

South Hams Executive



Title:	Agenda
Date:	Thursday, 13th October, 2022
Time:	9.30 am
Venue:	Council Chamber - Follaton House
Full Members:	<p style="text-align: center;">Chairman Cllr Pearce</p> <p style="text-align: center;">Vice Chairman Cllr Bastone</p> <p><i>Members:</i> Cllr Baldry Cllr Holway Cllr Hawkins Cllr Hopwood</p>
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 - 8
to approve as a correct record the minutes of the meeting of the Executive held on 21 September 2022;	
2. Urgent Business	
brought forward at the discretion of the Chairman;	
3. Division of Agenda	
to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;	
4. Declarations of Interest	
In accordance with the Code of Conduct, Members are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests and Non-Registerable Interests including the nature and extent of such interests they may have in any items to be considered at this meeting;	
5. Public Question Time	9 - 10
a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules;	
6. Executive Forward Plan	11 - 16
7. Cost of Living Response Plan	17 - 36
8. Key Partnerships Funding	
To follow;	
9. Proposed Changes to the Council Tax Reduction Scheme 2023/24	37 - 44
10. COVID-19 Additional Relief Fund (CARF)	45 - 50
11. Month 5 Revenue Budget Monitoring 2022/2023	51 - 64
12. Capital Programme Monitoring 2022/23	65 - 80
13. Housing Crisis Update	81 - 96

MINUTES OF A MEETING OF THE EXECUTIVE HELD IN THE COUNCIL CHAMBER ON WEDNESDAY, 21 SEPTEMBER 2022

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

Non-Executive Members also present either in person or remotely for all or part of the meeting:
Cllrs Abbott, Brazil, Brown, Long, O’Callaghan, Pringle, Reeve, Rowe and Spencer

Officers in attendance and participating:		
All items		Senior Leadership Team; Monitoring Officer; Democratic Services Manager; Head of Housing; Principal Private Sector Housing Officer; Deputy Section 151 Officer; Head of Strategy, Corporate Projects and Partnerships; Head of Waste and Environmental Services; and Head of Assets

E.28/22 HM QUEEN ELIZABETH II

Since this was the first formal Member meeting since Her Majesty Queen Elizabeth II had sadly passed away, Members proceeded, as a mark of respect, to stand and observe a minute’s silence in her memory.

E.29/22 MINUTES

The minutes of the Executive meeting held on 7 July 2022 and the Special Executive meeting held on 12 July were both confirmed as a true and correct record.

E.30/22 PUBLIC QUESTION TIME

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

E.31/22 EXECUTIVE FORWARD PLAN

Members were advised that, due to the delaying of this meeting, an updated version of the Forward Plan before them had since been published on the Council’s website and that this updated version would be circulated to all Members in due course.

E.32/22

2021/22 DRAFT REVENUE AND CAPITAL OUTTURN

The Executive considered a report that provided the draft Revenue and Capital Outturn position for 2021/22 and the schedule of the Reserve Balances at 31 March 2022

In discussion, the Leader expressed her disappointment that this year's External Audit of the Council was not yet complete.

It was then:

RESOLVED

That the draft Revenue and Capital outturn figures for the 2021/22 financial year, including the overall Revenue outturn position of an underspend of £214,000 for 2021/22 (2.2% of the total Budget £9.677 million), be noted.

E.33/22

WASTE AND RECYCLING SERVICES UPDATE

The Executive considered a report which provided an update on progress made following the recommendations and decisions taken by the Executive at its Special Meeting on 12 July (Minute E.27/22 refers) regarding the Waste and Recycling Service.

In discussion, the following points were raised

- a) The Deputy Chief Executive reported that a successful and productive meeting had recently been held with the majority of Waste and Recycling staff that were due to return to the Council's employ at the beginning of October 2022. Members were grateful for this update and wished for a formal acknowledgement of thanks to be sent on behalf of the Executive to those operatives who had been working on the frontline in incredibly difficult circumstances in recent years;
- b) Members welcomed the confirmation received from officers that street cleanliness was recognised as being very high on the list of priorities when the service returned in-house;
- c) It was noted that a detailed (and appropriately worded) letter would be sent from the Council to all of its residents concerning the new in-house Service at the start of October 2022;
- d) In recognition of the environmental and sustainability benefits, it was felt to be disappointing that, despite the Council allocating £200,000, there had yet to be any take up of any additional Community Composting Scheme across the District;
- e) It was vital that the Council took account of the experience and knowledge of the current waste and recycling workforce to help improve the operation of the Service. Furthermore, the local knowledge and expertise of all local Ward Members and Town and Parish Councils had to also be utilised as quickly as possible;

- f) Some Members stated that residents were not appreciative of the repeated reference in Council communications to the Garden Waste service being defined as 'free of charge'. Residents were of the view that they had been paying for the service via their Council Tax precepts and these Members therefore asked that this statement be removed from any related future communications;
- g) With regard to the recommendations to Full Council that related to the Garden Waste Service, it was felt that the proposal to charge for the Service would offer residents the choice on whether to engage with the service or not. In addition, the point was made that a service charge was necessary in order to make the Service viable moving forward.
- h) Members noted that a more detailed report on the operating costs of the service was to be presented to the Executive Meeting to be held on 1 December 2022;

It was then:

RESOLVED

1. That the actions being taken by the project team to ensure a safe transfer of the service on 3 October 2022 be endorsed;
2. That the approach to the service transition phase be endorsed;
3. That the information in section 5 of the presented agenda report regarding the garden waste collection service be considered and recommended to Council to implement a chargeable garden waste service from March 2023;
4. That a further report be brought back to the Executive at its 1 December 2022 Meeting on the progress of the transition period and the costs incurred to date on the service transfer;
5. That the organisational changes made by the Head of Paid Service be noted and the further changes required to ensure that the Waste and Operations team and the wider organisation, has the capacity and skills required to deliver the Council's key services and corporate priorities be endorsed;
6. That the use of the £120,000 from the Revenue Grants Earmarked Reserve to fund the Council's share of the 2-year fixed term senior role outlined in paragraph 6.3.2 of the presented agenda report be approved;

That Council be **RECOMMENDED** to:

7. end the current free non-statutory Garden Waste collection service from Monday, 31 October 2022 to ensure that there are sufficient resources and capacity to deliver the statutory waste and recycling collections services; and
8. introduce a chargeable, fortnightly Garden Waste collection from early spring 2023 at a charge of £2.49 per bin per household subscription.

E.34/22

MEDIUM TERM FINANCIAL STRATEGY 2023/24 TO 2025/26

Consideration was given to a report that presented the Council's Medium Term Financial Strategy from 2023/24 to 2025/26.

In discussion, Members were of the view that the recommendations constituted a sensible set of proposals for the three-year period from 2023/24 to 2025/26. When questioned, the Section 151 Officer informed that it was slightly too early to undertake any accurate modelling work on the potential impact of the closure of the Business Rates loophole.

It was then:

RESOLVED1. That Council be **RECOMMENDED**:

- i To set the strategic intention to raise Council Tax by the maximum allowed in any given year, without triggering a Council Tax Referendum, to endeavour to continue to deliver services. (NB. The actual Council Tax for 2023/24 will be decided by Council in February 2023);
- ii To continue to respond to Government consultations on Business Rates Reform;
- iii To continue to actively lobby and engage with the Government, Devon MPs, South West Councils and other sector bodies such as the District Councils' Network and the Rural Services Network, for a realistic business rates baseline to be set for the Council for 2024 onwards, when the business rates reset is predicted to happen (this is the earliest date it might happen);
- iv That the Council continues to lobby in support of the Government eliminating Negative Revenue Support Grant in 2023/24 (and thereafter) and continues to lobby for Rural Services Delivery Grant allocations which adequately reflect the cost of rural service provision; and

- 2. That the forecast budget gap for 2023/24 of £374,616 (3.3% of the projected Net Budget of £11.47million) and the position for future years, be noted.

E.35//22

HOUSING CRISIS UPDATE - ENERGY EFFICIENCY IN HOMES

The Executive was presented with a report that provided an update on the Schemes that the Council was able to promote, enable and administer to assist householders and landlords with improving energy efficiency, improving the thermal comfort of homes and reducing energy usage.

In the ensuing debate:

- a) Members sought reassurance that the Grants and Schemes available were clearly advertised and communicated to local residents and that the application process was as straightforward as Central Government criteria permitted;
- b) the complexities of implementing schemes within South Hams properties was acknowledged;
- c) it was suggested that the number of Schemes and associated contractors were causing some residents to be confused and unsure but a partnership of Local Authorities were operating a Code of Practice amongst the contractors to help inform residents of an 'approved' accredited list.

It was then:

RESOLVED

That the content of the presented report, along with progress to date on the schemes, be noted and support for the council's energy efficiency work be continued.

E.36/22

HOMES FOR UKRAINE

The Executive considered a report that provided an overview of how the Council was responding to the needs of people escaping the War in Ukraine, including delivery of the Homes for Ukraine scheme and wider support to other Ukrainian people settling in the District.

In the ensuing discussion, reference was made to:

- (a) the dedication and hard work of the team. In recognition of the work of officers, an additional recommendation was **PROPOSED** and **SECONDED** as follows:

'That the Executive wishes to put on record its thanks to the team for all its work on this Scheme.'

When put to the vote, this addition was declared **CARRIED**;

- (b) the support provided by Citizens Advice South Hams and the Council for Voluntary Service. In reply to a question, officers confirmed that the support provided to Ukrainian people settling in the South Hams by these organisations was invaluable;
- (c) the £350 host monthly thank you payment. Whilst it was recognised that the position of Minister for Refugees was currently vacant, it was hoped that, when appointed, the new Minister would authorise an increase in the monthly thank you payment.

It was then

RESOLVED

1. That the progress the Council has made under the Homes for Ukraine scheme be noted;
2. That the Leader write to the Minister for Refugees to seek clarity on the future of the Homes for Ukraine scheme and request a more permanent solution;
3. That the significant contribution that our hosts, voluntary and community sector have already played in welcoming Ukrainian guests to the area be noted; and
4. That the Executive wishes to put on record its thanks to the team for all its work on this Scheme.

E.37/22

COST OF LIVING CRISIS

The Executive was presented with a report which considered the support the Council had already put in place and proposed further steps to be taken to ensure our residents were supported over the coming months.

In debate, Members expressed concern for small businesses as well as residents within the District but acknowledged that the Council had no direct access to funding to assist businesses, which were dependant on Central Government providing funding support.

It was then:

RESOLVED

1. That Cllr Hopwood be appointed as the Council's lead Member to respond to the cost of living crisis;
2. That the Council be requested to mobilise its resources and work with partners to ensure a responsive, co-ordinated approach to the cost of living challenges faced by residents; and
3. That the Leader of Council lobby Central Government to substantially increase the funding provided to address the cost of living crisis and to support the Local Government Association in its call for a solution to address the cost of living crisis to reduce the need for emergency support.

E.38/22 **EXCLUSION OF PUBLIC AND PRESS**

It was then:

RESOLVED

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item of business as the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Act is involved.

E.39/22 **REQUEST FOR RENEWAL OF LONG LEASE**

Consideration was given to an exempt report that sought approval for the renewal of a long lease.

It was then:

RESOLVED

That authority be delegated to the Head of Assets, in consultation with the Section 151 Officer and Leader of the Council, to progress and conclude detailed negotiations of the lease renewal for a term in excess of 15 years.

(Meeting commenced at 9.30 am and concluded at 11.20 am)

Chairman

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF MINUTES E.33/22 (PARTS 7 & 8) AND E.34/22 (PART 1 (i-iv)) (WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 22 SEPTEMBER 2022 (FOR MINUTE E.33/22 PARTS 7&8) AND THE COUNCIL MEETING TO BE HELD ON 15 DECEMBER 2022 (FOR MINUTE E.34/22 PART 1) WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 3 OCTOBER 2022 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINYPROCEDURE RULES).

PUBLIC QUESTIONS AT EXECUTIVE MEETINGS

There is a period of 15 minutes at meetings of the Executive during which members of the public can ask questions about items on the agenda.

Any member of the public who wants to ask a question should ensure that the question:

- a) is no more than 50 words in length;
- b) is not be broken down into multiple parts;
- c) relates to an item included on the agenda; and
- d) is suitable to be considered. A question will not be suitable if, for example, it is derogatory to the Council or any third party; relates to a confidential matter; it is about a specific planning matter; or it is substantially the same as a question asked in the past six months.

Questions should be sent to Democratic Services (Democratic.Services@swdevon.gov.uk) by **1.00pm** on the Monday before the meeting (the deadline will be brought forward by a working day if affected by a bank holiday). This will allow a detailed response to be given at the meeting. If advance notice of the question cannot be given the Chairman of the meeting has the discretion to allow questions on matters that are felt to be urgent;

For any further advice on questions to the Executive, or to request a copy of the full Public Questions Procedure Rules, please contact Democratic Services (Democratic.Services@swdevon.gov.uk)

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Executive Leader's Forward Plan

About the Forward Plan

This is the Leader of Council's provisional forward plan for the four months starting October 2022. It provides an indicative date for matters to be considered by the Executive. Where possible, the Executive will keep to the dates shown in the plan. However, it may be necessary for some items to be rescheduled and other items added.

The forward plan is published to publicise consultation dates and enable dialogue between the Executive and all councillors, the public, and other stakeholders. It will also assist the Council's Overview and Scrutiny Committee in planning their contribution to policy development and holding the Executive to account.

Local authorities are required to publish updated forward plans on a regular basis. The Plan is published on the Council's website (www.southhams.gov.uk)

About the Executive

The Executive consists of six Councillors. Each has responsibility for a particular area of the Council's work.

- Leader of the Council with specific responsibility for Improving Homes / Protecting, Conserving and Enhancing our Built and Natural Environment– Cllr Judy Pearce
- Deputy Leader of the Council with specific responsibility for Stimulating a Thriving Economy – Cllr Hilary Bastone
- Lead Executive Member for Environment – Cllr Keith Baldry
- Lead Executive Member for Health and Wellbeing – Cllr Jonathan Hawkins
- Lead Executive Member for Climate Change and Biodiversity – Cllr Tom Holway
- Lead Executive Member for Council Services – Cllr Nicky Hopwood

Further information on the workings of the Executive, including latest information on agenda items, can be obtained by contacting Democratic Services on 01803 861105 or by e-mail to democratic.services@swdevon.gov.uk

All items listed in this Forward Plan will be discussed in public at the relevant meeting, unless otherwise indicated with *



Forward Plan from October 2022

Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Council Services	Title: Cost of Living Crisis – Follow-Up Report Purpose: To consider a further report that sets out some of the measures that are being undertaken by the Council in response to the Cost of Living Crisis.	Cllr Hopwood / Drew Powell	Report of Director of Strategy and Governance	13 October 2022	
Council Services	Title: Customer Access Strategy Purpose: To consider a report that presents the draft Customer Access Strategy for further consideration. In addition, the report will also present a six-month progress review on the Contact Centre Improvement Plan.	Cllr Hopwood / Jim Davis	Report of Customer Service Improvement Manager	13 October 2022	
Health and Wellbeing	Title: Partnership Funding Purpose: To consider a report that presents an update on the Council's Partnership Funding arrangements.	Cllr Hawkins / Neil Hawke	Report of the Head of Strategy and Projects	13 October 2022	
Council Services	Title: Council Tax Reduction Scheme Purpose: To consider a report that reviews the effectiveness of the existing Scheme and recommends (any) potential revisions for adoption.	Cllr Hopwood / Geni Hotchkiss	Report of Head of Revenues and Benefits	13 October 2022	
Council	Title: Revenue Budget Monitoring Report to Month 5 Purpose: To consider a report that presents the Revenue Budget Monitoring Report to Month 4.	Cllr Bastone / Lisa Buckle	Report of Section 151 Officer	13 October 2022	



Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Council	Title: Capital Programme Monitoring Report to Month 5 Purpose: To consider a report that presents the Capital Programme Monitoring Report to Month 5.	Cllr Bastone / Pauline Henstock	Report of Head of Finance	13 October 2022	
Leader	Title: Housing Crisis – Standing Agenda Item	Cllr Pearce / Issy Blake	Report of Head of Housing	13 October 2022	
Environment	Title: Waste Service Update Purpose: To consider a report that provides a service provision update following the decision of Full Council on 22 September 2022.	Cllr Baldry / Steve Mullineaux	Report of the Deputy Chief Executive	1 December 2022	
Leader	Title: Draft Revenue and Capital Budget Proposals 2023/24 Purpose: To consider a report that presents for consultation a set of draft Revenue and Capital Budget proposals for 2023/24.	Cllr Pearce / Lisa Buckle	Report of Strategic Lead of Finance	1 December 2022	
Deputy Leader	Title: Write-off Reports Q1 and Q2 2022/23 Purpose: The Council is responsible for the collection of: Housing Rents, Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates. The report informs Members of the debt written off for these revenue streams.	Cllr Bastone / Lisa Buckle	Report of Strategic Lead of Finance	1 December 2022	
Leader	Title: Housing Crisis – Standing Agenda Item	Cllr Pearce / Issy Blake	Report of Head of Housing	1 December 2022	



Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Environment	Title: Motorhomes Policy Review Purpose: To consider a report that presents a review into the pilot Motorhomes Policy.	Cllr Baldry / Emma Widdicombe	Report of Senior Specialist - Parking	1 December 2022	
Climate Change	Title: Devon Carbon Plan Purpose: To consider a report that presents the draft Devon Carbon Plan for formal consideration.	Cllr Holway / Drew Powell	Report of Director of Strategy and Governance	1 December 2022	
Deputy Leader	Title: Revenue Budget Monitoring Report to Month 7 2022/23 Purpose: To consider a report that presents the Revenue Budget Monitoring Report to Month 7.	Cllr Bastone / Lisa Buckle	Report of Section 151 Officer	1 December 2022	
Deputy Leader	Title: Capital Programme Monitoring Report to Month 7 2022/23 Purpose: To consider a report that presents the Capital Programme Monitoring Report to Month 7.	Cllr Bastone / Pauline Henstock	Report of Head of Finance	1 December 2022	
Leader	Title: Quarter 2 Integrated Performance Management Report 2022/23 Purpose: To consider a report that sets out the Integrated Performance Management report for Quarter 2 of 2022/23.	Cllr Pearce / Neil Hawke	Report of the Head of Strategy and Projects	1 December 2022	
	Title: Housing Crisis – Standing Agenda Item			26 January 2023	



Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Leader	Title: Draft Revenue and Capital Budget Proposals Purpose: To consider a report that seeks to recommend to Council the draft Revenue and Capital Budget proposals.	Cllr Pearce / Lisa Buckle	Report of the Section 151 Officer	26 January 2023	
Leader	Title: Quarter 3 Integrated Performance Management Report 2022/23 Purpose: To consider a report that sets out the Integrated Performance Management report for Quarter 3 of 2022/23.	Cllr Pearce / Neil Hawke	Report of the Head of Strategy and Projects	26 January 2023	
	Title: Housing Crisis – Standing Agenda Item			2 March 2023	
Deputy Leader	Title: Revenue Budget Monitoring Report to Month 10 2022/23 Purpose: To consider a report that presents the Revenue Budget Monitoring Report to Month 10.	Cllr Bastone / Lisa Buckle	Report of Section 151 Officer	2 March 2023	
Deputy Leader	Title: Capital Programme Monitoring Report to Month 10 2022/23 Purpose: To consider a report that presents the Capital Programme Monitoring Report to Month 10.	Cllr Bastone / Pauline Henstock	Report of Head of Finance	2 March 2023	
Leader	Title: Draft Annual Report of Achievements Purpose: To consider a report that presents the Council's draft Annual Report of Achievements for 2022/23	Cllr Pearce / Neil Hawke	Report of the Head of Strategy and Projects	2 March 2023	



Portfolio Area	Report Title and Summary	Lead Member / Officer	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
				13 April 2023	
Leader	<p>Title: Planning Improvement Plan – Six Month Progress Review</p> <p>Purpose: In accordance with the Executive resolution, to consider a six month progress review into the Planning Improvement Plan.</p>	Cllr Pearce / Drew Powell	Report of Director of Strategy and Governance	TBC (6 months following the start of the employ of the Assistant Director)	

Report to: **Executive**

Date: **13th October 2022**

Title: **Cost of Living Response Plan**

Portfolio Area: **Cllr Nicky Hopwood**
Executive Lead: Cost of Living

Wards Affected: **All**

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

Date next steps can be taken:

Author: **Isabel Blake** Role: **Head of Housing & Lead Officer for Cost of Living**

Contact: Isabel.Blake@swdevon.gov.uk

RECOMMENDATIONS:

That the Executive:

- 1. consider and endorse the Cost-of-Living Response Plan (Appendix 1)**
- 2. delegate the amendments to the cost of living response plan to the lead officer (the Head of Housing and Lead Officer for Cost of Living), in consultation with the lead Executive Member;**
- 3. instruct officers to take immediate steps to progress support payments to families in receipt of Council Tax reduction as set out in 2.12 of this report.**

Executive summary

- 1.1 At the meeting of the Executive on the 21st September 2022 it was resolved that Cllr Hopwood be appointed as lead member for responding to the Cost of Living. In addition, it was agreed that the Leader of the Council would lobby Government to increase funding to respond to the cost of living and finally that the Council would mobilise its available resources and with its partners ensure a responsive coordinated approach to the cost-of-living challenges faced by residents.
- 1.2 Appended to this report (Appendix A) is a draft response plan which sets out the actions the Council will take in relation to cost of living arranged under 3 priorities:
 - Direct support
 - Working with partners & communities
 - Signposting and sharing information

- 1.3 The response plan will be a living document which will enable us to rapidly respond where additional support is required.

2. Background

- 2.1 The Government has announced an energy price cap on unit charges and daily standing charges. This will mean that an average household should pay no more than £2,500 per year for the next two years. This is in addition to the £400 energy support payment that will be awarded by energy suppliers. Separate support is available to businesses through the energy bill relief scheme.
- 2.2 Whilst these measures are welcomed, it is likely that there will be individuals and businesses who continue to struggle because of additional costs of living, and it is important that the Council stands ready to support where it can.
- 2.3 The draft response plan at Appendix A details how the Council will help residents and businesses get access to the support they need. While we are clear that we are unable to provide significant financial help universally, the Council has an important job as a signposter and enabler.
- 2.4 The Council is committed to ensuring any funding it is given to distribute to businesses and residents is done so at pace in the simplest way possible, as it has done in the past with the covid business support grants and the Homes for Ukraine thank you payments.
- 2.5 The 3 priorities of the action plan focus on:
 - Direct Support - services the Council is able to deliver itself such as emergency grants, long term energy efficiency improvements, housing advice and benefit support. We will also commission services to support people with money advice to ensure they get every penny of entitlement and are able to manage their debts appropriately.
 - Working with partners, businesses & communities - services delivered by the voluntary and community sector are seeing an increase in demand for their support. This is not just traditional services providing advice on money, but also some of the hidden impacts such as domestic violence, youth homelessness and increased challenges for businesses.
 - Signposting and sharing information – the role of the Council in ensuring services for residents and businesses are well promoted and people have good access to specific information in a format appropriate to them
- 2.6 The action plan has a number of areas of focus and a timescale for delivery.

Council Tax rebate discretionary scheme

- 2.7 While the action plan sets out a number of actions to implement in the coming months, we can take immediate action to support families.
- 2.8 On the 26th May 2022 a report on the Council Tax rebate Discretionary Scheme was considered by Executive (minute E.07/22 refers). The report stated that the fund would be available in two phases, phase one would be application based and phase two (the proposal to spend the remaining funds) would be presented back to the Executive in October.
- 2.9 The Council wrote to eligible residents living in bands E-H properties and claiming Council Tax Reduction advising them to apply for a £150 payment. The Council also promoted through social media and their website that residents living in bands E-H properties and on a low income and people living in houses of multiple occupation were also eligible to apply for a £150 payment. To date we have received and paid 81 households totalling £12,150, leaving a balance of £162,550.
- 2.10 It is proposed that the remaining fund is used to support families in receipt of Council Tax Reduction (low income) via a direct payment in the form of a Post Office voucher.
- 2.11 The Council has 1,152 families currently in receipt of Council Tax Reduction, 474 have 1 child, 678 have more than 1 child.
- 2.12 It is therefore proposed that Families with 1 child receive £100 and those with more than 1 child receive £165. This option would leave a balance of £3,280. Subject to Executive agreement of this report, the payments would be made before the end of November 2022.
- 2.13 The remaining balance will be used for any online claims we receive from now until the end of November.

3. Outcomes/outputs

- 3.1 It is important that the Council is realistic in its ability to influence and intervene in what is becoming an international issue, and that it focuses on where it can support residents and businesses most. Getting government funding into the hands of people as quickly as possible is one of the key measures of success, and the Council has a positive track record in delivering in this area. There is also significant support already operating in the District and it is a key part of this action plan to join up wherever possible with these partners and deliver together where appropriate and promote other services whenever we can. Informing our residents of all the support available is where the Council can be instrumental.

4. Proposed Way Forward

- 5.1 That Executive endorse the response plan at Appendix A and make any suggestions for areas for further inclusion
- 5.2 That Cllr Hopwood, as Executive Member for Cost of Living regular updates on progress through the Member Bulletin in

addition to updates through the Quarterly Integrated Performance Management report considered by Executive.

- 5.3 That the Council take immediate steps to process payments to families in receipt of Council Tax reduction, with £100 to families with one child and £165 to families with more than one child.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	It is intended that the action plan remains a working document and that as issues emerge, they can be added into the action plan on the agreement of the lead member. There are no direct legal or governance implications as a result of agreement to the plan.
Financial implications to include reference to value for money		The action plan as set out in Appendix A to this report includes a number of actions that have financial implications although not implications that will impact the Councils medium Term Financial Strategy.
Risk		The risk is in the Council not delivering a clear and co-ordinated action plan, resulting on a negative impact on our communities and the Council being seen as not responsive.
Supporting Corporate Strategy		Wellbeing Council Services Homes
Climate Change - Carbon / Biodiversity Impact		None as a direct impact of this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Equality impact assessment will be completed as projects are delivered
Safeguarding		None as a direct impact of this report, however some of the actions in the plan are designed to support interventions to help keep children and vulnerable adults safe.
Community Safety, Crime and Disorder		None as a direct impact of this report, however some of the actions in this plan are designed to support interventions to tackle crime such as domestic violence.
Health, Safety and Wellbeing		Financial wellbeing is crucial to the wellbeing of our residents. Actions within this plan are designed to support this

Other implications		
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Supporting Information

Appendices:

Appendix A – Draft Response plan

Background Papers:

None

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South Hams

Cost of Living Response Plan

October 2022

Contributing to Better Lives for All



South Hams
District Council



Our Cost-of-Living Action Plan

The Impact of the cost of living in the South Hams	4
Our action plan to tackle the cost of living	6
Delivering on the Cost of Living	7
Direct Support	8
Working with partners and communities	10
Promoting and sharing information	12
Resourcing our plans	14



Between May 2021 – May 2022, food items increased 8.5%. Household food security does not only depend on food affordability, but also on the ability of consumers to physically access food shops – a challenge in some of our rural areas



The Impact of the cost of living in the South Hams

The dramatic increase in the cost of living has already begun to have a significant impact on residents across the district.

In April 2022, the energy price cap was increased by 54% and in August, inflation reached a 40-year high at 10.1%. These increases against a backdrop of recovering from the financial and health impacts of the global pandemic are likely to increase inequality and disproportionately affect the District's most deprived communities.

The following groups are likely to particularly affected:

- Single people on low incomes (on benefits or in work)
- Families with children, including lone parents
- Those living with disabilities or complex health needs
- Pensioners

It is estimated from the latest figures in 2020 there were 3.1 million households in fuel poverty in England, with 4,400 being located in the South Hams. In recent months, this number will have significantly increased.

While South Hams can be seen as a relatively more prosperous area, there are pockets of deprivation. For example, Totnes has 12.8% of it's children living in poverty.

We also know that food insecurity is a concerns for many families in South Hams.

A 2021 Public Health survey of residents estimated that 17% of households were experiencing food insecurity – where the basic right of access to food is not being met. This is a particular issue here in South Hams, with the rural area and transport challenges meaning that people do not have as reliable access to affordable food options.

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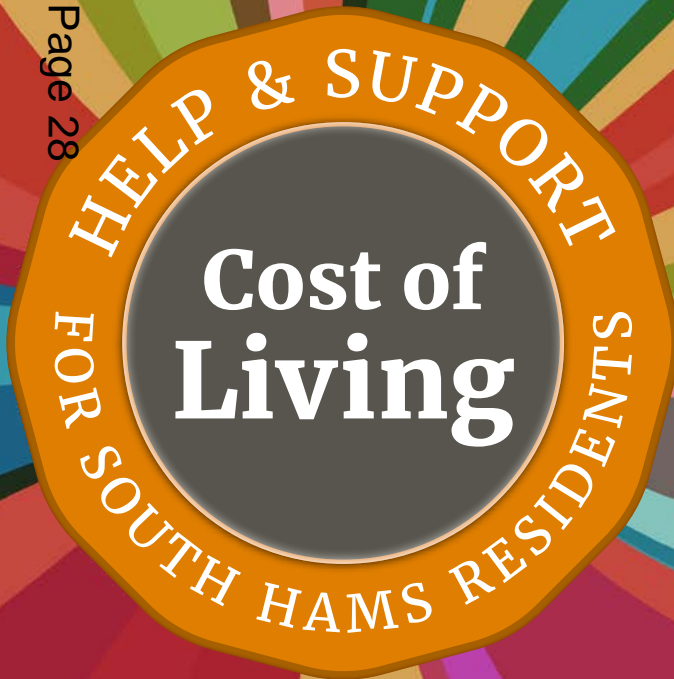
In 2021, South Hams CVS and West Devon CVS led analysis in to food insecurity which highlighted particular concern about in-work levels of poverty, where low wages and household outgoings do not allow for an adequate diet for family members.

As the cost of energy continues to increase, as well as less money being available to purchase food, there is a concern that the food options available are less nutritious and particularly as we enter colder months, people are less likely to access warm meals.

The Government have recently announced additional measures including capping the increase in energy prices for the next two years and so as well as setting out some immediate support, it is important we consider longer term measures to support our residents.

We know that as a District Council, we are not able to solve the cost of living issues currently faced by residents, but through this action plan we will work with partners and out communities to ensure everyone knows what support is available and how it can be accessed.





Our action plan to tackle the cost of living

The cost of living is now higher than at almost any time in living memory. We know that many are still adapting to the financial impacts of the global pandemic and now as we go into the Autumn and Winter, concerned about meeting their essential bills.



It is important that we act now to mobilise all of our resources to provide a co-ordinated response to the increased cost of living. We will take steps to de-stigmatise accessing help and support, provide signposting so that our residents know where they can get help and work closely with partners who are on the frontline of supporting our residents through this particularly challenging time. While Government have already taken some steps to reduce the impact of the cost of living increases, there is more we must do. We will also lobby Government on a number of issues.

Through this action plan we set out a series of key commitments, and I will ensure that the Council staff all work to delivering on them to ensure that our residents are supported.

Cllr Nicky Hopwood,
Lead Member (Cost of Living)

Delivering on the Cost of Living

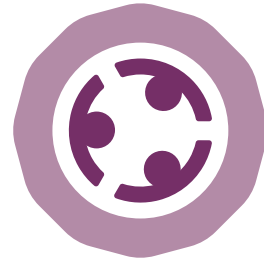
Our aim is to ensure that every penny of support available to our residents can be accessed quickly and easily, that our residents have access to healthy nutritious food and that they are helped to navigate the complexities of the support available. To do this we'll ensure our resources are aligned to deliver the following three strands of activity.

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Direct Support

We'll ensure that support we directly provide is easy to access and quick to respond to the needs of our communities.



Working with partners and communities

We'll support the local communities who know their residents best by making funding available to support projects designed to combat the increases locally.



Signposting and sharing information

We'll promote and help people to access information on existing support across the District.



Direct Support

We'll ensure we align our resources to best support our residents and to deliver targeted direct support ranging from emergency grants through to longer-term measures such as home insulation and switching to greener energy sources.

We know that most people do not want to come to the Council for support, so when they do, its important that the process is simple and quick.

So far we have:

- ◆ Supported 18,011 households through the Government energy bill rebate scheme (£150 per household)
- ◆ Launched a discretionary Council Tax rebate scheme for households not eligible for the main energy bill rebate
- ◆ Made one-off payments of £90 to pensioners in receipt of Council Tax reduction
- ◆ Awarded £1.4m in grants through the Green Homes Grant scheme

We will ensure that we continue to lobby Government for more funding to support energy improvements in homes. In 2020 we secured £1m of funding for this purpose, but to be able to do this in the 4,400 homes in the District in fuel poverty, it is estimated £50-60m will be required.

