

# South Hams Council



<b>Title:</b>	<b>Agenda</b>																																													
<b>Date:</b>	<b>Thursday, 21st March, 2024</b>																																													
<b>Time:</b>	<b>2.00 pm</b>																																													
<b>Venue:</b>	<b>Council Chamber - Follaton House</b>																																													
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Pannell</p> <p style="text-align: center;"><b>Vice Chairman</b> 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> <td style="width: 33%;"></td> </tr> <tr> <td>Cllr Allen</td> <td>Cllr Lawford</td> <td></td> </tr> <tr> <td>Cllr Birch</td> <td>Cllr Long</td> <td></td> </tr> <tr> <td>Cllr Bonham</td> <td>Cllr McKay</td> <td></td> </tr> <tr> <td>Cllr Brazil</td> <td>Cllr Munoz</td> <td></td> </tr> <tr> <td>Cllr Carson</td> <td>Cllr Nix</td> <td></td> </tr> <tr> <td>Cllr Cooper</td> <td>Cllr O'Callaghan</td> <td></td> </tr> <tr> <td>Cllr Dennis</td> <td>Cllr Oram</td> <td></td> </tr> <tr> <td>Cllr Dewynter</td> <td>Cllr Penfold</td> <td></td> </tr> <tr> <td>Cllr Dommett</td> <td>Cllr Presswell</td> <td></td> </tr> <tr> <td>Cllr Edie</td> <td>Cllr Rake</td> <td></td> </tr> <tr> <td>Cllr Hancock</td> <td>Cllr Steele</td> <td></td> </tr> <tr> <td>Cllr Hawkins</td> <td>Cllr Thomas</td> <td></td> </tr> <tr> <td>Cllr Hodgson</td> <td>Cllr Yardy</td> <td></td> </tr> <tr> <td>Cllr Hopwood</td> <td></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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<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.																																													
<b>Committee administrator:</b>	Democratic.Services@swdevon.gov.uk																																													

	<i>Page No</i>
<b>1. Minutes</b>	<b>1 - 10</b>
to approve as a correct record the minutes of the meeting of the Council held on 15 February 2024	
<b>2. Urgent Business</b>	
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');	
<b>3. Exempt Information</b>	
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;	
<b>4. Declarations of Interest</b>	
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;	
<b>5. Business Brought Forward by the Chairman</b>	
to consider business (if any) brought forward by the Chairman in accordance with agenda item 2:	
<b>6. Public Question Time</b>	<b>11 - 12</b>
<b>7. Proposed Devon &amp; Torbay Combined Authority and Devolution Deal</b>	<b>13 - 68</b>
<b>8. 2024/25 Capital Strategy; 2024/25 Treasury Management Strategy; and 2024/25 Investment Strategy</b>	<b>69 - 124</b>
<b>9. Annual Review of Health and Safety Policy Statement</b>	<b>125 - 144</b>
<b>10. Pay Policy Statement</b>	<b>145 - 154</b>
<b>11. Draft Calendar of Meetings 2024/25</b>	<b>155 - 160</b>

**12. Reports of Bodies**

to receive and as may be necessary approve the minutes and recommendations of the under-mentioned Bodies  
(\* Indicates minutes containing recommendations to Council).

<b>(a) Budget Advisory Committee - 11 January 2024</b>	<b>161 - 164</b>
<b>(b) Overview &amp; Scrutiny Committee - 8 February 2024</b>	<b>165 - 168</b>
<b>(c) Development Management Committee - 14 February 2024</b>	<b>169 - 176</b>
<b>(d) Special Executive - 21 February 2024</b>	<b>177 - 178</b>
<b>(e) Council Tax Setting Committee - 22 February 2024</b>	<b>179 - 182</b>
<b>(f) Executive* - 7 March 2024</b>	<b>183 - 198</b>

**Outstanding Committee Recommendations as follows:****(a) Minute E.76/23 Climate Change Update & Devon, Cornwall And The Isles Of Scilly Climate Adaptation Plan**

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

**(b) Minute E.79/23 Housing Benefit War Pensions Disregard Policy**

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

**(c) Minute E.80/23 Month 10 Revenue Budget Monitoring Report 2023/24**

2. That Council be **RECOMMENDED** to fund up to £170,000 of planning appeal costs from the Business Rates Retention Earmarked Reserve (as detailed in paragraphs 3.5 to 3.7 of the presented agenda report).

The associated Committee Report can be accessed here (Agenda Items 9,

12 and 13 refer):

<https://democracy.swdevon.gov.uk/documents/g1830/Public%20reports%20pack%2007th-Mar-2024%2010.00%20South%20Hams%20Executive.pdf?T=10>

**(d) Minute E.88/23 Fusion Lifestyle - Leisure Contract Update**

*(To be considered at Agenda Item 16 below)*

**(g) Special Executive - 13 March 2024**

To follow

**13. Questions**

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

**14. Notice of Motion**

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

**a) From Cllrs McKay and O'Callaghan**

*"The Hunting Act 2004 made chasing wild animals with dogs illegal apart from the particular exempt forms of hunting detailed in the Act.*

*As well as the Hunting Act 2004 there is also the Animal Welfare Act 2006 which embodies the so-called Five Freedoms of animal welfare which state that every animal deserves the right to humane treatment. The Five Freedoms are recognised across the globe and include a right to the freedom from "fear or distress".*

*The sentience of animals has been the subject of much research and it has long been recognised that all animals are capable of a range of emotions. The Animal Welfare (Sentience) Act 2022 defines sentience in law.*

*It cannot therefore be conceived that any blood sport is acceptable, and it is important that the culture and tradition that surrounds and supports this barbaric activity is discouraged.*

*It is often argued that blood sports are part of the management of the countryside. That is rarely the reality, but where such management is required it needs to be carried out by trained specialists who have proper regard to an animal's welfare and rights under the legislation.*

*This Council therefore resolves that:*

- 1. It does not support the killing of animals for sport or leisure in any circumstances.*
- 2. It will henceforth not allow any form of hunting or any organisation that is associated with hunting to use its facilities.*
- 3. It will require written permission to be sought for the use and management of any and all animal traps on its land and reserves the right to refuse permission where in the opinion of the Executive it considers they could cause unnecessary and avoidable suffering.*
- 4. It will actively encourage other Local Authorities, including Devon Country Council, to adopt a similar resolution."*

**15. Exclusion of Public and Press**

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

**16. Fusion Lifestyle - Leisure Contract Update**

**199 - 208**

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# Agenda Item 1

## MINUTES OF THE MEETING OF THE SOUTH HAMS DISTRICT COUNCIL HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 15 FEBRUARY 2024

### 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: Chief Executive; Deputy Chief Executive; Section 151 Officer; Director – Governance & Assurance; Head of Organisational Development; Head of Democratic Services Manager; Assistant Director – Strategy (via Teams); Head of Finance; and Head of Revenues & Benefits

#### 43/23 APPOINTMENT OF VICE CHAIRMAN

In light of the Chairman having sent his apologies to this meeting, nominations were invited to serve as Vice-Chairman for the duration of the meeting.

Having been sought, it was then:

#### RESOLVED

That Cllr M Long be appointed Vice-Chairman for the duration of this meeting.

#### 44/23 MINUTES

The minutes of the Council meeting held on 14 December 2023 were confirmed as a true and correct record.

45/23            **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.

46/23            **PUBLIC QUESTION TIME**

It was noted that no public questions had been received in accordance with the Council Procedure Rules, for consideration at this meeting.

47/23            **THE COUNCIL PLAN 2024 - 28 AND ANNUAL DELIVERY PLAN FOR YEAR 1**

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

During debate, particular reference was made to:

- (a) the work carried out by officers in reaching this point. A number of Members recorded their thanks to officers in drafting such detailed, comprehensive and costed Plans that reflected the views of both the Executive and the recently established Advisory Groups. Moreover, the Council recorded its thanks to the work of the Finance Team and the previous Council administration for their prudent financial management that had resulted the Council being able to invest monies into these Plans;
- (b) an amendment to the recommendation was **PROPOSED** and **SECONDED** that sought to give added emphasis to the cost of living crisis by primarily ringfencing funding to support community based food supplies. The amendment read as follows:

*“That the contents of the existing Delivery Plan be amended as below:-*

- *Remove from Delivery Plan Item C1.5 – Dartmouth Park and Ride PV feasibility and business case preparation £20,000; and*
- *Remove from the Delivery Plan Item C3.2 – Employ a Food and Agriculture Officer to implement the Keep it Local Scheme £55,000.*

*And replace these two lines in the Delivery Plan with:*

- *£75,000 for the cost of living crisis – some of the money to be used to enable and support local community groups to grow their own food for distribution within the community.”*



The proposer introduced her amendment and stated that:

- the Council needed to be realistic in how much an organisation of its size could undertake to mitigate against Climate Change. The Member was of the view that the organisation was too small to be considered a leader in this subject matter; and
- the current Plans did not make sufficient mention of the ongoing Cost of Living Crisis.

In discussion on the amendment, the following points were raised:

- (i) Some Members made the point that there had been a number of opportunities to bring this amendment forward for consideration prior to this late stage. Therefore, it was not considered to be appropriate to be making such amendments to the Plan at the end of the process;
- (ii) The proposed expenditure on Climate Change and Biodiversity had been a key component of the Manifesto for which the administration had been successfully elected on. Furthermore, a number of Members felt that, such was the extent of the Climate Change and Biodiversity Emergency, that the Council had to demonstrate leadership and take personal responsibility;
- (iii) Irrespective of the amendment, Members emphasised that the Council was fully committed to projects and initiatives aligned to local food production and reduced food mileage;
- (iv) Assurances were given that increased emphasis in the Council's Plans would be given to the Cost of Living Crisis.

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

It was then:

### **RESOLVED**

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

48/23

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

The Council was presented with a report that outlined the recommendations of the Executive in respect of a series of draft revenue and capital budget proposals for 2024/25 (Minute E.58/23 refers).

In the ensuing debate, the following points were raised:

- (a) There was widespread disappointment stated amongst Members that an increase in Council Tax was necessary. In addition, there were calls for Central Government to provide increased grant funding to local authorities and for a fairer system of taxation to be employed;
- (b) With regard to the grant funding being awarded to Sustainable South Hams, it was noted that representations from the organisation were scheduled to attend the next Overview and Scrutiny Committee meeting to be held on 14 March 2024. As a result, all interested Members were encouraged to attend this meeting.

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

For the motion (18):- Cllrs Abbott, Allen, Birch, Bonham, Brazil, Dewynter, Dommett, Hancock, Hodgson, Jackson, Long, McKay, O'Callaghan, Oram, Presswell, Rake, Steele and Thomas

Against the motion (3):- Cllrs Dennis, Hopwood and Penfold

Abstentions (4): Cllrs Carson, Hawkins, Nix and Taylor

Absent (6): Cllrs Cooper, Edie, Lawford, Munoz, Pannell and Yardy

and the vote on part (i) of the motion was therefore declared **CARRIED**.

In line with statutory requirements, a recorded vote was then undertaken on parts (ii) to (viii) of the motion. The voting was recorded as follows:

For the motion (21): Cllrs Abbott, Allen, Birch, Bonham, Brazil, Dewynter, Dommett, Hancock, Hawkins, Hodgson, Hopwood, Jackson, Long, McKay, O'Callaghan, Oram, Presswell, Rake, Steele, Taylor and Thomas

Against the motion (1): Cllr Carson

Abstentions (3): Cllrs Dennis, Nix and Penfold

Absent (6): Cllrs Cooper, Edie, Lawford, Munoz, Pannell and Yardy

and the vote on parts (ii) to (viii) of the substantive motion was therefore declared **CARRIED**.

It was then:

## RESOLVED

- i) That Council Tax for 2024/25 be increased by 2.99% (increasing a Band D Council Tax for 2024/25 from £185.42 to £190.96 – an increase of £5.54 per year (or under 11 pence per week)). (NB. this equates to a Council Tax requirement of £7,739,406);
- ii) That the financial pressures of £2,846,000 (as shown in Appendix A of the presented agenda report) be approved;
- iii) That the savings/additional income of £(1,460,000) (as shown in Appendix A of the presented agenda report) be approved;
- iv) That the net contributions to/(from) Earmarked Reserves of £(489,573) (as set out in in Appendix D of the presented agenda report) be approved, including the proposed use of £704,173 of New Homes Bonus funding to fund the 2024/25 Revenue Budget (paragraph 3.20 of the Executive report of 25 January 2025 refers and shown at Appendix I of the presented report) and £300,000 from the Business Rates Retention Earmarked Reserve as set out in paragraph 3.3 of the published agenda report;
- v) That the Council set its total net expenditure for 2024/25 at £13,134,894 (as shown in Appendix B of the presented agenda report);
- vi) That 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) That the Reserves strategy (as shown at Appendix H of the presented agenda report) be approved, setting 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; and
- viii) That, in accordance with Part 2 of the Local Government Act 2003. the level of Reserves (as set out within the published agenda report) and the assessment of their adequacy and the robustness of budget estimates, be noted.

Members considered a report that provided a summarised version of the full draft (unaudited) Accounts, including the main statements and key points from 2022/23.

In discussion, thanks were expressed to the Audit & Governance Committee for requesting that this Summary document be presented to Full Council. Furthermore, the Chairman of the Audit & Governance Committee informed that, should Members be so minded, there was also the opportunity for an all-Member Briefing to be convened to provide even more information on the Accounts.

It was then:

**RESOLVED**

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

50/23

**COUNCIL TAX DISCOUNTS AND COUNCIL TAX REDUCTION SCHEME 2024/25**

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

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

During the ensuing debate, particular reference was made to:

- a) Empty Homes statistics. In reply to a question, officers agreed to circulate (following this meeting) the number of Empty Homes in the South Hams that would be affected by the recommendations contained within the published agenda report;
- b) support being expressed for the proposal to remove the Minimum Income Floor (MIF) for self-employed claimants;
- c) an amendment to recommendation 4 was **PROPOSED** and **SECONDED** that read as follows:

“4. ADOPTS with effect from 1 April 2025, a Second Homes Premium of 100% and endorses the approach set out at paragraph 3.23 of the agenda report”

In support of the amendment, the proposer felt that its inclusion would both add clarity and set out a statement of intent. In agreement with this view, the proposer and seconder of the motion were willing to accept the amendment and it was therefore included as part of the substantive motion.

As a general point, Members hoped that the Council would continue to lobby Devon County Council in an attempt to ensure that the additional monies were used towards the delivery of Affordable Housing schemes in the South Hams.

It was then:

## **RESOLVED**

1. That the contents of the report be noted;
2. That a local Council Tax Reduction Scheme for 2024/25 be approved that:
  - makes no changes to the bands of the current banded scheme;
  - removes the Minimum Income Floor (MIF) for self-employed claimants; and
  - disregards 100% of the 'Limited Capability for Work' element of Universal Credit;
3. That, with effect from 1 April 2024, the following Council Tax discounts be adopted:
  - (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; and
  - (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. That, with effect from 1 April 2025, a Second Homes Premium of 100% be adopted and that the approach (as set out in Paragraph 3.23 of the presented agenda report) be endorsed.

51/23

## **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 December 2023**

**(b) Audit & Governance Committee 14 December 2023**

**A&G 30/23 Summary Accounts 2022/2023 (Draft, Unaudited)**

Members noted that this recommendation had already been considered at agenda item 9 (Minute 49/23 above refers).

**A&G 32/23 Strategic Risk Update and Framework**

**RESOLVED**

That the updated Risk and Opportunity Management Strategy be adopted.

**(c) Overview & Scrutiny Committee 21 December 2023**

**(d) Development Management Committee 17 January 2024**

**(e) Licensing Committee 18 January 2024**

**(f) Executive 25 January 2024**

**E.57/23 The Council Plan 2024 –28 And Annual Delivery Plan for Year 1**

Members noted that this recommendation had already been considered at agenda item 7 (Minute 47/23 above refers).

**E.58/23 Draft Revenue and Capital Budget Proposals for 2024/25**

Members noted that this recommendation had already been considered at agenda item 8 (Minute 48/23 above refers).

**E.62/23 Council Tax Discounts and Council Tax Reduction Scheme 2024/25**

Members noted that these recommendations had already been considered at agenda item 9 (Minute 50/23 above refers).

**E.64/23 Month 7 Revenue Budget Monitoring Report 2023/24**

In discussion, there was some concerns expressed over the extent of the proposed increases in virement approval limits. To ensure that Members were kept fully informed, officers committed to developing an informal mechanism that sets out those virements that had been approved.

It was then:

**RESOLVED**

That the current virement limits within the Constitution (as shown in Section 10 of the published Executive agenda report) be updated.

52/23      **QUESTIONS ON NOTICE**

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

53/23      **MOTIONS ON NOTICE**

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

(Meeting commenced at 10.00 am and concluded at 11.40 am)

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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](mailto: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](mailto:Democratic.Services@swdevon.gov.uk))

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Report to: **Council**

Date: **21 March 2024**

Title: **Proposed Devon & Torbay Combined Authority and Devolution Deal**

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](mailto:Directors@swdevon.gov.uk)

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**RECOMMENDATIONS:****That Council:**

- 1. NOTES the intention of Devon County Council and Torbay Borough Council to enter into a devolution deal with Government and to form a County Combined Authority; and**
- 2. RESPONDS to the consultation in line with the considerations set out in part 3 of the report.**

**1. Executive summary**

- 1.1 The offer of a devolution deal for Devon and Torbay was announced by the Secretary of State for Levelling Up, Homes and Communities and published by the Department for Levelling Up, Housing and Communities (DLUHC) on 25 January 2024.
- 1.2 The deal was approved for consultation by Devon County Council and Torbay Borough Council by their respective cabinets/executives on 2 February. The consultation went live on 12 February and runs for a period of 6 weeks. Details of the proposed deal are available at [www.devontorbaydeal.org.uk](http://www.devontorbaydeal.org.uk)

**2. Background**

- 2.1 In early 2022, Devon, Plymouth and Torbay were selected as one of nine pilot areas in England by Government in the Levelling Up White Paper for "County Deal" negotiations. Plymouth City Council subsequently decided in late 2023 to withdraw from the deal.
- 2.2 The negotiations with the Government have been for a Level 2 Deal which would not require an elected mayor but would

devolve powers and funding to a new body called a County Combined Authority (CCA).

- 2.3 The proposed devolution deal is intended to bring new powers and additional funding from the Government to tackle priorities such as public transport, jobs, training and skills. More information on each of the priorities can be found on the consultation website here  
<https://www.devontorbaydeal.org.uk/benefits/>
- 2.4 Subject to the outcome of the consultation process, and passage of the parliamentary process, the aim is for the Devon and Torbay CCA to be created during 2024.

### **3. Considerations for South Hams District Council**

- 3.1 The Devolution Deal for Devon and Torbay is structured in accordance with the prescribed statutory framework set down within the Levelling Up and Regeneration Act 2023. The proposed devolution deal does not require a change to the organisation of local government in Devon, nor the formal support of the District Councils.
- 3.2 In principle devolving powers and funding from central government to local government allowing for decisions to be made at a local level by those elected to represent the area is to be welcomed. Nevertheless, there are a number of specific concerns that we would urge the relevant parties to the deal to consider as part of the implementation process.
- 3.3 In common with the other districts across Devon, we have concerns in a number of specific areas:
  - **Economic Programmes:** While there is no certainty about future rounds of the UK Shared Prosperity Programme, we would expect any future such funding streams to be devolved from the CCA to district level by default. The remaining CCA remit being to broker conversations about strategic commissioning of countywide (generic) business support activity, to maximise the effectiveness of local investment aligned to the economic activity returning to the county council as part of the winding down of the Local Enterprise Partnership (LEP). The LEP failed on both its democratic mandate and had little local relevance. It is important for the CCA to set off firmly on the right foot by committing to retaining local delivery methods for business support where this is currently in place within districts.
  - **Housing Empowerment:** South Hams District Council has declared a housing crisis and is already taking positive action to address housing challenges within the District. We expect any

CCA to enable and accelerate delivery with and through districts and local housing associations. Much is made of the potential for a shared strategic investment pipeline with Homes England, and while we recognise the potential for shared investment and the need for strategic conversations to deliver this, we would wish to make it clear that districts expect existing housing functions and groupings to be utilised – such as the Devon Housing taskforce which covers the whole of the Devon and Torbay area. The aims of the CCA should be to build on best practice and expertise; to provide a stronger platform and empower the excellent work being done across the Team Devon landscape, not to duplicate or add extra bureaucracy.

- **Governance & Voting Rights:** We are disappointed that the government rejected the House of Lords amendment which would have allowed district councils to be constituent members of the CCA with full voting rights reflecting their democratic mandate on behalf of their areas. We intend to lobby a future government to rectify this democratic deficit. In the meantime, we ask that all such opportunities within the legal framework are considered to ensure that districts can have a voice on 'reserved' matters. We fully support the proposal to move 'Team Devon' onto a more robust governance footing by converting this to a statutory joint committee in order to inform the voting intentions wielded at the CCA board.
- **Transport:** We recognise that operational highways matters will remain with DCC and Torbay respectively. However, in the duty to produce a joint strategic transport plan across the CAA geography, we would urge inclusion of district councils in the formulation of this in order to ensure that vital economic and housing plans are aligned to transport plans and that sustainable transport options are embedded – both in terms of strategic intent and future investment.
- **Community:** Our district and Devon as a whole benefits hugely from the resilient and resourceful communities that make up its towns and villages. Working with and for our communities is a key priority for this Council and we expect that the voice of those communities, organisations and of the towns and parishes which deliver services at a very local level are also heard by the CCA.

#### **4. Proposed next steps**

- 4.1 Note that, subject to consultation, Devon County Council and Torbay Council intend to form a Combined County Authority as set out in the Devon Devolution Deal.
- 4.2 Respond to the formal consultation on the CCA.

## 5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	There are no Legal/Governance implications for South Hams District Council however this report does highlight potential governance issues that wish the CCA to consider (as set out in Section 3.3)
Financial implications to include reference to value for money	Y	There are no financial implications for the Council as a direct result of the proposals in this report.
Risk	N	The content of the report does not impact the Council's risk profile.
Supporting Corporate Strategy	N	
Consultation & Engagement Strategy	N	
Climate Change - Carbon / Biodiversity Impact	N	
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity	N	
Safeguarding	N	
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing	N	
Other implications	N	

### **Supporting Information**

#### **Appendices:**

Appendix A – report to Devon CC Cabinet on 2 February 2024

Appendix B – Devon and Torbay Devolution Deal

#### **Background Papers:**

None

## Proposed Devon & Torbay Combined County Authority and devolution deal Report of the Chief Executive

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Please note that the following recommendations are subject to consideration and determination by the Cabinet and confirmation under the provisions of the Council's Constitution before taking effect.

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### 1) Recommendations

It is recommended that the Cabinet:

- (a) Support the proposed Devon & Torbay devolution deal.
- (b) Agree that a public consultation be carried out in conjunction with Torbay Council from 12 February 2024 to 24 March 2024 to invite views on the draft proposal to establish the Devon & Torbay Combined County Authority.

### 2) Summary

Devon, Plymouth and Torbay was one of nine areas invited by Government, as part of the February 2022 Levelling Up White Paper, to agree a devolution deal. Plymouth City Council decided on 17 November 2023 to withdraw from the negotiations towards a proposed devolution deal.

The proposed devolution deal for Devon and Torbay was announced by the Secretary of State for Levelling Up, Homes and Communities and published by the Department for Levelling Up, Housing and Communities (DLUHC) on 25 January 2024. It is available on the DLUHC website and further information about the proposed deal is at [www.devontorbaydeal.org.uk](http://www.devontorbaydeal.org.uk)

The powers and the transfer of Government funding included in the proposed devolution deal promise to bring greater control to Devon and Torbay to help tackle local priorities, including the need for: new training and retraining opportunities; improved coordination of public transport; more affordable housing and investment to support local business, green jobs to increase productivity and pay.

Government would devolve the powers and funding to a new legal body established by Parliament that brings the members of the existing local authorities together: the Devon & Torbay Combined County Authority (DT CCA). The members of the DT CCA would include members of Devon County Council and Torbay Council together with district council member representatives and other stakeholders. The statutory requirements for implementing the proposed deal include public consultation on the draft proposal to establish the DT CCA and the Council's consent to the secondary legislation.

It is anticipated that Torbay Council's Cabinet will also meet on 2 February 2024 to consider the proposed deal and the requirement for public consultation on the draft proposal. It is recommended that a public consultation on the draft proposal to establish the DT CCA is undertaken in conjunction with Torbay Council from 12 February 2024 to 24 March 2024. The purpose of the public consultation will be to invite views from partners (including district councils), stakeholders and the public on why the area is seeking to establish the DT CCA, the benefits it would deliver and how it would operate.

### **3) Background**

#### **3.1 Policy background and timeline**

In July 2021 the then Prime Minister announced in a speech that new "County Deals" would be negotiated with county areas. The then Secretary of State for Housing, Communities and Local Government wrote to local authority leaders and chief executives explaining that Government would engage with councils over the course of Summer 2021 in advance of the Levelling Up White Paper. In August 2021 Devon, Plymouth and Torbay registered their collective interest in being a pilot area for a "County Deal". In November 2021 there were meetings between officers and officials and also between the Parliamentary Under-Secretary for Levelling Up and Council Leaders.

In February 2022 the Secretary of State announced his decision to enter into negotiations with a view to concluding an "early County Deal" for Devon, Plymouth and Torbay. The Levelling Up White Paper, published at the same time, described opportunities for areas to secure devolved powers, funding, and influence based on a devolution framework (see appendix 1). The framework has three levels of devolution depending on the type of governance model. The powers and funding available range from the highest level 3 to the lowest level 1.

Level 3 areas, which require a Combined Authority to be led by a directly elected Mayor or Leader, will have access to powers such as the ability to consolidate existing core local transport funding into a multi-year integrated settlement, devolution of locally-led brownfield funding, mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align and the ability to introduce a mayoral precept and supplement on business rates. Level 3 areas will also have access to additional funding for certain functions devolved to the Mayor or Leader by Government.

Level 2 areas will have fewer, but still significant, powers including control of appropriate local and public transport functions, the ability to provide input into Local Skills Improvement Plans and Homes England compulsory purchase powers. The proposed Devon and Torbay devolution deal is a level 2 deal. Level 2 areas will also receive some additional funding from Government for certain devolved functions.

