

South Hams Council



Title:	Agenda																														
Date:	Thursday, 15th February, 2024																														
Time:	10.00 am																														
Venue:	Council Chamber - Follaton House																														
Full Members:	<p style="text-align: center;">Chairman Cllr Pannell</p> <p style="text-align: center;">Vice Chairman Cllr Taylor</p> <p><i>Members:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Cllr Abbott</td> <td style="width: 33%;">Cllr Jackson</td> </tr> <tr> <td>Cllr Allen</td> <td>Cllr Lawford</td> </tr> <tr> <td>Cllr Birch</td> <td>Cllr Long</td> </tr> <tr> <td>Cllr Bonham</td> <td>Cllr McKay</td> </tr> <tr> <td>Cllr Brazil</td> <td>Cllr Munoz</td> </tr> <tr> <td>Cllr Carson</td> <td>Cllr Nix</td> </tr> <tr> <td>Cllr Cooper</td> <td>Cllr O'Callaghan</td> </tr> <tr> <td>Cllr Dennis</td> <td>Cllr Oram</td> </tr> <tr> <td>Cllr Dewynter</td> <td>Cllr Penfold</td> </tr> <tr> <td>Cllr Dommett</td> <td>Cllr Presswell</td> </tr> <tr> <td>Cllr Edie</td> <td>Cllr Rake</td> </tr> <tr> <td>Cllr Hancock</td> <td>Cllr Steele</td> </tr> <tr> <td>Cllr Hawkins</td> <td>Cllr Thomas</td> </tr> <tr> <td>Cllr Hodgson</td> <td>Cllr Yardy</td> </tr> <tr> <td>Cllr Hopwood</td> <td></td> </tr> </table>	Cllr Abbott	Cllr Jackson	Cllr Allen	Cllr Lawford	Cllr Birch	Cllr Long	Cllr Bonham	Cllr McKay	Cllr Brazil	Cllr Munoz	Cllr Carson	Cllr Nix	Cllr Cooper	Cllr O'Callaghan	Cllr Dennis	Cllr Oram	Cllr Dewynter	Cllr Penfold	Cllr Dommett	Cllr Presswell	Cllr Edie	Cllr Rake	Cllr Hancock	Cllr Steele	Cllr Hawkins	Cllr Thomas	Cllr Hodgson	Cllr Yardy	Cllr Hopwood	
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Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.																														
Committee administrator:	Democratic.Services@swdevon.gov.uk																														

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| 1. Minutes | 1 - 12 |
| to approve as a correct record the minutes of the meeting of the Council held on 14 December 2023; | |
| 2. Urgent Business | |
| the Chairman to announce if any item not on the agenda should be considered on the basis that he considers it as a matter of urgency (any such item to be dealt with under 'Business Brought forward by the Chairman'); | |
| 3. Exempt Information | |
| to consider whether the consideration of any item of business would be likely to disclose exempt information and if so the category of such exempt information; | |
| 4. Declarations of Interest | |
| In accordance with the Code of Conduct, Members are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests and Non-Registerable Interests including the nature and extent of such interests they may have in any items to be considered at this meeting; | |
| 5. Public Question Time | 13 - 14 |
| 6. Business Brought Forward by the Chairman | |
| to consider business (if any) brought forward by the Chairman; | |
| 7. The Council Plan 2024 - 28 and Annual Delivery Plan for Year 1 | 15 - 64 |
| 8. Draft Revenue and Capital Budget Proposals for 2024/25 | 65 - 130 |
| 9. Summary Accounts 2022/2023 (Draft, Unaudited) | 131 - 138 |
| 10. Council Tax Discounts and Council Tax Reduction Scheme 2024/25 | 139 - 150 |
| 11. Reports of Bodies | |
| to receive and as may be necessary approve the minutes and recommendations of the under-mentioned Bodies:
(* Indicates minutes containing recommendations to Council). | |

(a)	Development Management Committee - 13 December 2023	151 - 158
(b)	Audit & Governance Committee* 14 December 2023	159 - 166
	(i) Minute A&G 30/23 Summary Accounts 2022/2023 (Draft, Unaudited) (To be considered at Agenda Item 9)	
	(ii) Minute A&G 32/23 Strategic Risk Update and Framework	
	That Council be RECOMMENDED that the updated Risk and Opportunity Management Strategy be adopted.	
	The associated Committee Report can be accessed here: https://democracy.swdevon.gov.uk/documents/g1803/Public%20reports%20pack%2014th-Dec-2023%2009.30%20South%20Hams%20Audit%20and%20Governance%20Committee.pdf?T=10 (agenda item 10 refers)	
(c)	Overview & Scrutiny Committee - 21 December 2023	167 - 172
(d)	Development Management Committee - 17 January 2024	173 - 180
(e)	Licensing Committee - 18 January 2024	181 - 182
(f)	Executive* - 25 January 2024	183 - 194
	(i) Minute E.57/23 The Council Plan 2024 –28 And Annual Delivery Plan for Year 1 (To be considered at Agenda Item 7)	
	(ii) Minute E.58/23 Draft Revenue and Capital Budget Proposals for 2024/25 (To be considered at Agenda Item 8)	
	(iii) Minute E.62/23 Council Tax Discounts and Council Tax Reduction Scheme 2024/25 (To be considered at Agenda Item 10)	

(iv) Minute E.64/23 Capital Programme Monitoring as at 31 October 2023

That Council be **RECOMMENDED**:

2. To update the current virement limits within the Constitution (as shown in Section 10 of the published agenda report).

The associated Committee Report can be accessed here:

<https://democracy.swdevon.gov.uk/documents/g1829/Public%20reports%20pack%2025th-Jan-2024%2010.00%20South%20Hams%20Executive.pdf?T=10>

(agenda item 15 refers)

12. Questions

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

13. Notice of Motion

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

MINUTES OF THE MEETING OF THE SOUTH HAMS DISTRICT COUNCIL HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 14 DECEMBER 2023

MEMBERS

* Cllr G Pannell – Chairman

* Cllr B Taylor – Vice-Chairman

∅ Cllr V Abbott	* Cllr S Jackson
* Cllr G Allen	* Cllr L Lawford
* Cllr J P Birch	∅ Cllr M Long
* Cllr L Bonham	* Cllr J McKay
∅ Cllr J Brazil	* Cllr P Munoz
* Cllr J Carson	* Cllr A Nix
∅ Cllr B Cooper	* Cllr D M O’Callaghan
* Cllr S Dennis	* Cllr C Oram
* Cllr A Dewynter	* Cllr S Penfold
* Cllr N Dommett	* Cllr A Presswell
* Cllr T Edie	* Cllr S Rake
* Cllr D Hancock	* Cllr M Steele
* Cllr J D Hawkins	* Cllr D Thomas
* Cllr J M Hodgson	* Cllr G Yardy
* Cllr N A Hopwood	

* Denotes attendance

∅ Denotes apology for absence

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

Officers in attendance and participating:

For all items: Senior Leadership Team; Monitoring Officer; Democratic Services Manager; Head of Revenues & Benefits (via Teams) Principal Climate Change Officer (via Teams) Head of Economy & Place (via Teams) Senior Economic Development Officer (via Teams) Salcombe Harbour Master (via Teams)

34/23 **MOMENT’S REFLECTION**

As this was the first Full Council meeting since both the ex-Council Leader, Mr Owen Masters and long-time Council Member, Mr Trevor Pennington, had sadly passed away, the Chairman paid tribute to the service both had given to the Council and, as true public servants, asked those in attendance, as a mark of respect, to stand and observe a moment’s reflection in their memory.

35/23 **MINUTES**

The minutes of the Council meeting held on 28 September 2023 were confirmed as a true and correct record.

36/23

DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting and these were recorded as follows:

With regard to agenda item 7 ('Plymouth And South Devon Freeport: Report Of Task & Finish Group' (Minute 38/23 below refers)), Cllr J Birch advised that, in his capacity as the Council's appointed representative on the Plymouth & South Devon Freeport Board, he had been granted a dispensation from the Monitoring Officer to be able to take part in the debate and vote on all matters related to the Freeport.

37/23

PUBLIC QUESTION TIME

It was noted that the following public questions had been received in accordance with the Council Procedure Rules, for consideration at this meeting:

a) from Marie-Bernadette Checkley:

(Background: I along with my neighbours objected to the planting of trees in front of our homes by SHDC. Our objections were overruled by officers who ignored the support given to us by local members.

Question: "Why is it that residents supported by local Members are overruled by officers?"

In the absence of Cllr Abbott, the Chairman of Council provided the following response:

"The Administration are committed to increasing biodiversity and tree coverage across our green spaces, as trees within an urban environment bring a wide variety of benefits and are largely welcomed by residents. As owners and managers of many mature trees, we recognise that careful consideration must be given to their placement and not to cause future conflict with neighbouring properties.

For that reason, following engagement with the local residents of Borough Park, we took the decision to reduce the number of trees we planted and changed the species type to a smaller one. In this way, a balance has been struck by enhancing the park for the whole community, whilst mitigating any potential impact of residents bordering the park."

b) from John Grocock

(Background: in his article about Housing (Totnes Times 21 September) Cllr Brazil bemoaned the fact that in the new town of Sherford there is 'not a solar panel in sight'. Furthermore, he was generally critical of houses being built which are not 'energy self-sufficient and zero carbon'

The following week (Totnes Times 28 September) there was information about the Council's purchase of properties in Sherford and construction by them of houses at St Anns Chapel.)

Question: "Given Cllr Brazil's concerns, what measures have been taken to ensure that these houses are 'energy self-sufficient and zero carbon'?"

Response from Cllr O'Callaghan (lead Executive Member for Housing):

"The housing at Sherford is being built by private developers and received planning permission in 2013. This pre-dates our current standards, but does meet the government standards relevant at that time.

As a planning authority, we have subsequently declared a Climate Emergency and in response to this have adopted the Plymouth and South West Devon Climate Emergency Planning Statement in 2022. This sets out our expectations for all new development coming forward to ensure that it minimises carbon emissions and supports resilience to climate impacts by reducing embodied carbon, using low and zero carbon heating systems and use of low carbon materials.

Our development in St Anns Chapel greatly exceeds current building regulations standards and are very thermally efficient. One key specification that the Council set for that development, specifically to address this issue, was a permeability standard of 3 m³/hr.m², despite current building regulations permitting more than twice that at 6m³/hr.m²'

c) from Richard Howell

(Background: I appreciate that the proposed Devolution Deal is not specifically on the Agenda but the recommendation that Members withdraw from the Heart of the South West Joint Committee in part as a consequence of the development of the Devon, Plymouth and Torbay devolution deal is, from which noticeably Plymouth have already chosen to withdraw.

According to Leader John Hart the County Council will approve the Devon Devolution Deal at its Cabinet in March and it will be ratified at a Full Council shortly afterward.)

Question: Although there is to be a consultation neither the residents of the South Hams nor our elected representatives will be allowed to vote on whether we wish to have another layer of local government imposed upon us.

Do Members consider this acceptable?

Response from Cllr Thomas, Deputy Leader of Council:

"The details of the Devon Devolution Deal have not yet been announced by Government and therefore the implications of any deal for the residents and businesses of the South Hams are, as yet, unknown. Once the details of the deal become clear, the Council will of course consider it in due course".

d) from Jim Funnell

Question: "The Task & Finish report recommends a communication and engagement programme with local parish and South Hams region to inform public opinion. Will this engagement clearly identify the risks, delay and current projected net financial losses to the Freeport as highlighted in the report, as well as the benefits?"

Response from Cllr Birch (lead Executive Member for Economic Development, Commercial Strategy and Governance):

"The answer is 'Yes'. The Council will be determining the means and/or methods by which the recommendations in the Task and Finish Group report can be implemented and complied with, this is, of course, subject to the Recommendations being carried when the item is considered later in this meeting".

38/23

PLYMOUTH & SOUTH DEVON FREEPORT: REPORT OF TASK AND FINISH GROUP

Council considered a report that set out the recommendations of the Plymouth and South Devon Freeport Task and Finish Group that had been established by the Audit and Governance Committee

During debate, the following points were raised:

- (a) In reply to concerns raised over the ethical and governance practices of businesses to be located within the Freeport, the lead Executive Member gave assurances that the three partner local authorities (Devon County Council, Plymouth City Council and South Hams District Council) had substantial control over the Freeport and the operations within it;
- (b) It was noted that a number of specific Member questions were addressed on the Freeport website: (<https://pasdfreeport.com/>) and interested Members were encouraged to use this resource as a source of information and to address some of their openness and transparency concerns;

- (c) With regard to some Members highlighting the apparent lack of consultation with the Dartmoor National Park Authority (DNPA), the lead Member committed to contacting representatives from the DNPA to discuss the Freeport project with them;
- (d) A number of Members echoed the comments of the lead Member in respect of wishing to record their thanks to the comprehensive review that had been undertaken by the Task and Finish Group. Members also commented that this review had proven to be an excellent example of utilising the skills and expertise of non-Executive Members to undertake a detailed piece of work;
- (e) Whilst several questions had expressed concerns at this meeting, some Members felt it to be important to highlight some of the benefits associated with the Freeport, with particular reference being made to the extensive economic and employment benefits;
- (f) Prior to moving the recommendation, the lead Executive Member informed of his intention to **PROPOSE** an alternative as follows:

*‘That Council be **RECOMMENDED** to support the 17 recommendations set out by the Task and Finish Group in section 2 of the published agenda report and be **RECOMMENDED** to accept each of these recommendations, subject to the following amendment to Group recommendation 2 as follows:*

- 2. That the Council works to simplify the land acquisition plan and separates the two transactions. The purchase of Sherford can go ahead as approved by the Council **subject to a reference back to Council in the event of material changes to the current purchase arrangements**. The Langage purchase be put on hold and be subject to a later approval by the Council if and when necessary.*

This alternative wording was subsequently **SECONDED** and therefore became the substantive motion for debate.

- (g) An amendment was **PROPOSED** and **SECONDED** that read as follows:

‘That, in light of the very real concerns and potential financial risks for the Council being involved with the Plymouth & South Devon Freeport, SHDC will seek to withdraw forthwith from the Plymouth & South Devon Freeport and reinvest this finance in addressing our Housing Crisis.’

At the invitation of the Chairman, the Council’s Monitoring Officer was invited to address the meeting. In so doing, the Officer made reference to Meeting Procedure Rule 15.6 (Amendments to Motions) and ruled that this amendment breached this Rule by virtue of it negating the substantive motion.

In light of this ruling, the amendment was not debated;

- (h) Several Members expressed the view that, since the Freeport project would continue irrespective of the views of this District Council, then it was preferential to remain as a fully participating partner who was able to play an influencing and shaping role rather than being on the outside;
- (i) On balance, a number of Members concluded that, whilst there were significant risks associated with the Freeport initiative, these were outweighed by the extent of the economic benefits that were likely to be realised. Furthermore, the recommendations generated by the Task and Finish Group review were felt to mitigate, as far as was practically possible, the identified risks.

In accordance with Council Procedure Rules, a recorded vote was then called for and the voting was recorded as follows:

For the motion (20):- Cllrs Birch, Bonham, Carson, Dennis, Edie, Hancock, Hawkins, Hopwood, Lawford, McKay, Munoz, Nix, Oram, Pannell, Penfold, Rake, Steele, Taylor, Thomas and Yardy.

Against the motion (3):- Cllrs Allen, Dewynter and Hodgson.

Abstentions (4):- Cllrs Dommett, Jackson, O'Callaghan and Presswell.

Absent (4): Cllrs Abbott, Brazil, Cooper and Long.

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

It was then:

RESOLVED

That Council support each of the 17 recommendations set out by the Task and Finish Group in section 2 of the published agenda report and accept each of these recommendations, subject to incorporation of the following amendment to Group recommendation 2:

- 2. That the Council works to simplify the land acquisition plan and separates the two transactions. The purchase of Sherford can go ahead as approved by the Council subject to a reference back to Council in the event of material changes to the current purchase arrangements. The Langage purchase be put on hold and be subject to a later approval by the Council if and when necessary.

Members considered a report that sought to provide additional resilience to a number of Council Committees by increasing the pool of Substitute Members able to serve thereon; The Committees were; the Audit & Governance; Development Management; Licensing; and Overview & Scrutiny Committees. **Page 6**

The report also requested consideration of a proposal for the Council to withdraw from the Heart of the South West (HotSW) Joint Committee and to support the dissolution of the Body.

Finally, the report advised Members that with effect from Wednesday, 22 November 2023, all designated Areas of Outstanding Natural Beauty (AONBs) in England and Wales had become 'National Landscapes' and in view of the fact that the Council made formal appointments at its Annual meeting each May to the 'South Devon AONB Partnership Committee' and the 'Tamar Valley AONB Partnership Committee', respectively, that these would now need to be re-titled accordingly.

In the ensuing debate, the following points were raised;

- (a) The need for regular ongoing Member Training on planning was recognised and it was confirmed that this subject matter would be a prominent part of the Council's Member Learning and Development Plan;
- (b) With regard to the challenges of being a Member of the Development Management Committee, it was hoped that these could be mitigated by the proposal to increase the pool of Committee substitutes and the medium term aspiration for the Committee to meet on a Thursday instead of a Wednesday;
- (c) To ensure that the disapplication of the political balance provisions was kept under review, an addition to part 1 of the recommendation was **PROPOSED** and **SECONDED** that *'this be reviewed again in three months' time'*. When put to the vote, this addition was declared **CARRIED**.

It was then:

RESOLVED

1. That the political balance provisions set out in the Local Government and Housing Act 1989 be dis-applied and that Appendix E: 'Arrangements for the Appointment of Substitute and Co-Opted Persons to Committees, Panels and Boards' of the Council Constitution be amended accordingly and that this be reviewed again in three months' time;
2. That for the remainder of the 2023/24 Municipal Year, the Members set out in paragraph 2.2 of the published agenda report be appointed to the existing pool of Committee Substitutes;
3. That, with effect from 31 December 2023, the Council withdraw from the Heart of the South West (HotSW) Joint Committee and that the Committee be dissolved; and

4. That the re-titling of the 'South Devon AONB Partnership Committee' and the 'Tamar Valley AONB Partnership Committee' to the: 'South Devon National Landscapes Committee' and the 'Tamar Valley National Landscapes Committee' be noted.

40/23

REPORTS OF BODIES

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

- (a) Development Management Committee - 13 September 2023**
- (b) Salcombe Harbour Board - 18 September 2023**
- (c) Audit & Governance Committee - 28 September 2023**
- (d) Overview & Scrutiny Committee - 5 October 2023**
- (e) Development Management Committee - 18 October 2023**
- (f) Licensing Committee - 9 November 2023**

L.4/23: Hackney Carriage And Private Hire Policy – Proposal To Delay Implementation Of The Euro NCAP Safety Rating Standard

RESOLVED

That the amended Hackney Carriage and Private Hire Policy be adopted.

- (g) Salcombe Harbour Board - 13 November 2023**
- (h) Development Management Committee - 15 November 2023**
- (i) Executive - 30 November 2023**

E.36/23: Plymouth And South Devon Freeport: Report Of Task & Finish Group

Members noted that this recommendation had already been considered at agenda item 7 (Minute 38/23 above refers).

E.38/23 Draft Revenue and Capital Budget Proposals For 2024-25

RESOLVED

3. That the one-off cost of £450,000 for the roll out of the Devon Aligned Service for kerbside waste collection on 20 November 2023, be funded from the Business Rates Retention Earmarked Reserve in 2023/24 (NB. further details are set out in sections 3.26 to 3.29 of the published Executive agenda report);
4. That an Advisory Committee comprising of all Non-Executive Members be set up to consider the 2024/25 Revenue and Capital Budget Proposals and make recommendations to the Executive on the Budget Proposals (NB. meeting date proposed of Thursday 11 January 2024 at 3.00pm); and
5. That South Hams District Council continue to be part of the Devon Business Rates Pool for 2024/25, subject to there being no announcements within the Finance Settlement (expected to be announced in mid-December), which in the opinion of the Section 151 Officer (in consultation with the Leader of the Council), would change this recommendation.

E.39/23 Electric Vehicle (EV) Strategy Update**RESOLVED**

That the South Hams District Council Electric Vehicle Strategy 2023-2025 (as set out at Appendix B of the published Executive agenda report), be adopted.

E.50/23 Reports of Other Bodies**(a) Salcombe Harbour Board Meeting – 18 September 2023****SH.10/23 2024/25 Budget****RESOLVED**

1. That the proposed 2024/25 Budget (as set out within the agenda report presented to the Salcombe Harbour Board meeting) be approved, with it being noted that the detailed means of closing the Budget deficit (identified as being £77,000) will be considered by the Board at its next meeting (to be held on 13 November 2023); and
2. That £150,000 be transferred from the Harbour's General (Revenue Account) Reserve to the Renewals Reserve as part of closing the 2023/24 Accounts, with this funding being earmarked to support the cost of replacing the moorings barge.

(b) Salcombe Harbour Board Meeting – 13 November 2023**SH.22/23 Fees and Charges 2024/25****RESOLVED**

That the proposed fees and charges (as set out at Appendix 1 of the agenda report presented to the Salcombe Harbour Board meeting) be approved for implementation from 1 April 2024, in order to meet the 2024/25 Budget gap of £77,000.

41/23 QUESTIONS ON NOTICE

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

42/23 MOTIONS ON NOTICE

It was noted that one Motion on Notice had been received in accordance with Council Procedure Rules as follows:

(a) From Cllrs Yardy and Birch

'In a move to address the dentistry crisis it is resolved that the Council encourages the Devon Health and Wellbeing Board to work with local dental practitioners and patients to investigate the setting up of a pilot scheme to provide accessible no-frills dental care for all age groups, with the aim of encouraging the relevant NHS services to introduce the scheme across South Hams.'

During debate, the following points were raised:

- (a) In expressing their wholehearted support for the motion, a number of Members stated that NHS dental care provision in the South Hams was now at crisis point;
- (b) All Members were urged to demonstrate community leadership and investigate all possible solutions within their local wards in an attempt to resolve this crisis;
- (c) To recognise that local MPs also had a key role to play, an addition (as set out below) to the motion was **PROPOSED** and **SECONDED** and, when put to the vote, was declared **CARRIED**:

*'In a move to address the dentistry crisis it is resolved that the Council encourages the Devon Health and Wellbeing Board **and our local MPs (Anthony Mangnall and Sir Gary Streeter)** to work with local dental practitioners and patients to investigate the setting up of a pilot scheme to provide accessible no-frills dental care for all age groups, with the aim of encouraging the relevant NHS services to introduce the scheme across South Hams.'*

It was then:

RESOLVED

In a move to address the dentistry crisis it is resolved that the Council encourages the Devon Health and Wellbeing Board and our local MPs (Anthony Mangnall and Sir Gary Streeter) to work with local dental practitioners and patients to investigate the setting up of a pilot scheme to provide accessible no-frills dental care for all age groups, with the aim of encouraging the relevant NHS services to introduce the scheme across South Hams.

(Meeting commenced at 2.00 pm and concluded at 4.40 pm)

Chairman

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PUBLIC QUESTIONS AT COUNCIL MEETINGS

There is a period of 15 minutes at meetings of the Full Council (excluding the Annual Meeting) during which members of the public can ask questions about items on the agenda.

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

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

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

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

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Report to: **Council**

Date: **15 February 2024**

Title: **The Council Plan 2024 –28 and Annual Delivery Plan for Year 1**

Portfolio Area: **Councillor Julian Brazil
Leader of the Council**

Wards Affected: **All**

Author: **Andy Bates** Role: **Chief Executive**
Neil Hawke **Assistant Director Strategy**

Contact: Directors@swdevon.gov.uk

RECOMMENDATIONS:

That Council APPROVES the:

- 1. Council Plan 2024-2028 as set out in Appendix A and Year 1 (2024/25) delivery plan in Appendix B;**
- 2. funding for the 2024-25 delivery plan (as set out in section 4.2 of this report).**

1. Executive summary

- 1.1 The Executive considered an updated draft of The Council Plan and Year 1 delivery plan at its meeting on 25 January 2024 and agreed to recommend adoption of the plan to full Council.
- 1.2 The Council Plan and Year 1 delivery plan has been developed over a six-month period, which included consultation with the public and partner organisations. Importantly, the plans have been shaped by Advisory Groups open to all Council Members.
- 1.3 The last version of The Council Plan and delivery plan for 2024/25 are set out in Appendix A and B of the report.

2. Background

- 2.1 The Council Plan sets out our longer-term ambitions for the district. To support the ambitions, we have developed thematic delivery plans for each of the key priority areas, which together form the delivery plan, covering the period from 1 April 2024 to 31 March 2025.

- 2.2 The thematic action plans have been developed by Executive Lead Members in consultation with officers and have been informed by Advisory Groups open to all Members of the Council.
- 2.3 The delivery plan ensures that our resources are aligned to supporting Members' priorities and that our residents are clear about what we will do on their behalf. Wherever possible SMART (Specific, Measurable, Achievable, Relevant, Time-bound) targets have been developed to enable the Council to monitor progress against the plan.
- 2.4 The delivery plan is intended to be dynamic – able to be updated in response to emerging challenges and opportunities. Once adopted by Council, the delivery plan will be subject to regular monitoring, annual updates and reporting through the Executive and the Overview and Scrutiny Committee.
- 2.5 The delivery plan seeks to address a number of cross cutting issues for example how the Council responds to the ongoing cost of living challenges. While not presented as a standalone theme, a number of actions within the delivery plan contribute toward addressing this and other such challenges. This is an area which we plan to report back to members in due course.
- 2.6 The Council Plan and year 1 delivery plan was considered by the Executive at its meeting on 25 January and recommended for adoption by full Council.

3. The Council Plan implementation and Performance Management

- 3.1 To ensure that the Council remains on track with delivering its plans, the final delivery plan (Appendix B) includes an outline of the performance management framework for the Council.
- 3.2 The performance management framework sets out how the Council plans and organises its resources to achieve its vision and priorities.
- 3.3 Directors and managers across the Council will ensure that their service plans for the coming year align to the aims and ambitions within the plan and deliver on the key actions they are responsible for. In turn, service plans will inform individual employee's objectives for the coming year which will ensure the whole organisation is aligned with the plan.
- 3.4 The framework also sets out how we will monitor progress against delivering the plans and ensures that there is clear accountability and clarity on corporate performance reporting.

4. Resource Implications

4.1 At its meeting on 21 September 2023, the Executive considered the outcome of a full review of earmarked reserves and the capital programme. This report identified £1.541m of earmarked reserves which were potentially available to support the delivery of the emerging Council Plan and £1.013m of capital resources. These are one-off amounts, so £2.554million in total. This was subsequently approved at Council on 28 September 2023 (Minute CM 30).

4.2 The delivery of The Council Plan represents an overall financial commitment of £4,591,789 for 2024/25, with £3,591,789 financed from existing resources and £1,000,000 of new monies allocated from the £2.554million set out in 4.1 above. The allocation against each theme area for the 2024/25 financial year is as follows:

Theme	24/25 Financial Year		Total by theme
	To be financed from £2.554m identified in 4.1 above (£)	To be financed from existing core budgets and grants (such as UK Shared prosperity) (£)	
Climate and Biodiversity	500,000	168,000	668,000
Housing	100,000	2,308,789	2,408,789
Community Services	120,000	200,000	320,000
Economy and Jobs	75,000	598,000	673,000
Core Services	100,000	302,000	402,000
Community Development	55,000	15,000	70,000
Contingency	50,000		50,000
TOTAL	£1,000,000	£3,591,789	£4,591,789

The analysis between Revenue and Capital expenditure is below:

Revenue expenditure	£650,000	£899,362 (of which £551,362 is UKSPF (UK Shared Prosperity funding) revenue funding)
Capital expenditure	£350,000	£2,692,427 (of which £1.99m is Government grant funding and £0.7m is S106 funding)
TOTAL (£4,591,789)	£1,000,000	£3,591,789

It is recommended that the £650,000 of revenue expenditure is funded from the £1.541m of earmarked reserves (as per the Executive report of 21 September) which were identified as being available to support the delivery of the emerging Council Plan. In addition, it is recommended that the £350,000 of capital expenditure is funded from the capital receipts reserve (this is the £1.013m of capital resources identified for The Council Plan).

4.3 As set out in the tables above, the allocation of resources in respect of the 2024/25 financial year (totalling £668,000) delivers on the Council Administration’s commitment of allocating £0.5m p.a. in responding to the climate and biodiversity crisis. In addition, during the current financial year (2023/24), £330,000 of pre-identified funding has been available to support climate and biodiversity projects.

4.4 The financial implications set out in this section have been included within the revenue and capital budget proposals for 2024/25.

5. Proposed next steps

5.1 That full Council approves The Council Plan at Appendix A and Annual Delivery Plan at Appendix B and the funding associated to delivery as set out in section 4 to this report.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council Plan is one of the plans and policies that comprise the Council’s Policy Framework. Consequently, decisions to approve, adopt or amend the final Council Plan and themes will be decisions of the Full Council.
Financial implications to include reference to value for money	Y	<p>The report recommends an overall financial envelope for each theme based on the actions set out within the delivery plan.</p> <p>The delivery of The Council Plan represents an overall financial commitment of £4,591,789 for 2024/25, with £3,591,789 financed from existing resources and £1,000,000 of new monies allocated from the £2.554million set out in 4.1 and 4.2 above.</p> <p>This has been included in the Revenue Budget for 2024/25 being considered by Council today.</p>

Risk	Y	Having an agreed corporate plan ensures that Council resources are aligned to delivering on agreed priorities and plans. There is a risk that the plan is not agreed when finally considered by Council however this is mitigated through our consultation and engagement activity and by forming cross-political party Advisory Groups to shape The Council Plan and delivery plans.
Supporting Corporate Strategy	Y	This report sets out a new Four-year Council Plan and the first-year delivery plan for the Council. On adoption, it will form the overarching plan for the Council.
Consultation & Engagement Strategy	Y	The Council Plan and delivery plans have been refined following a ten-week consultation and engagement period with the public and partners.
Climate Change - Carbon / Biodiversity Impact	Y	The Council Plan sets out our primary commitments to tackling climate change and increasing biodiversity. The investment in the Climate and Biodiversity Theme is shown in 4.2 of this report. Further detail is in 4.3 of this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Equality and Diversity Implications have been considered for The Council Plan and overall contribute to a positive impact for our residents. Equality Impact Assessments will be carried out for specific projects within the delivery plan as they commence delivery.
Safeguarding		No direct implications – specific implications will be considered alongside the delivery of specific projects within the plan
Community Safety, Crime and Disorder		No direct implications – specific implications will be considered alongside the delivery of specific projects within the plan
Health, Safety and Wellbeing		No direct implications – specific implications will be considered alongside the delivery of specific projects within the plan
Other implications		None at this stage

Supporting Information

Appendices:

- Appendix A – The Council Plan
- Appendix B – Annual Delivery Plan 2024-25

Background Papers:

- Executive -Corporate Strategy (The Council Plan) & Year 1 Delivery Plan – Minute E.57/23

<https://democracy.swdevon.gov.uk/ieListDocuments.aspx?CIId=149&MId=1829&Ver=4>

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The Council Plan 2024-2028

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South Hams
District Council

Introduction from the Leader

The South Hams is a unique and glorious place to live. It has a landscape second to none and vibrant towns and local communities that make it very special.

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However, dig below the surface and there are worrying underlying trends and sources of concern. The serious lack of affordable housing and soaring rents are causing real hardship as well as damaging the local economy.

We have an ageing population with all the care and support needs that implies. There are pockets of real deprivation as well as issues of rural isolation and loneliness.

Our local infrastructure is inadequate and not serving the needs of communities or the local economy. The effects of climate change and biodiversity loss are already knocking at our door.



Cllr Julian Brazil

Leader
South Hams District Council

I am pleased to be able to set out our plan for how we intend to deal with these fundamental issues and urgently work toward a realistic vision of the South Hams as a place with the best environment for people and for nature and which is resilient in the face of an increasingly uncertain future.

To deliver on our ambition, we have developed four key policy areas. These policy areas are not independent but, are designed to form part of a coherent programme and each policy will contribute to our climate change and biodiversity loss agenda. They will aid the building of sustainable, resilient communities across the South Hams.

We must be ambitious and driven. Rather than settle for being part of the pack, we should lead the pack; developing positive and ambitious policies that others can follow.

Of course, none of this can be achieved on our own. At the heart of The Council Plan, is the need to work in partnership with communities and to involve them in all aspects of the work of the Council and the journey ahead.



Our priorities



We have four key focus areas for the next four years, with our ambitions around Climate and Biodiversity being a consideration through everything we do.

We also know that we cannot achieve these aims alone. Working with our communities, and where possible, supporting them to achieve their own local ambitions will also be an important consideration for the Council.



Working together to support the best environment for people, business and nature.



Cllr John McKay
Executive Member
for Climate & Biodiversity

Why Act?

July 2023 – highest global air temperature since records began.

2020 Greenhouse Gas Emissions across South Hams – 745 ktCO₂e.

15% of species are threatened with extinction from Great Britain.



Climate & Biodiversity

Our Ambition

There is a Climate Emergency and while the South Hams contributes an insignificant amount to global warming, and the diffuse nature of local biodiversity loss will mean it has a very small overall effect, we have a duty to contribute to the huge challenge of Global Climate Change and to take real action now. There is an opportunity to show what can be done and have a much wider effect. The South Hams can, and should, strive to become an exemplar for what can be achieved.

Beyond doing what we can to drive down emissions, we must accept that climate change is already happening and we need to have in place a quantified strategy for adapting to changing conditions.

The Council is already starting to do a great deal with the funding it has received through the UK Shared Prosperity Fund and the Rural England Prosperity Fund, including supporting agricultural diversification and schemes to adapt the marine economy and we need to build on this. There is however a desperate need for further help from central government in terms of both funding and legislation. We will use our influence to lobby central government directly, working with other Local Authorities and organisations such as the Local Government Association to address this.

Where possible, aligning objectives with other organisations, such as the South Devon National Landscape, the Devon Local Nature Recovery Strategy, the Devon Carbon Emergency Response team and others, we will be able to amplify the effectiveness of the funding available.

Our Key Partners and networks

Sustainable South Hams

Climate Experts Panel

Community energy groups

South Devon National Landscape

Businesses



Our Primary Aims

1. Striving to achieve the necessary 12% per year reduction in eCO2 emissions across the South Hams with a 40% reduction in 4 years.
2. Target a 5.5% per year increase in biodiversity in the South Hams with a 20% increase in 4 years.
3. To form an adaption plan for the South Hams so there is a pathway to deal with the consequences of climate change.
4. To make the South Hams an exemplar for other local authority areas by showing what can be achieved.

