.g. referral on of recommendation or implementation of substantive decision)

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

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

Recommendations:

1. That the Council RESOLVES to adopt the attached Pay Policy Statement for 2021/22

2. That the Council RESOLVES to adopt the attached Pay and Reward Strategy 2021/22

1. Executive summary

1.1. The report proposes that the Council adopts the Pay Policy Statement (attached at Appendix A) and the Pay and Reward Strategy (attached at Appendix B).

1.2. The Council is required under the Localism Act 2011 to agree and publish a Pay Policy Statement each year.

1.3. The Pay Policy Statement sets out the authority's policies for the financial year relating to the remuneration of its chief officers, the remuneration of its median and lowest-paid employees and the relationship between the salary of the Head of Paid Service and the salaries of the median and lowest paid employees.

- 1.4. Under the provisions of the Pay Policy Statement, full Council approval is required to review the salaries of a Chief Officer.
- 1.5. The Pay and Reward Strategy sets out the authority's overall approach to the pay and reward of its staff.

2. Background

- 2.1. Section 38 of the Localism Act 2011 requires local authorities in England and Wales to produce and publish a statutory pay policy statement for 2012/2013 and each financial year thereafter. Once approved, the policy will be published on the Council's website.
- 2.2. The pay policy statement must be approved by a resolution of the Council before it comes into force and each subsequent statement must be prepared and approved before the end of the 31 March immediately preceding the financial year to which it relates.
- 2.3. The Political Structures Working Group recommended that Council received an annual report setting out the Council's Pay and Reward Strategy in conjunction with the annual Pay Policy Statement.

3. Outcomes/outputs

3.1. Pay Policy Statement

- 3.2. The Hutton Report identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of Head of Paid Service to median earnings. Tracking this multiple will ensure that the Council is accountable for the relationship between the pay of its executives and the wider workforce. Through the pay policy statement, the Council can track this multiple on an annual basis.
- 3.3. If the relationship between the salary of the Head of Paid Service and the lowest paid employee exceeds a factor of 10, the Leader is required by the Localism Act to bring a report to Full Council for consideration.
- 3.4. The annual median salary of all employees is £26,511pa.
- 3.5. The annual salary of the lowest paid employee is £19,698pa.
- 3.6. The relationship between the remuneration of the Head of Paid Service and the median salary of all employees is 4.65.
- 3.7. The relationship between the remuneration of the Head of Paid Service and the salary of the lowest paid employee is 6.26.

3.8. Pay and Reward Strategy

3.9. The Pay and Reward Strategy sets out the Council’s approach to the pay and reward of its employees and sets out details of the overall reward philosophy, pay design and structure, applicable rates of pay and other financial and non-financial benefits available to staff.

3.10. Gender Pay Gap

3.11. The Council also has a separate statutory duty to publish a report on the gender pay gap of its employees by 30 March 2021. The report will be published through the Government’s gender pay gap reporting service and on the Council website.

4. Options available and consideration of risk

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

5. Proposed Way Forward

5.1. Council is asked to adopt the Pay Policy Statement at Appendix A and publish it on its website to meet its statutory requirements.

5.2. Council is asked to adopt the Pay and Reward Strategy at Appendix B.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Yes	The Localism Act 2011 requires the Council to adopt and publish a Pay Policy Statement. The Pay Policy Statement requires the Leader to make a recommendation to Full Council to change the salary payable to a Chief Officer.
Financial	Y	The total annual salary cost of the SLT at 31 March 2021 is £427,243.53pa. This cost is shared with West Devon Borough Council. The cost of the SLT at 31 March 2020 was £408,000pa.
Risk	N	There are no risks associated with the report, Pay Policy Statement or the Pay and Reward Strategy.
Comprehensive Impact Assessment Implications		

Equality and Diversity	N	There are no Equality or Diversity implications associated with the report, Pay Policy Statement or the Pay and Reward Strategy.
Safeguarding	N	There are no Safeguarding implications associated with the report, Pay Policy Statement or the Pay and Reward Strategy.
Community Safety, Crime and Disorder	N	There is no positive or negative impact on crime and disorder reduction associated with the report, Pay Policy Statement or the Pay and Reward Strategy.
Health, Safety and Wellbeing	N	There are no Health, Safety and Wellbeing implications associated with the report, Pay Policy Statement or the Pay and Reward Strategy.
Other implications	N	There are no other implications associated with the report, Pay Policy Statement or the Pay and Reward Strategy.

Supporting Information

Appendices:

A: Pay Policy Statement 2021/22

B: Pay and Reward Strategy 2021/22

Background Papers:

The Localism Act 2011

Code of Recommended Practice for Local Authorities on Data Transparency (published by the Secretary of State on 29 September 2011)

Hutton Report (published in March 2011)

80/19, 23 April 2020, Appointment of Chief Executive

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes

If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	Yes/No
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PAY POLICY STATEMENT 2021/2022

Purpose and scope of the Policy

1. Section 38 of the Localism Act 2011 (the Act) requires local authorities in England and Wales to produce a statutory pay policy statement for 2012/2013 and each financial year thereafter.
2. The pay policy statement must be approved by a resolution of the Council before it comes into force and each subsequent statement must be prepared and approved before the end of the preceding financial year to which it relates.
3. The Council may by resolution amend this pay policy statement at any time during the year, subject to the amended statement being published as soon as is reasonably practicable.
4. The Act requires local authorities to have regard to the guidance issued by the Secretary of State. The guidance draws upon the Code of Recommended Practice for Local Authorities on Data Transparency published by the Secretary of State on 29 September 2011, the commitment in the Coalition Agreement to strengthen councillors' powers to vote on large salary packages for council officers and the recommendations made by the Hutton Report published in March 2011 for promoting fairness in the public sector by tacking disparities between the lowest and highest paid in public sector organisations.
5. The pay policy statement brings together these strands of increasing accountability, transparency and fairness in the setting of chief officer pay.
6. The pay policy must set out the authority's policies for the financial year relating to—
 - 6.1. the remuneration of its chief officers,
 - 6.2. the remuneration of its lowest-paid employees, and
 - 6.3. the relationship between—
 - 6.3.1. (i) the remuneration of its chief officers, and
 - 6.3.2. (ii) the remuneration of its employees who are not chief officers.

7. For the purposes of this pay policy, and in accordance with section 43 (2) of the Act, the following officers are considered to be relevant chief officers and deputy chief officers within scope of the Councils' statutory obligation:

- Chief Executive
- Directors
- Section 151 Officer
- Monitoring Officer

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

9. In addition, the pay policy sets out the council's overall pay strategy that is applicable to all employees.

Shared Services

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

Current Senior Leadership Arrangements

11. With effect from 1 January 2014, West Devon Borough Council and West Devon Borough Council agreed to adopt interim arrangements for an Executive Director model following the retirement of the Shared Chief Executive on 31 March 2014.

12. As part of the Councils' T18 Transformation Programme, a new senior management structure was approved by Full Council consisting of 2 Executive Directors and 4 Group Managers. This was reduced to 3 Group Managers from 31 January 2016

13. Following the resignation of the Executive Director for Strategy and Commissioning and Head of Paid Service with effect from 18th February 2018, further interim arrangements were approved by Council until the election of a new administration in May 2019. The Council resolved to jointly set aside £53,000pa with West Devon Borough Council (£26,500 per Council) of the interim savings to finance interim senior management arrangements.

14. Following a review of the interim arrangements by the Review Panel, and building on the recommendations of the Local Government Association Peer Review, Council appointed the Executive Director for Service Delivery as the Chief Executive with effect from 21 February 2019. The post of Executive Director for Strategy and Commissioning remained vacant.

15. The Chief Executive implemented a new senior leadership structure with effect from September 2019 comprising of a Chief Executive plus Directors of

Customer Service and Delivery, Place and Enterprise, Governance and Assurance, and Strategic Finance. The role of Executive Director for Strategy and Commissioning was deleted.

16. The substantive salaries of the Senior Leadership Team were agreed by the Council on the recommendation of the Leader after taking advice on comparable salary levels in other organisations.
17. The salary of the Monitoring Officer includes an additional responsibility allowance, set at 20% of their substantive salary, in recognition of carrying out the duties of the Monitoring Officer.
18. In April 2020, Full Council approved the appointment of a new Chief Executive.

Remuneration for Chief Officers

19. The council has chosen to introduce local arrangements for the Senior Leadership Team pay because it believes that this delivers a better outcome in terms of managing performance and flexibility.
20. The Leader of the Council may recommend to Full Council changes to the remuneration package following a review and after taking independent pay advice from South West Councils or a similar body. Any changes to the remuneration packages will be subject to Full Council approval.
21. Salary increases in relation to cost of living will be made in line with the relevant recommendation of the National Joint Council for Local Government Services (the NJC), the Joint Negotiating Committee for Chief Executives (the JNC) or other relevant national negotiating body for each chief officer.
22. The salary for the Chief Executive will be a 'spot' salary' that is to say the post holder will be paid in accordance with a fixed salary within an agreed range upon appointment and there will be no further incremental progression as a result of seniority, experience or performance. The 'spot salary' also includes remuneration for holding the statutory office of Head of Paid Service.
23. The salary for the Directors will be paid in accordance with an incremental grade as part of the Council's pay and grading structure. The pay band has four incremental points and post holders can progress through the increments each April, subject to satisfactory performance.
24. From time to time, the Chief Executive will designate a Chief Officer to carry out the role of Deputy Chief Executive in addition to their substantive role. The nominated Deputy Chief Executive receives a special responsibility allowance of £8000pa or 6.5% of the Chief Executive's salary, whichever is the greater. The payment will not be consolidated and will not attract an annual cost of living increase.
25. Where possible, salary levels will be consistent with similar organisations, although the Council will retain the right to have due regard to market forces

that may affect its ability to recruit and retain high quality officers, whilst balancing this against the need to ensure value for money for residents.

26. The salaries, including the special responsibility allowances paid to the Deputy Chief Executive and the Monitoring Officer are the only remuneration for work carried out. At present, there are no additional payments made to chief officers relating to performance or any other matters and no bonus is payable.
27. Additional payments are made by Central Government to officers carrying out additional duties at elections. The determination of the allowance is made by the Government and these payments are not within the scope of this policy. There are no payments made by the Council for election duties.
28. In accordance with the provisions of the Council's Travel and Subsistence Policy, that applies equally to all employees, the relevant chief officers may attract an essential car user lump sum allowance and be reimbursed with business expenses subject to the submission of a claim with receipts. For 2021/22, all of the Chief Officers are designated as casual car users and will not receive an essential car user lump sum allowance.
29. From 1 April 2013, all business mileage will be reimbursed in accordance with the approved HMRC rates, currently 45p per mile. This replaces the previous policy under which business mileage was reimbursed at the higher rate agreed by the NJC, currently 50.5p per mile for essential users and 65p per mile for casual users.

Severance payments

30. Any termination payments payable to the relevant chief officers will be in accordance with the Council's Redundancy and Interests of Efficiency Policy. All such payments are equally applicable to all employees and no additional payments will be made without the express approval of the Full Council. All severance payments are subject to the provisions of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as amended.
31. The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 are due to be amended in 2021 and the Council's Redundancy and Interests of Efficiency Policy may need to be changed in line with new statutory provisions.
32. The Government passed into law on 4th November 2020 new legislation (known as the 'Exit Pay Cap Regulations' that amend the Small Business, Enterprise and Employment Act 2015) that limits the amount of compensation that can be paid to a local authority employee to a maximum of £95,000, including any redundancy payment (statutory and contractual) and the cost to the Council of the early release of a pension (known as the Pension Strain cost).
33. The changes to legislation will also require consequential changes to the Local Government Pension Scheme, and the Council will update its Discretionary

Policy in accordance with the requirements of Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008, and Regulation 60 of the Local Government Pension Scheme Regulations 2013.

Relationship with the remuneration of other employees of the Council

34. The Hutton Report identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of highest earnings to median earnings. Tracking this multiple will ensure that the Council is accountable for the relationship between the pay of its executives and the wider workforce. Through this pay policy statement, the Council will track this multiple on an annual basis and will publish the following information on its website each year (see Appendix A):

- The level and elements of remuneration to each relevant chief officer
- The remuneration of the lowest paid employees
- The relationship between the remuneration of the Head of Paid Service and the median earnings of all employees
- Other specific aspects of relevant chief officer remuneration

35. Each year the published data will be reviewed by the Leader of the Council and if the multiplier between the highest and the lowest paid employee within the Council exceeds a factor of 10, the Leader shall present a report to the Full Council for consideration.

36. For the purposes of this pay policy statement, the 'lowest paid employees' are identified as those employees carrying out a substantive role within the Council's established workforce with the lowest annual full-time equivalent salary.

37. The 'median earnings' have been identified by listing all salaries paid to employees in ascending order and finding the salary paid to the employee ranked in the middle of the list.

The Council's overall pay strategy

38. In determining the pay and remuneration of its employees, the council will comply with all relevant employment legislation. This includes the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Agency Worker Regulations 2010, the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and, where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the Equal Pay requirements contained in the Equality Act, the council ensures that all pay arrangements are fair and transparent through the use of a Senior Office Job Evaluation Scheme (for Levels 1 – 3) and the Job Assessment Tool for all other employees.

39. The council takes the following approach to assessing individual and overall pay levels:

- Defining the role – a job description is produced that describes the activities, responsibilities and accountabilities which relate to each job within the council. This helps to ensure that the role and its requirements are fully understood by the individual and the manager and enables the council to assess the performance of its staff and so improve efficiency and effectiveness.
- Determining the job size – the council has developed its own Senior Officer Job Evaluation Scheme and a Job Level Assessment technique that enables the direct comparison of jobs across the council in a fair, transparent and consistent way.

40. The council's pay structure is based on the pay spine agreed by the NJC. Employees receive 'cost of living' increases in pay in line with NJC Agreements. The headline cost of living increase awarded in April 2020 was 2.75% on all spinal column points. The national pay settlement for 2021/2022 has not yet been agreed.

41. The terms and conditions of employment for the Chief Executive is in accordance with the Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities. There was a 2.75% increase payable from April 2020. The settlement for 2021/2022 has not yet been agreed.

42. Using the nationally agreed NJC pay spine, the council determines locally the appropriate grading structure, taking into account the need to ensure value for money in respect of the use of public finances balanced against the need to recruit, retain and motivate employees who are able to provide high quality and efficient services to the community.

43. To encourage employees to develop in their role and to improve their performance, the council has arranged its pay levels within a series of pay grades. Each grade typically contains between 4 and 5 pay levels or increments. Progression through the pay grade is dependent on meeting identified performance targets and is assessed through the council's staff appraisal scheme.

44. The council uses fixed spot salary pay rates for some groups of workers where there is no opportunity for significant improvement in performance related to length of service.

45. From time to time, the council may pay special allowances to an employee in specific circumstances and in accordance with its policy, such as to reward an employee who temporarily takes on additional responsibilities.

46. From time to time, the council may make a one-off merit pay award to an employee in specific circumstances and in accordance with its policy, such as to reward exceptional performance.

47. Subject to qualifying conditions, employees have a right to belong to the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently range between 5.5% for those on the lowest incomes to 12.5% for the highest income earners. The Employer contribution rates are set by Actuaries and are reviewed on a triennial basis to ensure the scheme is appropriately funded.

48. The Council's Pay and Reward Strategy contains further information relating to the overall approach to rewarding employees.

Appendix A

1. The levels and elements of remuneration for each Chief Officer are as follows:

Post	Salary (£) per annum	Comments
Chief Executive	£123,300	This is a spot salary
Director of Customer Service and Delivery*	£86,104.52	Includes a special responsibility allowance of £8014.52pa for carrying out the duties of Deputy Chief Executive. Salary Scale D2 – D4
Director of Place and Enterprise*	£73,980	Salary Scale D2 – D4
Director of Governance and Assurance	£69,870	Salary Scale D1 – D3
Director of Strategic Finance and Section 151 Officer*	£73,980	Salary Scale D1 – D3
Monitoring Officer	£56,214	Including a Responsibility Allowance of £9369pa. Salary scale 3B
* employed by West Devon Borough Council		

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

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

The total annual salary cost of the SLT at 31 March 2021 is £427,234.52. The increase from last year is attributed to both the annual cost of living increase agreed nationally and the Directors progressing up through the relevant pay scale. This cost is shared with West Devon Borough Council.

The cost of the SLT at 31 March 2019 was £398,170pa, and at 31 March 2020 was £408,000pa. The post of Executive Director (Strategy and Commissioning) and Head of Paid Service was deleted in September 2019.

In April 2017, the comparative cost of the SLT was £451,720 (adjusted to include the salary of the S151 Officer, previously not a part of SLT).

For comparison purposes, the total salary cost of the shared management structure in 2010/11 across the two councils in 2010/11 was £1,277,812 pa.

This was reduced following major organisational change in April 2011 and the adoption of the interim Executive Director model in January 2014 to £612,340pa. This salary cost included the Executive Directors and Heads of Service (including s151 Officer) but excluded the Monitoring Officer.

2. The lowest paid employee is a Case Manager, paid in accordance with spinal column point 6 of the National Joint Council for Local Government Services pay spine, currently £19,698pa.
3. The annual median salary of all employees £26, 511
4. The Chief Executive's salary is a pay multiple of 4.65 times the median earnings.
5. The Chief Executive's salary is a pay multiple of 6.26 times the lowest paid employee.

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PAY AND REWARD STRATEGY 2020/21



West Devon
Borough
Council



South Hams
District Council

Introduction

1. The primary aim of the Councils' Pay and Reward Strategy (PRS) is to attract, retain and motivate staff so that the organisation can perform at its best.
2. The PRS sets out the Councils' overall reward philosophy and the design and implementation of its pay and grading structure, including financial and non-financial benefits.
3. South Hams District Council and West Devon Borough Council have developed a fully integrated and joint approach to pay and reward to all roles across both organisations and the PRS is a joint strategy.

Reward Philosophy

4. A coherent approach to rewarding staff is central to the Councils' commitment to continually improve productivity and to sustain the delivery of excellent services to our customers and communities.
5. Financial and non-financial reward are significant factors in helping the Councils attract and retain the right people and to keep them motivated, performing to the very best of their abilities and receptive to changing environment in which we operate.
6. The Councils' PRS is designed to be fully compliant with all of the statutory requirements, including the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Agency Worker Regulations 2010, the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and, where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
7. The Councils believe in the principle of national and local collective bargaining, supports the role of trade unions as representatives of the workforce and is committed to reaching agreement to changes affecting terms and conditions of employment through negotiation and consultation wherever possible.
8. The Councils' draw significant benefits from being a member of the Local Government Association, including the provision of national and regional advice and access to innovation and best practice in employee relations.
9. Through its membership of the National Joint Council for Local Government Services (NJC) and Joint Negotiating Committee for Chief Officers (JNC), the Councils participate in national negotiations on pay and conditions of service.
10. In accordance with its commitment to national collective bargaining and the NJC Agreement (the Green Book), the Councils utilise the nationally agreed pay spine as the basis of its locally designed pay and grading structure.

11. The Councils are fully committed to a fair, open and equitable approach to pay and reward and meets its equal pay responsibilities by using the locally designed Senior Officer Job Evaluation Scheme and Job Level Assessment tool to make sure all roles are allocated the appropriate reward in comparison to other roles in the organisation.
12. The Councils keep the pay and grading structure under review and carry out audits to make sure discrepancies does not arise on the basis of any characteristic protected by the Equality Act 2010.
13. The Councils use its Managing Performance framework, including the Personal Continuous Improvement appraisal tool to link performance to reward. Annual increments are only awarded once the line manager has certified that performance and conduct is satisfactory.