We will ensure a package of direct support including:

Focus	Aims	Specific Actions	Timescale
Providing direct financial support to residents who need it	We will ensure that where direct support is available, it is easy to access and processed quickly. We aim that every penny of support due to residents is claimed by them.	<ul style="list-style-type: none"> Deliver additional support payments to families in receipt of Council Tax reduction of £100 for families with one child and £165 for families with more than one child Ensure Discretionary Housing Payment funding is utilised to support residents struggling with their rent Develop criteria and deliver on Household Support Fund (Round 3) – awaiting details but aiming for October 2022 Increase capacity in Housing Service to offer options and advice to people at risk of homelessness 	<ul style="list-style-type: none"> By November 2022 October 2022
Delivering on schemes for improving energy efficiency of homes	It is important that in the medium/long term we support our residents with schemes that will enable them to use less energy in their homes through insulation, installation of greener energy sources and other efficiency improvements.	<ul style="list-style-type: none"> Deliver a communications campaign to highlight the home energy grants (such as green home grants and ECO4) available to our residents and ensure we have the capacity to meet the demand Lobby Government for further grant funding to increase energy efficiency of properties across the District, particularly those in fuel poverty. 	<ul style="list-style-type: none"> Ongoing Ongoing
Ensuring we provide direct support to businesses where possible	As a Council our role in supporting businesses is limited, however we will ensure that where we can, we will ensure all available support is delivered well.	<ul style="list-style-type: none"> Delivering the COVID-19 Additional Relief Fund (CARF) of £1.68million to support those businesses affected by the pandemic and ineligible for existing support linked to business rate (see report to Executive Oct 2022) Promotion of support and advice available to businesses through our existing contract with Business Information Point 	<ul style="list-style-type: none"> October 2022 Commencing in Business Support newsletter from November 2022



Working with partners and communities

We'll support the local communities who know their residents best by making funding available to support projects designed to combat the crisis locally.

It is clear that helping our residents adapt to the increased cost of living will require support from a range of partners and voluntary sector organisations. We will listen to our communities and work with them to help them to help one another.

We are working closely with partners in order to meet the needs of our residents, this includes Citizens Advice, the Council for Voluntary Service (CVS) and the Money Advice Service. We will work even closer with them to ensure that they are able to meet the increasing demand for services.

We have already:

- ◆ Continued to build on the positive community relationships developed through the global pandemic – working with key partners and community forums that are supporting the wellbeing of our residents
- ◆ Begun a pilot project to examine the causes of rural deprivation and the role of the Council in supporting our communities
- ◆ Held discussions with some key partners about increasing the funding we provide to them in order for them to meet the increasing demand for services

But we will do more and provide an even greater focus on developing partnerships that meet this specific challenge head on together.

We will work with our partners and communities by:

Focus	Aims	Specific Actions	Timescales
Supporting Increased community capacity	We know that there are many community organisations and partners supporting our residents with projects and schemes in response to the Cost-of-Living increases. We will support increase capacity within these vital functions.	<ul style="list-style-type: none"> ● Agree additional funding for Citizens Advice for the next two years to meet the demand for their services, ensuring more residents can access support ● Work with partners to deliver a £25,000 grant fund for community groups delivering schemes responding to cost of living ● Continue with extension to Money Advice Service – ensuring a 5 day a week service to meet demand from residents 	<ul style="list-style-type: none"> ● By end November 2022 ● Nov / Dec 2022 ● Ongoing
Playing an active part in existing community networks	There are already a significant number of highly effective community support networks in place, we will ensure that we play an active part in these networks and provide support where we can (where it is wanted).	<ul style="list-style-type: none"> ● Continue to attend the CVS and other community meetings (such as Erme and Yealm Alliance) in order to listen to and understand local issues and identify where the Council may be able to help ● Promote the availability of Council facilities to community groups 	<ul style="list-style-type: none"> ● Ongoing ● Ongoing
Working with partners to understand and respond to 'hidden impacts' of COL	The impacts of cost of living are not limited to financial . The financial impacts will result in a number of impacts – both short and longer term that we should take steps to address.	<ul style="list-style-type: none"> ● Ensure the next iteration of our Corporate Strategy 'Better Lives for All' responds to the longer-term impacts of cost of living 	<ul style="list-style-type: none"> ● Update for Year 3 delivery plan – March 2023



Promoting and sharing information

We'll promote and help people access information on existing support across the District.

There are many organisations providing support to residents to meet the challenges of increased cost of living and many different grant and other support schemes available. A significant focus for the Council will be on ensuring a trusted and clear source of all available support schemes and organisations.

We will take steps to ensure we highlight all available support to our residents, making it easy for them to access the right support.

We have already:

- Commenced (with partner agencies) weekly advertorials in local newspapers, highlighting specific support that is available – these will continue through the Autumn and Winter with a different focus each week
- Launched an online support directory setting out where residents can get help
- E-bulletins and social media campaigns

We will now go a stage further and ensure we explore a wider range of communication and signposting channels, further enhancing our online support directory and ensuring those not online are aware of the support available.

We will ensure that all our residents are aware of the range of support available to them by:

Focus	Aims	Specific Actions	Timescales
Using a range of methods to reach out to residents and businesses	We know that not everyone uses social media, and some of our residents are not online (including some of our most vulnerable). We will aim to reach out to our residents through a number of different channels, ensure we reach as many as possible.	<ul style="list-style-type: none"> ● Promote support in local newspapers each week – starting September 2022, in partnership with other agencies ● Develop an updated 'Support' website using our new technology to make it even easier to navigate – by October 2022 ● Deliver messages on key support methods by using social media with clearly branded support ● Posters for community notice boards with QR codes etc ● Launch a residents digital newsletter focused on Cost of Living and other key support available within the district ● Identify key community events and attend them to reach out to residents not online 	<ul style="list-style-type: none"> ● September 2022 onwards ● End October 2022 ● Commencing Sept 2022 ● Ongoing
Ensuring our staff and Members are aware of the support available to our residents to that they can signpost accordingly	Building on the role of our dedicated 'Vulnerable Person Support Officer' we will ensure our teams have the right knowledge to signpost residents to available support.	<ul style="list-style-type: none"> ● Briefing for contact centre and key frontline staff on support that is available – and ensure they can meet the demand ● Train our frontline officers to ask the right questions ● Develop innovative ways for individuals to contact the Council seeking support ● Provide information for our Members to enable them to relay information to communities 	<ul style="list-style-type: none"> ● Ongoing
Ensuring that we also focus on promoting support for the 'hidden impacts' resulting through the cost of living increases	We know that the impacts will not stop at financial, the increased pressures will have impact on both the physical and mental wellbeing of our residents, particularly through the Autumn and winter months. We will ensure that in our planning we also focus on addressing these needs.	<ul style="list-style-type: none"> ● Deliver on our commitments around wellbeing within the Better Lives for All Strategy, including ensuring access to leisure centres, launching an additional Health and Wellbeing Grant scheme – following the success of last years scheme (£30,000) ● Commission and deliver awareness training to Council officers and voluntary sector organisations on identifying less obvious impacts of the Cost of Living Crisis (such as Domestic Violence Awareness Training) 	<ul style="list-style-type: none"> ● Launch by December 2022 ● Jan / Feb 2023

Resourcing our plans



As set out in the three delivery plans, the initial funding identified to support our plans is as follows:

Work strand	Discretionary Energy Rebate Scheme fund (£162,750 available)	DCC Covid-19 Hardship Fund (Opening Balance £51,000)	DCC Clinically Extremely Vulnerable fund (Opening Balance £115,193)	Detail
Additional grant to families in receipt of Council Tax reduction (£120 where one child, £150 where more than one child)	£162,750			Must be spent by end November 2022
Continue with extension to Money Advice Services – from 3 days per week to 5 days per week to ensure demand can be met			£14,000	We increased this service through Covid-19 and demand continues to be high.
Increase in grant funding to Citizens Advice £10,000 per year for next two years		£20,000		Covid 19 Hardship (£4177)
Provision of grants for community organisations responding specifically to the cost of living crisis such as establishing warm banks etc		£27,500		£25,000 plus admin for a partner organisation to deliver funds
Provision of grant funding for Community Wellbeing Schemes – including supporting mental health, isolation etc			£25,000	
Total	£162,750	£47,500	£39,000	£249,250

Report to: **Executive**

Date: **13 October 2022**

Title: **Proposed changes to the Council Tax Reduction Scheme for 2023/24**

Portfolio Area: **Benefits – Cllr Hopwood**

Wards Affected: **All**

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

Date next steps can be taken:

Author: **Lorraine Mullineaux** Role: **Principal Benefits Officer**

Contact: **Lorraine.mullineaux@swdevon.gov.uk**

Recommendations:**That the Executive:**

- 1. approve the proposed public consultation on a Council Tax Reduction Scheme for 2023/24 (as detailed in section 3 of the report); and**
- 2. request that the results of the public consultation be presented back to the Executive prior to a Council Tax Reduction Scheme for 2023/24 being considered for approval by the Council.**

1. Executive summary

- 1.1 There is a requirement to have a Council Tax Reduction Scheme to support residents who qualify for assistance in paying Council Tax. The Local Government Finance Act 1992 requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of Council Tax payable by persons, or classes of person, whom the authority considers are in financial need (“a council tax reduction scheme”).

- 1.2 It is an annual requirement for Councils to revisit their existing Council Tax Reduction scheme and make a decision as to whether to continue with, replace or revise it.
- 1.3 The current scheme has been reviewed annually, but has remained unchanged since 2019/20.
- 1.4 In order to make changes to our scheme for 2023/24 we are required by law to:
 - Consult with major precepting authorities.
 - Consult with other persons it considers are likely to have an interest in the operation of the scheme.
- 1.5 The final Council Tax Reduction Scheme must be adopted by the Council by 11 March 2023, and cannot be delegated to an officer or committee.

2. Background

- 2.1 Council Tax Reduction (CTR) also known as Council Tax Support (CTS) was introduced in April 2013 and replaced the national Council Tax Benefit Scheme with a 10% funding reduction. The CTR scheme for working-age customers is a local scheme, however the scheme that exists for pension age recipients is a national scheme prescribed by regulations and cannot be varied locally. Therefore any savings to the scheme must come from working age customers.
- 2.2 Local Schemes must take account of and:
 - Support work incentives and in particular avoid disincentives for those moving into work
 - Our duties to protect vulnerable people (these duties already exist under the Equality Act 2010, The Care Act 2014, Child Poverty Act 2010, The Housing Act 1996)
 - The Armed Forces Covenant.
- 2.3 In 2019, the Council introduced a banded scheme which assessed the maximum level of Council Tax Reduction based on the net income of the claimant and their partner, if applicable.
- 2.4 Since 2013/14, the Council has absorbed the cost of the 10% initial reduction in funding imposed by the Government following the introduction of the Council Tax Reduction Scheme. This significant cut to funding has resulted in most

Councils making changes to their local scheme to balance their budgets. It is important to note that council tax reduction is a council tax discount and not a benefit and is therefore reflected within the Council Taxbase calculation as a discount.

2.5 The following table sets out the annual expenditure and caseload since the banded scheme was introduced:

	Total caseload	Working age caseload	Pension age caseload	Working age expenditure £	Pension age expenditure £	Total expenditure £
April 19	4,867	2,132	2,735	2,106,601	2,787,950	4,894,551
April 20	5,372	2,947	2,425	3,348,358	2,896,973	6,245,331
April 21	5,365	2,993	2,372	3,060,257	2,971,105	6,031,362
April 22	5,012	2,712	2,300	2,712,507	2,954,753	5,667,260

2.6 The figures demonstrate that the key aims of the scheme, to help those in work on lower incomes, have been met.

3. Proposed new scheme

3.1 With the increased pressure on household budgets as a result of the cost of living crisis, the Council recognises that it needs to provide as much support as possible to those that need it most.

3.2 The new scheme proposes the following changes:

- i. The highest band, band 1 remains the same, this is because this band is for residents that are in receipt of a passported benefit i.e. Income Support, Job Seekers Allowance (income based), Employment Support Allowance (income related) and the basic form of Universal Credit. The current level ensures that these residents in most need will always qualify for the highest reduction.
- ii. The banded scheme for Family 1 + is already a very generous band as the Council based these figures on three children rather than the average two, this was to help the larger families. To uplift this group in line with the other groups would mean that many residents that don't necessarily need the help would now qualify. There is a slight increase to reflect the other changes made to the scheme to ensure that this group is not negatively impacted.

iii. Officers propose that the remaining bands be uplifted by 20% (above current inflation)

3.3 The changes are illustrated in the table below:

Band	Reduction	Single		Couple		Family 1		Family 1+	
		Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
1	85%	£95.00	£95.00	£138.00	£138.00	£220.00	£220.00	£355.00	£355.00
2	80%	£110.00	£132.00	£150.00	£180.00	£235.00	£282.00	£370.00	£385.00
3	50%	£160.00	£192.00	£200.00	£240.00	£285.00	£342.00	£420.00	£435.00
4	25%	£205.00	£246.00	£245.00	£294.00	£330.00	£396.00	£465.00	£480.00

3.4 The current scheme has a range of earning disregards, to incentivise people into work. Officers propose that the new scheme will have a single £25.00 disregard which will reduce the administrative burden on the Council and simplify the scheme for residents. Currently for those working, the scheme makes the following disregards:

- £5.00 for single people
- £10.00 for couples and families
- £20.00 for lone parents, disabled and carers
- For those working 16 hours or more there is a further £17.10 deduction

3.5 The Council proposes to consult on changes to the Minimum Income Floor. The Minimum Income Floor is where the scheme, following a 12 month start-up period, assumes a certain level of self-employed profit (linked to national minimum wage), even if the resident didn't earn that amount.

4. Impact of proposed changes to the scheme

4.1 Officers have modelled the impact of the changes outlined in Section 3 of the report. The modelling is shown in the following table.

	Total caseload	Working age caseload	Pension age caseload	Working age expenditure £	Pension age expenditure £	Total expenditure £
Modelled changes	5,067	2,771	2,296	2,790,860	2,928,507	5,719,367

at Sept. 2022						
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4.2 This modelling suggests that the number of residents claiming will remain consistent with the current scheme and the overall costs of the scheme are comparable.

5. Proposed Way Forward

- 5.1 Executive approves going out to public consultation on the proposed changes to the current Council Tax Reduction Scheme from Monday 17 October 2022 to Sunday 27 November 2022.
- 5.2 Requests that the results of the public consultation exercise be presented back to Executive Committee in January 2023, prior to a Council Tax Reduction Scheme 2023/24 being considered for approval by the Council.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Welfare Reform Act 2012 abolished Council Tax Benefit and instead required each billing authority to design a scheme for working age residents specifying the reductions which are to apply to amounts of council tax.</p> <p>All billing authorities in England are required to have a scheme identifying the reductions payable by residents who are in financial need under Section 13A of the Local Government Finance Act 1992 (updated in 2012). Schedule 1A paragraph 5 of the Act states that for each financial year, Councils must consider whether to revise their scheme or replace it with another scheme and that such decisions need to be made by 11 March in the financial year preceding that for which the revision or replacement scheme is to take effect. If the Council does not make/revise its scheme by 11 March 2023, a default scheme will be imposed on the Council which will be effective from 1 April 2023.</p>

<p>Financial implications to include reference to value for money</p>	<p>Y</p>	<p>The cost of the Council Tax Reduction Scheme is met by South Hams District Council, and the major precepting authorities, in proportion to their share of the council tax. The CTR Scheme is reflected within the TaxBase calculation as a discount.</p> <p>Previous CTR schemes have always been modelled on a cost neutral basis, in that the cost of the scheme was the equivalent of the level of Government funding.</p> <p>Increasing the Band Thresholds would increase the cost of the scheme by around £52,000. The scheme is projected to cost £5.719million as opposed to the current £5.667 million. SHDC's share of the increase in cost is around 8% of this i.e. £4,160.</p> <p>It is envisaged that increasing the Band Thresholds would increase the council tax collection rate for residents in receipt of CTR.</p> <p>The Council Tax Collection Fund is in surplus by £2.74m as at 31.3.2022. A distribution of the surplus will be made to all major precepting authorities as part of the 2023/24 Budget setting process. This can be a way of financing the additional cost of the 2023/24 CTR scheme of £52,000, as although the scheme will cost more, preceptors will be receiving a larger distribution of a collection fund surplus than usual due to the level of the surplus on the fund.</p>
<p>Risk</p>	<p>Y</p>	<p>To reduce the cost to the Council, changes would have to be made to the level of support made to working age claimants. Most local authorities have already incorporated a reduced level of support into their local schemes which should be reviewed on an annual basis.</p> <p>There is a risk that the cost of maintaining the current local scheme will increase if the number of claimants increase due to the state of the local and national economy. This is particularly relevant now due to any likely impact of the cost of living crisis which may result in an increase in the working age council tax reduction caseload.</p>

Supporting Corporate Strategy	Y	Supporting the Council's response to the cost of living crisis. Supporting the Council's Quality Council Services
Climate Change - Carbon / Biodiversity Impact	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	None	
Safeguarding	None	
Community Safety, Crime and Disorder	None	
Health, Safety and Wellbeing	None	
Other implications	None	

Supporting Information

Appendices:

None

Background Papers:

None

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Report to: **Executive**
Date: **13 October 2022**
Title: **COVID-19 Additional Relief Fund (CARF)**
Portfolio Area: **Economy – Cllr Bastone**

Wards Affected: **All**

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

Date next steps can be taken:

Author: **Geni Hotchkiss** Role: **Head of Revenues and Benefits**

Contact: **geni.hotchkiss@swdevon.gov.uk**

Recommendations:

That the Executive:

1. Note the contents of the report.

1. Executive summary

- 1.1 On 25 March 2021, the Government announced a COVID-19 Additional Relief Fund to support those businesses affected by the pandemic who were ineligible for existing support linked to business rates. The CARF scheme is a business rates relief scheme and the Council was required to establish its own scheme whilst incorporating the Government guidance published on 15 December 2021.
- 1.2 The Council's allocation from the COVID-19 Additional Relief Fund (CARF) of £1.5 billion is £1,684,710. The deadline for awarding rate relief to business ratepayers' accounts was 30 September 2022.