Our Initial Actions

- Form a Climate & Biodiversity Experts' Advisory Panel.
- Implement Project Assessment tool to consider environmental and social impacts.
- Continue to fund Sustainable South Hams.
- Launch a thermal imaging camera lending scheme.
- Hold a Climate & Biodiversity Assembly.
- Promote the action taken across the South Hams to tackle the climate emergency – tell the story.
- Carry out feasibility studies on viable council car parks for solar canopies.
- Increase tree planting in urban areas, extend and improve our woodland and protect wildlife habitats.
- Set up a Councillor Environmental Fund to support community action.
- Work with a community energy group to increase availability of community owned energy within the District.
- Deliver schemes to reduce the impact of our ferry and harbour operations.



Cllr Denise O'Callaghan

Executive Member
for Housing

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Why Act?

**Average House Price
12.8 x Average Income.**

3,895 second homes.

**1,585 applicants on
housing waiting list.**



Housing

Our Ambition

Providing good quality, genuinely affordable housing is a top priority for the Council. We understand the challenges for our residents languishing on housing waiting lists because of high demand and high prices. There are plenty of houses being built across the District, but not enough of them that locals can afford.

We'll be looking to make the best use of existing housing. Through grants, we have already begun upgrading the energy efficiency in homes for people on low incomes, and helped long-term landlords improve insulation and draught proofing – but we can, and will, do more. In one of the richest countries in the world, people should have a basic right to damp and mould-free homes, in reasonable repair, and the right to redress if they don't.

In the private rental market, prices are soaring, exacerbated by rising mortgage rates, with this shortage made worse by landlords switching to more lucrative short term holiday lets.

There are already 3,895 second homes in the District and only 3,450 units of social housing – this in itself tells a story of the challenges being faced.

We will work with our Registered Provider partners and communities to get genuinely affordable housing built while supporting our most vulnerable residents find a home they can call their own, and wherever possible prevent homelessness.



Our Key Partners and networks

Registered Providers
i.e. LiveWest etc.

Private Landlords

Devon County Council

Our Primary Aims

1. Take action to ensure a good mix of the right houses, in the right places to meet the needs of residents, with a focus on affordable social housing.
2. Tackle damp and disrepair in rented properties.
3. Make sure that all new housing developments are carbon neutral as far as possible.
4. Support the housing needs of our most vulnerable residents

Our Initial Actions

- Support communities, and encourage Town and Parish Councils and landowners (such as farmers) to bring forward affordable housing schemes through Community Land Trusts and partnerships with other providers or charities.
- Review existing capital programme to ensure construction or purchase of council owned or housing association homes is a key part of capital spending.
- Invest in suitable property in our towns and villages to provide affordable and social rented accommodation.
- Mandate affordable and social housing as a high proportion of all new developments (Joint Local Plan (JLP) review process) and for all new homes to be primary residence only.
- Delivery of specialist accommodation and adaptations for older / or disabled residents to remain in their communities.
- Explore options for all new developments to be connected to nearest town or village by cycle routes or other means of carbon efficient transport.
- Implement holiday and second home double Council Tax as soon as we can.
- Deliver good quality temporary accommodation by accessing opportunities for grant funding (such as Local Authority Housing Fund).



Cllr John Birch
Executive Member
for Economy & Jobs

Why Act?

Supporting our 8,000 local businesses to flourish will help our residents to meet their career aspirations.

Our innovative businesses can lead the UK on crucial developments in decarbonisation, food resilience and the future of eco-tourism.

Economy and Jobs

Our Ambition

We are fortunate to have five vibrant towns in the South Hams along with a number of smaller but equally important community centres such as Modbury and South Brent.

Our ambition is to transform the South Hams economy into one which leads the way in business decarbonisation, the development of future green energy solutions, and where clean business growth is nurtured and supported. Our business community will play a significant role in meeting future food resilience in the UK, and growth within key sectors including marine, hospitality and agriculture will have a positive impact on local ecosystems, biodiversity and climate change.

We will work with the existing Plymouth and South Devon Freeport to ensure that it delivers inward investment, business growth and high-quality job opportunities to the benefit of South Hams' residents.

We will create a collaborative environment with our business community, empowering them to shape local economic policies, and Council activities including business grants and support programmes.

The Council is delivering a number of projects that directly support the economy; our UK Shared Prosperity Programme will provide targeted support for a number of important sectors including agricultural schemes such as regenerative farming, local food and drink distribution projects and a greener marine economy.

We aim, with businesses and partner organisations, to support a thriving, resilient economy that will lead on innovative solutions to national issues and provide residents with the opportunities to meet their aspirations.

Our Key Partners and networks



Devon County, Plymouth City and the Town and Parish Councils

Local Chambers of Commerce and other business led groups

Specialist business support providers

Our Primary Aims

1. Support our high streets and businesses to adapt for future demands.
2. Create an environment in which businesses in all sectors can innovate.
3. Champion for local infrastructure (including broadband) to support economic growth.
4. Further develop our active travel network to sustainably connect our communities.
5. Leverage the strength of partner organisations to develop the skills of our residents.
6. Maximise the opportunities of the Freeport and the business it brings to our area.

Our Initial Actions

- Help to transform the South Hams into an exemplar green sustainable economy.
- Develop a South Hams business forum, and support local business partnerships to strengthen the Council's understanding of local business needs through continued engagement.
- Ensure that the Council's capital programme and investment strategies focus on investment in local community projects and business opportunities.
- Bring additional funding into the area to increase support and deliver crucial infrastructure.
- Provide bespoke support to business start-ups, growing businesses and inward investors.
- Continue to operate and increase our portfolio of business units.
- Deliver our programme of UK Shared Prosperity activities including -
 - Regenerative Farming Project;
 - Decarbonisation Plans;
 - Agri-Tech Adoption Project;
 - Food and Drink Distribution Projects;
 - Marine Economy schemes.



Cllr Victor Abbott
Executive Member
for Community Services

What we deliver

Community Services include:-

- Public Spaces
- Waste and Recycling
- Grounds Maintenance
- Tree inspections
- Leisure Centres
- Car Parks
- Public Toilets

and many more!

Community Services

Our Ambition

There are many frontline council services which improve the lives of our residents and enhance public spaces. We will make sure we have the right staff, with the right tools and skills to deliver frontline services that our residents will value.

We will directly support our communities by carrying out playground checks, taking steps to discourage littering and fly-tips and carrying out environmental health checks. Our Grounds Maintenance and Property Services Teams will make sure that the parks, open spaces and buildings we own or look after, are maintained to a high standard. We'll also offer our services to our town and parish councils to do the same. At the same time, we will inspect, manage and protect more trees.

Our car parks are important for residents and visitors, from shopping in our town centres, to leisure visits to the coast. We'll work with town and parish councils to make sure we strike the right balance of cost to park while ensuring we can invest in improvements.

We know that our residents are concerned about the environment. Through our own frontline services we will make sure we do all we can to respond to these concerns including taking action to protect trees in our area. We'll also contribute to our efforts on mitigating climate change by exploring from above-car park solar panels and working with our leisure facilities provider (Fusion) to address energy use while also forming a part of our multi-faceted approach to better living.

By delivering effective frontline services, we will take steps to address our climate impact while also enhancing the wellbeing of communities across the District.



Our Key Partners and networks

Town and Parish Councils

Fusion Leisure

Voluntary sector organisations

Our Primary Aims

1. Provide good quality responsive frontline services that represent good value for money for our communities.
2. Take steps to safeguard community assets for the people of South Hams.
3. Support local leisure and community facilities and promote the development of cycle routes and open spaces.

Our Initial Actions

- Review our resident-facing frontline services to make sure they are aligned to our priorities for the District.
- Support our communities to maintain and where possible enhance the everyday facilities within the community.
- Refresh our Equality Impact Assessments when making decisions about community facilities, making sure all policies and processes are fair and do not present barriers, particularly to those with access challenges
- Develop a plan to safeguard community assets for the future.
- Work with our leisure centre provider and community groups to promote active involvement in outdoor spaces.
- Enhance our green spaces and improve street sweeping and litter picking.
- Roll out the full Kerbside recycling and food waste service across the District so that all 45,000 households in the District can reduce their non-recyclable waste and increase recycling.



Cllr Dan Thomas

Deputy Leader & Lead Member for
Planning and Enforcement Services



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Cllr Jacqi Hodgson

Executive Member for
Community Composting and
Chair of Waste Working Group



Cllr Nicky Hopwood

Executive Member for
Customer Experience
and Information
Technology



Good Quality Core Services

Our Ambition

As well as delivering our ambitions around climate, housing, economy, and frontline community services, we need to ensure that all our services, in particular those that are delivered to all households and every community, are delivered efficiently and to a good standard.

Our waste and recycling service is one which must be delivered well, and we are committed to making sure this happens. But we want to go further by taking a lead in encouraging residents to use less in the first place, and by supporting community compost schemes and other initiatives which support recycling and biodiversity, and divert waste from incineration at the energy from waste plant.

Our planning and enforcement service is incredibly important to protecting the character of the District but also enabling delivery of homes that are energy efficient and meet the needs of our residents. So, we will drive forward our plans to speed up and improve the planning process.

We will also continue to focus on improving customer access across our services, from enhancing and simplifying our online access while also making sure that those residents who cannot do it online are able to get the bespoke support they need.

Our Primary Aims

1. Make sure all residents can access the services they need easily, however they chose to do so.
2. To get things right the first time and respond.
3. To enhance services such as planning, enforcement and waste & recycling (including support for community composting).

Our Initial Actions

- Improve communication with applicants and the overall speed of planning decisions, supported by the delivery of a new online planning system.
- Develop plans to increase responsiveness of enforcement action to provide better outcomes for communities.
- Deliver on our organisational development plan which focuses on making sure we have the right skills, tools and organisational culture to meet the needs of our residents.
- Review all customer contact routes to guarantee consistency for our customers including delivery of new website.
- Make sure that our communications are clear and that residents are kept informed of important information and proposed changes that could impact them.
- Plan how we can assess the impact that our service and policy decisions have on the environment and on our communities.
- Promote community composting to communities as a way of encouraging local action in response of the Climate and Biodiversity crisis and increasing volunteering across the District.

... underpinned by

Financial Sustainability

Our financial sustainability is important to ensuring that we can deliver our priorities and good quality services to our residents. For many years local councils have received single year finance settlements. We will continue to lobby government for longer term certainty of our budgets, allowing us to make longer term plans.

Good Governance

We will make sure that we have a robust governance framework, improve scrutiny of council decision making, and that we shape our policies and strategies in consultation with our communities and key stakeholders – including transparency.

Community Development

We know that we cannot deliver a better future for South Hams alone. Our communities and the voluntary sector play a critical part in this. We will work with them and where we can, support them to deliver projects and schemes that will enhance the area for us all. We will also ensure that we invest in our own staff, making sure that they are equipped with the right skills and tools to provide responsive services.



Our contribution to a global blueprint

Adopted by the United Nations Members States in 2015, the sustainable development goals provide a shared blueprint for peace and prosperity for people and the planet now and into the future.

They are an urgent call to action by all countries, recognising that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. This plan directly contributes to 11 of the 17 goals as highlighted throughout the document.



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**SUSTAINABLE
DEVELOPMENT
GOALS**

South Hams District Council supports the Sustainable Development Goals

Want to know more?
<https://sdgs.un.org/goals>





South Hams District Council Plan

Delivery Plan 2024/25



Introduction

- The South Hams Council Plan sets out our overall aims and ambitions for the district for the next four years. It is supported by annual delivery plans with the first (2024-25) being set out in this document.
- The delivery plan is developed alongside our annual budget to ensure sufficient resource to deliver on our ambitions.
- The delivery plans are of course not all that the Council will do. We will continue to deliver good quality core services that represent value for money for our residents and businesses.



How our plan is resourced

The delivery plan for 2024/25 represents a commitment of £4.591m in delivering on the Council's priorities for the district. This is a mix of freeing up existing earmarked reserves, reprioritisation of existing core budgets and government grants that have been secured (for example UK Shared Prosperity Funding).

	Funding for delivery of new activities	Funding provided from other sources (existing budget or government grants)	Total Funding by priority for 2024/25
Climate and Biodiversity	£500,000	£168,000	£668,000
Housing	£100,000	£2,308,789	£2,408,789
Economy and Jobs	£75,000	£598,000	£673,000
Community Services	£120,000	£200,000	£120,000
Good Quality Core Services	£100,000	£302,000	£402,000
Community Development	£55,000	£15,000	£70,000
Financial Sustainability			
Good Governance			
Contingency	£50,000		£50,000
2024/25 Total	£1,000,000	£3,591,789	£4,591,789

Over the coming pages, we set out the specific actions we will deliver during the 2024/25 year.



Primary Aim 1 - A 12% per year reduction in eCO2 emissions across the South Hams with a 40% reduction in 4 years

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Ref	Action	Specific Deliverables
C1.1	Launch a thermal imaging camera lending scheme to enable communities to identify energy improvements to properties.	Develop process for lending (including potential for delivering with Town / Parish Councils) Launch thermal imaging scheme with initial 4 cameras
C1.2	Work with a community energy group to increase availability of community owned energy within the district.	Make a financial contribution to Yealm Community Energy to further their work to secure a portfolio of solar farms which will generate income towards future community energy projects and climate & biodiversity initiatives Work with organisations such as the LGA and other Councils to lobby Government for necessary legislative changes to enable community energy generation schemes to come forward (Council 29/06/2023 Item 23/23) Complete feasibility study, working with TRESOC, for the installation of PV on leased buildings in Totnes Explore setting up a scheme to invest in community based renewable energy projects
C1.3	Increase electric car charging points in car parks to encourage more residents and visitors to transition to electric vehicles.	EV strategy adopted with delivery as per strategy Install rapid Electric Vehicle charger to support visitor economy at Follaton House
C1.4	Develop a network of electric bicycle hubs across the District to encourage more active travel.	Implement a pilot e-bike hub scheme consisting of 10 hubs with 70 bikes in total spread over the hubs. Review the success of the scheme and develop plans for incremental roll out across district.
C1.5	Carry out feasibility studies on viable council car parks for solar canopies to support more environmentally friendly transport choices.	Dartmouth Park & Ride Photovoltaic feasibility and business case preparation



Primary Aim 2 - A 5.5% per year increase in biodiversity in the South Hams with a 20% increase in 4 years

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Ref	Action	Specific Deliverable
C2.1	Increase tree planting in urban areas to extend and improve our woodland and protection of wildlife habitats	Explore proposals for increasing biodiversity (via reduced cutting frequency) in the 14 closed churchyards that the Council has responsibility to maintain.
		Work with partners and parishes across the district to create a network of wildlife -corridors, and where necessary provide the means for wildlife to overcome man-made barriers such as busy roads
		Development of Tree and Woodlands Plan including the protection of trees through TPO's
		Purchase of Land to support the planting of trees with contributions from Plymouth and South Devon Community Forest funding.
		Support the planting of a tree for each resident by end of this administration (May 2027)
C2.2	Discourage the use of glyphosphate herbicide by providing a service to Town and Parish Councils using alternative environmentally friendly techniques	Reviewed the possible use of Foamstream units (Hot water and degradable foam).
C2.3	Support and encourage Local Nature Reserves to protect biodiversity.	Renew our commitment to supporting Devon Local Nature Partnerships
		Support South Devon National Landscape in the delivery of the 'Life on the Edge' Conservation Management Plan focused on local species recovery for 30 species of threatened invertebrates. Support including underwriting current project shortfall
		Support Devon County Council to promote their 'Life on the Verge' project including highlighting the project to our communities for them to take action.



Primary Aim 3 - To form an adaption plan for the South Hams so there is a pathway to deal with the consequences of climate change

Ref	Action	Specific Deliverable
C3.1	Set up a Climate Change Working Group within the Council that will include representatives from community groups and organisations from across the district to help coordinate projects, allocate resources and to harness their expertise and energy	Form a Climate Experts Panel
C3.2	Work closely with our farming community to increase the availability of local produce, to encourage a regenerative approach, to support farm shop initiatives and to help our farmers become an important anchor in a local green economy	UKSPF Regenerative Farming, Apricot Centre and Food Distribution Project delivery Development and implementation of a 'Keep It Local' Scheme Employ a Food and Agriculture Officer to implement the keep it local scheme
C3.3	Continue to develop effective partnerships to tackle the Climate and Biodiversity Crisis.	Extend core funding for Sustainable South Hams for a further 12 months Work with the Bioregional Learning Centre to deliver a climate resilience project



Primary Aim 4 - To make South Hams an example for other Local Authority areas by showing what can be achieved

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Ref	Action	Specific Deliverable
C4.1	Implement Project Assessment tool to consider environmental and social impacts of Council decisions.	Review options for Project Assessment tools and seek to implement within the committee decision making process and project business cases.
C4.2	Promote the action taken across the South Hams to tackle the climate emergency to encourage community action.	Develop a communications and engagement plan for Climate and Biodiversity
C4.3	Become a net-zero organisation (Scope 1 and 2 emissions) by 2030.	Annually review carbon emissions and develop trajectory for net zero by 2030.
C4.4	Work with businesses to reduce plastics pollution.	Work with DEFRA to implement Extended Producer Responsibility Scheme
C4.5	Set up a Councillor Environmental Fund to support community action.	Increase Member Locality Budgets by £2,000 to support climate and biodiversity action across the District Set up application process and funding conditions - including requirement for short report on outcomes and launch scheme
C4.6	Review the Council's Climate Change action plan and develop an integrated plan with partners to reduce emissions and develop a low emissions green economy.	Review and update of existing plan
C4.7	Deliver schemes to reduce the climate impact of our Ferry and Harbour operations.	Monitor the impact of the hydrogen project on lower ferry and look to extend to other ferries (review wording - Sue Watts)
C4.8	Develop business case propositions for decarbonising the Councils own operations.	Decarbonisation of buildings - Follaton House and wider estate
C4.9	Progress with the conversion of our Council fleet to an electric fleet to reduce our climate impact.	Totnes Depot EV Charging infrastructure install progress to phase 2 which includes rapid charging to be progressed Complete feasibility study for fleet conversion and costs Follaton House - install additional EV points on track for delivery by April 2024
C4.10	Develop and adopt a new sustainable procurement strategy to reduce the carbon footprint of Scope 3 emissions.	Strategy adopted by September 2024
C4.11	Support the development of Leisure Centre Decarbonisation Plans to reduce the climate impact of Council contracted leisure services.	Reduce carbon emissions from leisure centres



Primary Aim 1 – Take action to ensure a good mix of the right houses, in the right places to meet the needs of residents, with a focus on affordable social housing

Ref	Action	Specific Deliverables
H1.1	Support communities and encourage Town and Parish Councils and landowners (such as farmers) to bring forward affordable housing schemes through Community Land Trusts and partnerships with other providers or charities.	<p>Create and launch the South Hams Housing Offer. This new scheme will support communities and landowners who would like to bring forward affordable housing in their area, technical advice on housing need data, site advice through funded pre-planning and some initial surveys, site massing and facilitating conversations with registered providers with a track record of working with communities.</p> <p>Work with a delivery partner (Hastoe Homes), the Town Council and community to bring forward truly affordable housing on sites owned by the Council in Kingsbridge</p> <p>The Council will work through the Devon Housing Taskforce and Devon Housing Commission to identify solutions to the housing problem in Devon, including increasing the supply of affordable housing within the District. This will include consideration of a Devon wide solution to affordable housing investment.</p>
H1.2	Review existing capital programme to ensure construction or purchase of council-owned or existing Housing Association homes is a key part of capital spending	Review complete- considered by Exec in September and ongoing delivered through South Hams Housing Offer, government grant opportunities and acquisitions
H1.3	Mandate affordable and social housing as a high proportion of all new developments (Joint Local Plan (JLP) review process) and for all new homes to be primary residence only.	<p>Work with partners to implement a rural housing scheme which demonstrates the ability to bring forward affordable housing schemes (Sustainable Rural Exceptions policy)</p> <p>Support developing emerging neighbourhood plans and update of existing plans when due.</p> <p>Review of Joint Local Plan policies to maximise delivery of affordable homes</p>
H1.4	Maximise the impact of second homes Council Tax premium to deliver housing solutions for the district.	<p>Countywide discussion on utilising the additional Council Tax contributions</p> <p>The Council will continue to lobby for legislative and regulatory change to address the challenges that the district faces around second homes and short-term let holiday accommodation. Specifically, the Council will lobby for the ability to register short-term lets and to licence them. The Council will then seek the ability to limit the number of holiday lets in a particular area when market penetration of short-term holiday lets exceeds a given proportion of total homes. Finally, we'll continue to lobby to Support the introduction of a new use class for short term lets, and not to allow changes between the new use class and residential properties without planning permission</p> <p>Continue to lobby Government for policy / legislation so that all domestic properties are prevented from changing from business rates to prevent paying their fair share of Council Services</p> <p>Policy report to Council to implement 100% premium charging</p>



Primary Aim 2 – Tackle Damp and Repair in rented properties

Ref	Action Description	Specific Deliverable
H2.1	Deliver on our Housing Standards Commitment - working with residents and social and private landlords to promote better quality housing in South Hams	<p>Deliver a campaign to educate private and social landlords to be aware of their responsibilities by promoting good housing standards via newsletters and social media</p> <p>Ensure all registered providers understand requirements at an operational level</p> <p>Evaluate the introduction of the Social Housing Bill through to legislation and seek to carry out any opportunity that the legislation presents to improve the housing stock</p> <p>Provide an annual update to Members on numbers of Housing Standards issues the Council have addressed</p>

Primary Aim 3 – Make sure that all new housing developments are carbon neutral as far as possible

Ref	Action Description	Specific Deliverable
H3.1	Work with agents and applicants to support compliance with the Climate Emergency Planning Statement	Lower Carbon Development secured on a site-by-site basis
H3.2	Explore options for all new developments to be connected to nearest town or village by cycle routes or other means of carbon efficient transport.	Maximising the JLP through Lobbying on building regulations etc



Primary Aim 4 – Support the housing needs of our most vulnerable

Ref	Action	Specific Deliverable
H4.1	Deliver specialist accommodation and adaptations for older and/or disabled residents to enable them to remain in their communities	Review Housing strategy and JLP. Recommend to change to delivery of schemes to support older residents to stay in their communities. Effectively deliver schemes to support independent living (Disabled Facilities Grants) by increasing awareness of funding availability - maximising spend of available budgets Carry out a review of Disabled Facility Grants policy (including relaunching it as an Independent Living Support Package) to support more residents to remain in their own homes.
H4.2	Support homeless households in need of temporary accommodation while investing in council owned temporary accommodation to ensure people are able to remain within the District wherever possible	Delivery of a new temporary accommodation unit in Kingsbridge
H4.3	In partnership with central Government ensure people fleeing conflict and violence from another country can find a safe haven in the South Hams.	Working with the Ministry of Defence to provide 3 units of resettlement accommodation - fit out and ready for occupation for a 3-year term Delivery of Local Authority Housing Fund properties for temporary accommodation initially for refugees (H4U / Afghan Resettlement Scheme) Consider participation in LAHF Round 3
H4.4	Working with Devon County Council improve the housing opportunities for care experienced young people, by offering support for them to sustain tenancies of their own and investigating the feasibility of specific housing.	Look to increase the supply of supported accommodation to meet the needs of care leavers Monitor take up of Care Leaver Council Tax Discount scheme and deliver a further campaign to highlight availability of the discount
H4.5	Review our Housing and Homelessness Strategy delivery plans for 2024/25 to ensure they meet the needs of the district.	Delivery plans for the Housing and Homelessness Strategy will be considered by Executive in January 2024
H4.6	Improve the efficiency of the existing housing stock within the district, removing people from fuel poverty and having a positive impact on climate change	Conduct targeted activity to ensure maximum uptake of Home Upgrade Grants facilitated by the Council. Plan to retrofit 55 properties
H4.7	Support Gypsy and Traveller communities within the District	Relaunch the Gypsy, Traveller and Caravan Dweller Forum and enhance by the inclusion of external partners Investigate a number of varied options in size and location for Gypsy & Traveller sites based on need.



Primary Aim 1– Support our highstreets and businesses to adapt for future demands

Ref	Action	Specific Deliverable
E1.1	Develop a South Hams business forum, and support local business partnerships to strengthen the Council's understanding of local business needs through continued engagement	Programme to deliver strategic business engagement and visits
		Work with existing business focused groups, such as Chambers of Commerce to engage with our business communities.
		Bring representatives from different groups and sector forums to create an overarching South Hams partnership
E1.2	Deliver a community economic plan for each of our towns to support the realisation of local ambitions.	Support each of our towns to develop a community economic plan, which identifies their current economic position, consults with their communities to develop a vision for the town, and then develops a series of short, medium and long-term projects to move them towards their vision
		Work in partnership with Town Councils to support them to bring forward Business Improvement Districts where there is ambition and capacity to do so
E1.3	Provide bespoke support to business start-ups, growing businesses and inward investors.	Maintain the existing contract with Business Information Point to provide business start-up and expansion support within the District
		Deliver regular reviews of the contract and steer their activity to ensure that local needs are being met



Primary Aim 2– Create an Environment in which businesses in all sectors can innovate

Ref	Action	Specific Deliverable
E2.1	Help to transform the South Hams into an exemplar green sustainable economy.	<p>Delivery of decarbonisation grants to businesses which have been through the UKSPF decarbonisation plans programme</p> <p>Delivery of clean diversification grants to businesses</p> <p>Delivery of community resilience grants which can include decarbonisation activities for community facilities</p> <p>Develop further projects through the town economic plans to support our local economies to adopt green practices</p>
E2.2	Ensure that the Council's capital programme and investment strategies focus on investment in local community projects and business opportunities.	<p>Review of capital programme concluded (Executive Report September 2023).</p> <p>Investment projects will be analysed on a case-by-case basis.</p>
E2.3	Bring additional funding into the area to increase support and deliver crucial infrastructure .	<p>Use Grantfinder and other tools to identify relevant funding</p> <p>LUF round 3 is expected to be announced within the next 12 months</p> <p>Be prepared to bid for whatever funding succeeds the UKSPF programme</p>



Primary Aim 3– Champion for local infrastructure (including broadband) to support economic growth

Ref	Action	Specific Deliverable
E3.1	Continue to operate and increase our portfolio of business units to provide spaces for businesses to thrive.	Identify opportunities for future funding and development of employment sites in our district
E3.2	Support for Broadband connectivity to ensure the South Hams is a well-connected digital place.	Understand the emerging Government proposals and data for the district to include rural connectivity including hard to reach properties and Project Gigabit

Primary Aim 4– Further develop our active travel network to sustainably connect our communities

Ref	Action	Specific Deliverable
E4.1	Finalise a 20-year plan for walking and cycling throughout the district to support active travel choices.	Finalise Local Cycle and Walking Infrastructure Plan (LCWIP) Adoption of LCWIP by Council Identify opportunities to improve the cycling and walking network Bring forward cycle network improvements associated with new developments



Primary Aim 5– Leverage the strength of partner organisations to develop the skills of our residents

Ref	Action	Specific Deliverable
E5.1	Develop partnerships and schemes to increase the skills of residents.	Work with partners such as Learn Devon to promote training and development opportunities provided by them within the District and offer our venues for the provision of training sessions

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Primary Aim 6 – Maximise the opportunities of the Freeport and the business it brings to the area

Ref	Action	Specific Deliverable
E6.1	Progress with the delivery of the Freeport to generate jobs and opportunity within the South Hams.	Acquisition of land (ref Council Minute CM77.22 for detail)



Primary Aim 1 - Provide good quality responsive frontline services that represent good value for money for our communities

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Ref	Action	Specific Deliverable
S1.1	Look to create a single integrated Community Services and Operations team to increase service opportunity and efficiency	Develop our grounds maintenance commercial function to provide services to towns, parishes and wider community organisations.
S1.2	Roll out the full Kerbside recycling and food waste service across the District so that all 45,000 households in the District can reduce their non-recyclable waste and increase recycling (move up under council services)	Monitor performance to demonstrate increase in recycling rates following roll out of Devon Aligned (Kerbside recycling) service on 20 th November 2023.
S1.3	Enhance our green spaces and improve street sweeping and litter picking to ensure South Hams remains a great place to live and visit.	<p>Invest in street cleansing services, with a bid to the Capital budget 2024/25 to trial an electric street sweeper within the District.</p> <p>Develop a plan to communicate with and support voluntary and community groups to play a role in enhancing public and green spaces, following the example of groups such as Kingsbridge in Bloom.</p> <p>Deliver a planned approach to street cleansing services to enable communities to plan around our planned cleansing activities so that community cleansing days are complementing our own street cleansing regime.</p>
S1.4	Support our communities to maintain and where possible enhance the everyday facilities within the community.	<p>Delivery of a refurbishment/improvement plan for Council operated public toilets- capital improvement work and engagement with all Councillors on local toilets and any ideas on multi-use of sites.</p> <p>Identify future potential need, locations and delivery partners for delivering Changing Places facilities within the District.</p> <p>Address Council Play Facilities - Consider Inclusion and Accessibility as part of our programme to maintain and improve</p> <p>Refresh our approach and offer for providing Memorial Benches within South Hams. Map current memorial benches across the district and Identify possible future locations for memorial benches, providing a costed offering for support and maintenance</p> <p>Refresh our approach and offer for the planting of memorial trees within the district.</p> <p>Review the charging policy for Dartmouth Health Hub Car Park (Jan 2024 and June 2024) as per requirement from Executive 28th June 2023</p> <p>Implement differential charging within Council operated car parks.</p>



Primary Aim 2- Take steps to safeguard community assets for the people of South Hams

Ref	Action	Specific Deliverable
S2.1	Develop a plan to safeguard community assets for the future.	Hold a series of discussions with Town and Parish Councils to understand any opportunities to maximising the use and opportunity of Council assets.

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Primary Aim 3 - Support local leisure and community facilities and promote the development of cycle routes and open spaces

Ref	Action	Specific Deliverable
S3.1	Work with community groups to promote active involvement in outdoor spaces.	Deliver on play pitch strategy to ensure leisure and sort facilities that meet the needs of our communities.
		Develop a sport and recreation plan that reflects the needs of our communities.
S3.2	Support the sustainable delivery of leisure services across the District and to promote active choices to residents.	Work with our leisure provider to ensure the best possible outcomes for our residents within the constraints of the leisure market
S3.3	Enhancing and investing in sports and recreation facilities through planning agreements (S106 contributions)	Ensure that developer contributions available through the planning process contribute to enhancements to sport and recreation facilities in the district.



Good Quality Core Services



Cllr Nicky Hopwood
Executive Member for
Customer Experience
and Information
Technology



Cllr Jacqi Hodgson
Executive Member for
Community Composting and
Chair of Waste Working Group



Cllr Dan Thomas
Deputy Leader & Lead Member for
Planning and Enforcement Services

Primary Aim 1 - Make sure all residents can access the services they need easily , however they chose to do so

Page 55

Ref	Action	Specific Deliverable
CS1.1	Review all customer contact routes to guarantee consistency for our customers including delivery of a new website.	Website delivered. Seek feedback from customers as soon as they have interacted with the Council on phone or online in order to monitor satisfaction of website and specific processes.
CS1.2	Strengthen resilience of Council systems to enable the council to continue to deliver services to its residents.	Review all in-house IT systems and identify those that can be cloud based
CS1.3	Reopen and enhance reception at Follaton House to ensure our customers can access our services in a way that best supports them.	Reopen reception with staffed desk, enhance with a community hub and ensure we take steps to deliver a dementia friendly customer experience
CS1.4	Deliver on our organisational development plan which focuses on making sure we have the right skills, tools and organisational culture to meet the needs of our residents.	Participate in LGA Recruitment Taskforce focused on overcoming local government recruitment and retention challenges
		Maximise use of the Apprenticeship levy and provide work experience opportunities to students and care leavers



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Cllr Dan Thomas
Deputy Leader & Lead Member for
Planning and Enforcement Services

Primary Aim 2 - To get things right the first time and respond

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Ref	Action	Specific Deliverable
CS2.1	Make sure that our communications are clear so that residents are kept informed of important information and proposed changes that could impact them.	Monitor effectiveness of our new consultation portal (Common Place). Re-design and re-launch residents' newsletter
		Increase face to face engagement with residents
CS2.2	Develop plans to increase responsiveness of enforcement action to provide better outcomes for communities.	New planning system goes live at the end of November. New enforcement policy implemented
		Enforce strict adherence to s106 and planning conditions, especially on large developments
CS2.3	Improve communication with applicants and the overall speed of planning decisions, supported by the delivery of a new online planning system.	New planning system went live at the end of November 2023. Performance will continue to be monitored. Next phase is delivery of Land Charges system.
CS2.4	Monitor and report on overall customer satisfaction with Council services so that we can ensure our services continue to improve.	Undertake Institute of Customer Service Satisfaction Survey
		Include an overview of customer satisfaction as part of refreshed KPIS



Good Quality Core Services



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Executive Member for
Customer Experience
and Information
Technology



Cllr Jacqi Hodgson
Executive Member for
Community Composting and
Chair of Waste Working Group



Cllr Dan Thomas
Deputy Leader & Lead Member for
Planning and Enforcement Services

Primary Aim 3 - To enhance services such as planning, enforcement and waste and recycling (including community composting)

Page 57

Ref	Action	Specific Deliverable
CS3.1	Plan and prepare for the review of the Local Plan (JLP) to ensure that this supports the Council's plan and meets the needs of our communities.	Review Climate Emergency Impact Statement (DEV32 requires all development to contribute to the 50% carbon reduction target by 2034, against a 2005 baseline, as well increasing the use and production of decentralised energy). Housing Position Statement JLP review preparation and work programming
CS3.2	Plan how we can assess the impact that our services and policy decisions have on the environment and on our communities.	Implementation of a tool to assess sustainability impacts of council decisions and projects
CS3.3	Secure Council resilience for emergency planning, business continuity & safety so that they can best support our communities.	Refresh and enhance our resilience plans
CS3.4	Promote community composting to communities as a way of encouraging local action in response of the Climate and Biodiversity crisis and increasing volunteering across the District.	Launch and promote scheme



Underpinned By: *Community Development*

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Ref	Action	Specific Deliverable
CD1.1	Ensure we work to support the positive action of Voluntary, Community and Social Enterprise Sector across the District.	<p>Form a central Community Development Team within the Council to engage with key VCS partners and to support communities bring forward projects that align with SHDC aims and ambitions</p> <p>Develop a community development action plan with partners</p> <p>Launch a 'Community Projects Fund' to support community led projects get delivered. Develop a simple application and assessment process.</p>
CD1.2	Review current Key Funded Partnerships to ensure alignment with our aims and ambitions and consider approach for funding key partners from 2025 onwards.	Key partnership funding application window to open
CD1.3	Work in partnership with Local Schools and colleges to deliver an Educational programme - encouraging young people to participate in community and democratic process.	Initial discussion with KEVICC to develop a plan including seeking views of students on future priorities



Cllr Dan Thomas
Deputy Leader & Lead Member for
Planning and Enforcement Services



Underpinned By: *Financial Sustainability*

Ref	Action	Specific Deliverable
FS1.1	Develop an Asset Management Plan/Strategy to ensure that the Council continues to make the best use of its assets.	Agree Asset Management Strategy and develop delivery plan
FS1.2	Set a balanced budget annually to ensure the longer-term financial stability of the Council.	Set the Budget for 2024/2025 ensuring that capital investment is based on community projects and businesses Carry out business consultation on Council Tax setting
		Set the Budget for 2025/2026 ensuring that capital investment is based on community projects and businesses





Underpinned By: *Good Governance*

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Ref	Action	Specific Deliverable
GG1.1	Ensure good levels of engagement with our communities so that out decisions are informed by views of those impacted by decisions.	Implement a Town and Parish Forum - 6 monthly meetings
		Review effectiveness of our new Consultation and Engagement Portal (Commonplace) ahead of 2025 contract renewal
		Plan a series of 'Roadshow events' for 2024 where the Council can engage with residents
GG1.2	Carry out a review of Governance and Decision Making so that they remain relevant to our operating environment.	Review of constitution and financial delegation levels
GG1.3	Develop a Procurement Strategy for the Council that seeks to contribute to our climate and biodiversity ambitions, increasing social value and all the while ensuring value for money for South Hams residents.	Develop a procurement strategy for the Council in response to the Government Procurement Bill and to support our wider aims and ambitions

Cllr John Birch
 Executive Lead Economy
 , Jobs and Council Governance



How will we monitor progress?