Pay Design and Structure

14. In order to reflect and distinguish between the wide range of duties and responsibilities carried out in the organisation, the Councils use 9 hierarchical Levels (or grades). Different roles are allocated to a Level using the Senior Officer Job Evaluation Scheme (Levels 1 – 3) and Job Level Assessment tool (Levels 4 – 9) and are considered to be of equal value to other roles in the Level.
15. The design of the grading structure and the associated rates of pay provide a hierarchical framework that enables roles to be rewarded in comparison to other roles.
16. The Chef Executive Officer is the only officer within Level 1 and a spot salary is used because an employee appointed to the role is considered to be fully competent upon appointment
17. Levels 3 to 9 are built upon the NJC pay spine and each Level has 5 spinal column points, with the exception of Level 9 which from 1 April 2019 has 3 spinal column points.
18. The use of incremental points within each Level is designed to reward higher performance associated with more experience and is a common feature across local government and many other organisations across all sectors of the economy. Where experience is unlikely to lead to an improvement in performance, such as in low or semi-skilled roles, a spot salary is used.
19. Employees with roles within Levels 2-9 are awarded an annual increment in April each year until the top of the Level is reached, subject to satisfactory performance. Each year, line managers are asked to confirm the satisfactory performance of every individual and the Councils retain the contractual right to withhold an increment in the event of unsatisfactory performance, including where performance is affected by unsatisfactory conduct.
20. Where an employee joins the organisation between September 1 and 31 March, an increment will only be payable after 6 months' service. Thereafter, increments will be due in April each year until the top of the Level is reached.
21. The salary for people joining the organisation is set at the entry spinal column point of the appropriate Level. In exceptional circumstances, SLT may agree to appoint to a

higher point within the Level.

22. The salary for an employee moving to a higher Level following promotion or a regrading will join the new Level at the entry spinal column point.

Rates of Pay

23. The Councils pay and grading structure is attached at Appendix A.
24. The Councils are members of the National Joint Council for Local Government Services (NJC) and Joint Negotiating Committee for Chief Officers (JNC) and participate in national negotiations on pay and conditions of service with the recognised trade unions through its membership of the Local Government Association.
25. The NJC and JNC are committed to an annual review of pay and, from time to time, agree an increase in pay. The Council is contractually committed to implementing this nationally negotiated and agreed increase in pay and applies the changes to its pay structure and to each individual employee's rate of pay.
26. Every role in the organisation is accompanied by a Job Description and Role Profile which are used to determine the appropriate Level within the pay and grading structure in conjunction with the local Senior Officer Job Evaluation Scheme (JES) and Job Level Assessment (JLA) tool.
27. The Councils keep the Level of each role under review and, where there is some evidence that a role has changed, carries out a JES or JLA to determine whether a role should be regraded to a higher or lower Level.
28. The JLA tool measures the size of a Role by considering the level of Responsibility carried out, the degree of Discretion exercised, the Resources used or managed and the impact the role has on our customers and communities. The JES scheme measures the size of a Role by considering the Knowledge Required, Creative Thinking, Impact on People and Organisations, and the Management of Resources.
29. The Councils have access to comparative pay data through its membership of South West Councils. The available data enables the Councils to compare its rates of pay for job families and specific roles with other regional local government organisations to make sure the rates of pay are competitive and broadly comparable.

Senior and Low Pay

30. The Councils are required to adopt and publish an annual Pay Policy Statement (PPS). The PPS sets out the remuneration of Chief Officers (currently the Chief Executive, four Directors and Monitoring Officer) and the rate of pay of the lowest paid member of staff and the median earnings of the workforce.
31. The Councils are required to publish the PPS and it is available on the Council websites.

Gender Pay Gap

32. Under the provisions of the Equalities Act 2010 (Gender Pay Gap Information) Regulations 2017 all organisations that employ more than 250 employees are required to publish annually a report showing the gender pay gap. Although West Devon Borough Council currently employs less than 250 employees, it will publish the data in accordance with the Regulations.
33. The information will be published on the Council's websites and, in the case of South Hams District Council, the government's gender pay gap website.

Other financial and non-financial reward benefits for staff

34. The Councils provide a wide range of financial and non-financial benefits to its staff to help attract and retain the right people. The following list is not exhaustive:

I. Membership of the Local Government Pension Scheme (LGPS)

It is statutory requirement that all employees with more than 3 months service are automatically enrolled into the LGPS. The LGPS is a defined benefit scheme that provides a pension based on career average earnings. The LGPS is a contributory scheme and the employee contribution rate is dependent on income, ranging from 5.5% to 12.5%. The contributions made by the Councils are determined by Actuaries and are reviewed every three years. Employees retain the right to opt out of the scheme.

II. Bonus Payments

The Councils have removed all historic bonus payments and have successfully consolidated bonus payment previously payable to employees working in waste and recycling, public convenience and street cleaning (before their transfer to external contractors), craft workers and at the Dart Lower Ferry.

III. Premium Payments

Under the terms of the NJC Agreement, premium payments are payable when an employee works additional hours (overtime) or outside of normal working hours, such as evenings, weekends and public holidays. All payments are in accordance with the NJC Agreement or local agreements. Under the terms of individual contracts of employment (and in accordance with the NJC provisions), overtime pay is normally only payable to officers on Level 6-9. Officers at Level 1 – 5 are offered time off in lieu if they work additional hours.

IV. Special Responsibility Allowances

In recognition of special responsibilities, certain categories of employees are awarded an allowance above their substantive Level and salary.

Currently, the Council recognises the responsibilities carried out by the following employees

- Supervisory Case Managers – receive an additional 2 increments
- Deputy 151 and Deputy Monitoring Officer – receive £2,500pa or 5% of salary, whichever is the greater
- Deputy Chief Executive – receives £8000 pa or 6.5% of salary whichever is the greater

V. Responsibility Allowances, Secondments and Acting Up

From time to time, the Councils will need to make interim appointments to cover a short-term demand for a particular role, task or activity. The Councils are committed to providing opportunities for staff to gain experience of different roles and levels of responsibility within the organisation and will offer interim opportunities to staff unless there is a business imperative to make external arrangements.

Where an employee is carrying out a Secondment or is Acting Up, and is expected to carry out the full range of duties of a Role at a higher Level, salary will be paid in accordance with the entry point to the appropriate Level.

Where the employee is expected to carry out some additional duties and/or responsibilities, an additional increment will be awarded within their existing substantive Level, or, where the employee is at the top of the Level, SLT will determine an appropriate salary uplift.

In exceptional circumstances and with the agreement of SLT, an additional increase in salary may be awarded.

VI. Merit Pay and Honorariums

Where an employee undertakes temporary additional responsibilities or performs exceptionally, a payment can be made by SLT in accordance with the Councils' Merit Pay and Honorarium Policy.

VII. Accelerated incremental progression

In exceptional circumstances, SLT may award an accelerated increment to an employee.

VIII. Out of Hours Payments

The Council delivers a number of functions, including statutory duties, that need to be accessed out of hours and provides a payment to appropriate employees to deliver the out of hours service in accordance with its Out of Hours Policy.

IX. Market Supplements

Although the Council does not currently pay a market supplement to any employee, it retains the ability to make a market supplement payment where it is demonstrated to SLT that there is a clear business case to support a supplementary payment. Any market supplement should be based on empirical evidence and kept under review.

X. Commercial Delivery or Community Benefit Supplement

From time to time, the Councils can deliver product(s) and / or services to third parties or external organisations in order to generate a commercial return and can also be responsible for the delivery of externally funded services that can have a significant benefit on the communities we serve.

From time to time, SLT may agree to award a Commercial Delivery or Community Benefit Supplement to an employee(s) where it considers the success of the commercial venture or externally funded project will be enhanced in accordance with the agreed policy.

XI. Relocation Allowance

From time to time, SLT may determine that a relocation allowance should be made available attract the right candidate to the organisation. All payments will be made in accordance with the Councils' Relocation Policy up to a maximum payment of £5000. From time to time, the Leader of the Council may authorise an increase in the upper limit of the payment where it is

necessary to attract candidates to particular roles. For appointments made to Executive Director Roles in 2014 and Chief Executive in 2020 this allowance was raised to £10,000.

In exceptional circumstances, the Council may offer a financial incentive to attract candidates to apply for hard to fill vacant posts. During 2020/2021, three 'golden hello' payments of £5000 each were offered to secure the appointment of three Planning Specialists.

XII. Membership Professional Fees

The Council is committed to supporting the highest level of professional and technical competence within its workforce and will financially support an employee's membership of a relevant professional body.

XIII. Leave and Flexible working

The Council recognises that it is important for its employees to strike an effective work life balance and operates Annual Leave and Special Leave Policies to make sure employees are able to take appropriate breaks from working for both rest and recreation and to manage unforeseen events in their personal life.

The Council also recognises that flexible working practices can help employees manage the work life balance and encourages the use of agile working. The Council's Ways of Working Policy sets out the overall approach to agile working and seeks to find an appropriate balance between the needs of our customers and communities and the ability of employees to structure their working pattern and environment in a manner that supports their personal life.

In response to the national 'lockdown', the Councils introduced further flexibilities to its working arrangements, aimed specifically to help working parents whilst schools were closed.

During 2020, the Councils introduced a policy that enables employees to purchase up to 10 days of additional days of annual leave.

XIV. Volunteering

The Council encourages and supports its employees to do voluntary work. It can help the Councils build relationships and improve its reputation within the local community and can directly support initiatives that enhance the communities in which we live and work.

By volunteering, employees can share their talent for the benefit of the community, learn new skills and encounter new experiences. Volunteering can help enhance a person's self-esteem and improve their health and well-being.

In accordance with the agreed policy, an employee may be granted up to 3 days paid leave and unlimited unpaid leave per year to carry out voluntary work.

XV. Salary Sacrifice Schemes

The Council promotes a healthy lifestyle by offering employees the opportunity to purchase a bicycle for the purpose of cycling to work through salary sacrifice arrangements that allow the cost to be deducted before national insurance contributions are calculated in accordance with HMRC rules. The Councils can no longer offer a child care voucher scheme to employees as individuals now need to enrol on the government Tax-Free Childcare scheme.

However, for employees who were previously registered, we can continue to offer child care vouchers through our payroll.

During 2020/21, the Councils implemented a salary sacrifice scheme to assist employees to lease electric vehicles. This scheme supports the Councils commitment to reduce its carbon footprint. The Council also implemented a scheme allowing employees to purchase up to 10 days' additional annual leave through a salary sacrifice scheme.

XVI. Severance Payments

From time to time, the Council's requirement for particular activities and functions to be carried out can diminish and may result in a redundancy situation. Where a redundancy cannot be avoided, all severance payments are made in accordance with the Council's Redundancy and Interests of Efficiency Policy. The policy is agreed by Full Council and is compliant with the Local Government (Discretionary Payments) Regulations 1996 and Employment Rights Act 1996.

XVII. Sickness absence and pay

The Councils are committed to the well-being of its employees and to providing the right working environment, working practices and healthcare support to help employees to be healthy and able to work. On occasions, however, employees will be unable to attend work due to illness and the Councils adhere to the Green Book Sickness Scheme.

XVIII. Occupational Health, Counselling and Employee Assistance Programme

The Councils provide access to an Occupational Health Service to help understand what it can do to support employees with longer term sickness absences and to help facilitate an earlier return to work.

The Councils provide access to a range of support networks and advisory services through its partnership with an Employee Assistance Programme and offer an anonymous self-referral service to a Counselling Service to help employees with a wide range of work and non-work related issues.

XIX. Maternity, paternity and parental leave and pay

The Councils adhere to the Green Book Maternity, Paternity and Parental Leave and Pay policies for eligible employees.

XX. Travel and subsistence expenses

The Councils will reimburse employees for all reasonable and authorised expenditure, including mileage, occurred on Council business in accordance with the Travel and Subsistence Policy.

APPENDIX A – PAY AND GRADING STRUCTURE with effect from 1 APRIL 2020

SPINAL COLUMN POINTS 2020-2021 (WEF 01/04/2020)				
Grade	SCP	ANNUAL SALARY	MONTHLY RATE	HOURLY RATE
Scale 1	1	17,842	1486.83	9.25
	2	18,198	1516.50	9.43
	3	18,562	1546.83	9.62
9	4	18,933	1577.75	9.81
	5	19,312	1609.33	10.01
	6	19,698	1641.50	10.21
8	7	20,092	1674.33	10.41
	8	20,493	1707.75	10.62
	9	20,903	1741.92	10.83
	10	21,322	1776.83	11.05
	11	21,748	1812.33	11.27
7	12	22,183	1848.58	11.50
	14	23,080	1923.33	11.96
	15	23,541	1961.75	12.20
	17	24,491	2040.92	12.69
	19	25,481	2123.42	13.21
6	21	26,511	2209.25	13.74
	22	27,041	2253.42	14.02
	23	27,741	2311.75	14.38
	24	28,672	2389.33	14.86
	25	29,577	2464.75	15.33
6 - Supervisory Allowance	26	30,451	2537.58	15.78
	27	31,346	2612.17	16.25
5	28	32,234	2686.17	16.71
	29	32,910	2742.50	17.06
	30	33,782	2815.17	17.51
	31	34,728	2894.00	18.00
	32	35,745	2978.75	18.53
4	33	36,922	3076.83	19.14
	34	37,890	3157.50	19.64
	35	38,890	3240.83	20.16
	36	39,880	3323.33	20.67
	37	40,876	3406.33	21.19
3A	41	44,863	3738.58	23.25
	42	45,859	3821.58	23.77
	43	46,845	3903.75	24.28
	44	48,013	4001.08	24.89
	45	49,220	4101.67	25.51
3B	43	46,845	3903.75	24.28
	44	48,013	4001.08	24.89
	45	49,220	4101.67	25.51
	46	51,324	4277.00	26.60
	47	52,403	4366.92	27.16
3C	45	49,220	4101.67	25.51
	46	51,324	4277.00	26.60
	47	52,403	4366.92	27.16
	48	54,458	4538.17	28.23
	49	56,513	4709.42	29.29

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
 HELD VIA SKYPE ON THURSDAY, 15 OCTOBER 2020**

Members in attendance			
* Denotes attendance			
∅ Denotes apology for absence			
*	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, J A Pearce, K Pringle and R Rowe

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Chief Executive, Section 151 Officer; Director of Governance and Assurance; Head of Finance; Democratic Services Manager; and Grant Thornton Representatives

A.9/20 MINUTES OF MEETINGS

The minutes of the Audit Committee meetings held on 23 July 2020 and 30 July 2020 were both confirmed as a true and correct record.

A.10/20 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.11/20 GRANT THORNTON (ISA 260) REPORT: ACCOUNTS – THE AUDIT FINDINGS FOR SOUTH HAMS DISTRICT COUNCIL

Consideration was given to a report that had been produced by Grant Thornton that advised that the anticipated audit report opinion would be ‘unqualified’ but with an ‘Emphasis of Matter’ paragraph in relation to material uncertainties with regard to the valuation of land and buildings and investment properties. The representatives confirmed that this was a national issue related to the COVID-19 Pandemic and the Council had followed national guidance in its valuations processes.

In discussion, reference was made to:

- (a) awaiting assurances from the Devon Pension Fund auditor. When questioned, the representatives informed that the information was anticipated to be received by the end of October 2020. Furthermore, it was noted that a number of other local authorities were in a similar position and Grant Thornton was unable to formally conclude its audit work until these assurances had been received;
- (b) the frequency of asset valuations. In reply to a question, the representatives clarified that asset valuations were carried out on a rolling five-yearly cycle;
- (c) the overall performance of the Council. Having been informed by the representatives that the report was as good an External Audit report as any local authority was likely to receive, the Committee wished to put on record its thanks to the Section 151 Officer and her finance colleagues;
- (d) the 'amber' value for money rating. The representatives advised that this rating was reflective of the future financial pressures that were facing all local authorities in the current challenging economic climate.

It was then:

RESOLVED

That the contents of the Grant Thornton (ISA 260) Report be noted.

A.12/20

GRANT THORNTON REPORT – INFORMING THE AUDIT RISK ASSESSMENT FOR SOUTH HAMS DISTRICT COUNCIL 2019/20

Members considered a report that Grant Thornton had produced that covered some important areas of the auditor risk assessment where the organisation (in its capacity as the Council's External Auditor) was required to inform the Committee in accordance with auditing standards.

In discussion, the Section 151 Officer advised that the reference to the monies spent on legal advice and due diligence for renewable energy opportunities was also part of the Capital Programme Monitoring Report that was to be considered at the Executive meeting to be held on 22 October 2020.

It was then:

RESOLVED

That the contents of the Grant Thornton – Informing the Audit Risk Assessment for South Hams District Council 2019/20 Report be noted.

A.13/20 GRANT THORNTON – COVID-19 AND LOCAL GOVERNMENT

The Committee considered an information report that had been produced by Grant Thornton that set out the impact of the COVID-19 Pandemic on local government.

It was then:

RESOLVED

That the contents of the Grant Thornton – COVID-19 and Local Government Information Report be noted.

A.14/20 GRANT THORNTON – LOCAL GOVERNMENT AUDIT AND FINANCIAL REPORTING: THE REDMOND REVIEW

Members considered a report that set out the views of Grant Thornton on the recent Redmond Review into Local Government Audit and Financial Reporting.

In discussion, reference was made to:-

- (a) the benefits of recruiting an Independent Member to serve on the Committee. Whilst recognising that the decision to trial (initially for a twelve month period) the recruitment of an Independent Member had been put on hold because of the pandemic, it was hoped that this decision could now be actioned;
- (b) the scope to increase Audit fees. Some concerns were raised over the Review findings whereby the current fee structure for local audits should be increased.

It was then:

RESOLVED

That the contents of the Grant Thornton – Local Government Audit and Financial Reporting: The Redmond Review Report be noted.

A.15/20 ANNUAL STATEMENT OF ACCOUNTS 2019/20

Consideration was given to a report that presented a summary of net revenue and capital expenditure and sought approval of the audited Statement of Accounts for 2019/20.

In discussion, the following points were raised:-

- (a) Such was the significance of this agenda item, that a Member was firmly of the view that it warranted a standalone Committee meeting. In reply, the Leader informed that she would ensure that this viewpoint was taken into account during the drafting of the annual Calendar of Meetings for 2021/22;
- (b) When questioned, the Section 151 Officer stated that, of the £42 million of business grants monies that had been paid to eligible businesses, £11 million had been paid to second homeowners whose businesses met the Government eligibility criteria. In response, a Member emphasised the importance of this loophole being closed by Central Government. Members recognised that this was something that the Council had vigorously lobbied for and it was hoped that this change would be reflected within the Government's future reform of Business Rates, which was due to be published in Spring 2021;
- (c) In light of the volume of information contained within the report and appendices, a Member requested that, in the future, the agenda be published earlier than the statutory requirement of five clear working days.

It was then:

RESOLVED

1. That the wording of the letter of Representation (as set out at Appendix A of the presented agenda report) be approved;
2. That the audited Statement of Accounts for the financial year ended 31 March 2020 (as set out at Appendix B of the presented agenda report) be approved; and
3. That the Annual Governance Statement post Audit (as set out at Appendix C of the presented agenda report) be approved.

A.16/20

ANNUAL TREASURY MANAGEMENT REPORT FOR 2019/20

Members considered a report that set out the Council's annual treasury management performance for 2019/20. In addition, the report sought approval of the actual 2019/20 prudential and treasury indicators.

In discussion, the Committee thanked the Council's Treasury Management Officers and recognised that the role was a difficult one to undertake.

It was then:

RESOLVED

1. That the actual 2019/20 prudential and treasury indicators (as outlined in the presented agenda report) be approved; and
2. That the Annual Treasury Management report for 2019/20 be noted.

A.17/20 AUDIT COMMITTEE WORKPLAN

In consideration of its latest Workplan, the Committee made the following points:

- (a) A Member requested that a future report be presented to the Committee at an appropriate time on the risks associated with the Leisure Contract; and
- (b) With regard to the annual Commercial Property Monitoring Report that was to be presented to the Committee meeting on 11 March 2021, it was recognised that this would be prior to the results of the valuation exercise being known. As a result, the Section 151 Officer agreed to produce a further report once the valuation exercise had been completed.