- 1.3 A report was brought to Council on 10 February 2022 and approval was given to delegate the approval of a scheme to administer the COVID-19 Additional Relief Fund (CARF) Scheme to the Section 151 Officer, in consultation with the Council Leader, the Deputy Leader and the Lead Executive Member for Communities (the three Members of the Council's rate relief panel), Council minute reference CM64/21.
- 1.4 A COVID-19 Additional Relief Fund (CARF) Scheme was presented to the Rate Relief Panel alongside a list of businesses considered eligible for support.

2. The COVID-19 Additional Relief Fund (CARF) Scheme

- 2.1 On 25 March 2021, the Government announced a COVID-19 Additional Relief Fund (CARF) to support those businesses affected by the pandemic who were ineligible for existing support linked to business rates. Full Government guidance on the operation of the scheme was published on 15 December 2021.
- 2.2 Councils were responsible for developing and implementing a scheme based on local need, however the Government guidance stated that Councils were unable to award relief to ratepayers who were entitled to Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount of the Airport and Ground Operations Support Scheme.
- 2.3 Some businesses had lodged an appeal against their rateable value with the Valuation Office Agency due to COVID-19, i.e. a material change in circumstances, and the Government decided not to allow these appeals (nationally) instead bringing forward the CARF scheme to be administered locally.
- 2.4 The Council's allocation of £1,684,710 was based upon the estimated rateable value in each local rating list which falls within the scope of the fund, weighted for the Gross Value Added (GVA) impacts of COVID-19 per business sector.
- 2.5 In formulating the policy, certain businesses were excluded from the relief. This included those who had received other types of relief such as small business rate relief and mandatory charitable relief. Businesses occupying hereditaments with a rateable value of £1million and above and large companies with multiple outlets were also excluded. This meant that targeted support could be given to other ratepayers who had received no or limited support during the pandemic.

- 2.6 Rate relief has primarily been given to businesses in the manufacturing, wholesale and supply chain sectors who did not receive any other support linked to business rates. It was considered that all office businesses and public car parks would have been adversely impacted by the pandemic and they have also been awarded relief. No relief has been awarded to any Local Authority as, in line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant rate relief to themselves and certain precepting authorities (e.g. a parish or county council).
- 2.7 Officers modelled the data, and in common with a number of other local authorities, a recommendation was made to award the relief on a straight line basis of 26% of the 2021/22 business rates liability, based on rateable value. Eligible businesses were awarded rate relief of just over a quarter of their 2021/22 business rates bill.

3. Post Decision Implementation

- 3.1 The Council has awarded business rate relief under the CARF scheme totalling £1.61 million to 509 business properties by the deadline of 30 September 2022.
- 3.2 Business ratepayers benefitting from the relief will receive a new business rates bill with a covering letter explaining the terms of the award of the rate relief. As the rate relief must be applied to the 2021/22 business rates liability, most businesses will find that their account for 2021/22 has gone into credit. This will be transferred to the 2022/23 financial year thus reducing the amount of business rates payable. Should a ratepayer request that any credit be refunded, a refund will be raised.
- 3.3 As the rate relief is likely to amount to a subsidy, the Council needs to ensure compliance with the UK's domestic and international subsidy control obligations. We will ask business ratepayers, on a self-assessment basis, to inform the Council if they are in breach of any subsidy allowances.

4. Proposed Way Forward

- 4.1 The COVID-19 Additional Relief Fund Scheme (CARF) has been administered in accordance with the Government guidance and the Council's policy and the scheme is now closed. Officers will continue to submit returns on the progress of the scheme through DELTA, the Government's online data collection system used by the Department for Levelling Up, Housing and Communities.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Government will reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce business rates bills in respect of the 2021/22 financial year only.
Financial implications to include reference to value for money	Y	The Council's allocation is £1,684,710 from the COVID-19 Additional Relief Fund (CARF). The approval of the policy for the scheme (a rate relief policy) was delegated to the Council's Rate Relief Panel. An amount of £1.61 million has been awarded to 509 business properties by the deadline of 30 September 2022.
Risk	Y	There would have been reputational risk to the Council if the rate relief had not been awarded by the deadline of 30 September 2022.
Supporting Corporate Strategy	Y	Supporting the Council's Quality Council Services.
Climate Change - Carbon / Biodiversity Impact	N	None directly arising from this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	None	None directly arising from this report.
Safeguarding	None	None directly arising from this report.
Community Safety, Crime and Disorder	None	None directly arising from this report.
Health, Safety and Wellbeing	None	None directly arising from this report.
Other implications	None	None directly arising from this report.

Supporting Information
None

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Report to: **Executive**

Date: **13 October 2022**

Title: **Month 5 Revenue Budget Monitoring
2022/2023**

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

Wards Affected: **All**

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

Date next steps can be taken: **N/A**

Author: **Pauline Henstock** Role: **Head of Finance Practice
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RECOMMENDATION:

That the Executive RESOLVES to note the forecast income and expenditure variations for the 2022/23 financial year and the overall projected deficit of £54,000 (0.5% of the total Budget £10.464 million).

1. Executive summary

- 1.1 This report enables Members to monitor income and expenditure variations against the approved budget for 2022/23, and provides a forecast for the year end position.
- 1.2 The gross service expenditure budget for 2021/22 was set at £44 million (£10.464 million net). This report identifies a projected deficit of £54,000 which is nearly 0.5% of the overall Budget set for 2022/23 of £10.464 million.

2. Background

2.1 Regional and national context

2.2 The Covid-19 pandemic has drawn into sharper focus the financial challenges faced by Local Authorities which have existed for some years. There remains outstanding a number of Local Authority Government reviews into Local Authority funding to reset the way local Councils are funded and the mechanism for the distribution of funding.

2.3 Financial Monitoring arrangements

2.4 The Council's financial procedure rules require that reports must be made on budget monitoring on a regular basis to the Executive as part of the Council's arrangements for budget management.

3. Outcomes/outputs

3.1 **Budget overview** - Table 1 below provides an analysis of the projected variances against budget.

TABLE 1: 2022/23 BUDGET FORECAST

	2022/23 Budget expenditure /(income)	Budget variations		£000	Note
	£000	%	£000		
APPROVED BUDGET				10,464	
Reductions in expenditure/additional income					
Customer Service & Delivery					
Homelessness Prevention Grant	n/a	n/a (no budget)	(169)		A
Governance and Assurance					
Savings on Member travel, expenses and training	39	77%	(30)		B
Place and Enterprise					
Car parking income	(3,162)	9%	(280)		C
Dartmouth Lower Ferry income	(827)	23%	(190)		D
Employment Estates income	(887)	12%	(110)		E
Dartmouth Asset Transfer	60	50%	(30)		F
Other Comprehensive Income & Expenditure					
Investment Income	(123)	307%	(377)		G
Sub total of variations				(1,186)	
Increases in expenditure/reductions in income					
Customer Service & Delivery					
Planning income	(1,084)	9%	100		H
Additional salary costs	7,500	2%	120		I

Pay award	185	222%	410		J
Homelessness costs	237	38%	90		K
ICT Support Contracts	548	13%	70		L
Council Tax Collection income	(155)	26%	40		M
Governance & Assurance					
Waste contract inflation	130	138%	180		N
Place and Enterprise					
Fuel and utility costs	457	42%	190		O
Dartmouth Lower Ferry fleet maintenance	40	100%	40		P
Other Comprehensive Income & Expenditure					
Sub total of variations				1,240	
PROJECTED OUTTURN				10,518	
PROJECTED DEFICIT FOR 2022/23				54	

There is projected to be an overall deficit of £54,000 when compared against the Revenue Budget set for 2022/23.

Notes

- A. **Homelessness Prevention grant** – as set out in the grant conditions, this grant is ring-fenced for 2022/23. This will be applied against costs incurred in reducing temporary accommodation numbers and enforcing the Homelessness Reduction Act.
- B. **Savings on Member travel, expenses and training** – following Covid 19, it is currently anticipated that a saving of up to £30,000 could be achieved in 2022/23.
- C. **Car parking income** – additional income of £183,000 has been received as at 31 August 2022. It is currently anticipated that this could increase further to £280,000 by the end of the 2022/23 financial year. The additional income is mainly from Bigbury and Salcombe (North Sands) car parks, and additional income on permits.
- D. **Dartmouth Lower Ferry income** – additional income of £108,000 has been received as at 31 August 2022. It is currently anticipated that this could increase further to £190,000 by the end of the 2022/23 financial year. This equates to 23% of the annual income target for Dartmouth Lower Ferry of £827,000.
- E. **Employment Estates income** – employment estates income is currently projected to be over budget by £110,000 in 2022/23 due to high occupancy rates and regular rent reviews.
- F. **Dartmouth Asset Transfer** – following the transfer of assets to Dartmouth Town Council in 2018, the Council approved to make an annual maintenance contribution to Dartmouth Town Council for 5

years, reducing annually. The contribution for 2022/23 has reduced to £30,000 in 2022/23 from £60,000 in 2021/22, resulting in a saving of £30,000. This is the 5th and final year of the maintenance agreement so a further saving of £30,000 can be expected in 2023/24.

- G. **Investment income** – investment income is currently anticipated to be up by 307%, which equates to additional income of £377,000 in 2022/23. The predicted interest rate forecast is that interest rates will rise as the Bank of England looks to tackle surging inflation.
- H. **Planning income** – there is a shortfall in income of £100,000 as at 31 August 2022. For the purposes of the 2022/23 projection it has been assumed that income will be on budget for the remainder of the year. However, this is a volatile area which can be very difficult to forecast given the impact of large applications.
- I. **Salaries** – there are additional staffing costs of approx. £120,000. This is mainly due to new posts in relation to the Housing Delivery team, as per the report to the Executive on 26th May 2022, and the additional cost of five agency staff in the Legal team.
- J. **Pay award** – the impact of the proposed employer’s pay offer for 2022/23 of £1,925 on all NJC pay points, is significantly higher than the current budget provision of £185,000 (3%). The proposed pay award will result in additional salary costs of approx. £410,000.
- K. **Homelessness** – It is anticipated that there will be additional expenditure on temporary accommodation over and above what is claimable through the DWP subsidy. This is due to a number of external factors beyond our control,
- the housing crisis and lack of accommodation
 - an increased number of properties on Airbnb
 - Staycation holidays creating higher demands for hotels in the area and driving up costs
 - The Homes for Ukraine Scheme
 - More family units presenting as homeless compared to previous years requiring more than one room
 - Having to stay longer in the accommodation due to the housing crisis and limited suitable accommodation to move them onto.
- L. **ICT Support Contracts** - There are additional costs in respect of ICT support contracts mainly due to,
- Above inflation increases, e.g. Microsoft Licensing
 - Additional costs for new licenses, laptops and accessories due to an increase in the number of users on our network
 - The acquisition of remote diagnostics software as a result of the increase in remote working

- Disability Access legislation for the website has required the purchase of tools for monitoring compliance and enhancing access
- M. **Council Tax Collection income** – summons costs recovered in respect of Council Tax and Business Rates are currently anticipated to be 26% down on the 2022/23 budget.
- N. **Waste contract inflation** - the impact of the current rate of inflation for 2022/23 (12.2%) is significantly higher than the current budget provision of £130,000 (3%). This will result in additional contract costs of £180,000 in 2022/23, for the six month period covered under the waste contract. Contract inflation is based on published indices for fuel inflation, wage inflation and consumer price index (CPI).
- O. **Fuel and utility costs** – due to the rise in energy costs and inflationary pressures, additional costs of £190,000 are projected in 2022/23, mainly due to the increase in utility prices.
- P. **Dartmouth Lower Ferry fleet refurbishment** – The annual fleet refurbishment costs are predicted to be £40,000 in excess of the budgeted amount.

3. Other items to be considered in the 2022/23 Budget

- 3.1 Waste and recycling service – there was a separate report on the 21st September 2022 Executive agenda regarding the service. A report will be presented to the 1st December 2022 Executive meeting on the budget monitoring position of the waste and recycling service, after the Council takes the service back in house on 3 October 2022.
- 3.2 At Council on 14 July 2022, Members approved the use of £3million from the business rates retention earmarked reserve, to fund the additional costs during the transitional phase of bringing the waste service back in house.

4. Earmarked Reserves

- 4.1 Budgeted contributions to and from Earmarked Reserve were part of the 2022/23 Budget reports.
- 4.2 A schedule of Earmarked Reserves is attached at Appendix A, which shows Earmarked Reserves have a projected balance of £13.121 million at 31.3.2023 currently.

4.3 The Council's level of Unearmarked Reserves currently stands at £2.056 million. The deficit of £54,000 would go into Unearmarked Reserves at the year end, in accordance with normal accounting practice (the Accounting Code of Practice, which sets out that surpluses or deficits at the year end are added to Unearmarked Reserves). This gives a predicted year end (31.03.23) balance of £2.002 million for Unearmarked Reserves.

5. Prudential Indicators

5.1 The prudential code indicators were approved in the Capital, Investment and Treasury Management Strategy report to the Council on 31 March 2022. The indicators are monitored during the year through the normal revenue and capital monitoring processes. All Treasury Management limits have been adhered to.

6. Income and Reserves

Income monitoring is an integral part of financial management. Current income forecasts are as follows: Income monitoring is an integral part of financial management. Below shows the current income (surpluses)/shortfalls already experienced for April 2022 to August 2022. The table also shows the latest 2022/23 projections for the major streams of income.

Service	Deficit/ (Surplus) April – August 2022 £'000	Projected Income 2022/23 £'000	Income Budget 2022/23 £'000	Deficit/ (Surplus) £'000	Deficit/ (Surplus) %
Car Parks	(183)	3,442	3,162	(280)	(9%)
Planning	100	984	1,084	100	(9%)
Employment Estates	(140)	1,007	887	(120)	(14%)
Trade Waste	-	819	819	-	-
Dartmouth Ferry	(108)	1,017	827	(190)	(23%)
Recycling	-	451	451	-	-
Business Rates Pooling Gain	-	285	285	-	-
Investment income	(71)	500	123	(377)	307%
Licensing	-	201	201	-	-
Land Charges	-	170	170	-	-
TOTAL	(402)	8,876	8,009	(867)	(11%)

7. Management Actions

7.1 The table below sets out the relevant management actions for the revenue expenditure and income variations shown above. It is best practice for the Council to state whether there are any corrective actions that need to be taken for the variances identified in 2022/23.

	Budget variations overspend/ (underspend) £000	Management Action
Reductions in expenditure/additional income		
Homelessness Prevention Grant	(169)	Additional income of £170,000 has been built into the 2023/24 budget.
Member travel, expenses and training	(30)	The projected underspend will be kept under review during the year.
Car parking income	(280)	Additional income of £350,000 has been built into the 2023/24 budget.
Dartmouth Lower Ferry income	(190)	Additional income of £355,000 has been built into the 2023/24 budget.
Employment Estates income	(110)	Additional income of £100,000 has been built into the 2023/24 budget.
Dartmouth Asset Transfer	(30)	A saving of £60,000 will be built into the 2023/24 Budget.
Investment income	(377)	Additional income of £300,000 has been built into the 2023/24 budget.
Increases in expenditure/reductions in income		
Planning income	100	Income levels will be kept under close review in 2022/23.
Salaries	120	This will be kept under close review in 2022/23.
Pay award	410	A budget provision of £435,000 has been built into the 2023/24 budget.
Homelessness	90	This will be kept under close review in 2022/23.
ICT Support Contracts	70	This will be kept under close review in 2022/23.
Council Tax collection income	40	Recovery of summons costs will be kept under review in 2022/23.