Good business planning and effective performance management at the Council are strongly linked. Our strategic priorities and plans identify the objectives that we aim to deliver, with our performance management framework providing the mechanism for how we achieve these objectives and how we monitor progress.

The Council Plan sets out what we will be doing over the period 2024 – 2028 against our adopted aims and ambitions.

The annual delivery plan as set out in this document will be embedded across the Council through service plans and individual objective setting and monitored closely to ensure we deliver what we say we will.

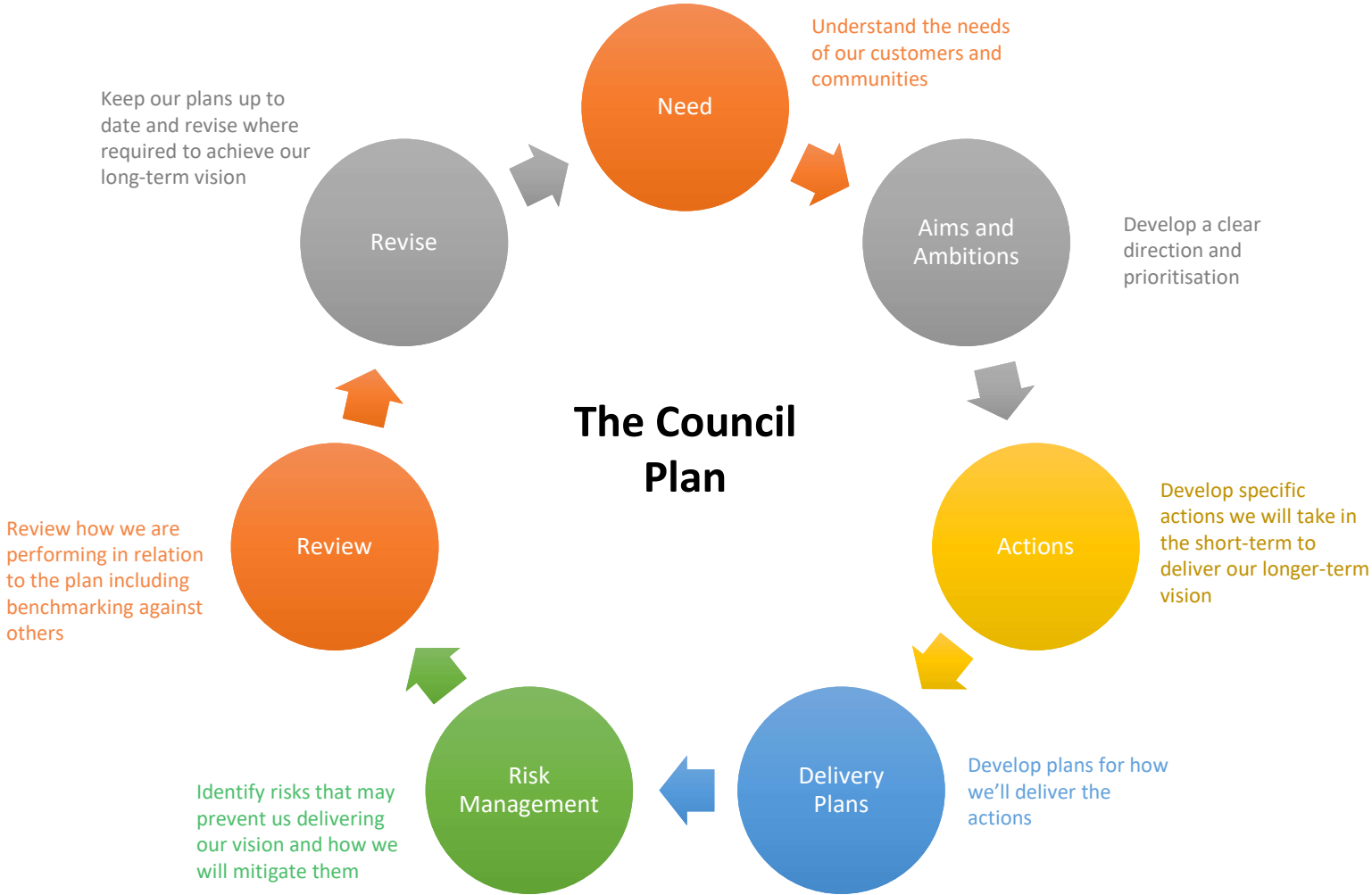
The following pages set out the broad process for monitoring progress.



Performance Management Framework: **Key elements**

We'll keep our plans relevant and manage delivery of them by ensuring we follow these steps.

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Performance Management: The Golden Thread

From Strategic priorities to individual targets

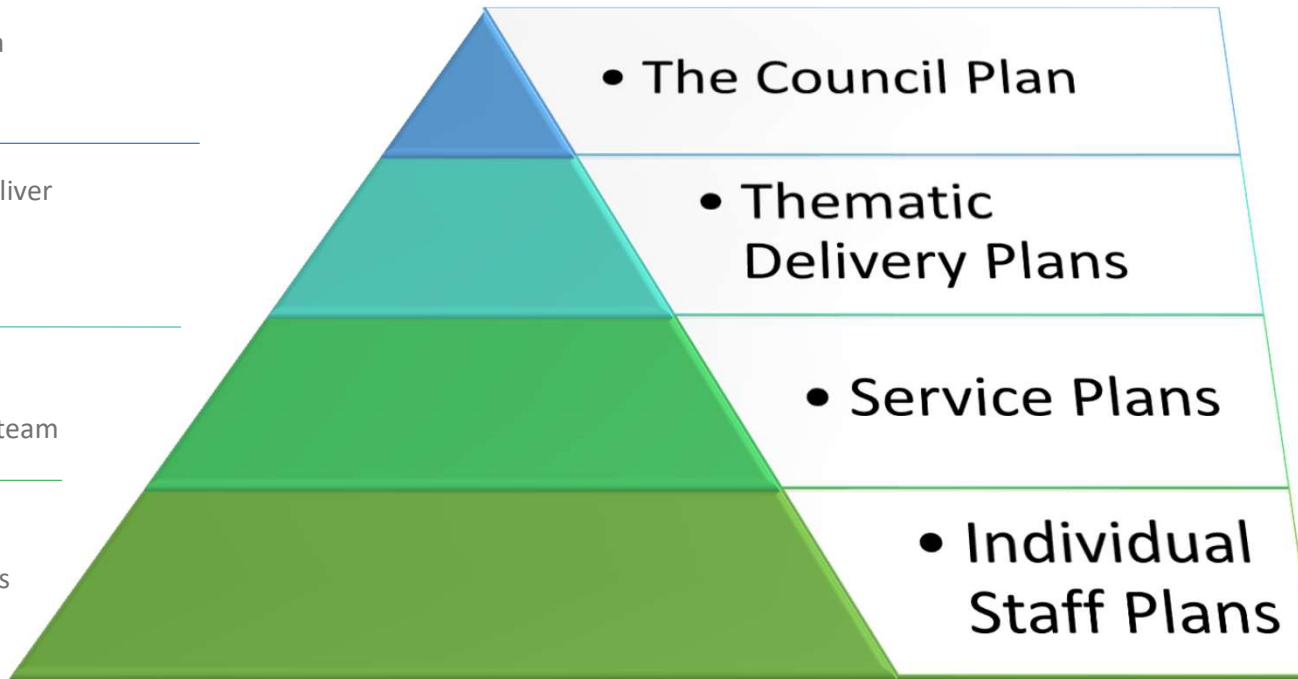
Key Elements:

- Longer term vision for the area
- Our top priorities

- Detailed plans for how we'll deliver the vision
- Resourcing

- Business as usual
- Improvement projects
- Key Performance measures for team

- Task and Behavioural objectives
- Individual performance measures
- Development Objectives



Monitoring Progress:

- Review The Council Plan document with Annual Delivery Plan Updates

- Quarterly Integrated Performance Report to Executive
- Schedule of 'Theme' Updates to O&S

- SLT oversight & reporting
- Regular Service Performance monitoring including KPI's to O&S

- Annual Objective Setting for individuals
- Regular 1:1's

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NOT FOR PUBLICATION

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

Report to: **Council**

Date: **15 February 2024**

Title: **Draft Revenue and Capital Budget Proposals for 2024/25**

Portfolio Area: **Cllr J Brazil – Budget Setting Process**

Wards Affected: **All**

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

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance**

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

RECOMMENDATIONS

It is RECOMMENDED that:-

- i) Council Tax for 2024/25 is increased by 2.99% (This would increase a Band D council tax for 24/25 from £185.42 to £190.96 – an increase of £5.54 per year or under 11 pence per week). This equates to a Council Tax requirement of £7,739,406.**
- ii) The financial pressures shown in Appendix A of £2,846,000 be approved;**
- iii) The savings/additional income of £(1,460,000) as shown in Appendix A be approved; and**
- iv) The net contributions to/(from) Earmarked Reserves of £(489,573) as shown in Appendix D, including the proposed use of £704,173 of New Homes Bonus funding to fund the 2024/25 Revenue Budget as set out in 3.20 of the Executive report (attached in Appendix I) and £300,000 from the Business Rates Retention Earmarked Reserve as set out in 3.3 of this report be approved;**

- v) That the Council should set its total net expenditure for 2024/25 as shown in Appendix B as £13,134,894;**
- vi) The proposed Capital Programme Proposals for 2024/25 of £3,682,427 and the proposed financing of the Capital Programme (as set out in Appendix E of the presented agenda report) be approved;**
- vii) The Reserves strategy (Appendix H) is approved which sets out that Unearmarked Reserves should continue to have a minimum level of £1.5million (as set out in the Medium Term Financial Strategy in September 2023), but an operating level of a minimum of £2million.**
- viii) That the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates are noted. This is a requirement of Part 2 of the Local Government Act 2003.**

1. Executive summary

- 1.1 It is important to note that the MTFS sets out the budget strategy for the Council for the next three years, with regular reviews (at least annually) and updates when items are further known or are announced by the Government.
- 1.2 Prudent financial management in the past, has meant that the Council was in a relatively healthy position financially before the pandemic hit. The management of risk and promoting financial resilience is a key principle of our budget strategy and this has helped facilitate our response. Key to the authority's financial resilience are our reserves, which are at a prudent level.
- 1.3 The Fair Funding Review, business rates baseline reset, and other funding reforms now look set to be pushed back to 2026/27 although this has not been confirmed by the Government so the MTFS and Budget Proposals for 2024/25 assumes that these changes will happen in 2026/27.
- 1.4 The report sets out proposals for the Council to achieve a balanced budget for 2024/25, as shown in **Appendix B**. The Council is currently forecasting a £369,994 budget gap by the following year, 2025/26. The cumulative aggregated Budget Gap by 2026/27 is £2.1 million, if no action has been taken in each individual year to close the budget gap annually.

Budget Gaps	2024/25 £	2025/26 £	2026/27 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	Nil – Balance budget proposed	369,994	1,394,479	1,764,473
*Cumulative Budget Gap	Nil – Balance budget proposed	369,994	1,764,473	2,134,467

* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

- 1.5 The budget gap for 2025/26 of £369,994 is very much in line with the level expected at this point in the financial planning cycle. In the year after, the budget gap is £1.39million, due to the local government reforms that are expected. These are the reset of the business rates baseline, the fair funding review and the impact of negative RSG (Revenue Support Grant), coupled with the loss of the business rates pooling gain.

2 EXECUTIVE'S FINAL BUDGET PROPOSALS FOR 2024-25

- 2.1 Over the last six months, the Executive has given the budget very detailed consideration and has sought views on budget proposals. This process has enabled and informed Members in their consideration of the appropriate level of service provision and council tax levels.
- 2.2 The Executive met on 25 January 2024 and their recommendations are contained within this report (Minute E.58/23).
- 2.3 To balance the budget of £13.1 million, the Council has identified savings and additional income of £1.46 million. The Council is forecasting a budget gap by 2025/26 of £0.37 million.
- 2.4 The Executive is recommending increasing council tax by 2.99%. This would mean the council tax would increase to £190.96 (Band D) for 2024/25, an increase of £5.54 per year or the equivalent of less than 11 pence per week.
- 2.5 **The Council Plan 2024-2028 and the Year 1 (2024/25) delivery plan** is also an item on this Council agenda. The Council Plan and delivery plans have been refined following a ten-week consultation and engagement period with the public and partners.

- 2.6 Appendix J shows the Proposed Budget for 2024-25 when taking into account the Cost Pressures (Appendix A), Savings and additional income (Appendix A), contribution to/from Earmarked Reserves (Appendix D) and the investment in the Council Plan.
- 2.7 At the meeting of the Audit and Governance Committee on 28th March 2024, Members will consider the detailed Budget Book for 2024-25, following the decisions of Full Council on 15th February 2024.

3 FINAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2024-25

- 3.1 The Final Local Government Finance Settlement was issued on 5th February 2024. The Communities Secretary, Rt. Hon. Michael Gove MP announced a total of £600m of additional funding for local authorities in England including a £500m addition to the social care grant (an upper tier function) and a £100m increase in core spending power.
- 3.2 The amount of extra funding that South Hams will receive is **£115,937**. Extra funding has been allocated to the Rural Services Delivery Grant and the Council's allocation has increased from £478,583 to £554,149 (an increase of £75,566). There has also been an increase in the minimum funding guarantee which has increased from 3% to 4%, with the final allocation increasing from £614,068 to £653,246 (an increase of £39,178). The Services Grant has also increased by £1,193 to an allocation of £13,464.
- 3.3 It is recommended as part of these final budget proposals to decrease the contribution from the business rates retention reserve from £400,000 to £300,000 (a decrease of £100,000) to reduce the reliance on this reserve contribution to fund the revenue base budget. In order to achieve balanced budget proposals, it is also recommended to decrease the business rates income figure from £3,194,466 to £3,178,529 in Appendix B (a decrease of £15,937).
- 3.4 Alongside the final settlement, the Government confirmed that it will require councils to publish local productivity plans, agreed by Council Leaders and Members, by 28 July 2024, identifying ways to unlock productivity improvements and setting out the key implementation milestones.

4 Earmarked and Unearmarked Reserves Policy

- 4.1 Sensitivity analysis and risk analysis – The figures within the Budget proposals have been subject to a sensitivity analysis and a risk analysis. This has identified a potential adverse revenue effect of £1.44 million (from the sensitivity analysis in Appendix G). Therefore the current level of £2.1million is still above these levels.

- 4.2 Revenue Reserves are recommended to be maintained at a minimum of £1.5 million (as set in the Medium Term Financial Strategy in September 2023), but at an operating level of a minimum of £2 million. Appendix G also sets out the CIPFA Financial Resilience Index for 2023, a comparative tool that can be used by S151 Officers as part of the annual budget report. The S151 Officer therefore confirms the robustness of the Budget Proposals and the adequacy of the reserves.
- 4.3 Unearmarked Reserves total £2.113 million at 31 March 2023.
- 4.4 There was a separate report on the Executive agenda of 21st September 2023, regarding a fundamental review of Earmarked Reserves and the Capital Programme.
- 4.5 The proposed contributions to/from Earmarked Reserves for 2024/25 are shown in Appendix D. It is recommended to make an annual contribution of £75,000 to a JLP reserve, to commence the JLP review.
- 4.6 Reserve levels have been kept under constant review to consider commitments against Earmarked Reserves, their unallocated balance and the contributions to/from Earmarked Reserves for 2024/25 and future years also.
- 4.7 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 Officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances (this was recommended at £1.5million being the minimum level in February 2023, with an operating level of £2million). Section 25 of the Local Government Act 2003 requires the Section 151 officer to report on the adequacy of the Council's financial resources on an annual basis. This is attached in Appendix G.
- 4.8 The provision of an appropriate level of balances is a fundamental part of prudent financial management, enabling the Council to build up funds to meet known and potential financial commitments.
- 4.9 As highlighted above there is a high degree of uncertainty about future levels of funding for local government. However, the Section 151 Officer is keeping a close watch on developments and planning for this longer-term uncertainty to secure financial stability.

5 CAPITAL PROGRAMME AND PRUDENTIAL BORROWING

5.1 The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing.

5.2 Capital projects are scored on the following criteria:

- Health and Safety compliance
- Essential to keep operational assets open
- Fit with the Council's Delivery Plans for the new Council Plan
- To rationalise service delivery or service improvement
- To generate income, capital value or to reduce revenue costs

5.3 It is important that capital bids are aligned with the emerging Council Plan. The Executive has also recommended the Year 1 Delivery Plan of the Council Plan to Council. The Capital expenditure within the Year 1 Delivery Plan totals £3,042,427 as below.

Capital Expenditure	24/25 Financial Year		Total
	<i>To be financed from £2.554m identified in 4.1 of the Council Plan report (£)</i>	<i>To be financed from existing core budgets and grants (£)</i>	
TOTAL	£350,000	£2,692,427	£3,042,427

There is a recommendation within the Council Plan report that £350,000 of capital expenditure is funded from the Capital Receipts Reserve (this is the £1.013m of capital resources identified for the Council Plan).

5.4 The Capital Budget Proposals for 2024/25 are set out within Appendix E.

5.5 Appendix F sets out the Council's current capital programme for 2023/24 and new capital projects for 2024/25 will be added to the existing Capital Programme.

6 FINANCIAL SUSTAINABILITY AND TIMESCALES

6.1 The Medium Term Financial Strategy is the starting point for developing a meaningful three year strategy that sets out the strategic intention for different strands of funding available to the Council (Executive 21st September 2023).

6.2 The Council's budget is essentially fixed in cash terms and its ability to raise income is limited as there are national controls in place around council tax and business rates.

- 6.3 The Council will continue to assess various options for closing the budget gap for 2025/26 onwards, and in the longer term, to achieve long term financial sustainability and further reports will be presented to Members.
- 6.4 On 14th December 2023, the Audit and Governance Committee considered an interim Auditor's Annual Report from the Council's external auditors, Grant Thornton. This gave commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources (see Section 10 of this report). It also gave commentary on financial sustainability.
- 6.5 Under the category of 'Financial sustainability', the report stated: that 'South Hams District Council (the Council) continues to perform well with regard to financial sustainability, with a record of stable financial and budgetary management. Despite the challenging environment in which it continued to operate in during 2021/22 and 2022/23, the Council has achieved a balanced budget. Our work has not identified any significant weaknesses in arrangements to secure financial stability.'

7. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Executive is responsible for recommending to Council the budgetary framework. It is the role of the Budget Advisory Committee to scrutinise the Budget proposals being proposed by the Council on an annual basis. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of the Budget report is evidence of whether the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.</p> <p>Appendix F to this report contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and is therefore exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>

		The public interest in whether the information should be made public has been assessed and it is considered that the public interest will be better served by not disclosing the information.
Financial implications to include reference to value for money		<p>The report sets out proposals for the Council to achieve a balanced budget for 2024/25, as shown in Appendix B. The Council is currently forecasting a £369,994 budget gap by the following year, 2025/26. The cumulative aggregated Budget Gap by 2026/27 is £2.1million, if no action has been taken in each individual year to close the budget gap annually.</p> <p>On 14 December, the Audit and Governance Committee considered an interim Auditor's Annual Report from the Council's external auditors, Grant Thornton. This gave commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>The report stated that 'The Council has demonstrated an appropriate understanding of its role in securing economy, efficiency and effectiveness in its use of resources. Our work has not identified any significant weaknesses in arrangements.'</p>
Risk		Each of the budget options taken forward by Members will consider the risks of the option.
Supporting Council Plan		<p>The Council Plan 2024-2028 and the Year 1 (2024/25) delivery plan is also an item on this Council agenda.</p> <p>The Council Plan and delivery plans have been refined following a ten-week consultation and engagement period with the public and partners.</p> <p>The delivery of the Council Plan represents an overall financial commitment of £4,591,789 for 2024/25, with £3,591,789 financed from existing resources and £1,000,000 of new monies allocated from the £2.554million set out in 7.3 of the Executive report attached in Appendix I.</p>
Climate Change - Carbon / Biodiversity Impact		The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and the potential for this to have significant financial implications for the Council was highlighted.

		As set out in the Council report on this agenda for the Council Plan 2024-28 and the Annual Delivery Plan for Year 1, the allocation of resources in respect of the 2024/25 financial year (totalling £668,000) delivers on the Council Administration's commitment of allocating £0.5m p.a. in responding to the climate and biodiversity crisis. In addition, during the current financial year (2023/24), £330,000 of pre-identified funding has been available to support climate and biodiversity projects.
Comprehensive Impact Assessment Implications		
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report. The Council Plan and delivery plans have been refined following a ten-week consultation and engagement period with the public and partners.
Equality and Diversity		Equality Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Budget pressures and savings;

Appendix B – Modelling of the Budget Position;

Appendix C – Schedule of Reserves for 2023-24 and 2024-25

Appendix D – Contribution to/from Earmarked Reserves

Appendix E – Proposals for the Capital Programme 2024-25

EXEMPT Appendix F – Current Capital Programme for 2023-24

Appendix G – Sensitivity analysis and risk analysis 2024-25

Appendix H – Reserves Strategy

Appendix I – Executive Budget report – January 2024

Appendix J – Draft Budget Book 2024-25

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SOUTH HAMS DISTRICT COUNCIL - BUDGET PROPOSALS 2024/25
(This shows the changes to the existing Base Budget)

APPENDIX A

	BASE 2023/24	Yr1 2024/25	Yr2 2025/26	Yr3 2026/27
BUDGET PRESSURES	£	£	£	£
Inflation and increases on goods and services	450,000	450,000	300,000	300,000
Triennial Pension revaluation (increase in Pension Employer primary rate contributions)	150,000	150,000	250,000	250,000
Salaries - provision for pay award at 4% (£456,000) for 2024/25 (total pay of £11.4m), reducing to 3% in 25/26 and 26/27	280,000	456,000	342,000	342,000
Pay award 2022-23 - £1,925 per Scale Point (£630,000 is the amount over the current budget provision of £185,000 for 2022-23) - This will need to be built into the Base Budget in 2023-24	630,000	0	0	0
Pay award 2023-24 - Initial figures of £1,925 per Scale Point or a 3.88% increase for Scale Point 44 upwards. (£550,000 is the amount over the current budget provision). This will need to be built into the Base Budget in 2024-25.	0	550,000	0	0
Increase in salaries - increments and pay and grading	200,000	0	0	0
The Planning Improvement Plan, Executive 26.5.22, noted that the cost of the staffing restructure, £98k per annum, will be funded for the first three years from the additional planning income held in the planning earmarked reserve.	98,000	0	0	0
Additional inflation for the waste service - 12.2% for 2022/23 (extra £360K) plus assume 5% for 2023/24 onwards (£205K)	565,000	205,000	205,000	205,000
Waste collection, recycling and cleansing service - Council 14 July 2022	1,250,000	0	0	0
Waste collection, recycling and cleansing service - Council 13 April 2023 - See Waste Memorandum note below	0	270,000	0	0
Waste collection, recycling and cleansing service - additional properties	90,000	90,000	100,000	100,000
National Living Wage and National Insurance (assumes NLW will increase from £10.42 to around £11 from April 2024)	75,000	50,000	50,000	50,000
Business Rates Revaluation 2023 - Increase in the Rateable Value of SHDC Assets which are liable to business rates	75,000	50,000	50,000	50,000
IT inflationary cost pressure - increases in prices and additional software and security	0	150,000	0	0
Additional Insurance costs		130,000		
Car Parking payment collection fees (Ringo) - 59% of transactions are now made through Ringo. The Council has also exceeded the annual limit of transactions with no cost and this has now triggered a transaction charge.	0	70,000	0	0
Ecology Consultations	0	25,000	0	0
Flooding - recent events have highlighted the need to add a cost pressure for dealing with the impacts of climate change, such as flooding, on our communities.	0	50,000		
Business continuity and cyber security	0	75,000		
Dartmouth Lower Ferry - increase the R & M budget	80,000	0	0	0
Increased external audit fees (fees are increasing nationally)	75,000	40,000	0	0
South Devon AONB Partnership - Executive report 30 November 2023	0	20,000	0	0
Community Development salaries (Executive 30 November 2023)	0	15,000	0	0
Head of Revenues and Benefits Executive 7th April 2022	45,000	0	0	0
Housing Delivery Team Executive 26th May 2022	44,700	0	0	0
TOTAL BUDGET PRESSURES	4,107,700	2,846,000	1,297,000	1,297,000
Changes to contributions to Earmarked Reserves				
Contribution from Earmarked Reserves to fund the revenue expenditure within the Year 1 Delivery Plan of the Council Plan (2024/25)	0	(650,000)	650,000	
New Homes Bonus Reserve - assumes an annual contribution of £704,173 for 24/25 and future years from NHB to fund the revenue base budget (an increase of £204,173 from the £500,000 used in 2023/24)	0	(204,173)	0	0
Dartmouth Ferry (£147,000 contribution to the reserve in 23/24 and £177,000 in 24/25)	30,000	30,000	0	0
Elections - £50,000 contribution to the reserve per annum	30,000	10,000		
Contribution to a Joint Local Plan Earmarked Reserve - to commence the JLP review - £75,000 contribution to the reserve per annum	0	75,000	0	0
Contribution from Business Rates Retention reserve to smooth the volatility in business rates income from the baseline reset and the loss of a pooling gain (This would use £0.4m of the BRR Reserve in 23/24 and use £300,000 annually thereafter)	(300,000)	100,000	0	0
Contribution from the Planning Reserve (£98,000 per annum) for the cost of the restructure within the planning service - Executive 26 May 2022	(98,000)			
Reduce contribution to Pension Reserve to Nil from 2023/24 onwards	(99,000)	0	0	0
Repairs and Maintenance Reserve (£105,000 annual contribution from 23/24 onwards)	25,000	0	0	0
Total changes in contributions to Earmarked Reserves	(412,000)	(639,173)	650,000	0

SOUTH HAMS DISTRICT COUNCIL - BUDGET PROPOSALS 2024/25
(This shows the changes to the existing Base Budget)

APPENDIX A

SAVINGS AND INCOME GENERATION IDENTIFIED

	BASE 2023/24	Yr 1 2024/25	Yr 2 2025/26	Yr 3 2026/27
Management fee income from external contracts such as leisure	0	0	(230,000)	(200,000)
IT FIT Project - software savings	(10,000)			
Establishment savings (salary savings) gained from IT and digital communications	(50,000)	TBC		
Employment Estates - additional rental income - Base budget of £1.117m in 2023/24	(150,000)	(50,000)	(100,000)	
Follaton House - rental income	0	(50,000)		
Extra recycling income - additional income has already been achieved in 2021-22	(90,000)			
Car parking income (from extra usage of the car parks particularly in the coastal areas) - Base budget of £3.412m in 2023/24 - New approach from 2025/26	(250,000)	(250,000)	(450,000)	
Dartmouth Lower Ferry (from extra usage of the Ferry and a review of charges for 2023) - Base budget of £1.077m in 2023/24 - Fees and charges are reviewed every 2 years	(250,000)	(100,000)	(150,000)	
Extra treasury management income - to reflect increases in bank base rate - Base budget of £800,000 in 2023/24	(677,000)	(800,000)	400,000	
Vacancy saving target on salaries - equates to around 1.5% of salaries (total pay of £11.4m)		(170,000)		
Environmental Health fees and charges	0	(30,000)		
Extended Producer Responsibility (EPR - waste service) - potential for a new income stream. DEFRA has confirmed that it is going to defer the implementation of EPR from October 2024 to October 2025.	0		TBC	
Charged Garden Waste service - Base budget of £575,000 in 2023/24 (See Waste Memorandum Note below)	(575,000)			
Savings on Trade Waste tipping fees and extra income on recycling sacks, due to more trade waste being recycled. Extra income from Controlled Waste Regulations (CWR) properties . These savings were already achieved in 2021-22.	(190,000)			
Funding from Homelessness prevention government grant (this funds housing posts -funding to be reflected within the base budget)	(180,000)	(10,000)		
TOTAL SAVINGS AND INCOME GENERATION	(2,422,000)	(1,460,000)	(530,000)	(200,000)

WASTE MEMORANDUM showing annual expenditure and income (before inflation)	BASE 2023/24	Yr 1 2024/25	Yr 2 2025/26	Yr 3 2026/27
Expenditure				
Additional Full year costs of the service	2,030,000	1,465,000	1,465,000	1,465,000
Borrowing costs for Torr Depot works	0	35,000	35,000	35,000
Income and savings				
Transitional funding (remainder of the £3million from the business rates retention reserve)	(1,551,620)			
In year savings	(98,380)	(245,000)	(270,000)	(270,000)
Additional Income generated (Garden Waste, CWR charges, Trade waste, Bulky items etc)	(380,000)	(535,000)	(660,000)	(660,000)
Additional Income from the recovery of recycling values (prices for recyclables)	0	(150,000)	(300,000)	(300,000)
Potential food waste new burdens funding	0	(300,000)	0	0
NET COST PRESSURE (as per report to Council in July 2023)	0	270,000	270,000	270,000

Memorandum note on Planning Fee Income

The Government has confirmed that a 35% increase for major applications and 25% for all other applications will apply from 6th December 2023. This is expected to generate around £150,000 to £180,000 of additional planning income. In 2022-23, the Council experienced a shortfall in planning income of £350,000 (32%) against the budgeted income target of £1.08million. Therefore no additional income has been built into the budget for 24/25.

	BASE 2023/24	Yr 1 2024/25	Yr 2 2025/26	Yr 3 2026/27
Second Homes 200% council tax - Projected Income and Expenditure				
Income				
Discretion to charge up to an extra 100% extra council tax on Second Homes (timescale is that legislation has been introduced for 25-26). There was a separate report on the Council agenda of 16 February 2023 regarding this. The estimated additional yield from council tax would be £9m, of which the Council's share would be approximately £0.7m (8%).			(700,000)	(700,000)
Expenditure				
The Council is experiencing a higher level of temporary accommodation costs and there will be a need to build in a further cost pressure for this		150,000	150,000	150,000
Annual budget to fund the community affordable housing offer - see 'Housing Policy' update (financed from the funding identified from the review of the capital programme and the review of earmarked reserves - Council Minute CM30, 28 September 2023)	100,000	100,000	100,000	100,000

Line	Appendix B	BASE	Yr 1	Yr 2	Yr 3
No.	Modelling for the financial years 2024/25 onwards	2023/24 £	2024/25 £	2025/26 £	2026/27 £
1	Base budget brought forward	10,464,367	11,738,067	13,134,894	13,531,900
2	Budget pressures (as per Appendix A)	4,107,700	2,846,000	1,297,000	1,297,000
3	Revenue expenditure for Year 1 delivery plan of the Council Plan (2024/25)	0	650,000	(650,000)	0
4	Savings already identified (as per Appendix A)	(2,422,000)	(1,460,000)	(530,000)	(200,000)
5	Changes in contributions to Earmarked Reserves (App A)	(412,000)	(639,173)	650,000	0
6	Projected Net Expenditure:	11,738,067	13,134,894	13,901,894	14,628,900
	Funded By:- (See Note 1 below regarding New Homes Bonus funding)				
7	Council Tax income (TaxBase multiplied by Band D Council Tax) - modelling a 2.99% increase in council tax each year	7,407,344	7,739,406	8,068,751	8,411,272
8	Collection Fund Surplus	332,000	59,000	60,000	60,000
9	Increase in Revenues in year collection and recovery (Revenues and Benefits Review)	0	390,000	440,000	490,000
10	Localised Business Rates (estimate of business rates resources received in the year)	2,447,681	3,178,529	2,700,000	2,700,000
11	Negative Revenue Support Grant (RSG) Adjustment - Assumes a change to Baseline Need from 26/27 onwards	0	0	0	(450,000)
12	Revenue Support Grant	138,000	147,100	150,000	204,000
13	Business Rates Pooling Gain	300,000	400,000	400,000	0
14	Rural Services Delivery Grant	478,583	554,149	554,149	554,149
15	Funding from Funding Guarantee (4% increase in Core Spending Power) - this was a new grant for 23/24 onwards. Assume discontinued when the Fair Funding Review is implemented in 26-27.	694,468	653,246	1,159,000	0
16	Less grants rolled into the Funding Guarantee amount	(138,000)	0	0	0
17	Transitional funding - assume the introduction of the business rates baseline reset and the Fair Funding Review will translate into some transitional funding being available to Councils such as Damping payments	0	0	0	1,265,000
18	Services Grant	77,991	13,464	0	0
19	Total Projected Funding Sources	11,738,067	13,134,894	13,531,900	13,234,421
20	Budget Gap per year (Projected Expenditure line 6 - Projected Funding line 19)	0	0	369,994	1,394,479
	Actual Predicted Cumulative Budget Gap	0	0	369,994	1,764,473
	Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)	0	0	369,994	2,134,467
	Modelling Assumptions:				
	Council Tax (Band D) - modelling a 2.99% increase each year	185.42	190.96	196.66	202.54
	Council Tax Base (Assumes an increase in Band D Equivalent properties of 500 per annum)	39,949.00	40,528.94	41,028.94	41,528.94

Note 1 - New Homes Bonus Funding

The modelling for 2024/25 onwards includes a contribution of £704,173 from New Homes Bonus to fund the Base Budget.