(Meeting commenced at 2.00 pm and concluded at 3.30 pm)

Chairman

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**MINUTES OF THE MEETING OF THE
OVERVIEW & SCRUTINY PANEL
HELD REMOTELY VIA SKYPE ON
THURSDAY, 19 NOVEMBER 2020**

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 D Hawkins, J M Hodgson, T R Holway, N A Hopwood, M Long, J A Pearce, K Pringle, R Rowe and B Taylor

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Chief Executive, Deputy Chief Executive and Democratic Services Manager
3	O&S.20/20	Head of ICT
8	O&S.23/20	Community Safety Partnership Representatives
9	O&S.24/20	Safeguarding Specialist
10	O&S.25/20	Corporate Director – Governance and Assurance, Head of Strategy and Corporate Projects and Head of Place Making
11	O&S.26/20	Head of Housing, Revenues and Benefits

O&S.18/20 MINUTES

The minutes of the meeting of the Overview and Scrutiny Panel held on 8 October 2020 were confirmed as a correct record and signed by the Chairman.

O&S.19/20 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. These were recorded as follows:

Cllr J Sweett declared a personal interest in Item 11: 'Preparation for Livewest Attendance at Future Panel Meeting' (Minute O&S.26/20 below refers) by virtue of having two tenancy agreements with Livewest and remained in the meeting and took part in the debate thereon.

O&S.20/20 URGENT BUSINESS

The Chairman informed that he had requested that one urgent item be raised at this meeting. The item related to the recent IT problems that had been experienced by Members during the migration from Skype to Teams and would be considered immediately.

The Head of IT Practice proceeded to apologise to Members and advised that he had mistakenly migrated Members on Sunday, 15 November 2020 instead of the agreed scheduled date of Thursday, 19 November 2020. In addition, there had been an unforeseen Outlook Mailbox issue that had magnified the severe problems that had been experienced by Members. In concluding his update, the Head of Practice advised that, whilst the issues had still not been resolved to his satisfaction, he wished to thank the Leader and Lead Executive Member for their support during what had been a very difficult time.

In discussion, the following points were raised:-

- (a) Members accepted the apology and explanation from the lead officer and proceeded to thank him for his honesty;
- (b) The lead officer confirmed that he was aware of an issue with the Blackberry Client application that was affecting the ability of Members to access their emails via their mobile phones. Whilst the issue remained unresolved, officers were actively working on a solution;
- (c) It was recognised that the Surface Go devices were no longer the most appropriate IT solution for Members given the remote ways of working that have been adopted during the COVID-19 Pandemic. As a result, officers were currently obtaining quotations to procure laptops for all Members and a project plan for their roll-out was also being drafted. When questioned, officers confirmed that they would investigate the potential to recycle the Surface Go devices as an education tool for those who were unable to afford devices for their children.

O&S.21/20 PUBLIC FORUM

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

O&S.22/20 EXECUTIVE FORWARD PLAN

The Panel was presented with the most recently published Executive Forward Plan and noted its content without any further comment.

O&S.23/20 COMMUNITY SAFETY PARTNERSHIP

The Panel considered a report that provided Members with the opportunity to scrutinise the work of the Community Safety Partnership (CSP) as defined by Sections 19 and 20 of the Police and Justice Act 2006 and the Crime and Disorder (Overview & Scrutiny) Regulations 2009.

During discussion, reference was made to:-

- (a) the Turning Corners Programme. The Panel noted that the CSP had recently been successful in obtaining a four year bid from the Office of the Police Crime Commissioner to a value of £225,000 per year. Members congratulated the CSP representatives on this achievement and recognised that this funding would have a significant impact;
- (b) increased instances of radicalisation and extremist behaviour. The representatives informed that there was an upward trend in such behaviours and this was becoming a key area of work for the Partnership;
- (c) the Local Delivery Plan. At the request of the Panel, it was agreed that a copy of the Plan would be circulated to all Members of the Council;
- (d) the annual CSP Forum. The Panel was advised that the annual CSP Forum was to be held on Wednesday, 9 December 2020 and as many Members as possible were encouraged to attend this event;
- (e) a proposal for a future CSP Member Workshop. A motion was **PROPOSED** and **SECONDED** as follows:

'That the Panel request that an all Member Workshop be convened with Community Safety Partnership Representatives early in 2021.'

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

It was then:

RESOLVED

1. That the contents of the Annual Report be welcomed and the Community Safety Partnership representatives be congratulated on obtaining the £900,000 funding towards the Turning Corners Programme;
2. That the Panel request that an All Member Workshop be convened with Community Safety Partnership representatives early in 2021; and

3. That, once finalised, the Local Delivery Plan be circulated to all Members.

O&S.24/20 **SAFEGUARDING POLICY: ANNUAL REVIEW**

A report was considered that provided Members with the opportunity to annually scrutinise and review Safeguarding practices and procedures.

In discussion, the Panel supported the statement in the presented agenda report whereby the Safeguarding training packages that were offered by the Council should be mandatory for all staff and Members to complete.

It was then:

RESOLVED

1. That the Panel continue to review safeguarding on an annual basis; and
2. That the Executive be **RECOMMENDED** to adopt the revised Safeguarding Policy (as set out at Appendix A of the presented agenda report) and that a safeguarding related training package for all staff and Members be mandatory to complete.

O&S.25/20 **DRAFT RECOVERY PLAN – VERBAL UPDATE AND TASK AND FINISH GROUP UPDATES**

The Corporate Director – Governance and Assurance provided a verbal progress update on the Draft Recovery Plan. In so doing, he advised that:

- 'Build Back Better' was proving to be an ongoing challenge for the Council since the second national COVID-19 Lockdown had been imposed;
- the draft Recovery Plan was intended to be presented to the Executive meeting to be held on 3 December 2020 before being recommended for adoption at the Council meeting to be held on 17 December 2020;
- the Economy was to be a key theme within the Recovery Plan. As a result, the lead officer introduced the Head of Place Making (who had recently joined the employ of the Council) to provide a brief outline of her employment history and initial thoughts on her new role.

(a) Localities and Communities Task and Finish Group: Concluding Report

The Panel proceeded to consider the concluding report of the Localities and Communities Task and Finish Group and the following points were raised:-

- (i) Members wished to record their thanks to the Task and Finish Group and lead officers for their work in producing the concluding

report. Furthermore, the Panel thanked the Locality Team for their excellent work during the last year;

- (ii) Some Members expressed their view that there was a need to take into account the potential for an increased Locality Service to be provided during the February half-term period;
- (iii) It was hoped that further information would be available with regard to a revised team structure (and supporting costings) in time for the Executive meeting to be held on 3 December 2020;
- (iv) In support of the proposals, the Panel felt that the recommendations would enable for greater resilience and flexibility within the Locality Service.

It was then:

RESOLVED

That that Panel note that the Localities and Communities Task and Finish Group has concluded its Review and **RECOMMEND** to the Executive to consider:

1. Providing a seven day-a-week Locality Service for the following dates:
 - Easter or 1 April (whichever is the earliest) to 30 September; and
 - October half-term school holiday week;
2. Creating a single point of contact for local Ward Members with increased on-street officer visibility and problem solving capacity within each Locality; and
3. Implementing a new Locality Team Structure (to support parts 1 and 2 of the recommendations (above)) which will ensure:
 - Clearly defined roles that support the delivery of scheduled tasks and the work of Community Groups, developing Service Level Agreements where necessary; and
 - Improved office based and field support for mobile office.

(b) Consultation and Engagement Task and Finish Group: Concluding Report

RESOLVED

1. That that Panel note that the Consultation and Engagement Task and Finish Group has concluded its Review;
2. That the draft Community Consultation & Engagement Strategy be endorsed; and

3. That the Executive **RECOMMEND** that Council consider and adopt the draft Strategy.

O&S.26/20 PREPARATION FOR LIVEST ATTENDANCE AT FUTURE PANEL MEETING

The Chairman advised that Livest representative(s) had now confirmed that they would be able to attend the Panel meeting to be held on the afternoon of Thursday, 14 January 2021.

In recognition that Livest was a key external partner to the Council, it was agreed that all Members (irrespective of being on the Panel or not) should be invited to submit any questions that they wish to be raised in advance of the meeting.

O&S.27/20 ANNUAL PANEL WORK PROGRAMME

During consideration of the latest version of the Panel's Annual Work Programme, it was agreed that those items that were currently listed as 'to be considered for scheduling' should be determined at a meeting of the Panel Chairman, Panel Vice-Chairman and lead officers.

(Meeting started at 10.00 am and concluded at 12.20 pm)

Chairman

**MINUTES OF THE MEETING OF THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD via TEAMS, ON WEDNESDAY,
2 DECEMBER 2020**

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 Chair)	*	Cllr K Pringle
*	Cllr J M Hodgson (am only)	*	Cllr R Rowe
*	Cllr T R Holway	*	Cllr B Taylor
*	Cllr H Reeve (substitute for Cllr Foss)		

Other Members also in attendance and participating:
Cllrs H Bastone, J Birch, J Hawkins and J Pearce

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Planning; Senior Planning Specialists; Monitoring Officer; Deputy Monitoring Officer; and Democratic Services Manager
DM.37/20 – 7a) and 7b)		Ecology Officer

DM.33/20 MINUTES

The minutes of the meeting of the Committee held on 4 November 2020 were confirmed by the Committee as a true and correct record.

DM.34/20 APPOINTMENT OF VICE CHAIRMAN

Since Cllr Foss had tendered his apologies for this meeting, the Chairman invited nominations to serve as Vice-Chairman for this Committee meeting.

It was subsequently:

RESOLVED

That Cllr Holway be appointed to be Vice-Chairman for the duration of this Committee Meeting.

DM.35/20 **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 G Pannell declared a Disclosable Pecuniary Interest in application numbers 1770/20/FUL (Land at Lower Mill Park, West Alvington) and 2840/20/FUL (Higher Hareston, Brixton), by virtue of the agent for both applications currently working for him in a private capacity. Cllr Pannell therefore withdrew from the meeting for the duration of these two applications.

Cllrs R Rowe and B Taylor both declared a personal interest in applications 1585/20/FUL (Wessex Way, Dartmouth), 4063/19/FUL (Beadon Road, Salcombe), and 1770/20/FUL (Land at Lower Mill Park, West Alvington) as they were Members of the South Devon AONB Partnership Committee. Both Members remained in the meeting and took part in the debate and vote thereon;

DM.36/20 **PUBLIC PARTICIPATION**

The Chairman noted the list of members of the public and town and parish council representatives, who had registered their wish to speak at the meeting.

DM.37/20 **PLANNING APPLICATIONS**

The Committee considered the details of the planning application 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:

7a) 1585/20/FUL Land adjacent to Dartmouth Park and Ride site, Wessex Way, Dartmouth

Parish: Dartmouth and East Dart

Development: Construction of new two storey Health and Well-being Centre and associated external works (READVERTISED).

Case Officer Updates: Following the tree officer's holding objection, there had been a revision to the number of trees to be removed resulting in a reduction from around 15 down to 7 with more mature trees remaining. The holding objection had therefore been lifted;
Proposed revisions to Conditions 2, 3 and 4 were highlighted;
A request had been received from Devon County Council (DCC) Drainage department whereby the drainage condition was to be pre-commencement but agreement had been reached for this to be pre-construction beyond slab level.

The Biodiversity Officer had raised concerns regarding the western hedge as this was a bat fly zone, but the amended plans, with reduced tree loss, had seen these concerns lifted;

Devon County Council Highways originally raised concerns about the layout which had been resolved with the amended plans. However, there remained concerns regarding the amount of free parking for the Health and Wellbeing Hub, which was felt could be insufficient. Therefore DCC had asked for a Section 106 Agreement to be entered into whereby, if parking over-spilled into nearby residential areas then, a contribution would be given to implement a residents' permit scheme. Some local residents had expressed concern over the out of town location but the area was noted as being well served by public transport (although this was disputed by the Objector) with other services nearby giving the area sustainability in its own right.

Speakers included: Objector – Ms L Gunnigle; Ward Members – Cllrs H Bastone, J Hawkins, and R Rowe;

Committee Decision: That approval be delegated to the Head of Development Management, in conjunction with the Chairman of the Committee to conditionally grant planning permission, subject to a Section 106 legal obligation for the following: A contribution towards the design and implementation for a residents' parking scheme on surrounding streets, at any time over the next 10 years, should on street parking for the use of this facility spill into such areas.

(NB. in the event that the Section 106 legal Agreement remains unsigned six months after this resolution, that the application would be reviewed by the Head of Development Management in consultation with the Chairman of the Committee, and, if no progress were made, delegated authority would be given to the Head of Development Management to refuse the application in the absence of an agreed S106 Agreement).

Conditions:

1. Time limit
2. Accord with plans
3. No external lighting until agreed with LPA
4. Adherence to Ecology report
5. Unexpected contamination
6. Protection of hedgerows

7. No removal of hedgerow
8. Cycle parking in place before occupation
9. Parking to be completed prior to occupation
10. Surfacing of P& R to be complete prior to it being brought into use.
11. Tree protection scheme to be agreed
12. Landscaping scheme to be submitted and agreed.
13. Landscape maintenance schedule
14. Archaeology – written scheme of investigation
15. Samples of materials upon slab level
16. Refuse provision
17. Fencing details
18. CMP
19. Percolation testing
20. Groundwater monitoring
21. Design of surface water management scheme to be submitted
22. Design of surface water management during construction
23. Details of adoption and maintenance arrangements
24. Details of carbon reduction measures
25. Details of cycle way
26. Levels of building
27. Protection measures for T14
28. Details of low carbon measures

7b) 4063/19/FUL

Sandnes, Beadon Road, Salcombe, TQ8 8LU

Town Council: Salcombe

**Development: Replacement dwelling with associated landscape works
(amendment to design previously approved 1125/17/FUL)**

Case Officer Update:

Since the report had been finalised, a further 25 additional representations had been received, including from the South Hams Society – all in objection but with no new issues raised. The objections were appropriateness of design, amount of glass, impact on ecology, and ongoing concerns over the Construction Management Plan. Update ref. conditions – condition number 5) pre-commencement condition relating to ecology now had reason for pre-commencement, and condition 11) carbon reduction – details of air source heat pump had now been received, so the condition would be re-worded to take this into account and ensure the condition was appropriate and work would be carried out as required.

The Solicitor clarified a typographical error on the presented agenda report under the relevant planning history, where the replacement dwelling expiry date for permission was extended until 1st May 2021 rather than 1st May 2020 as had been detailed in the report.

Speakers included: Objector – Mr M Smout; Supporter – Mr P Andrews; Town Council: Cllr M Fice; Ward Members – Cllrs M Long and J Pearce

Debate: During the debate, much discussion was had around the size of the lane and the size of construction vehicles to be used. A number of Members were of the view that a further condition should be added whereby the Construction Management Plan should require a topographical survey to be undertaken before commencement and after completion, and the road should be returned to pre-commencement condition after build. The view was also expressed that the Construction Management Plan would be slightly amended to show deliveries would not be made during school holidays.

Some Members felt that approval should be dependent upon receipt of plans showing that Solar PV cells were added to the application.

Recommendation: Conditional Approval

Committee Decision: That approval be delegated to the Head of Development Management, in consultation with the Committee Chairman and the local Ward Members, subject to the receipt of a topographical study that supported the contents of the Construction Management Plan and the imposition of the following conditions.

Conditions:

1. Standard three year time limit for commencement of development
2. Development to be carried out in accordance with approved drawings
3. Implementation of landscape proposals
4. Ecology (light spill)
5. Restriction of works until confirmation a licence has been provided
6. Removal of PD rights
7. Unsuspected contamination
8. Restriction on external lighting
9. Surface water drainage
10. Foul drainage
11. Low carbon
12. Trees

7c) 1770/20/FUL Land at SX 726 406, Malborough, associated with Land at Lower Mill Park, West Alvington

Parish: Malborough

Development: Readvertisement (revised site description) Provision for general purpose agricultural building.

Case Officer Update: At the request of a Member, the area of the site was confirmed as 0.54 hectares with Ilton Copse at 0.42 hectares and also belonged to the applicant. Applicant's total land ownership was shown and defined as 6.44 hectares. Application was for agricultural building within newly planted forested area. A late letter of representation had been received from the South Hams Society regarding Permitted Development rights and fallback position.

Speakers included: Supporter – Ms A Burden; Parish Council – Cllr J Yeoman; Ward Members – Cllrs M Long and J Pearce

During the debate, the impact on the Area of Outstanding Natural Beauty (AONB) was highlighted and some Members highlighted the lack of a clear business plan. As a result, the agricultural need was felt to be questionable in such a prominent location. Earth works that had already been carried out had impacted upon the availability of agricultural land for use. Some Members felt that the application did not meet the requirements within the local Neighbourhood Plans. Some Members felt that there was no proof that this was a necessary building and it did not enhance the AONB.

Recommendation: Conditional Approval

Committee decision: Refusal

Reasons:

1. The proposals did not demonstrate to the satisfaction of the Local Planning Authority that the proposed building was reasonably required to support the necessary needs of agriculture in the AONB and undeveloped coastline;
2. The considerable visual impact and local landscape character would not preserve or enhance the AONB; and
3. The proposals were contrary to policies TTV1, TTV26, DEV15, DEV23, DEV24, DEV25 of JLP, and NPPF (not limited to paragraph 172), and to the Marlborough Neighbourhood Plan.

7d) 2840/20/FUL Higher Hareston Brixton

Parish: Brixton

Development: change of use of land for the provision of two pods for self-catering holiday purposes

Case Officer Update: No updates.

Speakers included: Supporter – Mr R Bassett; Ward Member – Cllr D Brown

Recommendation: Refusal

During the debate, the relevance of Policy DEV 15 (supporting the rural economy) was discussed, as was the proximity of the application site to both the new town of Sherford and to the village of Brixton. Members felt that diversification against sustainability was at the crux of the decision and the majority view was that the associated benefits of the proposals outweighed the recommended reasons for refusal. In particular, some Members disagreed with the views of the case officer that the site should be considered to be unsustainable for such an application.

Committee decision: Conditional approval

Conditions:

1. Standard three year time limit for commencement of development;
2. Development to be carried out in accordance with approved drawings;
3. Holiday lets solely to be used for holiday accommodation only;
4. Within 28 days of the units no longer being required for holiday accommodation, the units shall be removed from the site and the land restored to the satisfaction of the Local Planning Authority;
5. Surface water drainage; and
6. Foul drainage system details.

Reason(s):

The majority of Members were of the view that the access from the application site to the village of Brixton was acceptable.

DM.38/20 **PLANNING APPEALS UPDATE**

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

The Head of Development Management (DM) provided further details on specific recent appeal decisions. When questioned, clarification was given that costs were only awarded against the Council if the Inspector felt that the authority had acted inappropriately or unreasonably. The Head of DM proceeded to commit to providing an update at the next meeting that set out the recent appeal costs that had been incurred by the Council.

DM.39/20 **DEVELOPMENT MANAGEMENT ACTION PLAN**

The Committee was presented with a report that sought to adopt a Development Management Action Plan and noted that the Council's Overview and Scrutiny Panel would receive a progress update within the next six months;

In discussion, reference was made to:

- (a) consistency of approach with West Devon Borough Council. Whilst noting that a revised Planning Delegation Scheme was to be presented to the Council meeting on 17 December 2020 for adoption, Members recognised the benefits of the Scheme being the same as that for West Devon Borough Council;
- (b) the Section 106 Agreement process. Officers confirmed that it was intended for a Member Training session to be convened in the New Year on the Section 106 Agreement process;
- (c) outline planning permissions. In response to some concerns raised, officers committed to reviewing the matter of outline planning permissions;
- (d) the role of local town and parish councils in the planning process. The Committee was assured that local town and parish councils would continue to be consultees in the planning process;
- (e) the evolving nature of the Action Plan. Members noted that the Action Plan would be a living document that would evolve over the coming months and years;
- (f) the definition of 'significant or complex' applications. When questioned, officers confirmed that clarity around these definitions in the Action Plan would be forthcoming in due course.

It was then:

RESOLVED

1. That the Action Plan (as attached at Appendix A of the presented agenda report) be adopted; and
2. That it be noted that the Overview and Scrutiny Panel will receive a progress update on the Plan within the next six months.