	Budget variations overspend/ (underspend) £000	Management Action
Waste contract inflation	180	A cost pressure of £360,000 has been built into the 2023/24 budget, plus an additional £205,000.
Fuel and utility costs	190	A cost pressure of £300,000 has been built into the 2023/24 budget for inflation on all goods and services.
Dartmouth Lower Ferry fleet refurbishment	40	A cost pressure of £80,000 has been built into the 2023/24 budget.

8. Options available and consideration of risk

8.1 At this early stage it is important to note that these forecasts can change over the course of the year. Managers can seek out opportunities to reduce any overspends, whilst considering the risk of any adverse impact on the customer experience.

9. Proposed Way Forward

9.1 Revenue budget monitoring will continue on a regular basis and further reports will be brought to the Executive each quarter.

10. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council is required to make arrangements for the proper administration of its financial affairs. As part of those arrangements, the Council is under a duty to monitor its budgets throughout the financial year and to take appropriate action to deal with any deterioration in the financial position revealed by the regular monitoring.

Financial implications to include reference to value for money	Y	<p>The report identifies a projected deficit of £54,000 which is 0.5% of the overall budget set for 2022/23 of £10.464 million.</p> <p>As part of Grant Thornton's external audit of the Statement of Accounts for 2021/2022, they will assess the arrangements the Council has in place for securing economy, efficiency and effectiveness in its use of resources.</p> <p>The outcome of Grant Thornton's work in this area will be reported to Members at the Audit Committee meeting on 24 November 2022.</p>
Risk	Y	<ol style="list-style-type: none"> 1) Budget variances – continual monthly budget monitoring at all levels within the Council ensures early identification of variances. Reporting to the Executive provides an opportunity for Members to identify and instigate remedial action where appropriate. 2) Resource Planning – the Executive takes into account any significant issues when developing the Council's Medium Term Financial Strategy. These are identified in the Management Actions section of the report (Section 7).
Supporting Corporate Strategy		The budget monitoring process supports all of the Delivery Plans within the Council's strategic vision, 'Better Lives for All'.
Climate Change – Carbon / Biodiversity Impact		<p>A report was presented to Council on 17th December 2020 'Climate Change and Biodiversity Strategy and Action Plan update'. The report set out the proposed allocation of the £400,000 in the Climate Change Earmarked Reserve.</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>Further detail is set out in the Council's 'Better Lives for All' strategy.</p>
<i>Comprehensive Impact Assessment Implications</i>		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.

Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendix A – Schedule of Reserves (Earmarked Reserves and Unearmarked Reserves).

Appendix B – Savings/Additional income schedule

Background Papers:

None.

RESERVES - PROJECTED BALANCES (EXCLUDES SALCOMBE HARBOUR)						APPENDIX A
EARMARKED RESERVES	Cost Centre	Opening balance	Additions to Reserve	Predicted Spend	Closing balance	Comments
		01.04.2022 £000s	2022/23 £000s	2022/23 £000s	31.03.2023 £000s	
Specific Reserves - General Fund						
Affordable Housing (Capital)	S0822	(544)		544	0	Actual spend relates mainly to Capital Programme expenditure including St Ann's Chapel
Affordable Housing (Revenue)		0	(408)	60	(348)	This is a new reserve set up as part of the 2022/23 Budget process and has been created from a one off contribution from the New Homes Bonus funding in 2022/23. Predicted spend in 2022/23 relates to the Step on Deposit Scheme pilot (Council Feb 2022).
Beach Safety	S0839	(14)			(14)	
Capital Programme	S0820	(249)	(182)	431	0	Predicted spend relates to Capital Programme commitments and a transfer of £80k to the Repairs & Maintenance earmarked reserve in respect of Follaton House roof refurbishment and replacement lift
Community Composting	S0933	(200)		200	0	Council 10/02/22 approved a one off amount of £200k to be transferred into a Community Composting Earmarked Reserve in 2021/22.
Community Parks and Open Spaces	S0826	(46)	(17)	9	(54)	
COVID-19	S0815	(209)		175	(34)	This reserve was set up in 2020/21 to protect against future COVID losses. In 2022/23 £174,632 will be used to fund the shortfall in the leisure management fee income (Executive 3/3/22).
Dartmouth Ferry Repairs & Renewals	S0830	(530)	(117)		(647)	
District Elections	S0838	(20)	(10)		(30)	
Economic Initiatives	S0831	(23)			(23)	
Economic Regeneration (Business Rates pilot gain 2018/19)	S0858	(24)			(24)	
Emergency Climate Change Projects	S0852	(553)		233	(320)	The set up of this reserve was approved by Executive on 6/2/2020 E74/19, funded originally by a £400k contribution from the New Homes Bonus Reserve. Predicted spend for 2022/23 includes the Climate Change & Biodiversity Locality Fund and 'Better Lives for All' commitments.
Environmental Health Initiatives	S0857	(20)			(20)	
Financial Stability	S0868	(280)			(280)	This is a new reserve set up in 2021/22. Council 10/02/22 approved for £280k to be transferred from unearmarked reserves to a Financial Stability Earmarked Reserve, to be available for any future financial pressures from future local government funding reforms and any other budget pressures.
Grounds Maintenance	S0901	(149)		75	(74)	A new reserve set up in 2020/21 to hold the Grounds Maintenance in year surpluses to be reinvested back into the service (Executive 18/6/20).
Homelessness Prevention	S0851	(234)		195	(39)	This reserve has been created following underspends on Homelessness Prevention Costs. The main commitment in 2022/23 relates to the Housing staffing costs (£151k) - Executive 26/5/22
Housing Capital Projects	S0854	(408)			(408)	
ICT Development	S0836	(89)	(50)	64	(75)	Predicted spend in 2022/23 includes Future IT project and hardware commitments
Joint Local Plan		0	(25)		(25)	
Land and Development	S0829	(72)	(7)	15	(64)	
Leisure Services	S0858	(41)		1	(40)	
Maintenance Fund	S0927	(78)			(78)	This is a new reserve set up in 2021/22 to hold service charge income.
Maintenance, Management and Risk Management Reserve (MMRM)	S0861	(66)	(29)		(95)	This reserve was set up in 2019/20 to manage the ongoing maintenance costs of the Council's Investment Property. The contributions to the reserve equate to 10% of the rental income
Marine Infrastructure	S0828	(184)	(58)	210	(32)	£200k has been committed towards the Harbour Depot, Batson Creek, Salcombe E.74/20
Members Sustainable Community Locality	S0846	(49)			(49)	This reserve holds the unspent balances.
New Homes Bonus	S0804	(1,917)	(1,008)	1,969	(956)	The NHB allocation for 22/23 is £1,008m. Projected spend in 2022/23 relates to £500k contribution to the base revenue budget, £100k contribution to the Capital Programme and £407,557 contribution to the Affordable Housing Earmarked Reserve In addition there are commitments from previous years for the Capital Programme budget. The remaining balance includes £235,016 unallocated from the 2020/21 New Homes Bonus and £122,274 from the 2021/22 New Homes Bonus with its future use to be decided when more details are known about the Spending Review for 2022/23 onwards and a replacement scheme for NHB.
On-Street Parking	S0834	(44)			(44)	
Pay & Display Equipment Renewals	S0833	(186)	(21)		(207)	This reserve provides for the periodic replacement of Pay & Display machines.
Pension Fund Strain Payments	S0810	(208)	(99)		(307)	This reserve is used to fund pension strain costs
Planning Policy & Major Developments	S0840	(531)	(50)	98	(483)	This reserve is for all planning matters and is also required to meet appeal costs. The predicted spend for 2022/23 relates to the Planning restructure. The cost of the first three years of this restructure is to be met from additional planning income in the Planning earmarked reserve (Executive 26/5/22)
Play Area Renewals	S0867	0	(128)		(128)	This is a new reserve to be set up to hold the anticipated underspend on Play Parks to be used for replacement play area equipment (Executive 22/10/20)
Recovery and Renewal Plan	S0864	(500)		158	(342)	This is a new reserve set up as part of the 2021/22 Budget to support the costs of the Recovery and Renewal Plan. Projected spend in 2022/23 relates to 'Better Lives for All' commitments.
Repairs & Maintenance	S0827	(374)	(173)	21	(526)	The additions to the reserve in 2022/23 mainly relate to the budgeted annual contribution (£80k) and a contribution from the Capital Programme earmarked reserve (£80k) towards the Follaton House roof refurbishment and replacement lift. £390k of this reserve balance is earmarked for Follaton House roof refurbishment and replacement lift.

Revenue Grants	S0821	(1,725)		103	(1,622)	This reserve comprises of government grants received for specific initiatives or new burdens and are held in the reserve for accounting purposes. £120,000 of this reserve has been earmarked to fund the Council's share (60%) of a 2 year fixed term senior role to drive customer service and operational efficiency (Executive 15/9/22 - Waste & Recycling Services Update). An estimated £30k has been included for 2022/23 - six months of this 2 year senior role. The other commitment for 2022/23 of £73k relates to the funding of three housing posts which were made permanent in the 2020/21 budget process and are funded from the Flexible Homelessness Support Grant
Section 106 Deposits	S0842	(38)			(38)	This reserve comprises of deposits with no repayment conditions - created as a result of IFRS
Section 106 Monitoring	S0929	(158)		20	(138)	This reserve funds the cost of an officer to oversee the administration of S106 deposits and how they are spent
Section 106 Technical Support	S0862	(14)			(14)	To meet the salary costs of a S106 technical support officer.
Support Services Trading	S0856	(75)			(75)	This reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme.
Sustainable Waste Management	S0837	(1,065)	(25)	300	(790)	This reserve was created for one-off waste management costs. This reserve contains the additional income from increased recycling credits and dry recycling income and it also holds the value of the 2021/22 contractual performance deductions. This will contribute to the anticipated set up costs of bringing the service back in house in October 2022 and capital outlay (some of which will be spent in 2023/24).
Tree Maintenance	S0934	(60)			(60)	A new reserve set up in 2021/22 to hold in year surpluses generated to reinvest back into the Tree maintenance service.
Vehicles & Plant Renewals	S0832	(276)	(550)	550	(276)	Earmarked for the Fleet Replacement Programme. An annual contribution of £550k is made to this reserve.
Sub Total excluding the Business Rates Reserves		(11,253)	(2,957)	5,431	(8,779)	
Business Rates Retention	S0824	(4,546)		2,206	(2,340)	This relates to a timing issue on the accounting adjustments required for the localisation of business rates. This reserve also deals with any volatility in Business Rate income. In 2022/23 £100,000 has been earmarked to smooth the volatility in business rates. At Council on 14 July 2022, Members approved the use of £3million of this reserve, to fund the additional costs during the transitional phase of bringing the waste service back in house.
S.31 Compensation Grant (Business Rates)	S0866	(4,260)		4,260	0	This is a new reserve set up to hold the business rates S31 grants received in 2020/21 and 2021/22 to offset the business rate reliefs given to businesses during lockdown. Under current Collection Fund accounting rules, the S31 grants received will not be discharged against the Collection Fund deficit until the following year, 2022/23. This reserve is not money which is available for the Council to spend and it is important that this is not misinterpreted in the Accounts, as this is a national issue.
TOTAL EARMARKED RESERVES		(20,059)	(2,957)	11,897	(11,119)	
TOTAL UNEARMARKED RESERVES (General Fund Balance)		(2,056)	54		(2,002)	This Unearmarked Reserve has a minimum balance of £1.5million and an operating level of £2 million (set by Members as part of the budget process). The predicted deficit for 2022/23 of £54k has been debited to this reserve.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		(22,115)	(2,903)	11,897	(13,121)	

Summary of Savings and Additional Income from the 2022/23 Budget Setting Process

APPENDIX B

The table below summarises the savings and additional income that were included in the 2022/23 Budget Setting process and indicates whether the saving/additional income is on track to be delivered.

	Savings and Additional Income for the 2022/23 Budget	Income/Savings Target for 2022/23 (£)	Latest Projection for 2022/23 (£)	Narrative
1`	IT FIT Project - software savings	70,000	70,000	Currently on target to achieve these savings.
2	Efficiencies gained from IT and digital communications	20,000	20,000	Currently on target to achieve these efficiencies mainly from savings on postage costs.
3	Employment Estates - additional rental income	80,000	110,000	Additional income of £110,000 is anticipated for 2022/23.
4	Extra recycling income	70,000	115,000	It is currently envisaged that recycling income will be at least the same level as the amount of the extra recycling income achieved in 2021/22 of £115,000.
5	Extra planning income (to fund four planning specialists and two legal specialists) - Planning Improvement plan - Executive 14.10.21	164,000	-	There is a shortfall in planning income of £100,000 as at 31 August 2022. For the purposes of the 2022/23 projection it has been assumed that income will be on budget for the remainder of the year. However, this is a volatile area which can be very difficult to forecast given the impact of large applications. Therefore this extra planning income of £164,000 has not been achieved to date.
	TOTAL	£404,000	£315,000	

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NOT FOR PUBLICATION

Appendix A to this report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

Report to: **Executive**

Date: **13 October 2022**

Title: **Capital Programme Monitoring 2022/23**
Cllr Bastone

Portfolio Area: **Finance and Assets**

Wards Affected: **ALL**

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

Author: **Clare Scotton** Role: **Principal Accountant**
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RECOMMENDATION

That the Executive NOTE the content of the Capital Programme Monitoring Report.

1. Executive summary

- 1.1 The report advises Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position.
- 1.2 The monitoring of the capital programme at month 5 (end of August 22) has shown that all projects are within their existing budget approved by Members. £12,484,497 has been profiled into 2022/23 with the remaining budgets rolled forward into future years (Appendix A). ***The spend against this profiled budget is £2,332,014 (18.7% of the budget) as at the end of August 2022.***

2. Background

- 2.1 The capital programme for 2022/23 was approved by Council on 10 February 2022 (63/21). This report provides an update on the Capital Programme and also on those schemes that remain outstanding from previous programmes.
- 2.2 A summary of the Capital Programme is shown in exempt Appendix A. The award of contracts is subject to the Council's procurement rules on competitive tendering and therefore the allocated budget is commercially sensitive.

3. Outcomes/outputs

- 3.1 Members are requested to endorse the following updates on the Capital Projects:

3.2 Langage Business Park

LEPL have provided a plan of the land proposed to site the starter units, as they are required to under the S106 agreement. This is being reviewed by the Assets team and is an important step forward. Members will be aware that this site forms part of the Freeport.

3.3 Market Square, Totnes

SHDC & TTC continue to work together to identify priorities, specifications and programme of works.

It is likely works will be delivered over three phases. The first phase (delivered and funded by TTC) is to deliver improvements to the ramp and building adjoining the Civic Hall. TTC have submitted a recent planning application for these works which include modifications to the existing access ramp.

Further phases (staircase renovation, landscaping and re-surfacing) will follow thereafter and it is anticipated works to the Market Square itself will not begin before early 2024.

Before the bigger improvement project starts, TTC and SHDC have been undertaking some work to refresh the space including painting bollards, installing mosaics, putting up new lighting and repairing damaged seating and surfaces.

3.4 Cemetery Expansion, Ivybridge

A planning application has been submitted and is currently being validated for the extension. Geotech and ecology surveys were commissioned in support of the application. To meet seasonal windows, reptile relocation is currently underway to an area of retained habitat on site.

3.5 Dartmouth Health and Wellbeing Hub Development

The construction of the building can be seen in the image below. The Health Hub are due to invoice for the cost of the works to date, this will result in £2m of spend against the Capital Programme. Monthly invoicing will then commence until the full budget (£3.94m) is spent. The target completion date is anticipated to be November 2022.



Current view of the Dartmouth Health and Wellbeing Hub site

3.6 Batson Harbour Depot

This scheme involves the construction of new two storey Harbour Master depot facility, including workshop, office, welfare and storage. Construction work is continuing with the building being made watertight and commencement of internal mechanical and electrical fit out.

Completion has been delayed and that delay is being formally managed through the contract. Completion is formally stated as being end of October but the project team suggest that this is unrealistic.

3.7 Batson Employment Units

This scheme involves the construction of five new commercial units to deliver new commercial floor space to support local marine businesses. Construction work is continuing with completion of internal blockwork.