Although the NHB scheme is due to be replaced after 2024/25, it is assumed that a successor scheme will be implemented that will also be based on housing growth.

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RESERVES - PROJECTED BALANCES					
	Cost Centre Code	Opening balance 01.04.2023 £000's	Additions to Reserve 2023/24 £000's	Predicted Spend 2023/24 £000's	Closing balance 31.03.2024 £000's
EARMARKED RESERVES					
Specific Reserves - General Fund					
Earmarked Reserves which are essential for operational core service delivery (for example programmed renewal and replacement of p					
Business Rates Retention Reserve - (remainder of the Business Rates Retention Earmarked Reserve needed to manage business rates volatility each year)	S0824	(224)	(2,124)	498	(1,850)
Capital Programme Reserve	S0820	(191)	(182)	200	(173)
Community Parks and Open Spaces Reserve	S0826	(58)	(17)	6	(69)
COVID-19 Reserve (Leisure)	S0815	(34)	0	34	0
Dartmouth Ferry Repairs and Renewals Reserve - provision for ferry asset repairs and replacement	S0830	(606)	(147)	0	(753)
District Elections Reserve - provision for elections funding	S0838	(29)	(40)	0	(69)
Environmental Health Initiatives Reserve	S0857	(88)	0	25	(63)
Grounds Maintenance Reserve	S0901	(86)	0	8	(78)
Homelessness Prevention	S0851	(143)	0	31	(112)
Affordable Housing (Capital) Reserve	S0822	(122)	0	122	0
ICT Development Reserve	S0836	(75)	(50)	83	(42)
Joint Local Plan Reserve	S0860	(25)	(25)	23	(27)
Leisure Services Reserve	S0855	(39)	0	39	0
Land and Development Reserve	S0829	(63)	(7)	45	(25)
Maintenance Fund Reserve	S0927	(28)	0	0	(28)
Maintenance, Management & Risk Management Reserve (MMRM) - 10% of annual income from investment properties is set aside into this reserve	S0861	(95)	(29)	0	(124)
Marine Infrastructure Reserve	S0828	(242)	(63)	10	(295)
New Homes Bonus Reserve	S0804	(1,476)	0	272	(1,204)
New Homes Bonus Reserve - Revenue Base Budget funding	S0804	0	(456)	456	0
On Street Parking Reserve	S0834	(44)	0	15	(29)
Organisational Development Strategy Reserve	S0856	(41)	0	16	(25)
Pay & Display Equipment Renewals Reserve	S0833	(175)	(21)	15	(181)
Planning Policy & Major Developments Reserve	S0840	(499)	(50)	318	(231)
Repairs & Maintenance Reserve	S0827	(331)	(105)	11	(425)
Section 106 Deposits Reserve	S0842	(15)	0	0	(15)
Section 106 Monitoring Reserve	S0929	(197)	0	0	(197)
Section 106 Technical Support Reserve	S0862	(22)	0	0	(22)
Tree Maintenance	S0934	(48)	0	0	(48)
Total		(4,996)	(3,316)	2,227	(6,085)
Earmarked Reserves which are being used to fund the Waste and Recycling Service					
Business Rates Retention Reserve (2)	S0824	(1,552)	(450)	2,002	0
Sustainable Waste Management Reserve (purchase of vehicles £550K for the roll out of the Devon Aligned Service and one-off project implementation costs for DAS of £112K)	S0837	(662)	(25)	385	(302)
Vehicle & Plant Renewals Reserve (End of life waste fleet replacements and the fleet required for the roll out of the remaining properties onto the Devon Aligned Service - Council April 2023)	S0832	(821)	(550)	1,371	0
Total		(3,035)	(1,025)	3,758	(302)
Earmarked Reserves which are being used to fund new corporate initiatives and corporate priorities					
Community Composting Reserve	S0933	(187)	0	0	(187)
Emergency Climate Change Projects Reserve	S0852	(332)	0	332	0
Business Rates Retention Reserve (match funding for Batson Fish Quay bid)	S0824	(200)	0	0	(200)
Members Sustainable Community Locality Reserve	S0846	(4)	0	0	(4)
Recovery & Renewal Plan Reserve	S0864	(185)	0	90	(95)
Total		(908)	0	422	(486)
Earmarked Reserves which is Government Grant funding being used for the purposes of the grant determination letter					
Revenue Grants Reserve (Government Grant funding)	S0821	(1,524)	(150)	220	(1,454)
Housing Capital Projects Reserve - Government Grant	S0854	(363)	0	48	(315)

Ukraine Humanitarian Crisis Reserve - Government Grant funding	S0875	(875)	0	660	(215)
Total		(2,762)	(150)	928	(1,984)
Notional Earmarked Reserves which are held for a technical accounting purpose for the Collection Fund (this is not funding available)					
Business Rates retention - S.31 Compensation Grant Reserve	S0866	(1,194)	(2,435)	0	(3,629)
Total		(1,194)	(2,435)	0	(3,629)
Earmarked Reserves which are held for Salcombe Harbour (Decisions on these reserves must be taken by the Salcombe Harbour Board)					
Pontoon (Salcombe Harbour)	S0843	(363)	(87)	34	(416)
Harbour Renewals (Salcombe Harbour)	S0844	(223)	(205)	15	(413)
General Reserve (Salcombe Harbour)	S0845	(402)	(33)	195	(240)
Total		(988)	(325)	244	(1,069)
£1.541m of Uncommitted Earmarked Reserves - Earmarked for the Council Plan (£650,000 predicted spend in 24/25)					
Affordable Housing (Revenue)	S0869	(408)	0	0	(408)
Financial Stability Reserve	S0868	(280)	0	0	(280)
New Homes Bonus Reserve	S0804	(357)	0	0	(357)
Pension Fund Strain Payments Reserve	S0810	(208)	0	0	(208)
Recovery & Renewal Plan Reserve	S0864	(288)	0	0	(288)
Total		(1,541)	0	0	(1,541)
TOTAL EARMARKED RESERVES		(15,424)	(7,251)	7,579	(15,096)
TOTAL UNEARMARKED RESERVES (General Fund Balance)		(2,113)	(16)	0	(2,129)
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		(17,537)	(7,267)	7,579	(17,225)

ANALYSIS OF CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES

Budget 2023/24			Estimate 2024/25		Estimate 2025/26	
To £	(From) £		To £	(From) £	To £	(From) £
181,600		Capital Programme	181,600		181,600	
16,900		Community Parks & Open Spaces	16,900		16,900	
40,000		District Elections	50,000		50,000	
147,000		Ferry major repairs & renewals	177,000		177,000	
0		Revenue expenditure for the Year 1 Delivery Plan of the Council Plan (2024/25) to be funded by Earmarked Reserves		(650,000)		TBA
	(500,000)	New Homes Bonus (assumes a replacement scheme in 25/26 onwards)		(704,173)		(704,173)
	(72,700)	Flexible Homelessness Government Grant		(72,700)		(72,700)
	(400,000)	Business Rates Retention Reserve		(300,000)		(300,000)
20,800		Pay & Display Equipment	20,800		20,800	
0		Pension Fund Strain Payments	0		0	
105,000		Repairs and maintenance	105,000		105,000	
550,000		Vehicles & Plant Renewals and additions	550,000		550,000	
7,000		Land and Development Reserve	7,000		7,000	
50,000		IT Development Reserve	50,000		50,000	
25,000		Sustainable Waste Management	25,000		25,000	
50,000		Planning Policy and Major Developments	50,000		50,000	
	(98,000)	Planning Policy and Major Developments (to fund salary costs)		(98,000)		(98,000)
25,000		Joint Local Plan (to part fund salaries of the JLP team)	25,000		25,000	
0		Joint Local Plan - to commence the JLP process	75,000		75,000	
2,000		Interest from Reserves	2,000		2,000	
1,220,300	(1,070,700)	TOTALS	1,335,300	(1,824,873)	1,335,300	(1,174,873)
149,600		GRAND TOTAL	(489,573)		160,427	

The change in contributions to Earmarked Reserves is the difference between £149,600 in 23/24 and £(489,573) in 24/25, being a change of £639,173 as shown in Appendix A.

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Capital Bids for 2024/25					
Priority Criteria					
Statutory Obligations	1	Compliance, H&S, DDA			
	2	Essential to keep Operational Assets open			
Strategic Plan	3	Fit with the Council's Year 1 Delivery Plan for the Council Plan			
Good Asset Management	4	Rationalise service delivery or service improvement			
	5	Generate income, capital value or reduce revenue costs			
Council Theme		Project	Funding Source	Capital Bids for 2024/25 £	Priority code
Climate & Biodiversity	C1.4	Explore the feasibility of a pilot e-bike hub scheme consisting of 10 hubs with 70 bikes in total, spread over the hubs. Review the success of the scheme and develop plans for incremental roll out across the District.	UK Shared Prosperity funding (UKSPF)	150,000	3, 4
Climate & Biodiversity	C2.1	Purchase of land to support the planting of trees with contributions from Plymouth and South Devon Community Forest funding	New funds - funded from the Capital Receipts Reserve as per 4.2 of the Council Plan report	200,000	3, 4, 5
Housing	H1.1	Create and launch the South Hams Housing Offer. This new scheme will support communities and land owners who would like to bring forward affordable housing in their area, technical advice on housing need data, site advice through funded pre-planning and some initial surveys, site massing and facilitating conversations with registered providers with a track record of working with communities.	New funds - funded from the Capital Receipts Reserve as per 4.2 of the Council Plan report	100,000	3, 4, 5
Housing	H4.1	Effectively deliver schemes to support independent living (Disabled Facilities Grants) by increasing awareness of funding availability - maximising spend of available budgets. The Better Care funding is passported from DCC to SHDC to administer the scheme.	Better Care Funding (Government Grant)	818,789	1, 3, 4, 5
Housing	H4.2	Delivery of a new temporary accommodation unit in Kingsbridge	S106 Affordable Housing contributions	500,000	3, 4, 5
Housing	H4.6	Conduct targeted activity to ensure maximum uptake of Home Upgrade Grants facilitated by the Council. Plan to retrofit 55 properties.	Home Upgrade Grant funding (Government Grant)	990,000	3, 4, 5
Services for Communities	S1.4	Public Toilets - Delivery of a refurbishment/improvement plan - capital improvement work and engagement with all Councillors on local toilets and any ideas on multi-use of sites.	New funds - funded from the Capital Receipts Reserve as per 4.2 of the Council Plan report	50,000	1, 2, 3, 4, 5
Services for Communities	S3.3	Ensure that developer contributions available through the planning process contribute to enhancements to sport and recreation facilities	S106 funding	200,000	1, 2, 3, 4
		For completeness - total capital allocation of UK SPF funding is £183,638.	UK Shared Prosperity funding (UKSPF)	33,638	3, 4, 5
SUB-TOTAL OF CAPITAL PROJECTS WITHIN THE COUNCIL PLAN		The total capital expenditure within the Council Plan is £3,042,427 (being £350,000 as shaded being funded from the Capital Receipts Reserve) and £2,692,427 from existing core budgets and grants.		3,042,427	
Waste		Waste Fleet Replacement/addition (already approved as part of Council Minute 41/18, Council 6.12.2018) - Included here for completeness	Contribution from the Waste Earmarked Reserve	550,000	1,2,3,4,5
IT		Bank reconciliation software - to be utilised by multiple service areas. To renew and upgrade the Councils' bank reconciliation software (This is 50% of the projected cost, which is shared with WDBC).	Contribution from the Capital Programme Earmarked Reserve	90,000	1,2,3,5
Total				3,682,427	

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Sensitivity analysis and risk analysis of the Medium Term Financial Strategy (MTFS) – Section 25 assessment

On an annual basis when the Council is agreeing its budget for the next financial year and the council tax level, the S151 Officer (Chief Finance Officer) is required to report to Council on the robustness of the estimates made within the Budget Proposals and the adequacy of the proposed level of reserves. This is a requirement of the Local Government Act 2003 (section 25).

1. The budget assumes approximately £12 million of income from fees and charges, recycling and investments. Given the position of the economy there is a risk that income could fall or be less than anticipated. A 5% reduction in income would result in a loss of £600,000.
2. The MTFS relies on proposed savings and income generation over the next 3 years of £2,190,000. A 5% reduction in this figure would equate to £109,500.
3. The MTFS assumes budget pressures over the next 3 years of £5.44 million. A 5% increase in the budget pressures would equate to £272,000.
4. Council Tax Income has been modelled based on an extra 500 Band D Equivalent properties per annum increase. If this figure were to actually be say 300 properties (i.e. 200 properties less), this would mean that Council Tax Income would be £38,000 less.
5. Council Tax has been modelled in the MTFS to increase by £5 over each of the next three years. For example, for 2024-25 this would equate to a Band D of £190.96 (an increase of £5.54). The additional council tax income this would generate is £225,000. If council tax for 2024/25 were to remain at £185.42, the income from council tax would be overstated by this amount in the MTFS.

6. If Council Tax income collection fell by 1% (collection in 22/23 was 98.55% which was top quartile of all Councils nationally), this would mean a reduction of council tax income of around £77,000. Similarly if Business Rates income collection fell by 1% (collection in 22/23 was 97.95%, which was second quartile of all Councils nationally), this would mean a reduction in business rates income of £30,000.
7. Income from investments has been assumed to increase in line with the expected interest rate forecasts. A 0.25% variation in interest rates on investment income equates to £85,000.

Borrowing Levels

Exempt Appendix G of the Medium Term Financial Strategy from September 2018 gave advice on the borrowing level for the Council (maximum borrowing of £75m) and the Interest payments on the borrowing as a percentage of available Reserves. The table below shows the impact of current interest payable of 2.5% on existing debt of £14m and modelling Interest payable at 5% on borrowing headroom (£61m) has on this Indicator. Interest payments would equate to 19.9% of the level of reserves if the Council had a total of £75m of borrowing. The current level of borrowing is £14m as at 31.3.2024 as shown.

Total Borrowing	Interest repayments	Level of Reserves (£2.1m Unearmarked Reserves and £14.96m Earmarked Reserves) – predicted 31.3.2025 – as per Appendix C	Interest payments as % of available Reserves
£14m (current debt level)	£350,000 (at 2.5%)	£17,090,000	19.9%
£61m (headroom)	£3,050,000 (at 5%)		
TOTAL £75m	£3,400,000		

8. The capital programme is financed by known capital receipts, government grants, and contributions. Realistic assumptions about these have been made for the future.
9. Known liabilities have been provided for and there are no significant outstanding claims.

CIPFA'S Financial Resilience Index 2022

CIPFA has published a Financial Resilience Index which is a comparative analytical tool that can be used by Chief Financial Officers (S151 Officers) to support good financial management and to provide a common understanding within a Council of its financial position. The index shows a Council's position on a range of measures associated with financial risk. Section 151 Officers can use the index in the annual budget report.

The extracts below show the financial resilience indicators for South Hams District Council for 2023, when compared against Nearest Neighbours and Non-Metropolitan Districts. Bars on the left show a higher risk of financial stress for different categories e.g. Gross External Debt, interest payments as a proportion of net revenue expenditure etc. Similarly bars on the right show a lower risk of financial stress for each indicator.

CIPFA Financial Resilience Index 2023 (based on the 2022-23 financial year)



The tables show that when compared against nearest neighbours and non metropolitan districts, South Hams has a median risk around its level of reserves and a higher risk around reserves sustainability and change in reserves. ***The level of reserves for 23-24 and 24-25 have been modelled in Appendix C and reserves are predicted to remain at a constant level of around 17million (between 147% and 130% of the net revenue budgets).***

Interest payable on borrowings and gross external debt is slightly higher than average risk. There is a lower risk around the reliance on council tax income to fund the net revenue expenditure and business rates growth above the baseline.

Assumptions within the Budget for 2024/25 onwards

The Executive report of 25 January 2024 (attached in Appendix I) set out the key assumptions within the Budget Proposals for 2024/25 and are as follows:

- The business rates baseline reset will be deferred until 2026/27 at the earliest (with no negative Revenue Support Grant in 2024/25 or 2025/26)
- There will be a phasing in of negative Revenue Support Grant as part of the business rates baseline reset (predicted to be in 2026/27) with a transition period, to avoid Local Authorities losing/gaining too much in one go. The modelling assumes negative RSG of £450,000 in 2026/27. Some of the negative RSG could be offset by growth.
- It is assumed Council Tax limits for District Councils will remain at the higher of 2.99% or £5 for the next three years.
- 2024/25 is another roll over settlement, which will give an amount of £704,173 of New Homes Bonus funding that it is proposed is used to fund the 2024/25 revenue base budget.
- A business rates pooling gain of £400,000 has been modelled for 2024/25 and 2025/26, with no further gains for 2026/27 onwards.
- A council tax surplus of £59,000 for 24/25 has been assumed, with a council tax collection rate of 98.25% built into the 24/25 TaxBase calculation (98.55% was achieved in 2022/23)
- Rural Services Delivery Grant will continue annually at the same level for 24/25 (£554,149)
- A 4% pay increase has been modelled from 2024/25 onwards (4% equates to £456,000 on total pay of £11.4m). The pay assumption has been reduced to 3% in 2025/26 and 2026/27
- It is predicted that bank base rate will remain at 5.25% until September 2024 when it is predicted to reduce to 5%, with a predicted reduction to 4.5% by December 2024 and 4% by March 2025. An income target of £1.6m has been set for 24/25, with a reduced income target of £1.2m for 2025/26.
- It is assumed that New Homes Bonus (or a replacement similar scheme) will continue and this seems reasonable based upon past events and the 4% funding guarantee grant.

Detailed numbers are only available for 2024/25 in the Finance Settlement and there remains significant uncertainties for 2025/26, particularly for District Councils. These include the future of the New Homes Bonus Scheme, which is now simply a one-year retrospective payment. The Fair Funding Review, business rates baseline reset, and other funding reforms now look set to be pushed back to 2026/27 although this has not been confirmed by the Government so the MTFs assumes that these changes could happen in 2026/27. The 2025/26 finance settlement will be the first year of a new spending review period.

The Council has used local government finance modelling tools which are available, to predict the level of resources that the Council will have available for 2025/26 and 2026/27. If significant local government reforms happen in 2026/27, an assumption has been made that a 'damping mechanism' and 'transitional funding' will be introduced alongside those reforms, to ensure any single authority does not lose or gain a significant change in its resources level in one single year. This will smooth in any changes over a longer period.

The Council will continue to assess various options for closing the budget gap for 2025/26 onwards, and in the longer term, to achieve long term financial sustainability and further options will be presented to Members in further budget reports. This will consider ways to reduce the Council's operating costs and generating further income and savings.

Prudent financial management in the past, has meant that the Council was in a relatively healthy position financially before the pandemic hit. The management of risk and promoting financial resilience is a key principle of our budget strategy and this has helped facilitate our response. Key to the authority's financial resilience are our reserves, which are at a prudent level.

Financial metrics

The Office for Local Government has set out financial metrics and these are set out below for 2024-25:-

Unearmarked Reserves as a % of net revenue spend - $\pounds 2,129,000 / \pounds 13,134,894 = 16.2\%$

Reserves as % of net revenue spend (as shown in Appendix C) – $\pounds 17,090,000 / \pounds 13,134,894 = 130\%$

Total core spending power per dwelling – $\pounds 12,282,000 / 46,867 = \pounds 262$

Debt servicing as a % of core spending power – $\pounds 951,000 / \pounds 12,282,000 = 7.7\%$

Total debt as a % of core spending power - $\pounds 13,364,000 / \pounds 12,282,000 = 109\%$

The Council has complied with a number of Codes including the Accounting Code of Practice issued by CIPFA annually to guide how the Council produces its statutory Accounts and the Prudential Code which covers our treasury management activities and setting prudential indicators including the level of borrowing. The Council budgets for a prudent level of MRP (Minimum Revenue Provision – capital repayment of debt) in line with guidance. All current borrowing has been taken out longer term and at fixed interest rates (so the Council is not exposed to interest rate risk).

The capital programme is financed for 2024-25 (see Appendix E) using realistic estimates of capital receipts, government grants, prudential borrowing and other funding such as developer contributions (S106 funding). The projects within the current capital programme for 2023/24 are all within their allocated capital budgets (as set out in the Executive report 25 January 2024).

The latest forecast of the revenue budget monitoring report (Executive 25 January 2024) is forecasting a surplus of £16,000 for 2023-24 (0.1% of the total Budget of £11.738 million). This is very close to a break-even position.

Summary & conclusion

Sensitivity analysis and risks are identified above with a potential total adverse revenue effect for 2024/25 of **£1.44 million**. However, revenue reserves are recommended to be maintained at a minimum level of £1.5 million, with an operating level of £2million. Unearmarked Reserves of £2.1m are predicted to be 16.2% of the net revenue spend for 2024/25 of £13.1m.

I therefore confirm the robustness of the Medium Term Financial Strategy and Budget Proposals and the adequacy of the level of reserves.

Mrs Lisa Buckle, Corporate Director for Strategic Finance (S151 Officer)

5 February 2024

RESERVES STRATEGY

What are reserves?

CIPFA states that “the aim of the authority’s financial reserves is to provide funding for investment in future activities and to act as a safety net in case of short-term financial challenges.”

What is a reserves strategy?

The Reserves Strategy defines the level and purposes for which the Council holds reserves.

It consists of three key elements:

1. Strategy: what the Council is seeking to achieve through holding reserves;
2. Financial Planning: linking the level of reserves with plans for their use over the period of Medium Term Financial Strategy (MTFS); and
3. Operational Framework: how the Council determines the level of reserves, manages those reserves and plans for their use in line with best practice and statutory requirements.

How are the level of reserves set?

CIPFA’s Local Authority Accounting Panel states , it is for the Council, on the advice of its Chief Finance Officer, to make its own judgement on the level of reserves set, taking into account all relevant local circumstances. The relevant circumstances will vary between areas.

In assessing the appropriate level of reserves, the Council will ensure that the reserves are not only adequate, but also are necessary. It is worth noting that not all reserves are usable. Some reserves arise out of the interaction of legislation and proper accounting practice. These are termed ‘unusable reserves’ as they cannot be used for any other purpose. They are not considered further as there is no need to set their level and there is no discretion over their creation, purpose or usage.

Types of Reserve

As set out in Appendix C, reserves have been categorised into the following categories:-

- Earmarked Reserves which are essential for operational core service delivery (for example programmed renewal and replacement of plant and equipment)
- Earmarked Reserves which are being used to fund service specific items e.g. the Waste and Recycling service
- Earmarked Reserves which are being used to fund new corporate initiatives and corporate priorities
- Earmarked Reserves which is Government grant funding being used for the purposes of the grant determination letter
- Notional Earmarked Reserves which are held for a technical accounting purpose for the Collection Fund
- Earmarked Reserves held for Salcombe Harbour
- Earmarked Reserves held for the Council Plan
- Unearmarked Reserves

Monitoring

The level of all reserves are kept under continuous review by the S151 Officer and are reported to Members through reports on the Medium Term Financial Strategy and the budget monitoring reports to the Executive. The annual accounts are also presented to the Audit and Governance Committee giving a list of Earmarked Reserves and their purpose.

The level of Reserves

The level of reserves for 23-24 and 24-25 have been modelled in Appendix C and reserves are predicted to remain at a constant level of around 17million (between 147% and 130% of the net revenue budgets).

The Office for Local Government has set out financial metrics and these are set out below for 2024-25:-

Unearmarked Reserves as a % of net revenue spend - £2,129,000/ £13,134,894 = 16.2%

Reserves as % of net revenue spend (as shown in Appendix C) – £17,090,000/£13,134,894 = 130%

Unearmarked Reserves are recommended to continue to have a minimum level of £1.5million (as set out in the Medium Term Financial Strategy in September 2023), with an operating level of a minimum of £2million.

Sensitivity analysis and risks are identified in Appendix G. These have a potential total adverse revenue effect for 2024/25 of **£1.44 million**. However, revenue reserves are recommended to be maintained at a minimum level of £1.5 million, with an operating level of £2million. Unearmarked Reserves of £2.1m are predicted to be 16.2% of the net revenue spend for 2024/25 of £13.1m.

Guiding principles for managing and using Reserves

Our guiding principles for managing and using reserves are:

- The primary purpose is to manage financial risk and promote financial sustainability.

Subject to meeting this requirement we will:

- Maximise the ability to use reserves flexibly to deliver the Council's priorities;
- Control the amount of resources held in reserves; and
- The planned use of reserves will be agreed as part of the annual budget setting and medium term financial planning process and through any reports to Members mid-year.
- All reserves will be subject to an annual review to ensure the reason for holding the reserve and the plans for their use aligns with the MTFS and this strategy. This took place in September 2023 (Executive report 21.9.23)

- There was a separate report on the Executive agenda of 21st September 2023, regarding a review of Earmarked Reserves and the Capital Programme. This report identified £1.541m of Earmarked Reserves which are available to support the delivery of the Council Plan and £1.013m of capital resources. These are one-off amounts, so £2.554million in total. This was subsequently approved at Council on 28 September 2023 (Minute CM 30).
- Reserves are reported as part of budget monitoring reports on each reserve

Use of Reserves

The maintenance and use of reserves play a key role in long-term financial sustainability. The funding the Council has in reserves is proportionate to the risks and uncertainties the Council faces, promotes financial resilience and is actively managed to identify where one-off resources can be invested in support of our outcomes and key objectives.

The reserves strategy is part of a suite of supporting strategies that supplement the Council Plan and the Medium Term Financial Strategy.

The Constitution sets out our accountability and governance arrangements around the retention and use of reserves. In doing so it balances speed of decision-making with Member oversight and accountability for decisions about the effective use of the Council's resources.

Lisa Buckle, S151 Officer

5 February 2024

NOT FOR PUBLICATION

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

Report to: **Executive**

Date: **25 January 2024**

Title: **Draft Revenue and Capital Budget Proposals for 2024/25**

Portfolio Area: **Cllr J Brazil – Budget Setting Process**

Wards Affected: **All**

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

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance**

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

RECOMMENDATIONS

That the Executive RESOLVES to RECOMMEND to Council:-

- i) A recommendation regarding increasing Council Tax for 2024/25 by 2.99% (This would increase a Band D council tax for 24/25 from £185.42 to £190.96 – an increase of £5.54 per year or under 11 pence per week);**
- ii) The financial pressures shown in Appendix A of £2,846,000;**
- iii) The revenue expenditure (£650,000) and capital expenditure (£350,000) for the Year 1 delivery plan of the Council Plan (2024/25), totalling £1million, as set out in section 3.30 of the report.**
- iv) The savings/additional income of £(1,460,000) as shown in Appendix A; and**

- v) The net contributions to/(from) Earmarked Reserves of £60,427 as shown in Appendix D, including the proposed use of £704,173 of New Homes Bonus funding to fund the 2024/25 Revenue Budget as set out in 3.20 of the report and £400,000 from the Business Rates Retention Earmarked Reserve as set out in 3.13 of the report;**
- vi) That the Council should set its total net expenditure for 2024/25 as shown in Appendix B as £13,034,894**
- vii) The Capital Bid for £90,000 to renew and upgrade the Council's bank reconciliation software and to fund this from the annual revenue contribution of £181,600 into the Capital Programme, as set out in 8.4.**
- viii) That Unearmarked Reserves should continue to have a minimum level of £1.5million (as set out in the Medium Term Financial Strategy in September 2023), but an operating level of a minimum of £2million.**
- ix) That the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates are noted. This is a requirement of Part 2 of the Local Government Act 2003.**

1. Executive summary

- 1.1 The Council's Medium Term Financial Strategy (MTFS) is based on a financial forecast over a rolling three year timeframe to 2026/27. The Executive considered the MTFS at its meeting on 21 September 2023.
- 1.2 The Council, along with other local authorities, has faced unprecedented reductions in Government funding. Between 2009/10 and 2020/21, the Council's Core Government funding has reduced by £4 million. The Council now receives minimal Government Grant (Revenue Support Grant) of £147,100 to fund its services and the Council must be self-sufficient.
- 1.3 The Council has continued to work in partnership with West Devon Borough Council which has allowed South Hams to achieve annual savings of £3.9 million and more importantly protect all statutory front line services. Between both Councils the annual shared services savings being achieved are over £6 million per annum. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.

- 1.4 It is important to note that the MTFS sets out the budget strategy for the Council for the next three years, with regular reviews (at least annually) and updates when items are further known or are announced by the Government.
- 1.5 Prudent financial management in the past, has meant that the Council was in a relatively healthy position financially before the pandemic hit. The management of risk and promoting financial resilience is a key principle of our budget strategy and this has helped facilitate our response. Key to the authority's financial resilience are our reserves, which are at a prudent level.
- 1.6 The Fair Funding Review, business rates baseline reset, and other funding reforms now look set to be pushed back to 2026/27 although this has not been confirmed by the Government so the MTFS and Budget Proposals for 2024/25 assumes that these changes will happen in 2026/27.
- 1.7 The key assumptions within the Budget Proposals for 2024/25 are as below. Each of these is described in more detail in Section 3.
- The business rates baseline reset will be deferred until 2026/27 at the earliest (with no negative Revenue Support Grant in 2024/25 or 2025/26)
 - There will be a phasing in of negative Revenue Support Grant as part of the business rates baseline reset (predicted to be in 2026/27) with a transition period, to avoid Local Authorities losing/gaining too much in one go. The modelling assumes negative RSG of £450,000 in 2026/27. Some of the negative RSG could be offset by growth.
 - It is assumed Council Tax limits for District Councils will remain at the higher of 2.99% or £5 for the next three years.
 - 2024/25 is another roll over settlement, which will give an amount of £704,173 of New Homes Bonus funding that it is proposed is used to fund the 2024/25 revenue base budget.
 - A business rates pooling gain of £400,000 has been modelled for 2024/25 and 2025/26, with no further gains for 2026/27 onwards.
 - A council tax surplus of £59,000 for 24/25 has been assumed, with a council tax collection rate of 98.25% built into the 24/25 TaxBase calculation (98.55% was achieved in 2022/23)
 - Rural Services Delivery Grant will continue annually at the same level for 24/25 (£478,583)
 - A 4% pay increase has been modelled from 2024/25 onwards (4% equates to £456,000 on total pay of £11.4m). The pay assumption has been reduced to 3% in 2025/26 and 2026/27

- 1.8 The report sets out proposals for the Council to achieve a balanced budget for 2024/25, as shown in **Appendix B**. The Council is currently forecasting a £345,560 budget gap by the following year, 2025/26. The cumulative aggregated Budget Gap by 2026/27 is £2.1 million, if no action has been taken in each individual year to close the budget gap annually.

Budget Gaps	2024/25 £	2025/26 £	2026/27 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	Nil – Balance budget proposed	345,560	1,394,479	1,740,039
*Cumulative Budget Gap	Nil – Balance budget proposed	345,560	1,740,039	2,085,599

* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

- 1.9 The budget gap for 2025/26 of £345,560 is very much in line with the level expected at this point in the financial planning cycle. In the year after, the budget gap is £1.39million, due to the local government reforms that are expected (see 3.14). These are the reset of the business rates baseline, the fair funding review and the impact of negative RSG (Revenue Support Grant), coupled with the loss of the business rates pooling gain.
- 1.10 Below shows the summary of proposed changes to the Budget report for 2024/25, following the announcement of the Draft Local Government Finance Settlement. Proposals for a balanced budget are shown below:

	£
<i>Budget gap for 24/25 reported in the Executive Budget report on 30th November 2023</i>	146,185
Additional cost pressures identified £90,000	
Cost pressure for business continuity and cyber security (This is 50% of the total cost – WDBC will also pay 50%)	75,000
Additional costs associated with supporting the new Community Development service – as per the Executive report on 30 November 2023	15,000
Changes to Financing of the Base Budget £113,815	
Increase the amount of New Homes Bonus used to fund the Base Budget from £700,000 to £704,173 (see section 3.19 to 3.20 of the report)	(4,173)
Change the council tax income to model a council tax increase of 2.99% in 2024/25 instead of a £5 increase	(21,886)

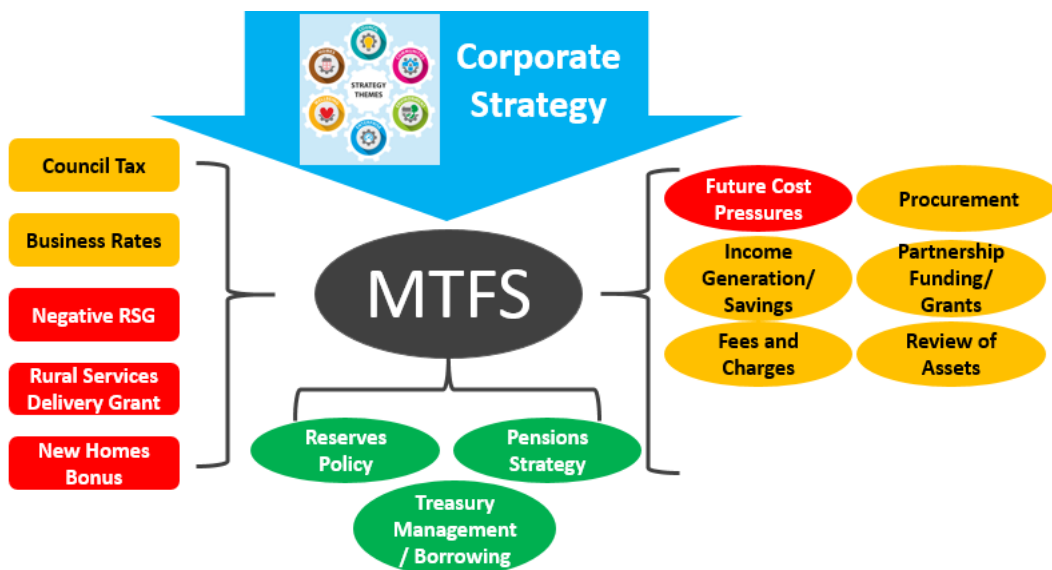
(This would increase a Band D council tax for 24/25 from £185.42 to £190.96 – an increase of £5.54 per year or under 11pence per week)	
The 2024/25 Council Tax Base has increased to 40,528.94 Band D equivalent properties (which is higher than the estimate at November 23 of 40,449). This difference in the modelling generates extra council tax income of £15,221.	(15,221)
Extra Revenue Support Grant (Actual amount is £147,100 which is £1,100 higher than the previous estimate of £146,000)	(1,100)
Less funding from Funding Guarantee (3% increase in Core Spending Power) - Actual amount is £614,068 which is £97,932 less than the previous estimate of £712,000. This is based on a complicated formula that takes into account other Government grants such as New Homes Bonus (which has increased for 24/25).	97,932
Less funding from Services Grant – Actual amount is £12,271 which is £52,729 less than the previous estimate of £65,000	52,729
Reduce the amount of funding from business rates income from £3,200,000 to £3,194,466	5,534
Additional income/savings identified (£350,000)	
Introduce a vacancy saving target on salaries – equates to around 1.5% of salaries (total pay of £11.4m)	(170,000)
Increase the car parking income from extra usage from £200,000 to £250,000	(50,000)
Increase the Dartmouth Lower Ferry income from extra usage and a review of charges for 2023 from £50,000 to £100,000	(50,000)
Environmental Health fees and charges – increase in line with inflation	(30,000)
Additional income from Follaton House rental income	(50,000)
<i>Revised Budget gap for 2024/25 as set out in this report (as at January 2024) - (A balanced budget position is presented for Members' consideration)</i>	Nil (Balanced Budget)

- 1.11 A meeting of the Budget Advisory Committee was held on 11th January 2024. The Committee recommended to the Executive the recommendations in this report of i), ii), iv), v) and vii). Recommendations iii), vi), viii) and ix) are new recommendations within this report. The draft minutes arising from this meeting are set out at Appendix G to this report.