(Meeting commenced at 10:00 am and concluded at 4.40 pm)

Chairman

Voting Analysis for Planning Applications – DM Committee 2 December 2020

Application No.	Site Address	Vote	Cllrs who voted 'yes'	Cllrs who voted 'no'	Cllrs who 'abstained'	Absent
1585/20/FUL	Land adjacent to Dartmouth Park and Ride Site, Dartmouth	Delegated approval to Head of DM, in consultation with Committee Chair	Cllrs Abbott, Brazil, Brown, Holway, Kemp, Long, Pannell, Pringle, Reeve and Rowe (10)	Cllr Hodgson (1)	Cllr Taylor (1)	Cllr Foss (1)
4063/19/FUL	Sandnes, Beadon Road, Salcombe	Delegated approval to Head of DM, in consultation with Committee Chair and local Ward Members	Cllrs Abbott, Brazil, Brown, Hodgson, Holway, Kemp, Pannell, Pringle, Reeve and Rowe (10)	Cllr Long (1)	Cllr Taylor (1)	Cllr Foss (1)
1770/20/FUL	Land at SX 726 406, Malborough	Refusal	Cllrs Brown, Holway, Kemp, Long, Pringle and Taylor (6)	Cllrs Abbott, Brazil, Reeve and Rowe (4)	0	Cllrs Foss, Hodgson and Pannell (3)
2840/20/FUL	Higher Hareston, Brixton	Conditional Approval	Cllrs Abbott, Brown, Holway, Kemp, Long, Pringle, Reeve, Rowe and Taylor (9)	0	Cllr Brazil (1)	Cllrs Foss, Hodgson and Pannell (3)

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD VIA TEAMS ON THURSDAY 17 DECEMBER 2020**

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

Also in attendance
Cllrs Abbott, Austen, Birch, Brazil, Foss, Hodgson, Holway, Kemp, Long, McKay, O’Callaghan, Pannell, Pennington, Pringle, Smerdon, Spencer, and Taylor

Officers in attendance and participating		
All items		Senior Leadership Team; Monitoring Officer; and Democratic Services Manager

E.46/20 MINUTES

The minutes of the Executive meeting held on 3 December 2020 were confirmed as a true and correct record.

At the invitation of the Chairman, a non-Executive Member expressed his concern that the public question raised by Mr Hore (minute E.37/20 refers) had incorrectly suggested that he had opposed the Torfield Play Area project. In light of the extent of the concerns raised, the Member was encouraged to contact the Council’s Monitoring Officer.

E.47/20 URGENT BUSINESS

The Chairman advised that she had agreed for one item of urgent business to be raised at this Committee meeting. The item related to the New Recycling Service Update and was considered urgent in light of the associated time constraints.

The Lead Member for Environment introduced the report, outlining the problems that had been experienced in the implementation of the Devon Aligned Service. It was therefore proposed that the new Aligned Service should be implemented in a staged approach instead, with new kit being delivered to households the week before the change would be implemented. In terms of the roll-out, it was intended that there would be a break during the Easter period.

During the discussion, Executive Members stated that the informal

meeting that they held last week with FCC representatives had been useful. The Chief Executive updated that further conversations had been had with FCC during which they had confirmed that discussions on costs were on-going and that the organisation would remove the standard initial three month waiving of penalties and this would be for six weeks instead.

It was confirmed that FCC representatives would be attending the Overview & Scrutiny Panel meeting on 14 January 2021.

It was clarified that the anticipated loss of £84,000, due to delay in implementation (recommendation 2 refers), would form part of the next claim to Central Government for reimbursement of costs incurred due to the COVID-19 pandemic.

If the report recommendations were agreed, it was confirmed that the changes to service would start in March 2021 and residents would be informed of changes to their service and when it applied to them. The Leader informed that she had asked for this information to be sent to second home owners' primary residential address as well as their second home address.

The Executive thanked all the officers involved who had worked exceptionally hard under difficult circumstances.

It was then:

RESOLVED

1. That FCC's proposal for a phased roll-out of the new Recycling Service from March 8th 2021 has been considered and approval be given to the proposal subject to evidence of FCC's improved performance to the agreed contracted levels;
2. That the additional costs of £84,000 that will be incurred as a result of adopting a phased approach and the mitigating actions underway to minimise the impact on the Council's budgetary position be noted; and
3. That delegated authority be given to the Executive Lead Member for Environment, in consultation with the Director of Customer Service Delivery, to conduct a review and to strengthen the performance monitoring, governance, and oversight of the partnership and contract.

E.48/20

DECLARATIONS OF INTEREST

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

E.49/20

PUBLIC QUESTION TIME

It was noted that five public questions had been received in accordance with the Executive Procedure Rules for consideration at this meeting. These were as follows:

1. From Barbara Phillips:

In anticipation of the Council's adoption of its Climate and Biodiversity Strategy today, what measures will you now take to ensure that all the Council's policies and actions align with and are consistent with this Strategy?

2. From Caroline Snow:

In the South Hams, 33% of carbon emissions are produced by business, including farming, which also has the capacity to remove atmospheric carbon. When and how will the Council discuss with landowners, farmers and farming organisations, including the NFU, the best way to reduce emissions in this sector?

3. From John Cummings:

Will the Council consider a motion to support the Climate & Ecological Emergency Bill, now before Parliament? ceebill.uk This will legally require central government to give local councils the support they need to help keep average global warming below 1.5°C.

Combined Response to Questions 1 – 3:

As set out in detail in the report to Council later today, the Climate Change and Biodiversity Strategy sets out the background and context and the Action Plan sets out how the Council will, initially, approach achieving its declared aims. The report also clearly states that the Action plan will be continually evolving. In order to work towards the aims, it is recognised that consideration will need to be given to the impacts on climate change and biodiversity of both existing policies and proposed actions. This assessment will be undertaken through implementation of the Action Plan. In a similar way, and specifically through development of the Devon Carbon Plan and its associated Action Plan, the Council and its partners will work closely with the Agricultural Sector to secure carbon reductions in this key area. The Strategy, and covering report, recognises the need for the Council to work with partners locally, regionally and nationally to meet the complex challenges that we all face but also recognises where the Council can have the most influence and where other partners are better placed to take the lead. In terms of the Climate and Ecological Emergency Bill, the Council supports the high level principles but will need to properly assess the contents and implications of the Bill further before making an informed decision in this regard.

4. From Peter Scott:

How will SHDC ensure that there will be enough skilled workforce to deliver the Green Homes scheme locally and ensure the necessary retraining is done, given the current national failure on this? Does SHDC

take retrofitting seriously, given the immense task ahead?

Response:

The Council fully recognises the benefits and importance of retrofitting and improving the energy efficiency of existing housing stock and has been active in this area for a number of years now improving thousands of properties during this time. It is also recognised that the nature of the housing stock in the area and the national demand for qualified installers increases the size of the challenge that we face as a community. The Council is actively working with Community Energy Groups and other partners to develop local supply chains and will be working with partners through ongoing Economic Recovery Plans to identify skills shortages and opportunities in this area.

5. From Angie Greenham:

(Ref. the Draft Housing Strategy and 'utilising modern energy efficient methods of construction')

What contractual commitments, memoranda of understanding or other written or verbal undertakings have been entered into, if any, with manufacturer(s) of modular housing and, if so, on what basis and by what process was a manufacturer selected and when were these agreements reached?

Response:

We are very interested in modular technology, recognising the quality of build and speed of construction benefits. We have visited multiple manufacturers factories and spoken with others, including Ideal Modular, Premier Modular, Hexxhome and Caledonian. However, at the current time, we have no contracts or undertakings with any manufacturers. Should we wish to enter into any contracts in the future we would do so in accordance with procurement regulations and policies.

E.50/20

**MONTH SEVEN REVENUE BUDGET MONITORING 2020/21
(to the end of October 2020)**

Members were represented with the Month Seven Revenue Budget Monitoring Report setting out a projected underspend of £69,000 (0.7% of budget). Successful lobbying by the Council, other Local Authorities, MPs, and other bodies, had resulted in £1.12 million being granted to the Council by Central Government.

During discussions, it was noted that there was a Chancellor's statement to be made in the afternoon. The Leader gave thanks to the Section 151 Officer and her Finance Team for all their hard work and congratulations on keeping the Council's finances in such good order.

It was then:

RESOLVED

1. That the significant forecast income and expenditure variations for the 2020/21 financial year and the overall projected underspend of £69,000 (0.7% of the total Budget £9.41 million) be noted;
2. That the loss of income streams already experienced by the Council in April 2020 to October 2020 of £1.475 million in total (as shown in Section 6 of the presented agenda report) be noted; and
3. That Council be **RECOMMENDED** to transfer £100,000 into a COVID Earmarked Reserve, to protect against future COVID losses in 2021-22 (as set out in Section 1.8 of the attendant report).

E.51/20

DRAFT REVENUE BUDGET PROPOSALS FOR 2021-22

The Executive was presented with a report that outlined the draft revenue budget proposals for 2021/22. The recent Government spending review announcement had largely confirmed suppositions made previously, with further information due to be announced by Central Government this afternoon. Any changes resulting from this announcement would be incorporated into the next draft revenue budget proposal to be brought to the Executive meeting on 28 January 2021. The New Homes Bonus Scheme had been extended for another year into 2021/22. It was confirmed that the staff annual pay award negotiations were not within the Council's control.

Following a question from a non-Executive Member, it was confirmed that support for voluntary organisations within the South Hams area would be reviewed and therefore the amount in the proposal could potentially change on the next revision of this report.

It was then:

RESOLVED

1. That the forecast budget gap for 2021/22 of £75,871 (0.8% of the predicted Net Budget of £9.6 million) and the position for future years be noted;
2. That the current options identified and timescales for closing the budget gap in 2021/22 and future years, to achieve long term financial sustainability be noted;
3. That Council be **RECOMMENDED** that the Council continue to be part of the Devon Business Rates Pool for 2021/22, subject to there being no announcements within the Finance Settlement (expected to be announced in the week commencing 14 December), which in the opinion of the S151

Officer (in consultation with the Leader of the Council and the lead Executive Member for Finance), would change this recommendation.

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.50/20 PART 3 AND E.51/20 PART 3 WHICH WERE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 11 FEBRUARY 2021, WILL BECOME EFFECTIVE FROM 5.00PM ON THURSDAY, 31 DECEMBER 2020 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 11:00 am and concluded at 12:15 pm)

Chairman

**MINUTES OF THE MEETING OF THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD via TEAMS, ON WEDNESDAY,
6 JANUARY 2021**

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 (Deputy Chair)	*	Cllr K Pringle
*	Cllr J M Hodgson	*	Cllr R Rowe
*	Cllr T R Holway (Deputy Chair)	*	Cllr B Taylor
*	Cllr H Reeve (substitute for Cllr Foss)		

Other Members also in attendance and participating:
Cllrs K Baldry, H Bastone, J Pearce, & P Smerdon

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Planning; Senior Planning Specialists; Deputy Monitoring Officer; Legal Officer; Democratic Services Manager; and Democratic Services Officer

DM.40/20 MINUTES
The minutes of the meeting of the Committee held on 2nd December 2020 were confirmed as a correct record by the Chairman.

DM.41/20 APPOINTMENT OF VICE CHAIR
The Chair informed the Committee of the sad news of the recent loss of Cllr Foss' wife. Cllr Foss had had a very difficult few months which he had faced with courage and determination and he was in the thoughts of all Members at this very sad time. Since Cllr Foss had tendered his apologies for this meeting, the Chairman invited nominations to serve as Vice-Chairman for this Committee meeting.

It was subsequently:

RESOLVED

That Cllr Holway be appointed to be Vice-Chairman for the duration of this Committee Meeting.

DM.42/20 **DECLARATIONS OF INTEREST**

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

Cllr H Reeve declared a personal interest in application 2795/20/FUL, as the application site was in the vicinity of a relative's property and she remained in the meeting and took part in the debate and vote thereon;

DM.43/20 **PUBLIC PARTICIPATION**

The Chairman noted the list of members of the public, and town and parish council representatives who had registered their wish to speak at the meeting.

DM.44/20 **PLANNING APPLICATIONS**

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

6a) 3285/20/FUL Rose Cottage, Landscope, Ashburton, TQ13 7LT

Parish: Staverton

Development: Retrospective change of use of existing shed from domestic use to use for commercial motorcycle maintenance and servicing.

Case Officer Update: Following publication of the Officer's report on the website, the applicant had made a late submission countering points made in the report. These were outlined to the Committee and the Case Officer responded to each point raised.

Speakers included: Supporter – Mr Gray-Thompson; Parish Council – Cllr Catherall; Ward Member – Cllr J Hodgson;

Recommendation: Refusal

The Ward Member confirmed to the Committee that no member of the public had complained about this business and countered the Case Officer's assertion that there would be increased traffic were the application to be approved, but rather there would be increased traffic following refusal as the business would have to move to a near-by town, and the applicant would then be making 12 extra journeys per week to travel to and from the new locale. The Ward Member's view was that the new policies outlined in the Case Officer's reason for refusal were active after this business had been established.

Some Members outlined their support for the business as it had been operating for over five years already, noted that the business had the support of the Parish

Council and neighbours, and that it was sustainable as there was no similar business nearby thereby showing a business need. A Member moved conditional approval of the application that was subsequently seconded. Before the vote was taken, a discussion was had regarding what conditions would be applied should the application be approved. These included, but were not limited to, conditions regarding noise, opening hours, and ensuring the business use was restricted to motor cycle maintenance should the present applicant cease to operate. Members were asked to consider the following key issues: Principle / Sustainable Development; Design, Visual Impacts and the SWD Landscape Character Area (1E); Neighbouring Amenity.

Committee decision: Conditional approval

Conditions:

1. The development hereby approved shall only be used for the maintenance, servicing and / or repair of motorcycles and for no other purpose.

Reason: In order to ensure compliance with JLP Policy TTV26 and to prevent uses which might be inappropriate for this rural location.

2. No maintenance, servicing or repair of motorcycles shall be carried out and no deliveries accepted or despatched except between the hours of 9am and 6pm Monday to Friday, or 9am to 1pm on Saturdays, and not at all on Sundays or Bank Holidays

Reason: To protect the amenities of local residents from noise in accordance with JLP Policies DEV1 and DEV2.

6b) 2795/20/FUL

Land at SX 711 588, North East of Horsebrook Farm, Avonwick, TQ10 9EU

Parish: South Brent not North Huish

Development: Proposed static caravan on agricultural land

Case Officer Update: The Case Officer noted that the application site was located within the parish of South Brent and not North Huish as outlined in the agenda report, however she confirmed that both South Brent Parish Council and North Huish Parish Council had been consulted and commented on the application. There had been concerns expressed from neighbours regarding rain water and foul discharge resulting from this application therefore the Case Officer clarified that rain water would discharge directly into two 1,000 litre tanks below ground, a minimum of five metres from the van, and the foul water would discharge into two above ground waste storage tanks of 30,000 litres each,

again a minimum of five metres from the van. These two tanks would be emptied by a private mobile company approximately every two months. The water discharge proposed solutions were for both rain and foul water. The definition of what constituted a static caravan was clarified, along with maximum size permitted under that definition. A Member queried the distance from nearest residential property given in Officer's committee report which was clarified by the Officer as a typographical error and the correct measurement provided to Committee prior to the decision being taken.

Recommendation: Conditional Approval

Speakers included: Ward Members – Cllrs G Pannell and P Smerdon

Ward Members: One of the Ward Members expressed concerns over the size of the foul water tanks which seemed excessive to the site and would require large tankers to come to empty them in a rural area. It was also noted that residents had grave concerns about contamination of nearby water supply. The Ward Members felt that a need for the development in this rural location had not been demonstrated which was contrary to policy.

Debate: During the debate some Members outlined concerns over the scale of the proposed application as the field in question was only 2.6 hectares, thereby constituting overdevelopment. Members also expressed concerns regarding water supplies and potential for contamination of water to neighbours. It was noted that the site already contained a stable block and a small caravan, both of which Members felt could meet any welfare needs.

Committee Decision: Delegated Refusal

Reasons for refusal:

It has not been demonstrated in this countryside location that there is a proven agricultural need for an additional structure on this site in the form of the proposed static caravan to provide a welfare facility to serve the small holding operating from the site. The proposal is therefore contrary to policies SPT1, SPT2, TTV1 criteria 4, TTV26 criteria 2 iv and DEV15 criteria 6 of the Plymouth & South West Devon Joint Local Plan 2014-2034.

6c) TPO 1018 **Land adjacent to 4 Malborough Park,
Malborough, TQ7 3SR**

Parish: Malborough

Development: Tree Preservation Order (TPO).

The Chairman advised the Committee that this application had been deferred to a future Committee meeting for consideration.

DM.45/20

HOUSING POSITION STATEMENT

The Officer gave an update on the annual Housing Position report which had been recently published. The Council now had a 6.1 year land supply with 1,449 homes built last year, cumulatively this is 653 homes above target. Going forward there had been identified a supply of over 8,200 deliverable homes. Members noted that this report reflected the huge improvement the Joint Local Plan (JLP) had brought to the Council's planning environment. The Joint Local Plan team were thanked for their hard work. Some Members commented that local infrastructure was not keeping pace with homes development but it was noted that the Council's ability to counter this was limited to Section 106 Agreements, which could not counter all concerns.

The Officer confirmed that an interactive JLP website was now available and all three Local Planning Authorities had direct links to this. It would be used to provide news and updates, and mapping was beginning to be included.

Following a Member enquiry, the Officer confirmed that some sites had been deemed no longer viable. The only sites included in the JLP were those which were deliverable on National Planning Policy Framework criteria. It was confirmed that viability would be looked at over the coming year including a review of developers who had not progressed with their approved planning applications as this could impact on housing numbers.

The Authority Monitoring Report would be produced in February 2021 and would also include the split between brownfield and green field sites. Members would be invited to a future Briefing on this matter.

DM.46/20

PLANNING APPEALS UPDATE

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

The Head of Development Management (DM) provided further details on specific recent appeal decisions.

DM.47/20

UPDATE ON UNDETERMINED MAJOR APPLICATIONS

Members noted the list of undetermined major applications.

The Head of DM committed to sending Members the definition of what constituted a major application and confirmed this definition was set by Central Government.

(Meeting commenced at 2:10 pm and concluded at 4:55 pm, with a ten minute break at 3:49 pm)

Chairman

Voting Analysis for Planning Applications – DM Committee 6th January 2021

<i>Application No:</i>	<i>Site Address</i>	<i>Vote</i>	<i>Councillors who Voted Yes</i>	<i>Councillors who Voted No</i>	<i>Councillors who Voted Abstain</i>	<i>Absent</i>
3285/20//FUL	Rose Cottage, Landscape, Ashburton	Conditional approval	Cllrs Abbott, Brazil, Brown, Hodgson, Holway, Kemp, Long, Pannell, Pringle, Reeve, Rowe, Taylor (12)	(0)	(0)	(0)
2795/20/FUL	Land at SX 711 588, North East of Horsebrook Farm, Avonwick, TQ10 9EU	Refusal	Cllrs Abbott, Brown, Holway, Long, Pannell, Pringle, Reeve, Rowe, Taylor (9)	(0)	Cllrs Brazil, Hodgson, Kemp (3)	(0)

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**MINUTES OF THE JOINT MEETING OF THE
OVERVIEW & SCRUTINY PANEL AND THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD REMOTELY VIA TEAMS ON
THURSDAY, 14 JANUARY 2021**

Panel Members in attendance:			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr V Abbott	*	Cllr J McKay
*	Cllr L Austen	*	Cllr O'Callaghan
*	Cllr J P Birch (Chairman)	*	Cllr G Pannell
*	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 M Hodgson	*	Cllr R Rowe
*	Cllr T R Holway	*	Cllr P C Smerdon (Vice Chairman)
*	Cllr S Jackson	*	Cllr B Spencer
*	Cllr K Kemp	*	Cllr B Taylor
*	Cllr M Long	*	Cllr D Thomas

Other Members also in attendance:
Cllrs K Baldry, H Bastone, J Hawkins, N Hopwood and J Pearce

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Senior Leadership Team, Head of Finance and Democratic Services Manager

OSDM.12/20 MINUTES

The minutes of the last Joint Overview and Scrutiny Panel and Development Management Committee meeting held on 3 September 2020 were confirmed as a true and correct record.

OSDM.13/20 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.

OSDM.14/20 PUBLIC FORUM

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

OSDM.15/20 **DRAFT REVENUE BUDGET PROPOSALS FOR 2021-22**

Members considered a report that asked for their views on the content of the draft Revenue Budget Proposals report for 2021-22.

In her introduction, the Leader of Council outlined the main changes to the draft Revenue Budget Proposals for 2021/22 since the matter was last reported to the Executive meeting held on 17 December 2020 (Minute E.51/20 refers). The Leader proceeded to thank the Section 151 Officer and her Finance colleagues for incorporating them into the revised report for this meeting.

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

- (a) the business rates loophole for second homes. In reply to a question, the Leader informed that lobbying to close the loophole was ongoing and it was hoped that this would be implemented as part of the Business Rates Reform during the Spring of 2021;
- (b) individual town and parish council precept information. The Section 151 Officer advised that this information was contained within the published agenda papers for the annual Council Tax Setting Panel meeting;
- (c) bad debt provision during the COVID-19 Pandemic. Members acknowledged that, whilst Central Government had committed to compensating for 75% of irrecoverable losses, there would still be a significant budgetary impact on all precepting authorities;
- (d) the consultation on reforms to the Public Works Loan Board. When questioned, the Section 151 Officer informed that the deadline for Member approval of the Capital Strategy; Investment Strategy; and Treasury Management Strategy was 31 March 2021. As a result, these Strategies would be included on the Council agenda for the meeting to be held on 25 March 2021;
- (e) the vacant Economy Officer post. Members noted that, following a recent recruitment and selection exercise, it was envisaged that the post would be filled imminently;
- (f) an additional recommendation to the presented agenda report. An additional recommendation (that was considered as 'number 2') was **PROPOSED** and **SECONDED** that read as follows:
 - 2. *That the Joint Meeting support the allocation of £500,000 for funding for the Recovery and Renewal Plan and a further £200,000 funding for the Climate Change Action Plan, to be funded by:*
 - a. *withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;*

- b. *utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme); and*
- c. *using £450,000 of funding from the Business Rates Retention Earmarked Reserve;*

In support of the recommendation, the proposer stated that it would help to demonstrate the commitment and emphasis that the Council was placing on both its Recovery and Renewal Plan and Climate Change Action Plan.

At this point, an amendment to the recommendation (as set out in red font) was **PROPOSED** and **SECONDED** that read as follows:

- 2. *That the Joint Meeting support the allocation of £500,000 for funding for the Recovery and Renewal Plan and a further £322,274 funding for the Climate Change Action Plan, to be funded by:*
 - a. *withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;*
 - b. *utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme);*
 - c. *using £450,000 of funding from the Business Rates Retention Earmarked Reserve; and*
 - d. *using £122,274 of the remaining unallocated New Homes Bonus monies for 2021-22;*

The proposer of the amendment felt that the recommendation could go a step further and also include the £122,274 of the remaining unallocated New Homes Bonus monies for 2021-22 towards funding the Climate Change Action Plan.

In debate, other Members urged caution over approving what were considered to be arbitrary figures and highlighted the uncertainty around future funding provision. As a result, some Members stated that they could not support this amendment.

In the subsequent vote on the amendment, it was declared **CARRIED**, by virtue of the Chairman's Casting Vote, and was therefore included as part of the substantive motion.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council that the Joint Meeting supports:-

1. the proposed increase in Council Tax for 2021/22 of £5 (Band D of £175.42 for 2021/22 – an increase of 10 pence per week or £5 per year – equating to a 2.93% increase);
2. the allocation of £500,000 for funding for the Recovery and Renewal Plan and a further £322,274 funding for the Climate Change Action Plan, to be funded by:
 - a. withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;
 - b. utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme);
 - c. using £450,000 of funding from the Business Rates Retention Earmarked Reserve; and
 - d. using £122,274 of the remaining unallocated New Homes Bonus monies for 2021-22;
3. the financial pressures amounting to £668,761 (as shown in Appendix A of the presented agenda report);
4. the net contributions to/from Earmarked Reserves amounting to £364,600 (as set out in Appendix D of the presented agenda report), including the proposed use of £746,000 of New Homes Bonus funding to fund the 2021/22 Revenue Budget (as set out in section 4.24 of the presented agenda report);
5. the proposed savings of £122,191 for 2021/22 (as shown in Appendix A of the presented agenda report);
6. the proposed funding levels (as set out in section 5 of the presented agenda report) and, in addition, a further £3,000 be added to the Partnership Funding Budget, to enable a £10,000 contribution to the South Hams CVS in 2021/22 and 2022/23.

OSDM.16/20 REVIEW OF FEES AND CHARGES FOR 2021/22

Consideration was given to a report that set out proposals for any changes to Fees and Charges for all services for 2021/22.

With no questions or debate forthcoming, it was then:

RECOMMENDED

That the Joint Meeting **RECOMMEND** that the Executive **RECOMMEND** to Council that:-

1. the level of fees and charges for Parks, Open Spaces and Outdoor Sports for 2021/22 be maintained at the current levels with no proposed increases (as set out in Appendix A of the presented agenda report);

2. the Environmental Health charges for 2021/22 be maintained at the current levels with no proposed increases (as set out at Appendix B of the presented agenda report);
3. the level of Fees and Charges for Planning Applications and Enforcement for 2021/22 be maintained at the current levels with no proposed increases (as set out at Appendix C of the presented agenda report);
4. the proposed fees and charges for Street Naming for 2021/22 be approved as set out at Appendix C of the presented agenda report;
5. the proposed Section 106 Monitoring fees for 2021/22 (as set out at Appendix C) be approved;
6. delegated authority be given to the Director of Place and Enterprise, in consultation with the lead Executive Member, to set the Dartmouth Lower Ferry Fees in order to take account of market conditions, including competitor charges;
7. the proposed changes to Boat Storage Charges (as set out in paragraph 3.10 of the presented agenda report) be approved;
8. delegated authority be given to the Section 151 Officer, in consultation with the lead Executive Member, to set the Local Land Charges as appropriate to ensure cost recovery; and
9. delegated authority be given to the relevant Head of Practice, in consultation with the relevant lead Executive Member, to adjust Fees and Charges within their service area by inflation at suitable periodic intervals, with reports being presented to the Executive as appropriate.

(Meeting started at 10.00 am and concluded at 12.10 pm)

Chairman

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**MINUTES OF THE MEETING OF THE
OVERVIEW & SCRUTINY PANEL
HELD REMOTELY VIA TEAMS ON
THURSDAY, 14 JANUARY 2021**

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 M Hodgson, N A Hopwood, K Kemp, M Long, G Pannell, J A Pearce, R Rowe and B Taylor

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Chief Executive, Deputy Chief Executive and Democratic Services Manager
5	O&S.29/20	Deputy Monitoring Officer
8	O&S.32/20	Head of Housing, Revenues and Benefits
9	O&S.33/20	Head of Practice – Commissioning and Contracts

O&S.28/20 MINUTES

The minutes of the meeting of the Overview and Scrutiny Panel held on 19 November 2021 were confirmed as a correct record and signed by the Chairman.

O&S.29/20 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. These were recorded as follows:

Cllrs K Kemp and J Sweett both declared a Disclosable Pecuniary Interest in Item 8: 'Livewest' (Minute O&S.32/20 below refers) by virtue of being tenants with Livewest. As tenants of the organisation, it was recognised that both Members would have particular knowledge on the organisation. As a result, the Deputy Monitoring Officer proceeded to grant them both a Dispensation to enable them to remain in the meeting and take part in the debate on this agenda item.

O&S.30/20 PUBLIC FORUM

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

O&S.31/20 EXECUTIVE FORWARD PLAN

The Panel was presented with the most recently published Executive Forward Plan.

In accordance with the Overview & Scrutiny Procedure Rules, the Chairman asked for an explanation as to why there had been seemingly little progress on the installation of Electric Vehicle Charging Points in Council Car Parks.

The lead Executive Member proceeded to inform that a supplier had now been selected and the next stage was to agree leases for the appropriate car parking bays. As part of the phased programme, the Member confirmed that phase 1 would result in Charging Points being installed in car parks in Totnes, Kingsbridge, Dartmouth, Ivybridge and Salcombe. Upon the completion of Phase 1, it was then intended that Phase 2 would lead to the installation of further provision in Kingsbridge, Totnes and Modbury.

The lead Member also stated that he did not wish to see any loss in car parking income as a consequence of Electric Vehicle Charging Points being installed. In expanding upon this point, the Member was also opposed to Charging Points being installed in prime locations within Council Car Parks.

Finally, the lead Member confirmed that reports would be included on the Executive Forward Plan at the appropriate time(s).

In addition, a question had also been submitted that sought clarification as to why the Executive Forward Plan did not reflect the recent Council resolution (Minute 28/20 refers) whereby the Climate Change and Biodiversity Strategy and Action Plan was to be reviewed six-monthly by both the Executive and the Panel. In reply, the Leader informed that the next published Executive Forward Plan would include reference to this agenda item being considered in June 2021 (i.e. six months following the approval of the Council resolution).

O&S.32/20 LIVEST

At the invitation of the Panel, Mr Paul Crawford (Chief Executive of Livest) was in attendance to provide a presentation that focused on:

- A brief history of the organisation;
- Development activity within the organisation; and
- The Customer Services ethos of the organisation.

Furthermore, Members had been invited to submit their questions in advance to Mr Crawford and 18 had been received and these were also responded to as part of the presentation.

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

- (a) copies of the presentation being delivered by Mr Crawford. A number of Members thanked Mr Crawford for delivering such an informative presentation and it was agreed that it would be circulated to all Members after this Panel meeting;
- (b) supporting residents to access their shopping / medication needs. In light of the presentation referring to the linkages between Livewest and local Community Groups in supporting residents to access their shopping / medication needs, it was agreed that Mr Crawford would provide more information on this point outside of the meeting;
- (c) the Livewest commitment to de-carbonisation. The Panel expressed its support for the obvious commitment being demonstrated by Livewest towards de-carbonisation;
- (d) customer satisfaction. Mr Crawford confirmed that customer satisfaction was captured in a number of ways and informal resident feedback was obtained on a rolling monthly basis;
- (e) staff salaries. When questioned on the increase in staff salaries, Mr Crawford advised that these were reflective of the results of a recent reward and harmonisation exercise and had been benchmarked against comparable organisations;
- (f) the impact of the COVID-19 Pandemic. When questioned, Mr Crawford advised that the Pandemic had proven to be hugely challenging to Livewest. Despite these challenges, Mr Crawford paid tribute to both Livewest staff (who had been exceptional in such difficult circumstances) and their customers (who had been very supportive);
- (g) contacting Livewest. In response to some specific questions, Mr Crawford highlighted the contact details at the end of his presentation and encouraged Members to contact their respective local housing officers.

In conclusion and, on behalf of the Panel, the Chairman proceeded to thank Mr Crawford for both his informative presentation and detailed responses to Member questions.

O&S.33/20 **WASTE CONTRACT PERFORMANCE**

A report was considered that provided the Panel with background information on the performance of FCC Environment (the Council's Waste Contractor) in implementing the round review and the impact on the future service change.

At this point, the Chairman introduced Mr Mark Barnfield (Head of Municipal Collections and Streetscene, FCC Environment) and Mr Brian Ashby (Area Manager, FCC Environment) who provided a presentation on:

- a review of Contract Performance; and
- an analysis and lessons learnt from round changes.

In discussion, the following points were raised:

- (a) It was agreed that a Briefing Note would be provided to Members that set out information around the potential penalty clauses (and sanctions) contained within the Waste Contract;
- (b) Members were of the view that lessons could be learnt by FCC in relation to their corporate communications and messaging. In accepting the point, the FCC representatives committed to raising this point with their Communications colleagues;
- (c) The representatives acknowledged that it may be the perception of some members of staff that local knowledge was not being fully utilised. Furthermore, some Members made the point that a number of crews felt that they were not being listened to by their managers
- (d) The representatives advised that they shared the deep frustrations of Members over the issue of repeat missed collection failures;
- (e) In response to a Member wishing to ask a number of detailed questions, the lead Executive Member agreed to facilitate a meeting with the FCC representatives in the upcoming weeks.

It was then:

RESOLVED

1. That the FCC Environment representatives be thanked for their informative presentation;
2. That, in respect of the new recycling service (being introduced in March 2021), the Panel request that FCC Environment demonstrate that they:
 - Have a robust deliverable plan that will deliver the new service with the absolute minimum disruption to residents;
 - Have sufficient management and supervision on the contract;
 - Ensure sufficient staff training and commitment;
 - Have appropriate contingency in place; and
 - Have appropriate IT systems in place that are fit for purpose; and
3. That FCC Environment representatives provide a progress report back to the Panel in six months' time.

O&S.34/20 **ANNUAL PANEL WORK PROGRAMME**

During consideration of the latest version of the Panel's Annual Work Programme, it was agreed that a meeting would be held between lead officers and the Chairman and Vice-Chairman of the Panel with a view to populating the agenda for the meeting to be held on 1 April 2021.

(Meeting started at 2.00 pm and concluded at 4.30 pm)

Chairman

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**MINUTES OF THE MEETING OF
THE SALCOMBE HARBOUR BOARD
HELD VIA TEAMS ON MONDAY, 18 JANUARY 2021**

Members in attendance			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr J Brazil (Chairman)	*	Ms A Jones
*	Cllr D Brown	*	Mr M Mackley
∅	Cllr R J Foss	*	Mr H Marriage (Vice-Chairman)
*	Cllr M Long	*	Mr C Plant
		*	Mr I Stewart

Other Members in attendance and participating:
Cllr J A Pearce

Item No	Minute Ref No below refers	Officers in attendance and participating
All agenda items		Director of Place and Enterprise; Salcombe Harbour Master; Deputy Section 151 Officer; Estuaries Officer; and Democratic Services Manager

SH.17/20 CHAIRMAN'S INTRODUCTORY COMMENTS

Since this was the first Board meeting since Mr Mark Taylor had resigned as a Co-Opted Member, the Chairman wished to put on record his thanks for the excellent service that had been given by Mr Taylor and proceeded to wish him every success for the future.

In addition, the Chairman made reference to the recent passing of Mrs Judith Foss and asked that the best wishes of the Board be forwarded to Cllr Foss.

SH.18/20 MINUTES

The minutes of the meeting of the Salcombe Harbour Board held on 19 October 2020 were confirmed as a correct record.

SH.19/20 DECLARATIONS OF INTEREST

Members were invited to declare any interests in the items of business to be considered during the course of the meeting, and the following were made:

Ms Jones, Mr Mackley, Mr Marriage, Mr Plant and Mr Stewart each declared a disclosable pecuniary interest in all related agenda items by virtue of paying harbour dues to the Council. As a result of the Deputy Monitoring Officer granting each Board Member a dispensation, they were all able to take part in the debate and vote on any related matters (Minute SH.3/20 refers).

SH.20/20 PUBLIC QUESTION TIME

In accordance with the Public Question Time Procedure Rules, there was no issues raised:

SH.21/20 FEEDBACK FROM HARBOUR COMMUNITY FORUMS

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

Salcombe Kingsbridge Estuary Conservation Forum (SKECF)

The representative advised that a SKECF meeting had been held recently and had been well attended. Whilst there were no specific issues raised for the Board, the Estuaries Officer had also been in attendance and, at the discretion of the Chairman, he proceeded to provide an update to this meeting. During his update, the Estuaries Officer made particular reference to concerns over nutrients from farmland entering the Estuary and the increased numbers of oysters being found in dwarf seagrass.

South Devon & Channel Shellfishermen

The Board was informed that the first crab sales had now entered Europe since the UK had left the European Union. In highlighting the difficulties that had been experienced, the Board wished to thank the Council's Environmental Health Officers for their help and support that they had given to the Shellfishermen.

Furthermore, the representative advised that the China Shellfish market appeared to be particularly stable at present.

Kingsbridge and Salcombe Marine Business Forum

The representative advised that boat selling businesses were experiencing a significant increase in boat sales.

Kingsbridge Estuary Boat Club (KEBC)

The representative informed that he had nothing to report to this meeting.

East Portlemouth

The representative informed that he had nothing to report to this meeting.

SH.22/20 REVENUE BUDGET MONITORING 2020/21

The Board considered a report that provided an update on income and expenditure variations against the approved budget and forecasted the year-end position.

In discussion, a number of Members commended both the Harbour Authority and the Council for being able to achieve such an excellent outcome given the severe impact that had been experienced by the COVID-19 Pandemic. Whilst it was hoped that the Harbour Authority could now begin to plan for the future, it was also recognised that the Pandemic had yet to be conquered.

It was then:

RESOLVED

That the forecast income and expenditure variations for the 2020/21 Financial Year and the projected overspend of £3,100 (essentially a break-even position) be noted.

SH.23/20 **HARBOUR MASTER'S REPORT**

A report was presented that updated the Board on a number of recent issues affecting the Harbour.

In discussion, reference was made to:-

- (a) the security patrol contract. Once the procurement exercise had commenced, the Harbour Master confirmed that a meeting of the Working Group would be convened;
- (b) the communication cascade. Board Members were thanked for their role in keeping stakeholders up to date where relevant changes in Central Government guidance had affected the usage of the Harbour to help prevent the spread of COVID-19;
- (c) production of Briefing Notes. In citing the impact on the Harbour Authority of the UK leaving the European Union as an example, Members requested that, to ensure that they were kept informed on relevant matters, they be in receipt of Briefing Notes.

It was then:

RESOLVED

That the content of the Harbour Master's Update report be noted and endorsed.

(Meeting commenced at 2.00 pm and concluded at 3.15 pm)

Chairman

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD VIA TEAMS ON THURSDAY 28 JANUARY 2021**

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

Also in attendance
Cllrs Abbott, Birch, Brazil, Foss, Holway, Kemp, Long, McKay, O’Callaghan, Pennington, Pringle, Reeve, Rowe, Smerdon, Spencer, Sweet, Taylor and Thomas

Officers in attendance and participating		
All items		Senior Leadership Team; Democratic Services Manager; Specialist – Democratic Services; and Senior Specialist – Place Making
E.64/20		Corporate Procurement Officer

E.52/20 MINUTES

The minutes of the Executive meeting held on 17 December 2020 were confirmed as a true and correct record.

E.53/20 URGENT BUSINESS

The Chairman advised that there were no urgent items of business to be raised at this Committee meeting.

E.54/20 DECLARATIONS OF INTEREST

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

E.55/20 PUBLIC QUESTION TIME

It was noted that one public question had been received in accordance with the Executive Procedure Rules for consideration at this meeting.

This was as follows:

1. From Nicola Varney:

During the current lockdown could the Council please suspend charges in council car parks (as was done in the first lockdown and is the current policy of Cornwall Council) to:

1. Make it as easy as possible for essential workers to get to and from work; and;
2. Help residents working from home who have no off-street parking?

Response to Question:

'Having considered national guidance, at the current time we will be continuing as normal with enforcement and parking charges and are unable to allow any special dispensation for residents. This approach is consistent with national advice and guidance from the British Parking Association (BPA). We have also spoken with colleagues across other Devon authorities who have confirmed they are continuing their normal parking regimes during this period. Can I just add, please note that the concession for care and health workers still applies, who will be able to use our car parks free of charge provided they are displaying an NHS permit.'

Supplementary Question via Cllr O'Callaghan:

Could this Council show understanding and make temporary concessions for hard pressed residents and issue temporary permits until the lockdown is over so if people can provide reasonable evidence they are working from home or in an essential job and need to park easily?

Response to Supplementary Question:

'No, we cannot do that. It would be a totally subjective assessment and I cannot work out how we would define someone who is a hard pressed resident. So I regret we will not be lifting the charges for residents or anyone else in our town car parks.'

E.56/20 EXECUTIVE FORWARD PLAN

Members were presented with the Executive Forward Plan setting out items on the agenda for Executive meetings for the next four months and noted its content.

E.57/20 FUTURE LOCALITIES SERVICE

Members were presented with the Future Localities Service Report setting out the recommendations for the proposed new Localities Service. The new structure of the Localities Service had been devised following recommendations from the Task and Finish Group.

During the discussion, thanks was given to the Localities Team for what was seen as a successful service developed out of the Transformation 18 Programme. The Leader thanked the officers, the Task and Finish Group, and the Lead Member for the report. Many Members agreed that this was a very useful service, particularly during the summer months of 2020, with one Executive Member outlining that these changes would improve the service still further.

It was then:

RESOLVED

- 1) That four additional seasonal posts be approved to operate from 1 April until 30 September (inclusive) each year;
- 2) That an additional £25,000 be built into the establishment base budget each year to meet the additional costs; and
- 3) That the new structure and approach (as set out in the presented agenda report) be noted with the new service being implemented from 1 April 2021.

E.58/20

REPORTS OF OTHER BODIES

That the following be received and that any recommendations contained therein be approved:

- A) **Overview and Scrutiny Panel – 19th November 2020;**
Minute O&S.24/20: SAFEGUARDING POLICY: ANNUAL REVIEW

RESOLVED

That the revised Safeguarding Policy (as set out at Appendix A of the presented agenda report to the Panel meeting) be noted and that a safeguarding related training package for all staff and Members be mandatory to complete.

- B) **Joint Overview & Scrutiny Panel and Development Management Committee – 14th January 2021**

- i) **OSDM.15/20: DRAFT REVENUE BUDGET PROPOSALS FOR 2021-22**

RESOLVED

That the Recommendations made by the Joint Overview & Scrutiny Panel and Development Management Committee be noted and considered as part of agenda item 9 of this meeting. (Minute E.59/20 below refers).

ii) **OSDM.16/20: REVIEW OF FEES AND CHARGES FOR 2021-22**

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council that:-

1. the level of fees and charges for Parks, Open Spaces and Outdoor Sports for 2021/22 be maintained at the current levels with no proposed increases (as set out in Appendix A of the presented agenda report to the Joint Meeting);
2. the Environmental Health charges for 2021/22 be maintained at the current levels with no proposed increases (as set out at Appendix B of the presented agenda report to the Joint Meeting);
3. the level of Fees and Charges for Planning Applications and Enforcement for 2021/22 be maintained at the current levels with no proposed increases (as set out at Appendix C of the presented agenda report to the Joint Meeting);
4. the proposed fees and charges for Street Naming for 2021/22 be approved as set out at Appendix C of the presented agenda report to the Joint Meeting;
5. the proposed Section 106 Monitoring fees for 2021/22 (as set out at Appendix C of the report presented to the Joint Meeting) be approved;
6. delegated authority be given to the Director of Place and Enterprise, in consultation with the lead Executive Member, to set the Dartmouth Lower Ferry Fees in order to take account of market conditions, including competitor charges;
7. the proposed changes to Boat Storage Charges (as set out in paragraph 3.10 of the presented agenda report to the Joint Meeting) be approved;
8. delegated authority be given to the Section 151 Officer, in consultation with the lead Executive Member, to set the Local Land Charges as appropriate to ensure cost recovery; and
9. delegated authority be given to the relevant Head of Practice, in consultation with the relevant lead Executive Member, to adjust Fees and Charges within their service area by inflation at suitable periodic intervals, with reports being presented to the Executive as appropriate.

E.59/20 **REVENUE BUDGET PROPOSALS FOR 2021-22**

The Executive was presented with a report that outlined the draft revenue budget proposals for 2021/22. The Leader highlighted the differences made to the report subsequent to the Joint Overview & Scrutiny Panel/ Development Management Committee meeting held on the 14th January 2021.

The Chair of the Overview & Scrutiny Panel then spoke to Recommendation vi) options a) and b). Since the Joint Meeting, he had discussed both options with the Section 151 Officer and had decided that he was in favour of option b). This retained the remainder of the unallocated New Homes Bonus monies for 2021/22, £122,274 to be held in Reserve against the potential of a shortfall when the replacement to the New Homes Bonus was finally announced for 2022/23. The £122,274 unallocated New Homes Bonus from 2021/22 and the £235,016 unallocated New Homes Bonus from 2020/21 could then be retained to fund the £546,000 of New Homes Bonus funding needed to fund the revenue base budget in 2022/23.

The Executive then voted on option b) of recommendation vi, and this was carried unanimously.

It was noted that there had been good collaborative work on this budget across the political spectrum. The Leader outlined that the proposed £200,000 to be allocated to fund the Climate Change Action Plan should be used for projects which not only impacted on climate change but also helped ensure a green recovery, and help the Council achieve its aim of a zero carbon future.

Following a question from a Non-Executive Member, the Leader confirmed that specific projects would be determined by the Action Plan and The COVID-19 Recovery Plan. The Leader confirmed she has already asked officers to look at Climate Change and Biodiversity Regeneration projects that would help to support green recovery. It was noted that officers were currently fully engaged in responding to the pandemic, but it was hoped that within a month or so officers would be able to develop these projects.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council:-

- i) to increase Council Tax for 2021/22 by £5 (Band D of 175.42 for 2021/22 – an increase of 10 pence per week or £5 per year – equates to a 2.93% increase);
- ii) to approve the financial pressures shown in Appendix A of the presented agenda report (amounting to £696,761);
- iii) to approve the net contributions to/(from) Earmarked Reserves of £414,600 as shown in Appendix D of the

- presented agenda report, including the proposed use of £746,000 of New Homes Bonus funding to fund the 2021/22 Revenue Budget as set out in section 4.24 of the report;
- iv) to approve the savings of £122,191 (as shown in Appendix A of the presented agenda report);
 - v) to approve the Partnership funding levels (as set out in Section 5 of the presented agenda report), including a £10,000 contribution to the CVS in 2021/22 and 2022/23
 - vi) the allocation of £500,000* for funding for the Recovery and Renewal Plan and a further £200,000* funding for the Climate Change Action Plan, to be funded by:
 - a. withdrawing the contribution to the Planning Earmarked Reserve in 2021-22 of £50,000;
 - b. utilising £200,000 of New Homes Bonus funding from 2021-22 (instead of using £200,000 of New Homes Bonus funding for the 2021-22 Capital Programme); and
 - c. using £450,000 of funding from the Business Rates Retention Earmarked Reserve;
- (*This funding is to be put into an Earmarked Reserve for the purpose stated)
- vii) to transfer £380,789 (the fifth tranche of COVID funding as set out in sections 1.9 and 11.2 of the presented agenda report), into a COVID Earmarked Reserve, to protect against future COVID losses in 2021/22;
 - viii) to set its total net expenditure for 2021/22 (as shown in Appendix B of the presented agenda report) as £9,676,767;
 - ix) that the minimum level of the Unearmarked Revenue Reserve be maintained at £1.5million; and
 - x) that the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates be noted. (NB. this is a requirement of Part 2 of the Local Government Act 2003).

E.60/20

CAPITAL BUDGET PROPOSALS FOR 2021-22

The Executive was presented with a report that outlined the draft Capital Budget proposals for 2021-22.

An Executive Member outlined that he would not be supporting any proposed capital spend on Follaton House until such time as the future of the Council Offices was determined.

The Section 151 Officer clarified that recommendation 2 and the note were no longer applicable following the decision made at E.59/20, and therefore these were removed.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council:-

- a) That the Capital Programme for 2021/22, which totals £2,380,000 (Appendix A of the presented agenda report refers) be approved; and
- b) That the 2021/22 Capital Programme of £2,380,000 be financed from the funding sources set out in Section 4 of the presented agenda report.

E.61/20

CAPITAL PROGRAMME MONITORING

The Executive was presented with a monitoring report that outlined the Capital Programme. This report covered the period from 1st April 2020 to 30th November 2020.

The Lead Member advised that there would be a separate report for an All Member briefing on the Community Housing Projects in the near future, with the Report being added to the Executive Forward Plan.

The Lead outlined that the report advised Members of the progress on individual schemes within the approved Capital Programme, including an assessment of the financial position and that all of the capital projects were within the existing capital budgets approved by Members (as outlined at exempt Appendix A of the presented agenda report). It was clarified that this exemption was due to the awarding of contracts being subject to the Council's procurement rules on competitive tendering, and therefore commercially sensitive.

Appendix C of the attendant report outlined an overview of the total remaining Section 106 deposits with some details around the purpose and conditions of these deposits.

It was highlighted that the Community Housing Fund Earmarked Reserve, in Appendix D of the presented agenda report, provided a revolving and recyclable fund if these projects ultimately went ahead. Further to a question from a Non-Executive Member, the Leader clarified that monies for the Community Housing Projects had been received from Central Government and not from local Council Taxpayers. Other monies to progress any scheme would be as a loan from the Public Works Loans Board and would be requested only when any project reached the stage of taking forward.

It was then:

RESOLVED

1. That the content of the Monitoring Report be noted; and
2. That a separate report be produced for an All Member Briefing on Community Housing Projects and a future report to the Executive be added to the Executive Forward Plan.

E.62/20

IVYBRIDGE REGENERATION PROJECT – UPDATE

The Lead Member for Enterprise presented the Executive with a report that updated on the Ivybridge Regeneration Project. It was highlighted that £65,000 for commissioning work had been previously agreed at the 17th September 2020 Executive Meeting. This money had been utilised by the project team to ascertain advice on planning, ecology, buildability, car parking regime, lease arrangements, and Treasury Management advice. An economic assessment of Ivybridge Centre was also commissioned.

The outcome of this work had shown the project to be technically and economically viable, with the regeneration project offering significant benefits to local economy and public realm. The Lead Member noted the scheme had strong support from residents, the business community, the local Town Council, Ward Members, and local stakeholders. The Member expressed his thanks to officers for the work involved in both project development and the resultant report.

One Non-Executive Member registered his views that the scheme had been a missed opportunity in imaginative regeneration but several Members of the Executive stated that building a supermarket was a recognised means to help regeneration. There was disagreement over how much this particular supermarket brand utilised local providers.

There was also a discussion regarding the options of retaining ownership of the land and building as opposed to selling the land to the supermarket chain, or getting the supermarket to build the store and just charging ground rent. The Director for Place outlined the reasons for maintaining control over the project, namely it allowed funding of significant improvements i.e. to the car parking, new cycle routes, the skate park, and allowed for a long lease to secure tenants.

A Member of the Executive commented that questions raised by Members in informal briefing sessions were not in the public domain and therefore the ability to raise questions again in this forum was important for transparency. He also outlined that although he would be supporting this item, it was reluctantly, as he felt this scheme was not a true regeneration project and offered to take Members on a tour of other regeneration schemes, once covid restrictions were lifted.

Another Member of the Executive highlighted the amount of money which had been allocated to Ivybridge in recent years to help with regeneration and outlined several projects, including the upgrade to the leisure facility.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council to:

- 1) approve the Ivybridge Regeneration project through to planning, tender, construction and lease (subject but not limited to the regulatory statutory planning process and the total scheme cost being within the £9 million financial envelope),
- 2) approve the financial case as set out within this report and the borrowing of £9 million from the Public Works Loans Board (PWLB) to finance the regeneration project,
- 3) approve the spend of up to £450,000, funded from the Business Rates Retention Earmarked Reserve, recognizing these will be abortive costs if the project does not proceed at any given stage pre-construction,
- 4) approve the procurement strategy and any associated contract awards,
- 5) approve variation of parking tariffs in principle, subject to final tariff design by the Head of Assets in consultation with the Commercial Portfolio Holder and Leader of the Council
- 6) delegate authority to the Head of Assets in consultation with Director of Place & Enterprise and Monitoring Officer to enter the Agreement for Lease (and subsequent lease of 25 years + 15 years) with the proposed Foodstore tenant.

E.63/20

SOUTH BRENT COMMUNITY HOUSING

The Leader presented the Executive with a report that outlined the request to modify the term of the previously approved loan to South Brent Community Land Trust. The modification was to alter the repayment term from two years to seven years. This modification was in response to terms outlined by the Ecology Building Society and the support of Homes England, and to cover the rental portion of the shared ownership properties. The Leader outlined a resultant benefit from the change to seven years, in that the Council now moved from second charge to first equal charge with the Building Society, but acknowledged that this now tied up the monies involved for longer therefore the sums would now be recyclable in seven years rather than two.

It was then:

RESOLVED

That the term of a previously approved, secured loan to South Brent Community Land Trust of up to £360,000 be modified from two years to seven years.

E.64/20 **DEVON DISTRICTS' PROCUREMENT STRATEGY**

The Leader presented the Executive with a report that outlined the Devon Districts' Procurement Strategy and highlighted that this was the third iteration of the Strategy, involving a collaboration with several local authorities in the South West. This strategy had been developed using the Sustainable Procurement Policy and procedure which had been approved by the relevant Councils in November 2019. The delay in getting this to the Executive had been due to a full agenda in November 2019, then the impact of the Covid pandemic, although it was noted that the Council had been working to this Strategy since November 2019.

It was noted that the Council already had one of the best local procurement records within Devon.

One Executive Member outlined the importance of procuring goods and services as locally as possible, which not only helped to keep money in the local area but also reduced the carbon footprint.

It was then:

RESOLVED

That the Executive:

1. Note the progress made in delivery of the previous Devon Districts Procurement Strategy 2014-2018;
2. Consider inclusion of South Hams specific objectives for inclusion within the delivery plan as set out in Section 5.3 of the presented agenda report; and
3. **RECOMMEND** to Council to adopt the Devon Districts Procurement Strategy 2019-2022 (including the objectives set out in recommendation 2).

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.58/20 PART B ii), E.59/20, E.60/20, E.62/20, AND E.64/20 PART 3 WHICH WERE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 11 FEBRUARY 2021, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 8 FEBRUARY 2021 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 10:00 am and concluded at 11:42 am)

Chairman

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**MINUTES OF THE MEETING OF THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD, via TEAMS, ON WEDNESDAY,
3 FEBRUARY 2021**

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 (Deputy Chair)	*	Cllr K Pringle
*	Cllr J M Hodgson	*	Cllr R Rowe
*	Cllr T R Holway	*	Cllr B Taylor
*	Cllr D O'Callaghan (substitute for Cllr Pannell)		

Other Members also in attendance and participating:
Cllr J Pearce

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Planning; Specialist Place Making; Legal Officer; Democratic Services Manager; and Democratic Services Officers

DM.48/20 MINUTES
The minutes of the meeting of the Committee held on 6th January 2021 were confirmed as a correct record by the Chairman.

DM.49/20 DECLARATIONS OF INTEREST
Members and officers were invited to declare any interests in the items of business to be considered and the following was made:

Cllrs R Rowe and B Taylor both declared a personal interest in application TPO/1018/T1 (Land adjacent to 4 Malborough Park, Malborough) as they were Members of the South Devon AONB Partnership Committee. Both Members remained in the meeting and took part in the debate and vote thereon;

DM.50/20 PUBLIC PARTICIPATION
The Chairman noted the list of members of the public, and town and parish council representatives who had registered their wish to speak at the meeting.

DM.51/20

PLANNING APPLICATIONS

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

6a) TPO/1018/T1 Land adjacent to 4 Malborough Park, Malborough, TQ7 3SR

Parish: Marlborough

Development: Delegated authority request to confirm Tree Preservation Order (TPO: 1018 open space at Malborough Park, Marlborough)

Case Officer Update: Officer confirmed inspections had taken place and that the Council had discharged its duty regarding reasonable removal of cones and dead branches.

Speakers included: Objector – Mrs Hurrell; Parish Council – Cllr Yeoman; Ward Members – Cllr J Pearce and Cllr M Long;

Following a question from a Member, the officer confirmed the tree inspection dates as June 2020 and September 2020, resulting in removal of cones and dead branches.

During the debate, it was clarified that removing the TPO would not result in the felling of the tree but would allow the neighbours to remove any overhanging limbs under common law.

Recommendation: TPO 1018 is confirmed as served.

Committee decision: Refusal

Reasons for Refusal: The Planning Committee determined that the TPO was not to be confirmed as it was considered that a combination of its size, relationship to the property, potential for future claims when balanced against the ability for the tree to potentially be felled and replaced by a smaller native tree and/ or hedge would continue wildlife and visual benefits.

DM.52/20

PLANNING APPEALS UPDATE

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

The Head of Development Management (DM) provided further details on specific recent appeal decisions.

Following a query from one Member, the Head of DM was to check the Ward listing for appeal reference: 0482/17/FUL.

DM.53/20 PLANNING PERFORMANCE INDICATORS

Members reviewed the performance indicators as outlined in the presented agenda report.

In discussion, particular reference was made to:

- (a) The total number of all applications received into Development Management in 2019 had been 2,518, while the total number received in 2020 had been 2,802; an 11% increase.
- (b) Above target on apps on time, including extensions. Non majors without time extensions illustrated a gradual improvement in numbers completed.
- (c) Fees were significantly down on the previous financial year predominantly due to the reduction in the number of speculative large major apps following the adoption of the Joint Local Plan.
- (d) An increase in the number of pre-applications being received was noted.
- (e) Enforcement case numbers were seen to have increased in Quarter 2 and Quarter 3, but the on hand case load numbers were still gradually reducing.
- (f) Legal would explore the potential use of drones for difficult to access sites in Enforcement cases.

DM.54/20 UPDATE ON UNDETERMINED MAJOR APPLICATIONS

Members noted the list of undetermined major applications.

The Head of DM requested that, if possible, any questions were to be submitted before the meeting.

DM.55/20 KATHY TRANT

The Committee recognised that Kathy Trant had now left the employ of the Council and Members gave their thanks for her contributions and excellent service, and wished her well for the future.

(Meeting commenced at 10:00 am and concluded at 12:23 pm, with a five minute break at 11:40am)

Chairman

Voting Analysis for Planning Applications – DM Committee 3rd February 2021

<i>Application No:</i>	<i>Site Address</i>	<i>Vote</i>	<i>Councillors who Voted Yes</i>	<i>Councillors who Voted No</i>	<i>Councillors who Voted Abstain</i>	<i>Absent</i>
TPO/1018/T1	Land adjacent to 4 Malborough Park, Malborough, TQ7 3SR	Refusal to confirm TPO	Cllrs Abbott, Brown, Foss, Holway, Long, Pringle, Rowe, Taylor (8)	Cllrs Brazil, Hodgson, Kemp, O'Callaghan (4)	(0)	(0)

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**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD VIA TEAMS ON THURSDAY, 4 FEBRUARY 2021**

Members in attendance			
* Denotes attendance			
∅ Denotes apology for absence			
*	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 Hopwood, K Kemp, J A Pearce and R Rowe

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Chief Executive, Section 151 Officer; Director of Governance and Assurance; Monitoring Officer; Head of Finance; Head of Strategy and Projects; Democratic Services Manager; Internal Audit Manager; and Grant Thornton Representative

A.18/20 MINUTES

The minutes of the Audit Committee meeting held on 15 October 2020 were confirmed as a true and correct record.

Whilst not disputing the accuracy of the minutes, a Member made reference to the discussions on the Audit Committee Workplan (Minute A.17/20 refers) and reiterated the wish of the Committee to receive an update on the risks associated with the Leisure Contract at its next meeting to be held on 11 March 2021.

A.19/20 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.20/20 CHAIRMAN'S ANNOUNCEMENT

The Chairman highlighted that this was the first Committee meeting since Mr Steve Johnson (Grant Thornton Audit Manager) had retired. The Chairman paid tribute to the service that Mr Johnson had provided to the Council and, on behalf of the Committee, wished him well in his retirement.

A.21/20 GRANT THORNTON – ANNUAL AUDIT LETTER

Consideration was given to the Annual Audit Letter that had been produced by Grant Thornton that summarised the key findings arising from the work that had been carried out by the organisation at the Council for the year ended 31 March 2020.

The Committee noted that the Letter was intended to provide a commentary on the results of the work undertaken by Grant Thornton to the Council and its external stakeholders. The Letter also sought to highlight issues that should be brought to the attention of the public.

In discussion, a number of Members expressed their concerns over the proposed additional audit fees. Whilst acknowledging the comments of the Grant Thornton representative with regard to the recent Redmond Review and the increased requirements that had been imposed on External Auditors, some Members still struggled to see the justification and felt that a near 50% increase in Fees was lamentable. As a result, Members asked that the representative relay their concerns to the Senior Management Team at Grant Thornton.

It was then:

RESOLVED

That the contents of the Grant Thornton – Annual Audit Letter be noted and the concerns of the Committee over the increase in Audit Fees be relayed to the Senior Management Team at Grant Thornton.

A.22/20 TREASURY MANAGEMENT MID-YEAR REVIEW

Members considered a report that presented a mid-year review of the Council's Treasury Management activities. In particular, the report highlighted that the Council had outperformed the industry benchmark by 0.19%.

In discussion, reference was made to:-

- (a) the summary of the Council's debt position. To support the content of the tables in the presented agenda report, it was agreed that an additional column would be included in the future that set out when each Public Works Loan Board loan had been taken out by the Council. In addition, it was also agreed that the comparative Public Works Loan Board Interest Rate figures over the last two years would be circulated to Committee Members outside of the meeting;

- (b) the apparent slippages in the Capital Programme. It was agreed that, as part of the Commercial Property Monitoring Report that was to be considered by the Committee at its next meeting on 11 March 2021, the future project list (and when monies were due to be spent on these projects) should be included.

It was then:

RESOLVED

That the contents of the report be noted.

A.23/20

UPDATE ON PROGRESS ON THE 2020/21 INTERNAL AUDIT PLAN

A report was considered that sought to inform Members of the principal activities and findings of the Council's Internal Audit Team for 2020/21 to 8 January 2021 by:

- showing the progress made by Internal Audit against the 2020/21 annual Internal Audit Plan (as approved by Council in April 2020); and
- highlighting any revisions to the 2020/21 Internal Audit Plan.

In discussion, the following points were raised:-

- (a) It was noted that the audit work required on the South Devon Coastal Local Action Group (LAG) and the Greater Dartmoor Local Enterprise Action Fund (LEAF) should be completed once the programmes had concluded towards the end of 2021;
- (b) With regard to the audit on the Salcombe Whitestrand project, Members reiterated the audit findings whereby there were future improvements to be made in relation to both project management and governance;
- (c) A Member asked that, as part of the 2021/22 Internal Audit Plan, a review be undertaken into the recent solar farm project. In response, officers advised that it was intended that this would be undertaken during 2021/22 as part of a wider audit into the Council's Commercial Investment Strategy.

It was then:

RESOLVED

That the progress made against the 2020/21 Internal Audit Plan and any key issues arising be noted and approved.

A.24/20 **SUNDRY DEBT**

Consideration was given to a report that provided the Committee with an update on the position of Sundry Debt and Housing Benefit Overpayments up to 30 September 2020.

In discussion, reference was made to:

- (a) the processes that were followed to pursue Sundry Debt and Housing Benefit Overpayments. At the invitation of the Chairman, the Section 151 Officer outlined the processes that were followed for the pursuing of both Sundry Debts and Housing Benefit Overpayments. Having outlined these processes, at the request of the Committee, the Section 151 Officer committed to providing the following information to Members outside of this meeting:
- additional details on the types of Debts and the terms of repayment;
 - the latest Housing Benefit Overpayment figures;
 - the use of external Debt Collectors by the Council; and
 - additional details in relation to where Debts were both written-off and collected;
- (b) changes in circumstances. A Member cited a personal account whereby she had experienced a change in circumstances that had impacted upon her Housing Benefits. Despite immediately informing the Council of her change in circumstances, she had continued to be in receipt of Housing Benefits. As a consequence, the Member questioned how frequent such instances were and the Section 151 Officer committed to look into this matter with colleagues outside of the meeting.

It was then:

RESOLVED

That the position in relation to Sundry Debt be noted.

A.25/20 **REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000 UPDATE**

Consideration was given to a report that provided an update on Regulation of Investigatory Powers Act (RIPA) activity within the previous twelve months and the outcome of a recent inspection by the Investigatory Powers Commissioner's Office, including the Councils Action Plan for addressing the findings.

In discussion, the ability of the Council to use drone technology to investigate planning enforcement cases was questioned. In reply, the Monitoring Officer informed that a Magistrate would not grant the Council the necessary licence to be able to operate a drone for the purpose of investigating planning enforcement cases.

It was then:

RESOLVED

1. That the report of the Investigatory Power Commissioners Office (as set out at Appendix A of the presented agenda report) be welcomed; and
2. That it be acknowledged that there have been no RIPA Authorisations since the last report was presented to Members (in 2018).

(Meeting commenced at 10.00 am and concluded at 11.25 am)

Chairman

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MINUTES OF THE MEETING OF THE COUNCIL TAX SETTING PANEL HELD REMOTELY VIA TEAMS ON TUESDAY, 23 FEBRUARY 2021

MEMBERS

* Cllr R Rowe - Chairman

* Cllr K J Baldry

* Cllr J P Birch

* Cllr J A Pearce

* Denotes attendance

∅ Denotes apology for absence

Officers in attendance:

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

CTSP.1/20 **MINUTES**

The minutes of the meeting of the Council Tax Setting Panel held on 21 February 2020 were confirmed as a true and correct record.

CTSP.2/20 **DECLARATIONS OF INTEREST**

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

CTSP.3/20 **DECLARATION OF THE COUNCIL TAX BASE AND INDIVIDUAL TAX BASES FOR TOWNS AND PARISHES: 2021/2022**

Consideration was given to a report that calculated and set out the Council Tax for 2021/22, having taken into account the precepts as notified from Devon County Council, Devon and Cornwall Police and Crime Commissioner, Devon and Somerset Fire and Rescue Authority, and the local Town and Parish Councils.

The Finance Specialist introduced the agenda item and asked that an amendment be made to Section 3 of the presented agenda report whereby the Devon and Somerset Fire and Rescue Authority had in fact met on '19 February **2021**' and not on '19 February 2020'.

It was then:

RESOLVED

1. That it be noted that, in December 2020, the Senior Leadership Team, under delegated authority from full Council, approved the Council Tax Base for the year 2021/22:

- (a) for the whole Council area as 38,298.32 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012; and
- (b) for dwellings in those parts of its area to which a Parish Precept relates in accordance with regulation 6 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012 (as outlined at Appendix A of the presented agenda report);
2. That the Council Tax requirement for South Hams District Council's own purposes for 2021/22 (excluding Parish precepts) is calculated at £6,718,291 (as outlined at Appendix B of the presented agenda report);
3. That the following amounts are calculated by the Council for the year 2021/22 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and the Localism Act 2011 (as outlined at Appendix B of the presented agenda report):
- (a) £46,197,067 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish/Town Councils (**Gross expenditure including parish precepts**).
- (b) £36,518,510 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act (**Total income including Business Rates and Council Tax Collection Fund deficit**).
- (c) £9,678,557 being the amount by which the aggregate at 3(a) above exceeds the aggregate at resolution 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act) (**Council tax requirement including parish precepts**).
- (d) £252.71 being the amount at resolution 3(c) above (Item R), all divided by the council tax base (resolution 1(a) above refers) in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (**Average band D council tax for South Hams District Council and parishes**).
- (e) £2,960,266 being the aggregate amount of all special items (Parish Precepts), referred to in Section 34(1) of the Act (as outlined at Appendix C of the presented agenda report);

(f) £175.42

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

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

Precepting authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Devon County Council's tax requirements	1007.52	1,175.44	1,343.36	1,511.28	1,847.12	2,182.96	2,518.80	3,022.56
Police & Crime Commissioner's tax requirements	157.71	183.99	210.28	236.56	289.13	341.70	394.27	473.12
Devon & Somerset Fire & Rescue Authority's tax requirements	60.00	70.00	80.00	90.00	110.00	130.00	150.00	180.00

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts of Council Tax for the year 2021/22 for each of the categories of dwellings shown at **Appendix D** of the presented agenda report (**total of all valuation band council taxes for South Hams District Council including parishes, county, police and crime commissioner and fire authority**).
6. That the Council concluded that the basic amount of Council Tax for South Hams District Council for 2021/22 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 (see calculation at **Appendix B** of the presented agenda report).

(Meeting commenced at 2.00pm and concluded at 2.07 pm).

Chairman

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**MINUTES OF THE MEETING OF THE
OVERVIEW & SCRUTINY PANEL,
HELD REMOTELY VIA TEAMS, ON
THURSDAY, 25 FEBRUARY 2021**

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 Hawkins, N A Hopwood, K Kemp, T Holway, J A Pearce, K Pringle, R Rowe and B Taylor

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Chief Executive; Deputy Chief Executive; Director Strategic Finance; Director Place and Enterprise; Democratic Services Manager; Monitoring Officer, Head of Housing, Revenues, and Benefits; Head of Strategy and Projects; Senior Specialist – Place making; Specialist – Leisure; and Democratic Services Specialist

O&S.35/20 MINUTES

The minutes of the meeting of the Overview and Scrutiny Panel held on 14 January 2021 were confirmed as a correct record.

O&S.36/20 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.37/20 PUBLIC FORUM

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

O&S.38/20 EXECUTIVE FORWARD PLAN

The Panel was presented with the most recently published Executive Forward Plan and noted its content without any further comment.

O&S.39/20 CONNECTING DEVON AND SOMERSET

At the invitation of the Panel, Matt Barrow (Stakeholder Engagement Officer at Devon County Council (DCC)) and Cllr Rufus Gilbert (Lead Councillor DCC, for Prosperity and Broadband) were in attendance to provide a presentation that updated on the work of Connecting Devon and Somerset's broadband project. Main points outlined were:

- Aim of project was to deliver on superfast agenda from Central Government;
- South Hams District Council (SHDC) was in 'Lot F' along with Teignbridge County Council, with first premises going live in July 2021;
- 1 million premises initially identified, with 300,000 premises passed, and 270,000 superfast broadband to homes and businesses; and
- 50,165 total premises identified in SHDC area, total delivered 38,897 (77.54%). Total delivered and planned was 48,204 which left 1,961 premises, and an overview of how these would be dealt with was provided to the meeting.

The Deputy Chief Executive then updated the Panel on the imminent recruitment of a Community Broadband Support Officer. Funding for this post had been achieved through match funding bid with the Local Government Association and West Devon Borough Council, and was for a twelve month period. It was intended that, when employed, the officer would engage with communities to develop best schemes, working closely with Connecting Devon and Somerset and suppliers, to facilitate project and timescales.

It was then:

RESOLVED

That the Panel welcome the proposed broadband provision as set out in the report and presentation, and the appointment of a Broadband Community Support officer, who, four months after his/her appointment, will report to the Panel on the progress in respect of the responsibilities set out at paragraph 3.2 of the presented agenda report.

O&S.40/20 LEISURE CONTRACT – FUSION ANNUAL REPORT 2020

The Executive Member for Leisure introduced a report which provided the Panel with Fusion's annual report and outlined plans for 2021.

At the invitation of the Panel, Greg Holland (Fusion, Regional Manager) gave a presentation of the Annual Report, during which the following key points were highlighted:

- Lockdowns 1 and 3 had been hard closures, ie mothballing of centres, with lockdown 2 a soft closure where water temperatures were dropped

rather than heating turned off. Monies received from Council had been used to support maintenance and asset protection.

- Centres would be reopened following Government guidelines, with new covid-19 procedures in place, including risk assessments, increased cleaning regimes, and training for staff, including CIMSPA (Chartered Institute for the Management of Sport and Physical Activity) accredited course.
- Greatest lesson learnt from first lockdown was for increased communication with customers. Mitigation included introduction of dedicated customer service team that would be available seven days a week. Mr Holland also confirmed that it was intended to continue to build on communication with customers.
- Staff review had been carried out in July 2020, with redundancy of 37 positions concluded in November 2020
- Currently working on financial projections for April 2021 to March 2022 – once completed this, and review of pricing structure, would be brought to SHDC.

Further to questions from Members, Mr Holland confirmed that signs would remain in place, as would online bookings and 'Fusion on Demand'. It was also confirmed that the Council and Fusion had applied for funding to cover Lockdown 3, and this payment was expected imminently. Mr Holland confirmed that no staff positions had been lost through the introduction of cashless payment.

It was then:

RESOLVED

That the Overview and Scrutiny Panel note the contents of Fusion's Annual Report for 2020 and proposals for 2021.

O&S.41/20 HOUSING STRATEGY 2021-2026 'BETTER HOMES, BETTER LIVES' – CONSULTATION RESPONSES

The Panel was presented with a report that asked the Panel to consider the approach and responses to the Housing Strategy public and partner consultation. It was noted that there had been a good response to the public consultation with many suggestions being incorporated into the report. The lead officer also confirmed that any recommendations arising from this Panel meeting would be incorporated into the Strategy prior to its consideration by the Executive on 11 March 2021.

During questions from Members, it was clarified that the Council was restricted in its ability to counter the proliferation of second homes and holiday lets, being able to only increase Council Tax Premium (which had been effected), and lobby Central Government for a change in the law. Imposition of permanent residency clauses was constrained by Neighbourhood Plans but was utilised when available. The Leader of the Council noted that previous supply of affordable housing had not

provided for the greatest need, ie the need for family homes, but that this would now be addressed.

It was then:

RECOMMENDED

That the Panel **RECOMMEND** to the Executive changes to the draft Housing Strategy as set out at paragraphs 1.4, 1.5, 2.12, 3.2, 3.3, 3.4, and 3.5 of the presented agenda report.

O&S.42/20 TASK AND FINISH GROUP UPDATES: FEEDBACK FROM OUTSIDE BODIES PROPOSAL

Further to a Question on Notice that had been raised with the Chair of the Panel at the Council meeting held on 11 February 2021, the Chair proposed the Panel approve the establishment of a Task and Finish Group to review the feedback process for Members sitting on Outside Bodies and the benefit to Council of these positions.

The Chair then recommended to the Panel that:

- A Task and Finish Group be set up to scrutinise the means of reporting back to Council and to evaluate the benefit to Council of it being represented on outside bodies;
- The Group would report back with any recommendations to the meeting of the Panel on the meeting on 1st April 2021. The Chair suggested that the Task and Finish Group should consist of three Members of the Conservative Group and three Members of the Opposition Group, and the Task and Finish Group to be chaired by Cllr Barrie Spencer.

During the ensuing discussion, the following points were made:

- (a) Several Members felt that the detail of the Task and Finish Group should have been left to discussion following the Panel voting to accept the need for a Task and Finish Group. It was also felt that this was not a priority during the Covid Pandemic impacting on officer time.
- (b) Other Members outlined their support for such a task and finish group as they felt that they were unaware of the various representations on Outside Bodies, and what benefit such representation gave to the Council.
- (c) The Chair concluded that this agenda item had been in response to a Member Question on Notice and that the Task and Finish Group

would be working to a very short timescale with a report coming back to the Panel for the meeting on the 1st April, 2021. This was to allow any recommendations to go to Executive, and then on to Full Council in time for the Annual Council meeting on 20th May 2021 when the representatives of Outside Bodies were voted upon.

- (d) It was acknowledged that many of these Outside Bodies positions were a statutory requirement.

It was then:

RESOLVED

That:

- A Task and Finish Group be set up to scrutinise the means of reporting back to Council and to evaluate the benefit to Council of it being represented on Outside Bodies. And,
- The Group would report back with any recommendations to the meeting of the Panel on 1 April 2021. The Panel to consist of three Members of the Conservative Group and three Members of the Opposition Group, and to be chaired by Cllr Spencer.

Further to this decision being approved, a draft set of Terms of Reference for the Task and Finish Group were then outlined. It was further agreed that there should be only one or two meetings of the Group, and the timetable of meetings should fit into the timetable of the parallel review of the Decision Making report.

It was then:

RESOLVED

- That the draft Terms of Reference (as presented to the meeting) be approved.

O&S.43/20 EXTERNAL REPRESENTATIVE(S) ATTENDANCE AT PANEL MEETINGS: LESSONS LEARNED

The Panel was given an overview of issues and feedback received following attendance by external representatives, at previous meetings:

Main points were:

- Some external presentations had been too long
- With virtual meetings, a Panel meeting being held on the same day as the joint Overview & Scrutiny/Development Management meeting was not well received

- Some agenda reports were being published too close to meetings giving insufficient time for papers to be read, and
- Asking for Members questions in advance (that are then included within the external presentation) was well received

The Deputy Chief Executive then outlined recommended improvements:

- That a properly scheduled and structured annual work programme be approved (thereby ensuring that agendas are not unduly long)
- That advanced questions be invited from Members
- That presentations be time limited
- That any presentation slides /reports from external representatives be included with the published agenda at least five clear working days before the meeting.

During the ensuing discussion, the following points were made:

- (a) A Member stated that materials for meetings needed to be received in sufficient time to allow for reading before questions could be submitted beforehand;
- (b) It was clarified that questions could still be asked at the meeting; and
- (c) The work programme would give advance warning of planned attendance by outside bodies to enable Members to think about questions to be covered in any up-and-coming presentation.

It was then:

RESOLVED

That the following improvements be made to the Panel's working practices:

- That a properly scheduled and structured annual work programme be approved (thereby ensuring that agendas are not unduly long)
- That advanced questions be invited from Members with these being dealt with during the representative(s) presentation;
- That presentations (and any further Member Questions) be time limited;
- That the calendar of meeting for 2021/22 (and thereafter) be drafted to ensure that a Panel meeting is not held on the afternoon of the annual O+S / DM Budget Meeting; and
- That any presentation slides /reports from external representatives be included with the published agenda at least five clear working days before the meeting.

O&S.44/20 ANNUAL PANEL WORK PROGRAMME

During consideration of the latest version of the Panel's Annual Work Programme, it was agreed that the final meeting of the municipal year on 1st April 2021, would include the following:

- Executive Forward Plan
- Sustainable Community Locality Fund
- Section 106 Agreement Schedule
- Report from the Task and Finish Group on Outside Body representation
- Other Task and Finish Group updates (if any)

O&S.45/20 2021/22 PANEL WORK PROGRAMME – INITIAL THOUGHTS

The Chair began by quoting from the Council's Constitution:

“Production of work programmes: The Scrutiny function will, early in each municipal year, produce a work programme for the Overview and Scrutiny Panel for that year. The Panel will keep the work programme under review during the course of the year. The work programme will be devised having regard to the resources available to the time constraints of the Members and officers, and the interests of the local community.

In light of this, the Chair proposed a meeting of the Chairs and Vice Chairs of Overview & Scrutiny Panel and the Executive, along with the Chief Executive, the Deputy Chief Executive, and the Manager of Democratic Services, to develop a work programme for the next municipal year. This work programme would then be brought back to the Panel on 1 April 2021 following the above proposed meeting.

This was agreed by the Panel.

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

Chairman

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**MINUTES OF THE MEETING OF THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD, via TEAMS, ON WEDNESDAY,
3 March 2021**

Members in attendance * Denotes attendance ∅ Denotes apologies			
*	Cllr V Abbott	*	Cllr M Long
*	Cllr J Brazil (Chairman)	*	Cllr D O’Callaghan (substituting for Cllr Pannell)
*	Cllr D Brown	∅	Cllr G Pannell
*	Cllr R J Foss (Deputy Chair)	*	Cllr K Pringle
*	Cllr J M Hodgson	*	Cllr R Rowe
*	Cllr T R Holway	*	Cllr B Taylor
*	Cllr K Kemp		

Other Members also in attendance and participating:
Cllrs H Bastone, J Birch, J Pearce and J Sweett

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Planning; Legal Officer; Planning Specialists; and Democratic Services Officers
Item 6a)	0227/20/FUL	AONB Manager
Item 6c)	4039/18/FUL	Head of Environmental Health & Licensing
Item 6d)	2274/19/FUL	Specialist – Strategic Planning

DM.56/20 MINUTES
The minutes of the meeting of the Committee held on 3rd February 2021 were confirmed as a correct record by the Chairman.

DM.57/20 DECLARATIONS OF INTEREST
Members and officers were invited to declare any interests in the items of business to be considered and the following was made:

Cllrs R Rowe and B Taylor both declared a personal interest in applications 0227/20/FUL (Bantham Estate Yard) and 4039/18/FUL (Rainbow View, Totnes) as they were Members of the South Devon AONB Partnership Committee. Both Members remained in the meeting and took part in the debate and vote thereon;

DM.58/20 PUBLIC PARTICIPATION

The Chairman noted the list of members of the public, and town and parish council representatives who had registered their wish to speak at the meeting.