This view shows the Harbour Depot on the left and Employment Units on the right (photograph taken 13 July 2022)

The same contractor is undertaking this work as the Harbour Depot. Refer to above comments regarding completion.

3.8 Urban Tree Challenge Fund

278 trees were planted in early 2022. The remainder will be planted between Nov 2022 and Feb 2023.

The trees are being watered and maintained by an additional member of the Grounds Maintenance team (funded by the UTCF grant) whose main role will be planting and maintenance of the trees for a four year period. Despite this maintenance, it is expected that a minority of trees will fail. Any failed trees will be replanted in subsequent years.

3.9 Housing capital projects – St Ann’s Chapel

Full Council approved the recommendations made on 25th November 2021 relating to the St Ann’s Chapel Housing Project. £4.2million was approved to deliver 8 affordable homes, 3 open market units and 2 serviced plots. The project is on programme and on budget. Completion is forecast for Summer 2023.

With the foundations complete, mains services will be laid through the site and scaffolding will go up in time for the timber frames. These are pre-fabricated in factory controlled conditions to allow a faster build on site with less manpower and waste. Once the houses are weather-tight, it then allows interior trades such as electrical and plastering to commence earlier in the build programme.

Weekly site meetings check progress and quality, whilst in the office work continues selecting kitchen and bathroom specifications, external finishes of stone and wood cladding and internally flooring and tiles.



St Ann’s Chapel progress showing the start of the timber frame build process (photograph taken 17 September 2022)



Drone view of the St Ann's Chapel site (Photograph taken 24 August 2022)



Design view of how the housing will look once complete

3.10 Affordable Housing Update

The table below gives an update on the various affordable housing capital budgets and schemes.

Scheme	Budget	Narrative
Community Led Housing	£100,000	There is a balance of £24,500 remaining. An application has been received by Salcombe Community Land Trust and this is expected to be spent in 2022/23. £18,000 spent to date on Salcombe CLT.
Rural Affordable Housing	£400,000	<p>There is a remaining balance of £78,654. Investigations into setting up a first time buyers deposit loan scheme are in progress and it is expected that it will be spent in 2022/23. This scheme requires member approval but potential take up is anticipated to be promising.</p> <p>In addition to this, some of this budget may be utilised for Gypsy and Traveller site provision. If an opportunity arises, a report will be taken to Members to consider, as other costs will also need to be considered.</p>
Existing Stock/Sustainability	£100,000	Available to reduce empty homes and make best use of the existing housing stock. £5,000 has been spent to date. Projects need to be worked up as part of the emerging housing strategy. Investigations into setting up a first time buyers deposit loan scheme are in progress and it is expected that it will be spent in 2022/23. Work is also expected to commence to bring in to the council's ownership long term empty properties. This is a lengthy process but will avoid the properties being sold on the open market, particularly in high value areas.

Affordable Housing Proposals

	Narrative	Budget for scheme
(4 years at £230,000 per annum)	An annual budget of £230,000 per annum was being made in the Capital Programme for Affordable Housing. This annual budget has now ceased due to the current uncommitted balance.	£920,000

Capital commitments against the Affordable Housing Budget:

6 Affordable Homes, Kingsbridge	This contribution has been made to Kingsbridge Feoffees to help with construction costs of these affordable homes.	£150,000
Harberton Community Led Trust	The contribution has now been made to the Trust.	£104,500
St Ann's Chapel housing project	Council Minute 88/19 from 30 th April 2020 – £100,000 to be allocated to delivering St Ann's Chapel Housing Scheme. Funding of up to a further additional £250,000 as approved by Full Council on 25 th November 2021	£350,000
Set up costs of the Community Benefit Society – Wholly Owned Company	As per the report to the Executive and approved at Council on 13 February 2020	£40,000
Tenants Incentive Scheme	Amount set aside from the Affordable Housing Earmarked Reserve. This scheme has recently been relaunched and we have enhanced the payments to encourage more take up.	£55,400
Remaining Uncommitted Balance		£220,100*

***(This is the uncommitted balance on the Affordable Housing Earmarked Reserve)**

There is currently an uncommitted balance on the Affordable Housing Budget of £220,100. The Council declared a housing crisis in 2021 and the Executive receive regular housing update reports.

3.11 Private Sector Renewals including Disabled Facilities Grants (DFG's)

The number of DFG applications has recovered from the COVID pandemic. There has also been further volatility in material costs so we have reviewed our schedule of rates again for bathroom adaptations this year and will need to do again by the end of the financial year.

Spend on DFG's is based on demand, over which the Council has no control, and at present the service is processing and approving applications in line with this demand. However the policy is being reviewed to allow more flexibility and will go before council in due course. The council has undertaken a rebranding exercise on DFG's to highlight the service/offer to residents who may not identify themselves as being eligible. Applications for grants have widened and we have approved grants for autism and looking to include dementia and hoarding.

The Council has a healthy budget as a result of good performance and astute negotiations. With a wider Private Sector Renewal (PSR) Policy, the Council is able to spend the Better Care Fund on other areas such as home assistance and Energy Efficiency top-ups.

The Council is using part of the funding to support wider fuel poverty interventions and supplement national grant programmes. This will also have a positive impact on climate change by supporting vulnerable lower income households to access lower carbon solutions.

3.12 Green Homes Grant

The Council continues to hold funding under the Government's Green Homes Grant (GHG) scheme and continues to work towards the delivery. The grant is used to deliver energy saving measures for eligible households and will finish Sept 22.

So far 74 Grants have been approved totalling £ 789,502. This delivery includes 14 air source heat pumps, 50 solar panel installations, 7 insulation upgrades and 3 storage heater upgrades.

We continue to work with partners in Community Energy to support the leads we have generated.

A report was presented at Executive on 21st Sept 2022 on Energy Efficiency in Homes.

3.13 Waste

A separate report on the waste service was presented to the Executive on 21st September 2022. Some of the one-off costs will be capital expenditure e.g. vehicle fleet. A further report on waste will be presented to the Executive meeting on 1 December 2022 where further details on this will be set out within the report.

3.14 Pay and Display Machines

Several pay and display machines have come to the end of their useful life at various coastal locations and replacements have been ordered to be delivered and installed in the next few months. The car park locations of these machines are at Bigbury, Strete Gate, Torcross Tank, Longmarsh and the Memorial car park.

3.15 S106 Deposits

The list of S106 Deposits are shown in Appendix B totalling **£6,849,461.70**.

Some of these S106 Agreements have a clause within the S106 Agreement which states that the Council shall be entitled to use up to a five per cent (5%) part of the total payments and contributions payable pursuant to the provisions of the Agreement, towards the costs to be reasonably and properly incurred by the Council in monitoring compliance with the S106 Agreement and in assessing the details submitted to the Council for approval pursuant to the S106 Agreement.

4. Options available and consideration of risk

This is considered on a project by project basis as part of the project appraisal document and initial business case for each capital project.

5. Proposed Way Forward

This is considered on a project by project basis.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Statutory powers are provided by the S1 Localism Act 2011 general power of competence. The capital programme is implemented in line with the Council's legal requirements, which are examined on a project-by-project basis. To date there are no undue legal concerns.</p> <p>Since there is commercially sensitive information in Appendix A regarding the budgets for individual projects, there are grounds for the publication of this appendix to be restricted, and considered in exempt session.</p> <p>The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in the appendices.</p> <p>Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial Implications to include reference to Value for Money		<p>The monitoring of the capital programme at month 5 (end of Aug 22) has shown that all projects are within their budgets approved by Members (Appendix A).</p> <p>£12,484,497 has been profiled into 2022/23 with the remaining budgets rolled forward into future years. (Appendix A). <i>The spend against this profiled budget is £2,332,014 (18.7%) as at the end of August 2022.</i></p> <p>The regular monitoring of the Capital Programme ensures the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources.</p>

Risk		<p>The Council demonstrates that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage.</p>
Supporting Corporate Strategy		The Capital Programme supports all of the thematic delivery plans within the 'Better Lives for All' strategy.
Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>The Council has approved a budget of £600,000 in the Climate Change Earmarked Reserve.</p> <p>Further detail is set out in the Council's 'Better Lives for All' strategy.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This matter is assessed as part of each specific project.
Safeguarding		This matter is assessed as part of each specific project.
Community Safety, Crime and Disorder		This matter is assessed as part of each specific project.
Health, Safety and Wellbeing		This matter is assessed as part of each specific project.
Other implications		

Supporting Information

Appendices:

EXEMPT - Appendix A – Details of capital expenditure to 31st August 2022
Appendix B – S106 Summary as at 31st August 2022

Background Papers:

None

Document is Restricted

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Classif. Code	Site	Date Received	Current Stage	Restriction/Committed End Date	Conditions	TOTAL S106 DEPOSITS £
Thriving Economy Delivery Plan						
Langage Energy Centre						
1007	Landscape Fund (PG01)			25 years, interest (rate not specified)	Reduce the landscape and visual impact of power station	(40,606.43)
1008	Local Liaison Group (PG02)			25 years, interest (rate not specified)	Funding of local activities in the electoral wards of the Council immediately surrounding the Phase 1A and the wards of SHDC and/or PCC	(6,349.23)
1009	Public Art (PG03)			25 years, interest (rate not specified)	Public art in or in the vicinity of the Phase 1A Land	(113,814.03)
1010	Migrant Workers (PG04)			No restriction/committed end date	Provide information and advice relating to migrant workers employed in relation to the development	(1,520.16)
1012	Ecology Park (PG06)			25 years, interest (rate not specified)	Laying out and planting of the Ecology Park	(34,144.21)
1013	Ecology Park Mtc (PG07)			25 years, interest (rate not specified)	Maintenance of the Ecology Park	(34,144.21)
2020	Construction of Starter Units (PG08)				Construction of the Starter Units and procure a site for the Starter Units on either the Energy Park or land within South Hams District	(1,195,047.08)
2118	Langage Consultants Fees (MP)				Master plan	(29,957.01)
						(1,455,582.36)
Employment						
2601	SRP Annual Contribution					(19,762.00)
2603	Fees - Monitoring					(78,460.67)
2604	Economy - Economy & Training					(22,859.26)
3161	Sherford Design Review Body					(1,719.01)
2715	Harvey's Field (32/0844/12/F)	04/03/15	PIF	10 years, payable at 87.5% to owner and 12.5% payee of contribution, interest at 1% below Barclays base rate	Employment (Rural Growth Network) administered by LEP	(57,959.27)
						(180,760.21)
Strengthening Community Wellbeing Delivery Plan						
Open Space, Sport and Recreation						
3233	Great Court Farm - 03/2163/14/O	04/10/19	Under Development	None	50% Bridge Town Corridor Contribution	(17,122.96)
3233	Great Court Farm - 03/2163/14/O	04/10/19	Under Development	10 years	80% Sports and Recreation Contribution	(41,930.45)
3149	Land East of Allern Lane, Tamerton Foliot (04/1129/15/F)	13/02/20	Under Development	5 years	Sports and Recreation	(103,029.56)
2428	Former Old Chapel Inn, St Anns Chapel, Bigbury (05/0227/11/F)	02/05/13	PIF	No restriction/committed end date	Open Space Sport and Recreation contribution towards open public space	(12,075.39)
2974	Holywell Stores, Bigbury (05/2557/13/F)	11/06/18	Under Development	25 years, no interest specified	Open Space, Sports and Recreation Contribution	(9,155.33)
2255	Land at Blackawton (New Parks Farm), Blackawton (06/2313/09/F)	05/09/11	PIF	25 years, no interest	Required as a result of the development - spent on Open Space Sport Recreation contribution within or directly relating to the parish of Blackawton or on such other Blackawton Community project as the Council shall see fit	(2,596.00)
3287	Land at Town Farm - French Furze - 06/0992/14/F				50% Sports pitch and Community Facilities	(51,558.38)
2652	Land Ven Farm Brixton (07/2022/12/F)	13/05/14	PIF	No restriction/committed end date	Sport & Recreation/Employment	(13,125.25)
2652	Land Ven Farm Brixton (07/2022/12/F)	12/05/16	PIF	Capital spend, no interest specified	Open Space Sport and Recreation contribution - Open Space land commuted Sum	(12,000.00)
2861	Barn Conversions at Butlas Farm (07/1601/08/F)	14/12/16	PIF	No restriction/committed end date	Open space, sport and recreation contribution within or directly related to the parish of Brixton	(16,254.51)
3082	Venn Farm, Brixton (07/1196/15/F)	08/05/18	Under Development	10 years	Brixton Play Provision Contribution	(36,668.90)
3082	Venn Farm, Brixton (07/1196/15/F)	08/05/18	Under Development	10 years	Open Space Contribution	(13,182.59)
3271	Land at the Royal British Legion Club, Brixton - 1884/18/FUL & 2771/16/FUL		Under Development	5 Years	£13,337.58 for pitches at Horsham Playing Fields	(12,670.70)
3271	Land at the Royal British Legion Club, Brixton - 1884/18/FUL & 2771/16/FUL		Under Development	5 Years	£8,518.12 for play facilities on the Brixton Play Trail	(8,092.21)
2850	Sorley Tunnel (11/2425/07/F)	28/07/16	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(12,195.27)
2862	Lutton Farm Barns, Ivybridge (12/0953/07/F)	23/11/16	PIF	No restriction/committed end date	Public Open Space contribution	(8,965.15)
2718	Sawmills Field, Dartington 14/1744/13/F	11/12/14	PIF	7 years, interest at 1% below Barclays base rate or 0% (whichever is higher)	Sports	(46,485.81)
3081	Webbers Yard Dartington (14/1745/13/O)	02/05/2018 & 19/09/18	Under Development	No restriction/committed end date	1st & 2nd instalment of Sports Provisions	(55,959.71)
3160	Brimhay Bungalows, Dartington - 14/0142/15/F	19/03/19	Under Development	None	OSSR - £44752.50 towards either Gidley Meadows, Dorothy Elmhirst Recreation Field or provide a games area at Meadowbrook	(42,514.87)
2863	Land at SX 8638 5117, Ivatt Road, Dartmouth (15/0587/13/F)	08/11/16	PIF	No restriction/committed end date	Open Space, Recreation and/or sports facilities within Dartmouth	(16,995.10)
2698	Boat House, Dartmouth Quay, Southtown, Dartmouth (15/2046/13/F)	17/08/14	PIF	5 years, no interest specified	Tree planting and management in Dartmouth	(741.79)
2835	Gara Rock Hotel, East Portlemouth (20/2104/13/F)	17/05/16	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(10,545.16)
3422	Cleeve Farm Barns, Ivybridge (1675/16/Ful)	07/04/21	PIF	25 Years	100% OSSR - Provision of sport and Recreation at Ermington Road Play area.	(8,479.48)
2860	Plot 2 Godwell Lane, Ivybridge (27/1758/11/F)	07/10/16	Under Development	No restriction/committed end date	Open Space Sport Recreation contribution (OSSR £195 to spend and Affordable housing £1335)	(195.00)
2994	Land SE of Torhill Farm, Ivybridge (27_57/1347/14/F)	19/07/2017, 21/09/18 & 28/06/19 & 17/01/20	Under Development	No restriction/committed end date	Filham Park Contribution instalments 1, 2 & 3 + BCIS	(468,709.19)
3000	Land at Woodland Road, Ivybridge (27/1859/15/F)	11/10/17 & 04/12/18	Under Development	10 Years no interest specified	1st Instalment OSSR & 2nd Invoiced	(153,398.41)
3000	Land at Woodland Road, Ivybridge (27/1859/15/F)	04/12/18	Under Development	10 Years no interest specified	1st & 2nd Instalment Open Space and Play	(37,480.45)
3224	Cornwood Road, Ivybridge - 2208/16/FUL	03/10/19	Under Development	5 years	Off-Site Open Space	(46,539.85)
3282	Land at Cornwood Road Ivybridge (Phase 2) -3954/17/Ful	15/05/20	Under Development	10 Years	50% Open Space, Sport and Recreation Contribution	(143,040.99)
3258	Land at Rivermaid Marine - (4140/16/Ful)	09/03/20	Under Development	10 Years	Sports and Recreation Contribution	(18,050.00)
2806	Maypool House Youth Hostel (30/2787/10/F) - Dwelling Two	10/02/16	PIF	No restriction/committed end date	OSSR	(5,386.40)
2715	Harvey's Field (32/0844/12/F)	04/03/15	PIF	10 years, payable at 87.5% to owner and 12.5% payee of contribution, interest at 1% below Barclays base rate	Sports facilities contribution towards the provision of sports facilities required as a result of the development.	(472.47)
3256	Land at Marlborough Park (0549/17/OPA)		Under Development	7 years	1st Instalment of OSSR	(65,064.95)
2944	Land at Moorview, Marldon (34/2184/13/O)	07/07/14	PIF	10 years, interest at 1% below Barclays base rate	Sports and Recreation Contributions	(18,652.07)
2944	Land at Moorview, Marldon (34/2184/13/O)	07/07/14	PIF	10 years, interest at 1% below Barclays base rate	Offsite play Contribution	(62,824.41)
2973	Land off Palm Cross Green, Modbury (35/0059/15/F)	23/08/2017 & 15/08/19	Under Development	No restriction/committed end date	Open Space, Sport and Recreation contribution	(68,304.18)
3262	West Palm Cross Phase 2 (S106 -1391/18/F)	17/02/20	Under Development	10 Years	Sport Contribution	(10,860.48)
3199	Land at The Fairway, Newton Ferrers - 1372/16/FUL	19/09/19	Under Development	10 Years	Open Space and Recreation	(10,743.00)
3454	Yealm Hotel, Newton Ferrers (0607/17/FUL)	26/02/21	PIF	NA	OSSR - to be used for sports and play at Butts Park	(14,613.04)
2460	Loughrigg Coronation Rd, Salcombe (41/0652/11/F)	20/08/13	PIF	10 years, interest rate not specified	Open Space Sport and Recreation contribution	(10,250.86)
2705	Trennels, Herbert Road, Salcombe (41/0929/13/F)	21/10/14	Under Development	25 years, no interest specified	Open Space Sport Recreation contribution (£13,650)	(4,367.50)
2716	Bonfire Hill, Salcombe (41/1915/13/F)	09/2016 & 09/01/20	Under Development	5 years, interest at 1% below Barclays base rate	Open Space and Play contribution	(3,610.24)
2716	Bonfire Hill, Salcombe (41/1915/13/F)	09/2016 & 09/01/20	Under Development	5 years, interest at 1% below Barclays base rate	Sports Provision contribution	(81,417.34)
2716	Bonfire Hill, Salcombe (41/1915/13/F)	09/2016 & 09/01/20	Under Development	5 years, interest at 1% below Barclays base rate	Open Space and Play maintenance contribution	(8,146.77)
3132	Former Gas Works, Salcombe (0362/16/FUL)	24/01/19	PIF	10 Years	OSSR - £14,280 towards The Berry	(14,177.21)
3466	The Smithaleigh Hotel (3043/18/FUL)	06/04/21	Under Development	NA	50% OSSR - towards Erme Valley Playing Field, Ivybridge and/or provision of an all-weather pitch at ICC	(12,428.68)
3385	Paignton Road Stoke Gabriel - 52/1503/15/F				100% OSSR Contribution to improve football facilities in Stoke Gabriel	(54,666.25)
3421	Marians Maples, Stoke Gabriel (52/2081/15/F)	10/02/2021, 15/6/21 & 25/10/21	PIF	10 Years	Sports and Recreation Contribution	(12,554.90)
2717	Old Grist Mill 53/1706/07/F	12/01/15	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(1,303.08)
2802	Riverside, Totnes (03_56/0447/12/O)	07/12/15	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(63,271.44)
2820	Follaton Oak, Totnes (56/2346/10/O)	15/04/16	PIF	7 years, interest at 1% below Barclays base rate	Open Space, Sport and Recreation contribution (£60k)	(13,172.10)
2894	Land at Ashburton Road (Meadowside), Totnes (14_56/2246/1)	27/03/17	Under Development	5 years, interest at NatWest base rate	Sports Pitch contribution in the vicinity of the development	(11,430.86)
3001	Land adjacent to Elwell House, Totnes (56/1214/14/F)	12/04/18	PIF	25 years, no interest specified	OSSR - £1596 to spend	(1,596.00)
2945	Knighton Road, Wembury (58/1352/12/F)	28/06/19	Under Development	5 years, interest at NatWest base rate	Footpath Contribution	(95,000.00)
2945	Knighton Road, Wembury (58/1352/12/F)	28/06/19	Under Development	5 years, interest at NatWest base rate	Foot Path Contribution - £9600k to be transferred to National Trust.	(9,600.00)
2972	Home Field, West Alvington (59/2482/14/F)	05/09/17	Under Development	No restriction/committed end date	Play Contribution	(17,970.00)
2972	Home Field, West Alvington (59/2482/14/F)	05/09/17	Under Development	No restriction/committed end date	Sport and Recreation contribution	(43,527.17)
2429	Milzic Close (Underhay) Yealmpton (62/2948/11/O)	13/05/13		5 years, interest at BoE base rate +4%	Sport and Recreation contribution towards improved facilities for formal sport and recreation relating to the development	(0.48)
3487	Former Royal Oak, Bigbury (2873/18/FUL)	15/04/21	PIF	5 years	100% OSSR - Improvements to open space and recreation facilities and a new children's play area.	(8,336.25)