2 COMPONENTS OF THE MEDIUM TERM FINANCIAL STRATEGY

2.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFS where the Council has a degree of control. Red items signal components where the Council has hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.

2023/24 Net Budget £11.74 million



2.2 The key assumptions within the Budget Proposals are set out in Section 3.

OVERALL POSITION – BUDGET GAP

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

2.4 **Appendix A** to the Budget report sets out the Budget Pressures forecast for the next three years and the additional savings and income forecast. **Appendix B** illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £11.74 million in 2023/24.

2.5 A Summary forecast is shown below of the potential budget situation if all the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if the Council Tax is increased by 2.99% per annum (shown in Appendix B).

- 2.6 The report sets out proposals for the Council to achieve a balanced budget for 2024/25, as shown in Appendix B. The Council is currently forecasting a £345,560 budget gap by the following year, 2025/26. The cumulative aggregated Budget Gap by 2026/27 is £2.1million, if no action has been taken in each year to close the budget gap annually.

Budget Gaps	2024/25 £	2025/26 £	2026/27 £	Total Aggregated Budget Gap £
'New' Budget Gap each year	Nil – Balance budget proposed	345,560	1,394,479	1,740,039
*Cumulative Budget Gap	Nil – Balance budget proposed	345,560	1,740,039	2,085,599

* (Cumulative Budget Gap assumes annual new budget gaps have not been addressed)

- 2.7 The Council will continue to assess various options for closing the budget gap for 2025/26 onwards, and in the longer term, to achieve long term financial sustainability and further reports will be presented to Members.

3 LOCAL GOVERNMENT FINANCE SETTLEMENT FOR 2024/25

- 3.1 On 18th December 2023, the Government published for statutory consultation, the provisional local government finance settlement for 2024/25. This followed a policy statement published on 5th December.
- 3.2 The provisional settlement is once again a holding position, designed for stability and certainty for planning purposes for 2024/25. The broad approach is based on a uniform roll-over of the core elements of the settlement. No announcements were made regarding funding reform and this has been deferred.
- 3.3 Detailed numbers are only available for 2024/25 in the Finance Settlement and there remains significant uncertainties for 2025/26, particularly for District Councils. These include the future of the New Homes Bonus Scheme, which is now simply a one-year retrospective payment.
- 3.4 The 'Core Spending Power' is a headline figure used by the Department for Levelling-Up, Housing and Communities (DLUHC) to represent the key revenue resources available to local authorities, including an estimate of actual and potential council tax, as below. The Council now receives minimal Government grant (Revenue Support Grant of £147,100 for 2024/25 (see 1.2).

3.5 **Core Spending Power for South Hams increased by 4.9% for 2024/25 from £11.594m to £12.166m as shown below.**

3.6 Core Spending Power (CSP) is the term the Government use to say how much money Councils have to run their services. CSP includes Business rates, Council Tax, NHB and the various different Grants. On average nationally Core Spending Power is increasing by 6.5% for 2024/25. The average for Shire Districts is a Core Spending Power increase of 4.9%. Shire Counties are increasing by 6.7% in their CSP. A large part of the increase in CSP is an assumed increase in Council Tax, which the Government build into the CSP calculation, as shown below.

Table 1 - Core Spending Power (CSP), £m

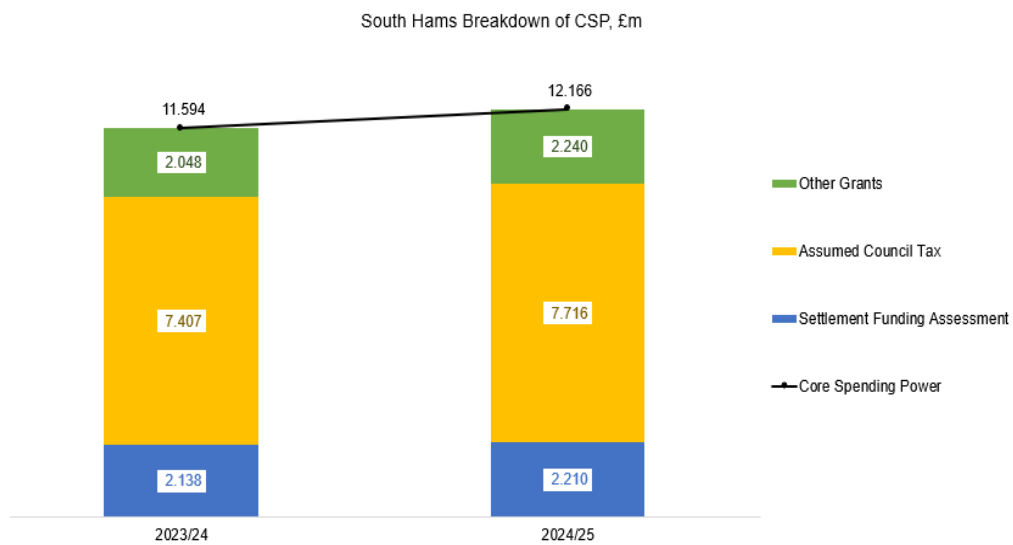
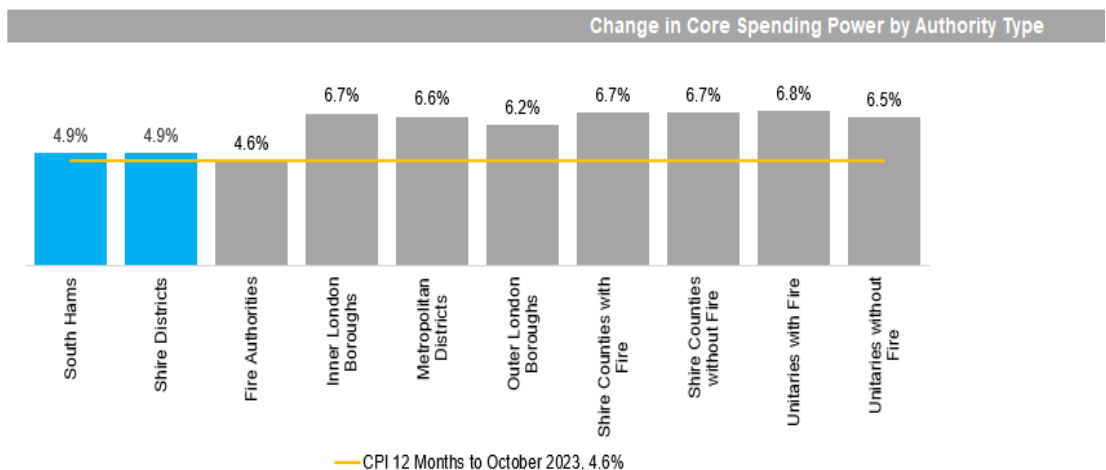


Table 2 – Analysis of Core Spending Power % increases by Authority Type



Council Tax

- 3.7 The Council Tax Referendum limits for District Councils for 2024/25 is the higher of 2.99% or £5. A 2.99% increase is higher for South Hams District Council as this equates to an increase of £5.54 on a Band D property.

An increase in council tax of 2.99% for the next three years has been modelled for council tax purposes in the budget report. This would equate to a Band D council tax for the District Council of £190.96 in 2024/25 as shown in Appendix B (an increase of £5.54 for the year or under 11 pence per week), which equates to a 2.99% increase. The Council's share of the council tax for 2024/25, will be set at the Council meeting on 15th February 2024.

(A 1% increase in council tax generates £75,000 of extra council tax income). A 2.99% increase in council tax generates extra council tax income of £0.225m.

Council Tax legislation sets out that Council Tax is partly a form of general taxation on a property and partly a tax on the people living in a property. Council Tax funds essential services in an area and the cost of public services is spread across all taxpayers in the same way, regardless of which services residents use or receive. Council Tax is a form of general taxation rather than a service charge.

- 3.8 The table below shows how an average Band D council bill is made up for South Hams District Council for 2023/24, compared to 2022/23. Of an average Band D Council Tax within the District of £2,261.19, **an amount of £185.42 is the element of a council tax bill set by South Hams District Council.**

Therefore 8pence of every £1 paid (8%) in council tax is received by South Hams District Council to pay for our services. The rest of the council tax bill is set by Devon County Council, the Fire, the Police and Town and Parish Councils to fund the services they provide. In 2023/24, the council tax for an average Band D property in South Hams increased by £105.89 per annum (4.91% as shown below).

Precepting Authority	Band D 2022/23	Band D 2023/24	£ Increase	% Increase
South Hams District Council	£180.42	£185.42	£5.00	2.77%
Devon County Council Precept	£1,372.59	£1,419.21	£46.62	4.99%
Adult Social Care Precept *	£183.87	£214.92	£31.05	
Devon & Cornwall Police & Crime Commissioner	£246.56	£261.56	£15.00	6.08%
Devon & Somerset Fire & Rescue	£91.79	£96.79	£5.00	5.45%
Average Parishes/Towns	£80.07	£83.29	£3.22	4.02%
TOTAL	£2,155.30	£2,261.19	£105.89	4.91%

Town and Parish Precepts for 2023/24 are shown in Appendix E. The largest Parish Precepts are Totnes (£205.23), Dartmouth (£182.95) and Ivybridge (£141.57), with the smallest Precept being Woodleigh (£5.04) for a Band D property.

- 3.9 The Council Tax Referendum Limits that will apply for 2024/25 are as follows:
- Shire Districts – 2.99% limit or £5, whichever is the higher
 - Police - £13 referendum limit.
 - Fire – 2.99% limit
 - Upper Tier – 4.99%
 - No referendum limits will be set for Town and Parish Councils for 2024/25

- 3.10 A council tax collection rate of 98.25% has been assumed for 2024/25 within the TaxBase calculation. **The Council collected 98.55% in council tax in 2022/23 which was in the top quartile of all Councils nationally.** It has been assumed that the number of properties within the District will increase by 500 per annum from 2024/25 onwards.

Business Rates and Negative Revenue Support Grant (RSG)

- 3.11 It has been assumed that the Business Rates Reset will be delayed to 2026/27. Whilst this change is not confirmed by the Government, a reset based on the current taxbase would appear very unlikely.

- 3.12 Estimates have been made of the business rates baseline funding levels for 2024/25 onwards and the relative deductions for negative RSG in 2026/27. For example in 2024/25, the £3.45m is the amount the Council is projected to retain from its business rates income collected of around £25 million (this equates to around 14p in every £1 collected of business rates). The 2022/23 collection rate for South Hams for business rates was 97.95%, which was in the second quartile of all Councils nationally. It was announced, as part of the Autumn Statement 2023, that the small business rates multiplier for 2023/24 will remain frozen at 49.9p and there will be an increase to the standard rate multiplier of 6.7% (from 51.2p to 54.6p).
- 3.13 It is recommended to take £400,000 funding from the business rates retention on an annual basis to fund the base budget. This would reduce the business rates retention reserve by £1.2m over the next 3 years to smooth the impact of the business rates baseline reset and the future loss of pooling gains. There will also be £2m coming out of this business rates retention reserve in 2023/24, for the transitional cost of the waste and recycling service coming back in house in October 2022 and the delay to the full roll out of the Devon Aligned service to 20th November 2023. This reserve is predicted to have more business rates income being set aside into the reserve in 23/24, due to the way that business rates income flows through the collection fund over a period of years.
- 3.14 The Fair Funding Review, business rates baseline reset, and other funding reforms now look set to be pushed back to 2026/27 although this has not been confirmed by the Government so the MTFS assumes that these changes could happen in 2026/27. The 2025/26 finance settlement will be the first year of a new spending review period.

The table below shows the modelling of business rates income over the next three financial years.

Business Rates Income	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
			Potential Baseline Reset
Business Rates Income	3.444	3.000	3.050
Less: Negative Revenue Support Grant (RSG) due to the Baseline reset	-	-	(0.45)
Anticipated Pooling Gain (Nil in 26/27 due to the baseline reset)	0.400	0.400	Nil
Funding proposed to be taken from the Business Rates Retention Reserve to smooth the volatility in business rates income	0.400	0.400	0.400
Total Business Rates Income	4.244	3.800	3.000

It is this significant reduction in Business rates income predicted in 2026/27 which is significantly increasing the budget gap in 2026/27 to £1.394million. A large part of the 26/27 budget gap is caused by the predicted drop in business rates income of around £800,000. This is due to the potential business rates baseline reset and the loss of the pooling gain from being in a Devon business rates pool at the same time. It is very uncertain as to when the baseline reset will happen. This has been anticipated for a number of years but the timetable has continually been put back. This modelling assumes it will happen in 2026/27 but there has been no firm timescale announced by the Government.

- 3.15 The MTFs assumes that the full range of changes from the Fair Funding Review will be implemented based on the proposals in the December 2018 consultation paper, plus the latest population estimates (2022) and the latest council tax data. It is assumed that the business rates baseline reset will happen in 2026/27.
- 3.16 This means the Council wouldn't have to forego some of its business rates income (£450,000) by paying some of it back to Government in the form of 'negative government grant' in 24/25. Negative RSG is effectively the Council's further predicted funding cuts. The modelling assumes negative RSG of £450,000 in 2026/27. Some of the negative RSG could be offset by growth. The Government consultation paper on the Finance Settlement for 2024/25 states (under para 1.3.1) that: "We are confirming that we have no plans to introduce negative Revenue Support Grant".

Devon Business Rates Pool

- 3.17 South Hams District Council has elected to remain part of the Devon-wide Business Rates Pool for 2024/25. The latest modelling shows that a pooling gain in the region of £9.7million is forecast for 2024/25, with the Council's share of the pooling gain being in the region of £400,000.

Rural Services Delivery Grant

- 3.18 Rural Services Delivery Grant will continue for 2024/25 at previous levels (SHDC share of £478,583) and the methodology for distribution is assumed to remain unchanged from 2023/24. This is Government grant to recognise the additional cost of delivering services in rural areas.

New Homes Bonus (NHB)

- 3.19 NHB has been 'rolled over' for another year, with no legacy payments being paid. The Council's provisional allocation is **£704,173 for 2024-25** (higher than the amount estimated in the previous budget report of £700,000).
- 3.20 This is based on a property increase of 595 properties. (The amount received is 595 less the baseline of 0.4% (188 properties) at 80% of £2,065 which is an average national council tax). It is modelled that all of the 24/25 NHB payment of £704,173 will be used to fund the revenue base budget in 2024/25.

Other Government Grants

- 3.21 The 'Funding Guarantee' has been continued, which ensures every Authority has at least a 3% increase in Core Spending Power. A Funding Guarantee grant of £614,068 has been announced for 2024-25 for South Hams (this is lower by £97,932 than the previous budget report which estimated £712,000). This is based on a complicated formula that takes into account other Government grants such as New Homes Bonus (which has increased for 24/25).
- 3.22 Revenue Support Grant (RSG) will be £147,100 for 2024/25. The Council now receives minimal main Government Grant in the form of RSG. See 1.2 of the report.

Other Budget Items

- 3.23 The Consumer Price Index (CPI) was 3.9% (November 2023 CPI), which is down from 4.6% in October. Inflation over the past 18 months has been at a 40 year high. An extra £450,000 cost pressure for inflation on goods and services and increases in utility costs has been included within the cost pressures in Appendix A. The previous minutes from the meeting of the Monetary Policy Committee (MPC) state that it is expected that inflation will drop further by the end of 2023, accounted for by lower energy, and to a lesser degree, food and core goods price inflation. At present, there is no indication from Government of any additional funding to meet inflationary cost pressures.
- 3.24 A provision for the 2024/25 pay award has been modelled in the MTF5 at 4% (£456,000), with total pay being £11.4million. This has been reduced to 3% in 2025/26 and 2026/27. The Medium-Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council. The Council is particularly affected by inflation in terms of the Local Government Pay Award as staffing forms a significant proportion of the Council's budget.
- 3.25 The pay award for 2023-24 has now been agreed. This is for £1,925 per Scale Point or a 3.88% increase for Scale Point 44 upwards. This would cost an extra £550,000 and this amount also needs to be built into the Base Budget for 2024-25 as a 'catch up' as the budget for 23/24 has already been set.
- 3.26 The current Bank Base Rate will increase the Council's income from treasury management investments and additional income of £800,000 has been built into the Budget for 2024/25. This would set an income target of £1.6million for 2024/25 for treasury management income and it is proposed to reduce the target to £1.2million for 2025/26. It is predicted that bank base rate will remain at 5.25% until September 2024 when it is predicted to reduce to 5%, with a predicted reduction to 4.5% by December 2024 and 4% by March 2025.

3.27 As per the report to Council on 13 April 2023, an extra £270,000 per annum needs to be built into the base budget for the waste collection, recycling and cleansing service. A breakdown of the £270,000 is shown in the Waste Memorandum note in Appendix A.

3.28 Cost pressures for insurance (£130,000) and IT inflation cost pressures for increases in prices and additional software and security (£150,000) have been built into the Budget Proposals for 2024/25. A cost pressure of £75,000 has also been built in for business continuity and cyber security.

COUNCIL PLAN

3.29 The Council Plan 2024-2028 and the Year 1 (2024/25) delivery plan is also an item on this agenda. Proposals will be recommended to Full Council to adopt 'The Council Plan' and delivery plan at its meeting on 15 February 2024. The Council Plan and delivery plans have been refined following a ten-week consultation and engagement period with the public and partners.

3.30 The delivery of the Council Plan represents an overall financial commitment of £4,591,789 for 2024/25, with £3,591,789 financed from existing resources and £1,000,000 of new monies allocated from the £2.554million set out in 7.3 below. The allocation against each theme area for the 2024/25 financial year is as follows:

Theme	24/25 Financial Year	
	<i>To be financed from £2.554m identified in 4.1 above (£)</i>	<i>To be financed from existing core budgets and grants (£)</i>
Climate and Biodiversity	500,000	168,000
Housing	100,000	2,308,789
Community Services	120,000	200,000
Economy and Jobs	75,000	598,000
Core Services	100,000	302,000
Community Development	55,000	15,000
Contingency	50,000	0
TOTAL (£4,591,789)	£1,000,000	3,591,789

The analysis between Revenue and Capital expenditure is as below:

Revenue expenditure	£650,000	£899,362 (of which £551,362 is UKSPF revenue funding)
Capital expenditure	£350,000	£2,692,427 (of which £1.99m is Government grant funding and £0.7m is S106 funding)
TOTAL (£4,591,789)	£1,000,000	3,591,789

There is a recommendation within the Council Plan report that the £650,000 of revenue expenditure is funded from the £1.541m of Earmarked Reserves (as per the Executive report of 21 September) which were identified as being available to support the delivery of the emerging Council Plan. In addition, it is recommended that the £350,000 of capital expenditure is funded from the Capital Receipts Reserve (this is the £1.013m of capital resources identified for the Council Plan).

Once adopted, the strategy will be the Council's overarching strategic document setting out our ambitions and priorities for the District.

Climate and Biodiversity

- 3.31 The Council's annual delivery plan on 'Adapting and mitigating climate change and increasing biodiversity' sets out the Council's action plan for addressing climate change and the carbon/biodiversity impact. The resourcing set out in 3.30 above delivers on the Council Administration's commitment of allocating £500,000 a year on responding to the Climate and Biodiversity crisis. During the current financial year (2023/24), £330,000 of pre-identified funding has been available to support climate and biodiversity projects. Any balance of this funding remaining at the end of the financial year will be carried forward to support future activities.

Second homeowners council tax premium

- 3.32 The Levelling Up and Regeneration Act 2023 allows Billing Authorities the discretion to charge second homeowners a council tax premium of 100% (so a second home dwelling would pay double the council tax charge). The Act requires Billing Authorities to have a minimum period of 12 months between making its first determination and the financial year in which it takes effect. That means the earliest that Councils can introduce it is for the start of the 2025-26 financial year, i.e. 1 April 2025. At Council on 16 February 2023, Council approved charging up to an extra 100% council tax in second homes. There are currently 3,954 properties on our council tax records classified as a second home. There is a separate report on this agenda regarding this item.

- 3.33 Now that the legislation has been passed, it is recommended to Council to adopt a further resolution to charge a council tax premium on second homes from 1 April 2025. This will be a separate report to the Executive in January 2024 and a recommendation to Council in February 2024. The estimated additional yield from council tax would be £9m of which the Council's share would be approximately £0.7m (8%) – see Memorandum Note in Appendix A.
- 3.34 The key impact of second homes is to remove a significant number of homes from the local housing market, with properties that would otherwise be available to provide permanent homes for local people being used as holiday homes by people whose primary residency is outside the district. For this reason, the Council believes that the additional money raised by the second homes premium should be invested back into housing. South Hams is working with other councils across Devon to make the case that all the additional tax raised should be ringfenced to address housing challenges, including to acquire existing properties to provide temporary accommodation, to support people with complex needs and the provision of specialist accommodation with supported facilities for care leavers.

4. Treasury Management and Borrowing Strategy

- 4.1 The Council has previously taken external treasury management advice on the Council's overall borrowing levels and debt levels. The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million in 2019 and it is not proposed to change this limit at present.
- 4.2 In 2022/23 the long term borrowing of the Council decreased from £14,284,000 (21/22) to £13,825,000. Short term borrowing increased from £96,000 to £459,000. This is due to the profiling of the debt repayments where long term borrowing has moved to short term borrowing. No further external borrowing took place during 2022/23.
- 4.3 Council has also approved future borrowing of up to £5.5million for the Plymouth and South Devon Freeport (Council report 30th March 2023, Council Minute CM 77/22). The borrowing will be paid for from the business rates income generated by the Freeport and therefore it will be self-financing.

5 FEES AND CHARGES

- 5.1 As part of the budget process, fees and charges will be reviewed. A delegation is in place to enable service managers to increase fees and charges by inflation where these are not material changes or increases. An inflationary increase in Environmental Health fees and charges has been built into the 2024/25 Budget proposals and this equates to £30,000.

5.2 DEFRA has confirmed that the implementation of the Extended Producer Responsibility (EPR) will be deferred from October 2024 to October 2025.

5.3 As referenced in the report to Council on 13th April 2023, the setting of fees and charges for the waste and recycling service is delegated to the Director of Customer Service and Delivery, in consultation with the Leader of the Council, the lead Executive Members for waste and recycling and the Section 151 Officer (Minute reference CM 84/22).

6 BUDGET FOR 2025/26 AND TIMESCALES

6.1 The Council will continue to assess various options for closing the budget gap for 2025/26 onwards, and in the longer term, to achieve long term financial sustainability and further options will be presented to Members in further budget reports. This will consider ways to reduce the Council's operating costs and generating further income and savings.

6.2 Making the best use of our resources and setting a balanced budget annually is within the Council's Delivery Plan.

6.3 **Budget Monitoring** - The revenue budget monitoring report to the Executive on 21 September shows an overall projected surplus of £79,000 for the 2023/24 financial year. This is 0.7% of the overall net budget set of £11.738million. A further report will be considered by the Executive in January 2024.

7 Earmarked and Unearmarked Reserves Policy

7.1 Unearmarked Reserves total £2.113 million at 31 March 2023. There was a surplus of £57,000 on the outturn position for 2022/23 (0.5% of the net budget of £10.464m) as shown in the Draft Statement of Accounts for 2022/23 published by the end of June 2023. In accordance with normal accounting practice, this underspend has gone into Unearmarked Reserves.

7.2 **Earmarked Reserves** have reduced by £5.415m in 2022/23 moving from £20.839m on 1 April 2022 to **£15.424m at 31 March 2023**. This follows the application of £3.066 million of the S31 Business Rates compensation grant received in 2020/21 and 2021/22 which was held in the S31 Compensation Grant Business Rates Reserve. This is a technical adjustment as part of the Collection Fund. In addition, the Business Rates Retention Earmarked Reserve has reduced by £2.570 million in 2022/23 partly due to supporting the costs of bringing the Waste and Recycling Service back in house from October 2022 (£1.448 million) and partly to support the Business Rates Collection Fund deficit in 2022/23 (£0.785 million).

- 7.3 There was a separate report on the Executive agenda of 21st September 2023, regarding a review of Earmarked Reserves and the Capital Programme. The Appendix on the review of Earmarked Reserves is attached at Appendix C of this report. This report identified £1.541m of Earmarked Reserves which are potentially available to support the delivery of the emerging Council Plan and £1.013m of capital resources. These are one-off amounts, so £2.554million in total. This was subsequently approved at Council on 28 September 2023 (Minute CM 30). See 3.30 with regards to a recommendation for funding for the Year 1 Delivery Plan for the Corporate Plan.
- 7.4 The proposed contributions to/from Earmarked Reserves for 2024/25 are shown in Appendix D. It is recommended to make an annual contribution of £75,000 to a JLP reserve, to commence the JLP review.
- 7.5 Reserve levels will be kept under constant review and will be reviewed throughout the budget setting process to consider commitments against Earmarked Reserves, their unallocated balance and the contributions to/from Earmarked Reserves for 2024/25 and future years also. This will be further set out in the Budget report to the Executive in January 2024.
- 7.6 At Council on 16th February 2023, Members set a minimum balance for Unearmarked Reserves of £1.5million, with an operating level of a minimum of £2million (Minute reference CM 59/22). This was based on a risk assessment basis and a sensitivity analysis. Therefore the current level of £2.113million at 31 March 2023 is still above these levels which are set annually. An updated risk assessment and sensitivity analysis will be presented to Council in February 2024.
- 7.7 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 Officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances (this was recommended at £1.5million being the minimum level in February 2023, with an operating level of £2million). Section 25 of the Local Government Act 2003 requires the Section 151 officer to report on the adequacy of the Council's financial resources on an annual basis.
- 7.8 The provision of an appropriate level of balances is a fundamental part of prudent financial management, enabling the Council to build up funds to meet known and potential financial commitments.
- 7.9 As highlighted above there is a high degree of uncertainty about future levels of funding for local government. However, the Section 151 Officer is keeping a close watch on developments and planning for this longer-term uncertainty to secure financial stability.

8 CAPITAL PROGRAMME AND PRUDENTIAL BORROWING

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

8.2 Capital projects are scored on the following criteria:

- Health and Safety compliance
- Essential to keep operational assets open
- Fit with the Council's Delivery Plans for the new emerging Council Plan
- To rationalise service delivery or service improvement
- To generate income, capital value or to reduce revenue costs

8.3 It is important that capital bids are aligned with the emerging Council Plan. There is a recommendation within the Council Plan report that £350,000 of capital expenditure is funded from the Capital Receipts Reserve (this is the £1.013m of capital resources identified for the Council Plan).

8.4 In addition, there is a capital bid for 2024/25 (£90,000) that it is recommended also forms part of the Capital Budget Proposals for 2024/25 and be funded from the annual revenue contribution of £181,600 into the Capital Programme (see Appendix D). This is detailed below: -

- £90,000 – to renew and upgrade the Councils' bank reconciliation software (This is 50% of the projected cost, which is shared with WDBC)

This will be a recommendation as part of the Capital Budget Proposals report to Council in February 2024.

8.5 Appendix F sets out the Council's current capital programme for 2023/24 and new capital projects for 2024/25 will be added to the existing Capital Programme. ***The Capital Budget Proposals for 2024/25 will be set out within the Council report on 15th February and will include the capital budget proposals within the Council Plan (£350,000) being recommended to Council.***

8.6 The Council's Asset Base is £108.2 million at 31 March 2023. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.

9 FINANCIAL SUSTAINABILITY AND TIMESCALES

9.1 The MTF5 is the starting point for developing a meaningful three year strategy that sets out the strategic intention for different strands of funding available to the Council (Executive 21st September 2023).

- 9.2 The Council's budget is essentially fixed in cash terms and its ability to raise income is limited as there are national controls in place around council tax and business rates.
- 9.3 The Council will continue to assess various options for closing the budget gap for 2025/26 onwards, and in the longer term, to achieve long term financial sustainability and further reports will be presented to Members.
- 9.4 On 14th December 2023, the Audit and Governance Committee considered an interim Auditor's Annual Report from the Council's external auditors, Grant Thornton. This gave commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources (see Section 10 of this report). It also gave commentary on financial sustainability.
- 9.5 Under the category of 'Financial sustainability', the report stated: that 'South Hams District Council (the Council) continues to perform well with regard to financial sustainability, with a record of stable financial and budgetary management. Despite the challenging environment in which it continued to operate in during 2021/22 and 2022/23, the Council has achieved a balanced budget. Our work has not identified any significant weaknesses in arrangements to secure financial stability.'
- 9.6 An All Member Briefing on the Draft Budget Proposals for 2024/25 will take place on **Tuesday 9th January 2024**.
- 9.7 The table below shows the budget timetable for the 2024/25 Budget process.

21 September 2023	Executive – To consider the three year MTFS (Medium Term Financial Strategy) for 2024/25 to 2026/27
30 November 2023	Executive – To consider draft proposals for the Revenue and Capital Budget for 2024/25
Tuesday 9 January 2024 (4pm)	All Member Briefing on the Draft Budget for 2024/25
11 January 2024	Budget Advisory Committee - To seek the Committee's view on the content of the Draft Revenue and Capital Budget Proposals for 2024/25
25 January 2024	Executive – To recommend Final Budget Proposals to Council for 2024/25

12 February 2024 (9am)	Date which Council Procedure Rule 16 applies
15 February 2024	Full Council – To approve Final Budget Proposals for 2024/25 and set the SHDC share of the Council Tax
22 February 2024	Council Tax Resolution Panel – to agree the Council Tax Resolution for 2024/25 (This is SHDC share plus all other precepting authorities share).

Note 1- Council Procedure Rule 16 states that ‘Where a member intends to move a motion or amendment in relation to the Budget, the text of that motion or amendment must be put in writing and submitted to the Head of Paid Service by 9am on the third working day before the meeting, in order that officers may have sufficient time to consider and advise the Council of the financial implications of any such motion or amendment’. As per the timetable above, this would need to be submitted by 9am on Monday 12th February 2024.

10. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Executive is responsible for recommending to Council the budgetary framework. It is the role of the Budget Advisory Committee to scrutinise the Budget proposals being proposed by the Council on an annual basis. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of the Budget report is evidence of whether the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.</p>

		<p>Appendix F to this report contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and is therefore exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p> <p>The public interest in whether the information should be made public has been assessed and it is considered that the public interest will be better served by not disclosing the information.</p>
Financial implications to include reference to value for money		<p>The report sets out proposals for the Council to achieve a balanced budget for 2024/25, as shown in Appendix B. The Council is currently forecasting a £345,560 budget gap by the following year, 2025/26. The cumulative aggregated Budget Gap by 2026/27 is £2.1million, if no action has been taken in each individual year to close the budget gap annually.</p> <p>On 14 December, the Audit and Governance Committee considered an interim Auditor's Annual Report from the Council's external auditors, Grant Thornton. This gave commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>The report stated that 'The Council has demonstrated an appropriate understanding of its role in securing economy, efficiency and effectiveness in its use of resources. Our work has not identified any significant weaknesses in arrangements.'</p>
Risk		Each of the budget options taken forward by Members will consider the risks of the option.
Supporting Council Plan		<p>The Council Plan 2024-2028 and the Year 1 (2024/25) delivery plan is also an item on this agenda. Proposals will be recommended to Full Council to adopt 'The Council Plan' and delivery plan at its meeting on 15 February 2024.</p> <p>The Council Plan and delivery plans have been refined following a ten-week consultation and engagement period with the public and partners.</p>

		<p>The delivery of the Council Plan represents an overall financial commitment of £4,591,789 for 2024/25, with £3,591,789 financed from existing resources and £1,000,000 of new monies allocated from the £2.554million set out in 7.3.</p> <p>See 3.30 for further detail.</p>
Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and the potential for this to have significant financial implications for the Council was highlighted.</p> <p>The Council's annual delivery plan on 'Adapting and mitigating climate change and increasing biodiversity' sets out the Council's action plan for addressing climate change and the carbon/biodiversity impact. The resourcing set out in 3.30 above delivers on the Council Administration's commitment of allocating £500,000 a year on responding to the Climate and Biodiversity crisis.</p> <p>During the current financial year (2023/24), £330,000 of pre-identified funding has been available to support climate and biodiversity projects. Any balance of this funding remaining at the end of the financial year will be carried forward to support future activities.</p>
Comprehensive Impact Assessment Implications		
Consultation and Engagement Strategy		<p>External consultation and engagement has not been undertaken with regard to this report.</p> <p>The Council Plan and delivery plans have been refined following a ten-week consultation and engagement period with the public and partners.</p>
Equality and Diversity		Equality Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Budget pressures and savings;

Appendix B – Modelling of the Budget Position;

Appendix C – Schedule of Earmarked Reserves – Executive report of 21st September 2023;

Appendix D – Contribution to/from Earmarked Reserves;

Appendix E – Town and Parish Precepts for 2023/24;

EXEMPT Appendix F – Current Capital Programme for 2023/24; and

Appendix G – Draft minutes arising from the Budget Advisory Committee meeting held on 11 January 2024.