DM.59/20

PLANNING APPLICATIONS

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

6a) 0227/20/FUL Bantham Estate Yard, Bantham

Parish: Thurlestone

Development: Erection of new Estate & Harbour Office; and granting of temporary 18 month consent for continued use of land for siting of portacabins and associated parking of vehicles for use as temporary estate office

Case Officer Update: The Case Officer's report outlined one letter of support, but since writing the report, the Council had received a second. There had also been a representation received from Thurlestone Parish Council. The Parish Council had read the supporting comments from the Applicant's Agent which stated that the Parish Council supported the application. However, the Parish Council wished to clarify that, whilst they accepted the need for a new Estate Office near the centre of operations, they had not said that a new building would be of benefit, nor that the Parish Councillors site visit was also from the Coronation Boathouse, and the Parish Council had not said the views were better from the proposed location. However, the Parish Council did agree that the Boathouse was not a practical alternative due to the potential for flooding of the ground floor. The Case Officer confirmed that she had also received five late Letters of Representation in objection, however no new matters were raised. It was confirmed that a planning application had been received by the Council for the Boathouse to become a restaurant.

Speakers included: Objector – Ms G Stone; Supporter – Mr R Hooper; Ward Members – Cllr J Pearce and Cllr M Long;

Recommendation: Conditional approval

Committee decision: Conditional approval

Conditions:

1. Standard three year time limit for commencement of development
2. Temporary permission for portacabins
3. Removal of portacabins
4. Development to be carried out in accordance with approved drawings
5. Office use only
6. Landscape proposals
7. Adherence to biodiversity mitigation and enhancement measures
8. Details of and restriction on external lighting
9. Samples of materials
10. DEV32 compliance
11. EVCP details
12. CMP
13. Construction hours
14. Foul drainage
15. Surface water drainage
16. Trees
17. WSI

Pre-commencement conditions agreed 15th February 2021

6b) 2873/20/FUL Rainbow View, Parkers Way, Totnes, TQ9 5UF

Town: Totnes

Development: Additional storeys to existing building to create 5 new duplex units

Case Officer Update: no update

Speakers included: Supporter – Mr I Walmsley; Parish Council – Cllr G Allen; Ward Members – Cllrs J Birch & J Sweet

Recommendation: Conditional approval – subject to the submission of a detailed plan indicating the position of the photovoltaic panels.

Committee decision: Conditional approval – subject to the submission of a detailed plan indicating the position of the photovoltaic panels.

Conditions: (List not in full)

1. Time limit
2. Accord with plans
3. Samples of materials
4. Biodiversity enhancements
5. Adherence to ecology report
6. Unexpected contamination
7. No external lighting, with lux level no more than 0.5 lux in the areas where there is wildlife present to be submitted and agreed by the LPA prior to

occupation of the flats hereby approved.

8. Protection of trees along northern boundary.
9. Enhanced landscaping along rear boundary hedge
10. The EV charging points identified on plan shall be installed and made available for use prior to the occupation.

6c) 4039/18/FUL Land at SX 776 416, Winslade Farm, Frogmore

Parish: Frogmore & Sherford

Development: Change of use of part of field to provide extended external farm manure store, along with associated engineering operations (Resubmission of 0147/18/FUL)

Case Officer Update: no update

Speakers included: Objector – Mr A Smith; Ward Member – Cllr R Foss;

Recommendation: Conditional approval

Committee decision: Conditional approval

Conditions:

1. Time
2. In accordance with plans
3. Details of perimeter fencing
4. EA notification
5. Odour management plan
6. Landscaping

Key issues for consideration: Principle, landscape, pollution

6d) 2274/19/FUL Coombe Park, Ashprington, TQ9 7DY

Parish: Ashprington

Development: Refurbishments and extension of existing office/studio/workshop building with the construction of new two-storey office/studio/workshop building and associated additional parking and service provision

Case Officer Update: Case officer confirmed that the Council had received an updated plan showing the location of the air source heat pumps and the Solar PV panels.

Speakers included: Supporter – Mr J English; Ward Member – Cllr J McKay;

Recommendation: Refusal

During the debate, several Members outlined support for this application because the expansion of this site was, in their opinion, sustainable, close to Totnes, there was a proven need for more of the small sized units already at the site, and the new building would help build a resilient, green economy with environment and biodiversity gains in the South Hams District.

Committee decision: Conditional approval

Conditions:

As outlined below with delegated approval to Head of Practice, Chair, Vice Chair, Proposer, and Seconder:

1. Time
2. In accordance with plans
3. Use class E g (i) (ii) (iii), B2 and B8 only
4. Maximum unit size
5. Materials
6. Landscaping (hard and soft)
7. In accordance with tree protection
8. Lighting strategy
9. Noise levels
10. LEMP
11. In accordance with energy statement
12. Details ASHP
13. Travel plan
14. Drainage
15. EV charging point

DM.60/20 PLANNING APPEALS UPDATE

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

The Head of Development Management (DM) provided further details on specific recent appeal decisions. Following a question from the Chair, the Head of Development Management agreed to investigate the appeal for Churchill, in particular appealing for costs, and would report back to the next Committee.

The Lawyer then updated the Committee on Moulton Hill Barn appeal on enforcement. The recent appeal result in January 2021 had updated that the barn did not need to be demolished but the internal layout should be altered to encourage larger groups to stay in a more simplistic style, rather than the high end use it was currently providing.

DM.61/20 UPDATE ON UNDETERMINED MAJOR APPLICATIONS

Members noted the list of undetermined major applications.

The Head of DM requested that, if possible, any questions were to be submitted before the meeting.

Following a question from the Vice Chair, the Lawyer agreed to provide an update on Creek Close, Frogmore.

(Meeting commenced at 10:00 am and concluded at 4:06 pm: with a ten minute break at 12:00 noon, and a half hour break at 1:42 pm)

Chairman

Voting Analysis for Planning Applications – DM Committee 3rd March 2021

Application No:	Site Address	Vote	Councillors who Voted Yes	Councillors who Voted No	Councillors who Voted Abstain	Absent
0227/20/FUL	Bantham Estate Yard, Bantham	Refusal	Cllrs Hodgson, Long, O'Callaghan (3)	Cllrs Abbott, Brazil, Brown, Foss, Holway, Kemp, Pringle, Rowe, Taylor (9)	(0)	(0)
0227/20/FUL	Bantham Estate Yard, Bantham	Approval	Cllrs Abbott, Brazil, Brown, Foss, Holway, Kemp, Pringle, Rowe, Taylor (9)	Cllrs Hodgson, Long, O'Callaghan (3)	(0)	(0)
2873/20/FUL	Rainbow View, Parkers Way, Totnes, TQ9 5UF	Refusal	Cllrs Foss, Hodgson, Long, O'Callaghan, Rowe (5)	Cllrs Abbott, Brazil, Brown, Holway, Pringle, Taylor (6)	Cllr Kemp (1)	(0)
2873/20/FUL	Rainbow View, Parkers Way, Totnes, TQ9 5UF	Approval	Cllrs Abbott, Brazil, Brown, Holway, Pringle, Taylor (6)	Cllrs Hodgson, Long, O'Callaghan, Rowe (4)	Cllrs Foss, Kemp (2)	(0)
4039/18/FUL	Land at SX 776 416, Winslade Farm, Frogmore	Approval	Cllrs Abbott, Brazil, Brown, Foss, Holway, Pringle, Rowe, Taylor (8)	Cllrs Hodgson, Kemp, Long, O'Callaghan (4)	(0)	(0)
2074/19/FUL	Coombe Park, Ashprington, TQ9 7DY	Approval	Cllrs Abbott, Brazil, Brown, Foss, Hodgson, Holway, Kemp, Long, O'Callaghan, Pringle, Rowe, Taylor (12)	(0)	(0)	(0)

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD VIA TEAMS ON THURSDAY, 11 MARCH 2021**

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

Also in attendance:
Cllrs Abbott, Austen, Birch, Brazil, Hodgson, Holway, Kemp, Long, McKay, O'Callaghan, Pringle, Reeve, Rowe, Spencer, Sweet and Taylor

Officers in attendance and participating:		
All items		Senior Leadership Team; Monitoring Officer; and Democratic Services Manager
Item 7	E.70/20	Head of Housing, Revenues and Benefits
Item 10	E.73/20	Senior Specialist – Environmental Health

E.65/20 MINUTES

The minutes of the Executive meeting held on 28 January 2021 were confirmed as a true and correct record.

E.66/20 URGENT BUSINESS

The Chairman advised that she had agreed for one urgent item to be raised at this meeting that related to the 'Plymouth and South Devon Freezone'. This item was considered urgent in light of the associated time constraints and would be considered immediately.

(a) Plymouth and South Devon Freezone

The Leader proceeded to introduce this urgent item and presented a Briefing Paper that described how the Freezone was an opportunity to shape national policy around our own objectives; secure up to £17 million of infrastructure funding; drive inward investment and exceed our already ambitious Joint Local Plan delivery targets for employment sites, jobs and the economy.

In discussion, whilst some Members remained sceptical over the 'Freezone' initiative and were wary of the potential resource implications on the Council's already stretched workforce, other Members emphasised the significance of this opportunity and the likely enormity of the benefits to the South Hams.

It was then:

RESOLVED

1. That the contents of the Briefing Note be noted;
2. That the Council works with the Ministry of Housing, Communities and Local Government (MHCLG) and partner organisations to work up the detail of the Plymouth and South Devon Freezone; and
3. That it be noted that, once the detail of the Plymouth and South Devon Freezone has been finalised, the Director of Place and Enterprise will bring a further report seeking a formal decision as to whether to proceed or not.

E.67/20 DECLARATIONS OF INTEREST

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

E.68/20 PUBLIC QUESTION TIME

It was noted that no public questions had been received in accordance with the Executive Procedure Rules for consideration at this meeting.

E.69/20 EXECUTIVE FORWARD PLAN

Members were presented with the Executive Forward Plan setting out items on the agenda for Executive meetings for the next four months and noted its content.

In so doing, the Chairman of the Overview and Scrutiny Panel advised that there was some public perception that progress against the Council's Climate Change & Biodiversity Action Plan had suffered as a result of the COVID-19 Pandemic. To reassure the public, the Panel Chairman proceeded to ask whether an update on the Action Plan could be brought forward to the Executive earlier than was set out in its Forward Plan (June). In response, the Leader highlighted the Council resolution arising from the Council Meeting held on 17 December 2020 (Minute 28/20 refers) that committed to six-monthly reviews being presented to the Executive and the Overview and Scrutiny Panel and she did not see the need to bring a report before June. However, the Leader did commit to providing a progress update to Members via a Briefing Paper in a future Members' Bulletin edition.

E.70/20 **“BETTER HOMES, BETTER LIVES” ADOPTION OF SOUTH HAMS AND WEST DEVON HOUSING STRATEGY 2021-2026**

Members were presented with a report that sought to recommend to Council the adoption of “Better Homes, Better Lives” 2021-2026 Housing Strategy for South Hams and West Devon.

In discussion, Members thanked those individuals and organisations that had made representations during the public consultation exercise for their well-informed comments. In addition, a number of Members wished to record their thanks to the lead officers (and in particular the Head of Housing, Revenues and Benefits) for their hard work in developing such a comprehensive Strategy and Action Plan whilst also being heavily involved in the Council’s response to the COVID-19 Pandemic.

It was then:

RECOMMENDED

- 1) That the Executive **RECOMMEND** to Council that the “Better Homes, Better Lives” South Hams and West Devon Housing Strategy 2021-2026 be adopted; and
- 2) That the Delivery Plan for 2021 be agreed.

E.71/20 **MONTH 10 REVENUE BUDGET MONITORING 2020/2021 (TO THE END OF JANUARY 2021)**

The Executive considered a report that presented the Month 10 (to the end of January 2021) Revenue Budget Monitoring Report.

In discussion, reference was made to the Schedule of Reserves (as set out Appendix A of the presented agenda report). Whilst accepting that a proportion of the Reserves were allocated, a non-Executive Member questioned the plans for those that were unallocated. In response, the Leader advised that some of these unallocated monies would be used when the Council entered ‘high season mode’ (from 1 April) during which provision would be increased for services including street cleaning and localities. As a consequence, it was agreed that, for monitoring purposes, these additional spends should be fully documented.

It was then:

RESOLVED

1. That the significant forecast income and expenditure variations for the 2020/21 Financial Year and the overall projected surplus of £321,000 against the 2020/21 Amended Budget (3.41% of the total Budget of £9.41 million) be noted;

2. That Council be **RECOMMENDED** to transfer the Business Rates Pooling Gain of £225,000 for 2020/21 into the Business Rates Retention Earmarked Reserve (*NB. this would leave a remaining surplus on the 2020/21 Accounts of £96,000 (£321,000 less £225,000) against the 2020/21 Amended Budget*);
3. That Council be **RECOMMENDED** to transfer £120,000 of salary savings from 2020/21 into a Salary Savings Earmarked Reserve to be ringfenced to support salary costs in 2021/22 (as set out in Section 1.8 of the presented agenda report);
4. That Council be **RECOMMENDED** to transfer £80,000 of the underspend in the Waste Budget into the Sustainable Waste Management Earmarked Reserve to reflect the fact that the majority of the implementation costs of the Devon Aligned Service will now be in 2021/22, as opposed to being anticipated to be in 2020/21 (as set out in Section 1.11 of the presented agenda report); and
5. That Council be **RECOMMENDED** to transfer any award from the National Leisure Recovery Fund (the National £100 million Leisure Fund) into a Leisure Earmarked Reserve (as set out in Section 1.13 of the presented agenda report). (*NB. the Council's Indicative allocation is £160,000, which has been applied for*).

E.72/20

CAPITAL PROGRAMME MONITORING

Consideration was given to a report that advised Members of the progress on individual schemes within the approved Capital Programme. The report also included an assessment of the financial position of each of these schemes.

In discussion, a local Ward Member for Kingsbridge made reference to the section in the presented agenda report titled: 'investing in Kingsbridge'. Having sought assurances, the Deputy Leader gave the Member a commitment that the local Ward Members and Kingsbridge Town Council would be fully consulted from the infancy of any proposals being considered.

It was then:

RESOLVED

That the contents of the Monitoring Report be noted.

E.73/20 PUBLIC SPACE PROTECTION ORDER – DOG CONTROLS

A report was considered that requested that the Executive recommend to Council that a Public Space Protection Order 2021 be adopted in relation to the Control of Dogs for three years from 25 March 2021.

In discussion, the following points were raised:-

- (a) For clarity, it was recognised that part (a) of the report recommendation should be amended to read to: '*Carry the means to pick up and to pick up dog waste*'. At the point when the recommendation was proposed and seconded, this addition was included;
- (b) The lead officer confirmed that she would provide an explanation on the South Hams feedback to the consultation exercise (Appendix 2 of the presented agenda report refers) to interested Members outside of the meeting;
- (c) In emphasising the importance of policing the Order, Members were informed that localities officers had the powers to issue penalty tickets;
- (d) Since the proposals within the Order presented dog walkers with a choice to be able to access certain specified beaches, this was felt to represent a fair balance.

It was then:

RECOMMENDED

That, with immediate effect, Council be **RECOMMENDED** to adopt the Public Space Protection Order 2021 (as set out at Appendix 1 of the presented agenda report) for three years to 24 March 2024. The 2021 Order will apply the following district wide provisions requiring dog walkers to:

- (a) Carry the means to pick up and to pick up dog waste;
- (b) Keep dogs on leads on land designated as a 'Dogs on Lead Area';
- (c) Comply to put and keep dogs on leads if so directed (by an authorised officer);
- (d) Prevent dogs from accessing a 'Dog Exclusion Zone' (which is not a beach); and
- (e) Prevent dogs from accessing specified beaches designated, at times, as 'Dog Exclusion Zones'.

E.74/20 HARBOUR DEPOT, BATSON CREEK, SALCOMBE

The Executive considered a report that provided a Harbour Depot project update and sought to recommend to Council a series of corresponding recommendations.

During the ensuing discussion, reference was made to:-

- (a) widespread support being expressed for the project. In addition, it was noted that a version of the report was also to be considered at the Salcombe Harbour Board meeting to be held on Monday, 15 March and it was hoped that similar support would be expressed at this meeting;
- (b) the disruption of Creek Car Park. The Leader highlighted the inevitable disruption to Creek Car Park and requested that officers work closely with Salcombe Town Council in order to minimise the impact.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council to:

- 1) approve proceeding with the construction of the new Harbour Depot at Batson Creek, Salcombe in accordance with the existing planning permission (Ref. 1522/19/FUL);
- 2) approve the revised Business Case (as set out at Exempt Appendix A of the presented agenda report), increasing the Capital Budget from £1 million to £1.425 million);
- 3) approve proceeding with awarding the Construction Contract (as set out at Exempt Appendix A of the presented agenda report);
- 4) approve proceeding with the delivery of the new substation and 1MW transformer through Western Power Distribution;
- 5) approve the use of £200,000 from the Marine Infrastructure Reserve to fund part of the capital cost of the project; and
- 6) make an internal borrowing facility available to Salcombe Harbour Authority, in the form of a 50 year loan of up to £1.225 million at a fixed interest rate of 1.5% to fund the construction.

(NB. in accordance with Executive Procedure Rule 1.9.4, Cllr Pearce (as a local Ward Member) took part in the debate, but abstained from the vote on this agenda item).

E.75/20

COMMERCIAL UNITS, BATSON CREEK, SALCOMBE

The Deputy Leader presented a report that provided a Commercial Units project update and sought to recommend to Council a series of corresponding recommendations.

In discussion, some Members stated the importance of these units being for Marine Business use and it was emphasised that every step should be taken by the Council to ensure that this was the end result.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council to:

- 1) approve proceeding with the construction of the five new Commercial Units at Batson Creek, Salcombe in accordance with the existing planning approval (Ref. 1505/19/FUL);
- 2) approve the revised Business Case (as set out at Exempt Appendix A of the presented agenda report), increasing the Capital Project Budget from £1 million to £1.28 million;
- 3) approve proceeding with awarding the Construction Contract (as set out at Exempt Appendix A of the presented agenda report);
- 4) approve proceeding with the delivery of the new substation and 1MW transformer through Western Power Distribution; and
- 5) Finance the project through internal borrowing, in the form of a 50 year loan of up to £780,000 at a fixed Interest Rate of 1.5% to fund the construction, with the remainder to be funded through capital receipts (as previously approved).

(NB. in accordance with Executive Procedure Rule 1.9.4, Cllr Pearce (as a local Ward Member) took part in the debate, but abstained from the vote on this agenda item).

E.76/20

RELEASE OF SECTION 106 FUNDS FOR AN AFFORDABLE HOUSING PROJECT AT BUTTERPARK, IVYBRIDGE

Members gave consideration to a report that sought to allocate £167,200 of Section 106 funds towards an affordable housing project for adults with learning disabilities at Butterpark, Ivybridge.

During discussion, both Executive and local Ward Members paid tribute to the work of Ivybridge Town Council in progressing this scheme, which was felt to be an excellent use of Section 106 monies.

It was then:

RESOLVED

That the Executive approve the allocation of £167,200 of Section 106 funds from the contribution from Cornwood Road, Ivybridge to spend on an affordable housing project for adults with learning disabilities at Butterpark, Ivybridge on land owned by Ivybridge Town Council (subject to planning approval being gained).

E.77/20 REQUEST FOR GRANT OF LONG LEASEHOLD RENEWAL

A report was considered that sought to overcome some anomalies that had been identified with the existing lease to Bickleigh Parish Council for the Woolwell Centre.

In discussion, support was expressed for the proposed recommendation.

It was then:

RESOLVED

That authority be delegated to the Head of Practice for Assets, in consultation with the Section 151 Officer and Leader of the Council, to progress and conclude negotiations of a lease renewal to Bickleigh Parish Council for a term in excess of 15 years.

(NB. in accordance with Executive Procedure Rule 1.9.4, Cllr Hopwood (as the local Ward Member) took part in the debate, but abstained from the vote on this agenda item).

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.70/20 PART 1, E.71/20 PARTS 2, 3, 4 AND 5, E.73/20, E.74/20, AND E.75/20 WHICH WERE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 25 MARCH 2021, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 22 MARCH 2021 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 3:00 pm and concluded at 4.40 pm)

Chairman