Classif. Code	Site	Date Received	Current Stage	Restriction/Committed End Date	Conditions	TOTAL S106 DEPOSITS
3488	Gabriel Court Hotel - 3903/16/FUL	06/07/21	Under Development	10 Years	50% OSSR Contribution towards play facilities at Orchard Play Area, Memorial grounds or a new games area within the parish.	(2,604.89)
3489	129 Fore Street Kingsbridge (3552/18/FUL)	11/06/21	PIF	10 Years	100% OSSR - Towards improvements of Duncombe park	(9,262.50)
3500	S106 - Land at Loddiswell Primary (1468/19/FUL)	27/05/21	PIF	NA	100% OSSR - Improvement of Butts Playing Field, Loddiswell.	(15,746.25)
3521	S106 Land off Belle Hill, Kingsbridge (0299/17/OPA)	02/08/21	Under Development	10 Years	33% OSSR - Improvements to facilities at Kingsbridge RFC ground or to increase grass/artificial grass pitch provision in Kingsbridge	(132,922.56)
3526	Blindwells, Hynetown Rd, Strete (2954/20/VAR)	15/07/21	PIF	NA	OSSR - improvements at Strete Play Park, Strete Village Green and/or Blackbird Wood	(12,034.86)
3377	Land At SX 651 560 Filham Ivybridge (3703/18/OPA)	28/09/21	Under Development	10 Years	50% Phase 1 Sports Contribution - detailed off site	(101,222.27)
3557	Parsonage Farm, Newton Ferrers (3139/16/OPA)	13/12/21	PIF	7 years	Open Space Off Site contribution	(35,156.28)
3377	Land At SX 651 560 Filham Ivybridge (3703/18/OPA)	06/05/22		10 years	Biodiversity contribution	(28,189.24)
3624	Land adjacent to Fairfield, South Brent (DNP 0346/18)	31/05/22		5 years	OSSR contribution	(23,343.00)
3626	Venn Farm Brixton (1825/16/OPA)				OSSR contribution	(39,150.90)
3623	St Ann's Chapel Bigbury (4097/16/OPA)	30/06/22			OSSR contribution	(36,711.06)
3634	Coco's Nursery Totnes (56/2221/15/O)	06/06/22		10 years	OSSR contribution	(10,529.69)
3651	Siding Cross Wrangaton (1317/16/OPA)				OSSR contribution	(76,851.46)
3654	Spion Lodge Salcombe (41/1023/15/F)				OSSR contribution	(22,112.33)
3670	S106 Lower Poole Farm E Allington (0084/18/FUL)				OSSR contribution	(16,532.71)
						(2,705,876.59)

Homes and Built and Natural Environment Delivery Plan

Affordable Housing

2428	Former Old Chapel Inn, St Anns Chapel, Bigbury (05/0227/11/F)	02/05/13	PIF	No restriction/committed end date	Affordable Housing contribution	(97,700.91)
2974	Holywell Stores, Bigbury (05/2557/13/F)	11/06/18	Under Development	25 years, no interest specified	Affordable Housing contribution	(65,193.00)
2819	Churchstow (11/0046/14/F)	29/04/16	PIF	No restriction/committed end date	Affordable Housing contribution - deposit deed	(19,689.00)
2835	Gara Rock Hotel, East Portlemouth (20/2104/13/F)	17/05/16	PIF	No restriction/committed end date	Affordable Housing contribution	(311,691.70)
3116	Gara Rock Hotel (3586/16/FUL)	07/11/18 & 22/02/19	Under Development	No restriction/committed end date	1st, 2nd and 3rd instalment of Affordable Housing	(200,000.00)
3224	Cornwood Road, Ivybridge - 2208/16/FUL	03/10/19	Under Development	5 years	Affordable Housing Contribution	(167,200.00)
2860	Plot 2 Godwell Lane, Ivybridge (27/1758/11/F)	07/10/16	Under Development	No restriction/committed end date	Open Space Sport Recreation contribution (OSSR £195 to spend and Affordable housing £1335)	(1,335.00)
2806	Maypool House Youth Hostel (30/2787/10/F) - Dwelling Two	10/02/16	PIF	No restriction/committed end date	Affordable Housing contribution	(36,047.38)
2411	Maypool House Youth Hostel (30/2787/10/F) - Dwelling One	20/03/12	PIF	No restriction/committed end date	Affordable Housing contribution (£10,000.00) and Open Space (£4,868.75)	(32,415.54)
3101	Land at Pendarves Loddiswell (S106 -32/1722/15/F)	31/07/18	PIF	10 Years	Affordable Housing Contributions	(13,016.73)
3454	Yealm Hotel, Newton Ferrers (0607/17/FUL)	26/02/21	PIF	NA	Affordable Housing Contribution	(124,168.93)
2460	Loughrigg Coronation Rd, Salcombe (41/0652/11/F)	20/08/13	PIF	10 years, interest rate not specified	Affordable Housing contribution	(91,713.56)
2838	Treetops, St Dunstons Road, Salcombe (41/3063/13/F)	30/06/16	PIF	5 years, interest at Lloyds base rate	Affordable Housing	(13,665.79)
2705	Trennels, Herbert Road, Salcombe (41/0929/13/F)	21/10/14	Under Development	25 years, no interest specified	Affordable Housing contribution (£93,001)	(88,780.95)
3132	Former Gas Works, Salcombe (0362/16/FUL)	24/01/19	PIF	25 Years	Affordable Housing	(53,611.32)
2869	Waddeton Barton Farm (52/1249/10/F)	14/09/17	PIF	Not specified	AH contribution of £52313.00	(49,697.35)
2802	Riverside, Totnes (03_56/0447/12/O)	07/12/15	PIF	No restriction/committed end date	Affordable Housing contribution, Open Space Sport Recreation contribution	(27,384.45)
2691	Warland Garage (56/2793/11/F & 56/1520/12/F)	04/08/14	PIF	25 years, no interest specified	Affordable Housing contribution	(664.01)
3523	Millpool, Coombe Shute, Stoke Gabriel (52/2477/15/F)	21/07/21	PIF	5 Years	Affordable Housing contribution	(103,866.66)
3623	St Ann's Chapel Bigbury (4097/16/OPA)				Affordable Housing contribution	(191,447.97)
3630	Tides Reach Hotel Salcombe (2826/15/FUL)	19/05/22			Affordable Housing contribution	(481,891.88)
						(2,171,182.13)

Ecology

2716	Bonfire Hill, Salcombe (41/1915/13/F)	04/03/15	Under Development	5 years, interest at 1% below Barclays base rate	Ecology contribution	(58,401.25)
						(58,401.25)

Tamar SAC

3454	Yealm Hotel, Newton Ferrers (0607/17/FUL)	26/02/21	PIF	NA	Yealm Estuary Environmental Management Plan Contribution	(491.43)
3380	Land Adj Sea View Heybrook bay (1165/20/VAR)	22/06/20		NA	Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(0.01)
3520	S106 Babland Farm, Modbury (1478/21/PDM)	29/06/21	PIF	NA	Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(507.05)
3525	Old Barn, Godwell Lane, Ivybridge (2812/20/FUL)	08/07/21	PIF	NA	Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(467.91)
3655	Ashford, Aveton Gifford (0409/21/OPA)	01/09/21		NA	Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(507.05)
3656	Briars Cottage Lee Mill (3832/19/FUL)	08/11/21		NA	Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(507.05)
3574	Babland Farm Modbury (0681/20/FUL)	07/01/22		NA	Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(116.62)
3586	Sunridge Worston Yealmpton (3355/20/FUL)	31/01/22		NA	Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(489.16)
3593	Quay West Studios Newnham (1600/21/FUL)	07/10/21 & 22/02/22		NA	2 x Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(935.98)
3604	106 Church Rd Wembury (3455/21/FUL)	18/03/22		NA	Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(236.62)
3377	Land At SX 651 560 Filham Ivybridge (3703/18/OPA)	06/05/55		10 years	2023 Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(45,841.10)
3620	Scobiscombe Farm Yealmpton (3845/20/FUL)	25/04/22		NA	2023 Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(479.60)
3626	Venn Farm Brixton (1825/16/OPA)	21/06/22			2023 Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(1,065.91)
3623	St Ann's Chapel Bigbury (4097/16/OPA)	12/05/22			2023 Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(4,610.45)
3628	Highlands Chittleburn Hill Brixton (1944/21/ARM)	04/05/22			2023 Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(467.91)
3633	Baccamore Shippen Plymouth (3387/20/VAR)	12/06/22			2023 Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(502.68)
3646	Hareston Farm Yealmpton (2812/21/FUL)	17/06/22			2023 Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(1,050.88)
3663	The Old Vicarage Stable Modbury (0404/20/FUL)				2023 Plymouth sounds and Estuaries EMS recreation mitigation and management scheme	(36.76)
						(58,314.17)

Air Quality

2994	Land SE of Torhill Farm, Ivybridge (27_57/1347/14/F)	07/2017 & 21/09/21	Under Development	No restriction/committed end date	Air Quality	(5,724.64)
						(5,724.64)

Ivybridge Mill Group

3028	Stowford Mill, Harford Road, Ivybridge (27/1336/15/F)	04/05/18	Under Development	No restriction/committed end date	Ivybridge Mill Group Archives Contributions	(10,000.00)
						(10,000.00)

AONB Mitigation

3424	Noss Marina Bridge Road Kingswear (2161/17/OPA)	09/03/21	PIF	NA	Quay Wall Research Contribution	(4,881.14)
3424	Noss Marina Bridge Road Kingswear (2161/17/OPA)	09/03/21	PIF	NA	Intertidal Habitat Contribution	(43,930.21)
						(48,811.35)

TOTAL S106 DEPOSITS (WITH CONDITIONS)

(6,694,652.70)

S106 DEPOSITS (NO CONDITIONS)

PG28	Rathvendon, Bigbury (1023)				No conditions	(7,312.50)
PG36	Sedgewell Sands, Marine Drive				No conditions	(7,372.00)
2726	St Johns Ambulance, Dartmth 15/1389/12/F				Affordable Housing - provision, enhancement, management	(23,000.00)

TOTAL S106 DEPOSITS (WITH NO CONDITIONS)

(37,684.50)

Capital Grants Unapplied

	Fallapit House, East Allington				Affordable Housing	(87,124.50)
	Tesco Site, Kingsbridge					(30,000.00)

TOTAL CAPITAL GRANTS UNAPPLIED

(117,124.50)

TOTAL S106 DEPOSITS

(6,849,461.70)

Notes:

1. The deposits as at 31st August 2022 reflect income already received by the Council or where a debtor has recently been raised to a third party.

Report to: **Executive**

Date: **13th October 2022**

Title: **Housing Crisis Update**

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

Wards Affected: **all**

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

Date next steps can be taken:

Author: **Isabel Blake** Role: **Head of Housing**
Laura Wotton **Head of Assets**

Contact: **01822 813551** /email: Isabel.blake@swdevon.gov.uk
Laura.wotton@swdevon.gov.uk

RECOMMENDATION

That the Executive:

- 1. Approve the commencement of an Expressions of Interest exercise to further understand the opportunities to bring forward affordable led housing schemes in Kingsbridge; and**
- 2. Note the work of the Overview and Scrutiny Housing Task and Finish Group and the recommendations set out in Section 4.**

1. Executive Summary

In September 2021, the Council declared a Housing Crisis. At the same time, it set out a range of activities it would undertake to tackle the crisis. An update is provided, to the Executive at each of their monthly meetings.

In this report, we will seek to inform members in relation to two matters:

- Progress in relation to two Council owned sites in Kingsbridge and
- The recommendations of the Task & Finish Group

2. Kingsbridge

2.1 Background

- 2.1.1 The Council own 2 sites in Kingsbridge (Appendix 1 Site Map) and have been consulting with Kingsbridge Town Council as to how these sites are progressed, as it is collectively recognised there is significant unmet housing need in the Town, particularly for affordable housing.
- 2.1.2 Engagement with a modular housing provider, has confirmed delivery of circa 15 homes on the Brownfield (former DCC site) would cost circa £280k per unit. This cost assumes a serviced site and does not allow for infrastructure costs etc.
- 2.1.3 In order to both benchmark these costs against other providers and partners to ensure best value and to understand all opportunities to take forward development on these sites, an Expressions of Interest (EOI) process is proposed.
- 2.1.4 A formal pre-application process is ongoing for the two sites which will be shared with the market through the EOI.
- 2.1.5 The proposed EOI would be open for a period of 6-8 weeks. This will include details of the Housing Strategy; Better Homes, Better Lives, to inform interested parties of our priorities for bringing forward any development, namely affordable led housing rather than commercial return.

2.2 Housing Need

- 2.2.1 The data supports a significant housing need. Using Devon Home Choice (DHC) information of households already on the housing register we are able to demonstrate the following:

Residence:

	1 bed	2 bed	3 bed	4+ bed	Totals
Band A				1	

Band B	13	11	1	2	
Band C	3	6	7	2	
Band D	36	9			
Band E	43	29	7	1	
Totals	95	55	15	6	171

Local Connection through family connection:

	1 bed	2 bed	3 bed	4+ bed	Totals
Band A					
Band B	2	3	1	2	
Band C	2	2	7	1	
Band D	4	4	2		
Band E	12	12	5		
Totals	20	23	15	3	61

Local Connection through employment:

	1 bed	2 bed	3 bed	4+ bed	Totals
Band A					
Band B	1				
Band C		1	1		
Band D	8	2			
Band E	12	8	1		
Totals	21	11	2		34

(All applicants are only counted for one local connection, however, they may meet more than one of the criteria for residence, family connection and employment.)

- 2.2.2 Kingsbridge are also in the process of making their neighbourhood plan which incorporates West Alvington and Churchstow and have commissioned an independent

Housing Needs Assessment. This is publicly available and was undertaken in April 2021 and provides an up-to-date picture of the housing challenges.

- 2.2.3 Notwithstanding the JLP allocated sites in and around Kingsbridge, the demand outstrips this supply.
- 2.2.4 The average house price over the last 12 months has been £483,617 and over the last 5 years this has been £431,280. There is a need for open market properties that are smaller and a more modest price. It is important to balance the housing market and meet wide need wherever possible.

2.3 Ropewalk (greenfield site)

- 2.3.1 This is a greenfield site owned by SHDC which has significant access and infrastructure issues which are challenging and expensive to resolve.
- 2.3.2 A modular housing scheme was designed, consisting of one, two and three bed units and a planning application was submitted (Planning Application Ref: 4158/19/FUL) in 2019 but following comments from Kingsbridge Town Council (KTC), was deferred.
- 2.3.3 Concerns were raised regarding the level of affordable homes being proposed at planning stage, which was Joint Local Plan compliant at the time of making the application. The intended strategy was to access Homes England (HE) funding to then increase the number of affordable units and "exceed" the policy compliant position. This would have resulted in a largely affordable led scheme but fell short (on viability) of being able to deliver 100% affordable units.
- 2.3.4 At the time of application in 2019 the business case for development required cross-subsidisation from 6 open market sales (out of 15 units) plus a Homes England grant of some £450k.
- 2.3.5 Since 2019, we have seen significant increases in build costs. The original business case was built on a build cost of £1600/sq. m which is no longer the market rate. Furthermore, the Infrastructure Grant funding scheme available at that time from Homes England has ceased. Borrowing rates have also risen significantly. It is not considered the previous scheme would be viable today.

2.4 Former Devon County Council Day Centre (Brownfield Site)

- 2.4.1 The brownfield site was a former day centre, purchased by SHDC from DCC when they ceased its operation. The property is vacant and in poor condition and the site which comprises amenity land and parking has become overgrown.
- 2.4.2 Discussion with KTC have been ongoing for around 18 months, who wish to continue to be actively involved to bring forward an exemplar affordable housing scheme. KTC have submitted a list of ideas it would like to see considered. It is recommended representatives from KTC and the wider community, (including local pressure group Kingsbridge Roof, who have regular sessions with Officer and Kingsbridge Members) are engaged with any EOI process.
- 2.4.3 Following a site visit by Members to a demonstration property in a neighbouring Authority, and a declaration in the Housing Crisis to actively explore modular housing the Council engaged with a provider to do design work and costings for the former DCC site.
- 2.4.4 Early costings provided proved optimistic following further design work. Costings provided on a proposed scheme of 15 units (mixed size) indicated a spend requirement of £4.2m, which equates to £280k per unit. Crucially this assumes a serviced site and does not include site clearance, infrastructure, and access costs which the Council would need to bear.
- 2.4.5 There has been no cost to the Council in engaging with the modular provider.
- 2.4.6 Comparable costings from a traditional build based on St Anns Chapel build costs are circa £290k per unit. This does however include all costs (infrastructure, access etc). Site specific conditions will influence these costs particularly, as the Kingsbridge site is brownfield, whereas St Anns was a greenfield site. Therefore, site clearance costs etc will exceed St Anns. Equally, the St Anns scheme is an exemplar scheme which exceeds general affordable housing build standards.

2.5 Proposed Way Forward

- 2.5.1 To support improved and accelerated delivery on both these sites and to make the best effort to provide more affordable housing in Kingsbridge quickly it is suggested that the Council undertakes an Expressions of Interest (EOI) exercise on both sites at the end of October. This will inform the Council of what opportunities there are in the market to bring forward an affordable led scheme. The site

would be marketed alongside the Council's adopted housing strategy Better Lives for All, the high-level brownfield site aspirations of KTC, recognising the actions under the South Hams Housing Crisis Declaration and finally other Council objectives such as the climate agenda and biodiversity net gain.

- 2.5.2 It is also recommended that the Council owned sites are marketed together as there may be an opportunity to offset infrastructure costs of one site against the other.
- 2.5.3 Through the process Registered Providers and other strategic partners would be notified and invited to put forward proposals for consideration.
- 2.5.4 Other local authorities, for example Plymouth City Council have utilised EOI's for several of their sites for affordable led schemes. This involves marketing a site alongside their corporate ambitions of the local authorities development plan and housing ambitions. Interested parties are invited to submit their proposals for the site in line with these ambitions which are then evaluated and treat with the developer who best satisfies the criteria.
- 2.5.5 It is important to note that any EOI received do not form any contractual arrangement to proceed. An evaluation exercise will follow receipt of EOI's, which will involve further reporting to members and consultation with the local members and KTC.
- 2.5.6 Using both the modular and traditional costs available, a number of scenarios have been run through our standard business case model (as used for the St Anns Chapel scheme). All scenarios result in a significant shortfall for the Council.
- 2.5.7 Whilst there is no doubt of the appetite both the Council and the Town Council have for bringing forward affordable led housing in Kingsbridge, it is right that all delivery routes and best value options are tested before any decision is made.

2.6 Next Steps

- 2.6.1 Continued engagement and partnership working with KTC and other appropriate community interest groups.
- 2.6.2 The commencement of an Expression of Interest exercise and an Evaluation Panel made up of the Leader of the Council and Lead Member for Homes, the Local Kingsbridge Members, a representative of Kingsbridge Town Council and the Head of Housing and the Head of Assets is formed to assess the EOI's before a further report to the Executive in the Winter

3. Housing Task & Finish group

- 3.1 The Overview & Scrutiny Panel were set a brief in early 2022 to set up a Task & Finish group to:

Research how other local authorities have successfully increased the delivery of affordable housing (directly and indirectly) within their boundaries and identify best practice and look at the successful establishment of community land trusts in rural areas and how these have been achieved. This policy research piece should stay focused on identifying practical and implementable solutions in the South Hams context, working within the framework of the housing thematic delivery plan (Better Lives for All) and wider housing strategy.

- 3.2 There was significant learning from the work the group undertook, and a number of schemes identified as best practice. (Appendix 2) These ranged from Community Land Trusts to direct delivery to partnerships between the Council and a Registered Provider (RP) and funding included a variety of sources including Homes England, RP investment programmes and cross subsidisation from open market sales as the Council itself is doing at St Anns Chapel.
- 3.3 All the schemes had communalities
- *Strong Partnership approach with Communities, Council and RPs*
 - *Strong local connection criteria which produce strong community buy in*
 - *Mixed size development is important with the Community being involved in the type and tenure of property*
 - *High energy efficiency and low running costs for tenants*
 - *Rents in line with the local area (affordable, social or LHA)*
- 3.4 The work of the Task & Finish Group has now concluded and the recommendations from this group were presented to the Executive in March 2022. Whilst the first 2 recommendations were agreed it was felt that the third needed some further work. The recommendations from the group are as follows:
- 3.5 Officers explore the formation of a Strategic Partnership with a Housing Association (or Housing Associations) and other partners to deliver affordable rented housing through schemes recognised nationally as best practice with such partnership(s) to include the location of suitable sites within the district.
- 3.6 Officers explore the setting up of a Community Land Trust modelled on the Cornwall Community Land Trust, including the possibility of working with other Devon local authorities in its formation.

- 3.7 That the Task and Finish group recognises that the Council continues to consider the best practice and lessons learned from successful community schemes. Ensuring any direct or registered provider development on exception sites truly involves the community in design, type and tenure wherever possible, and that the Council continues to support and invest in community land trusts.

4. Conclusion

- 4.1 The Executive approve the commencement of the Expression of Interest Exercise and an Evaluation Panel made up of the Leader of the Council and Lead Member for Homes, the Local Kingsbridge Members, a representative of Kingsbridge Town Council and the Head of Housing and the Head of Assets is formed to assess the EOI's before a further report to the Executive in the Winter
- 4.2 The recommendations from the Task and Finish Group are agreed and the approach is considered where it will deliver better housing outcomes.

5. Implications

Implications	Relevant Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>There are no recommendations that have a legal/governance implication at the current time.</p> <p>The EOI process does not create any contractual relationship between the parties. Instead, the process informs the Council of opportunities which may be available to move forward.</p> <p>The further report to Executive in the Winter will include further details as appropriate.</p>
Financial implications to include reference to value for money	Y	<p>The EOI process will enable the Council to test value for money and delivery options for the two sites.</p> <p>There are no recommendations to take any financial decisions at the time of drafting.</p>
Risk		<p>Lack of market engagement with EOI. Local RPs have been contacted in advance and there is interest in the opportunity.</p> <p>Poor commercial viability. It is likely that the EOI will show a tension between positive housing outcomes</p>

		and the commercial subsidy needed to achieve those outcomes. Non delivery of housing. Failure to proceed with the EOI, or a lack of a deliverable solution through that process would see the sites remain undeveloped.
Supporting Corporate Strategy		Homes
Climate Change - Carbon / Biodiversity Impact		There are no recommendations that have a carbon or biodiversity implication at the current time. Any future recommendation to support development would have an impact. This would be considered fully through the planning application process.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly as a result of this report
Safeguarding		None directly as a result of this report
Community Safety, Crime and Disorder		None directly as a result of this report None directly as a result of this report
Health, Safety and Wellbeing		None directly as a result of this report
Other implications		

Supporting Information

Appendices:

Appendix 1 – Site Map of Kingsbridge Sites



Appendix 2 – Overview & Scrutiny Recommendation

Background Papers:

None

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-  Kingsbridge Sites – Rope Walk and Former DCC Centre
-  JLP Allocation (which includes the two sites of interest)

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Task & Finish Group – final recommendations

Brief

Research how other local authorities have successfully increased the delivery of affordable housing (directly and indirectly) within their boundaries and identify best practice and look at the successful establishment of community land trusts in rural areas and how these have been achieved. This policy research piece should stay focused on identifying practical and implementable solutions in the South Hams context, working within the framework of the housing thematic delivery plan (Better Lives for All) and wider housing strategy.

Recommendations

- That the Task & Finish Group recommend to the Executive, that *officers* explore the formation of a Strategic Partnership with a Housing Association (or Housing Associations) and other partners to deliver affordable rented housing through schemes recognised nationally as best practice with such partnership(s) to include the location of suitable sites within the district.
- Officers explore the setting up of a Community Land Trust modelled on the Cornwall Community Land Trust; including the possibility of working with other Devon local authorities in its formation.

and

- That the Task and Finish group recognises that the Council continues to consider the best practice and lessons learned from successful community schemes. Ensuring any direct or registered provider development on exception sites truly involves the community in design, type and tenure wherever possible, and that the Council continues to support and invest in community land trusts.

Best practice examples

Members of the Task & Finish group researched national best practice where a range of projects were found. Members then refined this into a list where they selected a scheme from a similar area to us, with a view to learning from the project and identifying how challenges in delivery were overcome.

<u>Member</u>	<u>Scheme</u>	<u>Land purchase or</u>	<u>Landlord</u>	<u>Year built</u>	<u>Funding levers</u>	<u>Best practice</u>	<u>Officer comments</u>
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		<u>council owned</u>					
Clr O'Callaghan	Ruan Minor 6 properties to rent		South Devon Rural	2021 Cathedral Builders/ Trewin designs	HE, Cornwall Council, SDR (Cornwall have a CLT revolving loan scheme)	Strong community consultation Excellent energy efficiency Wildlife enhancements Rents capped at LHA Local Connection criteria	<p>Cornwall CLT had a loan facility with Cornwall Council of £4mill total, limited to £1.5mil per project. Money can be recycled once funding is achieved.</p> <p>Officers will be setting up a member session with South Devon Rural (SDRHA) to discuss the aspirations of the housing association. This follows the appointment of their new chief exec, managing director and Community Land Trust advisor.</p> <p>The council has achieved good outcomes with SDRHA in the past. Recent examples are Supported Housing and general needs housing at Brimhay Gardens Dartington and Morleigh Heights.</p>
Clr Birch	Wilkins Way, Ilmington Warwickshire 10 AH 4 Open market	Warwicks hire County Council	Warwickshire Rural Housing Association	2008-2011 Linwood Homes	County District HCA (now HE) Open market sales HA borrowing	Strong community consultation (including selection of materials) Partnership approach Innovative use of funding and profit sharing Strong design code	<p>This type of delivery is typical which follows the policy approach as set out in the Joint Local Plan (JLP) and the Affordable Housing Supplementary Planning Document (SPD).</p> <p>The council (SHDC) requires 30% affordable housing, there is always encouragement to developers and housing associations to consult with the community. This is a developer led scheme but delivers a small amount of affordable housing.</p> <p>Whilst this is not an exemplar delivery mechanism of affordable housing, there are other examples of best practice with community consultation, design and energy efficiency which warrants its inclusion in this set of best practice.</p>

						Excellent energy efficiency	
Cllr Reeve	Tuckers Close Mark, Somerset 12 AH mixed size development for affordable rent		SWHS	2017-2018	HE District	Mixed development provides opportunities for people to remain in village as circumstances change	Affordable Housing providers are keen to bring forward 100% affordable schemes, the issue is finding land. SHDC has delivered a number of these schemes. Changes in funding and in the JLP means that 100% affordable is challenging as an amount of open market is needed in most circumstances to cross subsidise.
Cllr Smerdon	Christow CLT 13 mixed size AH for rent. 4 OM (with local restriction)	Gifted by Teignbridge DC	Teign Housing	Mitchell Architects	HE District	Passivhaus design Energy efficiencies Design code Won Excellence in planning delivery 2017	The Village Housing Initiative (VHI) was the delivery vehicle at both Reeves Way in Churchstow and Garden Close in Rattery. The scheme at Christow are Passivhaus but the cost of this is challenging, however, if possible, should be the ambition. Housing standards are generally as energy efficient as possible through housing associations.
Cllr Mckay	Dadson Court Smeden Kent 12 AH Rent & SO		English Rural Housing Association		HCA (now HE) RP Borough Council Parish Council 3 rd sector	High energy efficiency to minimise running costs for tenants Delivered without open market cross subsidy Social Return on investment model	The same comments apply to the Affordable scheme in Mark. The social return on investment apart from local connection to the area is unclear. SHDC already does this in all schemes in our rural areas and the Local Allocations Policy prioritises those in housing need who are local to a parish further supporting affordable housing for the district.

						Mixed size development	
						Used rural exception site process	
						Local Connection criteria	
Cllr Sweett	Trecaerus Farm, Padstow Cornwall 55 homes (tenure not given)	Land purchased by Cornwall council	Cornwall Council	2022 (not yet occupied) Poltair homes	Grants unknown Open market subsidy		

Best Practice communalities

- Partnership approach with Communities, Council and RP is key
- Strong local connection criteria produce strong community buy in
- Mixed size development is important with the Community being involved in the type and tenure of property
- High energy efficiency and low running costs for tenants
- Rents in line with the local area (affordable, social or LHA)