South Hams District Council

Draft Base Revenue Budget for the Financial Year 2024/25

			(1)	(2)	(1)+(2)= 2a	(3)	(4)	(5)	(2a)+(3)+(4)+(5)+(6)
Service Group	SLT Director		23/24 Base Net Budget £'s	23/24 Virements £'s	23/24 Revised Net Budget £'s	24/25 Pressures/ (Savings) £'s	24/25 Budget Preparation Virements £'s	24/25 Salary Estimate Virements £'s	24/25 Final Base Budget £'s
a)	Customer Service & Delivery	Steve Mullineaux	9,771,864	0	9,771,864	1,449,200	106,800	(28,700)	11,299,164
b)	Place & Enterprise	Chris Brook	(1,714)	0	(1,714)	210,700	(136,800)	69,000	141,186
c)	Governance & Assurance	Drew Powell	2,605,594	0	2,605,594	1,116,700	30,000	118,200	3,870,494
d)	Strategic Finance	Lisa Buckle	1,145,723	0	1,145,723	(740,600)	0	(158,500)	246,623
Total			13,521,467	0	13,521,467	2,036,000	0	0	15,557,467
Contributions to/(from) Earmarked Reserves			149,600						(489,573)
Contributions to/(from) Unearmarked Reserves			0						0
Reversal of Depreciation			(1,933,000)						(1,933,000)
Net Budget Total			11,738,067						13,134,894
Funded by:									
Localised Business Rates			2,447,681						3,178,529
Business Rates Pooling Gain			300,000						400,000
Increase in Revenues Collection and recovery			0						390,000
Council Tax (an increase of 2.99% in 24/25)			7,407,344						7,739,406
Collection Fund Surplus			332,000						59,000
Revenue Support Grant			138,000						147,100
Rural Services Delivery Grant			478,583						554,149
Services Grant			77,991						13,464
Funding Guarantee			694,468						653,246
Less grants rolled into the Funding Guarantee amount			(138,000)						0
Total			11,738,067						13,134,894

			(1)	(2)	(1)+(2)= 2a	(3)	(4)	(5)	(2a)+(3)+(4)+(5)+(6)
a)	Customer Service & Delivery	Budget Manager	23/24 Base Net Budget £'s	23/24 Virements £'s	23/24 Revised Net Budget £'s	24/25 Pressures/ (Savings) £'s	24/25 Budget Preparation Virements £'s	24/25 Salary Estimate Virements £'s	24/25 Final Base Budget £'s
S1001	Operations Team Leader	Sarah Moody	50,700	0	50,700	4,500	0	700	55,900
S1010	Customer Contact Centre	Jim Davis	372,000	0	372,000	41,100	0	(4,300)	408,800
S1013	Localities Team Salaries	Stuart Noyce	452,800	0	452,800	38,500	0	(54,300)	437,000
S1304	Grounds Maintenance	Stuart Noyce	583,285	0	583,285	37,500	0	10,400	631,185
S1309	Tree Maintenance	Stuart Noyce	42,000	0	42,000	0	0	0	42,000
S1565	Housing Benefit Payments	Geni Hotchkiss	158,000	0	158,000	0	0	0	158,000

S1568	Housing Benefit Administration	Geni Hotchkiss	(182,100)	0	(182,100)	0	0	0	(182,100)
S1571	Council Tax Collection	Geni Hotchkiss	(386,600)	0	(386,600)	0	0	0	(386,600)
S1574	Council Tax Support	Geni Hotchkiss	(84,000)	0	(84,000)	0	0	0	(84,000)
S1988	ICT Team Salaries	Mike Ward	332,400	0	332,400	48,900	0	(3,100)	378,200
S1989	Waste & Cleansing Team Salaries	Sarah Moody	230,600	0	230,600	16,500	(39,700)	0	207,400
S1992	Benefits Team Salaries	Geni Hotchkiss	323,900	0	323,900	45,600	0	(83,900)	285,600
S1995	Revenues Team Salaries	Geni Hotchkiss	365,100	0	365,100	41,200	0	127,000	533,300
S2017	Street and Beach Cleaning	Sarah Moody	1,006,950	0	1,006,950	67,600	(159,200)	0	915,350
S2030	Totnes Depot	Sarah Moody	40,622	0	40,622	700	(6,100)	0	35,222
S2041	Torr Quarry Transfer Station	Sarah Moody	194,700	0	194,700	9,900	(29,100)	0	175,500
S2043	Ivybridge Depot	Sarah Moody	242,180	0	242,180	1,200	(36,200)	0	207,180
S2044	Torr Quarry Depot	Sarah Moody	145,950	0	145,950	1,200	(21,800)	0	125,350
S2701	Waste & Recycling Collection	Sarah Moody	0	0	0	0	0	0	0
S2702	Household Residual Waste Collection	Sarah Moody	2,219,600	0	2,219,600	210,600	(337,100)	0	2,093,100
S2704	Waste & Cleansing Services (Reserve Funded)	Sarah Moody	(1,551,620)	0	(1,551,620)	0	1,551,620	0	0
S2705	Recycling Services	Sarah Moody	2,922,550	0	2,922,550	406,600	(555,920)	0	2,773,230
S2713	Trade Waste Services	Sarah Moody	(417,800)	0	(417,800)	28,700	(99,400)	0	(488,500)
S2715	Garden Waste Services	Sarah Moody	3,600	0	3,600	77,500	(93,900)	0	(12,800)
S2716	Food Waste Services	Sarah Moody	0	0	0	0	0	0	0
S2881	Supervisor & Managerial Salaries	Sarah Moody	388,800	0	388,800	28,900	(58,100)	0	359,600
S2884	Supervisors Vehicles	Sarah Moody	55,300	0	55,300	900	(8,300)	0	47,900
S4001	Senior Leadership Team	Andy Bates	353,600	0	353,600	23,600	0	34,600	411,800
S4002	Heads of Service	Andy Bates	876,800	0	876,800	51,400	0	(93,300)	834,900
S4082	Landline Telephones	Mike Ward	39,700	0	39,700	0	0	0	39,700
S4081	ICT Support Contracts	Mike Ward	557,747	0	557,747	225,000	0	0	782,747
S4085	Mobile Phones	Mike Ward	19,000	0	19,000	0	0	0	19,000
S4086	ICT Hardware Replacement	Mike Ward	46,600	0	46,600	0	0	0	46,600
S4087	Photocopiers/MFD's	Mike Ward	33,900	0	33,900	0	0	0	33,900
S4106	Community Support Team	Neil Hawke	0	0	0	15,000	0	61,900	76,900
S4155	Digital Mail Room	Jim Davis	232,300	0	232,300	15,900	0	(23,700)	224,500
S4501	Performance & Intelligence Salaries	Jim Davis	103,300	0	103,300	10,700	0	(700)	113,300
			9,771,864	0	9,771,864	1,449,200	106,800	(28,700)	11,299,164

b)	Place & Enterprise	Budget Manager	(1)	(2)	(1)+(2)= 2a	(3)	(4)	(5)	(2a)+(3)+(4)+(5)
			23/24 Base Net Budget	23/24 Virements	23/24 Revised Net Budget	24/25 Pressures/ (Savings)	24/25 Budget Preparation Virements	24/25 Salary Estimate Virements	24/25 Final Base Budget
			£'s	£'s	£'s	£'s	£'s	£'s	£'s
S1030	Economic Development	Chris Shears	24,300	0	24,300	0	(20,000)	0	4,300
S1060	Community Development	Chris Shears	135,400	0	135,400	0	0	0	135,400
S1070	Environmental Initiatives	Chris Shears	46,300	0	46,300	20,000	0	0	66,300
S1082	Strategic Planning Salaries	Chris Shears	93,700	0	93,700	16,100	0	(3,700)	106,100
S1092a	Sherford Development Salaries	Ian Sosnowski	166,200	0	166,200	32,700	0	(14,400)	184,500
S1104	Land & Investment Properties	Head of Assets	(917,510)	0	(917,510)	0	0	0	(917,510)
S1165	Follaton House Offices	Head of Assets	554,039	0	554,039	5,900	0	5,700	565,639
S1301	Community Parks & Open Spaces	Head of Assets	163,800	0	163,800	0	0	0	163,800

S1305	Cemeteries & Burials	Head of Assets	21,270	0	21,270	0	0	0	21,270
S1306	Countryside Recreation	Head of Assets	500	0	500	0	0	0	500
S1310	Leisure Centres	Jon Parkinson	(176,300)	0	(176,300)	0	0	0	(176,300)
S1311	Outdoor Sports & Recreation	Head of Assets	166,910	0	166,910	0	0	0	166,910
S1365	Flood Defence & Land Drainage	Head of Assets	20,380	0	20,380	50,000	0	0	70,380
S1367	Coast Protection	Head of Assets	29,350	0	29,350	0	0	0	29,350
S1400	Employment Estates	Head of Assets	(644,600)	0	(644,600)	(50,000)	(10,000)	0	(704,600)
S1501	General Health	Ian Luscombe	11,000	0	11,000	0	0	0	11,000
S1503	Public Health	Ian Luscombe	(31,023)	0	(31,023)	0	0	0	(31,023)
S1531	Licensing	Ian Luscombe	(186,300)	0	(186,300)	(30,000)	0	0	(216,300)
S1533	Pest Control	Ian Luscombe	20,000	0	20,000	0	0	0	20,000
S1534	Pollution Control	Ian Luscombe	(4,100)	0	(4,100)	0	0	0	(4,100)
S1535	Food Safety	Ian Luscombe	2,750	0	2,750	0	0	0	2,750
S1536	Health & Safety at Work	Ian Luscombe	9,900	0	9,900	0	0	0	9,900
S1544	Community Safety	Ian Luscombe	5,600	0	5,600	0	0	0	5,600
S1545	Emergency Planning	Ian Luscombe	9,600	0	9,600	0	0	0	9,600
S1550	Housing Standards	Ian Luscombe	7,900	0	7,900	0	0	0	7,900
S1551	Homelessness	Isabel Blake	82,710	0	82,710	0	0	0	82,710
S1552	Housing Advice	Isabel Blake	3,000	0	3,000	0	0	0	3,000
S1555	Private Sector Housing Renewal	Ian Luscombe	0	0	0	0	0	0	0
S1558	Housing Strategy	Chris Shears	2,800	0	2,800	0	0	0	2,800
S1841	Property Maintenance Business Support	Head of Assets	0	0	0	0	(65,500)	130,300	64,800
S1993	Environmental Health Team Salaries	Ian Luscombe	635,700	0	635,700	69,400	0	(12,500)	692,600
S1994	Assets Team Salaries	Head of Assets	614,200	0	614,200	57,100	65,500	(150,600)	586,200
S1995	Housing Team Salaries	Isabel Blake	201,100	0	201,100	29,800	0	45,000	275,900
S2002	Beach & Water Safety	Cam Sims-Stirling	54,250	0	54,250	0	0	0	54,250
S2005	Salcombe Harbour	Cam Sims-Stirling	0	0	0	0	0	0	0
S2015	Dartmouth Lower Ferry	Cam Sims-Stirling	(29,110)	0	(29,110)	(44,600)	0	32,200	(41,510)
S2101	Car & Boat Parking	Emma Widdicombe	(1,789,870)	0	(1,789,870)	(155,900)	1,500	25,600	(1,918,670)
S2310	Dog Warden Service	Emma Widdicombe	5,000	0	5,000	0	0	0	5,000
S2400	Public Conveniences	Emma Widdicombe	707,110	0	707,110	86,100	(108,800)	0	684,410
S2734	Pannier Markets	Chris Shears	(89,970)	0	(89,970)	0	500	0	(89,470)
S2841	Repairs & Maintenance	Head of Assets	0	0	0	41,800	0	10,700	52,500
S4105	Economy Team Salaries	Chris Shears	72,300	0	72,300	7,300	0	700	80,300
NEW CODE	Economy & Jobs - Council Plan	Chris Shears	0	0	0	75,000	0	0	75,000
			(1,714)	0	(1,714)	210,700	(136,800)	69,000	141,186

			(1)	(2)	(1)+(2)= 2a	(3)	(4)	(5)	(2a)+(3)+(4)+(5)
c)	Governance & Assurance	Budget Manager	23/24 Base Net Budget	23/24 Virements	23/24 Revised Net Budget	24/25 Pressures/ (Savings)	24/25 Budget Preparation Virements	24/25 Salary Estimate Virements	24/25 Final Base Budget
			£'s	£'s	£'s	£'s	£'s	£'s	£'s
S1003	Land Charges Salaries	Helen Smart	73,000	0	73,000	6,300	0	600	79,900
S1020	Planning Applications and Advice	Pat Whymer	(973,100)	0	(973,100)	25,000	0	0	(948,100)
S1040	Local Land Charges	Pat Whymer	(143,000)	0	(143,000)	0	0	0	(143,000)
S1996	Human Resources Team Salaries	Andy Wilson	166,500	0	166,500	18,000	0	10,700	195,200

S1997	Strategy & Governanace Salaries	Neil Hawke	143,300	0	143,300	7,300	0	8,300	158,900
S1998	Planning Service Salaries	Helen Smart	1,543,800	0	1,543,800	218,100	30,000	65,500	1,857,400
S3001	Electoral Registration	Helen Jarvis	170,000	0	170,000	11,500	0	9,700	191,200
S3030	Staff Forum	Michelle Pierce	5,000	0	5,000	0	0	0	5,000
S3041	Communications & Media	Michelle Pierce	67,430	0	67,430	11,300	0	(6,200)	72,530
S3050	Democratic Representation & Management	Darryl White	311,754	0	311,754	34,600	0	0	346,354
S3051	Member Support & Democratic Services	Darryl White	152,200	0	152,200	15,900	0	(600)	167,500
S4004	Corporate Training & Occupational Health	Andy Wilson	38,800	0	38,800	0	0	0	38,800
S4005	Business Support Service Based Training	Andy Wilson	25,800	0	25,800	0	0	0	25,800
S4015	Specialists Service Based Training	Andy Wilson	29,500	0	29,500	0	0	0	29,500
S4041	Internal Audit	Neil Hawke	72,200	0	72,200	8,000	0	(22,400)	57,800
S4101	Legal Team Salaries	David Fairbairn	373,200	0	373,200	29,200	0	53,800	456,200
S4102	Design Team Salaries	Michelle Pierce	53,200	0	53,200	6,500	0	(1,200)	58,500
S4200	Insurance	Neil Hawke	433,740	0	433,740	130,000	0	0	563,740
S4511	Building Control Services	Pat Whymer	62,270	0	62,270	20,000	0	0	82,270
NEW CODE	Climate Change - Council Plan	Adam Williams	0	0	0	300,000	0	0	300,000
NEW CODE	Community Services - Council Plan	Neil Hawke	0	0	0	70,000	0	0	70,000
NEW CODE	Core Services - Council Plan	Alistair Wagstaff	0	0	0	100,000	0	0	100,000
NEW CODE	Community Development - Council Plan	Neil Hawke	0	0	0	55,000	0	0	55,000
NEW CODE	Contingency - Council Plan	Neil Hawke	0	0	0	50,000	0	0	50,000
			<u>2,605,594</u>	<u>0</u>	<u>2,605,594</u>	<u>1,116,700</u>	<u>30,000</u>	<u>118,200</u>	<u>3,870,494</u>

d)	Strategic Finance	Budget Manager	(1)	(2)	(1)+(2)= 2a	(3)	(4)	(5)	(2a)+(3)+(4)+(5)
			23/24 Base Net Budget	23/24 Virements	23/24 Revised Net Budget	24/25 Pressures/ (Savings)	24/25 Budget Preparation Virements	24/25 Salary Estimate Virements	24/25 Final Base Budget
			£'s	£'s	£'s	£'s	£'s	£'s	£'s
S1991	Finance Team Salaries	Pauline Henstock	460,200	0	460,200	42,400	0	41,500	544,100
S4009	Non Distributed Costs	Pauline Henstock	399,200	0	399,200	0	0	(200,000)	199,200
S4160	Corporate Management	Pauline Henstock	234,800	0	234,800	(100,000)	0	0	134,800
S4199	Central Service Overheads	Pauline Henstock	74,100	0	74,100	0	0	0	74,100
S6040	Borrowing Costs	Pauline Henstock	777,423	0	777,423	117,000	0	0	894,423
S6050	Interest & Investment Income	Pauline Henstock	(800,000)	0	(800,000)	(800,000)	0	0	(1,600,000)
			1,145,723	0	1,145,723	(740,600)	0	(158,500)	246,623

Note 1 - The new revenue cost centres for the Council Plan total £650,000 as per the Council report on the Council Plan.

This is the revenue expenditure for the Council Plan. There is also £350,000 of capital expenditure shown in the Capital Programme (Appendix E)

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Report to: **Council**

Date: **15 February 2024**

Title: **Summary Accounts 2022/2023
(Draft, Unaudited)**

Portfolio Area: **Finance – Cllr J Brazil**

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 and Deputy S.151 Officer**

Contact: pauline.henstock@swdevon.gov.uk

RECOMMENDATIONS:

That Council NOTE the production of the Summary Accounts (Draft, Unaudited) for 2022/23.

1. Executive summary

- 1.1 These Summary Accounts have been prepared at the request of the Audit and Governance Committee for the ease of public consumption and to further the transparency and readability of the Council's financial position.
- 1.2 They provide Members with a summarised version of the full draft (unaudited) Accounts, including the main statements and key points from 2022/23.
- 1.3 These summarised Accounts were presented to the Audit and Governance Committee on 14 December 2023 – minute reference AG.30/23. At the meeting, Members of the Committee requested that a separate agenda item be added to the Council meeting in February so that all Members would have sight of the Summary Accounts. It was also suggested that Members might like to share this document with their Town and Parish Councils.

- 1.4 A surplus of £57,000 was generated in 2022/2023 which was transferred to the General Fund Balance (un-earmarked revenue reserve). The level of this reserve stands at £2.113 million at 31 March 2023.

2. Background

- 2.1 In light of the length of the statutory Accounts, Members of the Audit and Governance Committee requested a shortened version. This summary of the draft Accounts in Appendix A is a more user friendly document which can be easily read by members of the public and our businesses to get an understanding of the financial position of the Council for 2022/23.
- 2.2 The Statement of Accounts is prepared in strict accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 which is recognised by statute as representing proper accounting practice. Due to the statutory nature of the accounts there is very little freedom to reduce the length of the main document or change the statutory format of the accounts, which can be a challenge for the reader due to its length, technical wording and complexity.

3. Proposed Way Forward

- 3.1 Following the 2022/23 Audit, the Audited Statement of Accounts will be brought back to the Audit and Governance Committee for approval in March 2024.

4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Statutory Powers that apply to this report are Section 151 Local Government Act 1972 Section 21 (12), Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015.

Financial implications to include reference to value for money		<p>The financial implications to this report are that a surplus of £57,000 was generated in 2022/2023. This means that the Council's actual net spend for 2022/2023 was 0.5% less than the budget set for the year.</p> <p>On 14 December, the Audit and Governance Committee considered an interim Auditor's Annual Report from the Council's external auditors, Grant Thornton. This gave commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>The report stated that 'The Council has demonstrated an appropriate understanding of its role in securing economy, efficiency and effectiveness in its use of resources. Our work has not identified any significant weaknesses in arrangements.'</p> <p>Further details can be found at the following link: https://democracy.swdevon.gov.uk/documents/s31195/Grant%20Thornton%20Interim%20Auditors%20Annual%20Report%20combined%20reporting%20for%202021-22%20and%202022-23.pdf</p>
Risk		<p>Public Accountability – the accounts have been drawn up in strict accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 which is recognised by statute as representing proper accounting practice.</p> <p>Resource Planning – the Council takes into account any significant issues when developing the Council's Medium Term Financial Strategy.</p>
Supporting Corporate Strategy		<p>The Annual Statement of Accounts support all of the Delivery Plans within the Council's strategic vision, 'Better Lives for All'.</p> <p>In particular for the 'Council Theme', the Accounts summarise how the Council is delivering efficient and effective services and demonstrating strong financial management and strategic financial planning. Our Guiding Principles are 'to provide value for money and good customer service'.</p>
Climate Change - Carbon /		None directly arising from this report.

Biodiversity Impact		
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Summary Accounts 2022/23 (Draft, Unaudited)

Background Papers:

None

Summary Accounts 2022/23 (Draft, Unaudited)



South Hams
District Council

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	Actual 2021/22 Restated £million	Actual 2022/23 £million
Spending on Services		
Customer Service & Delivery* (mainly frontline services such as Waste and Recycling, Grounds Maintenance and Revenues and Benefits)	7.431	12.049 ¹
Strategic Finance (including Pension Costs, Corporate Management and Finance)	1.386	1.886
Place & Enterprise** (including Housing, Car Parking, Dartmouth Lower Ferry, Salcombe Harbour, Assets and Environmental Health)	2.909	4.698
Governance & Assurance (including Planning, Land Charges, Elections, Legal Services, Democratic Services and Insurance)	2.632	3.055
Cost of Services	14.358	21.688
Removal of technical accounting adjustments e.g. depreciation, revaluation and IAS19 retirement benefits	(6.776)	(8.559)
Cost of Services – excluding technical accounting adjustments	7.582	13.129
Income from Investments and other Adjustments***		
Investment Properties	(0.910)	(0.911)
Interest and Investment Income	(0.140)	(1.146)
Interest payable and repayment of principal debt	0.852	0.859
Other adjustments	2.254	(1.507)
Net Cost of Services – to be met by local taxation and government grants	9.638	10.424
Income from local taxes and government grants***		
Council Tax income	(6.719)	(7.061)
Deficit/(Surplus) on Council Tax Collection Fund	0.030	(0.181)
Business Rates	(2.653)	(2.574)
Non ringfenced government grants	(0.510)	(0.665)
Total income from local taxes and government grants	(9.852)	(10.481)
Surplus for the year (to be added to the General Fund Balance)	(0.214)	(0.057)

THE COST OF COUNCIL SERVICES FOR 2022/23

The Comprehensive Income and Expenditure Account (CIES) details the cost of running Council Services between 1 April 2022 and 31 March 2023, where the money came from to finance those costs along with the surplus at the year end.

¹ For example, this figure should be read as £12.049 million

* The increase in Customer Service and Delivery expenditure in 2022/23 of £4.7m includes the cost of bringing the Waste & Recycling Service back in house from October 2022 and some one-off transitional costs for this service.

** The increase in Place & Enterprise expenditure mainly relates to payment of the Green Homes grant of £0.91m in 2022/23.

*** Income figures are shown in brackets.

The 2022/23 budget for South Hams was £10.46m but the actual net spend was 0.5% lower, providing a surplus of £57,000 for the year.

SUMMARY OF THE FINANCIAL POSITION 2022/23

There were a number of factors which contributed to the overall surplus of £57,000 in 2022/23. These can be summarised as follows:

In 2022/23 the Council incurred additional costs and a shortfall in income of £1.92m (equating to 18% of the Council's net budget of £10.46m). Many of the additional costs were as a result of the current economic climate with high inflation and the cost of living crisis. The extra costs incurred in the year included the impact of the local government pay award (£0.41m) and extra inflation (over the amount budgeted) for the waste contract, utility costs, IT costs and insurance costs totalling (£0.56m). In addition, the Council experienced a shortfall in planning income of £0.35m.

These extra costs and shortfall in income were offset by the Council generating additional investment income from treasury management of £1.02m, as a result of the Council realising the opportunity from high interest rates. Overall, £1.97m of additional income (equating to 19% of the Council's net budget of £10.46m) was generated from the extra investment income, additional net income from car parking from extra usage, high occupancy rates and regular rent reviews generating extra income from the Council's employment estates and additional income from the Dartmouth Lower Ferry.

The difference between the higher costs and the additional income achieved in 2022/23 equates to the overall surplus of £57,000.

Waste Service

There were exceptional one-off transitional costs of £1.5m in 2022/23 for bringing the waste and recycling service back in house in October 2022. This was referenced in reports to Council on 12 July and 22 September 2022 and had the support of the cross party Waste Working Group. The £1.5m was funded from the business rates retention reserve which was approved by Council prior to the waste service being brought back in-house in October 2022. In addition a further £0.5m was spent on one-off project implementation costs, with the Council receiving third party funding towards these costs. There has been a fundamental improvement in performance for the waste and recycling service, such that in February 2023, for the first time in over 3 years, the service achieved the national industry standard performance target of no more than 80 missed bins per 100,000 collections.

BORROWING

In 2022/23 the long term borrowing of the Council reduced from £14.28m (2021/22) to £13.82m. Short term borrowing increased from £0.1m to £0.46m. This is due to the profiling of the debt repayments where long term borrowing has moved to short term borrowing. Total borrowing as at 31 March 2023 has reduced from £14.38m to £14.28m. No further external borrowing took place during 2022/23.



BALANCE SHEET

The Balance Sheet shows what the Council owns, owes or is owed.

BALANCE SHEET	31 March 2022 £million	31 March 2023 £million
Net Assets		
Building, Land & Assets owned by the Council	99.140	105.456
Money Owed to the Council	8.941	9.095
Investments – long term and short term*	34.105	20.526
Cash and Cash Equivalents*	22.981	14.709
Money Owed by the Council*	(33.883)	(17.290)
Provisions – Business Rates Appeals	(1.494)	(0.901)
Pension (Liability)/Asset**	(52.621)	0.162
S106 Deposits	(5.717)	(6.643)
Borrowing – long term and short term	(14.380)	(14.284)
Total Net Assets	57.072	110.830
FINANCED BY:		
Usable Reserves		
General Fund Balance	2.056	2.113
Earmarked Reserves***	20.839	15.424
Capital Reserves	3.454	3.329
Unusable Reserves		
Capital Finance & Revaluation of Assets	85.603	86.936
Collection Fund Adjustment Accounts	(2.209)	3.957
Pension Reserve**	(52.621)	0.162
Other Unusable Reserves	(0.050)	(1.091)
Total Reserves – Usable and Unusable	57.072	110.830

* The reduction in investments, cash and cash equivalents and money owed by the Council as at 31 March 2023 partly relates to the timing of the Council Tax energy rebate grant (£4.51m) which was received at the end of 2021/22 and the payments were made on behalf of Central Government at the beginning of 2022/23. In addition the Council also administered various Business Grants on behalf of Central Government in 2021/22 and part of the reduction in investments, cash and cash equivalents and money owed by the Council relates to unapplied funding being repaid to Central Government in 2022/23.

** As at 31 March 2023, the Council had a Pension Asset of £0.16 million. This is a significantly improved position than the previous year (pension liability of £52.62 million). This is as a result of the actuary reducing life expectancy projections and an increase in interest rates affecting the discount rate for liabilities.

*** Earmarked reserves have reduced by £5.4m in 2022/23. This mainly relates to an accounting adjustment in respect of Business Rates (£3.07m), transitional costs for the Waste and Recycling service of £1.45m and capital expenditure of £1.08m.

CAPITAL PROGRAMME

Capital expenditure represents monies spent on the purchase, construction or major refurbishment of assets. The Council's capital expenditure amounted to £9.38m in 2022/23. The main areas of expenditure were Dartmouth Health and Wellbeing Hub (£3.83m), St Ann's Chapel housing scheme (£1.56m), residential renovation grants (£1.14m), Green Homes grants (£0.91m) and Batson Harbour Depot/Commercial Units (£0.78m).

A breakdown of the main types of capital expenditure and the sources of funding are shown below:

CAPITAL PROGRAMME FOR THE YEAR	2021/22 £million	2022/23 £million
Capital Expenditure		
Property	0.015	0.410
Other Land	0.137	0.207
Plant & Equipment	0.730	0.358
IT Software	0.166	0.095
Disabled Facilities Grants & Regulatory Reform Order Grants	1.114	1.136
Green Homes Grants	-	0.914
Other Private Housing	0.087	0.094
Assets Under Construction e.g. Dartmouth Health and Wellbeing Hub	1.742	6.165
Total expenditure for capital purposes	3.991	9.379
Sources of Finance		
Capital Receipts	(0.673)	(0.179)
Government Grants and Other Contributions	(1.156)	(2.596)
Earmarked Reserves	(1.019)	(1.083)
Revenue	(0.123)	(0.050)
Borrowing from previous years used for capital projects	(1.020)	(5.471)
Total capital financing	(3.991)	(9.379)

The full set of draft (unaudited) accounts for 2022/23 can be found at the following link on the Council's website:

www.southhams.gov.uk/your-council/budgets-and-finance/budgets-and-spending/annual-accounts

Report to: **COUNCIL**

Date: **15 February 2024**

Title: **Council Tax Discounts and Council Tax Reduction Scheme 2024/25**

Portfolio Area: **Cllr Julian Brazil – Leader of the Council**

Wards Affected: **ALL**

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

Date next steps can be taken: Upon the conclusion of this meeting.

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

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

RECOMMENDATIONS:

It is RECOMMENDED that the Council:

- 1. Notes the contents of the report;**
- 2. APPROVES a local Council Tax Reduction Scheme for 2024/25 that:**
 - Makes no changes to the bands of the current banded scheme.**
 - Removes the Minimum Income Floor (MIF) for self-employed claimants.**
 - Disregards 100% of the 'Limited Capability for Work' element of Universal Credit.**
- 3. ADOPTS, with effect from 1 April 2024, the following Council Tax discounts:**
 - (a) The discount for unoccupied and substantially unfurnished properties is 100% for a maximum period of 1 month.**
 - (b) The discount for unoccupied and substantially unfurnished properties for 1 month to 1 year is zero.**
 - (c) The discount for properties which require major repair work to render them habitable is 50% for a maximum period of 12 months.**

- (d) The discount for unoccupied furnished properties (second homes) is zero.**
 - (e) An empty homes premium of an additional 100% is levied on properties that have remained unoccupied and unfurnished for at least one year, but less than five years.**
 - (f) An empty homes premium of an additional 200% is levied on properties that have remained unoccupied and unfurnished for at least five years, but less than ten years.**
 - (g) An empty homes premium of additional 300% is levied on properties that have remained unoccupied and substantially unfurnished for at least ten years.**
- 4. ADOPTS, with effect from 1 April 2025, a Second Homes Premium of 100%.**

1. Executive summary

- 1.1 There is a requirement to have a Local Council Tax Reduction Scheme (LCTRS) to support residents who qualify for assistance in paying Council Tax. The Local Government Finance Act 1992 (as amended) requires each billing authority in England to have a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of persons, whom the authority considers are in financial need ("a council tax reduction scheme").
- 1.2 The LCTRS must be approved by 11 March for the preceding year and the billing authority must consult with major preceptors and any other person who may have an interest in any proposed changes to the scheme.
- 1.3 At its meeting on 21 September 2023, Executive gave its approval to consult on changes to the LCTRS for 2024/25, to ensure the Council continues to provide as much support as possible to residents during the Cost-of-Living crisis (Min 25/23).
- 1.4 This report provides Members with a summary of the consultation responses. Members are asked to consider the content of this report and to recommend to Council a local Council Tax Reduction Scheme for the financial year 2024/25.
- 1.5 The report also sets out the current council tax discounts and premiums and reaffirms the Council's intention to levy a 100% premium on Second Homes as allowed by the Levelling-Up and Regeneration Act 2024.

- 1.6 A version of this report was presented to the Executive at its meeting held on 25 January 2024 and Members will recall that Members of the Executive unanimously recommended approval of these recommendations (Minute E.62/23 refers).

2. Background

- 2.1 Since April 2013, the Council has been required to establish a local Council Tax Reduction Scheme to help working age residents on a low income pay their council tax. This scheme replaced the national scheme for Council Tax Benefit which was fully funded by central government.
- 2.2 The Council is also required to administer the prescribed Government Council Tax Reduction Scheme for pension age claimants and is not able to make any changes to this scheme.
- 2.3 It is an annual requirement for Councils to review their working age Council Tax Reduction Scheme and decide whether to continue with the same scheme or revise it.
- 2.4 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. The income bands were amended for the 2023/24 scheme with some bands being uplifted by 20% to reflect additional cost of living pressures.
- 2.5 At its meeting of 21 September 2023, the Executive agreed to public consultation on two proposed changes to the CTRS for 2024/25. The two proposed changes are to remove the Minimum Income Floor (MIF) for self-employed claimants and to disregard 100% of the Limited Capability for Work element of Universal Credit.

3. Outcomes/outputs

Proposed Council Tax Reduction Scheme for 2024/25

- 3.1 The public consultation Let's Talk "Have your say on our Council Tax Reduction Scheme 2024/25 ran from 17 October to 28 November 2023.
- 3.2 The proposals consulted on were as follows:
 - **Removal of the Minimum Income Floor (MIF)**

The Minimum Income Floor is where the scheme (following an exemption for the first 12 months) assumes a certain level of self-employed profit, which is linked to the national minimum wage, even if the claimant didn't earn that amount.

- **Disregard 100% of the 'Limited Capability for Work' element of Universal Credit.**

Currently claimants receiving Employment and Support Allowance are treated as a 'passported' claim and receive 85% council tax reduction. When they transfer to Universal Credit they are awarded a Limited Capability for Work element of £390.06 per month. Universal Credit is not a passported benefit and the Limited Capability for Work element is treated as income.

- 3.3 There were 344 visitors to the Consultation portal, however only 50 of these visitors took the opportunity to respond to the consultation questions.
- 3.4 The Council also wrote to all major preceptors seeking their views on the proposed changes to the scheme. Devon and Somerset Fire and Rescue and the Office of the Police and Crime Commissioner for Devon and Cornwall have both confirmed they are happy with the proposals. Devon County Council have confirmed, on balance, they support the proposed changes, but would like us to consider providing support to care leavers through the Council Tax Reduction Scheme.

Summary of consultation responses

- 3.5 The public consultation received 50 responses, with 29 of respondents saying they live in the South Hams. This question was optional. Only 3 respondents answered that they are currently receiving council tax reduction.
- 3.6 There were 50 responses to the proposal to remove the Minimum Income Floor, broken down as follows, with 5 respondents choosing not to answer this question.

Question:

Do you agree with the proposal to remove the Minimum Income Floor?

Response	Response number	Percentage
Yes	33	66%
No	12	24%
Did not answer	5	10%

- 3.7 The proposal to disregard 100% of the 'Limited Capability for Work' element of Universal Credit, received 50 responses with 4 respondents choosing not to answer this question. The responses can be summarised as follows:

Question:

Do you agree with the proposal to disregard 100% of the 'Limited Capability for Work' element of Universal Credit?

Response	Response number	Percentage
Yes	37	74%
No	9	18%
Did not answer	4	8%

3.8 Although the overall number of responses to the consultation was low, there was a majority in favour of the proposals, with 66% of respondents supporting the proposal to remove the minimum income floor for self-employed claimants. There were some concerns expressed that this would mean that we would be supporting residents who are undertaking a hobby rather than trying to develop a business. However, having considered this feedback, the Council considers that the administrative efficiency in making this change outweighs the risk of perceived or potential abuse.

3.9 The second proposal, which was to disregard 100% of the Limited Capability for Work element of Universal Credit, had a higher level of support with 74% of respondents in favour of this proposal.

3.10 Having taken into consideration the responses to the public consultation, the Council recognises that one of the best ways it can continue to support residents during the current cost of living crisis it to make the proposed changes to the CTRS as set out in the public consultation.