Level 1 areas will have access to three core powers: the ability to host Government functions best delivered at a strategic level including more than one authority, the opportunity to pool services at a strategic level, and the opportunity to adopt innovative local proposals to deliver action on climate change.

Since the publication of the Levelling Up White Paper in February 2022 the stages in the development and negotiation of the proposed Devon and Torbay devolution deal were:



- March 2022 – Submission to the Department for Levelling Up, Housing and Communities (DLUHC) by Devon, Plymouth and Torbay Councils of an outline proposal for a non-mayoral level 2 deal.
- March 2023 - Letter from the Minister for Levelling Up to Council Leaders confirming Government's intention to conclude a level 2 deal with Devon, Plymouth and Torbay by the end of 2023.
- July 2023 – Meeting between Leaders and Minister for Levelling Up to discuss progress with the proposed deal.
- August 2023 to October 2023 – Negotiations with Government departments about the terms of the proposed Devon, Plymouth and Torbay devolution deal.
- 26 October 2023 - Levelling Up and Regeneration Act came into effect.
- 17 November 2023 – Plymouth City Council withdrawal from the proposed devolution deal (see section 3.2 below).
- 22 November 2023 – Confirmation, as part of Government's Autumn Statement, of the proposed Level 2 non-mayoral Devon and Torbay devolution deal being at an advanced stage of discussion.
- January 2024 – Announcement and publication of the proposed Devon and Torbay devolution deal by DLUHC.

### **3.2 Plymouth City Council's withdrawal from the proposed devolution deal**

The Minister for Levelling Up wrote to the Leader of Plymouth City Council on 16 November 2023. He explained that in order to agree a deal at Level 2 of the framework it is essential that local transport authority (LTA) functions reside within the CCA. The Government's aim is to establish devolved institutions that can deliver key economic functions including transport, skills and business support across the whole deal area. The Minister explained that while skills and business support functions can be held concurrently with constituent councils, it would not be viable to create two local transport authorities covering the same area. As the LTA, the CCA would take on a strategic coordination role and accountability for associated responsibilities and local public transport powers across the CCA area. All operational responsibility would remain with the constituent councils.

Plymouth City Council had made it clear during the negotiations that it could not, as a point of principle, agree to LTA functions moving to a new CCA. The Minister explained in his letter that whilst he respected Plymouth City Council Leader's reasons, the Government could not accept the City Council's alternative proposals which would risk creating duplication and confusion in the local transport planning system. The Minister confirmed that the Government would seek to agree a devolution deal with Devon and Torbay only.

A statement issued by Plymouth City Council on 17 November 2023 confirmed that it had withdrawn from the proposed devolution deal but remains fully committed to continuing to work closely with its partners across the region on areas such as transport, housing inward investment, jobs, the Plymouth and South Devon Freeport and skills and education.

In responding to Plymouth City Council's statement, the Leaders of Devon County Council and Torbay Council confirmed that they will continue to work in partnership for the collective benefit of communities and businesses across the area. The provisions of the proposed

devolution deal enable Plymouth City Council to apply to join the DT CCA at some point in the future.

### 3.3 Devolution deals for other areas.

Proposed devolution deals have been developed between government and local authorities elsewhere in England since the publication of the February 2022 Levelling White Paper, including:

- **Suffolk** - In January 2023 Suffolk County Council agreed to carry out a public consultation on the proposed level 3 devolution deal. To enact the deal, the council's governance would need to change to a directly elected leader and cabinet model. The proposed deal envisages a directly elected leader but the Council has delayed the consultation while it seeks final clarification from government.
- **Norfolk** - Norfolk County Council carried out a public consultation on the proposed level 3 deal devolution in Spring 2023. In May 2023 the new county council leader reopened negotiations with the Government to see if the council could secure further benefits. The Council agreed in December 2023 to accept the deal and hold an election in May 2025 for a directly elected leader.
- **East Midlands** (Derby, Derbyshire, Nottingham, and Nottinghamshire) - A public consultation was carried out between November 2022 and January 2023 on a proposed Mayoral Combined County Authority that would be responsible for the powers and funding in the proposed level 3 deal. The CCA will have a directly elected Mayor who will be elected by the voters within the area. The Mayor will be a member of the CCA, as well as having a number of powers and functions which may be exercised exclusively by the Mayor. The East Midlands Mayoral Combined County Authority will have up to 17 members in total, comprising:
  - The directly elected Mayor.
  - Eight elected members: two members from each of the four constituent councils.
  - Four non-constituent members nominated by the District and Borough Councils within the area (with two non-constituent members to be nominated by Derbyshire District and Borough Councils, and two non-constituent members to be nominated by Nottinghamshire District and Borough Councils).
  - Up to four further non-constituent or associate members.

Each of the four councils considered the results of the consultation in March 2023 and, having due regard to the consultation responses and the public sector equality duty, resolved to approve the final proposal and create the East Midlands Combined County Authority for the areas of Derbyshire County, Derby City, Nottinghamshire County and Nottingham City.

Four further proposed devolution deals were announced as part of the Government's 22 November 2023 Autumn Statement, two of which were Level 2 non-mayoral deals for Lancashire and Cornwall.

**Cornwall** - The proposed devolution deal for Cornwall includes:

- Devolution of Adult Education functions and the core Adult Education Budget, and the opportunity to provide input into Local Skills Improvement Plans.
- £0.5 million of funding to support Cornish distinctiveness.

- Support for Cornwall Council's ambition to create a Cornwall Floating Offshore Wind Commission to minimise the marine ecological impact and maximise job creation.
- Maintenance of the current governance arrangements of a leader and cabinet executive governance model.

**Lancashire** - The proposed devolution deal for Lancashire, comprises the areas of Lancashire County Council, Blackpool Council, and Blackburn with Darwen Borough Council. The proposed deal includes:

- The formation of the Lancashire Combined County Authority comprising:
  - Four elected members, consisting of a lead member for each constituent council and one further member appointed by Lancashire County Council.
  - Two non-constituent members, who will be nominated by the district and borough councils to represent the interests of district and borough councils on the CCA.
  - Up to two associate or non-constituent members, to be appointed by the CCA.
- The integration of relevant functions of the Lancashire Local Enterprise Partnership into the Lancashire CCA.
- Devolution of Adult Education functions and the core Adult Education Budget, and the opportunity to provide input into Local Skills Improvement Plans.
- New powers to improve and better integrate local transport and control of appropriate local transport functions.
- Subject to funding, policy and delivery considerations at the next Spending Review, UK Shared Prosperity Fund (UKSPF) planning and delivery at a strategic level from 2025/26.
- The ability to exercise compulsory purchase powers to help drive the regeneration of the area and to build more affordable homes.
- Up to £20 million capital funding in the current Spending Review period to support innovation led growth (including assets to maximise the benefits of National Cyber Force HQ) and net zero ambitions across Lancashire.
- The formation of a wider Lancashire visitor offer encompassing Blackpool.
- Innovation-led growth, including working with government to capitalise on Lancashire economic potential in growing the energy and low carbon sector.
- Improve urban quality and help address poor health.

The eight-week public consultation on the proposed Lancashire devolution deal ran to 26 January 2024.

Each of the devolution deals summarised above is available at

<https://www.gov.uk/business-and-industry/city-deals-and-growth-deals>

#### **4) The provisions of the proposed Devon and Torbay devolution deal**

The proposed devolution deal for Devon and Torbay was announced by the Secretary of State for Levelling Up, Homes and Communities and published by the Department for Levelling Up, Housing and Communities (DLUHC) on 25 January 2024. It is available on the DLUHC website and further information about the proposed deal is at

[www.devontorbaydeal.org.uk](http://www.devontorbaydeal.org.uk)

Torbay Council will consider it, and the draft proposal for the DT CCA, at its meeting on 2 February 2024.

The proposed devolution deal covers:

- Governance.
- Finance and investment.
- Skills and education.
- Housing and land.
- Transport.
- Net zero and climate change.
- Culture and tourism.
- Digital.
- Innovation, trade, and investment.
- Sector development.
- Public service reform.
- Resilience and public safety.

The proposed devolution deal reflects the Levelling Up White Paper's devolution framework Level 2 offer of functions and funding from Government. In summary, the proposed devolution deal includes commitments to:

- The formation of the DT CCA, including the creation of a leadership group led by a nominated chair, to provide overall vision and leadership, seek the best value for taxpayer's money, and be accountable to residents.
- New powers to better shape local skills provisions to ensure these meet the needs of the local economy. This will include devolution of Adult Education functions and the core Adult Education Budget, Funding for Free Courses for Jobs, and the opportunity to provide input into Local Skills Improvement Plans.
- £16 million of new capital funding in the current Spending Review period (i.e. to March 2025) to support the delivery of local housing priorities, drive Net Zero ambitions and support green skills capacity, and accelerate wider low carbon business transition across the Devon and Torbay area. This investment is subject to agreement of business cases.
- Greater collaboration between the DT CCA and Homes England to reduce the barriers to affordable housing delivery, regeneration and housing growth – with a particular focus on rural and coastal communities. By combining skills and capacity, the DT CCA and Homes England will develop a shared development pipeline, underpinned by a clear action plan, and explore ways to support the delivery of that pipeline via current and future national housing programmes.
- Agreement from Government to discuss the recommendations of the Devon Housing Commission.
- New powers to improve and better integrate local transport, including the ability to introduce bus franchising subject to approval from the Secretary of State for transport, and control of appropriate local transport functions e.g. responsibility for an area-wide local transport plan.
- Subject to funding, policy and delivery considerations at the next Spending Review, UK Shared Prosperity Fund (UKSPF) planning and delivery at a strategic level from 2025/26. In carrying out this role, the DT CCA will engage all district councils and other local partners to ensure that the needs of residents can be effectively addressed.
- The integration of the functions of the Heart of the South West Local Enterprise Partnership held by Devon County Council and Torbay Council into the DT CCA,

alongside the provision of a strong and independent local business voice which informs local decision making and strategic economic planning.

- A commitment to developing, in partnership with the Government, an arrangement which ensures close cooperation with the Police and Crime Commissioner.
- A clear role for Devon and Torbay in local resilience and civil contingency planning, preparation, and delivery.

## 5) Proposed Devon and Torbay Combined County Authority

The proposed DT CCA would be a way for all the councils in Devon and Torbay to work more closely together, and to receive devolved powers from the Government. It would enable existing locally elected representatives to have more say over decisions that affect the area.

### 5.1 Public consultation on the draft proposal to establish the Devon and Torbay Combined County Authority

In order to progress the proposed deal, the next step is a public consultation on the draft proposal to establish the DT CCA. The draft proposal (included as a **separate document with the agenda**) explains in detail why the area is seeking to establish the DT CCA, the benefits it would deliver and how it would operate.

Whilst the DT CCA would be a separate body from the existing councils, it would be led by members of those councils. The DT CCA would take responsibility for devolved powers and functions that are not currently subject to direct local democratic control.

It is proposed that a public consultation be carried out from 12 February 2024 to 24 March 2024. The consultation will be open to anyone to respond to, and provision will be made for accessible and alternative versions. The consultation will be publicised through social media and news releases. It will be open to residents, businesses and all other key stakeholders, including district councils, parish and town councils, voluntary and community organisations and other public sector bodies.

The public consultation will invite respondents to provide views on:

- The extent to which they agree or disagree that locally elected representatives should have greater control of decisions and funding affecting Devon and Torbay through the creation of the DT CCA.
- The relative importance of what the DT CCA would deliver across each of the priority areas in the proposal devolution deal.
- The extent to which they agree or disagree that the powers and funding set out in the proposed deal would help the proposed DT CCA deliver the priorities for Devon and Torbay.

The consultation will be published on the Devon and Torbay Devolution Deal website – [www.devontorbaydeal.org.uk](http://www.devontorbaydeal.org.uk). It will be possible to respond in a number of ways, including by completing an online form, sending an email or letter. Paper copies of a summary of the draft proposal will be available in each of the libraries in Devon and Torbay.

Themed meetings for invited stakeholders will be organised on green growth, large employers, housing, and transport. There will also be meetings in different areas of Devon and in Torbay, details of which will be published at [www.devontorbaydeal.org.uk/](http://www.devontorbaydeal.org.uk/)

## 5.2 Core principles

In order to ensure clarity and unity around devolution, the proposed devolution deal sets out six core principles for future governance and delivery:

- **Partnership** – Each member (i.e. constituent, non-constituent and associate members) of the CCA will have the ability to influence devolved activity and have a say in what the CCA does.
- **Accountability** – The constituent councils will develop a constitution and assurance framework that will confirm, clarify and formalise the intention of institutions and local leaders to continue to be transparent and accountable, work closely with local businesses, seek the best value for taxpayers' money and maintain strong ethical standards.
- **Inclusivity** – The CCA will operate inclusively in pursuit of its agreed outcomes.
- **Additionality** – Members of the CCA will work together to deliver things that add value, they will only pool or collaborate on existing activity where there is shared agreement that that should be done.
- **Subsidiarity** - The CCA will not create an additional layer of governance but bring the national level governance to the Devon and Torbay area and much closer to businesses and communities. Place making functions will be delivered through existing local planning authority arrangements for which they are statutorily responsible.
- **Collaboration** – Members of the CCA will collaborate and cooperate to ensure that activities are delivered and actions taken as required, both within the CCA and with other partners across the region. Members will share information, experience, materials and skills to learn from each other and develop effective working practices. This includes joint working with wider peninsula partners, including neighbours in Plymouth, Dorset, Cornwall and Somerset.

## 5.3 Governance of the Devon and Torbay Combined County Authority

The membership of the proposed DT CCA will comprise:

- Six constituent members appointed by the two constituent councils (ie Devon County Council and Torbay Council), with each constituent council appointing three of their elected members. Each constituent council will appoint one Lead Member ( the Leader) and two further members nominated by the Leader of each constituent council.
- Four non-constituent members, of which two will be members nominated by the District councils within the Devon area to act as District representatives.
- Two associate members as decided by the CCA. It is currently proposed that one of these members will represent the voice of business and another the skills/education sector.

To provide leadership of the CCA Board, the CCA will appoint one of the Lead Members of the constituent councils to act as chair of the board. This role will be subject to nomination and approval on a biennial basis.

The Devon and Torbay CCA, in partnership with Government, will ensure that the Devon and Cornwall Police and Crime Commissioner (PCC) is invited to attend and participate in

CCA meetings as an observer or non-constituent member. This will ensure close collaboration and productive joint working between the CCA and PCC.

The CCA's decision making will be split between reserved and general matters. Decisions on reserved matters will be for constituent members only and will require a simple majority of constituent council members in favour. The proposed devolution deal defines reserved matters as being:

- Membership and governance (including voting rights) of the CCA
- The election of the chair of the CCA;
- Agreement of the annual budget of the CCA;
- Policy Framework;
- Associated scrutiny arrangements, including membership;
- Major investment decisions; and
- All Transport Functions

Of those matters reserved for the constituent councils, the following will require both Lead Members to vote in favour:

- Approval of the CCA's budget, including significant financial decisions.
- Approval of and significant amends to the Constitution
- Appointment of the Chief Executive;
- Approval of the policy framework, which will include:
  - i. Corporate Strategy
  - ii. Economic Growth Strategy
  - iii. Skills and Employment Strategy
  - iv. Local Transport Plan, Bus Service Improvement Plan (BSIP) and Local Cycling and Walking Infrastructure Plans (LCWIP)

The following decisions would require the consent of the Lead Member of the relevant Constituent Council, or substitute members acting in their place, in whose area the decision will apply:

- Compulsory purchase of land or buildings by the proposed CCA;
- The exercise of Homes England compulsory purchase power will also require the consent of the relevant planning authority;
- Any decision by the proposed CCA that could lead to a financial liability falling directly upon that constituent council; and
- Such other matters as may be contained within the proposed CCA's constitution.

The CCA will, as part of its formal constitution, determine how it will deal with voting and decision-making between the CCA's wider membership on general matters, for example local policy and strategy making.

Assurance of the work of the DT CCA will be provided through the appointment of an audit committee and an overview and scrutiny committee. The political balance of those committees will reflect the balance of the constituent councils. The chair and vice-chair of the scrutiny committee will not be a member of the same political party as their respective Lead Member. The audit committee will include at least one independent member.

Prior to the establishment of the DT CCA, there will be a transitional phase where it operates as a shadow authority to support a smooth transition to the fully established DT CCA. The shadow authority will not be a legal entity but will work collaboratively from within the constituent councils and in an advisory capacity until the DT CCA is established later this year. Once it is established, the DT CCA will be an employer in its own right and appoint officers including a chief executive, monitoring officer, finance officer. The arrangements will, as far as practicable, draw on the capacity (e.g. through secondments and sharing of staff) of the existing authorities to ensure that the DT CCA is as cost effective as possible.

### **5.3 Team Devon Joint Committee**

Local government responsibilities in the Devon area are split between parish & town councils, the eight district councils, Dartmoor & Exmoor National Park Authorities and Devon County Council. All the councils have a track record of working together under an informal strategic partnership known as Team Devon that brings together the political and operational leadership to ensure a collective voice and leadership to the benefit of Devon residents. This proved highly effective during the pandemic and continues to reap benefits.

A part of the establishment of the DT CCA, the Team Devon partnership would be formalised to inform the collective strategic decision making into the DT CCA. It is intended that at the same time as the DT CCA is created, the authorities will work together to develop a Team Devon Joint Committee for the Devon area under the provisions of the Local Government Act 1972. The agreement to join a statutory Joint Committee would be subject to individual decision-making processes of each authority.

The diagram attached below as appendix 2 shows the DT CCA membership and the Team Devon Joint Committee.

### **5.4 Heart of the South West Local Enterprise Partnership**

Government's sponsorship and funding of Local Enterprise Partnerships will cease from April 2024. A national process of planning the integrating of LEPs core functions of business representation, local economic planning, and the delivery of Government programmes into local authorities is underway.

Somerset Council is leading the work to plan the integration of HotSW LEP functions, in conjunction with Devon County Council, Plymouth City Council and Torbay Council. A draft HotSW LEP integration plan was submitted to DLUHC for review at the end of November 2023. The implications for HotSW LEP staff, assets and finance will be covered in the progress report to the Cabinet meeting on 9 February 2024. Some HotSW LEP functions will be held temporarily by Devon County Council and Torbay Council before transferring into the DT CCA.

### **5.5 Heart of the South West Joint Committee**

The proposed devolution deal, the forthcoming integration of the HotSW LEP into local authorities, together with other changes in Government policy mean that the purposes of the Heart of the South West Joint Committee (HotSW JC) have largely been superseded and other partnership arrangements between the constituent authorities are, or will, deliver the same aims. The Council agreed at its meeting on 7 December 2023 (minute 241 refers)



to give notice of its intention to withdraw from the HotSW JC and propose to the HotSW JC that the Joint Committee be dissolved. The HotSW JC was dissolved on 31 December 2023.

## 6 Next steps

### 6.1 Timetable

The anticipated timetable for the next steps is:

- 12 February 2024 to 24 March 2024 –public consultation on the draft proposal for the establishment of DT CCA and proposed devolution deal.
- April 2024 – Cabinet (**Monday 22 April**) and Council (**Monday 29 April**) consideration of the results of the public consultation and final proposal and, subject to Council’s decision, submission of final proposal for the DT CCA to Government.
- May 2024 – Government decision on proposal.
- June 2024 - Statutory Instrument to create the DT CCA finalised.
- July 2024 - Review by Joint Committee on Statutory Instruments.
- Autumn 2024 – Devon and Torbay Councils formally consent to the Statutory Instrument.
- Autumn 2024 – Statutory Instrument laid in Parliament.
- Autumn 2024 – Statutory Instrument comes into force.
- Autumn/Winter 2024 – Launch of the DT CCA and establishment of the Team Devon Joint Committee.

## 7) Options / Alternatives

An alternative option would be not to proceed with a public consultation on the proposed Devon and Torbay devolution deal. If this option were to be adopted, then there would be no guarantee that a devolution deal and the potential associated powers and funding would be available to the area in the same way in the future.

## 8) Strategic Plan

The proposed devolution deal will contribute to the Council’s “[Best Place](#)<sup>1</sup>” Strategic Plan 2021 – 2025, including the commitments to:

- Support training providers and employers to increase the number of traineeships and apprenticeships for young people and for people to upskill to reflect changes in employment opportunities.
- Secure investment in transport infrastructure to stimulate economic growth, improve accessibility, increase travel choices and improve road safety.
- Enable a range of transport options, including public transport to improve access to services and jobs and to tackle social isolation.
- Work with Team Devon to tackle homelessness and improve the availability of affordable housing in Devon.
- Do whatever we can to make it easier for key workers and people on low incomes to find affordable homes.

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<sup>1</sup> <https://www.devon.gov.uk/strategic-plan/>

## 9) Financial Considerations

The costs of carrying out the public consultation on the proposed Devon & Torbay devolution deal will be shared between Devon County Council and Torbay Council.

To support the establishment of the DT CCA in its early stages, the government will provide £1million of capacity funding over three years: £250,000 in 2024/25, £500,000 in 2025/26 and £250,000 in 2026/27. This core funding will enable the creation and establishment of the CCA without imposing costs on either Devon County Council or Torbay Council. It is not therefore anticipated that there will be any additional costs to the County Council.

The creation of the DT CCA would lead, through the delivery of the devolution deal, to additional funding, including the £16 million of capital, being made available to be spent within the Devon and Torbay area on a wide range of services, projects and schemes.

## 10) Legal Considerations

The Levelling Up and Regeneration Act (LURA) provides for the establishment of the new form of local government institution – a combined county authority (CCA) – which can be established in, and will enable devolution to, areas with two-tier local government.

The LURA allows a CCA's membership to consist solely of upper-tier local authorities (county councils and unitary councils) and for the CCA to be established over an appropriate geography (e.g. a functional economic area or whole county geography), enabling functions to be effectively exercised and the economic, social and environmental wellbeing of those who live or work in the area to be improved.

The LURA enables CCAs to appoint “non-constituent” members such as representatives of district councils or other local bodies. It also enables CCAs to appoint “associate” members: an individual person - such as a local business leader or an expert in a local issue - to be a representative at CCA meetings to input their specific local knowledge into proceedings.

The LURA requires that prior to submitting a proposal for a CCA to the Secretary of State, the Constituent Councils must undertake a public consultation on the proposal in the proposed area. The Constituent Councils are obliged to carry out the consultation across the proposed area and consider the results. The requirement is for each authority to consider the consultation responses provided across the whole area – not just those provided in their own area.

The Secretary of State may make regulations establishing a CCA for an area if, having regard to the submitted proposal, the Secretary of State considers that:

- (a) to do so is likely to improve the economic, social and environmental well-being of some or all of the people who live or work in the area,
- (b) the Secretary of State considers that to do so is appropriate having regard to the need—
  - (i) to secure effective and convenient local government, and
  - (ii) to reflect the identities and interests of local communities,
- (c) a public consultation has been carried out in connection with the proposal and the Secretary of State has been provided with a summary of the consultation responses.

The Secretary of State's regulations can cover the working mechanisms of a CCA – for example, its membership, voting arrangements and quorum – and its functions such as transport, skills or economic development.

## **11) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)**

The agreement to support and consult on the proposed devolution deal will not in itself have any environmental impacts. However, if the DT CCA is established it will need to ensure that the environmental impacts of its decisions are assessed and works to reduce carbon emissions.

## **12) Equality Considerations**

A **draft** equality impact assessment of the proposed devolution deal has been prepared and is available on the Council's website at <https://www.devon.gov.uk/impact/published>. Members will need to consider the draft assessment for the purposes of this item.

Data will be collected from those who choose to respond to the consultation including those who identify as having a protected characteristic and a final equality impact assessment will be prepared and made available in April 2023 when the Cabinet and Council consider the final proposal.

The Devon Equality Reference Group supports the County Council's work on equality and diversity by providing advice, feedback, ideas and scrutiny. The ERG members are drawn from the voluntary and community sector are independent of the County Council and Service Level Agreements are in place. The ERG's views on the equality impacts of the draft proposed will be invited in order to inform the final Equality Impact Assessment.

## **13) Risk Management Considerations**

In July 2023 Cabinet considered current strategic risks and priorities. It identified the devolution deal as one of six areas of focus for the Corporate Plan for the next 12 months.

## Appendix 1 to CX/24/1

The devolution deal framework included in the Levelling Up White Paper published by HM Government in February 2022

Levelling Up the United Kingdom White Paper

**Table 2.3 Devolution Framework**

**Level 3** – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area

**Level 2** – A single institution or County Council without a DEM, across a FEA or whole county area

**Level 1** – Local authorities working together across a FEA or whole county area e.g. through a joint committee

Function	Detail	L1	L2	L3
<b>Strategic role in delivering services</b>	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
<b>Supporting local businesses</b>	LEP functions including hosting strategic business voice		✓	✓
<b>Local control of sustainable transport</b>	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
<b>Investment spending</b>	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓
<b>Giving adults the skills for the labour market</b>	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
<b>Local control of infrastructure decisions</b>	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
<b>Keeping the public safe and healthy</b>	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align <sup>^</sup>			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
<b>Financing local initiatives for residents and business</b>	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

\* refers to functions which are only applicable to combined authorities

<sup>^</sup> refers to functions which are currently only applicable to mayoral combined authorities

\*FEA is a Functional Economic Area

Appendix 2 to CX/24/1



**Name:** Donna Manson  
**Electoral Divisions:** All

**Cabinet member:** Leader of the Council and Cabinet Member for Policy, Corporate and Asset Management

## **Local Government Act 1972: List of background papers**

Background Paper: None  
Date  
File Reference

### **Contact for enquiries:**

Name: Roland Pyle  
Telephone: 01392 383419  
Address: County Hall, Topsham Road, Exeter, EX2 4QD

# Devon and Torbay Devolution Deal

Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including the consent of all councils affected and parliamentary approval of the secondary legislation implementing the provisions of this deal.



Department for Levelling Up,  
Housing & Communities



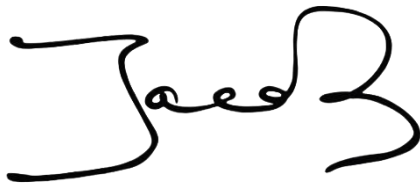
# **TORBAY COUNCIL**

**Signature Page**

A handwritten signature in black ink that reads "Michael Gove". The letters are cursive and fluid.


**The Rt Hon Michael Gove MP**

Secretary of State for Levelling Up, Housing and Communities

A handwritten signature in black ink that reads "Jacob". The letters are cursive and stylized.

**Jacob Young MP**

Minister for Levelling Up

A handwritten signature in black ink that reads "John Hart." The signature is written in a cursive style and is underlined with a single horizontal line.

**Cllr John Hart**

Leader of Devon County Council

A handwritten signature in black ink that reads "David Thomas". The signature is written in a cursive style and is underlined with a single horizontal line.

**Cllr David Thomas**

Leader of Torbay Council



## Contents

Introduction .....	4
Summary .....	7
Governance.....	9
Finance and Investment.....	15
Skills and Education .....	16
Housing and Land .....	19
Transport.....	22
Net Zero and Climate Adaptation .....	25
Culture and Tourism.....	29
Digital .....	30
Innovation, Trade and Investment.....	31
Sector Development.....	32
Public Service Reform.....	34
Resilience and Public Safety.....	35
Devon and Torbay’s Commitments Underpinning the Deal.....	36

## Introduction

1. Devon and Torbay is a special place with enormous potential in its businesses, people and places. Encapsulating the majority of the ceremonial county of Devon, located within the heart of the south west, the area has a rich history, culture and dynamic economy, with a world renowned food and drink sector, an increasing reputation as a centre for international environmental science, and – with its stunning natural environment – a deserved status as a destination of choice to visit, learn and invest. Devon and Torbay has a long standing entrepreneurial and trading history; from its wool merchants and guilds in the middle ages, through to its maritime and fishing heritage along both its coastlines, to today’s excellence in defence and advanced manufacturing, photonics and agritech. From the English Riviera, to its rural market towns and Exeter, to Northern Devon’s Atlantic Coast, the area is typified by a sense of enterprise, innovation and ambition, whether in meeting the demographic challenges of tomorrow, welcoming its 30 million visitors a year, or driving forward net zero opportunities through its leading universities and businesses.
2. The government has set itself a mission that, by 2030, every part of England that wants a devolution deal will have a devolution deal with powers at, or approaching, the highest level of devolution, with a simplified, long-term funding settlement. The 2022 Levelling Up White Paper makes clear the case for devolution as the engine room of improved productivity and reduced regional disparities. Devolution will be critical to delivering our twelve headline levelling up missions by strengthening local leadership to act more flexibly and innovatively to respond to local need, whether on transport, skills or regeneration.
3. In the Levelling Up White Paper, the government published for the first time a devolution framework, which set out a clear menu of options for places in England that wish to unlock the benefits of devolution. This framework places a strong emphasis on the importance of high profile, directly elected local leadership, strong local governance, and joint working across sensible and coherent economic geographies. The most comprehensive package is a Level 3 deal, for areas with a single institution over a sensible geography, with the strongest and most accountable leadership, such as a mayoral combined authority (MCA) or a mayoral combined county authority (MCCA) covering a functional economic area or the whole county geography with a directly elected mayor. The Level 2 offer is for devolution to single local government institutions without a directly elected mayor, such as a combined authority or combined county authority covering a functional economic area or the whole county geography. The Level 1 offer is for local authorities with looser joint working arrangements, such as a joint committee model.
4. This document sets out the terms of an agreement for a Level 2 devolution deal between the government and Devon County Council and Torbay Council (“Devon and Torbay”), subject to ratification of the deal by the councils and the statutory

requirements for making the secondary legislation implementing the deal. This document describes both the offer of functions and funding from the government, and the reforms and measures that Devon and Torbay will need to deliver. The statutory requirements for implementing the deal include public consultation, the councils consenting to the secondary legislation implementing aspects of the deal, and Parliament approving it. Once this legislation is approved and made, the devolution deal will be confirmed.

5. With a population of 953,000 residents and a GVA of over £17 billion, Devon and Torbay offers enormous potential. It has nearly 50,000 businesses providing around 473,000 jobs. It is a coherent economic area and has a number of significant sectors with potential for growth, including advanced manufacturing and engineering, environmental technologies, data and clean industries; digital business, electronic and photonics activity; health and pharmaceutical manufacture and wider defence industries, as well as traditional strengths in areas such as tourism and agritech and food production.
6. The area of Devon and Torbay benefits from encapsulating a broad and varied economic geography. Home to the city of Exeter, with its knowledge led and high value economy, and the towns of Torquay and Paignton, which bring together high value electronics and healthcare technologies with traditional strengths across the visitor economy, the area brings together a range of nationally significant businesses and assets, from Harland and Wolf to the Met Office. It also benefits from 2 world class universities and four nationally significant technical colleges which provide research and training excellence. The area is also famous for its broader rural and coastal geography, with the majority of its population living within the stunning Devon landscape which incorporates two national parks of Dartmoor and Exmoor. Home to around 30% of the UK's dairy industry, with Brixham being one of England's largest fishing ports by value of catch, the County is famous as an agricultural and food production hub
7. But Devon and Torbay also face challenges which impact on productivity levels and the ability to grow. Productivity lags behind the UK average overall within the area, requiring a 30% increase to close the gap<sup>1</sup>, and public spending per person in the South West has historically trailed the rest of the UK<sup>2</sup>. Rural, urban and coastal areas of the Devon and Torbay area suffer from nationally significant levels of poverty, with parts of Torridge and Northern Devon amongst the bottom 5% worst affected areas of England, and West Devon and Torbay having the lowest and second-lowest workplace-based wages of any authority in the Country. Social mobility and youth aspiration and progression are particular areas of concern, with around 40% of all young people leaving the area due to a lack of available housing and attractive employment opportunities in many communities. The area faces

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<sup>1</sup> [Regional gross value added \(balanced\) per head and income components - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

<sup>2</sup> HM Treasury, Country and Regional Analysis: 2022, 16 November 2022

significant challenges with skills and educational performance, with pockets of nationally significant educational need and some of the lowest Level 4 achievement rates in the country across its urban, rural and coastal areas.

8. Greater local powers are needed to level up, to tackle the challenges facing the Devon and Torbay area, to harness its huge economic opportunity for the benefit of the people of the area and for the whole of the UK. In recognition of this, the Government has already invested £64.7 million through the Levelling Up Fund to the area, with local authorities across the Devon and Torbay area have also been allocated a three-year total of £14.8 million UK Shared Prosperity Fund (including Multiplier programme funding).
9. The local authorities of Devon and Torbay with Government have agreed a historic Level 2 devolution deal which will provide powers and funding to enable Devon and Torbay to unleash its economic potential and in doing so level up, raise living standards for its communities and make a greater contribution to the UK economy. The Devon and Torbay Devolution Deal shows how levelling up can be done in practice – with clear alignment to the twelve headline Levelling Up missions and long-term, devolved funding underpinning it.
10. Government recognises that devolution is a journey, not a one-off event. This agreement is the first step in a process of further devolution. As institutions mature, they can gain greater responsibility, and Devon and Torbay will be able to deepen their devolution arrangements over time, subject to Government agreement. The Government will also continue to work with Devon and Torbay on important areas of public service reform and infrastructure investment, to support inclusive economic growth in towns, cities, rural and coastal areas whilst tackling the climate emergency, on our journey to 2050.

## **Summary of the Devolution Deal between the Government and the Local Authorities within the Devon and Torbay area.**

The Government and the constituent councils are minded to agree a devolution deal which will provide the Devon and Torbay area with new powers and funding to increase opportunities and living standards through inclusive growth and productivity improvements.

A Devolution Agreement is contingent upon the constituent councils proceeding through the steps necessary to meet the governance criteria required for a Level 2 devolution deal.

The Devolution Agreement includes:

- The formation of the Devon and Torbay Combined County Authority (CCA), including the creation of a leaders group led by a nominated chair, to provide overall vision and leadership, seek the best value for taxpayer's money, and be accountable to local residents.
- New powers to better shape local skills provisions to ensure these meet the needs of the local economy. This will include devolution of Adult Education functions and the core Adult Education Budget, and the opportunity to provide input into Local Skills Improvement Plans.
- £16 million of new capital funding in this Spending Review period to support the delivery of local housing priorities, drive Net Zero ambitions and support green skills, and accelerate wider low carbon business transition across the Devon and Torbay area. This investment is subject to agreement of the relevant business cases.
- Greater collaboration between Devon and Torbay CCA and Homes England to reduce the barriers to affordable housing delivery, regeneration and housing growth – with a particular focus on rural and coastal communities. By combining skills and capacity, Devon and Torbay CCA and Homes England will develop a shared development pipeline, underpinned by a clear action plan, and explore ways to support the delivery of that pipeline via current and future national housing programmes. Devon and Torbay CCA have also secured agreement from government to discuss the recommendations of the Devon Housing Commission.
- New powers to improve and better integrate local transport, including the ability to introduce bus franchising subject to approval from the Secretary of State for transport, and control of appropriate local transport functions e.g. responsibility for an area-wide local transport plan.

- Subject to funding, policy and delivery considerations at the next Spending Review, UK Shared Prosperity Fund (UKSPF) planning and delivery at a strategic level from 2025/26.
- The integration of the functions of the Heart of the South West Local Enterprise Partnership held by Devon County Council and Torbay Council into the Devon and Torbay CCA, alongside the provision of a strong and independent local business voice which informs local decision making and strategic economic planning.
- A clear role for Devon and Torbay in local resilience and civil contingency planning, preparation and delivery.

More detail on these commitments is given in the main body of the document below.

Once the CCA has been established, further devolved powers and consolidated funding may be agreed over time and included in future legislation. This will be subject to the area's status as a Level 2 devolved area.

## Governance

11. The constituent councils of Devon and Torbay have a history of working well together, having originally come together, along with other local authorities, to explore the potential for devolution and improved local leadership in 2016. This led to the creation of the Heart of the South West Joint Committee in 2017, providing a joint body to take forward shared activity and opportunities across the Devon and Somerset area.
12. To complement this approach, local authority partners within Devon came together in 2018 to form the Team Devon partnership. The County Council, Devon's district councils (East Devon District Council, Exeter City Council, Mid Devon District Council, North Devon Council, South Hams District Council, Teignbridge District Council, Torridge District Council and West Devon Borough Council), and wider county stakeholders (including Devon's two national parks and the Devon Association of Local Councils which represents Devon's town and parish councils) formed an informal partnership which allowed for the pursuit and discussion of shared matters.
13. These approaches have culminated over the past 18 months in a renewed appetite for devolution, with the two constituent councils, Devon's districts and wider partners all coming together to work upon a single devolution deal, building on existing partnership working.
14. In order to ensure clarity and unity around devolution to achieve this next step, the two constituent councils (working closely with Devon's district councils, business, education and university partners) have agreed six core principles for future governance to be applied to the delivery of this devolution deal:
  - **Partnership** – Each member (i.e. constituent, non-constituent and associate members) of the CCA will have the ability to influence devolved activity and have a say in what the CCA does.
  - **Accountability** – The constituent councils will develop a constitution and assurance framework that will confirm, clarify and formalise the intention of institutions and local leaders to continue to be transparent and accountable, work closely with local businesses, seek the best value for taxpayers' money and maintain strong ethical standards.
  - **Inclusivity** – The CCA will operate inclusively in pursuit of its agreed outcomes.
  - **Additionality** – Members of the CCA will work together to deliver things that add value, they will only pool or collaborate on existing activity where there is shared agreement that that should be done.
  - **Subsidiarity** - The CCA will not create an additional layer of governance, but bring the national level governance to the Devon and Torbay area: much closer to businesses and communities. Place making functions will be delivered

through existing local planning authority arrangements for which they are statutorily responsible.

- **Collaboration** – Members of the CCA will collaborate and cooperate to ensure that activities are delivered and actions taken as required, both within the CCA and with other partners across the region. Members will share information, experience, materials and skills to learn from each other and develop effective working practices. This includes joint working with wider peninsula partners, including neighbours in Plymouth, Dorset, Cornwall and Somerset.

#### Devon and Torbay Combined County Authority

15. As part of this deal, the constituent councils intend to adopt the CCA model which is provided for in the Levelling-up and Regeneration Act 2023 (“LURA”).

16. A key advantage of the CCA model is its capacity to provide for joint governance arrangements between authorities around key growth levers such as transport, skills, economic development, housing and regeneration, creating a shared structure through which strategic prioritisation can be taken forward across an area and integrated policy goals better pursued. A CCA also offers additional accountability and improved line of sight for Government around local delivery and commissioning.

17. As a Level 2 area, the Devon and Torbay CCA is to be one of the first in the country not to feature a mayor or directly elected leader. Instead, the CCA will be led by a group of local leaders who will act as its Executive, with one of this leadership group acting as the Chair of the Devon and Torbay CCA’s Board. In line with the provisions of the Levelling Up White Paper, this streamlined group of Leaders will provide the accountability and line of sight required by Government for the successful devolution of activity.

18. As such, the Devon and Torbay CCA will comprise the following membership:

- Six constituent members appointed by the two constituent councils (Devon County Council and Torbay Council), with each constituent council appointing three of their elected members. Each constituent council will appoint one Lead Member (normally the Leader) and two further members nominated by the Leader of each constituent council.
- Four non-constituent members, of which two will be members nominated by the District councils within the Devon area to act as District representatives.
- Two associate members as decided by the CCA. One of these members will represent the voice of business and another the skills/education sector.
- The Devon and Torbay CCA, in partnership with Government, will ensure that the Devon and Cornwall Police and Crime Commissioner (PCC) is invited to attend and participate in CCA meetings as an associate or non-constituent member. This will ensure close collaboration and productive joint working between the CCA and PCC.



19. Though the CCA will be made of up of constituent and non-constituent members, decision making will be split between reserved and general matters. Decisions on reserved matters will be for constituent members only and will require a simple majority of constituent council members to vote in favour.
20. Matters reserved for the constituent councils will include:
- Membership and governance (including voting rights) of the CCA
  - The election of the chair of the CCA;
  - Agreement of the annual budget of the CCA;
  - Policy Framework;
  - Associated scrutiny arrangements, including membership;
  - Major investment decisions; and
  - All Transport Functions
21. Of those matters reserved for the constituent councils, the following will require both Lead Members to vote in favour:
- Approval of the CCA's budget, including significant financial decisions.
  - Approval of and significant amends to the Constitution
  - Appointment of the Chief Executive;
  - Approval of the policy framework, which will include:
    - i. Corporate Strategy;
    - ii. Economic Growth Strategy;
    - iii. Skills and Employment Strategy;
    - iv. The Local Transport Plan, Bus Service Improvement Plan (BSIP) and the Local Cycling and Walking Infrastructure Plan (LCWIP);
22. The CCA will determine how it will deal with voting and decision-making between the CCA's membership on general matters, for example local policy and strategy making, as part of its broader Constitution.
23. To provide leadership of the CCA Board, the CCA will also appoint one of the Leader Members to act as Chair of the Board. This role will be subject to nomination and approval on a biennial basis.
24. In bringing forward the Devon and Torbay CCA, Government and constituent councils are aware that the CCA institutional model as set out through the LURA only provides opportunities for upper tier authorities to be formal constituent members. Both parties, however, place high importance on the CCA working collaboratively with the eight district councils across the Devon area and ensuring that they have a voice within the CCA.
25. The district councils in Devon will be empowered to nominate two members to represent their interests on the CCA. Devon County Council and the eight district councils have worked together to agree a system of nominations. It has been agreed that a Team Devon joint committee will be established under Sections 101 to 103 of the Local Government Act 1972 and all other enabling legislation. Members of the Team Devon joint committee will include representatives of Devon County Council; the City, District and Borough Councils in the Devon area; the

National Park Authorities and the Devon Association of Local Councils. The terms of reference of the Team Devon joint committee will enable it to have a voice and establish a collective position in the CCA.

26. Functions contained in this deal document will be devolved to the Devon and Torbay CCA but subject to Parliamentary approval.

27. **No local authority functions are being removed from any local authority in the area, other than transport functions, as agreed with the constituent councils.** Where other local authority functions are conferred on the CCA they will be held concurrently with the local authorities in the area to ensure joined up decision making. Arrangements for the concurrent exercise of the functions will be a matter for agreement between the CCA and the constituent councils as appropriate.

28. The Devon and Torbay CCA will be given powers in relation to:

- Economic development and regeneration functions
- Adult education and skills functions
- Housing supply, regeneration and placemaking functions; and
- Transport

29. Where existing functions or resources currently held by the constituent councils are to be shared with the CCA, this must be agreed by constituent councils/District councils as relevant.

30. The following decision will require the consent of the Lead Member of the relevant constituent council, or substitute members acting in their place, in whose area the decision will apply:

- Compulsory purchase of land or buildings by the CCA;
- The exercise of Homes England compulsory purchase power will also require the consent of the relevant planning authority;
- Any decision by the CCA that could lead to a direct financial liability falling upon a constituent council;
- Such other matters as may be contained within the CCA constitution

31. For the Overview and Scrutiny Committee and Audit Committee, at least two members will be nominated from each constituent council for each committee. In addition, there will be non-constituent council representatives on the Overview and Scrutiny Committee and the Audit Committee. There will be a requirement for political balance on the Committees which will reflect the political balance of the constituent councils. The constituent councils will also consider how best to ensure that wider relevant partners (Business, Education and University, Community) are represented effectively on the Overview and Scrutiny and/ or Audit Committees. The Audit Committee will include at least one independent person.

32. The chair and vice chair of the Overview and Scrutiny Committee will be appointed by the CCA, following a proposal put to them by the Overview and Scrutiny Committee in question. The chair and vice chair shall not be a member of a registered political party of which their respective constituent Lead Member of the CCA is also a member. The CCA will determine how it enhances and develops wider engagement with all elected members in the CCA area on key issues.
33. As a local government institution with devolved powers, Devon and Torbay CCA will be subject to the English Devolution Accountability Framework ('the Framework'). The Framework applies to all English institutions with devolved powers. In line with the Framework, the Government, Devon and Torbay CCA and other areas with devolution deals will work together to put in place mechanisms to ensure that local leaders and institutions are transparent and accountable, work closely with local businesses, seek the best value for taxpayers' money, and maintain strong ethical standards.
34. Devon and Torbay CCA should also have regard for the government's Scrutiny Protocol, which develops the standards and best practice to make sure that scrutiny committees in areas with devolution deals can meet this unique challenge. This is to empower local residents and provide them with the confidence that devolution is leading to improvements in their area.
35. The proposals in this devolution deal are subject to ratification by each constituent council. This will include consultation on the proposal with the local community and business, and the submission of the outcomes of the consultation to the Government. Implementation of the deal is subject to the Secretary of State being satisfied that the required statutory requirements have been met and the consent of each constituent council has been provided, and parliamentary approval of the required secondary legislation being provided.
36. Government and partners within Devon and Torbay recognise that Devolution is a journey, not a one-off event. This agreement is a first step in a process of further devolution, with the potential for areas to evolve and grow over time with the Devon and Torbay CCA, ensuring that devolution is maximised for the benefit of our residents.
37. Whilst this Deal therefore provides the basis for the creation of a CCA for the areas of Devon and Torbay, it will remain open to additional councils to apply to join the CCA as a full constituent member at a later date, should they wish to do so, subject to the statutory process and in accordance with section 23 of the LURA.
38. This deal does not rule out in principle any future options for further local alignment and joint working.

#### LEP Integration

39. The Levelling Up White Paper announced the Government's intention to support the integration of Local Enterprise Partnership functions and roles into local democratic institutions. On 4 August 2023 Government confirmed its previous 'minded to' decision to withdraw central government support (core funding) for

Local Enterprise Partnerships from April 2024 and transfer their functions to local and combined authorities. This deal confirms the integration of LEP functions into the Devon and Torbay CCA, subject to the agreement of the integration plan by the constituent councils and its endorsement by Government.

40. Devon and Torbay CCA will be supported to take on relevant functions and roles of the Heart of the South West LEP in line with published guidance and with any agreed interim arrangements. In doing so, all parties will work together to ensure the independence of the local business voice is maintained, with the business voice to be represented within Devon and Torbay, and with advisory boards representative of the geographies and composition of their local communities. Devon and Torbay CCA will ensure that any business advisory board or equivalent structure is meaningfully involved in local decision making, maintaining a culture of constructive challenge and scrutiny with the Devon and Torbay assurance framework.
41. Government funding for integrating LEP functions will be subject to future spending decisions by individual departments and business planning.

## Finance and Investment

42. The constituent councils will create a fully devolved funding programme covering all budgets for devolved functions accountable to the Devon and Torbay CCA.
43. The Devon and Torbay CCA will have the flexibility to secure private and public sector leverage as appropriate. As per local government guidance, the Devon and Torbay CCA will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives.
44. The costs of establishing the CCA will be met from the overall resources of the CCA. To support the Devon and Torbay CCA in its early stages of this deal, the government will provide £250,000 of Capacity Funding in 2024/25, £500,000 in 2025/26 and £250,000 in 2026/27. This will be provided on the basis that the establishing legislation has been made and an Assurance Framework confirmed with the government. Any future capacity funding will be subject to Spending Review, in line with arrangements for all other devolution deals.
45. Subject to funding, policy and delivery considerations at the next Spending Review, the Levelling Up White Paper sets out the government's expectation that delivery responsibility for the UK Shared Prosperity Fund will be aligned with devolution deal responsibilities. This would mean that Devon and Torbay CCA could have such responsibilities from 2025/26. In carrying out this role, the CCA will need to engage constituent councils, district and borough councils and other local partners to ensure that the needs of residents can be effectively addressed.
46. The government understands that Devon and Torbay currently has, and will in the future have, interest in applying for funding and other opportunities made available. This includes but is not limited to the Levelling Up Fund. This deal does not preclude participation in such processes where the Devon and Torbay CCA meets the relevant criteria.
47. As part of their joint working, the constituent councils have agreed that they will work together so that no area should be worse off as a result of the creation and work of the Devon and Torbay CCA. As far as possible, the Devon and Torbay CCA will also seek to work with Government to ensure parity with other Level 2 areas around resources and funding as Devolution evolves, and seek to ensure that the additional funding and resources brought forward through this Deal are sustained and will reoccur through future spending review and other funding processes.

## Skills and Education

### Adult education

48. Whilst the number of people qualified to Level 2 and Level 3 within Devon and Torbay is above the national average, those qualified to a degree level remains 5% below the national average, with retention of both graduates and young people remains a significant challenge for the area, with only around 35% of all local graduates staying within the area, and only 60% of those below the age of 25 remaining after leaving tertiary education. Such attainment and retention issues also vary dramatically across the area's eleven authorities, with degree level attainment within Torridge District amongst the lowest in the UK at just 21.9%.
49. The demographics of Devon and Torbay's workforce are similarly challenging. Whilst centres like Exeter benefit from greater proportions of higher skilled young people, the area's population overall is currently aging faster than the rest of the UK, with the population over the age of 65 due to increase by around 45% by 2030. Unlike other areas, this population includes a significant number of the individuals who underpin the area's higher skilled industries, notably within engineering, health and construction. Whilst replacement and upskilling amongst younger people has accelerated over the past 5 years, the rate is still estimated to be too slow to allow for a like for like replacement by 2030 without further action. Challenges around retention and social mobility across large areas of the Devon and Torbay area also continue to contribute to issues around multigenerational economic inactivity and a sustained number of individuals with complex barriers to employment.
50. The Government will fully devolve the Adult Education Budget (AEB) to the Devon and Torbay CCA from academic year 2026/2027 subject to readiness conditions and Parliamentary approval of the required secondary legislation conferring the appropriate functions. Funding for Free Courses for Jobs (FCFJ) will also be devolved and will be ring-fenced.
51. Prior to devolution of the AEB, the Government will however work with the Devon and Torbay CCA to support their preparation for taking on the relevant functions and will make implementation funding available for Devon and Torbay, subject to the availability of appropriate central funding included in the next Spending Review.
52. Upon devolution, the Devon and Torbay CCA will be responsible for making allocation to providers in accordance with the conditions imposed on them, including ministerial directions, and setting the outcomes to be achieved. The Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices.

53. The government will inform Devon and Torbay on which basis the existing methodology operates to calculate the size of the grant to be paid to the CCA for the purpose of exercising the devolved adult education functions.
54. The government will discuss with Devon and Torbay CCA, and other areas which are planning to secure devolved adult education functions, in a timely manner and before decisions are made, any proposed changes to its methodology for calculating devolved areas' grants.
55. In order to proceed with devolution, the Government needs to be assured of the following readiness conditions:
- a. The Secretary of State for Education and appropriate accounting officer are assured that Devon and Torbay CCA is operationally ready to administer the Adult Education Budget and is satisfied the required statutory tests have been met.
  - b. Parliament has legislated to enable transfer to Devon and Torbay CCA of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.
  - c. Agreement to a memorandum of understanding between the Department for Education and Devon and Torbay CCA that provides appropriate assurance that the named parties will work together to ensure the future financial stability of the provider base, including for sharing financial risk and managing provider failure.
  - d. Learner protection arrangements are agreed between parties.
56. As part of the devolution of AEB to Devon and Torbay, the CCA will also consider the risk of adding additional burdens on college providers across the wider area when making changes to AEB policies.
57. The Department for Education will continue to work with Devon and Torbay to commission a local programme of Skills Bootcamps, to be informed by future spending agreements.

### Skills and Employment

58. Local Skills Improvement Plans (LSIPs) will set out the current and future skills needs of the area and how local provision needs to change to help people develop the skills they need to get good jobs and increase their prospects. LSIPs will build a stronger and more dynamic partnership between employers and further education providers and allow provision to be more responsive to the skills needs of employers in local labour markets.
59. Working with the designated Employer Representative Body, and utilising and sharing the local labour market intelligence and analysis developed, Devon and Torbay CCA will support and provide input into the LSIP for the area. Government

will consider the current LSIP boundaries in 2025 at the end of the funding period, with the aim of maximising alignment across boundaries where possible.

### Career Education and Advice

60. The Government recognises the significant unique opportunities that are developing across Devon and Torbay and that, to ensure maximum benefit of the AEB allocation and the area's economic growth, a more place-based and industry led approach to careers education is developed for both adults and young people. Ensuring access to high quality careers, advice and guidance is a crucial element of the Government's long-term ambitions around social mobility, raising aspiration and ensuring we are able to secure the future workforce our economy needs.
61. In support of this objective, the Heart of the South West LEP and Local Authority partners have hitherto worked closely on the development of the Heart of the South West Careers Hub. With the folding in of relevant LEP functions as announced in August 2023, the Government and partners within the Devon and Torbay CCA wish to ensure that there remains a shared focus on careers education and advice for young people. This is particularly crucial given the specific challenges faced in Devon and Torbay around education aspiration and confidence, with progression into higher education and higher level technical skilled careers often lower than amongst comparator areas. The Department for Education will therefore seek to work with DLUHC, Devon and Torbay CCA, and other relevant partners to support the continuity of activity within the Careers Hub.
62. To ensure a more place-based and joined-up approach to careers education locally, the government supports Devon and Torbay CCA to work with local stakeholders to align careers provision with devolved AEB activities.

### Employment

63. Devon and Torbay CCA and the Government recognise the crucial link between local skills, education, health and workforce development activity in the region and the work of the Department of Work and Pensions.
64. The Department for Work and Pensions, through regional Jobcentre Plus and Partnership teams, and the Devon and Torbay CCA will work together on shared strategic employment priorities through a place-based approach.
65. Devon and Torbay CCA will work in partnership with local and regional work and health stakeholders, including all local authorities in the region with responsibility for UKSPF until 2025, as well as Department for Work and Pensions and other parts of UK Government to ensure effective and coordinated strategic planning and delivery of local employment, health and skills provision, that meet local needs and complement national employment provision.



## Housing and Land

66. The Government and partners within Devon and Torbay recognise the specific pressures faced across local communities around housing affordability and availability. Such issues are particularly acute amongst younger people within the area, where challenges around affordability, accessibility and availability of suitable housing create barriers to progression, retention and community growth. For the Devon and Torbay economy, this then generates wider issues around workforce availability, talent attraction and local productivity. Too often it is also those furthest from the market and independence, such as those who have experienced care or those with a health or mental health need who find it hard to secure local, good quality homes.
67. As local authorities, the constituent councils already have access to a broad range of powers and tools allowing them to collectively work together to acquire land, develop new homes and act more generally to improve local housing conditions. Constituent councils are, with partners, also already working together through the Devon Housing Task Force to explore potential areas for additional progress, from joint housing policy approaches to alignment of development activity.
68. The Government and the constituent councils believe that devolution at Level 2 now offers an opportunity to better align this work within the Devon and Torbay area, seeking to accelerate housing delivery as well as promote wider measures that enhance availability and affordability locally. The Government and the constituent councils will therefore seek to work together to explore further opportunities to improve housing delivery across the next period through the CCA.

### Working with Homes England

69. The constituent councils and Homes England are committed, with the support of the Department for Levelling Up, Housing and Communities (DLUHC) to working collaboratively on this basis – combining their skills and capacity to reduce the barriers to affordable housing delivery, regeneration and wider housing growth through the development of a shared development pipeline for the region. This will be underpinned by a clear action plan setting out workstreams, timescales and milestones, as well as respective roles and responsibilities.
70. Homes England and DLUHC will explore the potential for investing in the delivery of this pipeline – in support of Devon and Torbay wider strategic ambitions for enhancing the affordability and accessibility of housing locally – through current and future funding streams, including the Affordable Homes Programme. Through taking a co-design approach with Homes England, the Devon and Torbay CCA will seek to enhance the impact of any funding allocated within the area over the next five years.
71. As part of this approach, partners within Devon and Torbay will seek to further align their own resources and capacity alongside the work of the CCA, working closely

with Government to maximise the impact of joint programmes such as the One Public Estate through the use of their land and wider capital assets.

### Rural and Coastal Housing

72. Recognising the specific challenges involved in increasing housing availability and affordability in small rural and coastal communities for those with the highest needs, Homes England, DLUHC and the constituent councils will also collectively explore how wider measures – including facilitating greater Community Land Trust-led delivery – could better support Devon and Torbay CCA's plans to increase much needed rural and coastal affordable housing delivery, especially across small sites.

### Investment

73. From the £16m capital commitment from Government, funding will be made available over the next two years to support the development of a small sites Green Homes investment programme. This funding will be subject to the development of a detailed business case but will offer communities and local partners an opportunity to fast track the development of relevant high quality, green homes across the Devon and Torbay area.

### Homelessness

74. The Government and the Devon and Torbay CCA will seek to work together with lead local authorities, including District and County authorities, to explore additional solutions for individuals who are homeless within hotspots across the area.

### Differentiated Housing Challenges

75. The Government and constituent councils recognise the differentiated nature of local housing markets and look forward to reviewing the outputs from the Devon Housing Commission, chaired by Lord Best and supported by the University of Exeter. As part of this approach, constituent councils will also work closely with Government around the implementation of new housing policy approaches, as well as on DCMS' recent consultation on a registration scheme for short term lets.

### Compulsory Purchase Powers

76. The Devon and Torbay CCA will also have access to additional land assembly and compulsory purchase powers for housing, regeneration and growth purposes, subject to the agreement of the Devon and Torbay local authority constituent member where the relevant land is located and to the consent of the Secretary of State for Levelling Up, Housing and Communities.

### Second homes and short term lets

77. Devon and Torbay have specific challenges around second homes and short-term lets. Between 2019 and 2002, available private rented stock across the Devon and Torbay area fell by over 50%, whilst the number of registered second homes increased 2% year on year in the same period. In two districts, South Hams and West Devon, second homes made up over 10% off the total available stock in 2022, with average prices increasing to over 11 times the average local salary in the same period.

78. Government has introduced powers through the LURA to enable local councils to apply a council tax premium of up to 100% on second homes.

79. The Government is also taking steps to address concerns about the impact of short-term lets on local communities and housing markets. For instance, the Government recently held a consultation on the design of a registration scheme for short-term lets in England, which it committed to introduce through the LURA, and another on the introduction of a planning use class for short-term lets and associated permitted development rights. The Government is now analysing the responses to both consultations. The Government will look for opportunities to work with Devon and Torbay as any national measures are taken forward.

## Transport

### Powers of the Local Transport Authority and Local Transport Plans

80. The Devon and Torbay CCA will become the Local Transport Authority (LTA) for the new combined county authority area and take on a strategic coordination role and accountability for associated responsibilities and local public transport powers. There may be some areas where functions are delegated to the constituent councils where local decision making on specific matters is more appropriate.
81. As part of becoming the LTA, responsibility for an area-wide Local Transport Plan (LTP) will be conferred on the Devon and Torbay CCA. The Devon and Torbay CCA will develop a provisional area-wide LTP by March 2025 to be finalised by the Devon and Torbay CCA once established. Spending Review is expected in 2024; in developing its case for local transport investment DfT will be engaging the local transport sector. As such, we will look to draw on any emerging evidence base and strategy the Devon and Torbay CCA is able to make available by that time. The Devon and Torbay CCA will be expected to ensure its LTP aligns with best practice in transport planning including any revised LTP guidance, and to update their LTP as necessary.
82. The above focus on local transport planning will allow Devon and Torbay CCA to design and deliver a pipeline of transport interventions, aligned with both DfT's and Devon and Torbay's wider strategic priorities including local growth, improving the transport user experience, decarbonisation and reducing environmental impact. The development of such strategies will be in partnership with the constituent councils who will also support Devon and Torbay CCA with local leadership in the preparation of transport investment bids, design and delivery of the infrastructure to meet the aims and objectives of the transport plan.
83. The Devon and Torbay CCA, in its LTA role, will be accountable for receipt and allocation of Government local transport funding to the constituent councils. Highways funding will go directly to the constituent councils as highways authorities. Government acknowledges the desire for longer-term certainty around transport funding to accelerate the planning and delivery of infrastructure and will continue to explore options for all local transport authorities, including Devon and Torbay CCA, as part of the next Spending Review.

### Local and Regional Partnership Working

84. The Government recognises that local and regional level organisations are best placed to deliver practical changes to meet shared strategic objectives on local economic growth and decarbonisation, ensuring that local communities and businesses are engaged. Peninsula Transport Sub National Transport Body (STB) will develop its Regional Centre of Excellence, which will offer bespoke capability and tools to support to all Local Authorities in the STB area. Drawing upon the evidence base and emerging strategic plan for Peninsula Transport STB, this

provides the opportunity for Devon and Torbay CCA to work with the STB to establish if Devon and Torbay CCA would benefit from capability support.

85. As set out in the National Electric Vehicle Strategy, the Government recognises the aspirations of Devon and Torbay CCA and the current joint working of the constituent councils to improve public electric vehicle charging infrastructure, which would increase the uptake of electric vehicles and reduce carbon emissions by supporting all motorists in making the switch. Devon and Torbay CCA can also access support from their Sub-National Transport Body, Peninsula Transport, which has received Government funding to develop a regional Electric Vehicle Charging Infrastructure strategy. This EVCI strategy will provide a robust plan of charging needs in Devon and Torbay and can be used to underpin any public sector funding proposals including applications for the Local Electrical Vehicle Infrastructure ('LEVI') Capital Fund. It will also help local authorities in Devon and Torbay to develop their own strategies to scale up the rollout of public charge points in their areas. The constituent councils within Devon and Torbay have also received £8,025m in capital funding from Government's Local EV Infrastructure Fund and a further £991,000 revenue funding to increase their capability to plan and deliver public, on-street EV infrastructure. Through the LEVI Fund, Devon and Torbay CCA will be able to utilise the LEVI support body for further assistance and upskilling of EV officers.

#### Local Highway Networks

86. Unless otherwise agreed locally, all operational responsibility for highways will remain with the constituent councils. However, where practical we would expect the Devon and Torbay CCA to build on existing work towards streamlining contractual and delivery arrangements across the region. The Devon and Torbay CCA should consider how highways across the region are managed, which may include developing a single strategic asset management plan for local highways in the area, in partnership with constituent councils.

87. Devon and Torbay CCA will be able to enter into agreements with Government, other local authorities and National Highways, including to determine shared priorities for its strategic route network roads.

88. The Highway Authorities within the Devon and Torbay CCA will receive a proportion of the £2.8 billion funding to fix potholes in the South East, South West and East of England announced as part of Network North.

#### Buses

89. As the Local Transport Authority, the Devon and Torbay CCA will be responsible for:

- Bus Service Improvement Plans
- Enhanced Partnerships
- Subsidised bus services
- Concessionary fare schemes

And will, where practical, streamline engagement with bus operators and seek efficiencies in their contractual and delivery arrangements across the combined area.

90. The Devon and Torbay CCA will work with constituent councils to deliver against the existing Bus Service Improvement Plans (BSIP). Devon and Torbay CCA must work towards integrating the existing BSIPs in the area.
91. If Devon and Torbay CCA concludes that bus franchising is likely to deliver better outcomes, the Government will consider conferring franchising powers under the Transport Act 2000 to Devon and Torbay CCA where it demonstrates they have the capability and intention to deliver their chosen franchise model, and that franchising will deliver better services than their Enhanced Partnership without needlessly delaying benefits to passengers.

#### Active Travel

92. To ensure consistency in the quality and safety of schemes, Active Travel England (ATE) will provide support to ensure walking and cycling schemes are designed and delivered to high standards, including compliance with Local Transport Note 1/20 (LTN 1/20). The Devon and Torbay CCA team responsible for design and delivery of schemes will work with ATE to improve the design quality of all active travel schemes funded by Government and those that are locally funded. All cycling and walking schemes funded by Government must be approved by ATE as complying with LTN 1/20.

## Net Zero and Climate Adaptation

93. As part of its Net Zero Strategy and Net Zero Growth Plan, the government recognises that devolved administrations and local government can play an essential role in meeting national net zero ambitions. Local leaders in the Devon and Torbay area and elsewhere are well placed to engage with all parts of their communities and to understand local policy, political, social, and economic nuances relevant to climate action. This is why the devolution framework grants places the opportunity to adopt innovative local proposals to deliver action on climate change and the UK's net zero targets. As well as net zero commitments made by the constituent councils, public sector partners are working with local businesses and communities to deliver the ambitious Devon Carbon Plan and Devon, Cornwall and Isles of Scilly Adaptation Plan.
94. From the £16m capital commitment from Government, funding will be made available over the next two years to support business to invest in green business transition activity. This funding will be subject to the development of a detailed business case, but will offer Devon and Torbay's business community an opportunity to both modernise and decarbonise activity at a faster rate, improving both efficiency and supporting the UK's journey towards net zero.
95. The Local Net Zero Forum, chaired by the Department for Energy Security and Net Zero is cross-Government and brings together national and local senior officials. Through representative organisation on the forum – The Local Government Association (LGA), Association for Public Service Excellence (APSE), Core Cities and the Association of Directors of Environment, Economy, Planning and Transport (ADEPT) – Devon and Torbay will get the opportunity to discuss local net zero policy and delivery issues in the round.

### Energy system

96. The government recognises the need to increase Devon and Torbay's electricity network capacity to meet future electricity demand. Achieving net-zero and the associated growth opportunities requires investor confidence at the local level, as recognised in the Devon Carbon Plan. Government is committed to ensuring that devolved regional institutions such as combined authorities, including the Devon and Torbay CCA, have a meaningful role in planning our future energy system for net zero, alongside other local areas as appropriate.
97. The government is considering the role of local energy plans, including their role in supporting strategic network investment, working closely with Ofgem as part of its ongoing governance review into local energy institutions and its proposals on energy system planning.

### Heat networks

98. The government has confirmed its intention to establish heat network zoning in England. Under the zoning proposals, Zoning Coordinators within local government will be able to designate areas as heat network zones where heat

networks are going to be the most cost-effective way to decarbonise heating and hot water within the zone. Local authorities will have powers to require certain buildings to connect to heat networks within the zones. This will enable the Devon and Torbay CCA to assume the role of heat network Zoning Coordinator for its locality and play a key role in the delivery of heat decarbonisation infrastructure. The government is committed to have heat network zoning in place by 2025.

99. The government will support the Devon and Torbay CCA alongside other local authorities across England to take forward heat network zoning, including collaboration with the private sector on developing heat networks within zones and to help capitalise on unique local opportunities to utilise all available low carbon heat sources, including geothermal energy.

### Buildings

100. The government commits to explore the potential benefits of and design options for a place-based approach to delivering retrofit measures, as part of the government's commitment in the Net Zero Strategy to explore how we could simplify and consolidate funds which target net zero initiatives at the local level where this provides the best approach to tackling climate change.

101. This work will involve inviting the Devon and Torbay CCA to work with the government through the relevant representative organisations to consider if such an approach could accelerate the meeting of net zero goals and provide better value for money.

### Green Jobs

102. Through the Green Jobs Delivery Group, the Government is working to ensure that workers, business and local areas, including Devon and Torbay, are supported through net zero transition. Devon and Torbay CCA now has the opportunity to deliver green skills interventions at a local level through having a greater role in delivering the Adult Education Budget and the UKSPF.

103. From the £16m capital commitment from Government, funding will be made available over the next two years to support the development of green skills capacity building within the Further and higher education sector. This funding will be subject to the development of a detailed business case, but will offer education partners and employers an opportunity to fast track the development of additional green skills capacity across the area, building upon the success of the Skills Development Fund and Skills Bootcamp Programmes within the Devon and Torbay area.

### Net Zero Infrastructure

104. The UK Infrastructure Bank (The Bank) will increase infrastructure investment across the UK by partners with the private sector and local government to help tackle climate change and support regional and local economic growth. The Bank's advisory service, when launched, could offer advice and support to local actors,



including the Devon and Torbay CCA, to help deliver on their objectives, including driving investment into Net Zero Infrastructure and innovative local projects. It can also act as a convenor, bringing together local actors for collaborative projects, and where appropriate identifying where projects can be aggregated to achieve greater impacts.

105. Government will provide opportunities for Devon and Torbay to work with the South West Net Zero Hub to explore opportunities for relevant sources of funding for projects identified in their plans, noting that for fully commercial projects the Government would expect the private sector to identify project development capital in the first instance.

### Nature Recovery

106. Government will work with Devon and Torbay to ensure that local environment policies, including the relevant Local Nature Recovery Strategy and existing and potential protected landscapes, support the delivery of England's new Environmental Improvement Plan. Government recognises the ambition of Devon and Torbay to pilot innovative climate mitigation and adaptation initiatives linked to nature recovery and will consider Devon and Torbay as a test-bed geography for future policies such as new carbon codes for soils and the restoration of marine habitats.
107. Government will ensure the new environment land management schemes are implemented in line with local needs and priorities, including those of Devon and Torbay which has identified the need for more coordinated specialist business support for the farming and wider rural community to foster rural business resilience; sustainable new market opportunities; and environmental gains.
108. Government welcomes Devon and Torbay CCA's ambitions to be a leader in adapting to climate risks and in making its area more climate resilient, including through contributing to the relevant Local Nature Recovery Strategy and Environment Land Management scheme. Defra looks forward to further understanding the proposals by Devon and Torbay CCA for an adaptation programme as they develop. Government would recommend that Devon and Torbay CCA engage with the Local Authority Climate Service pilot, which is currently being established by Government and the Met Office. This will enable Devon and Torbay CCA to access climate information for its area, and help it develop a climate report summarising key results for awareness raising.
109. Government will also seek to work with Devon and Torbay CCA and wider local partners around wider forthcoming opportunities and policy development linked to nature recovery, reinforcement of local environment management and agricultural development, and the development of relevant coastal habitat opportunities and challenges. As a predominantly rural and coastal area, Government recognises that there may be opportunities for further joint working around such matters,

building upon local good practice and programmes around farm resilience, aquaculture and renewable energy policy and practice.

## Culture and Tourism

110. Devon and Torbay and a subset of DCMS Arm's Length Bodies ('ALBs'), supported by DCMS, will hold a series of exploratory conversations to explore the region's appetite and capacity for partnership working across (some or all of) culture, heritage, sport, communities and the visitor economy (as applicable). If there is agreement to undertake any partnership working, this would focus on the region's particular priorities and potential opportunities for the ALBs to help the region achieve these where they align with ALBs' own priorities for the region.
111. Insofar as appropriate this will lead to recommendations that the ALBs and/or place can act on if they wish to. This does not prejudice ALB decisions around national grant funding processes or their national priorities. ALBs will also seek to use any partnership to deliver their national priorities, which will remain paramount. The scale of each ALB's involvement in any partnership will be dependent on the specific context and degree of alignment identified between individual priorities.
112. These exploratory conversations will take place over a six month period that will start at a time agreed on by the region and relevant ALBs. DCMS will be involved in discussions as appropriate.
113. VisitEngland and Devon and Torbay will work with the accredited Local Visitor Economy Partnership for the region to help further develop the region's visitor economy. This collaborative work, across those areas set out in the Government's Tourism Recovery Plan, could include harnessing the region's potential to grow domestic and international visitor spend, and encouraging visits throughout the year rather than just during the traditional tourist season.

## Digital

114. The Government is committed to supporting Devon and Torbay's digital connectivity ambitions, including through the Wireless Infrastructure Strategy, which was published in April 2023 and sets out a strategic framework for the development, deployment and adoption of 5G and future networks.
115. As set out in the National Cyber Strategy 2022, the Government is committed to strengthening the capability of local authorities such as Devon and Torbay CCA to buy and use connected places technology securely. In May 2021, the National Cyber Security Centre published the Connected Places Cyber Security Principles, a foundational step in supporting the cyber security of the UK's connected places. Since then, the Government has continued to develop its support of local authorities deploying and managing connected places technologies and in 2022 the Department for Science, Innovation and Technology (DSIT) published the Secure Connected Places Playbook. The Playbook was designed in collaboration with local authorities and helps them to get their cyber security foundations right whilst setting a strong cyber security culture. The Government hopes to continue to work with local authorities such as Devon and Torbay CCA to support the secure and sustainable adoption of connected places technologies. Bolstering the UK's Cyber Ecosystems remains a high priority for the Government.
116. The Government recognises that high quality digital connectivity is crucial for future economic growth and productivity in the region. The private sector will continue to lead on the rollout of broadband and mobile infrastructure, with DSIT supporting delivery in less commercially viable areas. The Government is committed to achieving nationwide coverage of gigabit capable broadband by 2030 and to ensuring that rural and coastal areas are not left behind including in Devon and Torbay. Procurements covering Devon and Torbay launched in 2023, and regular Project Gigabit programme updates will be provided demonstrating progress in delivering for communities across the area.

## **Innovation, Trade and Investment**

117. The government is committed to supporting places to realise their entrepreneurial and innovation potential, underpinned by ambitious measures set out in the Levelling Up White Paper.
118. The Department for Business and Trade (DBT) will work closely with devolution deal areas, including Devon and Torbay, to make it easier for businesses to access the information, advice and support they need, drawing on DBT's global and sector offer.
119. The Department for Science, Innovation and Technology and UK Research and Innovation (UKRI) will work with Devon and Torbay to explore opportunities for closer long-term collaboration in strengthening their local research and innovation capacity. Devon and Torbay have identified the area's key priority is to explore opportunities to support regional research and innovation strengths in the environmental intelligence and clean marine sectors.

## Sector Development

120. Devon and Torbay benefits from a range of significant sector opportunities with the potential to transform its local economy. Working in close collaboration with Government, the area's local authorities, businesses, universities and colleges, and wider public and private sector partners have been successful over the past decade in securing substantive new investment and creating a range of additional high value jobs.

121. The Government and partners within Devon and Torbay recognise the importance of sustaining this approach through new arrangements, with the transition from the Local Enterprise Partnership offering an opportunity to continue to work closely with the business community, universities and colleges, and wider partners around accelerating the area's ambitions for its most promising sector opportunities. As such, Government and the Devon and Torbay CCA will seek to maximise the impact of the area's core sectors through:

- Continuing to align activity around the area's High Growth Opportunities. This includes around the area's emerging offer within the Marine sector, building upon the potential of the area's concentration of marine manufacturing in Northern Devon, specialist innovation assets and the potential of the Plymouth and South Devon Freeport; and the photonics sector within Torbay and Southern Devon, with over 100 companies coming together to support wider manufacturing, defence and digital supply chains.
- Seeking to maximise opportunities linked to Floating Offshore Wind development in the Celtic Sea off the Northern Devon Coast, as well as the area's wider expertise in Environmental Intelligence and Environmental Technologies.
- Ensuring that opportunities within the area's Advanced Engineering and Manufacturing sector, notably around Smart Aviation and defence, are fully realised, with an emphasis on clean mobility, digital systems and AI integration, and new materials and fuels innovation.
- Working closely with the Department for Environment, Food and Rural Affairs around the agritech and fishing sectors, a vital foundation of the local economy, but also areas of growing expertise around regenerative farming, net zero land management and aquaculture.
- Exploring the potential of the small but nationally significant health and life sciences cluster with Northern Devon, including placing a greater focus upon its pharmaceutical manufacture and research capacity.

122. From the £16m capital commitment from Government, funding will be made available over the next two years to enable the development of crucial coastal and marine energy infrastructure to allow for the transition to low carbon shipping. This will seek to complement existing investments planned through the Levelling Up

Funding in Northern Devon and Torbay, seeking to support innovation and investment across a crucial growth sector for the area.

## Public Service Reform

123. The government supports the Devon and Torbay area in its ambition for public service reform, including a focus on creating safe, healthy, resilient communities. The government commits to working with the region and partners to explore initiatives to improve delivery of public services, such as how best to support residents with multiple complex needs. Where appropriate, and as part of its levelling up agenda, the government will also consider devolving further powers to the Devon and Torbay CCA to support public service reform, in relation to the statutory duties held by its constituent councils.
124. Good quality data is essential for understanding local need and the place-specific issues affecting people in an area. As set out in the Levelling Up White Paper and the Government Statistical Service's Subnational Data Strategy, the government is working to improve the dissemination of subnational statistics to empower local decision makers, including in Devon and Torbay to use data-led evidence to respond to local priorities.
125. The Devon and Torbay CCA will work with the government to understand the existing barriers to data sharing and better use of data in their area, and explore where improvements to the quality of, or access to, data could support them in achieving Devon and Torbay's local ambitions. As part of this, the Spatial Data Unit (SDU) will work with the CCA to help support data capability, including in data science, and will engage with the CCA to further understand its needs and priorities.
126. The Government, Devon and Torbay recognise that certain proposals in this deal will have an impact beyond Devon and Torbay. Devon and Torbay will work with the relevant public bodies and other partners in Southwest England to support the effective implementation of these proposals and to promote opportunities for regional co-operation and collaboration where appropriate.



## **Resilience and Public Safety**

127. In line with the commitment set out in paragraph 18, the Devon and Torbay CCA, in partnership with Government, will ensure that the Devon and Cornwall Police and Crime Commissioner (PCC) is invited to attend and participate in CCA meetings as an associate, or non-constituent member.
128. The Devon and Torbay CCA will work with Devon and Somerset Fire and Rescue Authority (FRA) to agree an appropriate arrangement to ensure close collaboration and productive joint working on public safety between the CCA and FRA.
129. The UK Government will work to significantly strengthen Local Resilience Forums by 2030, as described in the UK Government Resilience Framework. This will include considering a clear role for Devon and Torbay in local resilience and civil contingency planning, preparation, and delivery, in support of whole society resilience.
130. This is subject to the conclusion and full consideration of the Stronger Local Resilience Forums pilot programme in 2025/26, and Devon and Torbay having a strong working relationship with the Devon, Cornwall and Isles of Scilly Local Resilience Forum.

## **Devon and Torbay's Commitments Underpinning the Deal**

131. The constituent councils will work with the Government to develop a full implementation plan, covering each policy agreed in this deal, to be completed ahead of implementation. This plan must be approved by the Government prior to delivery. Any issues of concern with the subsequent delivery of this deal will be escalated to ministers and leaders to resolve, in keeping with the letter and spirit of devolution.
132. As part of the implementation of the deal, the Devon and Torbay CCA and Government will agree a process to manage local financial risk relating to the deal provisions.
133. Prior to the implementation of the deal, Government will work with the Devon and Torbay CCA to give the public and stakeholders – including Parliament – a clear understanding of: the powers and funding that are being devolved to the CCA, where accountability sits as a result of this deal; and how decisions are made.
134. The Devon and Torbay CCA and its members will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.

Report to: **Council**

Date: **21 March 2024**

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

Portfolio Area: **Finance – Cllr Brazil**

Wards Affected: **All**

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

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

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

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## **RECOMMENDATIONS:**

**That the Council:**

- 1. approves the following strategies for 2024-25:**
  - i. Capital Strategy (as attached at Appendix A);**
  - ii. Treasury Management Strategy (as attached at Appendix B);**
  - iii. Investment Strategy (as attached at Appendix C)**
- 2. grants delegated authority to the Section 151 Officer, in consultation with the Leader of the Council, to make any minor amendments to these Strategies, if required, throughout the 2024/25 Financial Year.**

### **1. Executive summary**

- 1.1 This report recommends to Council approval of the proposed Capital Strategy, Investment Strategy and Treasury Management for 2024/25, together with their associated prudential indicators. It is a legal requirement to publish these strategies by 31 March 2024.

- 1.2 Revised reporting is required since the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes included the introduction of a capital strategy, to provide a longer-term focus to the capital plans and greater reporting requirements surrounding any commercial activity undertaken.
- 1.3 The current guidance for a Council's level of borrowing is the Prudential Code (2021) and "proper practice" must be adhered to. The following extracts from the Code summarise the Code's approach to level of borrowing (self-regulating) and the governance that should apply.

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

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

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

**Capital Strategy** - As from 2019/20, all local authorities are required to prepare an additional Capital Strategy report. The Capital Strategy for 2024/25 is attached in Appendix A.

In 4.3, the Capital Financing Requirement, the measure of the Council's potential underlying need to borrow for the capital programme, has been projected to be £19.5 million for 2024/25. This includes borrowing for leisure, an investment property in Dartmouth, waste, Housing, Batson Creek (Salcombe) commercial units and Batson Creek (Salcombe) Harbour Depot and Dartmouth Health and Wellbeing Hub.

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

**Treasury Management Strategy** - Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

- 1.4 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout all three of the Strategies presented for approval.
- 1.5 The three strategies were considered and scrutinised by the Audit and Governance Committee at their meeting on 21 March 2024. A verbal update will be provided at the Council meeting on the Audit and Governance Committee's meeting in the morning of the 21 March.

## **2. Outcomes/outputs**

- 2.1 In light of the recent raise in interest rates, the budget for investment income has increased for 2024/25 and has been set at £1.6m.
- 2.2 External treasury management training (by Link Group) was arranged for all Members in December 2023 to ensure Members have up to date skills to continue to make capital and treasury management decisions.

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

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

## **4. Proposed Way Forward**

- 4.1 That Council approves the Capital Strategy (Appendix A), Treasury Management Strategy (Appendix B) and Investment Strategy (Appendix C) for 2024/25.

## 5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The elements set out in paragraph 2 cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.</p> <p>It is within the Terms of Reference of the Audit and Governance Committee to receive regular reports on the treasury management function.</p> <p>It is within the Terms of Reference of the Executive to receive regular monitoring reports on the Council's Capital Programme and Capital Plans.</p> <p>It is within the Terms of Reference of the Council to annually approve the Capital Strategy, Treasury Management Strategy and Investment Strategy.</p>
Financial implications to include reference to value for money	Y	<p>Good financial management and administration underpins the entire treasury management strategy. The budget for investment income for 2024/25 has been set at £1.6m.</p>
Risk	Y	<p>The security risk is the risk of failure of a counterparty. The liquidity risk is that there are liquidity constraints that affect the interest rate performance. The yield risk is regarding the volatility of interest rates/inflation. The Council produces an Annual Capital Strategy, Investment Strategy and Treasury Management Strategy in accordance with CIPFA guidelines.</p> <p>The Council engages a Treasury Management advisor and a prudent view is always taken regarding future interest rate movements. Investment interest income is reported quarterly to SLT and the Executive as part of budget monitoring reports.</p>

Supporting Corporate Strategy		The treasury management function supports all of the thematic delivery plans within the 'Better Lives for All' strategy.
Climate Change - Carbon / Biodiversity Impact		The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.  Further detail is set out in the Council's 'Better Lives for All' strategy.
<i>Comprehensive Impact Assessment Implications</i>		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

### **Supporting Information**

#### **Appendices:**

Appendix A – Capital Strategy 2024/25

Appendix B – Treasury Management 2024/25

Appendix C – Investment Strategy 2024/25

#### **Background Papers:**

None

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## APPENDIX A

### Capital Strategy 2024/25

#### 1 Introduction

1.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

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

#### 2 Capital Expenditure and Financing

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

2.2 As at the end of January 2024, the Council has incurred capital expenditure of £8.29 million and will incur further capital expenditure by the end of March 2024. The Council's capital expenditure is summarised below:

<b>Capital expenditure</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Services	9,379,000	11,190,000	7,556,000	4,858,000	1,912,000
<b>Total</b>	<b>9,379,000</b>	<b>11,190,000</b>	<b>7,556,000</b>	<b>4,858,000</b>	<b>1,912,000</b>

## **Housing projects**

- 2.3** Full Council approved the recommendations made on 25<sup>th</sup> November 2021 relating to the St Ann's Chapel Housing Project. £4.2million was approved to deliver 8 affordable homes, 3 open market units and 2 serviced plots. Completion is expected in 2024.
- 2.4** A scheme has been agreed to 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.
- 2.5** Better Car Funding is awarded annually by Government to effectively deliver schemes to support independent living (Disabled Facilities Grants) by increasing awareness of funding availability. The Better Care funding is passported from DCC to SHDC to administer the scheme.
- 2.6** A scheme to conduct targeted activity to ensure maximum uptake of Home Upgrade Grants facilitated by the Council has also been included in the Capital Programme. The plan is to retrofit 55 properties.
- 2.7** S106 Affordable Housing contributions will be used for the delivery of a new temporary accommodation unit in Kingsbridge.

## **Climate & Biodiversity**

- 2.8** Funds from capital receipts will be used to purchase land to support the planting of trees with contributions from Plymouth and South Devon Community Forest funding.
- 2.9** UK Shared Prosperity funding (UKSPF) will be used to explore the feasibility of a pilot e-bike hub scheme consisting of 10 hubs with 70 bikes in total, spread over the hubs. The success of the scheme will be reviewed and plans developed for incremental roll out across the District.

## **Plymouth and South Devon Freeport**

- 2.10** Council has also approved future borrowing of up to £5.5million for the Plymouth and South Devon Freeport (Council report 30<sup>th</sup> 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.

## **Regeneration and Investment Strategy**

- 2.11** The Council has approved a Regeneration and Investment Strategy (Minute Reference CM 75/21, Council 31/3/2022). To date, Investment Properties have a value of £16.89 million in aggregate as at 31 March 2023.

## **Overall Borrowing Limit**

- 2.12** In September 2019, Council approved an overall Borrowing Limit (for all Council Services) of £40 million. As at the end of January 2024, the Council's current level of external borrowing is £13.8m.
- 2.13** Local Authorities are required to submit a summary of their planned capital spending and PWLB borrowing for the following three years. This is updated on at least an annual basis. PWLB borrowing is permitted in the future for the four categories of regeneration, service delivery, housing and refinancing.

## **Governance**

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

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

<b>Financing of capital expenditure</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
<b>Capital Expenditure</b>	<b>9,379,000</b>	<b>11,190,000</b>	<b>7,556,000</b>	<b>4,858,000</b>	<b>1,912,000</b>
<b>Financed by:</b>					
External sources (Capital grants, NHB, S106)	2,596,000	5,484,000	5,109,000	1,918,000	306,000
Own resources (Capital receipts, Earmarked reserves)	1,312,000	2,739,000	1,938,000	440,000	106,000
<b>Net financing need for the year</b> (This is the prudential borrowing required)	<b>5,471,000</b>	<b>2,967,000</b>	<b>509,000</b>	<b>2,500,000</b>	<b>1,500,000</b>

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

<b>Replacement of debt finance</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
MRP	487,000	489,000	606,000	609,000	761,000
Use of capital receipts	0	0	*1,400,000	0	0

*\*Capital receipts generated from the sale of houses (St Ann's Chapel housing scheme)*

### **3 Treasury Management**

- 3.1** Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.
- 3.2** The Council is typically more cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 3.3** As at 31 January 2024, the Council had external borrowing of £13.851 million.
- 3.4** As at 30 September 2023, the Council held £38.032m of Investments.

### **4 Borrowing Strategy**

- 4.1** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future.
- 4.2** These objectives are often conflicting, and the Council therefore will seek to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 4.3** Projected levels of the Council's total outstanding debt which comprises borrowing is shown below, compared with the capital financing requirement.

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Debt at 31 March	14,284,000	13,825,000	13,364,000	16,900,000	16,433,000
Capital Financing Requirement	18,520,000	20,998,000	19,501,000	21,393,000	22,132,000

- 4.4** The Capital Financing Requirement is the measure of the Council's underlying need to borrow for the capital programme. This has been projected to be £19.5 million for 2024/25. This includes borrowing for leisure, an investment property in Dartmouth, waste, housing, Batson Creek (Salcombe) commercial units, Batson Creek (Salcombe) Harbour Depot and Dartmouth Health and Wellbeing Hub.

## **5 Investment Strategy**

- 5.1** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 5.2** The Council's policy on treasury investments is to prioritise security and liquidity over yield, i.e. to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss.
- 5.3** Money that will be held for longer terms is invested more widely including in collective investment schemes (pooled funds whose underlying assets are company shares, bonds, property etc.). Examples of which are the CCLA Local Authorities' Property Fund and the CCLA Diversified Income Fund in which the Council is invested to balance the risk of loss against the risk of receiving returns below inflation.
- 5.4** Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.
- 5.5** Further details on treasury investments can be found in the treasury management strategy (Appendix B).

### **Governance**

- 5.6** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Corporate Director for Strategic Finance (S151 Officer) and finance staff (where appropriate), who must act in line with the treasury management strategy approved by Council.
- 5.7** Semi-annual reports on treasury management activity are presented to the Audit and Governance Committee which is responsible for scrutinising treasury management decisions.

## **6 Investments for Service Purposes**

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

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

- 7.1** The Council accepts there is a higher risk on property investments than with treasury investments. Financial risk will be weighed up against social and economic benefits of the investment. The principal risk exposures include variances resulting in a disruption or fall in income streams, fall in capital value which is either site-specific or due to general market conditions, deterioration in the credit quality of the tenant.
- 7.2** The Council assesses the risk of loss before entering into and whilst holding property investments/property opportunities by carrying out appropriate due diligence checks and implementing mitigation measures in managing risk:
- The tenants need to be of good financial standing (this is assessed using Dun & Bradstreet credit rating reports and annual accounts). The number of tenants e.g. sole tenant or multi tenanted will be assessed.
  - The property condition such as date of construction and any imminent or significant refurbishment or modernisation requirements (forecast capital expenditure).
  - How the property investment, financial or non-specified investment meets the Council's multiple objectives as set out in the Council's strategy.
  - The lease must meet certain standards, such as being in a commercial popular location and have a number of years left on the lease providing a certain and contractually secure rental income stream into the future. Any break clauses will be assessed along with the number of unexpired years, bank guarantees and rent reviews.
  - The location will be within the South Hams District Council's boundary as set out in the Investment Strategy. The population of the catchment area, the economic vibrancy and known or anticipated market demand as well as proximity to travel infrastructure and other similar properties will be assessed.

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



- The Council undertakes sensitivity analysis of the interest repayments on its borrowing requirements as a percentage of its available reserves to ensure there is sufficient coverage in the event that rental income is below that forecasted. This ensures that the Council has the available reserves to enable service delivery to be maintained in the short to medium term, whilst alternative solutions are implemented.

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

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

### **Governance**

**7.4** Acquisitions must conform to the adopted Regeneration and Investment Strategy. Any deviation from the agreed Strategy will require Council approval.

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

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

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

**7.8** Executive Members will consider debt proportionality (the amount borrowed to date against the net service expenditure ratio) on a case by case basis for each acquisition as part of the decision making process, with information provided to them as well as the S151 officer, the Head of Paid Service and the Leader of the Council. Investment indicators are set out within the Council's Treasury Management Strategy.

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

### **Regeneration and Investment Strategy**

- 7.12** The Council has approved a Regeneration and Investment Strategy (Minute Reference CM 75/21, Council 31/3/2022). To date, Investment Properties have a value of £16.89 million in aggregate as at 31 March 2023.

### **Debt Proportionality**

- 7.13** The investment strategy considers the risks of investment and the Council engaged Treasury Management advisors to analyse the level of debt proportionality to the Council's finances (e.g. levels of reserves, asset base and level of interest costs as a percentage of income).
- 7.14** Investment Property acquisitions expand the Council's balance sheet and interest costs will form a higher percentage of locally derived income. It would absorb some reserves if there are shortfalls in or disruption to the income stream required to meet the additional expenditure.
- 7.15** Sensitivity analysis on the level of debt interest against the Council's level of reserves is considered as part of the Medium Term Financial Strategy and as part of the budget proposals each year. This ensures that the Council has the available reserves to enable service delivery to be maintained in the short to medium term, whilst alternative solutions are implemented.
- 7.16** In order that property investments remain proportionate to the size of the Council, borrowing for the Investment Strategy is subject to an overall limit (for all Council services) of £50 million.
- 7.17** The Council set an upper limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £50 million. Interest payments at 2.5% (current borrowing) and 5% (borrowing headroom) would equate to 19.9% of available reserves (Appendix G to the Budget Proposals report for 2024/25 – Council 15th February 2024).

## Liquidity

- 7.18** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council will spread its liquidity profile across its portfolio and also have a spread of the sector in which the Council invests. The Council also documents potential exit strategies as part of its due diligence checks.
- 7.19** Liquidity will be a factor in determining the amount of rent set aside in the Maintenance Management and Risk Mitigation Reserve for each investment which has a balance of £124,000 as at 31 March 2024. This will be reviewed with the same frequency as the risk reporting procedure set out in the Council's Commercial Investment Strategy.

## **8 Asset Management**

- 8.1** To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place.
- 8.2** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.
- 8.3** Repayments of capital grants, loans to third parties for capital expenditure and investments also generate capital receipts.
- 8.4** The Council estimates to receive £200,000 capital receipts in the coming financial year as follows:

<b>Capital Receipts</b>	<b>2022/23 actual</b>	<b>2023/24 forecast</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>
Asset sales	150,000	200,000	1,400,000	200,000	200,000
Loans repaid	0	0	*(1,400,000)	0	0
<b>TOTAL</b>	<b>150,000</b>	<b>200,000</b>	<b>0</b>	<b>200,000</b>	<b>200,000</b>

*\*Capital receipts generated from the sale of houses (St Ann's Chapel housing scheme)*

## 9 Liabilities

### **Governance**

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

## 10 Revenue Budget Implications

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

*Proportion of financing costs to net revenue stream*

	<b>2022/23 actual</b>	<b>2023/24 forecast</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>
Financing costs	(296,783)	(1,046,498)	(649,071)	(131,729)	(28,718)
Proportion of net revenue stream	(2.8%)	(8.9%)	(4.9%)	(1.0%)	(0.2%)

The financing costs are a net income stream due the level of projected treasury management income.

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

### **Sustainability**

- 10.3 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future.
- 10.4 The Corporate Director of Strategic Finance (S151 Officer) is satisfied that the proposed capital programme is prudent, affordable and sustainable and it is fully integrated with the Council's 2024/25 Medium Term Financial Strategy, Treasury Management Strategy and Investment Strategy and other strategic plans. The Capital Strategy is compiled in line with the requirements of the

2021 CIPFA Prudential Code and 2021 Treasury Management Code. The risks associated with the Investment Strategy are covered within the Strategy.

- 10.5** The delivery of the individual capital schemes on the plan is directly linked to the original approval of the capital project supported by each project having a project lead who is responsible for the delivery of the project (appropriate skills, contracting, planning etc.) and the subsequent achievement of the objectives of that project.
- 10.6** Members, via the Executive meetings, receive quarterly budget monitoring reports on the Council's Capital Programme as well as quarterly integrated performance management reports. Through these updates, which are driven by the requirement of financial reporting, Members can review and challenge the delivery of projects and any changes to both the timing and expenditure of the capital project.
- 10.7** If subsequent to the capital project being completed there are variations to the income expected to be generated from that asset, this will be reported as a variance in the quarterly budget monitoring reporting and if ongoing will be included in the following year's revenue budget proposals.
- 10.8** The Council's Senior Leadership Team has oversight for the delivery of and challenge to the Capital Strategy and Capital Programme.

#### **Affordability**

- 10.9** Affordability is critical in applying the capital strategy and approving projects for inclusion in the capital programme. This is either demonstrated by a report on the project being presented to Executive/Council for approval supported by a business case identifying the expenditure and funding, appraisal of alternative options and the risks and rewards for the approval of the scheme, or by delegated procedures set out within the commercial investment strategy (containing this information).
- 10.10** All projects need to have a clear funding source. If external funding such as an external grant is to be used, there needs to be a clear funding commitment.
- 10.11** Affordability of each project needs to be clear, not only for the funding of the capital spend, but also to cover any ongoing costs of the operation and funding of that capital spend.
- 10.12** Where borrowing is to be used the affordability is of greater importance and the affordability has to include the interest costs of that borrowing and the provision for the repayment of the borrowing (MRP). This repayment is matched to a prudent asset life and any income streams estimated to fund this asset must be sustainable. The rules around the governance of this borrowing are outlined in the Prudential Code (as summarised above).
- 10.13** At no stage should the asset value be lower than the value of outstanding debt unless there is a clear plan to mitigate that shortfall or to sell that asset.

## **Risks**

- 10.14** The risks associated with a significant Capital Programme and a significant level of borrowing can be mitigated through all capital projects being supported by a business case, having adequate project management and/or project boards, suitable skills for the delivery of the project, tax planning, cash flow, clear operational plan for the use of the asset, security and due diligence on loans and purchases, use of external advice where appropriate, project contingencies, full tender process and regular and transparent reporting to Members.
- 10.15** There are clear links from the capital strategy to both the treasury management strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by Members at the Audit and Governance Committee and Council. For any new borrowing, and this is a greater risk as the value of borrowing increases, this does increase the Council's overall liabilities that will need to be repaid in the future.
- 10.16** In addition, this increases the Council's level of fixed interest and repayment costs that it will incur each year. In 2024/25 the borrowing liability is estimated at a maximum of £13.4m with ongoing financing costs of the borrowing of approx. £0.965m. This is a clear risk that all Members need to be aware of.
- 10.17** However, this risk for assets is mitigated by a robust business case and a MRP that will repay the borrowing costs over a (prudent) asset life. Any variations from this are set out in the MRP Policy (section 2.5 of the Treasury Management Strategy). Any variation in expected income is an issue, however given the wide range of operational assets and different income streams this helps to mitigate this risk.
- 10.18** As outlined above in the position statement, investment properties have a different type and level of risk. Risk arises from both variations in income streams (tenant non-renewal etc.) and from asset values (impact economic conditions and retail trends etc.). The Council has established a clear strategy, criteria and a governance route for these purchases which has included member training, second opinion on asset values, due diligence, site visits, surveys etc. The Council currently owns one investment property in Dartmouth.
- 10.19** There are risks (and rewards) associated with the purchase of these type of assets.

## **11 Knowledge and Skills**

- 11.1** The Council employs professionally qualified and experienced staff in senior positions with responsibility for recommending capital expenditure, borrowing and investment decisions to Members.
- 11.2** The Director of Place & Enterprise is a Chartered Civic Engineer with 20 years of experience. In addition, the Director of Place & Enterprise holds a MSc in Construction Law.
- 11.3** The Corporate Director of Strategic Finance (S.151 Officer) is a Chartered Accountant (ICAEW) with 20 years of experience of being a S151 Officer (Chief Finance Officer). In addition, the Corporate Director for Strategic Finance holds a BSc in Mathematics and has previously worked in the private sector for accountancy firms.
- 11.4** The Principal Estates Specialist is a Chartered Surveyor, with over 15 years post qualification experience.
- 11.5** The Monitoring Officer is a qualified solicitor with over 20 years public sector experience as a Monitoring Officer.
- 11.6** Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The appropriate expertise is always resourced in relation to any financial, legal and asset related due diligence required. The Council tendered its Treasury Management services for a three year contract term starting from 1<sup>st</sup> April 2024. The successful tender was Link Asset Services. A list is below of advisers that the Council has used in the past:-
- Link Group – Treasury Management Advice
  - Savills – Property Agents
  - Womble Bond Dickinson - Solicitors
- 11.7** This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 11.8** External treasury management training (by Link Group) for Members will be carried out every two years to ensure the up to date skills are in place to make capital and treasury management decisions. Training was completed in December 2023.

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# Treasury Management Strategy Statement 2024/25

## **1. Introduction**

### **1.1 Background**

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

*“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

## 1.2 Reporting Requirements

### Capital Strategy

- 1.2.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
  - an overview of how the associated risk is managed
  - the implications for future financial sustainability
- 1.2.2 The aim of this capital strategy is to ensure that all elected Members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 1.2.3 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:
- The corporate governance arrangements for these types of activities;
  - Any service objectives relating to the investments;
  - The expected income, costs and resulting contribution;
  - The debt related to the activity and the associated interest costs;
  - The payback period (MRP policy – Minimum Revenue Provision);
  - For non-loan type investments, the cost against the current market value;
  - The risks associated with each activity.
- 1.2.4 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.
- 1.2.5 The Capital Strategy sets out details of the Council's Investment Strategy, which included multiple objectives: (a) to support regeneration and the economic activity of the Council (b) to enhance economic benefit (c) to grow business rate income (d) to assist with the financial sustainability of the Council as an ancillary benefit and (e) to help continue deliver and/or improve frontline services in keeping with its adopted strategy and objectives.
- 1.2.6 If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.
- 1.2.7 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

## **Treasury Management Reporting**

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

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

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

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

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

## **Scrutiny**

1.2.9 The above reports are required to be adequately scrutinised before being approved by Council. Periodic Treasury Management reports are reported to the Audit and Governance Committee for this purpose. Prior to the annual strategies being recommended to Council on 21<sup>st</sup> March 2024, the strategies are presented to the Council's Audit and Governance Committee on 21<sup>st</sup> March 2024 for scrutiny.

## **Quarterly reports**

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

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

1.3.1 The strategy for 2024/25 covers two main areas:

#### **Capital issues**

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

#### **Treasury management issues**

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

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

### **1.4 Training**

1.4.1 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny.

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

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

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).

- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

1.4.4 In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’ which is available from the CIPFA website to download.

1.4.5 Training was undertaken by Members on 4 December 2023 and further training will be arranged on an annual basis.

1.4.6 The training needs of treasury management officers are periodically reviewed

## **1.5 Treasury Management advisors**

1.5.1 The Council tendered its Treasury Management services for a three year contract term starting from 1<sup>st</sup> April 2024. The successful tender was Link Asset Services.

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

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

1.5.4 The scope of investments within the Council’s operations now includes both conventional treasury investments (the placing of residual cash from the Council’s functions), and other types of investment, such as investment properties. The Council currently has two investment properties in Dartmouth and Iybridge (Lee Mill). The Council’s negotiating team includes the Strategic Director of Place and Enterprise and the S.151 Officer, who are both members of the Senior Leadership Team. Both Officers are aware of the core principles of the prudential framework and of the regulatory regime within which Local Authorities operate. The S.151 Officer has attended specific treasury management training courses around the new DLUHC Guidelines on investments and the accounting treatment.

1.5.5 Investments require specialist advisors and the appropriate expertise is always resourced in relation to these activities. The specialist advisors that have been used in the past include:

- Link Group – Treasury Management Advice
- Savills – Property Agents
- Womble Bond Dickinson – Solicitors

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

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

### **2.2 Capital Expenditure**

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

<b>Capital expenditure</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Services	9,379,000	11,190,000	7,556,000	4,858,000	1,912,000
<b>Total</b>	<b>9,379,000</b>	<b>11,190,000</b>	<b>7,556,000</b>	<b>4,858,000</b>	<b>1,912,000</b>

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

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

<b>Financing of capital expenditure</b>	<b>2022/23 Actual</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
<b>Capital Expenditure</b>	<b>9,379,000</b>	<b>11,190,000</b>	<b>7,556,000</b>	<b>4,858,000</b>	<b>1,912,000</b>
<b>Financed by:</b>					
External sources (Capital grants, NHB, S106)	2,596,000	5,484,000	5,109,000	1,918,000	306,000
Own resources (Capital receipts, Earmarked reserves)	1,312,000	2,739,000	1,938,000	440,000	106,000
<b>Net financing need for the year</b> (This is the prudential borrowing requirement)	<b>5,471,000</b>	<b>2,967,000</b>	<b>509,000</b>	<b>2,500,000</b>	<b>1,500,000</b>

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

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

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
<b>Capital Financing Requirement</b>					
CFR – services	13,659,000	16,185,000	14,737,000	16,680,000	17,470,000
CFR - Non-financial investments	4,861,000	4,813,000	4,764,000	4,713,000	4,662,000
<b>Total CFR</b>	<b>18,520,000</b>	<b>20,998,000</b>	<b>19,501,000</b>	<b>21,393,000</b>	<b>22,132,000</b>
<b>Movement in CFR</b>	<b>4,984,000</b>	<b>2,478,000</b>	<b>(1,497,000)</b>	<b>1,892,000</b>	<b>739,000</b>

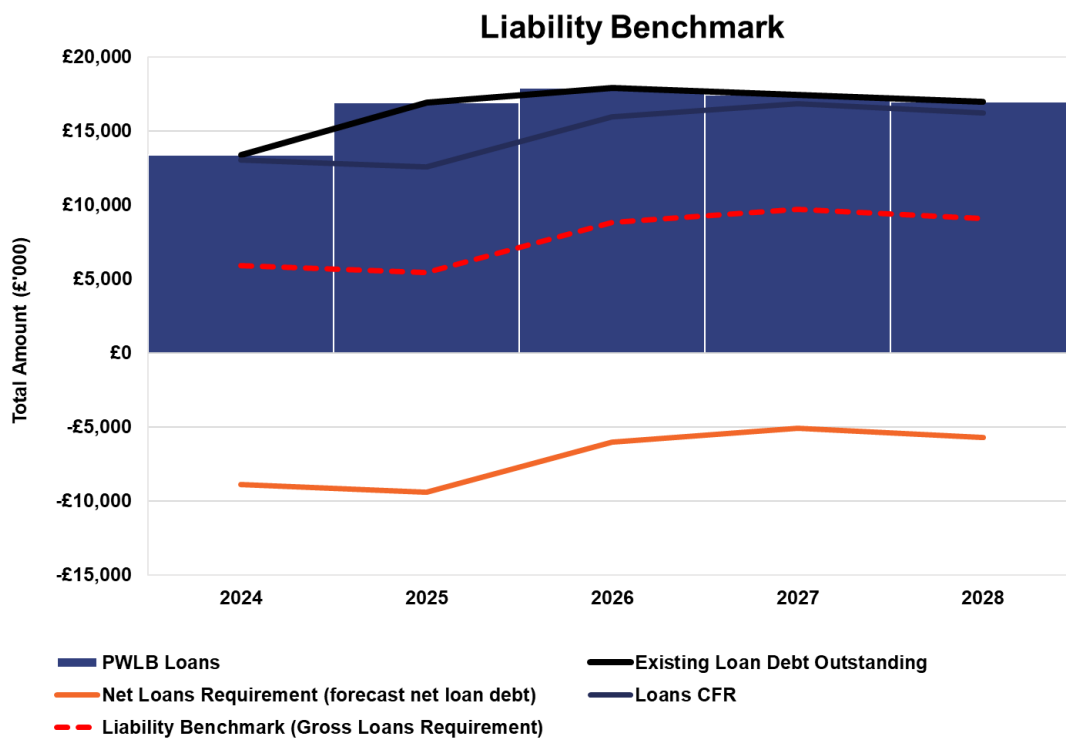
<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	5,471,000	2,967,000	509,000	2,500,000	1,500,000
Less MRP/VRP and other financing movements	(487,000)	(489,000)	(2,006,000)	(608,000)	(761,000)
<b>Movement in CFR</b>	<b>4,984,000</b>	<b>2,478,000</b>	<b>(1,497,000)</b>	<b>1,892,000</b>	<b>739,000</b>

## 2.4 Liability Benchmark

2.4.1 A third The Council is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

2.4.2 There are four components to the LB: -

- **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
- **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.



2.4.3 Borrowing is currently above the liability benchmark which will be utilised when future capital schemes in the Capital Strategy are delivered.



## 2.5 Core Funds and Expected Investment Balances

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

<b>Year End Resources</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Fund balances / reserves	17,537,000	17,225,000	17,090,000	16,090,000	15,090,000
Capital receipts	2,920,000	2,709,000	2,109,000	2,424,000	2,739,000
Provisions	1,494,000	1,500,000	1,500,000	1,500,000	1,500,000
Other	4,366,000	500,000	500,000	500,000	500,000
<b>Total core funds</b>	<b>26,317,000</b>	<b>21,934,000</b>	<b>21,199,000</b>	<b>20,514,000</b>	<b>19,829,000</b>
Working capital*	12,655,000	16,000,000	16,000,000	14,000,000	14,000,000
(Under)/over borrowing	(4,236,000)	(7,173,000)	(6,137,000)	(4,493,000)	(5,699,000)
<b>Expected cash position</b>	<b>8,419,000</b>	<b>8,827,000</b>	<b>9,863,000</b>	<b>9,507,000</b>	<b>8,301,000</b>

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

## 2.6 Minimum Revenue Provision (MRP) Policy Statement

2.6.1 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP). **The MRP is the capital repayment of any borrowing.**

2.6.2 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

2.6.3 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR.

2.6.4 This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

- 2.6.5 From 1 April 2008 for all unsupported borrowing the MRP policy will be:
- **Asset life (equal instalment) method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
  - **Asset life (annuity) method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
- 2.6.6 These options provide for a reduction in the borrowing need over the asset's life.
- 2.6.7 The asset life methods are simple to operate and gives certainty in each year as to the level of charge applied. The other advantage is that they make business cases and scheme appraisals easier to compile. The annuity method is intended to have the advantage of linking MRP to the flow of benefits from an asset where these are expected to increase in later years. The annuity method gives rise to a lower charge in the early years, which steadily increases over the asset life. This approach means that the MRP for repayment of the debt liability will increase each year over the life of the asset, as the proportion of the interest calculated each year reduces and the principal repayment increases.
- 2.6.8 With all options, MRP should normally commence in the financial year following the one in which expenditure was incurred. Regulation 28 does not define 'prudent'.
- 2.6.9 However, MRP guidance has been issued, which makes recommendations to Councils on the interpretation of that term. Councils are legally obliged to 'have regard' to the guidance. The Council's policy will be that MRP will not normally commence until the start of the financial year following the one in which the expenditure was incurred and the asset became operational. The Council will postpone making MRP until the financial year following the one in which the asset becomes operational.
- 2.6.10 **MRP Overpayments** - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP). VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2022 the Council had no VRP overpayments.
- 2.6.11 **Housing projects** – For the Council's housing programme, some of the assets to be developed will be sold within a short timeframe after they have been built. The Council's MRP policy for these housing assets will be that capital receipts generated on the sale of assets will be set aside and used to reduce the Council's CFR and also the amount that would otherwise be chargeable as MRP in that period. The Council will also defer the provision of MRP that would otherwise be chargeable in a period, in anticipation of capital receipts arising from future sales which have yet to be materialised. If the capital receipts from the sale of assets were insufficient to provide for the CFR relating to the scheme, the Council would commence MRP to recover any sums that were not covered by future capital receipts.

### 3. Borrowing

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

#### 3.2 Current Portfolio Position

3.2.1 The overall treasury management portfolio as at 31 March 2031 and for the position as at 31 January 2024 are shown below for both borrowing and investments.

Treasury Portfolio	31 March 2023 Actual		31 January 2024 Current	
Treasury Investments:				
Short term – fixed	17,900,000	4.24%	22,000,000	5.10%
Money Market Funds	14,200,000	3.99%	13,000,000	4.98%
Heritable Bank	11,000		11,000	
CCLA – Local Authority Property Fund	1,313,000	4.26%	1,286,000	4.94%
CCLA – Diversified Income Fund	1,312,000	3.02%	1,915,000	3.25%
<b>Total treasury investments</b>	<b>34,736,000</b>		<b>38,212,000*</b>	
Treasury External Borrowing				
PWLB (average rate)	14,284,000	2.49%	13,851,000	2.49%
<b>Total external borrowing</b>	<b>14,284,000</b>		<b>13,851,000</b>	
<b>Net treasury investments / (borrowing)</b>	<b>20,452,000</b>		<b>24,361,000</b>	

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

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

Asset	Year Purchased	Asset life for the calculation of MRP (Years)	Value at 31 March 2022 (£)	Value at 31 March 2023* (£)
Two Investment Properties at Lee Mill and Dartmouth	2019/20	50	18,610,000	16,890,000

\*following fair value adjustments

3.2.3 The Fair Value Valuation at 31.3.2023 of the two investment properties was £16.890 million.

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

3.2.5 There has been a downward movement in Investment Properties which relates to the reduction in the value of these properties, predominantly the property at Lee Mill, Ivybridge. The valuation has been carried out using the investment method and comparison approach, taking into account prevailing real estate property yields as well as UK 30-year gilt rates.

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

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

<b>Non-Treasury Investment Indicators</b>	<b>Actual 2022/23</b>	<b>Estimate as at 31 Mar 24</b>
Total investment income as a proportion of the Council's Net Budget	6.23%	5.55%
Borrowing for Non-Treasury investments as a proportion of the Council's Net Budget	47.44%	41.89%
Investment income from Investment Properties compared to the interest expense incurred by them	572.10%	577.57%

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

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>External Debt</b>					
Debt at 1 April	14,381,000	14,284,000	13,825,000	13,364,000	16,900,000
Expected change in Debt	(97,000)	(459,000)	(461,000)	3,536,000	(467,000)
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	14,284,000	13,825,000	13,364,000	16,900,000	16,433,000
The Capital Financing Requirement	18,520,000	20,998,000	19,501,000	21,393,000	22,132,000
Under / (over) borrowing*	4,236,000	7,173,000	6,137,000	4,493,000	5,699,000

\* the under-borrowing mainly represents capital projects for which the Council has internally borrowed

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

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>External Debt for investment activities / non-financial investments</b>					
Actual debt at 31 March for Investment activities	4,965,000	4,917,000	4,867,000	4,816,000	4,764,000
Percentage of all PWLB external debt %	35%	36%	36%	28%	29%

3.2.10 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

3.2.11 The Corporate Director for Strategic Finance (S151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report for 2024/25.

### 3.3 Treasury Indicators: Limits to Borrowing Activity

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

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

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

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

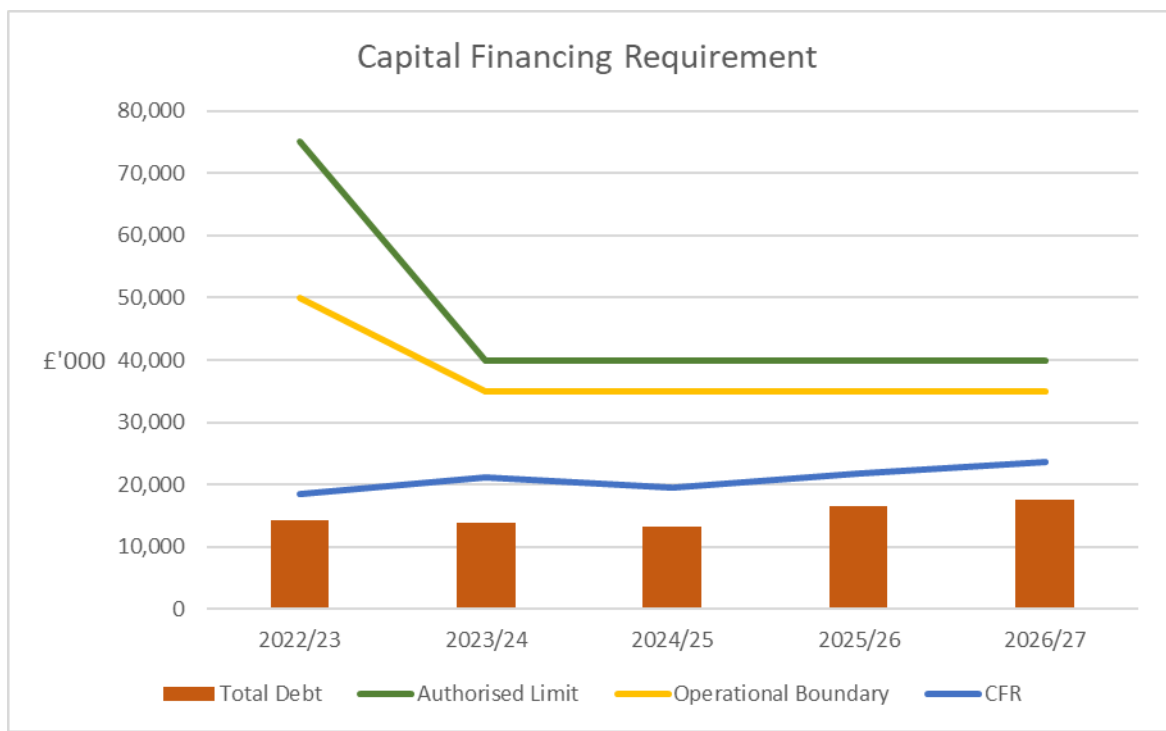
3.3.4 The Council is asked to approve the following authorised limit of £40 million:

<b>Authorised limit</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Total external debt	40,000,000	40,000,000	40,000,000	40,000,000

Note that this authorised limit can be approved to be changed during the year if the Council has a higher borrowing requirement in year (up to a limit of £75m).

3.3.5 The graph below shows the CFR and borrowing projections.

	<b>Actual 2022/23</b>	<b>Estimate 2023/24</b>	<b>Estimate 2024/25</b>	<b>Estimate 2025/26</b>	<b>Estimate 2026/27</b>
General Fund	13,659,000	16,185,000	14,737,000	16,680,000	17,470,000
Investment activities / non-financial investments	4,861,000	4,813,000	4,764,000	4,713,000	4,662,000
<b>Total CFR</b>	<b>18,520,000</b>	<b>20,998,000</b>	<b>19,501,000</b>	<b>21,393,000</b>	<b>22,132,000</b>
<b>External Borrowing</b>	<b>14,284,000</b>	<b>13,825,000</b>	<b>13,364,000</b>	<b>16,900,000</b>	<b>16,433,000</b>
<b>Authorised Limit</b> (see 3.3.4)	<b>75,000,000</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>40,000,000</b>
<b>Operational Boundary</b>	<b>50,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>



### 3.4 Prospects for Interest Rates

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

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

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

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

3.4.4 Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

3.4.5 On In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

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



### **3.5 Borrowing Strategy**

- 3.5.1 The Council will continue to assess the opportunities to borrow and look to use a mix of external loans to finance any increase in the Capital Financing Requirement (CFR). Any opportunities to reduce interest costs by maintaining an under-borrowed position will be considered. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.
- 3.5.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Corporate Director for Strategic Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then any further external borrowing could be postponed.
  - if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 3.5.3 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

### **3.6 Policy on Borrowing in Advance of Need**

- 3.6.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 3.6.2 Borrowing in advance will be made within the constraints that:
- It will be limited to no more than 100% of the expected increase in borrowing need (CFR) over the three year planning period; and
  - The authority would not look to borrow more than 36 months in advance of need.
- 3.6.3 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### 3.7 Debt Rescheduling

3.7.1 Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

3.7.2 If rescheduling is to be undertaken, it will be reported to the Council at the earliest meeting following its action.

### 3.8 New Financial Institutions as a Source of Borrowing

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

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years)

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

### 3.9 Maturity Structure of Borrowing

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

<b>Maturity structure of fixed interest rate borrowing 2024/25</b>		
	<b>Lower</b>	<b>Upper</b>
Less than 1 year	0%	10%
Between 1 and 2 years	0%	10%
Between 2 years to 5 years	0%	50%
Between 5 years to 10 years	0%	50%
Between 10 years to 20 years	0%	50%
20 years and above	0%	100%

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

3.10.1 Approved sources of borrowing are as follows:

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

## APPENDIX B1

### TREASURY MANAGEMENT SCHEME OF DELEGATION

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

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

#### **(ii) Executive**

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

#### **(iii) Audit and Governance Committee**

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

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

- Head of Finance (Deputy S151)
- Principal Accountants

## APPENDIX B2

### THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

#### The S151 (responsible) officer

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

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

## APPENDIX C

### Annual Investment Strategy 2024/25

#### 1. Annual Investment Strategy

##### 1.1 Investment Policy – Management of Risk

- 1.1.1 The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).
- 1.1.2 The Council’s investment policy has regard to the following: -
- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
  - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
  - CIPFA Treasury Management Guidance Notes 2021
- 1.1.3 The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.
- 1.1.4 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix C1 under the categories of ‘specified’ and ‘non-specified’ investments.
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being £6.86 million of the total investment portfolio, (see Appendix C1).
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 1.2.6.
7. **Transaction limits** are set for each type of investment in 1.2.6.
8. This Council will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 1.4.6).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 1.3.1).
10. This authority has engaged **external advisers**, to provide expert treasury management advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.



11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 23. More recently, a further extension to the over-ride to 31 March 25 has been agreed by Government).
13. **Investments in equity instruments designated at fair value through other comprehensive income.** Upon transition to IFRS9 – Financial Instruments on 1 April 2018, the Council elected to designate the CCLA Property Fund investment (£0.5m) and the CCLA Diversified Income Fund (£1m) as fair value through other comprehensive income. These investments are eligible for the election because they meet the definition of equity instruments in paragraph 11 of IAS32 and are neither held for trading (the Council holds this investment as a long term strategic investment) nor contingent consideration recognised by an acquirer in a business combination to which IFRS3 applies. They are not considered to be puttable instruments because the Council does not have a contractual right to put the instrument back to the issuer for cash. The Council currently holds £1.5m in the CCLA Property Fund and £2m in the CCLA Diversified Income Fund.

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

## 1.2 Creditworthiness Policy

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

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

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

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

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

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

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

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

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

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5 years	Up to 5 years	Up to 5 years	Up to 2 years	Up to 1 year	Up to 1 year	Up to 6 months	Up to 100 days	No colour

	<b>Minimum credit criteria/colour band</b>	<b>Limit per institution Max % of total investments</b>	<b>Maximum maturity</b>
DMADF	n/a	100%	6 months
Money Market Funds	AAA	£7.5m	Daily liquidity
Cash Plus Funds/ Ultra short bond funds	AAA, AA	£6m	T+1 to T+4
CCLA Local Authorities Property Fund	Not credit rated	£1.5m	No fixed maturity date but will generally be held for up to 7 years
CCLA Diversified Income Fund	Not credit rated	£2m	No fixed maturity date but will generally be held for up to 7 years
Local Authorities	Yellow	£6 million per institution	5 years
Unsecured investments with banks and building societies	Yellow Purple Blue Orange Red Green No Colour	£7.5m (£8.5m for Lloyds plc)	Up to 5 years Up to 2 years Up to 1 years Up to 1 years Up to 6 months Up to 100 days Not for use
Share capital in a body corporate	N/A	£0.20 million	N/A
Loan capital in a body corporate	N/A	£0.36 million	N/A

## Creditworthiness

- 1.2.7 Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.
- 1.2.8 **CDS prices.** Although bank CDS prices (these are market indicators of credit risk) spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

### 1.3 Limits

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

### 1.3.2 Loans

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

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

- i) Total financial exposure to these type of loans is proportionate;
- ii) The Council uses an allowed "expected credit loss" model for loans and receivables as set out in International Financial Reporting Standard (IFRS)

9 Financial Instruments as adopted by proper practices to measure the credit risk of its loan portfolio;

- iii) The appropriate credit control arrangements to recover overdue repayments are in place; and
- iv) The local authority has formally agreed the total level of loans by type that it is willing to make and the total loan book is within the self-assessed limit.

#### 1.4 Investment Strategy

1.4.1 **In-house Funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

1.4.2 Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

1.4.3 **Investment Returns Expectations.** The current forecast includes a forecast for Bank Rate to have peaked at 5.25% in Q4 of 2023.

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

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

<b>Upper limit for principal sums invested for longer than 365 days</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Principal sums invested for longer than 365 days	£3,500,000	£3,500,000	£3,500,000
Current investments as at 31.01.23 in excess of 1 year maturing in each year*	£3,500,000	£3,500,000	£3,500,000

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

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

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

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

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

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

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

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

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

### **1.5 Investment Performance / Risk Benchmarking**

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

### **1.6 End of Year Investment Report**

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

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

**Specified Investments**

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

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
DMADF – UK Government	N/A	100%	6 months
Money Market Funds	AAA	£7.5m per fund	Liquid
Ultra Short Dated Bond Funds	AAA	£6m	Liquid
Local authorities	Yellow	£6m per institution	12 months
Term deposits with banks and building societies	Blue	£7.5m per institution (£8.5m for Lloyds)	Up to 1 Year
	Orange		Up to 1 Year
	Red		Up to 6 months
	Green		Up to 100 days
	No Colour		Not for use

## Non-Specified Investments

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

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

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
Property Investment Funds – CCLA	N/A	£1,500,000	No fixed maturity date but will generally be up to 7 years
Diversified Income Fund – CCLA	N/A	£2,000,000	No fixed maturity date but will generally be up to 7 years
UK Government Gilts	Yellow	£3,000,000	5 Years
Share capital in a body corporate (See note 1 and note 2 below)	N/A	£200,000	N/A
Loan capital in a body corporate (See note 1 and note 2 below)	N/A	£360,000	N/A
<b>TOTAL</b>		<b>£7,060,000</b>	

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

**Note 2.** The Executive report on 28 January 2021 set out the details of a secured loan of up to £360,000 for seven years for a housing project. Although this has not progressed to date, the limit has been retained in this report if the project were to be progressed in the future.



**APPROVED COUNTRIES FOR INVESTMENTS**

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

***Although the countries listed below are eligible for Investment as their credit rating is AA- or higher, the Council mainly invests with Banks or Building Societies within the UK.***

***Based on lowest available rating***

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- U.K

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Report to: **Council**

Date: **21 March 2024**

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

Portfolio Area: **Corporate Policy**

Wards Affected: **All**

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

Date next steps can be taken: *Immediately*

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

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

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## **RECOMMENDATION**

**That Council ADOPTS the updated policy statement (as set out at Appendix A) and that it is signed by the Head of Paid Service and the Leader of the Council.**

### **1. Executive summary**

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

## 2. Background

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

## 3. Outcomes/outputs

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

## 4. Options available and consideration of risk

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

## 5. Proposed Way Forward

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

## 6. Implications

Implications	Relevant to	Details and proposed measures to address
--------------	-------------	--

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

## **Supporting Information**

### **Appendices:**

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

### **Background Papers:**

None

## HEALTH AND SAFETY STATEMENT AND POLICY

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### Revisions

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

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## **Health and Safety Statement**

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

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

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

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

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

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

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

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

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



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

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

Andy Bates, Chief Executive

## 1. Statement of Intent

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

## 2. Policy

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

### **3. Policy Review**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employees shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This approach is designed to:

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

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

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

### **5.3 Codes of Practice**

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

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

### **5.4 Training**

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

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

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

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

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

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

## **5.5 Risk assessment**

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

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

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

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

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

5.5.3 Risk assessments will be reviewed:

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

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

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

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

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

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

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

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

**5.15 Consultation With Employees**

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

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

.....  
Andy Bates  
Chief Executive

.....  
Julian Brazil  
Leader of the Council

.....  
Mandy Ewings  
Leader of the Council

South Hams District Council  
Follaton House  
Totnes  
TQ9 5NE

West Devon Borough Council  
Kilworthy Park  
Tavistock  
PL19 0BZ

Date                    January 2024



## **Appendices**

Appendix A Aims and Objectives

Appendix B Key Staff With Additional Health and Safety Responsibilities

Appendix C Standards Linked To Health and Safety Objectives

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

#### **Aims**

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

#### **Objectives**

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

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

### Key Staff with Additional Health and Safety Responsibilities

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

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

## APPENDIX C

### Standards linked to Health and Safety Objectives

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

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

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

Report to: **Council**  
Date: **21 March 2024**  
Title: **Pay Policy Statement**  
Portfolio Area: **Leader – Cllr J Brazil**

Wards Affected: **All**

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

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

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

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

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**RECOMMENDATION:**

**That Council:**

- 1. ADOPTS the Pay Policy Statement for 2023/24 (as set out at Appendix A).**
- 2. NOTES that pay differentials in 2023 have remained broadly similar compared to the previous 12 months.**

**1. Executive summary**

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

positive, and reflects the work undertaken by the Council to ensure all employees are recognised and rewarded appropriately.

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

## **2. Background**

- 2.1. Section 38 of the Localism Act 2011 requires local authorities in England and Wales to prepare and publish a statutory pay policy statement for 2012/2013 and each financial year thereafter. Once adopted, the policy will be published on the Council's website.
- 2.2. The pay policy statement sets out the authority's policies for the financial year relating to the remuneration of its chief officers, the remuneration of its median and lowest-paid employees and the relationship between the salary of the Head of Paid Service and the salaries of the median and lowest paid employees.
- 2.3. The purpose of this report is not to set the pay of the chief executive and senior leadership team (SLT), which was the subject of a report to Executive on 2 March 2023 which set out the recommendations of an independent external review undertaken by the Local Government Association which were subsequently approved by Council on 30<sup>th</sup> March 2023 (Minute CM 75/22).
- 2.4. Members will also be aware of the work undertaken in the previous year to complete a review of pay and reward, which ensured that all employees across the Council received a minimum pay award of 6%, with employees toward the bottom end of the pay scales typically receiving pay increases of between 7 and 9%.
- 2.5. The chief executive and head of HR continue to actively monitor our pay and reward, and how this compares to the local and where appropriate, regional/ national jobs market, to ensure that we continue to be able to attract staff to work for us, and that all staff are rewarded fairly for the work they do.

## **3. Pay Policy Statement**

- 3.1. The Hutton Report identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of Head of Paid Service to median earnings. Tracking this multiple will ensure that the Council is accountable for the relationship between the pay of its executives and the wider workforce. Through the pay policy statement, the Council can track this multiple on an annual basis.
- 3.2. Following bringing the waste service in-house on 3 October 2022, the overall workforce has increased to 552 employees, with a corresponding increase in the number of operational roles and in



the proportion of jobs paid toward the lower end of the pay scales. In that context to maintain the overall ratios in line with the previous year is a positive outcome.

- 3.3. If the relationship between the salary of the Head of Paid Service and the lowest paid employee exceeds a factor of 10, the Leader is required to bring a report to Full Council for consideration.
- 3.4. The median pay of employees is as follows:
  - The annual median salary of all employees is £26,357 p.a.
  - The annual salary of the lowest paid employee is £20,812 p.a.
- 3.5. The pay ratio between the Head of Paid Service and other employees is as follows:
  - relationship between the remuneration of the Head of Paid Service and the median salary of all employees is 4.82 (compared to 4.83 in 2022).
  - The relationship between the remuneration of the Head of Paid Service that of the lowest paid employee is 6.11 (compared to 6.24 in 2022).
- 3.6. Since the previous report to Council in March 2022, pay ratios have remained broadly the same, meaning that overall, the ratio between the Head of Paid Service and other employees has been maintained in spite of the very significant changes in the composition of the workforce.
- 3.7. The Council also has a separate statutory duty to publish a report on the gender pay gap of its employees by 4 April 2024. The report will be published through the Government’s gender pay gap reporting service and on the Council’s website.

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

- 4.1. The Council has a legal requirement under the Localism Act 2011 to publish a pay policy statement each year.

**5. Proposed Way Forward**

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

**6. Implications**

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

Legal/Governance	Y	The Localism Act 2011 requires the Council to adopt and publish a pay policy statement annually.
Financial implications including reference to value for money	N	There are no risks associated with the report or the pay policy statement.
Risk	N	
Supporting Corporate Strategy	N	
Consultation & Engagement Strategy	N	
Climate Change – Carbon/ Biodiversity impact	N	
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity	N	There are no equality or diversity implications associated with the report or the pay policy statement.
Safeguarding	N	There are no safeguarding implications associated with the report or the pay policy statement.
Community Safety, Crime and Disorder	N	There is no positive or negative impact on crime and disorder reduction associated with the report or the pay policy statement.
Health, Safety and Wellbeing	N	There are no health, safety and wellbeing implications associated with the report or the pay policy statement.
Other implications	N	There are no other implications associated with the report or the pay policy statement.

### **Supporting Information**

#### **Appendices:**

A: Pay Policy Statement 2023/2024

#### **Background Papers:**

None.

## PAY POLICY STATEMENT

### Purpose and scope of the Policy

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

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

### **Shared Services**

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

### **Current Senior Leadership Arrangements**

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

### **Remuneration for Chief Officers**

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

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

### **Severance payments**

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

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

24. The Hutton Report (March 2011) identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of highest earnings to median earnings. Tracking this multiple will ensure that the Council is accountable for the relationship between the pay of its executives and the wider workforce. Through this pay policy statement, the Council will track this multiple on an annual basis and will publish the following information on its website each year (see Appendix A):

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

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

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

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

## Appendix A

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

<b>Post</b>	<b>Salary (£) per annum</b>	<b>Comments</b>
Chief Executive	£127,075	

Director of Customer Service and Delivery*	£97,658	Includes a special responsibility allowance of 20% for carrying out the duties of Deputy Chief Executive
Director of Place and Enterprise*	£81,382	
Director of Governance and Assurance	£81,382	
Director of Strategic Finance and Section 151 Officer*	£81,382	
Monitoring Officer	£66,024	Including a Responsibility Allowance of 20%
* employed by West Devon Borough Council		

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

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

2. The lowest paid employee is a Loader (Waste and Recycling), paid in accordance with spinal column point 3 of the National Joint Council for Local Government Services pay spine, currently £20,812pa.
3. The annual median salary of all employees £26,357pa.
4. The Chief Executive's salary is a pay multiple of 4.82 times the median earnings.
5. The Chief Executive's salary is a pay multiple of 6.11 times the lowest paid employee.

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Report to: **COUNCIL**

Date: **21 March 2024**

Title: **Calendar of Meetings 2024/25**

Portfolio Area: **Council – Cllr Brazil, Leader**

Wards Affected: **All**

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

Date next steps can be taken: Immediately following this meeting

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

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

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**RECOMMENDATION:**

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

**1. Executive summary**

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

**2. Background**

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

**3. Outcomes/outputs**

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

3.2.2 The wishes of Members that Thursdays are seen as 'Member Days' and therefore as many meetings as possible are arranged to take place on this day. To this end, Members will note that the draft Calendar now includes provision for Development Management Committee meetings to be moved from Wednesdays to Thursdays, with site inspections remaining on the Monday of the Committee week. For absolute clarity, this change will take effect from the date of the Annual Council meeting (23 May 2024) and Committee meetings will, in accordance with the adopted Calendar for 2023/24, remain on Wednesdays until this date;

3.2.3 The wishes of Members, wherever possible, to avoid formal meetings being held during school holidays;

3.3 In response to a Member request, all Members have been canvassed for their views on the start time of Full Council (excluding the Annual and Budget Council) meetings to gauge their preferences for either a 2.00pm, 4.00pm or 7.00pm start time. The results of this survey will be reported to Members in advance of this Council meeting.

3.4 Once the Calendar of Meetings for 2024/25 has been approved, officers will then populate the Member Learning and Development Plan for the upcoming twelve month period.

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

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

#### **5. Proposed Way Forward**

5.1 Approval of the Calendar of Meetings will support the organisation in its corporate work programming for the 2024/25 Municipal Year.

#### **6. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Statutory Powers – Local Government Act 1972
Financial implications to include reference to value for money	N	There are no direct financial implications

Risk	N	These are addressed in the report
Supporting Corporate Strategy		Efficient and Effective Council
Climate Change - Carbon / Biodiversity Impact		Attendance at formal Member meetings is required for voting Members, however car sharing is actively encouraged. The use of Microsoft Teams is also now actively encouraged for all informal Member Briefing sessions and Workshops
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		Not applicable
Safeguarding		Not applicable
Community Safety, Crime and Disorder		Not applicable
Health, Safety and Wellbeing		Not applicable
Other implications		Not applicable

**Supporting Information**

**Appendices:**

A: Draft Calendar of Meetings 2024/25

**Background Papers:**

None

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Draft Calendar of Meetings 2024/25 - South Hams

	2024								2025				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Easter 18-21 Apr	May
<b>Audit &amp; Governance</b>			18 (pm)			17		12			6 (pm)		
<b>Council</b>	23 (11am)		25		26			5 (10am)		13	20		15 (11am)
<b>Executive</b>		6	18 (am)		19		21		23		6 (am)	24	
<b>P&amp;S</b>		27				17		5 (2pm)		6	27		
<b>Salcombe Harbour Board</b>		12*			23		11		20		17		
<b>CTSC</b>										20 (or later)			
<b>Licensing</b>							14						
<b>DM (11am)</b>		20		1	5	3	7	19	16	20	13	10	8
<i>Site Inspections (Mondays)</i>		17	29		2 & 30		4	16	13	17	10	7	6 (Tuesday)

\*SHB Wednesday 12 June – Inspection and tour 10.00am - Board Meeting 2.30pm

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**MINUTES of the MEETING of the BUDGET ADVISORY COMMITTEE,  
HELD IN THE COUNCIL CHAMBER, FOLLATON HOUSE, TOTNES, ON  
THURSDAY, 11 JANUARY 2024**

<b>Panel Members in attendance:</b>			
* Denotes attendance    ∅ Denotes apology for absence			
** Denotes in attendance via Teams in a non-voting capacity			
∅	Cllr G Allen	*	Cllr M Long (Chairman)
*	Cllr L Bonham	∅	Cllr P Munoz
*	Cllr J Carson	*	Cllr A Nix
*	Cllr B Cooper	∅	Cllr C Oram**
*	Cllr S Dennis	*	Cllr G Pannell
∅	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 Hawkins	*	Cllr B Taylor (Vice Chair)
∅	Cllr S Jackson	*	Cllr G Yardy
∅	Cllr L Lawford		

<b>Other Members also in attendance:</b>
Cllrs Abbott, Birch, Brazil, Hodgson, Hopwood, McKay and O'Callaghan

<b>Officers in attendance and participating</b>
Chef Executive; Deputy Chief Executive (via Teams) Section 151 Officer; Democratic Services Manager and Head of Finance (via Teams)

**BA.01/23 APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN**

Nominations were invited to serve as Chairman for the duration of this meeting and it was subsequently:

**RESOLVED**

That Cllr M Long be appointed to the role of Committee Chairman for the duration of this meeting.

Cllr Long proceeded to exercise his discretion to invite nominations to serve as Vice-Chairman for the duration of this meeting and it was then:

**RESOLVED**

That Cllr B Taylor be appointed to the role of Committee Vice-Chairman for the duration of this meeting.

**BA.02/23 MINUTES**

The minutes of the Budget Advisory Committee meeting held on 19 January 2023 were confirmed as a true and correct record.

**BA.03/23 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.

**BA.04/23 DRAFT REVENUE AND CAPITAL BUDGET PROPOSALS FOR 2024/25**

Members considered a report that asked for their views on the content of the draft Revenue and Capital Budget Proposals report for 2024-25.

Since this was the first year that a number of recently elected Members had been required to consider the Council's Budget Setting process, the Chief Executive outlined the process to be followed prior to presentation of the final Budget recommendations to the Full Council meeting to be held on 15 February 2024.

The Section 151 Officer provided a comprehensive presentation on the published agenda report and, on a section-by-section basis, invited questions from Members, with particular reference being made to:

- (a) the additional income streams identified. Having sought specific assurances that the car parking and Follaton House rental income targets were attainable, officers informed the Committee that, based upon previous year trends and the rental market, they were confident that these were achievable;
- (b) the budget implications associated with adopting the Council Plan (and Delivery Plans). Officers confirmed that it was intended that the final draft of the Council Plan would also be presented for adoption to the Full Council meeting on 15 February 2024;
- (c) the aspiration for a two-tier car parking charging structure to be introduced. A number of Members expressed their support for the implementation, if the technology permitted, of a two-tier charging structure whereby resident charges were set at a lower level than the equivalent charges for visitors;
- (d) asset devolution to town and parish councils. Some Members highlighted instances of town and parish councils who had been transferred ownership of Council assets (e.g. public conveniences) and were now facing financial challenges associated with the ongoing maintenance of these facilities.



In the ensuing debate, some Members highlighted that, alongside the transfer of ownership, the District Council had provided one-off funding to those town and parish councils. At the invitation of the meeting, the lead Executive Member indicated that there were no plans to change the current arrangements. Furthermore, given the timing of town and parish councils being required to set their precept, then, if this matter was to be revisited, then it would need to be in time for the 2025/26 Financial Year;

- (e) the precept differentials between town and neighbouring parish councils. In response to a Member highlighting the additional strain on town council services from neighbouring parish councils (that had considerably lower precepts), it was noted that unless a parish council was willing to provide a financial contribution to a town council, then the only other process to rectify this apparent unfairness was a Community Governance Review;
- (f) the Second Homeowners Council Tax Premium. Whilst noting that conversations were ongoing with councils across Devon, the Committee fully recognised that the additional monies generated through this Premium should be allocated towards supporting the Council's declared Housing Emergency;
- (g) the Capital Programme. In response to a request, it was agreed that the Council's current Capital Programme would be appended to the Budget report to be presented to the Executive meeting to be held on 25 January 2024;
- (h) Plymouth and South Devon Freeport. The Section 151 Officer confirmed that there was to be no borrowings associated with the Freeport in the 2024/25 Financial Year.

It was then:

### **RECOMMENDED**

That the Budget Advisory Committee **RECOMMEND** to the Executive:

- i) an increase in Council Tax for 2024/25 of 2.99% being modelled (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);
- ii) the financial pressures of £2,846,000 (as shown in Appendix A of the presented agenda report);
- iii) the savings/additional income of £1,460,000 (as shown in Appendix A of the presented agenda report);

- iv) the net contributions to/(from) Earmarked Reserves of £60,427 as shown in Appendix D of the presented agenda report, 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 published agenda report and £400,000 from the Business Rates Retention Earmarked Reserve as set out in 3.13 of the published agenda report; and
- v) approval of the Capital Bid for £90,000 to renew and upgrade the Council's bank reconciliation software be funded from the annual revenue contribution of £181,600 into the Capital Programme, as set out in section 8.4 of the presented agenda report.

(Meeting started at 3.00 pm and concluded at 4.55 pm)

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Chairman

**MINUTES of the MEETING of the  
OVERVIEW & SCRUTINY COMMITTEE,  
Held in the Council Chamber, Follaton House, Totnes, on  
THURSDAY, 8 FEBRUARY 2024**

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

<b>Other Members also in attendance either in person or via Teams:</b>
Cllrs Taylor, Abbott, Brazil and Hodgson and Cllrs Hopwood, O'Callaghan and Long (on MS Teams)

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

**O&S.23/23 MINUTES**

The minutes of the meeting of the Overview and Scrutiny Committee held on 21 December 2023 were confirmed as a correct record, subject to the following change – Cllrs Long and Taylor were in attendance and to invite SWW and EA to overview and scrutiny in 12 months' time.

**O&S.24/23 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.25/23 PUBLIC FORUM**

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

**O&S.26/23 EXECUTIVE FORWARD PLAN**

It was highlighted that the Fusion Contract would be going to the next Executive meeting.

**O&S.27/23 LEISURE CONTRACT – FUSION ANNUAL REPORT 2023**

The Chair welcomed Rob Taylor (Fusion Regional Manager) and Jon Parkinson (Senior Leisure Officer) and Clare Bill (Fusion Development Manager) on MS Teams to the meeting and provided a presentation to the committee.

In response to questions raised, it was reported:

- A Business Plan has been provided to the council on solar panels to be agreed by Executive.
- With regard to Totnes active discussions were taking place on redevelopment plans but had been put on hold. They were using a Leisure Consultant for further advice on the plans to check for robustness and affordability.
- There were staffing issues at Dartmouth and were finding it difficult to recruit.
- They have offered to train up a person as a lifeguard for free but were unable to find anyone.
- They actively advertise for staff, hold community open days and use social media and current staff were multi-skilled. Their longest serving members of staff started out as apprentices.
- They have limited resource to offer outreach work for Woolwell but were happy to meet and discuss with the Ward member.
- Concerning cleanliness at the leisure centres they undertake deep cleans at the centres and the Council undertake ad-hoc visits.
- They liaise with schools and provide PTA's raffle prizes to increase engagement.
- Swimming Pool Support Fund would be announced shortly.
- Support Fund Round 2 would be announced shortly.
- They were trying to ensure leisure centres were sustainable despite the rising costs.
- Parking fees would need to be addressed by the council.
- They encourage residents to attend 'Meet the Manager sessions' to provide feedback and highlight any concerns.

It was then:

**RESOLVED**

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

**O&S.28/23 SOUTH DEVON AND DARTMOOR COMMUNITY SAFTY PARTNERSHIP**

The Chair welcomed Ian Luscombe (Head of Environmental Health and Licensing) and Claire Birch (Senior Environmental Health Officer) to meeting. Cllr Dewynter as Lead Member introduced the report.

In response to questions raised, it was reported:

- With regard to drugs and knife crime they were ensuring that they had good intelligence to act upon. This intelligence was driven by

members representing the communities highlighting the issues. At the next priority setting meeting they would be looking at the wider issues and allocate resources.

- There was an opportunity for Members to feed into priority setting meetings which has huge representation from the police and community police.
- ASB Officer works in the community and working alongside the police on neighbourhood issues.
- They attend fortnightly meetings with the police and discuss high risk cases.
- If a person breaches a Community Protection Warning they could then serve a notice and if that was breached, then a fixed penalty or criminal prosecution.
- Next Priority Setting Meeting taking place in early March.

It was then:

### **RESOLVED**

That the Committee:

1. Acknowledge the work of the Community Safety Partnership (CSP).
2. Encourages Members to take part in the annual priority setting process to reflect the priorities in their communities.
3. Invite the police to attend a future meeting with the CSP.

#### **O&S.29/23 TASK AND FINISH GROUP UPDATES**

Membership and meetings to be set up for Fusion Task and Finish and Housing Lettings Task and Finish.

EA and SW Water Research Task and Finish Group to meet to discuss next steps.

To look at Care Leavers Task and Finish raised at the last Executive meeting.

#### **O&S.30/23 ANNUAL WORK PROGRAMME 2023/24**

The Committee agreed the following items for the work programme:

- Homelessness and housing
- Move the 2 May meeting to 9 May 2024

(Meeting started at 2.00 pm and concluded at 3.46 pm)

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Chairman

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**MINUTES of the MEETING OF THE DEVELOPMENT MANAGEMENT COMMITTEE held in the COUNCIL CHAMBER, FOLLATON HOUSE, TOTNES, on WEDNESDAY, 14 FEBRUARY 2024**

<b>Members in attendance</b>			
* Denotes attendance			
∅ Denotes apologies			
*	Cllr V Abbott	*	Cllr A Nix
*	Cllr G Allen (for 6(a), (b), (c) and (d) only (Minute DM.53/24 refers))	∅	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)	*	Cllr Steele (substituting for Cllr O’Callaghan)

**Other Members also in attendance:**

**Officers in attendance and participating:**

Item No:	Application No:	Officers:
All agenda items		Head of Development Management, Senior Planning Officers, Agricultural Consultation, Landscape Officer, Principal Housing Officer; IT Specialists and Senior Democratic Services Officer

**DM.50/23 MINUTES**  
The minutes of the meeting of the Committee held on 17 January 2024 were confirmed as a correct record by the Committee. Agreed

**DM.51/23 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:

By virtue of being a local Ward Member, Cllr M Long advised that he would be relinquishing the Chair for application 6(d) (minute DM.53/24(d) below refers). As a result, the Vice-Chairman chaired the meeting during consideration of this application.

Cllr L Bonham declared an Other Registerable Interest in application 3353/23/HHO (Minutes DM.53/24 (d) below refer), he knows the neighbour. The Member remained in the meeting and took part in the debate and vote thereon.

**DM.52/23 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.

**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) 1885/23/FUL Land at SX 743 506, Woodleigh  
Parish: Woodleigh Parish Council**

**Development: Application for a permanent agricultural workers dwelling**

The Case Officer summarised the key issues, namely that:

- Two main concerns raised following consultation. Officers consider landscape to have been addressed however the size of the proposed dwelling continues to be of concern.

The Case Officer responded:

- The dwelling includes an office and meetings rooms.
- The ridge height around 7 – 7.5 metres.
- The size of an for agricultural building should be between 140 – 170 sqm of floor space.

The Agricultural Consultant explained that the business should be sustainable and profitable to build and finance the property whilst still providing a living wage for the worker. The dwelling should be commensurate to the needs of the requirements.

Having heard from speakers on behalf of supporters together with the Ward Councillor, Members debated the application. During the debate, one Member felt there were serious merits being proposed and to look at the broader proposals such as bringing in students for agricultural purposes. If a smaller proposal before us could get further applications to extend the property. This was an opening for other farmers to improve farming and to encourage younger people into the farming community. Another Member had concerns on the size of the dwelling and whether it could be reduced in size.

**Recommendation:** Refusal

**Committee decision:** Delegated approval to the Head of Development Management to agree the wording in consultation Chair, Vice Chair and Cllr J Hodgson (Proposer) and Cllr A Nix (Second).

**6b) 3764/23/ARM Land at Ashford SX 677 487, Aveton Gifford**



**Parish: Bigbury**

**Development: Application for approval of all matters reserved following outline approval reference 0409/21/OPA for erection of agricultural worker's dwelling (resubmission of 2395/23/ARM)**

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

- Exceeds generally accepted floorspace for agricultural worker dwellings.
- Size contributes to landscape impact due to levelling works required.
- Change to topography and bulk of dwelling harmful to protected landscape.
- Size remains the same as previously refused scheme.

The Case Officer explained:

- There were no public footpaths in the area.
- Height of the dwelling was 4 metres above the hedge line.

Having heard from speakers on behalf of supporter together with the Ward Member, Members debated the application. During the debate, Members raised concerns on the level of groundworks required and the landscape impact. Members requested that reasons for refusal to amended as follows:

- Reason for refusal 1 to be removed.
- Reason for refusal 2 to be amended to include Members concerns on the visual impact on the wider landscape, needs to be more cut in and ridge height modified,

**Recommendation:** Refusal

**Committee decision:** Delegated refusal to the Head of Development Management to agree the wording in consultation Chair, Vice Chair and Cllr J Hodgson (Proposer) and Cllr M Long (Seconder).

**6c) 3653/23/FUL Pittaford Farm, Slapton, TQ7 2QG  
Parish: Slapton**

**Development: Regularise the change of use of part of an agricultural building to a dog grooming business (sui generis use). (Retrospective and Resubmission 4272/22/FUL)**

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

- Does the use applied for require a countryside location?
- Does the use applied for require a coastal location?

- Does the use applied for result in an increase in private vehicle journeys?
- Can these journeys be mitigated through sustainable travel measures?

The Case Officer explained:

- Not a new building and was previously an agricultural dwelling.
- Sustainable travel was not offered as part of the solution.

Having heard from speakers on behalf of the supporter, Parish Council and Ward Member, Members debated the application. During the debate, one Member raised felt this was rural diversification and felt uncomfortable with refusal. Another Member felt this ticked a lot of positive boxes with a number of happy clients and important to support the rural economy. Another Member felt the need to protect our coastal areas but failed to see this would have a detrimental effect on the undeveloped coast. Some Members felt this supported the local economy and farming diversity and was in a building that already exists and would cause no harm or damage to the undeveloped coast.

**Recommendation:** Refusal

**Committee decision:** Delegated approval to the Head of Development Management to agree the wording in consultation Chair, Vice Chair and Cllr J Hodgson (Proposer) and Cllr G Allen (Seconder).

**6d) 3353/23/HHO Eastcot, Grenville Road, Salcombe, TQ8 8BJ  
Town: Salcombe**

**Development: Householder application to clad the top half of the front elevation with cedar cladding (Retrospective)**

Cllr Taylor chaired this application.

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

- The proposed use of cedar cladding was expected have a neutral impact on the character of the existing property and surrounding area.
- The palette of materials were widely seen within the Grenville Road street scene and surrounding area.
- The localised impact on the National Landscape was neutral and acceptable within an existing residential context.
- The impact upon neighbouring amenity and adjoining property, Wisteria was acceptable.

Having heard from speakers on behalf of the supporter together with the Ward Member, Members debated the application. During the debate, Members felt the applicant was future proofing their home and the street scene already has a mix of styles of properties. The cladding was similar in colour to nearby neighbouring properties and not out of place.

**Recommendation:** Conditional Approval

**Committee decision:** Conditional Approval

**Conditions:**

1. Accordance with Plans
2. Avoidance of doubt

**6e) 3650/23/FUL Land At Sx 782 623, Symonds Drive, Dartington Parish: Dartington Parish Council**

**Development: Application for the erection of a single residential dwelling (Affordable Discount Market)**

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

- Principle of development: Site allocated for development. Increase from 80 to 81 dwellings (1.25% increase) was within acceptable range of allocation and makes more efficient use of the available land.
- Affordable Housing: Additional affordable dwelling beneficial in light of the Council's declaration of Housing Crisis.
- Landscape character: Dwelling would be read as part of the wider developed site, contained within previously approved built form.
- Ecology: Existing biodiversity measures agreed would not be affected. Devon hedge to southern boundary, conditions recommended regarding external lighting.

The Case Officer explained:

- The SPD requires 3-bedroom properties to have 2 parking spaces.
- Highways raised no objections.

Having heard from speakers on behalf of the supporter, Parish Council together with the Ward Member, Members debated the application. During the debate, some Members felt was a good idea and something that should be pursued. Another Member felt that the impact of accumulative development needed to be considered and whether there was a need to squeeze in another house. Members raised the 80% affordability and felt more comfortable to approve if it was 60% affordable.

The meeting was deferred to allow the applicants to look at figures.

**Recommendation:** Conditional Approval subject to completion of S106.

**Committee decision:** Deferred

6f) **4240/23/CLP** **Land South of Woolwell Centre, Woolwell**  
**Parish: Bickleigh**

**Development: Certificate of lawfulness for proposed creation of a tarmac track for wheeled sports, with associated reprofiling of earth at the site to create supporting berms and features**

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

- Application seeks a legal determination whether the proposal constitutes permitted development (PD).
- Planning merits of the case (and thus policies of the JLP) were not material to the determination of this type of application.
- Consideration purely focuses on whether the proposal complied with the relevant requirements of the GPDO.
- The proposal was considered to comply with the requirements set out in the GPDO and was concluded to constitute permitted development.

Having heard from the Ward Member, Members debated the application. During the debate, Members welcomed this type of facility.

**Recommendation:** Certificate of Lawfulness (Proposed)  
Certified

**Committee decision:** Certificate of Lawfulness (Proposed)  
Certified

DM.54/23 **PLANNING APPEALS UPDATE**  
Members noted the list of appeals as outlined in the presented agenda report.

DM.55/23 **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 13.44 pm and adjourned at 15.09 pm. Meeting concluded at 15.42 pm)

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Chairman

Voting Analysis for Planning Applications – DM Committee 14 February 2024

<b>Application No:</b>	<b>Site Address</b>	<b>Vote</b>	<b>Councillors who Voted Yes</b>	<b>Councillors who Voted No</b>	<b>Councillors who Voted Abstain</b>	<b>Absent</b>
1885/23/FUL	Land at SX 743 506, Woodleigh	Approved	Cllrs Abbott, Allen, Carson, Hodgson, Nix, Rake, Steele and Taylor (8)	Cllrs Bonham and Long (2)		Cllrs O'Callaghan and Pannell (2)
3764/23/ARM	Land at Ashford SX 677 487, Aveton Gifford	Refused	Cllrs Abbott, Allen, Bonham, Hodgson, Long, Nix and Steele (7)	Cllr Taylor (1)	Cllrs Carson and Rake (2)	Cllrs O'Callaghan and Pannell (2)
3653/23/FUL	Pittaford Farm, Slapton, TQ7 2QG	Approved	Cllrs Abbott, Allen, Bonham, Carson, Hodgson, Nix and Rake (7)		Cllrs Long, Steele and Taylor (3)	Cllrs O'Callaghan and Pannell (2)
3352/23/HHO	Eastcot, Grenville Road, Salcombe, TQ8 8BJ	Conditional Approval	Cllrs Abbott, Allen, Bonham, Carson, Hodgson, Nix, Rake, Steele and Taylor (9)	Cllr Long (1)		Cllrs O'Callaghan and Pannell (2)
3650/23/FUL	Land At Sx 782 623, Symonds Drive, Dartington	Deferred	Cllrs Bonham, Carson, Hodgson, Long, Nix, Rake, Steele and Taylor (8)		Cllr Abbott (1)	Cllrs Allen, O'Callaghan and Pannell (3)
4240/23/CLP	Land South of Woolwell Centre, Woolwell	Certificate of Lawfulness (Proposed) Certified	Cllrs Abbott, Bonham, Carson, Hodgson, Long, Nix, Rake, Steele and Taylor (9)			Cllrs Allen, O'Callaghan and Pannell (3)

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**MINUTES OF A SPECIAL MEETING OF  
THE EXECUTIVE  
HELD IN THE COUNCIL CHAMBER ON WEDNESDAY, 21 FEBRUARY 2024**

<b>Members in attendance:</b>			
* Denotes attendance			
∅ Denotes apologies for absence			
** Denotes attendance via Teams in a non-voting capacity			
*	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)

<b>Non-Executive Members also present either in person or remotely for all or part of the meeting:</b> Cllrs Bonham, Carson, Dennis, Hawkins, Pannell, Penfold and Steele
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<b>Officers in attendance and participating:</b>		
All items		Chief Executive, Deputy Chief Executive (via Teams), Director of Place & Enterprise; Section 151 Officer; Head of Democratic Services

**E.67/23      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.68/23      EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED**

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

**E.69/23      REGENERATION AND INVESTMENT OPPORTUNITY**

Members considered an exempt report that set out a range of options regarding an Investment Opportunity.

After a lengthy discussion (during which a range of views were expressed), the majority of Members were of the view that the benefits of the proposals (on the terms as set out in the published agenda report) would outweigh the associated risks and therefore supported approval of the recommendation to proceed with the Opportunity.

It was then:

**RESOLVED**

1. That the Executive has been appraised of the Investment Property Opportunity;
2. That approval be given to the Director for Place and Enterprise and the Section 151 Officer to proceed with the investment opportunity and be authorised to purchase the property in accordance with the Council's Regeneration and Investment Strategy on the terms as set out in the published agenda report; and
3. That approval be given to the purchase being funded from borrowing, with delegated authority being granted (for either internal or external borrowing) to the Section 151 Officer, in accordance with normal treasury management activities.

(Meeting commenced at 12.00 noon and concluded at 1.00 pm)

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Chairman



**MINUTES OF THE MEETING OF THE COUNCIL TAX SETTING COMMITTEE  
HELD AT 11.20am ON THURSDAY, 22 FEBRUARY 2024 IN THE COUNCIL  
CHAMBER, FOLLATON HOUSE, TOTNES**

**MEMBERS**

\* Cllr J Brazil - Chairman

\* Cllr J Birch

\* Cllr D Thomas

\* Cllr M Long

\* Denotes attendance

∅ Denotes apology for absence

Other Members in attendance:

Cllrs Dewynter; Dommett; Oram; Rake and Yardy

Officers in attendance:

All Agenda Items: Deputy Section 151 Officer and Head of Democratic Services

**CTSC.1/23 MINUTES**

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

**CTSC.2/23 DECLARATIONS OF INTEREST**

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

Cllr J Brazil declared a non-registrable interest in agenda item 3: 'Council Tax 2024-2025' (Minute CTSC.3/23 below refers) by virtue of his involvement in the budget setting process for Devon County Council and remained in the meeting and took part in the debate and vote thereon.

Cllr D Thomas declared a non-registrable interest in agenda item 3: 'Council Tax 2024-2025' (Minute CTSC.3/23 below refers) by virtue of his involvement in the budget setting process for the Devon and Cornwall Police and Crime Commissioner and remained in the meeting and took part in the debate and vote thereon.

**CTSC.3/23 COUNCIL TAX 2024-2025**

Consideration was given to a report that calculated and set out the Council Tax for 2024/25, having taken into account the precepts as notified from Devon County Council, Devon and Cornwall Police and Crime Commissioner, Devon and Somerset Fire and Rescue Authority, and the local Town and Parish Councils.

It was then:

## RESOLVED

1. That it be noted that, in December 2023, the Senior Leadership Team, under delegated authority from full Council, approved the Council Tax Base for the year 2024/25:
  - (a) for the whole Council area as being 40,528.94 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012; and
  - (b) for dwellings in those parts of its area to which a Parish Precept relates in accordance with regulation 6 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012 as set out at Appendix A of the published agenda report;
  
2. That the Council Tax requirement for South Hams District Council's own purposes for 2024/25 (excluding Parish precepts) is calculated at £7,739,406 as set out at Appendix B of the published agenda report;
  
3. That the following amounts are calculated by the Council for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and the Localism Act 2011 as set out at Appendix B of the published agenda report:
  - (a) £54,169,320 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish/Town Councils (**Gross expenditure including parish precepts**).
  - (b) £42,726,322 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act (**Total income including business rates and council tax collection fund surplus**).
  - (c) £11,442,998 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act) (**Council tax requirement including parish precepts**).

- (d) £282.34 being the amount at 3(c) above (Item R), all divided by the council tax base (1(a) above) in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year **(Average band D council tax for South Hams District Council and parishes)**.
- (e) £3,703,592 being the aggregate amount of all special items (Parish Precepts), referred to in Section 34(1) of the Act (as set out in **Appendix C** to the presented agenda report **Parish Precepts**).
- (f) £190.96 being the amount at 3(d) above less the result given by dividing the amount at 3(e) by the Council tax base (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates **(Band D council tax for South Hams District Council only)**.

4. That it be noted that the County Council, the Police and Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings as shown below:

Precepting authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Devon County Council's tax requirements	1,143.78	1,334.41	1,525.04	1,715.67	2,096.93	2,478.19	2,859.45	3,431.34
Police & Crime Commissioner's tax requirements	183.00	213.50	244.00	274.50	335.50	396.50	457.50	549.00
Devon & Somerset Fire & Rescue Authority's tax requirements	66.45	77.53	88.60	99.68	121.83	143.98	166.13	199.36

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts of Council Tax for the year 2024/25 for each of the categories of dwellings shown at **Appendix D of the published agenda report (total of all valuation band council taxes for South Hams District Council including parishes, county, police and crime commissioner and fire authority)**; and
6. That the Council concluded that the basic amount of Council Tax for South Hams District Council for 2024/25 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 (see calculation at **Appendix B** of the presented agenda report).

(Meeting commenced at 11:20 am and concluded at 11.25 am).

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Chairman

**MINUTES OF A MEETING OF  
THE EXECUTIVE  
HELD IN THE COUNCIL CHAMBER ON THURSDAY 7 MARCH 2024**

<b>Members in attendance:</b>			
* 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><b>Non-Executive Members also present either in person or remotely for all or part of the meeting:</b></p> <p>Cllrs Cooper (via Teams), Dennis, Dommett, Hawkins, Long, Penfold, Rake and Yardy</p>
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<b>Officers in attendance and participating:</b>		
All items		Chief Executive; Deputy Chief Executive; Director – Governance & Assurance; Director – Place & Enterprise; Monitoring Officer; Head of Democratic Services; Assistant Director – Waste & Operations; Assistant Director – Planning; Head of Revenues and Benefits; Head of Housing; Head of Communications; Head of Finance; Principal Planning Officer (JLP); Principal Assets Officer; Senior Planning Officer (Conservation); Senior Strategic Planning Officer; Principal Accountants (via Teams); Waste and Recycling Operations Manager; and Ukrainian Refugee Support Officer

**E.70/23      MINUTES**

The minutes of the Executive meeting held on 25 January 2024, and the Special Executive meeting held on 21 February 2024 were both confirmed as a true and correct record.

**E.71/23      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.72/23      QUESTION TIME**

The Leader informed that two questions had been received in accordance with the Executive Procedure Rules:

**a) From Mr John Grocock**

Further to my queries relating to Council owned properties in Sherford and St Anns Chapel:

*'Will those in Sherford be retro-fitted to align them with current standards, are those at St Anns Chapel 'so-called' or 'actual' affordable homes, what are the rents and will they be available exclusively to South Hams residents?'*

In reply, the Lead Executive Member for Housing stated that:

'The properties at St Anns had received an Energy Performance Certificate (EPC) Grade B, with estimated running costs of £782 a year which equated to £65 a month. As such, these were energy efficient with corresponding low running costs for our tenants. The properties purchased on the open market at Sherford were also EPC B, so both conformed to current standards. However, as a Council we were dedicated to reducing our carbon footprint with an aim to get to net zero by 2030. We kept all of our property portfolio under constant review with respect to this aim and upgrades required to meet it, which would now include these additional houses.

The properties at St Anns had all been allocated through the Council's housing register - Devon Home Choice - to people with a local connection to St Anns or a neighbouring parish. They would be let with affordable rents, capped at Local Housing Allowance for the Plymouth Broad Market Area dependent on the property size. The open market homes could be purchased by anyone; however the Council had imposed a principal residency clause to ensure these could not be used for second homes.

The Chairman exercised his discretion to enable Mr Grocock to ask a supplementary question. In so doing, he sought information on the criteria of the Local Connection Policy and queried the number of both vulnerable and other families on the Housing waiting list.

In responding, the Head of Housing advised that, in terms of the local connection policy, the criteria referenced: residency; and/or having close family members being resident; and/or being employed within the District.

It was confirmed that there were currently 42 households in temporary accommodation (8 of which were families). For clarity, none of these were residing in Bed and Breakfast accommodation. An undertaking was also given to Mr Grocock that, when sending him the response to his original question following this meeting, reference would be given to details relating to the housing waiting list.

In closing, the Leader advised that the Council was committed to

supporting vulnerable residents in their housing needs, particularly care leavers and ex-Service personnel and had just sent a robust response to a Central Government consultation on retro fitting properties.

**b) From Ms Gillie Scherr**

Plant-based diets result in 75% less Green House Gas (GHG) emissions than diets with more than 100g of meat daily. Brits eating meat-free lunches on weekdays could save the NHS £2.2 Billion annually.

*“Could South Hams join 25 councils including Exmouth by endorsing the Plant Based Treaty and expanding access to plant-based food?”*

In response, the Lead Executive Member for Climate Change and Biodiversity stated:

“I support many of the aims of The Plant Based Treaty and I accept that there is a need to reduce meat consumption, both from an environmental and a health perspective.

I also accept that the methane production from livestock farming globally is a huge and damaging issue and there is a lot of science to support that. But I am afraid that I disagree with the premise that eliminating livestock farming or even trying to is a reasonable and practical means of addressing the problem.

However, many of the clauses in the treaty the Council have addressed or are actively pursuing. For instance, a short list would include:

- The Council declared a climate emergency back in 2019;
- It is working with partners to deliver training on sustainable/regenerative farming methods to approximately 40 farms at the moment;
- Through its partner (Natural Landscapes) it is delivering a comprehensive programme called Farming in Protected Landscapes which is all about reducing emissions and improving biodiversity;
- The Council is involved in purchasing land for tree-planting and creating rich and diverse habitats; and
- It is working with the food and agriculture sector across the district and beyond to increase local food production and consumption, shorten supply chains, make local food more accessible and cheaper and to thereby increase health and well-being. A natural corollary of this will be a reduction in meat production and consumption... but it is not a primary ambition.

With regard to the central theme of the Treaty it suggests that we should all move to a vegan diet. I cannot go along with this. Firstly,

and foremost, I think it is impractical and secondly because there are serious health questions.

The impracticality stems from the fact that the South Hams has many livestock farmers. I and many of the partners the Council is working with need to engage with these businesses. It is absolutely essential to be able to work collaboratively to help them transition to more sustainable methods of production. It is my view that being a signatory to the Treaty would not help that dialogue.

The health issues are also a concern as there are quite few.

The issue around B12 is an obvious one. An essential vitamin that mediates many neurological and blood related functions. It is stored in the liver so a deficiency can take a year or so to manifest itself and there is no good plant-based sources of B12 (yes, some algae, yeasts, shiitake mushrooms... but low levels). There are also emerging microbe-based products like 'Natures Fynd', but early days.

Iron - non-heme iron from plants is not bioavailable. Can be improved with Vitamin C. so citrus. (Remember Popeye. Olive Oyl should have told him he needed to add a squeezing a lemon on his can of spinach, to get any real benefit).

There are also bioavailability issues associated with plant-based sources of Zinc, Calcium and Vitamin D.

The consequences of these deficiencies can be a whole range of long term health issues. I would agree these can often be managed, but it is not a practical universal solution ... in my view.

George Monbiot believes we could all live on lab-grown meat. He is a good journalist with some very innovative and interesting ideas. I don't think that this is one of his best.

Also, I have to say, I do think the credibility of the Treaty is seriously damaged by its website having links to a section on vegan cats and dogs. I think the idea of a vegan cat is fanciful and verging on cruel and the supporting references are not at all convincing. They are self-selecting and appear to be funded by those who have an interest in the outcome.

I do however support many of the aims of The Plant Based Treaty especially where they relate to animal welfare which is a huge issue for me. The UK is one of the leaders in the study of animal sentience. But despite our growth in our understand there remains farming practices that are utterly abhorrent.

I am a big supporter of Compassion in Word Farming and have worked with them in the past to confront the rise and rise of enormous 1000+ dairy herds held in a shed for the whole of their



natural life (which is not that long). North Devon has become a hot spot in the UK for these dreadful operations.

Methane production of large indoor zero-grazing dairy, pig, and poultry farms is enormous. Slurry lagoons uncovered the size of a football pitch, which is then spread on fields releasing methane. Sometimes 5 silage cuts a year with all the consequential pollution and soil absolutely devoid of life. Tackling this huge issue is where we should be concentrating our efforts... in my view.

So finally, there are 318 first and second tier councils England. (164 District) Only 3 Councils at that level have signed: Norwich, Edinburgh and Lambeth. (Exmouth is a Town Council and one shouldn't really count Edinburgh) But that amounts to less than 1% take up.

It is actually a great shame that the Treaty has gone too far and a more practical less full-on vegan approach would have received a lot more support.

So I could not recommend this Council signs the Treaty, but it may be that other Members might be persuaded to bring a motion to the Full Council for debate.”

#### **E.73/23 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 response to a question regarding the lack of items scheduled for future Executive meetings, the Chief Executive advised that the Items for the coming year were currently being developed. The Head of Democratic Services also confirmed that the Calendar of Meetings for the forthcoming Municipal Year was due to be considered at the meeting of Full Council taking place on 21 March 2024 and, once agreed, the Forward Plan would be further populated for 2024-25.

#### **E.74/23 WASTE AND RECYCLING SERVICES UPDATE**

The Executive considered a report that provided an update on the progress made and the performance of the waste and recycling service since the roll out of the Devon Aligned Service (kerbside recycling service known as DAS) in November 2023.

During the ensuing debate, the following points were raised:

- (a) Members wished to congratulate and thank officers for their efforts in turning the performance of the service around. Officers proceeded to highlight that there remained a huge amount of work to undertake to ensure that the service was as cost effective as it possibly could be;
- (b) Officers committed to removing any signage in the South Hams that incorrectly inflated the Council's current recycling rates. With regard to improving recycling rates, officers set out a series of measures that were being undertaken that included: increased engagement with the Council's Communications Team; and greater utilisation of the Devon County Council Recycling Education Officer;
- (c) Members hoped that a greater number of local town and parish councils would embrace the opportunity to develop community composting initiatives within their local areas;
- (d) In response to a concern expressed over the increased garden waste charges, officers advised that 60% of households had already renewed their subscriptions for 2024/25.

It was then:

**RESOLVED**

That the following be recognised:

1. the significantly improved performance of the waste and recycling service over the last 17 months;
2. the detailed planning by officers that resulted in the successful implementation of the kerbside recycling service to the whole of the District;
3. the opportunity that residents now had to contribute to increase recycling and reduce residual waste; and
4. the work to be undertaken to drive forward continuous improvement of the service.

E 75/23

**PLYMOUTH AND SOUTH WEST DEVON JOINT LOCAL PLAN FIVE-YEAR REVIEW REPORT 2024**

The Executive was presented with a report that sought approval for the adoption and publication of the Plymouth and South West Devon Joint Local Plan (JLP) Five-Year Review Report 2024 as approved by the Joint Local Plan Partnership Board on 25th January 2024.

In discussion, the following points were raised:-

- (a) Thanks were extended to the Assistant Director Planning, who was soon to leave the employ of the Council. Members proceeded to wish the officer every success for the future;
- (b) Members recognised that the JLP remained sound and up to date and acknowledged that this was a positive position to be in to ensure that speculative development was prevented;
- (c) The local Ward Member made a plea that, at the time of the next JLP review, the Woolwell Ward be re-classified within the Thriving Towns and Villages Policy area.

It was then:

**RESOLVED**

That the Plymouth and South West Devon Joint Local Plan:

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

E.76/23

**CLIMATE CHANGE UPDATE & DEVON, CORNWALL AND THE ISLES OF SCILLY CLIMATE ADAPTATION PLAN**

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

In discussion, reference was made to:

- (a) the Plan delivering upon a recent Internal Audit recommendation;
- (b) the strength of partnership working. Members felt that such alignment with other local authorities was a positive to be commended.

It was then:

**RESOLVED**

- 1. That Council be **RECOMMENDED** to endorse the Devon Cornwall and Isles of Scilly Climate Adaptation Plan as set out at Appendix A of the presented agenda report; and
- 2. That the climate change and biodiversity work programme be noted.

E.77/23 **HOME FOR UKRAINE SCHEME AND AFGHAN RELOCATION ASSISTANCE PROGRAMME**

Consideration was given to a report that provided an update on the Council's participation in the respective Ukrainian and Afghan resettlement schemes. It also provided information on the conclusion of the Local Authority Housing Fund 1 and 2 initiatives.

During debate, particular reference was made to:

- a) an addition to recommendation 1. In order to acknowledge the contribution of Council officers to the success of the Scheme, an addition to the wording of recommendation 1 was **PROPOSED** and **SECONDED** and when put to the vote declared **CARRIED** that:

*The Executive:*

1. *thanks the officers and notes the positive progress of the Council's participation in the Homes for Ukraine scheme and that the Afghan resettlement schemes be noted.*

- b) the support provided by lead officers. For both the Home for Ukraine Scheme and Afghan Relocation Assistance Programme, a number of Members paid tribute to the excellent work and pragmatic approach that was provided by lead officers and host families. Officers referenced a number of real life resettlement stories aligned to these initiatives and, as a result, it was concluded that an all Member Briefing to expand further should be arranged in due course.

It was then:

**RESOLVED**

1. That the officers be thanked and the positive progress of the Council's participation in the Homes for Ukraine scheme and that the Afghan resettlement schemes be noted; and
2. That the conclusion of the Local Authority Housing Fund (LAHF1 and 2) initiative, successfully delivering a total of 11 new properties at Sherford and Ivybridge, be noted.

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

E.78/23 **DISCRETIONARY HOUSING PAYMENT POLICY**

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

There being no debate, it was then:

**RESOLVED**

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

E.79/23

**HOUSING BENEFIT WAR PENSIONS DISREGARD POLICY**

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

During debate, both Members and officers advised that they would continue to help and promote the ability for residents to self-serve whilst ensuring that they could also contact the Council in the best way for them as an individual.

It was then:

**RESOLVED**

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

E.80/23

**MONTH 10 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, reference was made to the significant budgetary pressures associated with homelessness costs. In stating that this was a problem felt by all local authorities in the country, it was noted that extensive lobbying was being undertaken that sought additional funds from Central Government.

It was then:

**RESOLVED**

1. That the forecast income and expenditure variations for the 2023/24 financial year and the overall projected surplus of £46,000 (0.4% of the total Budget £11.738 million), very close to a break-even position, be noted; and
2. That Council be **RECOMMENDED** to fund up to £170,000 of planning appeal costs from the Business Rates Retention Earmarked Reserve (as detailed in paragraphs 3.5 to 3.7 of the presented agenda report).

**E.81/23 CAPITAL PROGRAMME MONITORING AS AT 31 JANUARY 2024**

The Executive was presented with a report providing details of the Capital Programme financial position as at 31 January 2024.

With no debate ensuing, it was then:

**RESOLVED**

That the contents of the report be noted.

**E.82/23 DARTMOUTH PARK & RIDE AND HEALTH HUB CAR PARK SIX MONTH REVIEW**

The Executive considered a report that sought approval for a number of changes to the Dartmouth Park and Ride operation and associated Off Street Parking Places Order.

The Chairman informed the meeting that he was exercising his discretion to enable for Cllr Cathy Campos (Dartmouth Town Council) and Ms Jo Hinde (Co Chair of Dartmouth & District Chamber of Commerce) to address Members. In so doing, they made particular reference to:

- the one-off 100% increase in all day tariff (from £5 to £10) for the Park and Ride facility. Whilst accepting the need for an increase, a 100% increase was felt to be too high and therefore to the detriment of the local economy;
- the importance of a park and ride service being in place for: the Easter weekend; May half-term week; and the local Music and Food Festivals. Also, it was considered very important for the service to be operational at hours that were suitable for both local workers and evening visitors to utilise;
- the need for many local businesses to have a good trading year in order to ensure their survival;
- the impression that the proposals were being imposed upon the town rather than being developed collaboratively. To that end, both speakers asked that the proposals be deferred to enable for further

consideration and discussion to take place in an attempt to reach a more satisfactory way forward.

Following their addresses, a number of Members commented as to how useful it had been to hear first hand from the speakers and, in the ensuing debate, the following points were raised:

- (a) Given that there had been minimal reference made to the Dartmouth Health Hub Car Park proposals, support was expressed for part 1 of the report recommendation;
- (b) The local Ward Members reiterated a number of the points raised by the speakers and expressed their disappointment that they had only been made aware of the proposals less than one week ago;
- (c) Some Members expressed their sympathy with the comments expressed by the speakers and an alternative recommendation was therefore **PROPOSED** and **SECONDED** that read as follows:

*“That any decision relating to the Dartmouth Park and Ride matter be POSTPONED until a Special Executive meeting be held to enable officers and the lead Member to discuss the matters further with local Ward Members; the Town Council; and other interested organisations in order to seek a way forward that addresses the issues raised.”*

In the ensuing debate on the alternative recommendation, reference was made to:

- the Council not previously knowing that Dartmouth had established a Chamber of Commerce;
- given the statutory requirement to consult for a minimum of 21 days, any decision to postpone would have significant time constraints and would require a Special Executive meeting to be convened at very short notice;
- in hindsight, the view was expressed that the proposals should have been consulted on with local Members and stakeholders earlier and there were lessons to be learned from this process;
- the estimated park and ride service deficit for 2023/24 (in excess of £154,000) was not a sustainable position for the Council and, irrespective of these proposals, a solution therefore had to be found;
- the long-term aspirations of the administration to establish a two-tier pricing structure for locals and visitors remained;
- the Climate Change and Biodiversity benefits arising from an effective park and ride service;
- it being important to recognise that officers and the lead Member had worked tirelessly to ensure that there were also advantages and benefits contained within the proposals that could be jeopardised by any decision to postpone at this meeting; and
- the problems arising as a result of the service prices having been frozen for the last 14 years.

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

It was then:

**RESOLVED**

1. That it be noted that the Dartmouth Health Hub Car Park continued to operate under the current Off Street Parking Places Order with a full review to be undertaken at 12 months in and brought back to the Executive in September 2024 for consideration; and
2. That any decision relating to the Dartmouth Park and Ride matter be POSTPONED until a Special Executive meeting be held to enable officers and the lead Member to discuss the matters further with local Ward Members; the Town Council; and other interested organisations in order to seek a way forward that addresses the issues raised.

**E.83/23 DARTMOUTH CONSERVATION AREA APPRAISAL AND MANAGEMENT PLAN**

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

Officers informed that the documents would be subject to a final proofread prior to being published for consultation.

It was then:

**RESOLVED**

That the commencement of consultation on the draft Dartmouth Conservation Area Appraisal and Management Plan be approved.

**E.84/23 TOTNES CONSERVATION AREA APPRAISAL AND MANAGEMENT PLAN**

Members considered a report that sought approval for the commencement of the consultation on the Draft Totnes Conservation Area Appraisal and Management Plan 2024.

During debate, a Member noted that Totnes Town Council had already raised a number of concerns over the content of the Plan. As a consequence, other Members encouraged the Town Council to raise these concerns formally during the consultation process.



It was then:

**RESOLVED**

That the commencement of consultation on the draft Totnes Conservation Area Appraisal and Management Plan be approved.

**E.85/23 BRIXTON NEIGHBOURHOOD PLAN MODIFICATION**

The Executive was presented with a report that sought agreement for the Brixton Neighbourhood Plan modification to be made (adopted) in line with the Examiner's recommendations.

In discussion, support was expressed for the proposals and the leadership demonstrated by the Parish was felt to be commendable.

It was then:

**RESOLVED**

1. That the Examiner's report for the Brixton Neighbourhood Plan Modification set out at Appendix A of the presented agenda report be received;
2. That each of the recommendations made in the presented agenda report, and the reasons for them, were considered;
3. That it was agreed that the Brixton Neighbourhood Plan as proposed to be modified met the Basic Conditions and was compatible with the Convention Rights, subject to the amendments recommended by the Examiner;
4. That the 'making' (adoption) of the Brixton Neighbourhood Plan modifications be approved, in line with the amendments recommended by the Examiner, (as set out in the full plan attached at Appendix B of the presented agenda report);
5. That the Assistant Director Planning be authorised to publish the Decision Statement (as set out at Appendix C of the presented agenda report).

**E.86/23 STAVERTON NEIGHBOURHOOD PLAN**

A report was considered that sought approval for the Staverton Neighbourhood Plan to proceed to referendum.

During the ensuing debate, the local Ward Member wished to record her thanks to Staverton Parish Council for its work in reaching this milestone.

It was then:

**RESOLVED**

1. That the Examiner's report for the Staverton Neighbourhood Plan set out at Appendix A of the presented agenda report, be received;
2. That each of the recommendations made by the Examiner's report and the reasons for them have been considered;
3. That it be agreed the Staverton Neighbourhood Plan met the Basic Conditions and was compatible with the Convention Rights, subject to being modified as recommended by the Examiner;
4. That the Staverton Neighbourhood Plan proceed to Referendum, modified as recommended by the Examiner, as set out at Appendix B of the presented report;
5. That the referendum area did not extend beyond the Staverton Neighbourhood Plan Area, as shown on the map at Appendix D of the agenda report;
6. That the Assistant Director Planning be authorised to publish the Decision Statement set out at Appendix E of the presented report; and
7. That the Returning Officer be instructed to conduct a referendum on the Staverton Parish Neighbourhood Plan.

**E.87/23 EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED**

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

**E.88/23 FUSION LIFESTYLE - LEISURE CONTRACT UPDATE**

Members considered an Exempt report seeking approval for a variation to the Council's existing contract with Fusion Leisure.

In discussion, a number of Members expressed their support for the proposals contained within the Exempt agenda papers.

It was then:

**RESOLVED**

1. That Council be **RECOMMENDED** to approve the contract variation and changes to the payments profile for the five years 2023-24 to 2027-28 (as set out in Section 4 of the presented agenda report); and
2. That authority be delegated to the Lead Member for Community Services, Director of Place and Economy and Section 151 Officer to finalise the terms of the profit share agreement for the five years 2023-24 to 2027-28.

(Meeting commenced at 10.00 am and concluded at 1.40 pm)

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Chairman

***(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF MINUTES E.76/23 (Part 1), E.79/23 (Part 2), E.80/23 (Part 2), AND E.88/23 (Part 1), WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 21 MARCH 2024, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 18 MARCH 2024 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES)***

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