3.11 The weekly income bands, effective from 1 April 2023, and which will remain unchanged from 1 April 2024, are detailed in the table below:

Band	Reduction	Single	Couple	Family 1	Family 1+
1	85%	£0.00 to £95.00	£0.00 to £138.00	£0.00 to £220.00	£0.00 to £355.00
2	80%	£95.01 to £132.00	£138.01 to £180.00	£220.01 to £282.00	£355.01 to £385.00
3	50%	£132.01 to £192.00	£180.01 to £240.00	£282.01 to £342.00	£385.01 to £435.00
4	25%	£192.01 to £246.00	£240.01 to £294.00	£342.01 to £396.00	£435.01 to £480.00

Council Tax Discounts and Premiums

3.12 The Local Government Finance Act 2012 abolished certain council tax discounts, with effect from 1 April 2013, and replaced them with discounts which can be determined locally. The table below details the existing discounts the Council has in place and it is recommended that these discounts remain the same for 2024/25.

Class	Description	2023/24 Discount	Proposed discount from 1 April 2024
A - Second Homes	Dwellings which are no one's sole or main residence and which are substantially furnished and subject to a 28-day planning restriction.	0% discount	0% discount
B - Second Homes	Dwellings which are non one's sole or main residence and are substantially furnished.	0% discount	0% discount
Class C	Dwellings which are unoccupied and substantially unfurnished.	100% discount for a period of 1 month.	100% discount for a period of 1 month.
Class D	Dwellings which are unoccupied and require major repair work to render them habitable.	50% for a maximum period of 12 months.	50% for a maximum period of 12 months.

Empty Homes Premium

3.13 Prior to 1 April 2013, billing authorities could charge up to a maximum 100% council tax on dwellings that had been empty for more than two years. From 1 April 2013, billing authorities were given new powers to charge a premium of up to 50% of the council tax payable. Further legislation was then introduced allowing a 100% empty homes premium to be levied from 1 April 2019.

- 3.14 There were then further incremental changes leading to the current position which is as follows:

Description	Premium
Dwellings left unoccupied and substantially unfurnished for two years or more.	100%
Dwellings left unoccupied and substantially unfurnished for 5 years or more.	200%
Dwellings left unoccupied and substantially unfurnished for 10 years or more.	300%

- 3.15 The original legislation and subsequent amendments were introduced with the express intention of encouraging owners to bring empty properties back into use and the Council charges the maximum premium in all cases.
- 3.16 The Levelling-Up and Regeneration Act 2023 introduces amendments to the Local Government Finance Act 1992 to give the Council additional powers to apply the empty property premium of 100% after 12 months rather than the current two years.
- 3.17 If agreed, this would be effective from 1 April 2024. There are currently 207 dwellings which would become subject to the premium. The estimated additional yield from council tax would be £0.5m of which the Council's share would be approximately £40k (8%).

Second Homes Premium

- 3.18 The Levelling-Up and Regeneration Act 2023 also amends the Local Government Finance Act 1992 to give billing authorities the discretion to charge additional council tax of up to 100% on dwellings which are occupied periodically, substantially furnished and where no one is resident for council tax purposes, i.e. second homes.
- 3.19 The Council declared a housing crisis in September 2021 and backed the declaration with a 12-point action plan, which included lobbying the Government to allow councils to charge a 100% premium, i.e. 200% council tax, on second or holiday homes, to ensure they contribute fairly to the services they receive.
- 3.20 Under Section 11C(3) of the 1992 Act, any decision to increase the council tax on second homes must be made at least one year prior to the beginning of the financial year to which it relates, hence it can only take effect from 1 April 2025 at the earliest.

- 3.21 There are currently 3,954 properties on our council tax records classified as a second home. It should be noted that the Government consulted on 'Proposals to exempt categories of dwellings from the council tax premiums' in August 2023. At the time of writing, the outcome of the public consultation has not been published. Once regulations and/or guidance is issued confirming the exceptions, there may be a number of dwellings which are exempt from paying the premium.
- 3.22 If the recommendation to charge a council tax premium on second homes is adopted from 1 April 2025, the estimated additional yield from council tax would be £9m of which the Council's share would be approximately £0.7m (8%).
- 3.23 The key impact of second homes is to remove a significant number of homes from the local housing market, with properties that would otherwise be available to provide permanent homes for local people being used as holiday homes by people whose primary residency is outside the district. For this reason, the Council believes that the additional money raised by the second homes premium should be invested back into housing. South Hams is working with other councils across Devon to make the case that all the additional tax raised should be ringfenced to address housing challenges, including to acquire existing properties to provide temporary accommodation, to support people with complex needs and the provision of specialist accommodation with supported facilities for care leavers.

4. Options available and consideration of risk

- 4.1 The Council could choose not to change the local Council Tax Reduction Scheme for working age claimants. In doing so we would still continue to provide support for the wider cohort of residents through our income-banded scheme, however it would mean we wouldn't be providing additional support to residents who are trying to set up their own business or who have a disability or health condition which affects how much they can work.
- 4.2 The outcome of the public consultation undertaken in October and November 2023, is that both the major preceptors and the public are broadly supportive of the proposed changes.
- 4.3 The Council could choose not to charge a 100% premium on second homes. This option is not recommended for the reasons outlined in the report.
- 4.4 The Council could choose not to increase the council tax empty homes premium to 100% for dwellings empty for between 1 and 5 years (currently between two and five years), from 1 April 2024.

This decision wouldn't align with the Council's clear ambition to bring empty properties back into use to increase the supply and affordability of housing in the District.

5. Proposed Way Forward

- 5.1 The Council Tax Reduction Scheme for 2024/25 is agreed as set out in the consultation. The revised scheme will ensure the Council continues to provide as much support as possible to low-income households.
- 5.2 The Council confirms the council tax discounts and premiums applicable from 1 April 2024, and the premium on second homes which will be charged from 1 April 2025.
- 5.3 The approach taken by the Council is to encourage council taxpayers to use a dwelling as their main residence or allow others to do the same. It also seeks to bring empty properties back into use to increase the supply and affordability of housing in the district.
- 5.4 The implementation of revised and additional council tax premiums will provide additional income from council tax which will be used to provide services to residents.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<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 2024, a default</p>

		<p>scheme will be imposed on the Council which will be effective from 1 April 2024.</p> <p>The Levelling-Up and Regeneration Act 2023 makes amendments to the 1992 Act, and these are explained in the body of the report.</p>
Financial implications to include reference to value for money		<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 Tax Base 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>Removing the Minimum Income Floor and disregarding the Limited Capability for Work element will increase the cost of the scheme by around £236,409. The scheme is projected to cost £5.918 million as opposed to the current cost of £5.682 million. SHDC's share of the increase in cost is around 8% of this i.e., £18,913.</p> <p>The Council Tax Collection Fund is in surplus by £2.83m as at 31.3.2023. A distribution of the surplus will be made to all major precepting authorities as part of the 2024/25 Budget setting process. This can be a way of financing the additional cost of the 2024/25 CTR scheme of £236,409, 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>
Risk		<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 and they should be reviewed on an annual basis. There is a risk that the cost of maintaining the current local scheme will increase if the number of claimants rises due to the state of the local and national economy.</p>
Supporting Corporate Strategy		<p>Supporting the Council's response to the Cost of Living Crisis.</p>

Consultation & Engagement Strategy		Public consultation has been carried out on the proposed Council Tax Reduction Scheme to inform the content of this report.
Climate Change - Carbon / Biodiversity Impact		No direct carbon/biodiversity impact arising from the recommendations.
Comprehensive Impact Assessment Implications		
Equality and Diversity		The local Council Tax Reduction Scheme only impacts a specific group of people, namely working age residents on a low-income. The proposals set out will provide additional support to those residents.
Safeguarding		None as a direct result of this report, however the local Council Tax Reduction Scheme may help keep vulnerable children and adults safe.
Community Safety, Crime and Disorder		None as a direct result of this report, however some of the recommendations may help to reduce crimes such as domestic violence.
Health, Safety and Wellbeing		Financial wellbeing is crucial to the wellbeing of our residents and the recommendations in this report are designed to support this.
Other implications		None.

Supporting Information

Appendices:

None.

Background Papers:

None.

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MINUTES of the MEETING OF THE DEVELOPMENT MANAGEMENT COMMITTEE held in the COUNCIL CHAMBER, FOLLATON HOUSE, TOTNES, on WEDNESDAY, 13 December 2023

Members in attendance			
* Denotes attendance			
∅ Denotes apologies			
*	Cllr V Abbott	∅	Cllr McKay
*	Cllr G Allen	*	Cllr A Nix
*	Cllr L Bonham	∅	Cllr D O'Callaghan
*	Cllr J Carson	*	Cllr G Pannell (Vice-Chairman)
*	Cllr J M Hodgson (for 6(a),(b) and (c) only (Minute DM.41/23 refers)	*	Cllr S Rake
∅	Cllr M Long	*	Cllr B Taylor (Chairman)
*	Cllr T Edie (substituting for Cllr McKay) (for 6(a),(b), (c) and (d) only (Minute DM.41/23 refers)		

Other Members also in attendance: Cllr Thomas

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Development Management, Monitoring Officer (on MS Teams); Principal Planning Officer, IT Specialists and Senior Democratic Services Officer

DM.38/23 MINUTES
The minutes of the meeting of the Committee held on 15 November 2023 were confirmed as a correct record by the Committee.

DM.39/23 DECLARATIONS OF INTEREST
Members and officers were invited to declare any interests in the items of business to be considered and the following were made:

Cllr L Bonham declared an Other Registerable Interest in application 2790/22/FUL (Minutes DM.41/23 (d) below refer), as he was a Member of the Caravan and Motorhome Club. The Member remained in the meeting and took part in the debate and vote thereon.

DM.40/23 PUBLIC PARTICIPATION
The Chairman noted the list of members of the public, Town and Parish Council representatives, and Ward Members who had registered their wish to speak at the meeting.

DM.41/23 PLANNING APPLICATIONS
The Committee considered the details of the planning applications prepared by the relevant Case Officers as presented in the agenda papers, and considered the comments of Town and Parish Councils, together with other representations received, which were listed within the

presented agenda reports, and **RESOLVED** that:

6a) 1505/23/FUL Land At SX 654 517, New Mills Industrial Estate, Modbury

This application was withdrawn.

6b) 1668/23/VAR The Mooring, Newton Hill, Newton Ferrers, PL8 1BG

Development: Variation of Condition 1 (approved plans) of planning consent 0068/20/VAR

Case Officer Update: The Case Officer summarised the key issues, namely that:

- Whether the proposed changes affect the external appearance of the completed development.
- Whether the changes give rise to loss of amenity for neighbours

The Case Officer raised that the previous objection to the fence was now accepted by the neighbour and clarified the process for planning applications and the rules around planning enforcement. They also explained that the condition requires the applicant to construct within the approved plans but can amend that condition for screening to be a 1.8 metre height if required.

Having heard from speakers on behalf of the Parish Council together with the Ward Councillor, Members debated the application. During the debate, one Member was happy to go with the officer recommendation because of the agreed compromise between the applicant and the objector. Another Member was frustrated by the process because they were unaware whether the applicant would be happy with the proposals.

Recommendation: Conditional Grant

Committee decision: Delegated approval to the Head of Development Management subject to alterations to the screening to be agreed with Chairman, Ward Members, Proposer (Cllr Rake) and Seconder (Cllr Nix).

Conditions: Adherence with approved plans.
Adherence with approved CMP.
Privacy screens to be installed prior to use of balcony.
Landscaping.
Timber to undercroft door North western boundary wall to be clad in natural stone (5 months).

Wall on south eastern elevation to be clad in stone.

6c) 3161/23/FUL

Linhay Barn, Budlake, Ermington, PL21 9NG

Development: Construction of a new replacement dwelling to replace proposed barn conversion under 2767/17/FUL

The Case Officer provided an update since the agenda was published and reported that following discussions with the agents and architects the JLP Officer has made some comments regarding the climate emergency and has highlighted some inconsistencies.

Case Officer Update: The Case Officer summarised the key issues, namely that:

Policy

- Within countryside location but does not meet criteria of TTV26.
- Not a replacement dwelling.
- Contribution to housing supply does not justify location.
- Contrary to pattern of development.
- Insufficient information to show that the proposal would conserve and enhance rural landscape.

Other Matters

- Barn Conversion
 - Doubt whether permission would still extant.
 - Effectiveness of Legal Agreement.
 - Securing long term further of barn.
 - Comparison of carbon calculations for both proposals were uncomplete.
- Approved agricultural building:
 - Cannot prevent future prior approval applications.

Conclusion

- Unsuitable location without appropriate planning justification for countryside location.
- Does not have regard to the pattern of local development or conserve the landscape character of the surroundings.
- Previous permissions do not outweigh the policy considerations.

The Principal Planning Officer provided an update on the carbon neutral status on the application to ensure that Members have the information before them to make an informed decision.

The Case Officer raised that this application was not made as an agricultural dwelling. The Case Officer reported that pedestrian access on the road was unsafe as it was unlit at night and outside the 30mph restriction. The Case Officer also reported that S106 to cease the conversion of the Linhay Barn.

Having heard from speakers on behalf of supporters and the Parish Council together with the Ward Councillor, Members debated the application. During the debate, one Member raised that the application went against the policies however there were a lot of mitigating circumstances and whether this application should be deferred to look at the carbon neutrality. Another Member felt that the development would result in a better heritage outcome with the preservation of the linhay. Another Member felt this application ticked all the good boxes.

Recommendation: Refusal

Committee decision: Delegated approval to the Head of Development Management in consultation with the Chairman, Proposer (Cllr Abbott) and Secunder (Cllr Hodgson) to agree conditions and S106 agreement going forward with the Linhay.

6d) 2790/22/FUL Quay Caravan Club Site, Steamer Quay Road, Totnes, TQ9 5AL

Development: Re-development works include internal refurbishment of site facilities block and installation of solar panels, replacement service points, installation of new barrier system, conversion of existing grass pitches into 47no. all-weather serviced pitches, a new tractor store & prefabricated reception building

Case Officer Update: The Case Officer summarised the key issues, namely that:

Principle

- Use as a caravan site permitted through Caravan and Motorhome Club exemption certificate.
- Proposed development improves on site facilities and operation of caravan site, all-weather pitches to offer better access to those with mobility issues.
- Accords with SPT1, SPT2, TTV1 and DEV15 of JLP and C9 and E1 of Totnes NP. C9 of NP supports the principle of leisure or river related development of Steamer Quay.

Design/Landscape/Heritage

- Existing development on site and land has been used as a caravan site for many years.
- Formalisation of the pitches, along with the provision of new service points and a MVWP would change the character of the site but not considered to result in a significant change that would detrimentally harm the character of the site and surrounding area or harm the setting of heritage assets providing an appropriate landscaping scheme was secured and that existing trees/hedges were retained wherever possible (see conditions list)
- Subject to conditions accords with DEV20, DEV21 and DEV 23 of

the JLP and Policy C9, En1, En2, En3, En4 and C1 of the NP.
Neighbour Amenity

- Site has been used as a caravan site for many years under the Caravan and Motorhome Club exemption certificate. Relationship between the caravan site and neighbouring properties already exists.
- Landscaping would help to screen development and lighting to be controlled (see conditions list)
- Subject to conditions, accords with DEV1 of the JLP and Policy En2 of the NP.

Ecology/Trees

- PEA, BNG Metric and Lighting Strategy submitted DCC Ecology reviewed and no objections subject to conditions.
- AIA submitted. Tree Officer raised no objections subject to conditions.
- Subject to conditions, accords with DEV26 and DEV28 of the JLP and Policy C0, En2, En5 and En6 of the NP.

The Case Officer said that the Drainage Officer was happy with the proposed drainage which was subject to condition.

Having heard from speakers on behalf of the Parish Council together with the Ward Councillor, Members debated the application. During the debate, Members supported the application as this was a good step forward for tourists and the local community. Concerns were raised that pitches were gravelled disadvantaging people with tents and the need for more hedging to increase biodiversity. Another Member raised whether a condition for a hedgehog highway could be included.

Recommendation: Conditional Approval

Committee decision: Conditional Approval - to include provision for hedgehogs to traverse the site.

Conditions:

1. Time limit
2. Approved plans
3. Landscaping scheme (Pre-commencement agreed 17/11/2023)
4. LEMP – BNG Net Gain (Pre-commencement agreed 17/11/2023)
5. CEMP (Pre-commencement agreed 17/11/2023)
6. Accordance with Tree Reports, submission of AIA (Pre-commencement agreed 17/11/2023)
7. Tractor store details
8. Details of fencing/gates/walls
9. Details of timber cladding to external walls reception unit and temporary permission 1

10. Surface water drainage
11. DEV32 measures
12. Accordance with Ecological Appraisal
13. No vegetation removal, clearance or demolition during nesting season
14. No raising of ground levels across the site
15. External lighting
16. Lighting controls
17. PD removal – no new hardstanding
18. PD removal – buildings and structures

6e) 2839/23/FUL Land At SX 740 393, The Fish Quay, Gould Road, Salcombe

Development: Construction of food preparation unit associated with Crab Shed restaurant

Case Officer Update: The Case Officer summarised the key issues, namely that:

Principle:

- Building was for storage, food preparation and staff resting area in connection with existing Crab Shed Restaurant. No cooking facilities with the building as cooking would be completed in main restaurant.
- Condition 6 – requires removal of the building by 15 March 2033 (matching condition 9 on 41/0189/13/F)
- Condition 7 – requires development to be used ancillary to the Crab Shed.
- Subject to conditions, accords with SPT1, DEV14 and Dev15 of JLP and objective 3 of Salcombe NP (Section 1.0 Officer Report)

Design/Landscape

- Site was with AONB and Undeveloped Coast.
- Proposal was for a simple timber building, positioned adjacent to timber fence and timber clad buildings.
- Subject to appropriate materials/finished being used which would be secured by condition 5, accords with DEV20, DEV23, DEV24 and DEV25 of the JLP and Policies SALC Env1, SALC Env5, SALC Env6 and SALC B1 of the Salcombe NP (Section 2.0 Officer Report)

Flood Risk

- Site was in Flood Zone 2/3.
- EA and Drainage Officer raised no objections.
- Amended FRA including specific flood risk mitigation measures and Flood Warning and Evacuation Plan secured by condition 3.
- Condition 6 – requires removal of the building by the 15 March 2033 (matching condition 9 on 41/0189/13/F which was imposed due to flood risk of the site)
- Subject to conditions, accords with DEV35 of JLP (Section 5.0 Officer Report)

Ecology

- Site was within SSSI Salcombe to Kingsbridge Estuary.
- Natural England and DCC Ecology raised no objections subject to development being carried out in accordance with CEMP which was required by condition 4.
- Subject to conditions, accords with DEV26 of JLP and SALC Env5 of the Salcombe NP (Section 6.0 Officer Report)

The Case Officer was not aware of a safe pedestrian route from the food preparation unit to the Crab Shed.

There were no speakers for this application, Members debated the application. During the debate, Members raised the importance of supporting local businesses but had concerns on the access from the unit to the restaurant.

Regarding the concerns raised by the Committee, a request to be forwarded to the Assets Team to ascertain whether provision could be provided for a safe walkway.

Recommendation: Conditional Approval

Committee decision: Conditional Approval

Conditions:

1. Time limit
2. Approved plans
3. FRA mitigation measures (pre-commencement agreed 24.10.2023)
4. CEMP
5. Materials
6. Temporary period
7. Restricted use – in connection with the Crab Shed

DM.42/23 **PLANNING APPEALS UPDATE**

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

DM.43/23 **UPDATE ON UNDETERMINED MAJOR APPLICATIONS**

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

(Meeting commenced at 10.00 am with a lunch at 12.53 pm. The meeting adjourned at 12.43 pm. Meeting concluded at 15.15 pm)

Chairman

Voting Analysis for Planning Applications – DM Committee 13 December 2023

Application No:	Site Address	Vote	Councillors who Voted Yes	Councillors who Voted No	Councillors who Voted Abstain	Absent
1505/23/FUL	Land At SX 654 517, New Mills Industrial Estate, Modbury	This item was deferred				
1668/23/VAR	The Mooring, Newton Hill, Newton Ferrers, PL8 1BG	Conditional Grant	Cllrs Abbott, Allen, Bonham, Carson, Edie, Hodgson, Nix, Pannell, Rake and Taylor (10)			Cllrs Long, McKay and O'Callaghan (3)
311/23/FUL	Linhay Barn, Budlake, Ermington, PL21 9NG	Approved	Cllrs Abbott, Allen, Bonham, Carson, Hodgson, Nix, Pannell and Rake (8)		Cllrs Edie and Taylor (2)	Cllrs Long, McKay and O'Callaghan (3)
280/22/FUL	Quay Caravan Club Site, Steamer Quay Road, Totnes, TQ9 5AL	Conditional Approval	Cllrs Abbott, Allen, Carson, Edie, Nix, Pannell, Rake and Taylor (8)		Cllr Bonham (1)	Cllrs Hodgson, Long, McKay and O'Callaghan (4)
2839/23/FUL	Land At SX 740 393, The Fish Quay, Gould Road, Salcombe	Conditional Approval	Cllrs Abbott, Allen, Bonham, Carson, Nix, Pannell, Rake and Taylor (8)			Cllrs Edie, Hodgson, Long, McKay and O'Callaghan (5)

**MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE
 HELD IN THE COUNCIL CHAMBER, FOLLATON HOUSE, PLYMOUTH ROAD,
 TOTNES ON THURSDAY, 14 DECEMBER 2023**

Members in attendance			
* Denotes attendance			
Ø Denotes apology for absence			
*	Cllr L Bonham (Chairman)	*	Cllr C Oram
*	Cllr S Dennis	*	Cllr A Presswell
*	Cllr D Hancock	*	Cllr S Rake
*	Cllr A Nix (Vice-Chairman)	*	Cllr G Yardy

Member(s) also in attendance:
Cllrs Birch and Hopwood

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Section 151 Officer; Director – Strategy & Governance; Assistance Director of Strategy and Organisational Development; Head of Finance; Senior Democratic Services Officer; Internal Audit Manager; Grant Thornton – Key Audit Manager

AG.25/23 MINUTES

The minutes of the Audit and Governance Committee meeting held on 28 September 2023 were confirmed as a true and correct record.

AG.26/23 DECLARATIONS OF INTEREST

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

AG.27/23 GRANT THORNTON INTERIM AUDITOR'S ANNUAL REPORT – COMBINED REPORTING FOR 2021-22 AND 2022-23

Consideration was given to the Audit Report for 2021-22 and 2022-23. The report was presented by Grant Thornton.

In discussion, particular reference was made to:

- (a) SHDC compared to similar councils was in a very good position with no significant weaknesses identified and minimal improvement recommendations. The Engagement Lead for Grant Thornton, stated that for his audit clients, South Hams benchmarked very well with appropriate arrangements in place in each of the three areas.
- (b) Stakeholder engagement and it was reported that the community development team would be out listening to residents and undertaking a series of engagement sessions on town plans.
- (c) The high costs for waste predominantly related to the rural nature

of the district. SHDC recently moved to the Devon Aligned Service which would reduce future waste costs. Also SHDC receives just under £500k Rural Services Delivery Grant per annum.

It was then:

RESOLVED

The Committee noted the Interim Auditor's Report – combined reporting for 2021-22 and 2022-23 and for Officers to ensure the amber risks are mitigated, monitored and reviewed.

AG.28/23 GRANT THORNTON – EXTERNAL AUDIT PLAN FOR 2022/23

The Committee considered a report from Grant Thornton which sought to provide Members of the principal activities and findings of the External Audit Plan for 2022/23.

In discussion, particular reference was made to areas of risks identified and it was reported that procurement and stakeholder engagement wouldn't be highlighted as a risk however internal audit would follow up on those recommendations.

RESOLVED

The External Audit Plan for 2022/23 be noted.

AG.29/23 UPDATE ON THE 2023-24 INTERNAL AUDIT PLAN, AND CHARTER AND STRATEGY

Members considered a report that sets out to inform Members of the principal activities and findings of the Council's Internal Audit team and to obtain approval for the Audit Charter and Strategy.

In discussion, particular reference was made to:

- (a) The Procurement Strategy was currently being developed and would reflect social values.
- (b) An audit would take place in Jan/Feb 2024 to look at the planning process and S106 to ensure that no significant decisions were being made by a single officer under delegated authority.

It was then:

RESOLVED

That the Audit Committee:

1. Note and approve the progress made against the 2023/24 internal audit plan, and any key issues arising; and
2. Approve the Internal Audit Charter and Strategy.

AG.30/23 SUMMARY ACCOUNTS 2022/2023 (DRAFT, UNAUDITED)

Members considered the report which provides Members with a

summarised version of the draft (unaudited) accounts, including the main statements and key points from 2022/23.

In discussion, Members welcomed the report and debated how the report should be laid out and presented and felt that the following changes be made:

- change to pound millions.
- include decimals instead of commas.
- shorten the numbers.
- move the columns – 2021/22 aligned to 2022/23 column.

It was also raised that this should be a live document and open to feedback from residents. The report to include a small paragraph on how the document should be read. It was reported that in January, a statutory consultation would be undertaken with businesses and suggested that Members also share this with their Parish Councils.

RESOLVED

That the Audit Committee:

1. That the Summary Accounts (Draft, Unaudited) for the financial year ended 31 March 2023 are noted; and
2. That the Committee RECOMMEND to Council to note the production of Summary Accounts (Draft, Unaudited) for 2022/23. These Summary Accounts have been prepared at the request of the Audit and Governance Committee for the ease of public consumption and to further the transparency and readability of the Council's financial position.

AG.31/23 TREASURY MANAGEMENT MID-YEAR REVIEW

Members considered a report that set out the Council's Treasury Management mid-year review.

In discussion, particular reference was made to:

- (a) It was highlighted in para 5.5 a figure of £800k will be exceeded by £1.75m and elsewhere it says £775,000. It was reported that this need to be corrected and the budget is £800,000 to be exceeded by £775,000.
- (b) Investments and making more than 4.73% return would depend on the project and whether Members wanted to see a financial return or other benefits to undertaking that project. A limit of £60m had been in place for many years and Members may wish to review this figure.
- (c) Borrowing currently above liability benchmark.
- (d) PWLB have tighten the rules and a Council can only borrow for capital purposes and within the 4 categories stated. A Council is not permitted to borrow purely for yield and there is a process to go through to borrow from the PWLB. If we wanted to pay off borrowing early, then we would be subject to early redemption penalties and as such it isn't cost effective.
- (e) Generally, the strategy for short term investment was for 12 months and invested with banks and building societies within the

UK.

- (f) If the Council wanted to continue with ESG ratings there was an additional cost for this service. The Treasury Management Investments were currently out to tender and Members have suggested that we ask suppliers as part of the tender process to provide a quote around ESG scoring.

It was then:

RESOLVED

That the contents of the report be endorsed.

AG.32/23 **STRATEGIC RISK UPDATE AND FRAMEWORK**

Consideration was given to a report that provided Members with an update of the position with regard to Strategic Risk Update and Framework.

In discussion, particular reference was made to:

- (a) Aims established for net zero delivery by 2030 with an overall aim by 2050 working with partners in Devon. Whilst in transition to a new set aims and objectives to be shared with Members in February/March 2024 which means they are ready to be added but not yet on the register – in a holding position.
- (b) Recruitment downgraded slightly and it was reported that this was an improving situation and now filling those vacancies, however some areas still challenging and therefore took the decision to downgrade.
- (c) The Performance Board reviewing risks and the decisions around which risks are escalated up to the strategic risk register and how the Committee can receive more information on these decisions.

It was then:

RESOLVED

That the Audit & Governance Committee:

1. Consider the updated Risk and Opportunity Management Strategy (Appendix A);
2. RECOMMEND to Council that the updated Risk and Opportunity Management Strategy be adopted; and
3. Consider the updated Strategic Risk Register (Appendix B)
4. The Committee to have access to the full list of risks that are considered by the Performance Board

AG.33/23 **ANTI-FRAUD, BRIBERY AND CORRUPTION (POLICY AND RESPONSE PLAN), COUNTER FRAUD RESILLIENCE AND ASSESSMENT REPORT AND WHISTLEBLOWING POLICY**

Consideration was given to the reports included within the agenda and it was highlighted that these were policies already in place and good practice to keep them updated. Fraud Awareness training would be provided to Members next year.

In discussion, the following points were raised:

- (a) An invite to the Fraud Awareness Training would also be extended to Town and Parish Councils.
- (b) Whistleblowing and no protection for people that speak up and whether there could be an independent guardian. It was reported that included within the policy, you can refer a matter to the Head of Devon Audit Partnership and that procedure was in place and to make this more explicit within the report and to ensure that the process was being fully investigated and followed.
- (c) Whether specific reference to Members could also be made within the Whistleblowing policy. The s151 Officer will update the policy for this.
- (d) These policies were static rather than learning documents and there was a need to formally map out the risks that council could face. This piece of work would be brought back to the Committee in March on a fraud risk assessment and how the council mitigates these risks.

It was then:

RESOLVED

That the Audit and Governance Committee approve the contents of the following documents attached:

1. Anti-Fraud, Bribery and Corruption Policy (Appendix A refers);
2. Anti-Fraud, Bribery and Corruption Strategy/Response Plan (Appendix B refers);
3. Counter Fraud Resilience and Assessment Report (Appendix C refers); and
4. Whistleblowing Policy (Appendix D refers)

AG.34/23 LOCAL GOVERNMENT OMBUDSMAN – ANNUAL REVIEW LETTER

The Lead Executive Member for Customer Service, Improvement, IT and Digital Services presented the report and highlighted the excellent complaints handling by the Council.

It was then:

RESOLVED

That the Ombudsman Annual Letter for 2022-23 (attached at Appendix A) has been reviewed.

AG.35/23 TOTNES MARKET – VERBAL UPDATE FROM DEPUTY CHIEF EXECUTIVE

It was reported that following concerns, changes had been made to personnel and the way payments were made at Totnes Market. The market would now be managed by the Localities Team and Environmental Health and Licensing Team have the statutory overview. The development of the market to be part of the new community

development team. This will ensure a more robust audit trail and will be in place by end of this financial year.

In discussion, Members welcomed this and questioned whether this would be applied to all markets across the district. It was reported that this was applicable to Totnes. A correction to the previous minutes AG.14/23 – Kingsbridge and Dartmouth to be included as part of the audit report. To remove Kingsbridge and Dartmouth from those minutes.

It was then:

RESOLVED

The verbal update was noted.

AG.36/23

ST ANN'S CHAPEL AND HOUSING OFFER TASK AND FINISH GROUP: DRAFT TERMS OF REFERENCE

Consideration was given to the Terms of Reference.

RESOLVED

The Committee agreed the Terms of Reference and confirmed the membership of the Task & Finish Group.

AG.37/23

PROPOSED WORKPLAN FOR THE AUDIT AND GOVERNANCE COMMITTEE FOR THE 2023/24 MUNICIPAL YEAR

Members were presented with the latest version of the Committee Work Programme and noted its contents.

In discussion, particular reference was made to:

The next meeting moved to 28 March 2024 at 2.30 pm to allow the external auditors finish the audit and to issue an audit opinion. This would be Grant Thornton's last year and Bishop Fleming the new auditors for next 5 years from 2024. Also on at that meeting:

- Capital, Treasury Management and Investment Strategies
- Budget Book
- Shared services methodology
- Report from St Ann's Chapel and Housing Offer Task and Finish
- Annual Standards Report from Monitoring Officer
- Internal audit tracker
- Fraud reports

A private meeting for Audit and Governance Committee Members and the Leader with Grant Thornton and the Devon Audit Partnership is being set up for 11 am on 28 March 2024. Members raised whether the new auditors should be invited to the meeting.

Sundry Debts is proposed to go to the Executive in June with the end of March position.

Following a recommendation from Executive Meeting on 30 November:
“That the Audit and Governance Committee be requested to review the merits of awarding Yealm Community Energy a grant in the order of £100,000 to further the Council’s strategic ambitions around climate change and biodiversity”.

Officers reported that Members have met with Yealm Community Energy, however Officers need to also meet with them to get some background work to understand the context of this potential grant and the first task and finish group will be set up and Terms of Reference to be circulated and agreed at the first meeting.

A meeting looking at the Format of the Annual Statement of Accounts will be taking place on 24 January on MS Teams. Invitation to be extended to the Members of Audit and Governance Committee.

It was then:

RESOLVED

That Cllrs Bonham, Presswell, Hancock, Dennis and Oram would sit on Yealm Community Energy Task and Finish Group.

(Meeting commenced at 9:30 am and concluded at 12.11 pm)

Chairman

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**MINUTES of the MEETING of the
OVERVIEW & SCRUTINY COMMITTEE,
Held in the Council Chamber, Follaton House, Totnes, on
THURSDAY, 21 DECEMBER 2023**

Panel Members in attendance:			
* Denotes attendance		Ø Denotes apology for absence	
Ø	Cllr B Cooper	*	Cllr S Jackson
*	Cllr S Dennis	*	Cllr L Lawford
Ø	Cllr A Dewynter	*	Cllr P Munoz
*	Cllr N Dommett	*	Cllr S Penfold (Vice-Chairman)
Ø	Cllr T Edie	*	Cllr A Presswell
*	Cllr J Hawkins (Chairman)	*	Cllr M Steele
*	Cllr Oram (substituting for Cllr Dewynter)	*	Cllr Pannell (substituting for Cllr Dewynter)

Other Members also in attendance either in person or via Teams:
Cllrs Edie, Hopwood, Birch and O'Callaghan (on MS Teams)

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Director of Customer Service and Delivery, Director of Strategy and Governance, Assistant Director of Strategy and Organisational Development (on MS Teams) and Senior Democratic Services Officer

O&S.13/23 MINUTES

The minutes of the meeting of the Overview and Scrutiny Committee held on 5 October 2023 were confirmed as a correct record, subject to the following change - Cllr Birch was in attendance and not Cllr Brazil.

Regarding the outstanding action on the list of outside bodies funded by SHDC to be circulated to the committee. Officers reported that they were updating the list of partners that SHDC engage with and would circulate to the committee when completed.

O&S.14/23 DECLARATIONS OF INTEREST

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

O&S.15/23 PUBLIC FORUM

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

O&S.16/23 EXECUTIVE FORWARD PLAN

A question was raised on the significance of the item highlighted in red. It was reported that this item was being moved to the March Executive meeting.

O&S.17/23 **ENVIRONMENT AGENCY AND SW WATER (QUALITY OF RIVER AND BEACH WATER)**

The Chair welcomed Clarissa Newell, Environment Agency and Alan Burrows, SW Water to the meeting. The Environment Agency (EA) and SW Water (SWW) provided presentations.

In discussion, particular reference was made to:

- The EA regularly monitor the bathing waters, and this was undertaken weekly.
- Dogs were banned from beaches during the summer season and they undertake additional monitoring to determine if E.coli was present.
- They take samples of bathing water for analysis and always from the same place to build up a history of data. They were also undertaking pilot work outside of the bathing season for testing.
- SWW were recreating new resources for reservoirs but were also encouraging people to reduce their demand. In 2022 demand for water was excessive.
- SWW were investigating leakages and working across the wider southwest to improve services and address leakages.
- The service level agreement in place would determine how quickly a leak would be responded to, it depended on the leak and the number of properties affected. The SWW website shows the number of leaks in the area.
- Water bills were increasing and it was estimated that household bills would increase by 7.5%.
- SWW recognised the cost of living and support was provided to customers, also advice provided on the website.
- Extensive work and engagement with the farming community regarding pesticides and run-off and reducing risks.
- Pennon Group covers different elements and not just SWW and stakeholders expect a return on their investments.
- The water industry was privatised in 1989 and since then standards had considerably improved, if nationalised they would have to compete with statutory services such as the NHS.
- The EA monitor climate emergency such as salmon moving up rivers and flood modelling for following years and have long term plans in place to safeguard the environment.
- They cannot remove the risk of flooding and local authorities ensure residents were prepared for flooding, reviewing communities at risk and how to adapt.
- SW Water PR24 Plan outlines their clear commitment to reaching net zero by 2030 such as electrifying their fleet, looking at renewable energy and the implications of climate change.
- The recent fines incurred by SWW were paid direct to central Government and the local area would not benefit from that money.
- They were increasing the capacity for sewage treatment but were having to remove items from sewage treatments that shouldn't be there. They were undertaking a large piece of work looking at

overflow systems and working with communities when issues were raised.

- OFWAT highlighted lack of investment and it was reported within a five-year period were spending above and maintaining networks, however, need to spend £3bn to meet the new Government targets and projecting they could achieve this.
- Water saving devices were available for domestic households to help preserve water supplies.
- The inspectorate requires SWW to regularly test the quality of drinking water. Drinking water in the SW was regarded as the best in the industry.
- The South Milton outlet, leakages onto the beach and signage to warn people using the beach. SWW reported that they met with residents last week and felt that clarity was provided at that meeting. It was not the responsibility of SWW to provide signage, however they were happy to provide wording for the signage. Officers reported that SHDC could cover the signage subject to landowners' permission.

Questions were raised on the percentage loss through leakage and what SWW insurance for domestic households covered and responses would be provided by SWW outside of the meeting. There were also a number of questions submitted by the public for responses from the EA and SWW.

The Chair thanked the Environment Agency and South West Water for their attendance at the meeting.

It was then:

RESOLVED

The Overview and Scrutiny Committee note the presentations from the Environment Agency and SW Water and request that a response is provided for the additional questions provided.

O&S.19/23 DEVON BUILDING CONTROL PARTNERSHIP

The Executive Member for Economic Development; Commercial Strategy and Governance provided an overview of Devon Building Control Partnership. SHDC has an obligation to deliver a building control service and a decision was taken by SHDC to work in partnership with West Devon Borough Council and Teignbridge District Council to provide this service. The administration for this service was undertaken by Teignbridge. Each local authority has two members that sit on the Partnership Board and the Board meets quarterly.

It was then:

RESOLVED

Due to the loss of connection with the Devon Building Control Partnership, it was agreed that this agenda item would be deferred to a future meeting.

O&S.20/23 PERFORMANCE REPORT – JULY TO NOVEMBER

The Executive Member for Customer Service; Improvement; IT and Digital Services presented the report.

In response to questions raised, it was reported that:

- With regard to the number of missed bins, a revamp of bin rounds to take place over next couple of months and expect normal levels at that time. The Executive would receive a report on waste in March and would also include resident feedback.
- The employment estate occupancy rates did not include spaces for let at Follaton House.

It was then:

RESOLVED

The Committee noted:

1. the Key Performance Indicators for April 2023 – November 2023
2. the intention to review some Key Performance Indicators to provide more helpful information for Members in the future.

O&S.21/23 TASK AND FINISH GROUP UPDATES

Reconvene the EA and SWW Research Task and Finish group in the New Year to reflect and analyse the response from today's meeting. Cllr Munoz to be added to the task and finish group.

Fusion Task and Finish membership confirmed and meetings to take place in the New Year.

Planning Enforcement Task and Finish. The Chair of the task and finish reported that 3 meetings held with enforcement officers which resulted in a series of recommendations and review of the Enforcement Plan. A report presented and approved by the Executive and Full Council.

O&S.21/23 ANNUAL WORK PROGRAMME 2023/24

The Committee agreed the following items for the work programme:

February:

- Fusion - Task and Finish Group to convene following this meeting.
- Sustainable South Hams
- CSP

March:

- Devon Building Control Partnership

At the Executive meeting on 21 September – a request was made to O&S to review the Local Lettings Policy (minute below)

- (a) With regard to the properties at St Anns Chapel, some Members asked that every step be taken to ensure that these were allocated

to local residents. Officers made reference to the Housing Act and specifically the 'reasonable preference criteria' and committed to providing a Briefing Note to Members outside of this meeting. In addition, the Leader asked that the Overview & Scrutiny Committee give consideration to undertaking a review into the Local Lettings Policy;

The Chairman of the Audit & Governance Committee also informed that it was intention to ask that his Committee undertake a review into the St Anns Chapel project to ascertain what (if any) lessons could be learned.

It was then:

RESOLVED

The Chair and Vice-Chair in consultation with the Lead Officer to agree to the workplan and Membership to be sought to review the Local Lettings Policy

(Meeting started at 2.00 pm and concluded at 4.33 pm)

Chairman

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MINUTES of the MEETING OF THE DEVELOPMENT MANAGEMENT COMMITTEE held in the COUNCIL CHAMBER, FOLLATON HOUSE, TOTNES, on WEDNESDAY, 17 January 2024

Members in attendance			
* Denotes attendance			
∅ Denotes apologies			
*	Cllr V Abbott	*	Cllr A Nix
*	Cllr G Allen	*	Cllr D O’Callaghan
*	Cllr L Bonham	*	Cllr G Pannell
*	Cllr J Carson	*	Cllr S Rake
*	Cllr J Hodgson	*	Cllr B Taylor (Vice Chairman)
*	Cllr M Long (Chairman)		

Other Members also in attendance:

Officers in attendance and participating:

Item No:	Application No:	Officers:
All agenda items		Head of Development Management, Monitoring Officer (on MS Teams); Principal Planning Officers, Senior Planning Officers, DCC Highways Officer, Environmental Health Officer, IT Specialists and Senior Democratic Services Officer

DM.44/23 MINUTES
The minutes of the meeting of the Committee held on 13 December 2023 were confirmed as a correct record by the Committee.

DM.45/23 DECLARATIONS OF INTEREST
Members and officers were invited to declare any interests in the items of business to be considered and the following were made:

Cllr J Hodgson declared an Other Registerable Interest in application 3855/23/CLP (Minutes DM.47/23 (d) below refer), as she was involved with a group supporting the need for a skate park. The Member remained in the meeting and took part in the debate and vote thereon.

DM.46/23 PUBLIC PARTICIPATION
The Chairman noted the list of members of the public, Town and Parish Council representatives, and Ward Members who had registered their wish to speak at the meeting.

DM.47/23 PLANNING APPLICATIONS
The Committee considered the details of the planning applications prepared by the relevant Case Officers as presented in the agenda papers, and considered the comments of Town and Parish Councils, together with other representations received, which were listed within the presented agenda reports, and **RESOLVED** that:

6a) 2306/23/FUL

Ivybridge Motors Ltd, Fore Street, Ivybridge,
PL21 9AE

Town: Ivybridge

Development: READVERTISEMENT (revised plans) Change of use from sale of motor vehicles to sale of building supplies and associated works.

The Case Officer provided an update to the Committee, which included:

- In para 5.8 in the report should read there would be conflict between users accessing Highlands Health Centre and large vehicles using and moving around the application site.
- The additional information emailed to Members that included Phase 1 Land Contamination Report and update to plans outlining the parking, elevation of the street scene, proposed fence line and proposed planting.
- Additional representation raising objection on traffic impacts.
- At the site inspection, the Tree Officer reiterated their comments regarding the trees and raised no concerns, however, did recommend a pre-commencement condition, if minded to approve because it was unclear on the physical separation of the roots and pressure to prune/fell branches.

The Case Officer summarised the key issues, namely that:

- Relationship Highlands Health Centre.
- Impact of fence and storage area and setting of listed church.
- On-site turning/parking and visibility splays.
- Reasons for refusal outlined within the report.

The case officer responded:

- Forklift trucks would be in operation on the shared access with the public.
- The slope had a gradient of 1:6.
- There has been further dialogue with the Highways and they felt this application was not acceptable.
- Ten parking spaces for customer use.

The Highways Officer reported that a condition to restrict timings for heavy vehicles would not work and conflict with customer parking. The blocking of highways and relocation of customer parking when deliveries were made not acceptable. The steep ramp past the health centre was used by pedestrians and vulnerable road users. Highways had highlighted the need for visibility splays but this concern to be removed.

The Environmental Health Officer reported that dust from the site would not impact on the church. Any dust related issues should be dealt with if complaints arose.

A representative from Town Council requested to speak and at the Chair's discretion this was permitted. It was made quite clear to the representative that they were speaking on behalf of the Town Council. It became evident during their speech that the view's expressed were not on behalf of the Town Council. The Chair asked the representative to confirm that this was their own personal view, and this was confirmed by the representative.

Having heard from speakers on behalf of objectors, supporters together with the Ward Councillor, Members debated the application. During the debate, one Member highlighted the importance of keeping employment within the town, however due to the large number of objections and public representatives it was important to hear those arguments. This site previously was a petrol station and car sales showroom. The Healthcare Centre was accessed via this site and well used. The height of fence would be problematic and appear dominant, however a hedge may overcome this, but the contaminated land would be an issue. Another Member felt this was a sensitive site, however this was a business that wished to expand and as a council should support economic growth. Other Members felt that safety issues for pedestrians accessing the Healthcare Centre, large vehicles in and out of the site, the heritage of the church and the negative impact on the street scene therefore more disadvantages to advantages to this application. It was also felt that this type of business should be on an industrial site.

Recommendation: Refusal

Committee decision: Refusal. Remove reference to the visibility splays.

6b) 1505/23/FUL Land at Sx 654 517, New Mills Industrial Estate, Modbury Parish: Modbury

Development: Provision of 3 bedroom dwelling (log cabin) to accommodate graduate vets/nurses

Case Officer Update: The Case Officer summarised the key issues, namely that:

- Principle of allowing residential use in a commercial area.
- Conditions for the occupiers.
- Impact on car parking.
- Impact on the street scene.
- Highways considerations.

The Case Officer explained:

- The current drainage plan was not satisfactory and therefore

would seek revised drainage plans if Members were minded to approve the application.

- It was understood that no animals were kept overnight at the practice.
- There were routes accessible by foot from the industrial estate, however one route was considered too dangerous by foot and therefore refusal based on highway concerns.
- DEV14 seeks to protect employment land and existing premises.
- A strip of land north of the industrial estate was used by people as a footway but was unsure of the ownership of the land.
- The lodge would be removed if not used for employment purposes by South Moor Vets.
- There were no plans in place to formalise the footpath north of the site.

Having heard from speakers on behalf of supporter and a statement from the Parish Council, Members debated the application. During the debate, Members raised concerns on the highways objections and objections raised by the Parish Council, however another Member, despite the concerns raised felt that other businesses on the industrial site could be accessed by people on foot. Another Member highlighted the need for more diversity in housing and commended this application to help young people getting onto the housing ladder. It was also highlighted that Parish Council suggested the purchasing of a nearby property and employees would have walk that route to access the industrial site. Another Member raised that the alternative route to access the site was regularly used.

In response to the concerns raised on safety and measures to be put in place to reduce the chance of people using that route, Officers reported that it would be for officers to progress for future consideration but not for this application.

There was an acknowledgment to the objections raised by the Highways Authority but on balance it was felt that people would walk the alternative route.

Recommendation: Refusal

Committee decision: Delegated approval to the Head of Development Management in consultation with Chairman, Vice Chairman and Proposer (Cllr G Pannell) and Seconder (Cllr J Hodgson) to agree the conditions subject to receipt of revised plans demonstrating a suitable soakaway and occupation of the unit.

6c) 2981/23/VAR

The Crab Shed, The Fish Quay, Gould Road, Salcombe. TQ8 8DU

Town: Salcombe

Development: Variation of condition 9 (flood survey & removal of permitted building) of planning approval 41/0189/13/F to postpone the proposed Flood Survey from 2033 and allow the building to be retained on site until 2044 (retrospective) (resubmission of 1137/23/VAR)

Case Officer Update: The Case Officer summarised the key issues, namely:

- Climate change/Flood Risk.
- Economic Development.

One Member felt there was a strong need to support the Environment Agency objections and to listen to stakeholder comments. Officers highlighted that the Environment Agency objected to the previous application in 2013.

Having heard from speakers on behalf of the supporter, Members debated the application. During the debate, one Member raised that any businesses on the quayside were at risk of flooding and mitigating measures should be undertaken to protect their business and human life. Another Member said the applicant was seeking security for their business for future years and therefore would put measures in place to protect their business.

Recommendation: Conditional Approval

Committee decision: Conditional Approval

Conditions: 1. Accord with Plans 2. Use linked to crab processing facility 3. Restriction on outside eating area use 4. No amplification of outside seating area 5. Temporary Permission until 2044 6. Mitigation Implementation

6d) 3855/23/CLP **Totnes, Skatepark**
Town: Totnes

Development: Application for a Lawful Development Certificate for removal of existing modular steel skatepark ramps and construction of a new spray concrete skatepark on part of the existing site with an extension.

Case Officer Update: The Case Officer summarised the key issues, namely that:

- Whether the proposal constitutes permitted development.
- Policies of the JLP were not material to the determination of this type of application.

- Officers recommend a Lawful Development Certificate to be issued.

Having heard from speakers on behalf of the Town Council together with the Ward Councillor, Members debated the application. During the debate, Members were very supportive of this application.

Recommendation: Certificate of Lawfulness (Proposed)
Certified

Committee decision: Certificate of Lawfulness (Proposed)
Certified

DM.48/23 **PLANNING APPEALS UPDATE**

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

DM.49/23 **UPDATE ON UNDETERMINED MAJOR APPLICATIONS**

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

(Meeting commenced at 10.00 am with a lunch at 1.20 pm. Meeting concluded at 15.35 pm)

Chairman

Voting Analysis for Planning Applications – DM Committee 17 January 2024

Application No:	Site Address	Vote	Councillors who Voted Yes	Councillors who Voted No	Councillors who Voted Abstain	Absent
2306/23/FUL	Iybridge Motors Ltd, Fore Street, Iybridge, PL21 9AE	Refusal	Cllrs Abbott, Allen, Bonham, Carson, Hodgson, Long, Nix, O'Callaghan, Pannell, Rake and Taylor (11)			
1505/23/FUL	Land at Sx 654 517, New Mills Industrial Estate, Modbury	Approved	Cllrs Abbott, Allen, Carson, Hodgson, Long, Nix, O'Callaghan, Pannell, Rake and Taylor (10)	Cllr Bonham (1)		
2981/23/VAR	The Crab Shed, The Fish Quay, Gould Road, Salcombe. TQ8 8DU	Conditional Approval	Cllrs Abbott, Allen, Bonham, Carson, Hodgson, Long, Nix, O'Callaghan, Pannell, Rake and Taylor (11)			
3855/23/CLP	Totnes, Skatepark	Certificate of Lawfulness (Proposed) Certified	Cllrs Abbott, Allen, Bonham, Carson, Hodgson, Long, Nix, O'Callaghan, Pannell, Rake and Taylor (11)			

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MINUTES OF THE MEETING OF THE LICENSING COMMITTEE HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 18 JANUARY 2024

MEMBERS

- * Cllr S Rake - Chairman
- * Cllr J Carson - Vice-Chairman

* Cllr V Abbott	∅	Cllr G Pannell
* Cllr G Allen	*	Cllr S Penfold
∅ Cllr Dommett	∅	Cllr A Presswell
* Cllr C Oram	*	Cllr D Thomas
* Cllr T Edie (substituting for Cllr G Pannell)		

- * Denotes attendance
- ∅ Denotes apology for absence

Officers in attendance and participating:
Lawyer (via MS Teams); Licensing Officer; and Senior Democratic Support Officer

L.7/23 **MINUTES**

The minutes of the meeting of the Licensing Committee held on 9 November 2023 and the Licensing Sub-Committee also held on 9 November 2023 were confirmed as a correct record subject to the change of membership for the Licensing Sub-Committee which should read Cllr Carson (Chair), Cllr Penfold and Cllr Abbot.

L.8/23 **EXCLUSION OF THE PUBLIC AND PRESS**

RESOLVED

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

L.9/23 **DETERMINATION OF WHETHER TO GRANT A HACKNEY CARRIAGE AND PRIVATE HIRE DRIVER LICENCE**

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

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

Once all parties were satisfied that they had no more questions or issues to

raise, the Committee adjourned at 10.43 am in the presence of the Solicitor.

Having fully considered the matter, the meeting was then re-convened at 11.18 am and the Chairman read the decision as follows:

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

- We have read the Licensing Officer's report.
- We have also listened very carefully to what you have told us today.
- The main priority of the licensing regime is to ensure public safety. As this is a civil matter, the evidence of proof is based on the balance of probabilities, the onus being on yourself to satisfy the Authority that you remain a fit and proper person to hold a joint Private Hire and Hackney Carriage drivers licence.

The Committee has decided to GRANT your Joint Hackney Carriage and Private Hire Driver Licence. This decision is based on:

That after consideration of the evidence before us, we believe that you are a fit and proper person to hold a Hackney Carriage and Private Hire Driver Licence, notwithstanding the points accrued on your driving licence.

(Meeting commenced at 10:00 am and concluded at 11:20 am).

Chairman

**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD IN THE COUNCIL CHAMBER ON THURSDAY 25 JANUARY 2024**

Members in attendance:			
* Denotes attendance			
∅ Denotes apologies for absence			
*	Cllr V Abbott	*	Cllr N A Hopwood
*	Cllr J P Birch	*	Cllr J McKay
*	Cllr J Brazil (Chairman)	*	Cllr D M O'Callaghan
∅	Cllr J M Hodgson	*	Cllr D Thomas (Vice Chairman)

<p>Non-Executive Members also present either in person or remotely for all or part of the meeting:</p> <p>Cllrs Bonham, Dennis, Long, Nix, Oram, Pannell, Penfold, Presswell, Steele and Taylor</p>
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Officers in attendance and participating:		
All items		Senior Leadership Team; Monitoring Officer (via Teams); Head of Democratic Services; Assistant Director – Strategy; Community Development Manager; Head of Revenues and Benefits; Head of Housing; Head of Communications; Head of Finance; Principal Climate Change Officer (via Teams)

E.53/23 MINUTES

The minutes of the Executive meeting held on 30 November were confirmed as a true and correct record.

E.54/23 DECLARATIONS OF INTEREST

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

E.55/23 QUESTION TIME

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

E.56/23 EXECUTIVE FORWARD PLAN

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

In discussion, the following points were raised:

- (a) In accordance with the Full Council resolution from its meeting held on 14 December 2023 (Minute 38/23 refers), Members noted that a 'Freeport: Progress Update' had been scheduled on to the Executive Forward Plan for the meeting to be held on 18 April 2024;
- (b) Prior to the next version of the Forward Plan being published, it was agreed that a decision would be made as to whether the Leader or Deputy Leader would be assigned lead Member responsibility for Neighbourhood Planning related matters.

E.57/23

THE COUNCIL PLAN 2024 –28 AND ANNUAL DELIVERY PLAN FOR YEAR 1

The Executive considered a report that set out the progress made in the preparation of the draft Council Plan for the period 2024-28.

During the ensuing debate, reference was made to:

- (a) further minor amendments to the Plan and Annual Delivery Plan. In recognition that the Plans continued to evolve prior to their ultimate presentation to Full Council on 15 February 2024, the meeting agreed that further minor amendments should be made in relation to:
 - the wording contained within Housing Action H1.2. It was agreed that the wording should be updated to read: *'Review existing Capital Programme to ensure construction or purchase of Council owned or Housing Association homes is a key part of capital spending;*
 - the need to update the documents to reflect the fact that the 'Area of Outstanding Natural Beauty' had been recently re-titled to the 'National Landscape';
 - the need to consider making greater reference to the Cost of Living Crisis throughout the Plans; and
 - consideration to including reference within the Housing Action Plan to the ongoing work being carried out by the Devon Housing Commission;
- (b) notwithstanding the commitment contained within the manifesto of the Council administration, a Member still expressed her personal view that an annual £500,000 expenditure towards the Climate Change and Biodiversity Emergency was, in her opinion, disproportionate. The Member proceeded to express her view that a proportion of these monies would be better spent towards the delivery of affordable housing;

- (c) the current lack of tangible (measurable) outcomes. As the Plans evolved, it was hoped that a greater number of tangible outcomes would be incorporated. Furthermore, it was recognised that performance monitoring reports would be considered regularly by both the Executive and Overview and Scrutiny Committee;
- (d) the formation of a Community Development Team. Members welcomed the decision to establish a Community Development Team and felt that this Team would be instrumental in delivering a number of actions contained within the Plans;
- (e) the work undertaken by officers in reaching this point. Members wished to put on record their thanks to officers in producing such detailed and comprehensive Plans that were reflective of the views of lead Members and the Advisory Groups. In addition, thanks were paid to the work of the Section 151 Officer, her finance team and the previous Council administration for their financial management that had resulted in the Council being in a position to invest monies into these Plans.

It was then:

RESOLVED

1. That the Council Plan 2024-2028 as set out in Appendix A of the presented agenda report and Year 1 (2024/25) Delivery Plan in Appendix B of the report be noted; and

That Council be **RECOMMENDED** to:

2. adopt 'The Council Plan' and delivery plan at its meeting on 15 February 2024, subject to inclusion and consideration of the points raised in minute discussion point (a) (above); and
3. approve the funding for the 2024-25 delivery plan (as set out in section 4.2 of the presented agenda report).

E 58/23

DRAFT REVENUE AND CAPITAL BUDGET PROPOSALS FOR 2024/25

The Executive was presented with a report that outlined a series of draft revenue and capital budget proposals for 2024/25.

At the invitation of the Chairman, the Section 151 Officer informed that, since the agenda papers had been published, there had been further announcements made from Central Government in response to the consultation on the Local Government Finance Settlement and clarification over the Rural Services Delivery Grant. The impact of these updates (which were likely to be minimal) would be included in the report to be presented to Full Council on 15 February 2024.

In discussion, reference was made to the second homes premium. In expressing disappointment that the primary legislation had not included the requirement for the additional monies to be spent on the delivery of affordable housing, it was noted that conversations were taking place with Devon County Council colleagues and it was hoped that this objective could still be reached.

It was then:

RESOLVED

That the Executive **RECOMMEND** to Council:

- i) to increase Council Tax for 2024/25 by 2.99% (This would increase a Band D council tax for 24/25 from £185.42 to £190.96 – an increase of £5.54 per year or under 11 pence per week);
- ii) the financial pressures shown in Appendix A of £2,846,000;
- iii) the revenue expenditure (£650,000) and capital expenditure (£350,000) for the Year 1 delivery plan of the Council Plan (2024/25), totalling £1million, as set out in section 3.30 of the report.
- iv) the savings/additional income of £(1,460,000) as shown in Appendix A;
- v) the net contributions to/(from) Earmarked Reserves of £60,427 as shown in Appendix D, including the proposed use of £704,173 of New Homes Bonus funding to fund the 2024/25 Revenue Budget as set out in 3.20 of the report and £400,000 from the Business Rates Retention Earmarked Reserve as set out in 3.13 of the report;
- vi) that the Council should set its total net expenditure for 2024/25 as shown in Appendix B as £13,034,894
- vii) the Capital Bid for £90,000 to renew and upgrade the Council's bank reconciliation software and to fund this from the annual revenue contribution of £181,600 into the Capital Programme, as set out in 8.4.
- viii) that Unearmarked Reserves should continue to have a minimum level of £1.5million (as set out in the Medium Term Financial Strategy in September 2023), but an operating level of a minimum of £2million; and
- ix) that the level of reserves as set out within this report and the assessment of their adequacy, and the robustness of budget estimates are noted. This is a requirement of Part 2 of the Local Government Act 2003.

E.59/23 **HOUSING CRISIS UPDATE - HOUSING & HOMELESS STRATEGY ACTION PLAN**

The Executive considered a report that sought approval for the refreshed Housing and Homeless Strategy Action Plan.

In discussion, reference was made to Joint Local Plan Policy Dev 8. A Member highlighted the need to ensure that, wherever possible, this Policy was enforced in relation to the requirement for a minimum of 30% affordable housing to be delivered on housing schemes of 11 or more dwellings. To reinforce the point, an amendment was **PROPOSED** and **SECONDED** to part 2 of the recommendation that read as follows:

2. *that the refreshed Action Plan, as set out at Appendix 2 of the presented report, be agreed, subject to the addition being made to page 143 of the published agenda papers, 'Use strategic planning policy to ensure sustainable housing growth' and in particular JLP Policy Dev 8 (Item 3) relating to the requirement for a minimum of 30% affordable housing in Schemes of 11 or more dwellings.*

In discussion, the proposer of the amendment stated that its intention was to ensure that this requirement was complied with by developers. A Member proceeded to make the point that this issue was equally relevant to Policy Dev 7 and this fact must be borne in mind during the upcoming review of the Joint Local Plan (JLP). As an assurance, the Leader informed that a meeting of the JLP Partnership Board was to be held later in the day and he would raise the importance of this point at this meeting.

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

It was then:

RESOLVED

1. That the progress on the previous Housing Strategy Action Plan be noted; and
2. That the refreshed Action Plan, as set out at Appendix 2 of the presented report, be agreed, subject to the addition being made to page 143 of the published agenda papers, 'Use strategic planning policy to ensure sustainable housing growth' and in particular JLP Policy Dev 8 (Item 3) relating to the requirement for a minimum of 30% affordable housing in Schemes of 11 or more dwellings.

(Note: At this point (11.30am), the meeting was adjourned for a period of 15 minutes)

E.60/23 CLIMATE CHANGE & BIODIVERSITY EMERGENCY - VERBAL UPDATE

The lead Executive Member for Climate Change provided an update on recent activity undertaken. In so doing, the lead Member made particular reference to:

- the fall-out from the successful Symposium event held on 10 November 2023. The Member informed that he continued to liaise with those stakeholders who had attended the Symposium. For example, on 24 January 2024, he had met with the Chief Executive of a local organisation that had the primary aim of driving down the cost of food production and distribution. It was the intention of the lead Member to formulate an action plan based upon the outcomes of the symposium that would be presented to lead officers and Members in the upcoming months;
- a piece of work commencing on stimulating and re-energising local town centre food markets;
- talks having begun with organisations who were involved in rivers. An exploratory meeting was to be held with key stakeholders (e.g. the Environment Agency; Westcountry Rivers Trust; and the National Landscapes Unit) to gauge how the Council could support these organisations;
- the potential installation of Solar PV panels in Council owned car parks. Whilst works were still ongoing, indications were that the viability of such installations was questionable;
- an additional officer resource was in the process of being recruited; and
- the Climate Change and Biodiversity Locality Fund was being formally launched today (25 January 2024).

Following the update, a number of Members highlighted the amount of work that was ongoing within this portfolio area and wished to thank the lead Member for all his hard work and efforts.

E.61/23 SUPPORT FOR CARE LEAVERS

Members considered a report which provided an update on the Council's activity in supporting care leavers including a proposal for the Council to become a signatory to the Care Leaver Covenant.

In the ensuing debate, particular reference was made to:

- (a) widespread support was expressed for the proposals. Moreover, the leading role that the Council and Chief Executive continued to take in this subject area was recognised and commended;

- (b) the potential implications of a two to four week paid work placement on a care leavers' benefit entitlements. Officers thanked a Member for raising this potential issue and gave an assurance that the Council would do everything possible to overcome such barriers and, whilst each instance would be looked at on a case by case basis, the purpose of the published agenda report was to raise awareness amongst the membership and to set out a statement of intent.

It was then:

RESOLVED

1. That the measures implemented to support care leavers into employment be noted;
2. That the intention for the Council to sign up to the Care Leaver Covenant be noted; and
3. That the steps taken to support Council employees who are seeking approval to be a foster carer and, following the placement of a child, be noted.

E.62/23

COUNCIL TAX DISCOUNTS AND COUNCIL TAX REDUCTION SCHEME 2024/25

Members considered a report which provided a summary of the findings of the recent consultation on changes to the Local Council Tax Reduction Scheme and sought a decision on a Scheme for 2024/25.

The report also provided details of the current Council Tax Discounts and reaffirmed the Council's intention to levy a 100% premium on Second Homes as permitted in the Levelling-UP and Regeneration Act 2024

In the ensuing debate, the following points were raised:

- (a) As referenced earlier in the meeting (Minute E.58/23 above refers), the importance of adopting the Second Homes Premium was emphasised;
- (b) In advance of the recommendation being considered at Full Council on 15 February 2024, officers committed to setting out the potential cost implications of the discount for properties that required major repair work to render them habitable for a maximum period of 12 months being increased from the recommended 50% to 100% (recommendation part 3(c) specifically refers).

It was then:

RESOLVED

1. That the contents of the report be noted; and

That the Executive **RECOMMEND** to Council:

2. a local Council Tax Reduction Scheme for 2024/25 that:

- Makes no changes to the bands of the current banded scheme.
- Removes the Minimum Income Floor (MIF) for self-employed claimants.
- Disregards 100% of the 'Limited Capability for Work' element of Universal Credit;

3. the adoption of the following Council Tax discounts effective from 1 April 2024:

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

4. the adoption of a Second Homes Premium of 100% with effect from 1 April 2025.

E.63/23 DISCRETIONARY RATE RELIEF AND CORPORATE DEBT POLICIES

The Executive considered a report that sought approval for four revised and updated policies in respect of key areas impacting on the Council's financial position.

In discussion, it was noted that the Council's Rate Relief Panel (comprising of Cllrs Birch, Hopwood and Yardy) was tasked with considering matters that related to the Discretionary Rate Relief Policy.

It was then:

RESOLVED

That the following Policies be approved:

1. the Discretionary Rate Relief Policy (as attached at Appendix A of the published agenda report);
2. the Business Rates Relief: 2024/25 Retail, Hospitality and Leisure Scheme Policy (as attached at Appendix B of the published agenda report);
3. the Corporate Debt Policy (as attached at Appendix C of the published agenda report); and
4. the amendment to the Council Tax, Non-Domestic Rates (Business Rates) and Housing Benefit Overpayments Write-Off Policy, to incorporate Sundry Debt (as set out at Appendix D of the published agenda report).

E.64/23 MONTH 7 REVENUE BUDGET MONITORING REPORT 2023/24

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

In discussion, the following points were raised:

- (a) Members welcomed the overall projected surplus of £16,000 for the 2023/24 Financial Year;
- (b) In reply to a question regarding the apparent disparity between falling planning fee income and rising planning advertising costs, it was noted that this was due to an increased number of planning applications but a decreased number of those that were defined as major applications.

It was then:

RESOLVED

1. That the forecast income and expenditure variations for the 2023/24 Financial Year and the overall projected surplus of £16,000 (0.1% of the total Budget £11.738 million) be noted; and
2. That Council be **RECOMMENDED** to update the current virement limits within the Constitution (as shown in Section 10 of the published agenda report).

E.65/23 CAPITAL PROGRAMME MONITORING AS AT 31 OCTOBER 2023

The Executive was presented with a report providing details of the Capital Programme financial position as at 31st October 2023,

With no questions or debate ensuing, it was then:

RESOLVED

- 1) That the content of the Capital Programme Monitoring Report be noted;
- 2) That the revised capital allocation for the UK Shared Prosperity Fund (UKSPF) scheme for 2023/24 and 2024/25 (as set out in section 2.3 of the presented agenda report) be noted;
- 3) That the addition of a budget for Westville Flats (as approved at the Executive meeting held on 3 March 2023) be noted;
- 4) That the addition of a budget for LAHF 2 (as approved at the Executive meeting held on 21 September 2023) be noted;
- 5) That the addition of an £80,000 budget for the design and build of a pump track at Woolwell (as approved at the Executive meeting held on 28 June 2023) be noted;
- 6) That the increased budget for Kingsbridge skatepark (as outlined in section 2.7 of the presented agenda report) be noted;
- 7) That the inclusion of two reserve funded schemes below £30,000 for a cash carrying vehicle and grounds maintenance equipment (as detailed in section 2.8 of the presented agenda report) be noted;

- 8) That the addition of a project at Hangar Marsh Nature reserve (as set out in paragraph 2.9 of the presented agenda report) be noted;
- 9) That the addition of the Woodland Creation scheme (as set out at the Executive meeting held on 30 November 2023) be noted; and
- 10) That the virement of £25,000 from the Coastal Assets budget to create a scheme for the Slapton Line Adaptation financed from capital receipts be approved.

E.66/23 **QUARTER 1 AND QUARTER 2 WRITE-OFF REPORT 2023/24**

A report was considered that informed Members of the proposal to write-off a series of debts with a value of more than £5,000 for the period from 1 April 2023 to 30 September 2023.

In discussion, the following points were raised:

- (a) The greater corporate emphasis now being given to debt collection was noted. As a result of this increased emphasis, Members were reassured that the Council was not seeing a spike in the amount of debt being written off;
- (b) Officers agreed that, for future iterations of the Write-Off Report, it would be explained that the District Council's share of the overall write-off amount was 8% of the total (i.e. the District Council's share of a Council Tax bill), as each major precepting authority picked up their own share of the total cost.

It was then:

RESOLVED

1. That it be noted that, in accordance with Financial Regulations, the Section 151 Officer has authorised the write-off of individual debts totalling £100,891.81 as detailed in paragraph 3 of the presented report; and
2. That the write-off of the individual debts totalling £52,754.20 (as shown in Appendix A of the presented agenda report) be approved.

(Meeting commenced at 10.00 am and concluded at 12.55 pm)

Chairman

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF MINUTES E.57/23 (Parts 2 & 3), E.58/23, E.62/23 (Parts 2, 3 & 4) AND E.64 (Part 2), WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 15 FEBRUARY 2024, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 5 FEBRUARY 2024 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES)