



Agenda for Cabinet Wednesday, 4th September, 2019, 5.30 pm

Members of Cabinet

Councillors: B Ingham (Chairman), S Bond (Vice-Chairman), J Bailey, K Blakey, P Faithfull, G Jung, P Millar, G Pook, I Thomas and M Armstrong

Venue: Council Chamber, Blackdown House, Honiton

Contact: Amanda Coombes, Democratic Services Officer;
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(or group number 01395 517546)
Friday, 23 August 2019

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1 Public speaking
Information on [public speaking](#) is available online

2 Minutes of the previous meeting (Pages 4 - 11)

3 Apologies

4 Declarations of interest

Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)

5 Matters of urgency: Exmouth Queen's Drive Delivery Group (Pages 12 - 18)

The purpose of this report is to secure approval for a new Project Delivery Group that will replace the existing Exmouth Regeneration Board and Exmouth Regeneration Executive Group. A brief update is included on the work that has taken place over the last year in advance of a more detailed cabinet report that will come forward in October.

This is a late report as a September Cabinet decision allows the creation of the new Delivery Group and an opportunity to meet soon in September, to discuss external expert advice and the future programme of actions on delivery of Queen's Drive Phase 3, prior to a detailed report coming to October Cabinet.

6 Confidential/exempt item(s)

To agree any items to be dealt with after the public (including the Press) have been excluded. There are no items which officers recommend should be dealt with in this way.

7 Forward Plan (Pages 19 - 20)

- 8 Minutes of Strata Joint Executive Committee held on 18 June 2019 (Pages 21 - 22)
- 9 Minutes of Housing Review Board held on 20 June 2019 (Pages 23 - 30)
- 10 Minutes of Housing Review Board held on 12 August 2019 (Pages 31 - 34)
- 11 Minutes of Exmouth Regeneration Board held on 20 June 2019 (Pages 35 - 39)
- 12 Minutes of Overview Committee held on 27 June 2019 (Pages 40 - 44)
- 13 Minutes of Overview Committee held on 25 July 2019 (Pages 45 - 52)
- 14 Minutes of South and East Devon Habitat Regulations Executive Committee held on 16 July 2019 (Pages 53 - 58)
- 15 Minutes of Scrutiny Committee held on 18 July 2019 (Pages 59 - 62)
- 16 Minutes of Community Grant Panel held on 24 July 2019 (Pages 63 - 66)
- 17 Peer Review 2019

To receive a verbal presentation from Emily McGuinness of the Local Government Association about the Peer Review scheduled for EDDC from the 24th to the 26th September.

Matters for Decision

- 18 **Council Tax Reduction Scheme for working age - Change to an income banded discount scheme from 2020/21** (Pages 67 - 79)

This report is seeking approval for the draft scheme for public consultation. Members had approved on 12 December 2018 for officers to start scoping and developing an income banded discount scheme to be implemented for 2020/21. This report sets out the reasons the need to change the scheme and includes proposals for increasing the amount of council tax support for low income working age households.

- 19 **Cranbrook Strategic Delivery Board** (Pages 80 - 85)

This report sets out the key issues associated with delivering critical community infrastructure in Cranbrook and the subsequent challenges for future service delivery in the town. The recommendation is the establishment of a Strategic Delivery Board to provide a forum; in conjunction with the County and Town Councils, for coordinating the delivery of assets and services going forward.

- 20 **Annual Treasury Management Review 2018/19 - 1 April 2018 to 31 March 2019** (Pages 86 - 108)

This report details the overall position and performance of the Council's Treasury Management Strategy during 2018/19.

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If you are recording the meeting, you are asked to act in a reasonable manner and not disrupt the conduct of meetings for example by using intrusive lighting, flash photography or asking people to repeat statements for the benefit of the recording. You may not make an oral commentary during the meeting. The Chairman has the power to control public recording and/or reporting so it does not disrupt the meeting.

Members of the public exercising their right to speak during Public Question Time will be recorded.

[Decision making and equalities](#)

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EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Cabinet held at Council Chamber, Blackdown House, Honiton on 10 July 2019****Attendance list at end of document**

The meeting started at 5.30 pm and ended at 7.47 pm

18 Public speaking

A member of the public spoke at Minute 28 Climate Change Emergency – Our Response.

19 Minutes of the previous meeting held on 5 June 2019

The minutes of the Cabinet meeting held on 5 June 2019 were confirmed and signed as a true record.

20 Declarations of interest

12. Climate Change Emergency - Our Response.
Councillor Ian Hall, Personal, Councillor for Devon County Council.

14. Long Lane Enhancement Scheme.
Councillor Ian Thomas, Personal, Chairman of East Devon Enterprise Zone Board.

18. Public Health Implementation Plan 2019/20.
Councillor Geoff Pook, Personal, Member of Seaton Area Health Matters Group.

18. Public Health Implementation Plan 2019/20.
Councillor Jack Rowland, Personal, Chairman of Seaton Area Health Matters Group.

18. Public Health Implementation Plan 2019/20.
Councillor Paul Millar, Personal, Works for South West Water.

21 Matters of urgency: Additional works - Maer Road Car Park

The report set out a solution to an issue that had arisen during ongoing capital project works at Maer Road car park in Exmouth. Upon commencement of works it became apparent the car park construction was substantially poorer beneath the surface than had previously been assumed and that more extensive works comprising both new sub base and tarmac finish, were required to complete the projects satisfactorily.

RESOLVED:

that the following be agreed:

1. Option 3 be taken forward, as this was the lowest whole life cost option for maintaining the car park. This results in least disruption to the car parks users and maximised the availability of the car park and its income generating potential, and
2. an exemption to Contract Standing Orders in relation to using the existing contractor on site and the additional costs involved.

REASON:

To ensure the car park was fit for purpose and would provide a convenient and useful facility for car, coach and motorhome parking in the town for the 2019 summer period and continue to do so in the future.

22 **Confidential/exempt item(s)**

There were no items that officers recommended should be dealt with in this way.

23 **Forward Plan**

Members agreed the contents of the forward plan for key decisions for the period 1 August to 30 November 2019.

24 **Minutes of Strata Joint Scrutiny Committee held on 30 May 2019**

Members received and noted the minutes of Strata Joint Scrutiny Committee held on 30 May 2019.

25 **Minutes of Scrutiny Committee held on 6 June 2019**

Members received and noted the Minutes of Scrutiny Committee held on 6 June 2019.

26 **Minutes of Asset Management Forum held on 13 June 2019**

Members received and noted the Minutes of Asset Management Forum held on 13 June 2019.

27 **Minutes of Budget Working Party held on 26 June 2019**

Members received the Minutes of Budget Working Party held on 26 June 2019.

RESOLVED (1) that the following recommendations be agreed:

Minute 3 - Medium Term Financial Plan and Transformation Strategy 2019 - 2029 that the actions identified for implementation in accordance with the Transformation Strategy be taken forward so as to enable a balanced budget to be set for 2020/21 and over the term of new Council.

28 **Climate Change Emergency - Our Response**

David Rochester, a member of Extinction Rebellion congratulated EDDC for its comprehensive reports on climate change on the agenda. He suggested the date of 2050 for net-zero carbon emissions was too far away and that massive cultural changes to reduce these emissions must be made immediately. He welcomed the report but said more must be done. He suggested a clear date of 2025 to be carbon neutral reflecting the reality of the emergency we face, being stronger with this message to higher tiers of Government as well as the council taking an assertive approach to lobbying central government. Immediate action could be made through the planning process with a must to any new substantial developments being close to employment and public transport links. He pointed out that area development must include adequate storage for bicycles in order people to use buses and trains.

The Strategic Lead Housing, Health and Environment introduced his report which was intended as a high level discussion document for Cabinet to assist in exploring EDDC's organisational ambitions in relation to climate change, consider how this topic might feature on the new Council's agenda and priorities. He spoke clearly and concisely on how the issue must be a concerted effort from everyone - people, businesses, local and central governments who should and must act now. Everyone including businesses must assume personal responsibility to look into their carbon reliance. He stated the need to research EDDC's present carbon footprint before a date could be put forward to becoming carbon neutral.

The Cabinet was invited to sign a declaration and give a steer, which would influence the development of an EDDC action plan, a series of commitments, and the process for contributing towards challenging reductions in greenhouse gas emissions. This approach needed to be consistent with international, national and regional efforts to limit further climate change.

As part of these considerations EDDC needed to form a view on:

- The extent of its' ambitions in this area;
- Whether to look to be a Carbon Neutral Council and engage in carbon offsetting;
- How to establish an emissions baseline for council activities/buildings (essential if wanting to become carbon neutral);
- How this ambition would be articulated politically, through communications and in the Council Plan;
- The resourcing requirements and financial implications;
- How to embrace this as a one council activity touching all Services;
- The extent to which EDDC would work in partnership with others;
- How the education, influencer, and enabling roles would operate;
- The wider policy context and where the council could make meaningful interventions.

Discussions included the following:

- The need to stop granting planning permissions on flood plans
- Planting hundreds of more trees to address the balance
- Must lead by example to engage residents to follow as well as being achievable
- Local housing stock to have solar panels to become carbon neutral with any surplus brought back to be reinvested in climate change education
- It was not hard to reduce one's own individual carbon footprint
- Anything done now must be considered and sensible and done in a coordinated way
- Declare a Climate Emergency locally
- Work with the farming community to reduce the production of methane in order to gain the greatest carbon capture
- Try for 2025 for significantly reducing carbon emissions
- Keep records of what we are doing in order to make calculations
- Carbon capture was being lost through the development of new roads, houses and industrial estates reliance on concrete
- Show leadership in the community with a need for a solid framework which to operate on.
- Baseline surveys being evolving documents necessary to establish carbon emissions
- Regular quarterly update reviews

- Reflect the emergency within the EDDC itself
- Local public transport to work together to improve and coordinate their timetables
- Lobby central government to revise building regulations
- No plastic drink containers to be sold on EDDC land
- Consider how to engage younger people
- Targets must be informed by understanding the issues, there must be a quantifiable plan set up with the ability to finance changes
- Lobby local MPs to demonstrate on our behalf on local government finances
- The need to look at the ecology of the district with plans for new development to have greenspaces
- Need to act now and not wait until changes in policies through the local plan
- Local plan evolves from the NPPF hence the need for Government intervention to this and other national policies

The Chairman reminded members that the 10 new leaders across Devon were all wanting to take this opportunity to work together to address this climate emergency. He stated the success rate would be higher if everyone worked with positivity. He agreed that citizen assemblies must be created as well as more sustainable communities with everyone remaining flexible and fluid to change the date closer for zero carbon emissions.

The Portfolio Holders for Environment and Finance wished to thank and congratulate John Golding and his team for their detailed and informative report.

RECOMMENDED:

that the following be agreed:

- (1) to sign up to the Devon Climate Change Emergency Declaration; and
- (2) to work with Devon County Council and other partners to produce a Devon wide action plan on climate change; and
- (3) to prepare an East Devon District Council action plan to reduce its' carbon footprint; and
- (4) to link the Council plan with the work of the Low Carbon Task Force; and
- (5) to support the acceleration of the proposals to achieve zero carbon development in the West End of the district; and
- (6) to reflect climate change as a priority in the new Council Plan and future updates of Service Plans and relevant corporate policies.

REASON:

To commit to an agenda and series of actions that have a positive impact on reducing EDDC's carbon footprint and greenhouse gas emissions with the ambition of becoming carbon neutral as an organisation at the earliest opportunity.

To also work in partnership with others on the climate change agenda to ensure that the council was supporting and influencing regional, national and international responses as well as assisting businesses, communities and visitors reduce their carbon use.

Zero Carbon Development in the West End

The report set out the key issues associated with achieving large scale zero carbon development in the West End of the district and proposed a way forward to address these issues. An endorsement was sought for undertaking a market engagement exercise in conjunction with Government.

RECOMMENDED:

that the following be agreed;

1. to note the key issues associated with achieving zero carbon development in the West End of the district,
2. to commit funding of up to £30k to support an application to round 9 of Heat Networks Delivery Unit funding,
3. to endorse undertaking a market engagement exercise in conjunction with Government,
4. to receive a further report setting out a proposed pathway to zero carbon including detailing the potential role for the Council.

REASON:

To ensure that there was a clear pathway for achieving large scale zero carbon development in the West End of the district.

30 **Long Lane Enhancement Scheme**

The report provided an update on progress with securing financial contributions towards the Long Lane enhancement scheme. It recommended a reduction to the extent of the scheme to reflect a change in the risk profile associated with the works.

RESOLVED:

that the scope of the Long Lane enhancement scheme was reduced to delete the section between the Flybe Training Academy and Harrier Court, be agreed.

REASON:

To adequately manage the risk associated with securing financial contributions towards the enhancement scheme and to protect the Council's position.

31 **Review of the Council's governance arrangements**

At Annual Council it was confirmed by the Leader that the Council would have the opportunity of considering the alternative arrangements of a committee structure in place of the current Cabinet / Leader model. The report by the Strategic Lead Governance & Licensing & Monitoring Officer, gave a brief background to the existing position and options for change and recommended that Members lead on the review of whether or not to adopt alternative arrangements.

The Portfolio Holder Transformation suggested the need to start from the basics and look into other councils committee structures. He stated that any think tanks would have cross party membership.

Discussions included the following:

- This had excellent potential with a strong scrutiny function element
- Cross party working could be conducive and working with others grew mutual respect

RESOLVED:

1. that Cabinet ask the Overview Committee to carry out a review of the Council's governance arrangements and options for change and reports its findings and recommendations back to Cabinet in due course. The Overview Committee to set the terms of reference for carrying out the review and consideration of the alternative models,

2. that the Portfolio Holder for Transformation establishes a Think Tank for the purpose of investigating the options for change and to enable engagement with the wider membership of the Council on the necessity for and objective of change.

REASON:

To enable the Council Membership to fully consider and engage on the review of the Council's governance arrangements and whether or not they should be changed.

32 **Revised arrangements for lone worker safety**

The new arrangements for lone worker safety meant that there would be a simple and easy to use council wide system. The revised arrangements rely on managers taking responsibility for identifying and monitoring their lone working staff and putting in place suitable and efficient arrangements to ensure their safety according to the risks that they face. It also relies on each employee taking responsibility for telling the system where they are and what they are doing; the system would fail "safe" by triggering an alert to their manager if they forget to do so.

RESOLVED:

that the revised Lone Working Policy & Procedures be agreed.

REASON:

To ensure that the Council continued to take reasonable measures to meet its obligations to protect the health and safety of its workforce from foreseeable risks.

33 **Construction (Design and Management) Regulations 2015 Policy**

At present the Council had guidance notes on the requirements of these Regulations but no formal policy on how these matters are managed within the Council.

RESOLVED:

that the proposed Policy and the further work required to implement the Policy throughout the Councils operations, be agreed.

REASON:

To ensure all areas of the Councils operations comply with the requirements of the Regulations and staff were clear on their duties and responsibilities.

34 **Public Health Implementation Plan 2019/20**

In the Council's Public Health Strategic Plan (2019 – 2023) it was recognised that a lot of residents would like to be (and could be) in better health and the council's role was that as a provider of important public services, it had an overarching responsibility to think about people's health and wellbeing in everything it does. Every year the council committed to a Public Health Implementation Plan that set out specific things that the council was going to do to help people to be healthy and to stay healthy. The report collected examples of some of the really good work that had been and was continuing to be delivered by front line council services.

RESOLVED:

that the Public Health Implementation Plan 2019/20, be promoted and agreed.

REASON:

To raise awareness of the importance of the council's work in keeping people well and to celebrate the enormous contribution its services make to the prevention agenda within the Devon Sustainability and Transformation Partnership (STP) – the comprehensive five-year plan to transform health and care services for local people so they were fit for the future.

35 **Sid Valley Neighbourhood Plan Examiner's Report**

The report provided feedback and set out the proposed modifications following the examination of the Sid Valley Neighbourhood Plan.

Councillor Bruce de Saram Lead Councillor for Neighbourhood Planning; through the Chair, endorsed the Examiner's recommendations on the Sid Valley Neighbourhood Plan and congratulated the steering Group on getting this far with the process. He wished to remember the work of Councillor Michael Earthey, a valued member of the steering group who sadly passed away recently. He stated how impressive and to their credit that a Young People's Advisory Group had been set up as part of the process in order that it linked into the plans vision statement promoting its appeal to young and old.

RESOLVED:

That the following be agreed:

1. the Examiner's recommendations on the Sid Valley Neighbourhood Plan (the Plan),
2. a 'referendum version' of the Plan (incorporating the Examiner's proposed modifications) should proceed to referendum and a decision notice to this effect be published,
3. the Neighbourhood Plan Steering Group be congratulated on their hard work.

REASON:

The legislation required a decision notice to be produced at this stage in the process. The Plan was the product of extensive local consultation and had been recommended to proceed to referendum by the Examiner subject to modifications which were accepted by the Town Council.

Attendance List**Present:****Portfolio Holders**

B Ingham	Leader
S Bond	Deputy Leader
M Armstrong	Portfolio Holder for Sustainable Homes and Communities
J Bailey	Portfolio Holder for Corporate Services
K Blakey	Portfolio Holder for Economy
P Faithfull	Deputy Portfolio Holder for Environment
G Jung	Portfolio Holder for Environment
P Millar	Portfolio Holder for Transformation
G Pook	Portfolio Holder for Asset Management
I Thomas	Portfolio Holder for Finance

Also present (for some or all the meeting)

Councillor Paul Arnott
Councillor Kim Bloxham
Councillor Fred Caygill
Councillor Maddy Chapman
Councillor Ian Hall
Councillor Sam Hawkins
Councillor Nick Hookway
Councillor Sarah Jackson
Councillor Luke Jeffery
Councillor Vicky Johns
Councillor Dan Ledger
Councillor Tony McCollum
Councillor Val Ranger
Councillor Marianne Rixson
Councillor Jack Rowland
Councillor Eileen Wragg
Councillor Tom Wright
Councillor Fabian King

Also present:

Officers:

Richard Cohen, Deputy Chief Executive
Amanda Coombes, Democratic Services Officer
Simon Davey, Strategic Lead Finance
Andrew Ennis, Service Lead Environmental Health and Car Parks
John Golding, Strategic Lead Housing, Health and Environment
Henry Gordon Lennox, Strategic Lead Governance and Licensing
Karen Jenkins, Strategic Lead Organisational Development and Transformation
Helen Wharam, Public Health Project Officer
Andrew Wood, East of Exeter Projects Director

Chairman

Date:



Report to: Cabinet

Date of Meeting: 4 September 2019

Public Document: Yes

Exemption: None

Review date for release: None

Subject: Exmouth Queen's Drive Delivery Group

Purpose of report: The purpose of this report is to secure approval for a new Project Delivery Group that will replace the existing Exmouth Regeneration Board and Exmouth Regeneration Executive Group. A brief update is included on the work that has taken place over the last year in advance of a more detailed cabinet report that will come forward in October. This next report will provide information on the outcome of the work undertaken by the project's external professional advisors with recommendations for the next steps that will involve a new public engagement process before the end of this year.

This is a late report following discussion with Leader, Deputy Leader and Portfolio Holder – Economy. A September Cabinet decision allows the creation of the new Delivery Group and an opportunity to meet soon in September to discuss external expert advice and the future programme of actions on delivery of Queen's Drive Phase 3 prior to a detailed report coming to October cabinet.

Recommendation: **That Cabinet;**

- 1. Approves that the Exmouth Regeneration Board and Exmouth Regeneration Project Executive are dissolved and that an Exmouth Queen's Drive Delivery Group is established in its place (terms of reference detailed at Appendix 1).**
- 2. Approves the appointment of the Councillors to the Ward Member positions as detailed in paragraph 2.3 of the report and delegates authority to the Leader to appoint replacement members to these positions should the need arise.**

Reason for recommendation: To enable appropriate engagement between local Exmouth Ward members, the Town Council, Lead councillors and officers of this council within a group where the project can be discussed in detail and confidentially. This will enable the group's members to have informed discussions relating to this complex project and its delivery. Notes of meetings will be published regularly as part of cabinet papers.

Officer: Richard Cohen: 01395 571552

Financial implications:	There are no direct financial implications arising from the recommendations of the report.
Legal implications:	It is within the remit of Cabinet to abolish the previous Board and Executive Group and to create a new Delivery Group. Legal have had input into and are happy with the Terms of Reference. There are no other legal implications requiring comment.
Equalities impact:	Low Impact
Risk:	Medium Risk
	Risk is inherent in a complicated phased development project of this nature. Risks are being managed and reported to SMT on a regular basis. Project updates are considered within the Capital Strategy and Allocations Group. The new Delivery Group will provide a further means by which the Queen's Drive investment and development can be informed and advised by members and officers of the district and town councils.
Links to background information:	<ul style="list-style-type: none"> • Cabinet 5th April 2017 (Item 15)
Link to Council Plan:	Developing an outstanding local economy, and an outstanding local environment.

Report in full

1. Background

- 1.1 The delivery of regeneration projects in Exmouth has been a significant activity for this council for a number of years now and the sharing of information to councillors, and the members of Exmouth Town Council (including sometimes confidential or commercially sensitive information), has been through a number of different means. These included the Exmouth Regeneration Programme Board, the Exmouth Regeneration Executive Group, and All Exmouth councillor group meetings as well as email briefings. To date the Exmouth Regeneration Board has involved itself in a broad range of Exmouth issues but the priority for now is to focus on delivering the Queen's Drive project and in particular the progress of a Phase 3 mix of quality leisure and appropriate seafront uses to complete the development. Phase 1, the road and car park, is now complete and Phase 2, the water sports centre, is underway. Temporary attractions are in place pending the progress and completion of Phase 3.
- 1.2 Where decisions have been required, in the past these have been taken by cabinet with delegated approvals being given to the Deputy Chief Executive Officer in consultation with others including the Economy Portfolio Holder.
- 1.3 The new Leadership has been considering how best to take forward the involvement of councillors and other stakeholders in Exmouth's regeneration activities. Cllr Kevin Blakey, the Economy Portfolio Holder, and new chair of the Exmouth Regeneration Programme Board has taken forward a number of discussions within the council in relation to this. Through these discussions and the ongoing progress of Queen's Drive Redevelopment phases, there is an imperative to focus on the delivery of the outstanding elements of this project and complete a Phase 3 development.

2. Proposal

- 2.1 With this in mind it is considered that a Board with a broad remit has come to a natural end and that a focused and dedicated group be created to advise on the delivery of the next Queen's Drive redevelopment phase in particular. The council would like to thank those individual members from this and other councils, as well as those from the private sector that have given their time and energy towards its work and the projects that it has championed including the Premier Inn, the new Mamhead Slipway, the Strand redevelopment and the phases of Queen's Drive redevelopment.
- 2.2 The council is therefore proposing to replace the Regeneration Board with a Delivery Group that will help bring the Queen's Drive project to fruition. The group, made up of District and Town Councillors supported by officers, will be delivery focused and will have an overview of Phase 3 delivery in particular.
- 2.3 It is proposed that the membership of the Delivery Group will comprise the following councillors from the District and Town councils:

Council Leader (Chair) - Cllr B Ingham

Deputy Leader (Vice Chair) - Cllr S Bond

Portfolio Holder: Economy - Cllr K Blakey

Portfolio Holder: Sustainable Homes and Communities - Cllr M Armstrong

EDDC Ward Member, Exmouth Littleham - Cllr N Hookway

EDDC Ward Member, Exmouth Littleham - Cllr Bruce De Sarum

EDDC Ward Member, Exmouth Town - Cllr O Davey

ETC Mayor - Cllr S Gazzard

An additional ETC member to be nominated by the Town Council

Support officers: Deputy Chief Executive, Senior Manager - Regeneration & Economic Development, Senior Manager - Property & Estates, Principal Planning Officer for West Team, Principal Solicitor, Regeneration Officer, Clerk of Exmouth Town Council.

- 2.4 The Group will meet a minimum of 4 times in a year. The meeting will be private to ensure that confidential or commercially sensitive matters can be discussed. Meeting notes (covering non-sensitive items) will be published through the council's Cabinet papers. When appropriate, the Chair may invite other individuals with particular expertise to attend the meeting.
- 2.5 The purpose of the Group is to ensure that the members are kept apprised of the position regarding the Queen's Drive project: its progress and current issues. It will be the forum where members can discuss the opportunities and complexities relating to the project's delivery, arising sometimes as a result of commercially sensitive or confidential matters which cannot be more widely shared.

- 2.6 The Group will support further public and stakeholder engagement activities (more information below) and through their membership of the Group, will promote the optimal outcomes for Exmouth in delivering the redevelopment programme. It will also contribute to the work underway by external advisers, Hemingway Design and Lambert Smith Hampton, currently engaged by the council to advise on future uses on the Phase 3 site in terms of vision and commercial viability.
- 2.7 The Group is an Advisory Group and it will remain the case that key decisions in relation to the redevelopment of Queen's Drive will be debated and decided by East Devon District Council's Cabinet and Council.
- 2.8 It is recommended that in 2 years' time, there will be a review of the project to assess its continued need.
- 2.9 The full Terms of Reference of the Project Delivery Group are contained at Appendix 1.

3 Current Position

- 3.1 The council has engaged Hemingway Design to refresh the Phase 3 vision including public and stakeholder engagement. In addition Lambert Smith Hampton have been appointed to work with Hemingway Design and the council to provide specialist leisure market advice on the development.
- 3.2 The engagement process began with an introductory visioning event and workshop hosted in June 2018 where attendees from a broad range of local interests including business owners, particularly from the local tourism, hospitality, leisure and creative sectors, Exmouth community and non-statutory organisations, and other groups with a particular interest in the seafront such as the Rowing Club, National Coastwatch Institution and Save Exmouth Seafront. At that initial event, the Hemingway Design team presented possible ideas for the space and asked attendees to put forward their own ideas and evaluate which they thought would be most relevant for the site.
- 3.3 This then informed the content of an online engagement survey for the wider public to share their thoughts and ideas; the results of which were published on the council's website earlier this year.
- 3.4 The aim of the online survey was to get to the heart of what the mixed use leisure area (Phase 3) of the Queen's Drive development could become. The survey ran from July to September 2018 and at the time the survey closed, 1289 responses were received.
- 3.5 A presentation to Exmouth Elected Members followed by a stakeholder visioning workshop took place in Exmouth Town Hall in December 2018 hosted by Hemingway Design and East Devon District Council. Lambert Smith Hampton were also in attendance to contribute with their commercial property expertise where the need arose.
- 3.6 Discussion centred on the quality of Exmouth's current built environment and leisure facilities and what might be missing from these. There was concern with regards to how the Queen's Drive site would interact with and complement the Ocean and the new Watersports Centre. Attendees were in agreement that the Queen's Drive Phase 3 redevelopment has the potential to offer new leisure, tourism and economic opportunities for Exmouth.

- 3.7 Commercial Property advisors, Lambert Smith Hampton are providing advice on the commercial deliverability of any future proposals, ensuring that the council is clear on the financial implications (income/liabilities) of any decision taken regarding the future uses of the site. Lambert Smith Hampton have been undertaking an exercise to 'soft market test' the current development market against the existing planning consent and emerging ideas in real market conditions. This is industry standard practice and will provide an indication of the appetite of investors and operators to be part of the mix of uses appropriate to and commercially possible for Phase 3 of the seafront's future.

4 Next Steps

- 4.1 The Project Delivery Group will hold its first meeting during September and receive the latest information on the work of the external professional advisors, HemingwayDesign Ltd and Lambert Smith Hampton preparatory to a Cabinet report in October.
- 4.2 A report is planned to come forward to Cabinet in October with more details on the outcome of the work of Hemingway Design and Lambert Smith Hampton and advising on a timetable of next steps.

APPENDIX 1

Exmouth Queen's Drive Delivery Group

- Membership: From East Devon District Council;
The Leader (Chair), Deputy Leader (Vice Chair), Portfolio Holders for Economy and Sustainable Homes & Communities, two Ward Members from Exmouth Littleham Ward and one Ward Member from Exmouth Town Ward
From Exmouth Town Council;
The Mayor and one further Councillor
- Support officers: Deputy Chief Executive, Senior Manager - Regeneration & Economic Development, Senior Manager - Property & Estates (to advise on the potential use of the Commercial Investment Fund), Principal Planning Officer for West Team, Principal Solicitor, Regeneration Officer, Clerk of Exmouth Town Council
- Meetings: A minimum of four times per year
- Quorum: Four District Councillors

Terms of Reference

- To provide a reference group of district and town councillors with officer support to inform progress and to make recommendations to East Devon District Council's Cabinet to enable it to take forward the successful delivery of *Exmouth Queen's Drive Redevelopment – phase 3*;
- To receive briefings and reports from officers and to act as a point of reference for the successful delivery of *Exmouth Queen's Drive Redevelopment – phase 3*;
- To monitor progress on achieving the delivery of the *Exmouth Queen's Drive Redevelopment – phase 3*;
- To advise on and input to external expert and professional consultancy;
- To support further engagement of public and stakeholders;
- To promote best practice, help overcome barriers and promote optimal outcomes for the benefit of Exmouth in delivering the redevelopment programme;
- To promote the objectives and successes of *Exmouth Queen's Drive Redevelopment*;
- To liaise with and share information with Exmouth Town Council

To assist the Delivery Group they may, through the Chair, invite individuals with relevant expertise to attend on a 'one-off' basis to discuss a particular issue.

The District Council will provide the secretariat service for the Delivery Group.

The Delivery Group will not be open to the general public and attendance will be by invitation only, reflecting the confidential and sensitive nature of matters discussed at meetings.

To ensure that there is public awareness of the Delivery Group's activities, discussions and project progress, notes of meetings will be publicly available and published as part of the District Council's Cabinet agendas.

The Delivery Group will be subject to review in two years' time to assess need for continuation and/or whether any changes are appropriate.

EAST DEVON DISTRICT COUNCIL

Forward Plan - For the 4 month period: 1 October 2019 to 31 January 2020

This plan contains all **the (i) important decisions that the Council and (ii) Key Decisions that the Council's Cabinet** expects to make during the 4-month period referred to above. The plan is rolled forward every month.

Key Decisions are defined by law as “**an executive decision** which is likely:–

- (a) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the Council's area

In accordance with section 9Q of the Local Government Act 2000, in determining the meaning of “significant” in (a) and (b) above regard shall be had to any guidance for the time being issued by the Secretary of State.

A public notice period of 28 clear days is required when a Key Decision is to be taken by the Council's Cabinet even if the meeting is wholly or partly to be in private. Key Decisions are shown with a Y in the Key Decisions column.

The Cabinet may only take Key Decisions in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of the Constitution and the Local Authorities (Executive Arrangements)(Meetings and Access to information)(England) Regulations 2012. A minute of each key decision is published within 2 days of it having been made. This is available for public inspection on the Council's website <http://www.eastdevon.gov.uk>, and at the Council Offices, Blackdown House, Border Road, Heathpark Industrial Estate, Honiton. The law and the Council's constitution provide for urgent key decisions to be made without 28 clear days' notice of the proposed decisions having been published. A decision notice will be published for these in exactly the same way.

This plan also identifies Key Decisions which are to be considered in the private part of the meeting (Part B) and the reason why. Any written representations that a particular decision should be moved to the public part of the meeting (Part A) should be sent to the Democratic Services Team (address as above) as soon as possible. **Members of the public have the opportunity to speak on the relevant decision at meetings in accordance with public speaking rules.**

Obtaining documents

Committee reports made available on the Council's website, including those in respect of Key Decisions, include links to the relevant background documents. If a printed copy of all or part of any report or document included with the report or background document is required please contact Democratic Services (address as above) or by calling 01395 517546.

Decision	Relevant Officer	Other meetings where the matter is to be debated / considered	Cabinet meeting date	Council Meeting date (where decision is required by Council)	Key decision (Y/N)	Part A = Public meeting Part B = private meeting [and reasons]
Heart of the South West Productivity Strategy	HotSW Joint Committee		TBC			
Beer Pilot	Deputy Chief Executive	Asset Management Forum 2 September 2019	2 October 2019	23 October 2019	N	Part A
Public Toilet Review outcome	Service Lead - StreetScene		5 February/4 March 2020	26 February/22 April 2020	N	Part A
Harbour View Café	Deputy chief executive		4 September 2019		N	tbc
Council Tax Reduction Scheme - Changing to an income banded scheme from 2020	Service Lead - Revenues and Benefits		8 January 2020	26 February 2020		Part A
Council Tax Base	Service Lead - Revenues and Benefits		8 January 2020		Y	Part A

Members of the public who wish to make any representations or comments concerning any of the key decisions referred to in this Forward Plan may do so by writing to the identified Lead Member of the Cabinet (Leader of the Council) c/o Democratic Services, Council Offices, Blackdown House, Border Road, Heathpark Industrial Estate, Honiton, EX14 1EJ. Telephone 01395 517546.

September 2019

STRATA - JOINT EXECUTIVE COMMITTEE**TUESDAY, 18 JUNE 2019****Present:**

Councillors Bialyk, Ingham and Dewhirst

Phil Shears Managing Director - Teignbridge District Council
Karime Hassan – Exeter City Council

Members Attendance:

Councillors Clarence and Wrigley

Apologies:

Councillor G Hook & M Williams Chief Executive - East Devon District Council

Officers in Attendance:

Laurence Whitlock, Strata IT Director
Robin Barlow, Head of Security & Compliance
Simon Davey, Strata Board Director David
Hodgson, Strata Service Director Martin
Millmow, Head of Document Centres
Paul Nicholls, Food Health & Safety Manager
David Sercombe, Head of Business Systems & Business Intelligence
Adrian Smith, Head of Infrastructure & Support
Sarah Selway, Democratic Services Team Leader

1. ELECTION OF CHAIR

Councillor Dewhirst the Deputy Leader of Teignbridge District Council was elected Chairman for the 2019/20 Municipal Year.

2. MINUTES

The minutes of the meeting held on the 28 January 2019 were taken as read and signed by the Chairman as correct.

3. DECLARATIONS OF INTEREST

None.

4. STRATA IT DIRECTOR REPORT

The Strata IT Director presented the [Strata Solutions update](#) report for the period 3 January 2019 to 1 May 2019 (presentation attached to minutes).

The Head of Business Systems & Business Intelligence commented that the convergence plan was progressing well although savings were limited due to the fact that in some instances there were three copies of a system across the Councils rather than one 'shared platform' that all three authorities were operating on, this limited the ability of the authorities to gain the financial benefit of true 'shared services'. The aim with the installation of the new finance system was to have one shared system for all the Councils which would produce savings of about £250,000.

It was acknowledged that the global communications had the capacity to be developed to support communications with those public that had hearing difficulties. Currently web chat was not offered by any of the three authorities as a mechanism of communication, but it was not felt that it would be that difficult from a technology view point to open this communication channel

Strata Joint Scrutiny Committee had considered the report at its meeting on 30 May 2019.

RESOLVED that the report be noted.

5. FINANCE REPORT

The Director responsible for Finance reported that Strata has delivered revenue savings of £623,800 in 2018/19 and had refunded £620,000 to the three Councils. The savings had compared well against the original target of £381,961 as outlined in the original business case.

Strata Joint Scrutiny Committee had considered the report at its meeting on 30 May 2019.

RESOLVED that the report be noted.

6. STRATA PEOPLE DATA REPORT

The Strata IT Director presented the People Data Report.

Strata Joint Scrutiny Committee had considered the report at its meeting on 30 May 2019.

RESOLVED that the report be noted.

Chairman

Recommendations for Cabinet that will resolve in an action being taken:

Housing Review Board on 20 June 2019

Minute 11 Housing Revenue Account Year End 2018/19 position

RECOMMENDED by the Housing Review Board:

that Cabinet agree the recommendation within the narrative report from the Strategic Lead Finance to add the in-year surpluses to the earmarked reserve for fire related building works.

Minute 13 Tenancy policy update

RECOMMENDED by the Housing Review Board:

that Cabinet approve the updated tenancy policy.

Minute 14 Social housing regulator consumer standards

RECOMMENDED by the Housing Review Board:

that Cabinet agree to a self-assessment audit against the Regulator of Social Housing's consumer standards applicable to local authority social landlords.

Minute 15 Homes legislation

RECOMMENDED by the Housing Review Board:

that Cabinet approve that the Housing Service ensures that the properties in the Council's portfolio comply with the Homes (Fitness for Human Habitation) Act 2018.

Minute 16 Housing complaints

RECOMMENDED by the Housing Review Board:

that Cabinet approve that:

1. the housing leadership team re-iterate the importance of outstanding customer care, considering additional training and awareness of opportunities where appropriate.
2. the Property and Asset Manager reviews processes to ensure the repairs team are always providing timely responses to issues reported to them.
3. the Landlord Services Manager reviews processes to ensure appropriate communication and response from officers is given when dealing with complaints regarding antisocial behaviour and noise.

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Housing Review Board held at Council Chamber, Exmouth Town Hall, Exmouth EX8 1AW on 20 June 2019

Attendance list at end of document

The meeting started at 2.30 pm and ended at 5.15 pm

1 Public speaking

There were no questions raised by members of the public.

2 Appointment of Vice Chairman

The Chairman welcomed all those present to the meeting and invited everyone to introduce themselves.

Nominations for Vice Chairman were received for co-opted tenant member Peter Sullivan.

RESOLVED: that tenant representative Peter Sullivan be appointed Vice Chairman of the Board for the ensuing year.

3 Minutes of the previous meeting

The minutes of the Housing Review Board meeting held on 28 March 2019 were confirmed and signed as a true record.

4 Declarations of interest

Councillor Ian Hall: Personal interest – mother was a housing tenant and used Home Safeguard. Chairman of the Millway Rise Action Group.

Councillor Dan Ledger: Personal interest – employed by a third party contractor for the current repairs and maintenance service.

Peter Sullivan: Personal interest – housing tenant.

Cat Summers: Personal interest – housing tenant.

5 Matters of urgency

There were no matters of urgency raised at the meeting.

6 Confidential/exempt item(s)

There were no confidential or exempt items.

7 Housing Review Board forward plan

The Strategic Lead – Housing, Health and Environment presented the forward plan and advised Members that the forward plan acted as a reminder of agenda items to come forward to future meetings. Members were reminded that they could add further issues to the next forward plan by informing either himself or the Democratic Services Officer.

The following items were added to the forward plan:

- Report on community development work.
- Resident involvement strategy.
- Position statement on the new integrated asset management contract and an update on the departure of the incumbent contractors.
- Housing's contribution to the climate change agenda, to include sustainability.

RESOLVED: that the forward plan be noted and updated.

8 **Housing Review Board induction**

The Strategic Lead – Housing, Health and Environment's report provided an introduction to the work of the Housing Review Board. It was intended for new members of the Board, and also a reminder for existing members. The report was a reminder of Housing Service priorities and the remit of the HRB. It would help the Board focus on key activities and the areas of service that mattered to tenants and service users. Members noted that the housing service ran a whole range of discretionary as well as statutory services.

The purpose of the Housing Review Board was to oversee and steer the Council's housing landlord activities. The report outlined the remit of the HRB and the aim and purpose for housing services, as well as future challenges and opportunities for housing, how the housing service was organised and gave a summary of the Housing Strategy, the overarching aim of this 'a decent home for all'. Tenants were involved in the decision making process and underpinned the work of the Board. It was noted that delivering new affordable housing was a challenge, with approximately 300 new homes per year required.

RESOLVED: that the Housing Review Board use the contents of the report as part of their induction process.

9 **Housing Review Board 2018/19 annual report**

Members were asked to note the annual report of the Housing Review Board which highlighted the achievements and detailed the breadth of work undertaken by the Board over the last year. The Democratic Services Officer was thanked for producing the report.

RESOLVED: that the annual report be noted by the Housing Review Board.

10 **Integrated asset management contract update**

The Board received a detailed presentation from the Acting Housing Service Lead on the integrated asset management contract. The presentation covered the entire process and set out the key milestones that had been achieved since the project began in 2015. They also received a report summarising the final stage of the process on the mobilisation of the new contract. It was confirmed that final preparations were complete, with a 'go live' date of the 1 July 2019.

It was noted that Ian Williams Ltd was a very reputable contractor who were proud of their work in the community and with vulnerable people. It was a condition of the contract that all staff were DBS checked.

The Acting Housing Service Lead was thanked for her report.

RESOLVED: that the Housing Review Board note the progress made in the mobilisation of the new contract with confirmation that the new contracting arrangements would begin on 1 July 2019.

11 **Housing Revenue Account Year End 2018/19 Year End position**

The Housing Accountant's report provided the HRB with an extract from the draft statement of accounts for 2018/19 for items relating to the Housing Revenue Account (HRA). The HRA was the ring-fenced account for providing council housing and associated services and showed the main areas of anticipated income and expenditure on landlord activities for the year. Producing a HRA had been a statutory duty for Councils who owned and managed their stock for some time, and therefore a key document for the Board to influence.

The Board received a presentation from the Housing Accountant by way of an introduction to the HRA, which explained what the HRA was and the code principles to guide its effective management. He explained the differences between capital and revenue, as well as a simplistic balance sheet. He explained how the right to buy procedure worked.

It was noted that the current year surplus was £1.1 million. The income from tenants was £18.3 million. Expenditure was broken down into financing, management and overheads, maintenance and other expenditure, and improvements/contribution to additions.

The financial responsibilities of the HRB included:

- Approving the strategic direction of the HRA
 - 40 year Business Plan
 - Stock replenishment programme
 - Indebtedness
- Monitoring financial performance
 - Budgeting process
 - Benchmarking
 - Ensuring 'value for money'
- Adherence to the code principles

RECOMMENDED: that Cabinet agree the recommendation within the narrative report from the Strategic Lead Finance to add the in-year surpluses to the earmarked reserve for fire related building works.

RESOLVED: that the extract from the 2018/19 statement of accounts relating to the Housing Revenue Account be noted.

12 **Tenancy agreement changes**

The Housing Needs and Strategy Manager's report summarised the process of updating the tenancy agreement and confirmed that the revised agreement came into effect on 17 June 2019.

It was noted that the tenancy agreement was a contract between the council and tenants. It was unique and bespoke to East Devon, although best practice research had been undertaken when updating the agreement.

RESOLVED: that the tenancy agreement update report be noted by the Housing Review Board.

13 **Tenancy policy update**

The Housing Needs and Strategy Manager presented the Housing Review Board with the EDDC tenancy policy, which had been updated to reflect changes made to the tenancy agreement.

RECOMMENDED: that Cabinet approve the updated tenancy policy.

14 **Social housing regulator consumer standards**

The Strategic Lead – Housing, Health and Environment explained that the Regulator of Social Housing had recently written to all Registered Providers reminding them of their obligations under the Home Standard for ensuring that tenant's homes were safe. It was one of the Council's priorities as a landlord and it was important to always remain vigilant and ensure that it was fully compliant with the various requirements for tenants' safety. Since the Grenfell fire tenant safety was under greater scrutiny.

RECOMMENDED: that Cabinet agree to a self-assessment audit against the Regulator of Social Housing's consumer standards applicable to local authority social landlords.

15 **Homes legislation**

The newly appointed Property and Asset Manager introduced himself to the Board. He explained that the Homes (Fitness for Human Habitation) Act 2018 had come into force on 20 March 2019 and his report outlined the operation and extent of the new legislation. EDDC owned and managed in excess of 4200 properties which remained compliant and to a high standard. The legislation was designed to provide those tenants of 'slum landlords' greater access to the courts for a quicker remedy whilst protecting their tenancy from possible subsequent vindictive eviction.

Officers were confident that EDDC complied with the Act, maintaining its stock to a high standard and annually investing in planned maintenance and cyclical compliance works. There were also numerous checks and balances in place to ensure that EDDC remained compliant.

RECOMMENDED: that Cabinet approve that the Housing Service ensures that the properties in the Council's portfolio comply with the Homes (Fitness for Human Habitation) Act 2018.

16 **Housing complaints**

The Landlord Services Manager's report provided the Housing Review Board with information on formal complaints received in relation to the Housing Service for the period April 2018 to March 2019. Formal complaints were monitored carefully to learn from them and use them to improve services wherever possible.

The Housing Service dealt with formal complaints through the corporate complaints two stage process:

- Stage 1 – complaints would be considered by the Strategic Lead.
- Stage 2 – complaints would be considered by the Deputy Chief Executive/Monitoring Officer.

Between April 2018 and March 2019 37 formal housing complaints were received. 15 of these went from stage 1 to stage 2. There was an increase in the number of new stage 1 complaints and the time taken to issue a full response to all stage 1 complaints. The main messages revealed by the complaints were noted in the Landlord Services Manager's report.

RECOMMENDED: that Cabinet approve that:

1. the housing leadership team re-iterate the importance of outstanding customer care, considering additional training and awareness of opportunities where appropriate.
2. the Property and Asset Manager reviews processes to ensure the repairs team are always providing timely responses to issues reported to them.
3. the Landlord Services Manager reviews processes to ensure appropriate communication and response from officers is given when dealing with complaints regarding antisocial behaviour and noise.

RESOLVED: that the Housing Review Board note the contents of the report.

17 **Designated persons leaflet**

The designated persons leaflet, which explained what tenants could do if they remained unhappy with the way a complaint had been handled, was noted by the Board.

18 **Construction, design and management regulations**

The Board received a report due to go to Cabinet in July, for the adoption of a Construction (Design and Management) Regulations 2015 Policy. It had been referred to the Board for information as much of the content of the policy applied to work of the housing service.

19 **Future rent policy and rent standard**

The Rental Manager's report explained the new rent standard and its implications to EDDC. Rents had decreased by 1% since 2016 except for a small number of exceptions where rents had remained static. This had meant a reduction in the amount of rent the council could collect over the past four years and therefore a reduction in the amount of services which could be funded from the rent collected. The council had the ability to increase rents from April 2020 to maximise income for the Housing Revenue Account.

It was noted that almost £19 million was collected in rents in 2018/19. EDDC was in the top quartile for rent collection, with over 99% of rents consistently collected for the past 11 years.

It was important to be mindful of the impact a rental increase on tenants. The rental team had strategies in place to help tenants who were struggling financially and these were outlined in the report.

RESOLVED: that the Housing Review Board note the changes to how rents would be increased from 2020.

20 **Quarterly performance indicator report**

The Board was presented with the Housing Service performance indicator report for quarter 4 2018/19, with details of selected indicators measuring performance across the Housing Service.

The Board noted that the number of rights to buy had increased. The Rental Manager was thanked for maintaining high rental income performance. There were some issues to be addressed with housing complaints.

RESOLVED: that the Housing Review Board note the performance of the Housing Service.

21 **Countryside outreach project**

The Board received an update on the countryside outreach project. From 2015 the HRB had funded one and a half days per week for an Education Ranger from the Countryside team to work in areas of the district with high levels of council housing. The aims of the project were to encourage more people to use their local green space and to provide a supported 'way in' for families and young people to spend more time outdoors.

The Board agreed that it was a very worthwhile investment and were shown a BBC Spotlight clip of the 'dragons den' which had been run in Honiton.

Attendance List

Board members present:

Councillor Tony McCollum (Chairman)
Peter Sullivan, Tenant (Vice-Chairman)
Christine Drew, Independent Community Representative
Cat Summers, Tenant
Councillor Ian Hall
Councillor Dan Ledger
Councillor Helen Parr

Councillors also present (for some or all the meeting)

M Chapman
M Armstrong
P Faithfull
A Moulding

Officers in attendance:

John Golding, Strategic Lead Housing, Health and Environment
Giles Salter, Solicitor
Sue Bewes, Landlord Services Manager
Natalie Brown, Information and Analysis Officer (Housing)
Amy Gilbert-Jeans, Service Lead Housing
Andi Loosemoore, Rental Manager
Andrew Mitchell, Housing Needs and Strategy Manager

John Taylor, Property and Asset Manager
Alethea Thompson, Democratic Services Officer
Rob Ward, Accountant

Board member apologies:

Mike Berridge, Tenant
Pat Gore, Tenant
Alek Williams, Tenant
Councillor Kim Bloxham

Chairman

Date:

Recommendations for Cabinet that will resolve in an action being taken:

Housing Review Board on 12 August 2019

Minute 28 Proposed purchase of 18A & B St. Andrews Road, Exmouth (known locally as the Sailors Rest) involving the spending of Right to Buy (RTB) receipts for 2019/2020.

RECOMMENDED by the Housing Review Board:

1. that delegated authority be given to the Strategic Lead – Housing, Health & Environment, Portfolio Holder for Sustainable Homes & Communities and Chair of Housing Review Board to approve purchases to meet the 2019/2020 spending requirements using HRA funding to compliment the use of Right to Buy receipts;
2. that the purchase of 18A & B St Andrews Road, Exmouth using Right to Buy receipts, HRA funding and any commuted sums available be approved;
3. that it be recommended to Council that the Constitution be amended to include a delegated authority for the Strategic Lead – Housing, Health & Environment to purchase land and property for the Housing Revenue Account (including Right to Buy receipts) subject to the funds being from within approved budgets, in consultation with the Portfolio Holder for Sustainable Homes and Communities and the Chair of the Housing Review Board.

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Housing Review Board held at Council Chamber, Blackdown House, Border Road, Honiton, EX14 1EJ on 12 August 2019

Attendance list at end of document

The meeting started at 2.30 pm and ended at 3.20 pm

22 Public speaking

There were no questions raised by members of the public.

23 Minutes of the previous meeting

The minutes of the Housing Review Board meeting held on 20 June 2019 were confirmed and signed as a true record, subject to the word 'was' being changed to 'is' in Minute 4 Declaration of interest. Councillor Hall's declaration of interest regarding his mother being a housing tenant.

In response to a question, Amy Gilbert-Jeans, Service Lead – Housing reported that the Housing Service were actively advertising the three current vacancies on the Board and would shortly be preparing a press release. Peter Sullivan, Vice Chairman reported that that he was encouraging tenants to volunteer as Board members through the various tenant meetings that he attended.

24 Declarations of interest

Councillor Ian Hall: Personal interest – mother is a housing tenant. Chairman of the Millwey Rise Action Group.

Councillor Dan Ledger: Personal interest – employed by a third party contractor for the current repairs and maintenance service.

Peter Sullivan: Personal Interest – housing tenant.

Cat Summers: Personal Interest – housing tenant.

Pat Gore: Personal Interest – housing tenant.

Alek Williams: Personal interest – housing tenant

25 Matters of urgency

There were no matters of urgency raised at the meeting.

26 Confidential/exempt item(s)

There was one confidential item to be considered.

27 Exclusion of the public

RESOLVED

that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B).

28 **Proposed purchase of 18A & B St. Andrews Road, Exmouth (known locally as the Sailors Rest) involving the spending of Right to Buy (RTB) receipts for 2019/2020.**

Members noted that the report sought permission to proceed with the purchase of the properties known as 18A & B St. Andrews Road, Exmouth following submission of a conditional offer. The report also outlined the proposed spending plan of Right to Buy (RTB) receipts for the 2019/2020 financial year. The report also sought delegated authority to continue the programme of property acquisitions using Right to Buy receipts supplemented with HRA funds and borrowing.

During discussions the points noted included the following:

- The need to ensure good value from the investment and the difference between a commercial investment and one based on housing need.
- The importance of getting the right balance of tenants in the property.
- The greatest housing need was for one bedroomed accommodation in Exmouth.
- The property was in good condition and should not need extensive repairs.
- This was a special and rare opportunity to add to the council's housing stock in Exmouth and a good use of HRA and RTB funding.

The Board considered the need for continuing the spending of Right to Buy receipts on individual property acquisitions and supported a continuation of the arrangements that had been effective during [previous financial years.

RECOMMENDED

1. that delegated authority be given to the Strategic Lead – Housing, Health & Environment, Portfolio Holder for Sustainable Homes & Communities and Chair of Housing Review Board to approve purchases to meet the 2019/2020 spending requirements using HRA funding to compliment the use of Right to Buy receipts;
2. that the purchase of 18A & B St Andrews Road, Exmouth using Right to Buy receipts, HRA funding and any commuted sums available be approved;
3. that it be recommended to Council that the Constitution be amended to include a delegated authority for the Strategic Lead – Housing, Health & Environment to purchase land and property for the Housing Revenue Account (including Right to Buy receipts) subject to the funds being from within approved budgets, in consultation with the Portfolio Holder for Sustainable Homes and Communities and the Chair of the Housing Review Board.

Attendance List

Board members present:

Councillor Tony McCollum (Chairman)
 Peter Sullivan, Tenant (Vice-Chairman)
 Pat Gore, Tenant
 Cat Summers, Tenant
 Alek Williams, Tenant
 Councillor Ian Hall
 Councillor Dan Ledger

Councillor Helen Parr

Councillors also present (for some or all the meeting)

Brenda Taylor

Eileen Wragg

Officers in attendance:

John Golding, Strategic Lead Housing, Health and Environment

Giles Salter, Solicitor

Amy Gilbert-Jeans, Service Lead Housing

Paul Lowe, Housing Enabling & Allocations Manager

Chris Lane, Democratic Services Officer

Councillor apologies:

Christine Drew, Independent Community Representative

Councillor Kim Bloxham

Chairman

Date:

EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Exmouth Regeneration Board held at Committee Room, Exmouth Town Hall on 20 June 2019****Attendance list at end of document**

The meeting started at 9.30 am and ended at 11.30 am

1 Welcome and introductions

The Chairman welcomed those present to the meeting and introduced himself. He then invited everyone to introduce themselves.

2 Notes from the previous meeting

The report of the meeting held on 28 March 2019 was confirmed as a true record.

3 Declarations of interest

5. Flood defence, Warren View and sea wall repairs.
Jeff Trail, Personal, He was president of Brixington Blues Football Club.

8. Queens Drive update.
Councillor Chris Wright, Pecuniary, He was a former tenant of sites on Queen's Drive and left the room whilst discussion took place on the change of leisure activities and facilities as part of Queen's Drive redevelopment.

4 Matters arising

The Chairman clarified the purpose of the commercial investment fund and explained the reasoning behind establishing it.

It was noted that transport interchange had not been included on the agenda, as requested at the previous meeting. This was due to a change in the membership of the Board, with the Chairman of the Exmouth Transport Partnership no longer sitting on the Board as a councillor. It was suggested that he be invited to attend a future meeting to provide an update.

The Board requested that the transport interchange needed more attention, with a clear position known. There was potential for increased use of public transport, with bus and train timetables co-ordinated and better links with taxis and the cycle route.

ACTION: that the Chairman of the Exmouth Transport Partnership be invited to a future meeting of the Board to provide an update on the transport interchange.

5 Flood defence, Warren View and sea wall repairs**Flood defence and sea wall repairs**

The Engineering Projects Manager updated the Board on the tidal defence scheme. The Environment Agency's contractor had set up a compound in the lorry park. Work on the flood wall along the estuary was underway, with work starting on the seafront that week,

moving along the imperial recreation ground. Most of the works needed to be completed on the estuary side by the autumn due to migrating birds.

There had been two reserved matters. The Morton Crescent application had been approved by planners recently and the Alexandra Terrace application was due to be decided in August 2019.

A public exhibition was being held at Exmouth Town Hall on Friday 28 June 2019 to update local people on the plans at Alexandra Terrace.

Concern was expressed about the lack of provision of a replacement lorry park. The Engineering Projects Manager advised the Board that the lorry park was the preferred site for a compound as it was not heavily used. No complaints or issues had arisen and it was not felt to be a good use of resources to replicate a lorry park which was not used. It was noted that the current planned completion date for the works was spring 2020.

Warren View

The Engineering Projects Manager informed the Board that EDDC had advertised the opportunity to lease the Warren View site. Exeter City Community Trust had come forward with an application for 3G (astro turf) pitches, but had withdrawn this following ground investigation works. EDDC now needed to decide how to take forward sports facilities on that site.

It was noted that there was a good quality playing surface on one of the three pitches and the site was currently used by a local youth football club. Better drainage was needed on the site.

It was acknowledged that more sports pitches were needed in Exmouth. The East Devon Playing Pitches Strategy was currently being reviewed and updated. The Chairman suggested that this be considered at a future meeting.

ACTION: that the playing pitches strategy for Exmouth be considered at a future Regeneration Board meeting.

6 Update on car parking - Maer Road

The Engineering Projects Manager updated the Board on the Maer Road car park works to upgrade the entrance. The old entrance was too steep for coaches to use and there was demand for coach parking. Work on relocating the entrance was complete. Both entrances had been available, so the car park remained in use. Resurfacing work was scheduled for July and would be completed before the school holidays.

It was noted that campervans could use the Maer Road car park on an overnight basis and there was signage confirming this.

There had been a task and finish forum (TaFF) set up between DCC, EDDC car parking services and Exmouth Town Council which recommended a ban on overnight campervan parking between Orcombe Point and the new lifeboat station. Overnight campervan parking would be provided at Imperial Recreation Ground, Maer Road car park and on the chevron parking on the Maer side of Queen's Drive. This was being trialled for a two year period and the TaFF would reconvene at the end to re-evaluate the situation. It was felt that some of the signage had not been clear, leading to confusion so

the trial period may be extended. The Exmouth Town Clerk helped clarify the situation. There were signs at the three sites where overnight parking was provided, but not alternative instructions at the sites where overnight parking was banned.

7 **Exmouth Town Council update**

The Clerk to Exmouth Town Council updated the Board on regeneration issues.

The Clerk explained the history behind Exmouth's Tourist Information Centre (TIC) and its various locations. There was a strong demand for a physical TIC office in the town. The TIC helped to support visitor spend in Exmouth by encouraging visitors to the town and promoting visits to Exmouth itself. It was currently co-located with a taxi firm, in an office in the Strand, with no charge to the town council. Due to changes with the co-located business the TIC was prompted to look for alternative premises and would be moving to 45A The Strand. Grant money had been secured for renovations and it was hoped that the TIC would be moved before the start of the school holidays.

Exmouth Town Council also hosted and supported the Explore/Visit Exmouth site (<https://www.visitexmouth.org/>) which was supplemented by the Town Guide. The guide had received good feedback and was paid for by the advertising within. The Town Council were trying to create a brand and build on the Visit Exmouth guide.

The Town Council also hosted the annual Exmouth Festival.

8 **Queens Drive update**

Phase One

The Senior Manager - Regeneration and Economic Development informed the Board that phase one, road and car park, was now complete, with contractors having left the site.

Following the request by EDDC's car park team for the former phase one compound to be used as temporary additional car parking on the seafront, a temporary planning application would be considered by the Development Management Committee in July to use the former compound site as an overspill car park (temporary three year use). If approved the site would be ready to use for parking by the school summer holidays. Officers also explained the current barrier and access arrangements for maintenance of the area. Regeneration Board members were informed that if planning consent was not granted, that use of the land for temporary car parking was allowable for up to 28 days.

Concern was expressed over the use of the compound site for car parking and lengthy debate took place over alternative leisure and recreation uses of the land. A request was made to withdraw the planning application. It was reconfirmed that the land was part of phase three of the Queen's Drive redevelopment and that uses for the land would be considered in the future as part of the phase three development. In the short term it was considered by the car park team that there was an opportunity to provide an additional 50 car parking spaces on the seafront for visitors and to generate an income for the Council. It was confirmed that the new car park currently had 121 spaces (the previous car park offered 198 car parking spaces) and in the future it would have 170 car parking spaces when the amusement arcade site became available and the new car park was extended.

Phase Two

Grenadier Estates was in the process of appointing the contractor for the construction of the watersports centre, who would start on site in July, with completion for May 2020. The Senior Manager - Regeneration and Economic Development advised the Board that there would be a notice in the local paper stating that EDDC would be granting an easement over the Maer open space to enable Grenadier to connect to the existing sewer. She would email this information to all district councillors and send it to the town clerk so that Exmouth town councillors could also be informed. Information signs explaining the work would also be available at the site.

Phase Three

There was ongoing work with Hemmingway Design and Lambeth Smith Hampton (commercial property advisers). Information gathering and soft market testing was being undertaken to discover what the market interest was for delivering on the site and to provide real market information relating to developer interest, commercial land values and income potential for the local authority. It was hoped that a report would go to EDDC's Cabinet on the outcome in late September or October 2019 and that Hemingway Design would return to conclude their work of developing design proposals for the site.

A request was made for links between the town centre and seafront to be included on the Regeneration Board agenda.

9 Communication update

Communication issues had been discussed during the meeting under the relevant agenda items.

10 Dates of future meetings

Dates of future meetings were:

- 19 September 2019, 9:30am
- 12 December 2019, 9:30am

Attendance List

Present:

M Armstrong (Vice-Chairman)
K Blakey (Chairman)
S Bond
N Hookway
C Wright
Jeff Trail
A E Bailey

Councillors also present (for some or all the meeting)

T Wood

Officers in attendance:

Alison Hayward, Senior Manager Regeneration & Economic Development

Linda Perry
Alethea Thompson, Democratic Services Officer
David Turner, Engineering Projects Manager
Tom Vaughan
Clerk to Exmouth Town Council
Justin Moor, Ocean
Janette Cass, Manor Pavilion
Gary Cook

Apologies:

Peter Gilpin, LED
Jim Hill, Propellor
Steve Morton, Deaf Academy
Pauline Stott, Exmouth town Council
Leigh Rix, Clinton Devon
Julian Tagg, ECFC
Richard Cohen, EDDC

Chairman

Date:

EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Overview Committee held at Council Chamber, Blackdown House, Honiton on 27 June 2019****Attendance list at end of document**

The meeting started at 6.00 pm and ended at 8.12 pm

1 Public Speaking

There were no questions raised under this item.

2 Minutes of the previous meeting

The minutes of the meeting held on the 28 March 2019 were confirmed as a true record.

3 Declarations of interest

Minute 6. Annual report of the Overview Committee 2018 - 2019.
Councillor Ian Hall, Personal, Devon County Councillor for Axminster Division.

Minute 8. Overview Forward Plan.
Councillor John Loudoun, Personal, Councillor for Sidmouth Town Council.
Councillor Marcus Hartnell, Personal, Shop owner in Seaton.

4 Matters of urgency

There were no matters of urgency.

5 Confidential/exempt item(s)

There were no items classified in this way.

6 Annual report of the Overview Committee 2018 - 2019

The Chairman read out the Annual Report of the Overview Committee 2018 – 2019 and took questions.

Issues in that report that were highlighted as of interest to members and to be further considered included:

- More information and progress on the GESP was required;
- Circulate slides on forthcoming Firmstep software implementation;
- Undertake further work on poverty and look locally too as well as take part in the Devon wide initiative as part of the Devon Strategic Partnership Welfare Task Group. The committee agreed to invite that Group to a future meeting to provide an update;
- Continue the work started in the previous term on climate change, looking at what could be done locally and seeking clarification on how and to what level targets could be brought forward. It was reported that a report “Climate Change Emergency – Our Response” was before the Cabinet on 10 July 2019.

Further discussion on future work for the Committee, prompted in part by the report, took place under minute 8 Overview Forward Plan.

RESOLVED:

That the Devon Strategic Partnership Welfare Task Group be invited to attend a future meeting of the Overview Committee.

7 Brief outline of scoping issues

The Democratic Services Officer briefly outlined the scoping template currently used by both the Overview and Scrutiny committees in determining how a topic would be handled by that committee.

The criteria covered:

- Broad topic area;
- Specific elements of that area;
- What isn't included, to make expectation clearer;
- Desired outcome that Councillors want to reach;
- Who should be consulted for evidence gathering;
- What evidence and data already exists that can be reviewed – including work carried out by other authorities;
- What experts to the committee need to hear from;
- How the work is handled – by committee meeting, or through smaller task and finish groups that can incorporate other Councillors;
- Timescale.

The scope was agreed to use as it stands, but may be considered for review in the future.

8 Overview Forward Plan

The current forward plan of work for the committee includes:

Work already allocated

- Review of draft drone policy for 25 July 2019
- Previously planned public toilet review for 25 July 2019 had been pulled by officers, as the report was still under preparation and due to go to Cabinet in September, which may lead to referral to Overview on some aspects of that review later in the year
- New Council Plan on 29 August 2019
- Joint meeting with the Scrutiny Committee on 5 September 2019 on service plans, and again on 15 January 2020 on the service plans and budget for 2020/21
- Economic Development update report on 14 November 2019

There was debate on the review of public toilets, both in terms of the controversy it would attract, and the impact that any public toilet closure would have on both residents and visitors. The need for a clear equalities impact assessment was also stressed. The committee were in agreement that there must be debate at Overview committee before any decisions were made by the Cabinet, because of the potential scale of impact on the District as a whole.

Advice was given to the Committee that the committee cycle as it stood meant that the minutes (and therefore any recommendations) would not be before Cabinet until their next scheduled meeting in September. Options therefore were for the Chairman to ask the Leader if he could address the Cabinet with this request at their meeting on the 10 July, or request that the minutes are taken as a matter of urgency at that meeting on the 10 July. Any matter of urgency has to be agreed by the Leader.

Work not yet allocated or scoped:

- Natural Capital in the Heart of the South West document
- Business case for increase in community engagement officers – this fell under the remit of the Housing Review Board, where the issue had already be raised, but could also be monitored by the Overview Committee as part of its review of the service plans;
- Review of Governance Arrangements (committee structure/Cabinet and Leader model) – a report was going to the 10 July Cabinet recommending that the Overview undertake this work, working with the Portfolio Holder for Transformation think tank on the topic. In response to a question, the Chairman advised that the objective was to look at the models of governance available and debate what best suited the Council as it stands now. The review would be mindful of any legal restrictions on models, and look to seek views of other authorities with their experiences of the different models.
- Select Committee report on Coastal Town Regeneration
- Select Committee report on Rural Economy
- Review out of hours telephone system provided by the council for residents and tenants – the Portfolio Holder for Environment had raised this issue with the Chairman, as he had experienced a poor response to a call but also felt that the system had not been reviewed for some time and therefore should be considered by the Overview Committee.

In addition to this, a number of topics had been identified as part of the induction training that afternoon and through consideration of the minutes of the previous meeting. These were:

- Climate change – including rising sea levels.
- Income generation – continuing the work of the Committee from the previous civic term in order to help the budget position, look to find more income generation opportunities. A suggestion was made to add to that investigating the Council financing, through loan, broadband in areas still not benefiting from the Connect Devon and Somerset project;
- High street and village centre regeneration – expand to include the development of new high street in reference to Cranbrook, and centre initially on the towns before later work on villages;
- Community focus
- Promotion of EDDC services to local residents
- Fairer funding from Government for the south west region
- Improving working with Town and Parish Councils
- Tackling poverty
- Reviewing internal recharges – understanding the breakdown of recharges, and being satisfied that these are correctly applied to be confident that the Council is as efficient as possible before examination of making further budget reductions
- Street trading
- Right to buy effect on housing stock

- Use of modular buildings (“flat pack”) to deliver housing
- Public toilets review
- Transport – specifically fares for 16 – 18 year olds still in education but not qualifying for state help. A suggestion was made to widen this to look at the timetable too, as many recent changes has resulted in longer and more complex journeys for residents, particularly to the Royal Devon and Exeter Hospital;
- Policy implementation – that policies put in place were being applied in practice. Whilst no specific examples of where a policy was not being applied were given, the suggestion that equalities would be a good starting point
- GESP involvement

Councillor Hall informed the committee of previous work of a Housing Task and Finish Forum that had encompassed a number of elements, including modular housing. The committee agreed that the report of that work be circulated, in order to help clarify the scope of the work. Assisted living was requested to be included in that scope.

Discussion on climate change centred around what could be done, and what could be influenced, by the District Council. This included aspects such as the Council using single use plastics, or how to encourage residents not to use single use plastics. A suggestion was made to have the majority of the focus on what could be achieved locally, with a smaller proportion on lobbying Government. Other factors included coastal erosion and rising sea levels.

The committee were advised that the work they wished to undertake was considerable, required scoping to determine what would be involved in each topic, and prioritising. Whilst some of the issues could be organised into themes, it still represented a considerable volume of work for the committee and the officer resource required to provide information and facilitation to the committee. A question was asked about increasing the number of meetings held in a year – in response, the committee were asked to bear in mind the resource implications of officer time and increased time that councillors would have to put in.

Some prioritisation was suggested, with the remaining areas being circulated to the Committee membership for feedback on prioritisation and to start to scope the topics.

RESOLVED

1. Check the developing service plan for Housing at the September meeting of the committee for reference to any additional community development officers;
2. That the Chairman requests of the Leader that he speaks at Cabinet on 10 July 2019 to request an opportunity to look at the public toilet review ahead of Cabinet consideration of that review in September 2019;
3. That a scope for income generation, including the Council providing broadband, be brought to the 25 July meeting;
4. That a scope for High Street and town centre revitalisation strategy be brought to the 25 July meeting with a view to this work being undertaken as a Task and Finish Forum;
5. That the items to be scoped and allocated are circulated to the Committee membership to ask for comment of priority and scope.

Attendance List

Councillors present:

- N Hookway (Chairman)
- V Johns (Vice-Chairman)
- B De Saram
- I Hall
- M Hartnell
- S Hawkins
- J Loudoun
- M Rixson
- C Wright

Councillors also present (for some or all the meeting)

- K Bloxham
- S Bond
- B Ingham
- S Jackson
- G Jung
- A Moulding

Officers in attendance:

- Anita Williams, Principal Solicitor (and Deputy Monitoring Officer)
- Debbie Meakin, Democratic Services Officer

Councillor apologies:

- M Allen
- S Chamberlain
- F King
- T Woodward

Chairman

Date:

EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Overview Committee held at Council Chamber, Blackdown House, Honiton on 25 July 2019****Attendance list at end of document**

The meeting started at 6.00 pm and ended at 8.31 pm

9 Public Speaking

John Gregory, Labour Party member in Honiton on behalf of Honiton and Axe Vale Labour Party read out the following statement, in relation to minute 17.

“I am commenting on behalf of Honiton and Axe Valley Labour Party on the scoping of the district council’s Vitality of High Streets report and recommendations.

Labour is here today to speak up for Axminster, Honiton, Seaton, Colyton and Beer town centres. All are bursting with desire to capitalise on their unique heritage, beauty, character and amenity. We note the district council has as yet achieved none of its 2008 aspirations for the mixed-use development potential of Webster's Garage in Axminster, or Honiton’s Ottery Moor Lane, Cattle Market, Bradford Builders Yard and Chapel Street.

Town centres should be buzzing destinations, with facilities, shops, amenities, health, culture, education and wellbeing backed by excellent physical and service-based infrastructure. Employment should be place-based. Neither community wellbeing nor environment are served by turning our towns into commuter dormitories for “Greater Exeter”.

The report should take note of the recommendations of the House of Commons cross party report on "High streets and town centres in 2030", which echoes Labour’s 5 point plan to rebuild our high streets:

- Ban ATM charges and stop bank branch and Post Office closures.
- Improve local bus services and provide free bus travel for under 25s.
- Deliver free public Wi-Fi in our town centres.
- Establish a register of landlords of empty shops.
- and bring the business rates system into the 21st century.

In a rural area with underfunded public transport options, it makes no sense to rule out looking at car parking solutions, as is proposed in the scoping statement. The innovative town of Frome in Somerset has successfully provided 700 free car parking spaces within 4-13 minutes’ walk of the town centre.

Our towns should be "destinations", with creatively packaged "happenings" integrating our creative, artisan and agricultural heritage with our history. Speciality markets can be packaged as a cultural experience, supported by erection of Cullompton-style high quality gazebos at rates affordable to small traders. Publicity campaigns, tourist information, signposts and a properly funded, vibrant website and social media offering should be facilitated by the district for each town, and that link up with surrounding villages, and each other, into a coherent trail.

Labour recommends the district funds and develops best practice with visionary organisations like Light Up Axminster, that have fostered a culture of trust and

community engagement and are incubators for the ideas that will transform our town centres.”

Anna Day Lewis, Labour Party member in Colyton on behalf of Honiton and Axe Vale Labour Party, read out the following statement.

“I am commenting on behalf of Honiton and Axe Valley Labour Party on the district council response to the Fire and Rescue Service consultation.

Colyton is Britain’s oldest fire station, dating from 1681. Even our medieval ancestors were more visionary than this present government, prudently importing the latest in fire-fighting technology for the benefit of the community, with an appropriate sense of humanity.

The Labour Party opposes both the closure of Colyton Fire Station and the downgrading of Honiton Fire Station. All the fire stations at the eastern end of the district are already run on an on-call basis, and even now there are no wholtime fire station services between Exmouth and Dorchester.

The figures used to justify the closures are bewildering. Why is present performance based on 80% staffing availability, but outcomes of the closures based on 100% staffing? How can the response times from other stations to meet Colyton’s needs be justified?

Just this week fire-fighters have released a trapped child in Honiton, but helping people in trouble is excluded from the consultation’s figures. So are the first responder services the fire service undertakes on behalf of the defunded ambulance service, the frontline support it provides to the police, and the public fire and safety training.

When the Clarence Hotel burned down in Exeter almost every engine across Devon responded, but how many stations were given credit for their response? Just one response was included in these official statistics being used to justify more cuts. And with all those engines engaged in Exeter, which station was meanwhile supporting the safety of our residents? You guessed it - Colyton Fire Station.

Just today Colyton was on standby, covering a farm fire near Bridport, but will they be given credit in the official figures? No.

Independent analysis shows that over 600,000 people annually face increased risk of death by fire under any of the current proposals. With significant population growth built into our local plans, the problem can only become worse. The population of Colyton is elderly, and statistically more vulnerable to fire, and I’m afraid to say apt to nod off with something on the stove.

Firefighters routinely give many hours over and above what they are contracted to provide, and are subsidising the service with their goodwill in spite of ongoing cuts to real wages and benefits. We can’t afford to lose the goodwill of the real people providing public services at the heart of our communities.

These cuts are not penny wise and they are pound foolish. Labour calls upon the district council to strongly oppose all of the options in the consultation, and to call for the fire station in Colyton, and the two pumps in Honiton, to be retained and properly maintained for the benefit of our district.”

10 **Minutes of the previous meeting**

The minutes of the meeting held on the 27 June 2019 were confirmed as a true record.

11 **Declarations of interest**

Minute 17. Vitality of High Streets and Town Centres scope.
Councillor Marcus Hartnell, Personal: Shopkeeper in Seaton.

Councillor Ian Hall, Personal: Devon County Councillor for Axminster Division.

12 **Matters of urgency**

There were no matters of urgency.

13 **Confidential/exempt item(s)**

There were no items classified in this way.

14 **Devon and Somerset Fire and Rescue Service Changes consultation**

Devon and Somerset Fire and Rescue Service proposed changes were under consultation. The committee had the opportunity to comment on the proposed changes, whilst maintaining the ability for individual councillors to respond in their own right.

The reasons for the proposed change in service delivery related to changing risks over time, and the need to make significant financial savings.

The consultation offered six options for change, covering aspects such as station closures and how stations were crewed. Each of the six options in the consultation included the closure of two fire stations in the District: Colyton and Budleigh Salterton.

Ward Members for Colyton, Councillors Paul Arnott and Helen Parr spoke about the impact the proposed Colyton station closure would have over a much wider area than the town itself. Councillor Arnott recommended responding against all the options listed in the consultation, as it did clash with the Council's own policy for strategic development, including the expansion of the number of homes in Axminster, Seaton and Colyton.

Councillor Parr told the committee that local people had not been reassured by the public events held by the Fire Service. She challenged the data presented in the consultation and had asked for more financial detail. She felt that the proposals impacted more significantly on the District than for any other area in Devon and Somerset. She was not convinced that any of the options proposed would ensure the safety of people in the District.

Members of the committee had considered the consultation document, with some members attending a local public event held by the Fire Service. Concerns were raised on the proposed changes, including:

- What could be done locally to encourage local employers to release employees for service, such as working with local Chambers of Commerce;

- Impact of local road infrastructure in travel time to attend any incident, particularly for rural areas;
- Proposals were not “rural proved” and the Fire Service should be asked to demonstrate that they have taken the factors of rural locations into account, including the road networks and the type of buildings and materials that have a higher risk of faster burn times (for example thatched roofing and farming stock bedding and feed);
- Fire fighters are also first responders; reducing that number impacts on delivering for medical calls and the partnership arrangements with the Health Service; as well as impacting on policing duties that they also get involved with. There was no detail in the consultation on how that would be mitigated;
- There was no information in the consultation on how the funding arrangement for the area compares nationally, therefore there was no way to ascertain if the funding was fair;
- Not enough breakdown to compare rural and town data, or data for local area to compare with national data quoted in the consultation;
- Recent examples given of incidents that may not have had a positive outcome if the proposals are implemented – one such example being a fire at Seaton impacting on 17 residents;
- Whilst many residents and tourists were better educated on fire risks, dementia was growing in the area which could lead to an increased risk;
- Financial savings appeared to be the main driver for reform and other means of bridging this gap needed to be considered;
- Details of response times for rural incidents needed to be understood, as impacted both by access and speed of response from nearest station;
- What assessment had been made of the effectiveness of fire prevention work.

The conclusion from the debate was that there was insufficient information in the consultation for the committee to make any form of recommendation to be submitted either directly to the Fire Service, or to Cabinet and Council for a response to the consultation.

RESOLVED:

1. that the Overview Committee Chairman, working with the Leader of the Council, writes to the Devon and Somerset Fire and Rescue Service asking for more information as debated in the committee meeting; requesting a response to come to the 29 August 2019 meeting;
2. that the response be debated at the 29 August 2019 committee meeting to recommend to Cabinet for their 4 September 2019 meeting to Council in order to meet the deadline of the consultation.

15 **Review of the Council's Governance Arrangements**

At their meeting of 10 July, Cabinet resolved to instruct the Overview Committee to carry out a review of the Councils governance arrangements and options for change, and report back on its findings. The Portfolio Holder for Transformation was also instructed to establish a Think Tank for the purpose of investigating the options for change.

The Chairman outlined the need for the committee to scope the project, and focus on why the change was sought. This work would then lead to weighing up the advantages and disadvantages of the models of governance available.

Members of the committee and other councillors present put forward their views, including:

- Councils with no overall control tend to have a Cabinet system and offer intense briefing to all councillors;
- The culture of the council and the officer roles need to be examined as part of the process, including how staffing levels are determined;
- Hybrid forms of models had been put in place in other authorities and should be examined;
- No effective scrutiny function was currently in place, referenced by several councillors giving examples of previous work undertaken. Scrutiny had been done of external bodies who were not obliged to take action on any recommendations made; but little of value of the work of the Cabinet;
- More effective scrutiny in current Cabinet model could mean that no change of model is required;
- Set up a shadow cabinet to closely follow the work of the Portfolio Holders;
- Need to draw up scope and progress the work to look to have a new model in place from May 2020;
- Report directly to Council with findings;
- Time was needed for newly elected councillors to understand the processes of the current system and therefore any review of changing the model should wait until after May 2020;
- Weighing up better engagement of a committee model against quicker decision process of Cabinet model;
- Need to have a decision process that can act swiftly on financial decision, for example under Commercial Investment strategy;
- Time and money impact of visiting other authorities to seek evidence;
- Public have asked for change, evidenced by the outcome of the May 2019 election;
- Members feel excluded and unable to influence decisions - Cabinet decisions seem agreed before discussion at Cabinet meetings;
- Need to gather evidence and option, including on what decisions had already been made;
- Strong leadership is key for any governance model;
- Seek examples of authorities that have reverted back to a committee system;
- LGiU document "Changing to a new committee system in a new era" was recommended to the committee.

The Portfolio Holder for Transformation welcomed any views from councillors, including those that had experience of both committee and Cabinet models. He would be operating a think tank on a neutral approach, looking to build and evidence base to recommend a model before the next Annual Council. He would look to provide an update report on his work at the next meeting of the committee.

Advice to the committee from the Strategic Lead for Governance and Licensing was to take the necessary time to firstly establish the purpose of change, and then fully evaluate the advantages and disadvantages of governance models, which realistically may not be

possible to then deliver a change in governance by May 2020. Further work could be undertaken by the committee at their 29 August meeting, and if required, an additional meeting could be called if required by the Chairman to add to the scheduled dates.

In response to concern about some overlap or duplication of work with both Overview Committee and a Think Tank considering the same issue, the Chairman commented that there would be a balance between the two. The Overview Committee may reach a different conclusion to that of the Portfolio Holder for Transformation, but both would be put forward. The Portfolio Holder confirmed that the intention was not to duplicate, but to compliment each other. Ultimately, he commented, the model was about democracy, and if a new model would be more democratic whilst still delivering decisions at a speed felt acceptable.

The Chairman concluded the debate for that meeting, summing up that it was a positive step to evaluate how decisions were made. There was also a need to address the public concern about a lack of openness and transparency. He also recommended a document by the LGA and the Centre for Public Scrutiny entitled "Rethinking governance: Practical steps for councils considering changes to their governance arrangements". The issue would be debated further at the next meeting of the committee.

RESOLVED:

1. That the request from Cabinet to carry out a review of the Councils governance arrangements and options for change, and report back on its findings, be accepted;
2. That at the 29 August 2019 meeting, Members put forward and agree the reasons for change to the current governance arrangements and the objectives for the Council's governance arrangements going forward;
3. That at the 29 August 2019 meeting, Members consider, discuss and agree the method and process to be followed for undertaking a review of options;
4. That additional meetings of the committee be considered specifically to debate this item.

16 Income generation including broadband scope

The committee discussed completion of the scope of the work relating to income generation, specifically investigating the possibility of the Council providing broadband.

The Chairman updated the committee on previous work undertaken by the Scrutiny Committee in hearing from a solution for Talaton Parish Council provided by a wireless solution company Voenus; and the work by the Connect Devon and Somerset project, whereby Gigaclear were under contract for delivery of the second phase of broadband provision.

The committee discussed the shortcomings of the delivery of Gigaclear and the other options that were available to bridge the gap in delivery. There were also concerns about the levels of service for 4G varying widely across the District.

Comments were made that it was unlikely to be an income generation of any scale for the authority if it commissioned another provider to deliver to areas still short of the high speed broadband required. The issue may be better considered not as an income generation possibility, but a duty of care to the local community to help deliver it. The Council could consider if it had any suitable assets that masts could be attached to, as other authorities had already undertaken, and charge a fee for that service.

The Chairman agreed that the best way forward was to form a smaller group of Councillors to work out the detail to the scope and report back to the committee on how to progress. Volunteers to assist him were Councillors Hall, Rixson and King.

RESOLVED that the Chairman work with a small group of councillors to discuss and complete the scope for reporting back to the Overview Committee at a future meeting.

17 **Vitality of High Streets and Town Centres scope**

The committee discussed the completion of the scope of work relating to the decline in recent years of high streets in the District, and how such a review could assist the latest high street yet to be built at Cranbrook.

The scope would be amended to include specific reference to developing the high street at Cranbrook, and encourage investment in the District's towns.

Members felt it was key to compare how high streets had changed from the previous Forum held in 2012 on the same issue, and it was important to talk to the retailers themselves for their views. Cllr Allen had provided the Chairman with a number of suggestions for the evidence base.

The committee were advised of the basis of a Forum, which can include councillors that are not on the Overview Committee.

Cllr Marcus Hartnell volunteered to act as Chairman for the Forum, with volunteers from the committee Councillors De Saram, Rixson, and Hawkins. Councillor Moulding also volunteered. The Chairman agreed that further volunteers could be sought from outside the committee.

RESOLVED

1. That a request for volunteers for the Forum on the Vitality of High Streets and Town Centres is issued;
2. That Councillor Hartnell chairs the Forum and regularly reports progress to the Overview Committee.

18 **Overview Forward Plan**

The forward plan would be updated to reflect agreed requests from Council the previous evening, including the item "Poverty, homelessness, human rights and health and wellbeing in East Devon" which would be taken at the August meeting.

In light of government changes, the Chairman did not expect the Select Committee reports to be published soon and therefore removed them from the scheduled meeting.

The committee were advised to prepare for the September joint meeting with the Scrutiny committee by reviewing the current service plans. The committee preferred a start time of 10am for the all day meeting. Cllr Allen requested a follow up on a recommendation from January 2019, agreed by Council, that stated that "any amendments to make objectives more SMART following a review by Strategic Lead – Organisational Development and Transformation together with the Chairs of the Overview and Scrutiny Committees"

The forward plan was noted.

Attendance List

Councillors present:

N Hookway (Chairman)
V Johns (Vice-Chairman)
M Allen
S Chamberlain
B De Saram
I Hall
M Hartnell
S Hawkins
F King
M Rixson
T Woodward

Councillors also present (for some or all the meeting)

P Arnott
J Bailey
K Bloxham
S Bond
P Hayward
B Ingham
S Jackson
D Ledger

Officers in attendance:

Henry Gordon Lennox, Strategic Lead Governance and Licensing
Debbie Meakin, Democratic Services Officer

Councillor apologies:

J Loudoun
C Wright

Chairman

Date:

EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of South and East Devon Habitat Regulations Executive Committee held at Axe/Tale Room Blackdown House, East Devon District Council, Honiton EX14 1EJ on 16 July 2019****Attendance list at end of document**

The meeting started at 2.00 pm and ended at 4.10 pm

11 Public speaking

The Chairman welcomed Chris Rogers who wished to ask the following questions:

1. In view of the 8.8 Million visitors per year why did the statistics show so comparatively few conversations with the public by Habitat Wardens. Was this a missed opportunity in engaging with the public?

Neil Harris, Habitats Regulations Delivery Manager, reported that the figures given for conversations with the public by staff was across the 3 sites which was a large area. The Wardens also went to less frequented parts of the area and did engage with members of the public whenever possible. There was good robust data from Wardens when holding conversations with the public that could be released.

2. On the Exe Estuary trail, why were walkers with dogs not asked more frequently by staff to put their dogs on leads? He walked the trail most days and he had never seen anyone asked to put their dog on a lead in designated areas? What were Wardens doing to get the message to dog owners to put their dogs on leads where they should be?

Neil Harris, Habitats Regulations Delivery Manager, reported that this was a key message Wardens and the Devon Loves Dogs post holder was giving to dog owners.

3. Had the purchase of an electric boat been considered as staff should be looking to reduce carbon emissions as the boat purchased had a powerful engine which would produce high carbon emissions?

Neil Harris, Habitats Regulations Delivery Manager, reported that they had looked at the cost of an electric boat and the petrol outboard motor which came with the boat was appropriate for the size of boat and usage. The extra costs of an electric boat outweighed the advantages.

4. The Footprint Ecology report showed that kayakers and others who used the Estuary engaged in water sports in high winds but he had found it was often the case that they preferred to stay on shore in high winds. What level of monitoring of water sports usage was undertaken?

Neil Harris, Habitats Regulations Delivery Manager, reported that the Footprint Ecology report had encompassed a wide range of weather conditions and tide ranges.

5. Had the Footprint Ecology report considered introducing a test wildlife protection zone for wildlife to see how effective the protection zones had been?

Neil Harris, Habitats Regulations Delivery Manager, reported that there was nowhere appropriate to use as a control zone

12 **Minutes of previous meeting**

The minutes of the meeting of the Committee held on 29 April 2019 were agreed and signed as a true record.

13 **Declarations of interest**

Minute 17 Cllr Martin Wrigley – His house looked over the Estuary. Was a member and treasurer of Cockwood Boat Club.

14 **Exclusion of the Public**

RESOLVED

that the classification given to the documents submitted to the Executive Committee be confirmed there was one item which officers recommended should be dealt with in Part B.

15 **Matters of urgency**

There were no matters of urgency.

16 **Confidential/exempt items**

There was one item which the officers recommended be dealt with in Part B.

17 **Exe Estuary Wildlife Refuges 1st Annual Monitoring report**

The Executive Committee welcomed Phil Saunders and Durwyn Liley from Footprint Ecology who gave a presentation on the Exe Estuary refuge monitoring – 1st Annual report. Members noted that as a Special Protection Area (SPA) regularly supporting a community of at least 20,000 water birds, the Exe Estuary was afforded legal protection against the deterioration of its habitats and disturbances (and distribution) of the species for which it had been designated.

Members noted that disturbance could modify the feeding and roosting habits of protected bird species and place additional energetic stress through increased activity and lost feeding opportunities. This was likely to reduce fitness and survival, particularly if it occurred during periods when they were already stressed by other factors, such as poor weather, food shortage or prior to/after long distance migration. Data in the report confirmed that the refuge areas had been successful. Incursions into refuges which disturbed the wild life were infrequent and statistics on such instances were provided within the report. It was noted that trains on both sides of the Estuary were a potential disturbance event for wild life.

The report provided the results of the first annual report of the Exe Estuary wildlife monitoring programme. Monitoring was ongoing, so the results were interim and would form part of a three year programme to determine the efficacy of the approach to preventing recreational disturbance to the protected bird species on the Exe Estuary. This was important because without robust and effective mitigation which enables the partner authorities to be certain of no net impact to protected sites, continued development as outlined in respective local plans and within 10km of the estuary is at risk of legal challenge.

An Executive Committee member asked what was the response to the monitoring work undertaken in the report and how it was going to be used? Neil Harris, Habitats Regulations Manager confirmed that the Wardens would be patrolling the duck pond at Exmouth to prevent incursions.

- RESOLVED**
1. that the initial results from the annual wildlife refuge monitoring report be noted.
 2. that the second annual wildlife refuge monitoring report be received in summer 2020.
 3. that an overarching review of monitoring results be received after completion of the third year of monitoring (2021).

18 **Monitoring Petalwort at Dawlish Warren**

The Executive Committee considered the report of the Habitats Regulations Delivery Manager which suggested that without management intervention there was a high risk that Petalwort may disappear from Dawlish Warren entirely. Petalwort was a small, pale green plant which was one of the special interest features for which Dawlish Warren Special Area of Conservation (SAC) was designated. It was nationally scarce in the UK, being widely but sparsely distributed. Dawlish Warren was one of seven sites in England where the plant was recorded.

It was noted that Petalwort was hard plant to relocate and that the excessive visitor trampling was an issue. Inundation of the water levels at the Warrens was also an issue but not within the scope of the Executive Committee.

RESOLVED

1. that the conservation assessment and prognosis report and the recommendations set out therein be noted.
2. that it be recommended that Teignbridge District Council liaise with Natural England to urgently address the potential risk of losing Petalwort from Dawlish Warren.
3. that the Committee receives an update from Teignbridge District Council at the next meeting.
4. that subject to 2. and 3. above, the Committee receives another report on the conservation assessment of Petalwort in 2022.

19 **Staffing Requirements of the SEDESMS**

The Executive Committee considered the report of Naomi Harnett, Principal Project Manager, Exeter & East Devon Growth Point on the staffing requirements of the South East Devon European Site Migration Strategy. It was noted that if dedicated staff were not in place to continue progressing the delivery of the South East Devon European Site Mitigation Strategy, there was a high risk that the approach would be significantly

compromised and become not fit for purpose. In turn, this would put the delivery of the partner Authorities' Local Plans at very high risk due to their continued legal duties under the Habitats Regulations.

A report had previously been considered by the Executive Committee on 29 April and the resolutions of that meeting had been called-in for further scrutiny by Teignbridge District Council's Overview & Scrutiny Committee. Cllr Martin Wrigley reported that he considered that his concerns expressed at the meeting had not altogether been met by the revised report presented to members and whether the roles of the Habitats Management Officers were effective and doing the right thing; he wanted to see the roles better justified.

This also applied to the Devon Loves Dogs post and particularly the request for the post to be provided with a car to carry out her duties. It was essential that all the roles had built in effective analysis to ensure that they were doing the best thing with the roles.

RESOLVED

1. that the importance of having sufficient staff capacity in place to implement the Mitigation Strategy be acknowledged.
2. that the changes to the employment contracts be re-approved to:
 - a. make the two Habitat Mitigation Officer posts permanent
 - b. extend the funding for the Devon Loves Dogs (DLD) Coordinator for a further 5 years to November 2014
3. that extending the funding for the Habitat Regulations Delivery Manager role for a further 5 years to March 2025 be approved.
4. that changes to the DLD Coordinator and Delivery Manager employment contracts to permanent be approved.
5. that expenditure to secure dedicated monitoring officer and accountancy support be approved.
6. that expenditure to cover the costs of purchasing, maintaining and running a vehicle for the use of the Devon Loves Dogs Coordinator be re-approved, subject to investigations being made in to the purchase of an electric vehicle.
7. that the options for meeting the financial costs associated with these provisions be considered and support for Option 2 be confirmed.
8. that a follow-up paper be received at the next meeting detailing the position regarding funding from the Housing Infrastructure Fund.

20 **Future areas of work**

The Executive Committee considered a possible future areas of work plan. It was agreed that the next meeting would receive a progress report on means of measuring individual mitigation projects. Cllr Martin Wrigley provided verbal details of a future areas of work plan that he would wish to see and would circulate details to all members of the Executive Committee. He would hope to see a report on progress on these areas made to the October meeting. It was accepted that due to the extensive level of work that this would need to be scoped by the Habitats Regulations Delivery Manager due to the workload of those officers involved.

21 **Exclusion of the public**

RESOLVED

that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information of the description set out on

the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B).

22 **Ongoing Management at South West Exeter and Dawlish SANGS**

The Executive Committee considered the report of the Habitats Regulations Delivery Manager on the significant progress that had been made on SANGS land agreements, acquisition and establishment preparation. It was noted that we were now at a point where the heads of terms between Teignbridge District Council and Land Trust for the funding agreement and long-lease for south-West Exeter SANGS and Dawlish SANGS had reached agreement of virtually all matters. These included break-clauses for delivery on the ground and financially linked to a return of endowment to Teignbridge District Council.

It was noted that securing the in-perpetuity management of SWE and Dawlish SANGS was critical to the success of the South East Devon European Site Mitigation Strategy. Failure to secure any element of the SANGS package would mean that the off-site mitigation requirements of the immediate (and wider) development were not being met.

RESOLVED

that the arrangements that had been developed with Land Trust for securing ongoing management in-perpetuity for the South-West Exeter Suitable Alternative Natural Green Space (SANGS) and the Dawlish SANGS be approved.

The Executive Committee wished to thank Amanda Newsome from Natural England for all her work over the years on behalf of the SEDHREC.

Attendance List

Councillors present:

S Bond (Chairman)
Greg Sheldon
Martin Wrigley

Councillors also present (for some or all the meeting)

Peter Faithful

Officers in attendance:

Neil Harris, Habitats Regulations Delivery Manager
Anita Williams, Principal Solicitor (and Deputy Monitoring Officer) (EDDC)
Amanda Newsome, Natural England
Fergus Pate, Principal Growth Point Officer (TDC)
Estelle Skinner (TDC)
Peter Hearn, Strategic Infrastructure Planning (ECC)
Naomi Harnett, (EDDC)
Chris Lane, Democratic Services (EDDC)
Anne Mountjoy, (EDDC)
Alison Slade, Natural England
Ed Freeman, (EEDC)
Phil Saunders, Footprint Ecology
Durwyn Liley, Footprint Ecology

Apologies:

Cllr Rachel Sutton, Exeter City Council
Henry Gordon Lennox, Strategic Lead – Governance & Licensing
Andy Wood, East of Exeter Projects Director

Chairman

Date:

aEAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Scrutiny Committee held at Council Chamber, Blackdown House, Honiton on 18 July 2019****Attendance list at end of document**

The meeting started at 6.00pm and ended at 7.20pm.

11 Public speaking

There were no members of the public present.

12 Minutes of the previous meeting

The minutes of the meeting held on 6 June 2019 were agreed and signed as a true record.

13 Declarations of interest

Minute 20 Cllr Fabian King – Personal interest – involved with selection committee for CDS.

14 Matters of urgency

There were no matters of urgency.

15 Confidential/exempt item(s)

There were no items that officers recommended should be dealt with requiring the exclusion of the public or press.

16 Decisions made by Cabinet called in by Members for scrutiny in accordance with the Overview and Scrutiny Procedure Rules

There were no decisions called in.

17 Update on IT issues

The Committee received an update on IT issues from Laurence Whitlock, Strata IT Director. He reported that there had been 63 different issues raised on the iPad project from 22 Councillors. Members noted that Teignbridge District Council, had just introduced iPads to Councillors and they were happy with how things had progressed and the initial introduction had appeared to be less problematic than with EDDC.

Problems reported by Councillors included:

- Email on alternative devices
- Adding applications
- Need for more training
- Calendaring
- Email attachments
- Contacts/address book

- Folders/filing
- Security(including facial recognition)
- Insurance/tax
- Keyboard/hardware

Members noted that Clive Newton had been recruited as the Strata IT trainer. He would be available to all Councillors for training. Clive Newton can be contacted via the Strata Service Desk 01395 517433. Strata were working on an enhanced email system which was currently under development. Calendaring remained an issue, specifically combining council calendars with personal calendars. It was hoped that this could be addressed in future.

Councillor Ian Thomas reported that the purchase of keyboard hardware was not going to be recommended and it would be up to individual councillors whether they purchased one for their iPad. Facial recognition was available on the devices and it was possible that this could be used by councillors.

Laurence Whitlock, Strata IT Director reported that Strata hoped to be able to test the new O365 environment with 5 councillors shortly (circa 29th July) and it was hoped to migrate all councillors by the end of the summer if it proved successful.

There was a query about how long emails are kept on the system? This was currently subject to an ongoing debate regarding email retention and the council had an issue with email storage. Strata staff have a 5 GB limit on email storage, however, there is no limit currently on either Officer or Councillor email at EDDC. It was the understanding of the Strata technical team that emails are held indefinitely and they are not deleted from the email system unless a Cllr deletes an email themselves currently it is down to Officers and Councillors to manage their own email boxes.

Councillors reported that they had information wiped when they changed systems to the new iPads. Some of the documents in content had disappeared and Laurence Whitlock agreed to look into this.

18 **Joint Scrutiny and Overview Committee meeting on Service Planning 5 September 2019**

Members noted that on 5 September 2019, a Joint Scrutiny & Overview Committee would take place focussing on Service Plan Objectives, as part of the linked processes of Service planning and Budget Setting at East Devon District Council. A report had been received from Karen Jenkins with the agenda. The Chairman of the Scrutiny Committee had accordingly invited all Portfolio Holders to attend with the relevant Strategic/Service Lead Officer.

Portfolio Holders and relevant officers would have an opportunity to make a short presentation and answer questions relating to the three top priorities, issues and challenges in the current service plan. The objectives had been attached to the agenda. It was considered that this should also help Committee members in understanding the budget allocated to each of the service areas and how the budget deficit might impact service delivery going forward, providing committee members with a focus on the key issues.

Councillors asked whether the Service Plans could be addressed in a way which could increase their understanding at the September meeting. Concern was expressed that

investment in commercial property had not yet been achieved and was an important part of reducing the council's budget deficit. It was essential for commercial activity to generate funding required in future and it was also important to show where the council could save money to help reduce the predicted budget deficit.

19 **Quarterly Monitoring of Performance - 4th Quarter 2018/19 January - March 2019**

The Vice Chairman, Cllr Kim Bloxham introduced this item which provided performance information and progress against the council's priorities as outlined in the Council Plan. This cumulative quarterly information would be used to provide an annual review of performance against the Council Plan in the Annual Report.

The report also indicated a number of performance indicators that members may wish to discuss these included:

- A slight drop in the percentage of council tax collected at 98.81%
- The percentage of FOI requests responded to within statutory time limits which had fallen below 100%
- The percentage of other planning applications determined within 8 weeks which had fallen to 76.59%.

Other issues that Members raised would include the increase in levels of longer term staff sickness and also the increase in homelessness in the district.

Councillors commented on potential ways of reducing poverty in the district. It was estimated that 1 in 5 children in primary schools experienced poverty. To reduce poverty in the district there was a need to undertake an impact assessment on every policy and service area. There was also a need for an impact assessment with regard to climate change.

Members considered performance against delivery of the actions/priorities in the Council Plan, key service objectives from service plans and performance measures for the 4th quarter of 2018/19 so that any issues causing concern or interest could be addressed in a timely way.

RESOLVED that the issues raised at the meeting would be reviewed in future and monitored on an ongoing basis to ensure delivery of key council priorities using measures identified.

20 **Forward Plan 2019/20**

Members gave consideration to items for the Forward Plan. The following were proposed:

- Examination of spending of S106. Working Group led by Cllrs Maddy Chapman, Cathy Gardner and Jack Rowland be set up.
- Invite representatives of the local Primary Care Network in to discuss changes that are going to take place to the way care is given and doctors operate locally. Cllr Phil Twiss to provide contact details.

- Police & Crime Commissioner to be invited to give a presentation to November meeting (TBC).
- Roll out of rural broadband and CDS.
- 5th September – IT Update and Review of Service Plans.
- October – Examination of S106 and CIL monies.

Attendance List

Councillors present:

Alan Dent (Chairman)
Kim Bloxham (Vice Chairman)
Maddy Chapman
Iain Chubb
Cathy Gardner
Paul Jarvis
Fabian King
Kathy McLauchlan
Tony McCollum
Jack Rowland
Eleanor Rylance

Councillors also present (for some or all the meeting)

Ian Thomas
Phil Twiss
Vicky Johns
Nick Hookway
Dan Ledger
Helen Parr
Ian Hall
Mike Allen

Officers in attendance:

Rebecca Heal, Solicitor
Laurence Whitlock, Strata IT Director
Susan Howl, Democratic Services Manager
Debbie Meakin, Democratic Services Officer (Item 17 only)
Chris Lane, Democratic Services Officer

Councillor apologies:

B De Saram
J Whibley
V Ranger

Chairman

Date:

EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Community Grant Panel held at Tale Room,
Blackdown House, Honiton on 24 July 2019****Attendance list at end of document**

The meeting started at 3.00 pm and ended at 4.00 pm

1 Public Speaking

There were no public speakers.

2 Declarations of Interest

Minute 10 Cllr Paul Hayward — Personal interest – Clerk to Chardstock Parish Council.

3 Matters of urgency - none identified

There were no matters of urgency.

4 Confidential/exempt items - there are no items identified

There were no confidential/exempt items.

**5 Brief introduction to crowdfunding and Crowdfund East Devon,
which this Panel make decisions on**

Jamie Buckley Engagement & Funding Officer reported that crowdfunding was now a well-established and well used tool that allowed communities and organisations to promote and publish local ideas, solutions, infrastructure and events that need money. A crowdfunding website allows people and potential funders to access and review project proposals and then should they choose to, provide funding. The process of applying for crowdfunding was explained to members. It was noted that the fund had approximately £102,000 available when it started in April this year.

6 Eligibility criteria for Crowdfunding East Devon

Jamie Buckley, Engagement & Funding Officer, reported on the eligibility criteria for Crowdfund East Devon. Those who could apply included:

- Charities registered with the Charities Commission.
- Properly constituted and regulated Community Interest Companies registered with Companies House.
- Parish and town councils.
- Properly constituted voluntary and community groups and clubs.
- Properly constituted not for profit organisations.

It was noted that projects would be funded where at least 75% of the benefits were to communities and people within East Devon.

7 Hawkchurch Community Shop application to the Community

Buildings Fund

This was a project from Hawkchurch Community Shop to add solar panels to Hawkchurch Community Shop, as already exist on Hawkchurch Village Hall. This was the only shop for 5 miles and reducing running costs by adding solar panels would help the shop become more sustainable and also be good for the environment. The project was considered to be well planned and they had nearly all the other funding in place.

Jamie Buckley, Engagement & Funding Officer reported that there was £22,250 available in the community buildings fund and the next round of applications would be considered in February 2020.

RECOMMENDED: that the application for £2,133 from Hawkchurch Village Shop be supported.

8 Dalwood Community Shop application to the Community Buildings Fund

This was a project from Dalwood Community Shop and Post Office to add a small extension with a meeting area with seating and a coffee machine in it. The idea was that this would help reduce isolation in a rural area by providing a spontaneous, social meeting place and also that it would make the well-used shop and post office more sustainable. The community shop and post office are safeguarded in the Neighbourhood Plan. The applicant had letters of support from the community.

Concern was expressed about the unconfirmed funding of £5,500 for the project.

RECOMMENDED: that the application for £2,500 from Dalwood Community Shop and Post Office be supported, subject to the applicant being able to demonstrate that the other funding had been secured by the end of December 2019.

9 Whimble Victory Hall application to the Community Buildings Fund

This was a project from Whimble Victory Hall to replace the hall floor which had become unusable and could no longer be maintained. The Hall was very well used every day by the school and pre-school and a wide variety of user groups. The floor was the largest cause of concern for users and dancers had already cancelled their booking due to the poor condition of the floor.

RECOMMENDED: that the application for £5,000 from Whimble Victory Hall be supported.

10 Chardstock Community hall application to the Community Buildings Fund

The Chairman welcomed Cllr Paul Hayward, Clerk to Chardstock Parish Council, who explained the application and background to members. This was a project from Chardstock Community Hall to install a suspended ceiling with insulation, replace lighting with LEDs and replace a wet heating system with a dry air system. Members noted that

the hall was built in the 1970s with a single skin design and poor insulation. The applicant did not have three quotes for all the work.

Members noted that the hall was well used by various user groups. There were a couple of other hall opportunities in the village but they provide something a bit different. The vast majority of the funding was due to come from a Public Work Loans Board loan, which they weren't in receipt of yet as they need to state a final amount to apply which they won't have until they know if they're successful with this application.

RECOMMENDED: that the application for £5,000 from Chardstock Community Hall be supported on condition that the PWLB loan can be confirmed in writing and delegated approval to act be given to the Chairman and Engagement & Funding Officer.

11 **Parishes Together Fund grant towards drainage in Colyton, request from the parish council to the Panel for an extension to deadline for spending it.**

Members noted that in 2017/18 Colyton Parish Council was granted £1,292.90 from the Council's Parishes Together Fund towards a ditches and drainage project. They did not carry out this project within the required timescale of 12 months, so by 16 April 2019. Colyton Parish Council did not contact us to arrange an extension to the 19 April 2019 deadline in advance, so are asking for a post-deadline extension to allow them to spend the funding they were granted.

RECOMMENDED: that the application from Colyton Parish Council for an extension for their ditches and drainage project be supported.

12 **Parishes Together Fund Guidance 2017/18**

Jamie Buckley, Engagement & Funding Officer, provided details of the Parishes Together Fund Guidance 2017/18.

13 **Parishes Together Fund 2017/18 project evaluation forms for information**

Jamie Buckley, Engagement & Funding Officer provided Evaluation Forms for the following projects:

- a) Buckerell - £248.40 – ditch clearance.
- b) Cotleigh - £200 – drainage.
- c) Clyst St George - £683 – gully cleaning at Clyst St George and Ebford.
- d) Feniton - £1,650 – drainage.
- e) Gittisham - £1,586.50 – purchase and installation of defibrillator in Gittisham Vale.
- f) Honiton – the provision of workshops by the Thelma Hulbert Gallery along the East Devon Way to celebrate their 25th anniversary.
- g) Luppitt – £415.80 - Ditch clearing.
- h) Lympstone – £1,475 - this project was the second phase of Upper Wotton Brook Catchment Study. The purpose of Phase 2 was to observe the surface water runoff pathways in the rural upper catchment during significant rainfall events and to further explore the risks and opportunities identified during Phase 1. Identifying

and understanding runoff pathways was key to assessing flood risk and to determining appropriate interventions.

- i) Musbury - £513.70 – drainage.
- j) Offwell – £387.20 - carry out ditch and drainage clearance works to alleviate water drainage issues and reduce the risk of flooding.
- k) Ottery St Mary - £8,364.40 – mental health.
- l) Plymtree – £2,311 - installation of a night landing site for Devon Air Ambulance.
- m) Seaton - £1,550 - Natural Seaton Festival.
- n) Seaton - £3,500 – tourism signage.
- o) Shute and Widworthy – £716 - asphalt buckets and associated equipment to fill small holes in the lanes within the parishes.
- p) Sidmouth – £7,155.60 - a signposting project to provide support to residents in time of need, loneliness, loss and difficult or life changing circumstances.
- q) Uptontery – £669.90 to clear culverts in the parish.
- r) Yarcombe - £443.30 – drainage.

Attendance List

Councillors present:

A Dent
S Jackson
D Key
F King
T McCollum
I Thomas (Chairman)

Councillors also present (for some or all the meeting)

Paul Hayward

Officers in attendance:

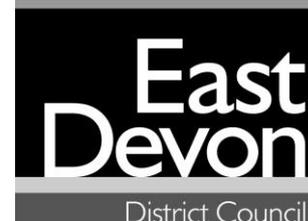
Jamie Buckley, Community Engagement & Funding Officer
Chris Lane, Democratic Services Officer

Councillor apologies:

M Hartnell

Chairman

Date:



Report to: **Cabinet**

Date of Meeting: 4 September 2019

Public Document: Yes

Exemption: None

Review date for release: None

Subject: **Council Tax Reduction Scheme for working age – Change to an income banded discount scheme from 2020/21**

Purpose of report: This report is seeking Members to approve the draft scheme for public consultation. Members had approved on 12 December 2018 for officers to start scoping and developing an income banded discount scheme to be implemented for 2020/21. This report sets out the reasons why we now need to change our scheme and includes proposals for increasing the amount of council tax support for low income working age households.

Recommendation:

- 1. To agree the proposed draft scheme and carry out public consultation on it.**
- 2. Following public consultation, the Service Lead for Revenues & Benefits to carry out a more detailed review and finalise the scheme in consultation with the Leader, Deputy Leader and Portfolio Holders for Finance, Sustainable Homes & Communities and Corporate Services.**
- 3. The final scheme be presented to Cabinet at its meeting on 8 January 2020 with a view to obtaining a recommendation to Council.**
- 4. That we publish information for Members on the final scheme to ensure that they are fully informed once the final scheme is approved.**

Reason for recommendation: The report sets out the reasons why we now need to change our working age Council Tax Support Scheme. In order to change our scheme we must first agree to the draft scheme which we need to consult on before determining the final scheme to be adopted.

Officer: Libby Jarrett, Service Lead – Revenues, Benefits, Customer Services, Corporate Fraud & Compliance. ljarrett@eastdevon.gov.uk 01395 517450

Financial implications: The financial implications are outlined in the report, including the implications directly on EDDC. The report is recommending a draft scheme for consultation at this stage.

Legal implications: Schedule 1A of the Local Government Finance Act 1992 requires that the Council must decide, for each financial year, whether to revise its scheme or to replace it with another scheme. The recommendation is to revise the existing scheme along the lines detailed and to then carry out public consultation on it. For any consultation to be meaningful, responses need to be properly considered and had regard to in coming to a final decision. This will be dealt with by the Service Lead in consultation with the Members listed before a final draft is brought back to Cabinet for consideration.

Given the nature of what is proposed, or likely to be proposed, it is important that the Council has regard to its equality duties. Accordingly a detailed equality impact assessment (see background links) has been carried out, although a final assessment will only be able to be concluded once the consultation has been carried out, responses considered and final draft scheme produced. Members will be required to consider and take into account this assessment and officer conclusions before recommending the final scheme for approval.

Equalities impact: High Impact

A full [equality impact assessment](#) has been carried out on the proposed draft scheme.

Risk: Low Risk

The risk has been set to low as at this stage we are seeking approval to consult on a proposed scheme.

Links to background information: .

Link to Council Plan: Developing an outstanding local economy

Continuously improving to be an outstanding council.

1.0 Background

1.1 Council Tax Benefit was abolished in 2013 as part of the Government's welfare reform agenda and it was replaced with Council Tax Reduction (CTR). For working age customers the scheme is determined by the Billing Authority and for those of pension age it is prescribed by legislation. The national pension age scheme very much mirrors the former national benefit scheme. When abolishing the national benefit scheme the Government also cut funding by 10%. This meant that when Council's developed their local schemes for working age they needed to take account of the reduction in funding as pensioners were protected.

1.2 Like the majority of Council's across the country, we implemented a working age scheme that reflected the reduced funding level. Our scheme very much retained many of the core components of the former national benefit scheme but with a number of changes. The main changes that have been introduced since 2013 are:

- Maximum support limited to 80% (this means that all working age customers have to pay the first 20% of their Council Tax bill (was up to 100% support)
- Capital limit of £8,000 (was £16,000)
- Capped to a Council Tax Band D charge (previously no band restriction)
- Minimum income floor for self-employed applicants and their partner (in-line with Universal Credit (UC) rules)
- An exceptional hardship fund
- Limiting CTR to 2 children born after 1 May 2017 on new claims only from April 2018 (in-line with changes made to Housing Benefit (HB), Tax Credits & UC rules)
- Removal of family premium on new claims only from April 2017 (in line with changes made to HB rules)

1.3 The main benefits at the time of keeping our scheme aligned to HB were:

- HB & CTR could be done as a joint claim using one digital form.
- Minimised confusion to the customer as many of the rules and calculations were similar
- Staff didn't need to learn a separate set of rules for administering HB & CTR so avoided any increase in administration costs.

- Award notices for HB & CTR are generated as one notification.

- 1.4 East Devon went live to 'Full Service' UC¹ from July 2018 when no new claims for HB have been accepted from working age claimants (excludes temporary & specified accommodation & those entitled to severe disability premium within an existing benefit). This means that the main benefits of keeping our scheme aligned to HB have been lost. New claimants and those experience a 'triggering' change in circumstances must now apply for UC. This is administered by the Department for Work & Pensions (DWP) and includes an amount towards their housing costs and to the Council for CTR.
- 1.5 We have always recognised that we would need to change our scheme once customers started to move onto UC as we would no longer be able to 'piggy back' CTR on HB. Members approved the recommendation at Full Council on 12 December 2018 for officers to start scoping and developing an income banded discount scheme for 2020/21.
- 1.6 There are a number of Council's across the country that have already moved or will be moving from April 2020 to an income banded discount scheme. Most Devon Authorities are looking to move to this type of scheme from April 2020/21. South Hams/West Devon introduced this from April 2019. A report was presented to the Devon Local Government Steering Group (Devon Leaders and Chief Executives) at their meeting on 26 July 2019 where the principle of moving to an income banded scheme was supported.
- 1.7 When changing or implementing a new scheme we must take account of making sure our scheme supports work incentives and also our duties to protect vulnerable people. We also have a legal duty to consult with major preceptors before consulting with the public on our draft scheme. Any changes to a scheme must be adopted by Full Council by the 11 March for the new financial year

2.0 Current Caseload /Profile (as at July 2019)

	Working age	Pension Age	Total
Number of claimants	3,263	3,941	7,204
CTR award	£2,818,899.17	£4,526,126.02	£7,345,025.19

As pensioners are protected and subject to a national prescribed scheme we are therefore only reviewing those of working age. The above table shows that a higher proportion of funding goes to those of pension age.

2.1 Profile of our working age:

Profile	No of households	Disabled	Carers	Working
Single	1,541	888	61	141
Couples	258	188	122	32
Households (with 1 child)	579	182	83	169
Households with 2 children or more	885	284	208	317
Total	3,263	1,542 (47%)	474 (15%)	659 (20%)

¹ *Universal Credit (UC) – Replaces 6 legacy benefits (Housing Benefit / Income Support / Jobseeker's Allowance (Income based) / Employment & Support Allowance (Income related) / Child Tax Credit & Working Tax Credit. Entitlement is automatically recalculated monthly to reflect changes in income using Real Time Information, which is paid monthly in arrears.*

3.0 Drivers for changing our working age scheme – Simplify for customers and easier to administer

- 3.1 UC is highly reactive to change as entitlement is reassessed every month. These changes can be insignificant (eg £1 variation in earned income) but will trigger notification through the Universal Credit Data Hub for the authority to review entitlement to CTR. This means that we are now having to handle high volumes of work as the changes are creating on average 6 Council Tax changes per year for each customer. There is also the potential for UC to be re-assessed up to 12 times per year, or more when elements are missed off and re-calculated. We know from experience that claims have to be re-calculated due to missing information at the time a claim is made. Changing someone's entitlement to CTR results in an amended Council Tax bill being issued together with rescheduled instalments. This creates confusion for the customer and is likely to put customers into arrears.
- 3.2 Now that we are not dealing with HB we are finding in common with other Local Authorities that many customers do not claim CTR. They either do not understand that they need to apply separately, the complexity provides a barrier, or they are just not motivated to do so because any award given as a reduction in the amount payable rather than an award of benefit/money. Often this can come to light once a customer receives a recovery notice for non payment. One of the issues with our existing scheme is that we can only backdate by up to 1 month (same as HB).
- 3.3 Now that the link with HB has been broken the administrative burden of carrying out a full means test assessment for Council Tax cannot be justified. This is compounded by the fact that 59.6% of working age is currently 'passported' (automatic maximum 80% support awarded by virtue of receiving certain qualifying state benefits). However, under UC, 'passporting' ceases to exist which increases the admin burden further as this now needs to be determined based on the make-up of their UC entitlement.
- 3.4 We continue to see year on year reductions in the administrative funding we get for HB and CTR. As our HB caseload continues to fall (since July 2018 reduced by 18.14%) then we are likely to experience greater reductions in HB funding from DWP. Unfortunately the workload isn't reducing despite losing HB because of the high volumes of work we now receive from DWP in relation to CTR only cases. Since 2015/16 administrative funding has reduced by just over 23%:

Year	HB Admin £	CTR Admin £	Total £
2015/16	432,024	120,911	522,935
2016/17	362,676	137,583	500,259
2017/18	333,723	133,190	466,913
2018/19	311,072	122,449	433,521
2019/20	283,006	116,665	399,671

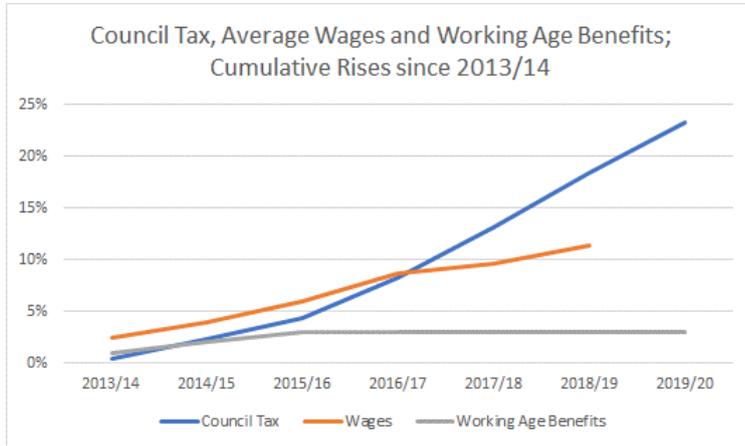
- 3.5 Any new scheme therefore needs to deliver a scheme that:
- Is more compatible with UC and does not respond to every change
 - Can be calculated without a complex means tested assessment.
 - Is more simple and transparent – making it easy for a customer to apply for and to understand their entitlement. Similar to how other council tax discounts work

4.0 Drivers for changing our working age scheme – Addressing the financial imbalance

- 4.1 Alongside, the administrative benefits of changing the scheme, consideration also needs to be given to customer's ability to pay Council Tax. Since CTR was introduced there have been many other welfare changes that working age low income households will have been impacted by such as; Benefit Cap, cuts in Housing Benefit (size restriction in social housing,

cuts to Local Housing Allowances for those in private rented sector), freezing of working age benefits/allowances, changes to working tax credits, etc. We have also seen the introduction of UC where the transition to this new benefit can create hardship due to the built-in '5 week' timeline customers have to wait before they receive their first payment.

4.2 In addition to the national welfare cuts, customers have also been impacted by rises in Council Tax. The graph below illustrates this point.



Notes

Wages: From 01/01/13 to 31/12/18 annual rises in median full-time weekly wages for Devon employees totalled 11.4%. ①

Benefits: Most working-age benefits and tax credit elements are subject to a four-year freeze for 2016/17 to 2019/20. ② This follows three years (2013/14-2015/16) when increases were limited to 1%.

Council Tax: Using East Devon Band D as an example, between 01/04/13 and 31/04/20 annual Council Tax rises totalled 23.3%.

① Official labour market statistics; <https://www.nomisweb.co.uk/>

② Benefits Uprating 2019; House of Commons Library <https://researchbriefings.files.parliament.uk/documents/CBP-8458/CBP-8458.pdf>

4.3 When the Council introduced the maximum entitlement of 80% (meaning customers would pay 20%) this equated to £234.34 for 2013/14 (based on a band B property) and so a customer would have to pay £4.51 per week. In 2019/20 this is now £293.20 (£5.64 per week), an increase of approximately 25%. However, as the graph shows benefits have in the main been frozen throughout the same period and some customers will also have been impacted by other welfare cuts. In real terms this means that customers are significantly worse off than from when this was first introduced. What should also be recognised is that if a CTR customer doesn't pay and we have to do an attachment to their benefits then the statutory deduction is £3.70 per week (equating to £192.40 per annum). The widening of this gap means the proportion of Council Tax that we won't be able to recover is now significantly more and will create the stacking of debts that are pending attachment. Ultimately it is likely that we will have to write these debts off. We currently have 560 (£93,769.89) Council Taxpayers subject to attachment to benefits which represents 17% of our working age CTR caseload. In addition we have 186 customers with pending attachment to benefits, this equates to £62,434.45 of arrears.

4.4 It is clear from the above that customers are much worse off than when CTR was first introduced. To address the inequity that has been caused from the rises in Council Tax compared to the freezing of state benefits would mean increasing support to around 85%, i.e. minimum amount customers pay 15% instead of 20%.

5.0 Drivers for changing our working age scheme – Customer's ability to pay

5.1 Our overall collection performance has remained high since CTR was introduced. See table below:

Year	Collection rate %
2012/13	98.67%
2013/14	98.56%
2014/15	98.83%
2015/16	98.94%

2016/17	99.01%
2017/18	98.98%
2018/19	98.81%

5.2 However, the amount of Council Tax that working age CTR customers have to pay represents only 1.12% of the total amount we need to collect. This means that any adverse impact in collection levels from this group would not necessarily be reflected within overall performance because it represents such a small proportion of our overall tax base.

5.3 Although the impact might not be visible in our overall performance, we have analysed the arrears of CTR customers. What we've been able to draw from this analysis is:

- 712 (22%) CTR customers are in arrears (2018/19) accumulating to £164,749.70 which represents 13% of all outstanding arrears despite the proportion of Council Tax CTR customers have to pay represents 1.12%.
- Those claiming Employment Support Allowance (ESA) Income Related are the lowest CTR cases in arrears (17%). This maybe because they are receiving other associated disability benefits (for example Personal Independence Payments (PIP)) and therefore have higher levels of benefits which are disregarded compared to other claimant types.
- UC customers have the highest proportion of outstanding arrears compared to other benefit income types with an average arrears of £282.25. We have 704 UC customers on CTR of which 33% are in arrears whereas the next highest benefit income type is Job Seekers at 23%.
- 25.5% of CTR customers who have children are in arrears with Council Tax compared to those without children is 18.2%.
- Only 22% of our CTR caseload is on UC. As more customers migrate then the risk of arrears increasing is extremely probable.

5.4 Exeter City Council have also carried out a similar analysis on their CTR arrears and identified that the highest proportion of CTR customers in arrears with Council Tax is also UC customers. Many of the likely reasons for this have already been captured in this report.

5.5 As only a small proportion of our caseload is currently on UC then the risk of arrears increasing is extremely probable. It is likely that we will see an increase in the amount we have to write off.

5.6 It is important that the design of our new scheme takes account of the issues of non-payment especially as UC claimants have the highest percentage in arrears.

6.0 Income banded discount scheme

6.1 An income banded discount scheme provides support based on bands of income and provides a percentage reduction off the bill. The number of discount bands, the level of discount and income thresholds can be varied.

6.2 Applying a percentage discount mirrors the principles of other types of Council Tax discounts. For example single person discount = 25% reduction.

6.3 By assessing entitlement mainly on income of those persons liable to pay Council Tax and by disregarding most of the benefit payments, for example; housing benefit, disability allowances, child benefit, etc. For those with no income, they would fall into the highest band and receive the maximum support. Also if there are other adults living in the property who are not liable we will no longer be taking account of their earnings. By taking this

approach means we don't have to get a customer to provide all this information and then have to build in a complex means test which is what we currently have.

- 6.4 Allows for a simpler application process for the customer and they will also be able to see easily what band they will fall into, enabling them to manage their finances and budgets.
- 6.5 Customers will only need to report changes that would affect the band that they fall in. This would reduce the volume of changes that we have to make and therefore instalments wouldn't be regularly recalculated. This would reduce the number of amended bills that have to be issued. This should also improve the ability of UC customers to establish and maintain affordable payment arrangements.
- 6.6 By mirroring the same backdated rules that apply to other Council Tax discounts means that customers who are late in applying can be considered for having their claim backdated.
- 6.7 The downside of an income banded scheme is there are 'cliff edges' meaning claimants can see much larger increases/reductions in entitlement if they change bands.

7.0 Proposed Draft Scheme for working age – Income banded discount scheme

- 7.1 The draft scheme being recommended to Members is based on the following:
 - 4 discount bands – 85%, 70%, 50% & 25%.
 - Income thresholds used are linked to the principles of the Government's applicable amounts (what someone needs to live off – a single over 25 is £73.10 per week)
 - Household types – single & couples with no children, households with one child and households with two or more children.
 - To support work incentives a flat rate of £25 of earned income is disregarded for those working 16 hours or more (streamlines existing rules and more beneficial).
 - Only the income of those liable to pay Council Tax will be taken into account (deductions from non-dependant adults living in the household are removed)
 - Certain benefits will continue to be disregarded; for example; Job Seekers Allowance (income based), Income Support, Disability Living Allowance, Personal Independence Payment, Employment Support Allowance (income based), Child Benefit, War Pensions, Housing Benefit, etc. (within our existing schemes).
 - Capital limit £6,000 (was £8,000). If they have more than £6,000 in savings then they will not qualify.
 - Restricting support up to a Band D charge (within our existing scheme since 2013)
 - Minimum income floor for all self-employed applicants and their partners after 12 months of trading (within our existing scheme since 2017)
 - Exceptional Hardship Fund (within our existing scheme since 2013)

7.2 The income bands being proposed are as follows:

Weekly Income Band		Household					
		Single no Dependant	Couple no Dependant	Lone parent one Dependant	Couple one Dependant	Lone parent two or more dependants	Couple two or more dependants
Band 1	£0.00-£75.00	85%	85%	85%	85%	85%	85%
Band 2	£75.01-£150.00	70%	70%	85%	85%	85%	85%
Band 3	£150.01-£225.00	50%	50%	70%	70%	85%	85%
Band 4	£225.01-£300.00	25%	25%	50%	50%	70%	70%

Band 5	£300.01- £375.00	0%	0%	25%	25%	50%	50%
Band 6	£375.01- £450.00	0%	0%	0%	0%	25%	25%

7.3 By increasing the top band to 85% means that the majority of CTR customers will be better off under this scheme.

7.4 **Reducing the capital threshold from £8,000 to £6,000.** The reason we are proposing to reduce the capital threshold to £6,000 is because under all the Government means tested welfare benefits the first £6,000 of capital is disregarded. Anything above this amount is then subject to a 'capital tariff'. By mirroring this threshold means we do not need to then apply this tariff or gather evidence of what level of capital someone has if they have a capital tariff being applied. The majority of Devon Authorities operate a £6,000 capital limit. Mid Devon and ourselves both had a limit of £8,000 when CTR was introduced in 2013. Mid Devon as part of their move to an income banded scheme are looking to reduce the limit to £6,000.

The impact of reducing the capital threshold means that 18 cases would no longer qualify for support.

7.5 **Removing the non-dependant deductions.** We have 123 cases where we make a non-dependant deduction. Under our current scheme this was very much aligned to HB rules. The Government have streamlined this for UC and it makes sense that we exclude these from the income banded scheme as this simplifies the administration process. This means for example; a son/daughter who are over the age of 18 we will not need to establish details of their income unless they are liable for Council Tax. The majority of Council's that operate an income banded scheme do not take account of non-dependants.

7.6 The proposed draft scheme will still retain the Band D restriction, Minimum Income Floor for Self Employed & the Exceptional Hardship Fund.

8.0 Scheme Impact (existing caseload)

8.1 Being an income banded discount scheme as opposed to a full penny by penny means test means there are cliff edges when it comes to qualification and levels of support. This means that there will be winners and losers. We have assessed and modelled various options to try and determine an income banded scheme that addresses the issues in this report (simplifying the scheme, cumulative impact of welfare reform, impact on collection) whilst recognising that there is a cost to the tax base (cost met by preceptors – see para 9.2).

8.2 However, because the maximum support has been increased then the majority of customers will be better off. The bands our customers will fall into is shown in the table below:

Number of Cases in each Discount Band								
Band %	Total Cases	Caseload %	Single no Dependant	Couple no dependant	Lone Parent with 1 Dependant	Couple with 1 Dependant	Lone Parent with 2 or more Dependants	Couple with 2 or more Dependants
85%	2780	85.20%	1444	235	384	79	448	190
70%	205	6.28%	77	12	28	12	55	21
50%	173	5.30%	11	7	55	9	51	40
25%	67	2.05%	9	2	3	6	17	30
0%	38	1.16%	0	2	1	2	4	29

8.3 The impact of the draft scheme is summarised as follows:

- 92% (3,015) will be better off under this scheme and only 8% will be worse off.

- 85% (2,780) will qualify for maximum support (85% of our caseload)
- The average gain for the 92% who will be better off is £131.56 per annum (£2.53 per week)
- 1,296 families will be gaining and 167 will be worse off.
- 1,390 households with disabilities will be gaining and 151 will be worse off.
- 495 earners will be gaining and 163 will be worse off
- Overall 246 customers will be worse off. Of these 99 will be losing less than £260 per annum (£5.00 per week). 29 customers will be losing less than £104 p.a. (£2 per week)
- 83 of the 246 will no longer be entitled to CTR.

8.4 A full breakdown of the impact of changing our scheme is set out in the equality impact assessment. See background links.

8.5 Although the majority of households are positively impacted from the proposed scheme there are a small number of households (some with protected characteristics) that will lose a high proportion of support. To mitigate against the small proportion of those losing, Members could either provide ‘transitional protection’ or build in further protections, for those with certain protected characteristics within the main scheme; for example households with disabled children.

8.6 The way we have dealt with providing ‘transitional protection’ has been through our Exceptional Hardship Fund (EHF). This allows us to provide additional support to those claimants who need help over and above what has already been provided for. However, alongside this the Council could provide up front protection to those existing claimants who will be worse off by:

- Ongoing 100% protection (until such time they have a relevant change in circumstances)
- Protection for a period of time, for example; 1 year’s full protection
- Partial protection – for example; 50% protection for those households losing more than £260 p.a (£5.00 per week).
- Protecting certain households, for example those with children and/or where this is a disabled adult/child.

8.7 At this stage, we are proposing a draft scheme that we must consult on before adopting a new scheme. This means that there is still scope for Members to vary the percentages, income bands, build in more protections, etc as well as consider transitional protection prior to the final scheme being recommended for approval. Members will also need to take account of the outcomes following consultation. As the data is modelled based at a fixed point in time we will need to undertake further modelling to take account of changes in our existing caseload.

8.8 As the draft scheme shows that there needs to be an increase in funding we have set out in appendix one what the impact of a closer to ‘cost neutral scheme’ would be, i.e. based on what the scheme currently costs for working age.

9.0 Financial Implications - Impact on Tax Base

9.1 As we are proposing to increase the amount of CTR then this in turn increases the scheme costs:

Current scheme costs for working age	Draft scheme costs	Increase in scheme cost	Cost to protect those losing in full (optional)	Overall scheme costs
£2,818,899.17	£3,089,051.48	£270,152.31	£118,010.31	£388,162.61

9.2 As CTR is funded through the Council Tax Base, the costs are shared in proportion with the amount preceptors receive. The proportions are as follows:

Preceptor	%
Devon County Council	73%
Police & Crime Commissioner for Devon & Cornwall	11%
Devon & Somerset Fire & Rescue Authority	5%
East Devon District Council	7%
Town/Parish Councils	4%

9.3 This means that if we were to increase the amount of funding to CTR then it only costs East Devon 7% of that amount. This would equate to a cost of £18,910.66 and a further amount of £8,260.72 if we were to protect in full those who will lose under this draft scheme. Obviously if the Council was to increase funding this would reduce the overall tax base meaning preceptors receive less funding which could impact on their budgets. However, if we end up writing debts off then this ultimately has the same effect on budgets. It is therefore important to ensure that we provide the right level of funding upfront in order to avoid the build-up of what will be uncollectable debts.

9.4 There could well be resistance from other preceptors from increasing the funding to CTR customers because of the impact on the tax base and in turn their ability to provide essential local services to the public. Any changes to our scheme do require public consultation as well as consulting first with the major preceptors. However, what is worth noting is that there are other measures we have taken to increase the tax base that can mitigate against any increase in CTR funding. The Council agreed 12 December 2018 to increase the amount people now have to pay on long term empty properties. This policy change will bring approximately £160K to the tax base for 2020/21. Alongside this in 2018/19 we carried out a single person discount review using credit reference data which saw 566 discounts being removed, creating an annual income of £229K to the tax base. We also have the highest collection rate out of all the Devon Authorities. This clearly demonstrates how as an authority we are going over and above to protect and maximise the income to all preceptors.

10.0 Timetable for Scheme approval

10.1 Subject to Members of Cabinet approving the draft scheme we will then:

- Consult with the major preceptors
- Carry out a six week public consultation (approximately middle September to end of October)
- Following public consultation, we will consult with the Leader and Deputy Leader of the Council and the three Portfolio Holders (Finance, Sustainable Homes & Communities & Corporate Services). This will enable these Members to carry out a more detailed review in order to decide on the recommended final scheme, to be presented to Cabinet.
- Cabinet Meeting 8 January 2020
- Final scheme to be adopted by Full Council on 26 February 2020.

11.0 Financial Implications – Administrative costs/savings

11.1 The administrative savings that Authorities have identified by moving to an income banded scheme is between 2-3 full time equivalents. From our initial calculations, this seems realistic and feels achievable. However, we need to carry out a more detailed assessment. This is in line with the savings that have been identified under the transformation strategy. Alongside staff savings there will also be paper, printing and postage savings. Based on

existing UC caseload this is estimated to save approximately £2,000. However, if we don't change our scheme then our printing and postage costs will increase as claims migrate over to UC by approximately £10,000,

- 11.2 Changing schemes will also help to reduce our carbon footprint due to the reduction in paper, printing and delivery of documents.
 - 11.3 There will be additional costs with implementing a new scheme – project resource, consultation, changes to software, new online form, communication material. As these are upfront costs these will be funded from reserve (£172,463) that was set aside back in 2013 from the remaining new burdens funding we received from the Government to implement local schemes.
- 12.0 Other options**
- 12.1 We could continue with the existing scheme but this wouldn't address the issues highlighted in the report. We could consult on the scheme at appendix 1 or consider alternative options. Any alternative options would need to be modelled and assessed.
- 13.0 Conclusion**
- 13.1 The draft scheme being proposed aims to increase financial support whilst simplifying it for customers and addressing the issues following the introduction of UC. I recognise that the welfare system can be considered a complex area because it requires an in depth knowledge of how benefit entitlement across the wide range of support available is calculated.
 - 13.2 By involving these relevant Members (as outlined in the recommendation) in a more in-depth review will aim to give reassurance that the final scheme that is recommended strikes the right balance as we recognise that low income working age households have been impacted by Government cuts in welfare spending but also that any additional funding has to be met from all preceptors.

Income Banded Discount Scheme – Almost Cost neutral

To achieve an almost 'cost neutral' scheme would mean using the following discount bands - 80%, 60%, 40% & 20%. All other elements of our proposed scheme would remain the same.

Weekly Income Band		Household					
		Single no Dependant	Couple no Dependant	Lone Parent one Dependant	Couple one Dependant	Lone Parent two or more dependants	Couple two or more dependants
Band 1	£0.00-£75.00	80%	80%	80%	80%	80%	80%
Band 2	£75.01-£150.00	60%	60%	80%	80%	80%	80%
Band 3	£150.01-£225.00	40%	40%	60%	60%	80%	80%
Band 4	£225.01-£300.00	20%	20%	40%	40%	60%	60%
Band 5	£300.01-£375.00	0%	0%	20%	20%	40%	40%
Band 6	£375.01-£450.00	0%	0%	0%	0%	20%	20%

The impact of the cost neutral scheme is summarised in the table below. For ease of comparison we have included the impact of the proposed scheme.

'Cost Neutral' Scheme	Proposed Scheme
17% (566) will be better off. 9% (280) will be worse off. 74% (2417) will be unaffected by change	92% (3015) will be better off. 8% will be worse off
85% (2780) will qualify for maximum support of 80%	85% (2780) will qualify for maximum support of 85%
Average gain for the 17% who will be better off is £353.28 per annum (£6.79 per week)	Average gain for the 92% who will be better off is £131.56 per annum (£2.53 per week)
352 families will be gaining, 193 will be worse off	1296 families will be gaining, 167 will be worse off
55 households with disabilities will be gaining, 155 will be worse off	1390 households with disabilities will be gaining, 151 will be worse off
413 earners will be gaining, 190 will be worse off	495 earners will be gaining, 163 will be worse off
Overall 280 customers will be worse off. 93 of these will be losing less than £260 per annum (£5.00 per week). 28 customers will be losing less than £104 p.a (£2.00 per week)	Overall 246 customers will be worse off. Of these 99 will be losing less than £260 per annum (£5.00 per week). 29 customers will be losing less than £104 p.a. (£2 per week)
83 of the 280 will no longer be entitled to CTR	83 of the 246 will no longer entitled to CTR

As this scheme isn't quite cost neutral the impact on the tax base would be:

Cost 2019/2020	New cost based on 2019/2020	Cost of Change	Cost of full Protection	Overall Scheme Cost
£2,818,899.17	£2,872,472.67	£53,573.50	£138,523.89	£192.097.39

Cost to East Devon = 7%. £3,750.15. Cost to provide full protection = £9,696.67. Total £13,446.82



Report to: **Cabinet**

Date of Meeting: 4th September 2019

Public Document: Yes

Exemption: None

Review date for release None

Subject: **Cranbrook Strategic Delivery Board**

Purpose of report: To set out the key issues associated with delivering critical community infrastructure in Cranbrook and the subsequent challenges for future service delivery in the town.

To recommend the establishment of a Strategic Delivery Board to provide a forum, in conjunction with the County and Town Councils, for coordinating the delivery of assets and services going forward.

Recommendation: **It is recommended that members;**

- 1. Note the key issues associated with the delivery of assets and services in Cranbrook and that a further briefing session is held to explain these in further detail**
- 2. Endorse establishing a Strategic Delivery Board and the accompanying Terms of Reference**
- 3. Recommend to Full Council that the Portfolio Holder for Strategic Development and the Lead Member for Cranbrook are appointed to the Board and that it receives an annual report detailing the work of the Board and associated progress.**

Reason for recommendation: To support the development of Cranbrook as a sustainable community and ensure that the growing population is supported by the timely provision of assets and services.

Officer: Andy Wood, adwood@eastdevon.gov.uk, 01395 571743

Financial implications: The success of Cranbrook is a major element in facilitating and encouraging housing growth in the district and the council has benefitted financially not only through the S106 receipts mentioned within the report but both through the growth itself in council tax receipts as well as through government incentive schemes such as New Homes Bonus (£4.6m in 2017, £4.2m in 2018 in totality). The continued growth of the district and the future incentives form a vital element in the mitigation of the future financial pressures anticipated from 2020/21 as detailed in the medium term financial plan

Legal implications: Each authority must ensure that it is operating within its own Constitution/Standing Orders. Legal Services are happy to assist with any further advice needed but at this point have no particular comment to make.

Equalities impact: Low Impact

Risk: Low Risk

Whilst the establishment of a Strategic Delivery Board is in itself low risk, the delivery of assets and services in Cranbrook is fundamental to the successful achievement of the vision for the town. The work of the Board will play an important role in coordinating delivery and, as such, in mitigating the risk that these are either not delivered or are provided in an unsustainable manner.

Links to background information: • [Cranbrook Development Plan Document](#)

Link to Council Plan: Encouraging communities to be outstanding; Continuously improving to be an outstanding Council.

1. Background

1.1 The construction of Cranbrook began in 2011 but the planning process stretches back well before then. The outline planning application for the first 2,900 homes was submitted in 2003 and planning permission was finally issued in October 2010. During this time it took four years to negotiate the accompanying s.106 agreement which is indicative of the complexity of this scale of project. This agreement sets out the requirements relating to the provision of key facilities and infrastructure needed to support the development of a sustainable community. This ranges from supporting bus services and a Community Development Worker through to the delivery of play areas and schools.

1.2 Cranbrook is being delivered through a commercially driven model with no public sector control of land. The s.106 agreement therefore plays a critical role in establishing the trigger points for the delivery of facilities including financial payments and the availability of land. It is, though, ultimately a relatively inflexible legal document which was negotiated in a different financial era. It has become clear that certain of the facilities that are set out in the agreement are either no longer fit for purpose or sub-optimal in the way they are currently set out/configured.

1.3 In recognition of the need to address this, there has been ongoing activity over the last 4 years to actively reinvent how these facilities come forward. This has focused on two key buildings – the Town Council offices in conjunction with the Library, and a proposed Health and Wellbeing Hub which would marry up obligations around children's and youth centre provision with primary care and a leisure centre.

1.4 Broadly speaking this activity has sought to align and combine facilities in a way that will enable financially sustainable buildings to come forward that in turn will support cost effective service delivery. This has also attempted to ensure that, as far as possible, the facilities are scaled to support the expansion of Cranbrook from the 3,500 homes that currently have planning permission to the circa 8,000 homes that are anticipated in the Cranbrook DPD. This will equate to an ultimate population of around 20,000 people.

1.5 The process of trying to marry up infrastructure and service requirements and ensure that these are future proofed, including in relation to as yet undetermined planning applications, has proven to be extremely complex. Ultimately there has been no resolution as to what form key facilities should take and how they should be delivered. Nonetheless we are now at a stage where critical trigger points are being reached. Most recently DCC has served notice on the Consortium regarding the delivery of the Children's Centre facilities. This requires the Consortium to agree the specification for the facilities, plus lay out, construct and complete them no later than 10 June 2021 or the first occupation of 2500 dwellings (whichever shall be the later). We are therefore in danger of defaulting to a scenario that may not be fit for purpose or affordable over the longer term.

2. Assessment

2.1 Given the looming trigger points we are rapidly approaching the point of no return. This should not be seen purely as an issue relating to built facilities. Rather it goes to the heart of how public services are delivered in the town to meet the needs of a young, growing population, including those with particular needs, both now and in the future. This is an issue which spans all three tiers of local government. Cranbrook Town Council will continue to play a more significant role in terms of holding assets and delivering services than other towns in the District.

2.2 Looking forward the objective has to be to find a cost effective and sustainable model for the delivery of public assets and services that is responsive to the needs of a growing population. This demands a clear corporate approach, not just between the local authorities but also with other key public sector partners such as the Clinical Commissioning Group.

2.3 The work undertaken in relation to Cranbrook's status as a Healthy New Town has highlighted the cross cutting nature of much of the activity involved. This in itself is symptomatic of the fact that the key determinants of good health are themselves wide ranging, spanning activity and leisure (District), ensuring the children get the best start in life (County) and working closely with the schools. This is aside from any mainstream primary care or public health service.

2.4 To date efforts to deliver facilities in the town centre have highlighted a number of key issues that need to be resolved upfront in order to expedite successful delivery. These include a clear understanding of;

- the strategic business case
- who the client is
- the business plan
- the brief and specification
- the budget and funding package
- procurement strategy
- project management and delivery
- ownership and management of facilities
- the ongoing service delivery model and associated costs

2.5 These requirements may sound basic but in an environment where the Consortium are likely to have an ongoing role and involvement and there is a need to future proof the facilities to cater for a growing population, it is surprisingly complex. Clear leadership and direction is required in order to successfully resolve these issues.

3. Proposal

3.1 In order to provide oversight and ensure that the three tiers of local government can speak with one voice it is proposed to constitute a Strategic Delivery Board to focus on the delivery of future assets and services for Cranbrook. This is a mechanism that has worked successfully to help manage major developments elsewhere, for example at Bicester, and would operate in an advisory capacity.

3.2 It is recommended that the Board should be comprised of two members each from the Town, District and County Councils. It would need to take the forward view of forthcoming assets and service delivery well in advance of specific trigger points being reached. As well as local government representation other public and private partners could be invited to specific meetings as required. The intention is that this will lead to a clear Implementation Plan that is owned not just by local government but also by wider partners such as the Clinical Commissioning Group.

3.3 It is considered that the Board should meet quarterly in the first instance although this can be more or less frequent as required. Whilst focused on the delivery of initial assets in the town it is expected that this will help to define and set the model for future service delivery more widely. For example this could include setting an objective for all public sector assets to be revenue positive going forward. The Board would need to ensure that the answers to each of the bullet points highlighted above are clearly defined.

3.4 Proposed Terms of Reference for the Board are contained at Appendix A. It is a specific recommendation of this paper that these are endorsed. The Terms of Reference include provision for these to be reviewed annually. It is a further recommendation of this report that Cabinet receive an annual report detailing the work of the Board.

3.5 It should be noted that the Strategic Delivery Board will not be a formal joint committee which is capable of taking binding decisions on behalf of the three Councils nor will it meet in public. Rather it will act in an advisory capacity with papers then being considered through the relevant Committees of the three Authorities as required.

4. Conclusion

4.1 The original vision for Cranbrook was as a freestanding new community which would be capable of supporting its own assets and services. In a constrained financial environment there is a need to actively reinvent how these will be delivered on a sustainable basis. Without this there is a significant risk that Cranbrook will become an austerity town, bereft of the facilities and services that the population both expect and demand. This paper identifies that the delivery of key assets in the town centre is at a critical stage and puts forward a proposal for charting a clear path forward to ensure their successful delivery. The proposed Strategic Delivery Board is considered to be the best means to ensuring the necessary coordination and oversight.

Terms of Reference for the Cranbrook Strategic Delivery Board (hereafter referred to as the 'Board')

Purpose

- To support the development of Cranbrook as a sustainable community by ensuring that there is a clear plan for the delivery of key community infrastructure, assets and services in the town in step with the growing population.
- To provide a forum for the three tiers of local government to consider the coordinated and cohesive delivery of assets and services and to provide advice to each Authority accordingly.
- To ensure that there is a strategic business case to support the delivery of assets and cost effective services on an ongoing basis.

The Board has been established to support the coordinated development of Cranbrook as a new community through focusing on the delivery of key assets and services. It will act in an advisory capacity and will provide advice to each tier of local government. It is expected that the Board will develop an Implementation Plan for the delivery of assets and services in the town and provide oversight for its delivery. This will include ensuring that each asset is supported by a strategic business case. Executive decision making and financial decisions will remain the remit of each individual Authority.

The Secretariat for the Board will be provided by the organisation that is chairing the Board and will revolve on an annual basis. The Secretariat will minute all meetings of the Board and maintain a record of any declarations of interests. Agendas will include a standard item requiring declarations of interests to be made. Members with a disclosable pecuniary or personal interest in respect of a particular matter being considered by the Board should act in accordance with the Councillor's Code of Conduct of the relevant organisation that they represent.

The Board will be supported by officers from the Growth Point delivery team drawing on support from officers from across the County, District and Town Councils as well as external partners as required.

Substitution of members will be permitted provided written notification has been provided to the Secretariat 7 days in advance of the meeting. However it is expected that the use of substitutes shall only occur in exceptional cases.

Objectives

The Board is responsible for overseeing the delivery of assets and services in Cranbrook. It provides a coordinating vehicle to help develop a corporate position between all three tiers of local government. Specific objectives are to;

- Develop an Implementation Plan for the delivery of key assets and services in the town
- Ensure that the Implementation Plan includes a clear understanding of the following in relation to individual assets;
 - the strategic business case
 - who the client is
 - the business plan

- the brief and specification
 - the budget and funding package
 - procurement strategy
 - project management and delivery
 - ownership and management of facilities
 - the ongoing service delivery model and associated costs
- Engage with public and private sector partners and secure the cooperation and buy-in of key stakeholders.
 - Monitor risks, progress and effectiveness of delivery
 - Identify and secure funds including coordinating applications for funding.
 - Ensure consistency of approach between all three tiers of local government so as to be able to speak with one voice
 - Develop a communications plan to ensure clarity around key messages and to manage expectations with the community

Membership

The membership will comprise

- Two members of Cranbrook Town Council
- Portfolio Holder for Economy and Skills, Devon County Council
- Representative of the Broadclyst division, Devon County Council
- Portfolio Holder for Strategic Development, East Devon District Council
- Lead Member for Cranbrook, East Devon District Council

External Partners

External partners, both public and private, will be invited to attend Board meetings where wider input is required to support asset and service delivery

Chair:	Shall revolve annually between Cranbrook Town Council, Devon County Council and East Devon District Council.
Quorum:	Shall be a minimum of 3 members which must include at least one from each of Cranbrook Town Council, Devon County Council and East Devon District Council.
Meetings:	A minimum of 4 meetings per year on a quarterly basis, although meetings may be called more frequently on an “as and when required” basis to deal with operational matters.
Decision making:	Decision making will, as far as is possible, be by consensus. In the event that this is not possible areas of disagreement and the position of individual organisations will be recorded and recognised in the subsequent advice/recommendations.
Review	The group’s terms of reference as well as its outcomes and successes will be reviewed annually.



Report to: Cabinet
Date: 4 September 2019
Public Document: Yes
Exemption: None

Review date for release None

Subject: **Annual Treasury Management Review 2018/19 – 1 April 2018 to 31 March 2019**

Purpose of report: This report details the overall position and performance of the Council's Treasury Management Strategy during 2018/19.

Recommendation: **Cabinet is requested to review and note the investment values and performance for the year to 31 March 2019.**

Reason for recommendation: The Council is required by regulations issued under the Local Government Act 2003 and the Code of Practice on Treasury Management in Public Services published by the Chartered Institute of Public Finance & Accounting (CIPFA) to produce an annual review of its treasury management activities and performance.

Officer: Janet Reeves – Accountant
jreeves@eastdevon.gov.uk Extension 2033

Financial implications: Contained within the report.

Legal implications: It is understood that the Finance team carries out Treasury Management within the specific legislative framework applicable to local authorities. No further legal comment is required.

Equalities impact: Low Impact
 The report is for information only.

Risk: Low Risk
 Any depositing of surplus funds exposes the Council to a certain degree of risk relating to the security of deposits, investment return and interest rate risk. However, through the Council's Treasury Management Strategy, the level of risk is proactively managed to an acceptable level.

Links to background information: .

East Devon District Council
Annual Treasury Management Review
2018/19

Contents

Purpose.....	3
Executive Summary.....	4
Recommendations.....	5
Introduction and Background	6
1. The Council’s Capital Expenditure & Financing 2018/19.....	6
2. The Council’s Overall Borrowing Need	9
3. Treasury Position as at 31 March 2019.....	13
4. The Strategy in 2018/19	14
5. Borrowing Strategy for 2018/19.....	15
6. Investment Strategy for 2018/19	16
7. Borrowing Outturn in 2018/19.....	18
8. Investment Outturn for 2018/19.....	19
9. The Economy and Interest Rates	20

Annual Treasury Management Review 2018/19

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2018/19 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 28/2/2018).
- a mid-year, (minimum), treasury update report (Council 27/2/2019).
- an annual review following the end of the year describing the activity compared to the strategy, (this report).

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Cabinet before they were reported to the full Council. Member training on treasury management issues was undertaken on 30/01/2018 and on 26/06/2019 in order to support members' scrutiny role.

Executive Summary

During 2018/19, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	2017/18 Actual	2018/19 Budget <small>(per EDDC TM Strategy 2018/19 Document)</small>	2018/19 Actual
	£000	£000	£000
Capital expenditure in year			
• Non-HRA	6,864	6,477	9,417
• HRA	5,843	625	3,677
• HRA Major Repairs	4,315	4,466	4,152
• Sub Total	17,022	11,568	17,246
• Third Party Loans /Investments	600	1,500	1,575
• Total Capital Expenditure (Gross*)	17,622	13,068	18,821
<i>*2018/19 Budget: £13,068 less £ (864) external funding = £12,204 net. 2018/19 Actual HRA £3,677 + £199 = £3,876</i>			
Capital Financing Requirement:			
• Non-HRA	7,927	16,572	10,063
• Non-Treasury loans /investments	600	1,500	4,733
• Sub Total	8,527	18,072	14,796
• HRA	80,601	79,011	80,595
• Total	89,128	97,083	95,391
External Debt			
Gross borrowing for capital purposes (excluding accrued interest)			
• Non-HRA existing	235	4,395	171
• Non-HRA new	0	2,883	4,603
• Non-HRA existing - borrowing to finance Third Party Loans	1,285	2,945	1,222
• Non-HRA new - borrowing to finance Third Party Loans	0	0	1,525
• Sub Total	1,520	10,223	7,521
• HRA existing and new	80,601	79,011	80,595
• Total	82,121	89,234	88,116
<i>*2018/19 Budget: £138 + £4257 = £4,395 and £1,222 + £1,723 = £2,945.</i>			
Temporary cash flow borrowing	6,122	2,350	2,235
Total external debt (for capital purposes and temporary cash flow purposes)	88,243	91,584	90,351

Prudential and treasury indicators continued	2017/18 Actual £000	2018/19 Budget <small>(per EDDC TM Strategy 2018/19 Document)</small> £000	2018/19 Actual £000
Investments			
Non-Treasury Loans and Investments <i>(Note 1)</i>			
• Longer than 1 year	4,372	Not reported in EDDC TM Strategy 2018/19	5,848
• Under 1 year	87		99
• Total	4,459		5,947
Treasury Investments			
• Longer than 1 year	0	Not reported in EDDC TM Strategy 2018/19	0
• Under 1 year	33,158		36,996
• Total	33,158		36,996
Cash at Bank for daily operations			
• Longer than 1 year	0	Not reported in EDDC TM Strategy 2018/19	0
• Under 1 year	145		204
• Total	145		204
<i>Note 1: Excludes fair value adjustments & interest.</i>			
Total Investments	37,762		43,147
Net borrowing	50,481		47,204

Other prudential and treasury indicators are to be found in the main body of this report. The Strategic Lead Finance also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

The financial year 2018/19 continued the challenging investment environment of previous years, namely low investment returns.

Recommendations

The Council is recommended to:

1. Approve the actual 2018/19 prudential and treasury indicators in this report.
2. Note the annual treasury management report for 2018/19.

Introduction and Background

This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

1. The Council's Capital Expenditure & Financing 2018/19

The Council undertakes capital expenditure on long-term assets. The activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The tables below show the actual capital expenditure and how this was financed.

Combined General Fund, Non-Treasury Loans and Investments and HRA	2017/18 Actual £000	2018/19 Budget <small>(per EDDC TM Strategy 2018/19 Document)</small> £000	2018/19 Actual £000
Capital expenditure (gross)	17,022	13,068	17,246
Third Party loans & investments	600	0	1,575
• Total	17,622	13,068	18,821
<i>*2018/19 Budget: £13,068 less £ (864) external funding = £12,204 net.</i>			
Financed in year			
• External funding	1,488	864	1,889
• Other	13,407	8,983	10,487
• Total	14,895	9,847	12,376
Unfinanced capital expenditure	2,727	3,221	6,445

General Fund/ Non-Treasury Loans and Investments only	2017/18	2018/19	2018/19
	Actual	Budget <small>(per EDDC TM Strategy 2018/19 Document)</small>	Actual
	£000	£000	£000
Capital expenditure (gross)	6,864	7,977	9,417
Non-Treasury loans & investments	600	0	1,575
• Total	7,464	7,977	10,992
Financed in year			
• External funding	1,488	864	1,889
• Other	3,249	3,892	2,658
• Total	4,737	4,756	4,547
Unfinanced capital expenditure	2,727	3,221	6,445

£000

£000

2018/19 Original Budget spending (gross)

7,977

Significant variances in General Fund spending in year:

<i>Loan to Norman Lockyer Observatory</i>	25
<i>Purchase of founding shares in South West Mutual</i>	50
<i>Loan to Exeter Science Park for Grow-on Buildings</i>	1,500
<i>Flood Alleviation Work – Feniton £125k and Whimble £41k</i>	166
<i>Exmouth Sea Wall emergency work</i>	596
<i>Beach Management/Safety Works at Beer and Seaton delayed</i>	(107)
<i>Magnolia Public Convenience Improvements Scheme slippage</i>	(100)
<i>Streetscene: Recycling and Refuse Vehicles and Equipment slippage from 2017/18</i>	764
<i>Delay in Sports Centres and Swimming Pool Schemes - revised dates agreed with LED.</i>	(798)
<i>Parks, Pleasure Grounds, Play Equipment and Playgrounds underspend</i>	(141)
<i>Beach Properties: Reroofing of seaside tenanted properties not carried out</i>	(40)
<i>Mamhead Slipway retention paid</i>	33
<i>Overspend on plant and equipment for street cleansing</i>	28
<i>Energy Saving and Renewables – underspend of £(85)k on industrials and £(40)k on Public Halls, Community Centres and Pavilions</i>	(125)
<i>Disabled Facility Grants expenditure over budget</i>	235
<i>Relocation Project – Re-profiling of expenditure into 2019/20</i>	(429)
<i>Expenditure funded through S106</i>	199
<i>Economy: Exmouth Regeneration slippage from 2017/18</i>	1,115
<i>Car Park Improvements – Maer Road Exmouth Car Park £83k not budgeted but Broadclyst Car Park budgeted not spent £(27)</i>	56
<i>Other general fund spending (various items)</i>	(12)

3,015

(A number of these items were scheme slippage from the previous year)

2018/19 Actual spending

10,992

HRA only	2017/18 Actual	2018/19 Budget <small>(per EDDC TM Strategy 2018/19 Document)</small>	2018/19 Actual
	£000	£000	£000
Capital expenditure (gross)	10,158	5,091	7,829
• Total	10,158	5,091	7,829
Financed in year			
• External funding	0	0	0
• Other financing	10,158	5,091	7,829
• Total	10,158	5,091	7,829
Unfinanced capital expenditure	0	0	0

Of the increase of £2.738m in HRA capital spending, £3.024m is attributable to the house purchase replacement scheme that was not included in the original programme; it was separately agreed and funded through HRA resources. Offsetting this, there was an under-spend of £ (0.314)m on HRA Major Repairs.

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2018/19 unfinanced capital expenditure (see above tables), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need, (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2018/19 MRP Policy, (as required by MHCLG Guidance), was approved as part of the Treasury Management Strategy Report for 2018/19 on 28 February 2018.

The Council's CFR for the year is shown below, and represents a key prudential indicator. *(The Council does not have any PFI and leasing schemes on the balance sheet, but if it did they would increase the Council's borrowing need. However, no borrowing would actually be required against these schemes as a borrowing facility would be included in the contract).*

CFR: Combined General Fund, Non-Treasury Loans and Investments and HRA	31 March 2018 Actual	31 March 2019 Budget <small>(per EDDC TM Strategy 2018/19 Document)</small>	31 March 2019 Actual
	£000	£000	£000
Opening balance	87,685	95,578	89,128
Add unfinanced capital expenditure	2,127	3,221	4,870
Add unfinanced Non-Treasury loans and investments	600	0	1,575
Timing difference	91	0	0
Less MRP/VRP* and other movements	(1,375)	(1,716)	(182)
Less PFI & finance lease repayments	0	0	0
Closing balance	89,128	97,083	95,391
CFR: General Fund and Non-Treasury Loans and Investments only	31 March 2018 Actual	31 March 2019 Budget <small>(per EDDC TM Strategy 2018/19 Document)</small>	31 March 2019 Actual
	£000	£000	£000
Opening balance	5,777	14,980	8,527
Add unfinanced capital expenditure	2,127	3,221	4,870
Add unfinanced Non-Treasury loans and investments	600	0	1,575
Timing difference	91	0	0
Less MRP/VRP* and other movements	(68)	(129)	(176)
Less PFI & finance lease repayments	0	0	0
Closing balance	8,527	18,072	14,796
CFR: HRA only	31 March 2018 Actual	31 March 2019 Budget <small>(per EDDC TM Strategy 2018/19 Document)</small>	31 March 2019 Actual
	£000	£000	£000
Opening balance	81,908	80,598	80,601
Add unfinanced capital expenditure	0	0	0
Less MRP/VRP* and other movements	(1,307)	(1,587)	(6)
Less PFI & finance lease repayments	0	0	0
Closing balance	80,601	79,011	80,595

* includes voluntary application of capital receipts

Note the MRP/ VRP would normally include PFI/ finance lease annual principal payments, except that the Council has no PFI/finance lease borrowings.

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

General Fund and Non-Treasury Loans and Investments	31 March 2018 Actual £000	31 March 2019 Budget (per EDDC TM Strategy 2018/19 Document) £000	31 March 2019 Actual £000
Gross borrowing position	7,642	12,573	9,756
CFR - General Fund & Non-Treasury Loans and investments	8,527	18,072	14,796

HRA	31 March 2018 Actual £000	31 March 2019 Budget (per EDDC TM Strategy 2018/19 Document) £000	31 March 2019 Actual £000
Gross borrowing position	80,601	79,011	80,595
CFR - HRA	80,601	79,011	80,595

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2018/19 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2018/19 General Fund & Non- Financial Loans & Investments £000	2018/19 HRA £000
Authorised Limit	12,756	87,844
Maximum gross borrowing position*	9,756	80,601
Operational Boundary	9,756	80,601
Average gross borrowing position*	4,520	80,598
	%	%
Financing costs as a proportion of net revenue stream	(2.83)	24.97

The authorised limit is based on gross borrowing and so gross maximum borrowing for the year is shown.

The authorised limit allows for any potential overdraft position (as this counts against the overall borrowing). The General Fund allows £3m headroom for rescheduling, (i.e. borrowing in advance of repayment). For the HRA a debt cap of £87.844m has been used. This is the debt cap formerly set by the Government as the authorised limit (though formally abolished by the Government on 29 October 2018).

The maximum gross borrowing position is the higher of the opening, closing or any intermediate position which would be applicable if a loan is taken out for less than one year.

** excludes interest accrued but not yet due to be paid.*

3. Treasury Position as at 31 March 2019

The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2018/19 the Council's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

INVESTMENT PORTFOLIO	31 March 2018 Principal £000	31 March 2019 Principal £000
Non Treasury Investments		
· Third Party Loans	3,302	4,740
· Investments in associates	332	332
· Investments in companies	825	875
Total Non Treasury Investments	4,459	5,947
Treasury Investments		
· Banks	1,000	2,900
· Money Markets	2,250	4,200
· Total Managed in house	3,250	7,100
· Total Cash Funds managed externally	29,908	29,896
Total Treasury Investments	33,158	36,996
Cash at Bank for Daily Operations	145	204
Total Investments	37,762	43,147
· Maturity longer than 1 year	4,372	5,848
· Maturity under 1 year	33,390	37,299
Total Investments	37,762	43,147

DEBT PORTFOLIO FOR GENERAL FUND	31 March 2018 Principal £000	31 March 2019 Principal £000
Fixed rate funding:		
· PWLB	1,520	7,521
· Market (maturing in under 12 months)	4,500	0
Variable rate funding		
· Market (maturing in under 12 months)	1,622	2,235
Total Debt	7,642	9,756
CFR	8,527	14,796
Over/ (under) borrowing	(885)	(5,040)

DEBT PORTFOLIO FOR HRA	31 March 2018 Principal £000	31 March 2019 Principal £000
Fixed rate funding:		
· PWLB	80,601	80,595
Total Debt	80,601	80,595
CFR	80,601	80,595
Over/ (under) borrowing	0	0

The maturity structure of the PWLB debt portfolio at 31 March 2019 was as follows:

PWLB Borrowing	31 March 2019	
	General Fund £000	HRA £000
Under 12 months	970	1,920
12 months and within 24 months	2,455	2,260
24 months and within 5 years	2,753	8,796
5 years and within 10 years	851	17,710
10 years and within 20 years	492	49,565
20 years and within 30 years	0	271
30 years and within 40 years	0	73
Total	7,521	80,595

4. The Strategy for 2018/19

The Council's strategy was to maintain an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), would not be fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy was prudent as investment returns are low and counterparty risk is still an issue that needs to be considered. However, the intention was to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. In practice the capital finance requirement was most likely to be funded via a combination of external fund disinvestment and/or loans from the PWLB.

5. Borrowing Strategy in 2018/19

During 2018-19, the Council maintained an under-borrowed position, despite taking the opportunity to re-finance some internal borrowing: (see the section below on Borrowing Outturn for details). This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

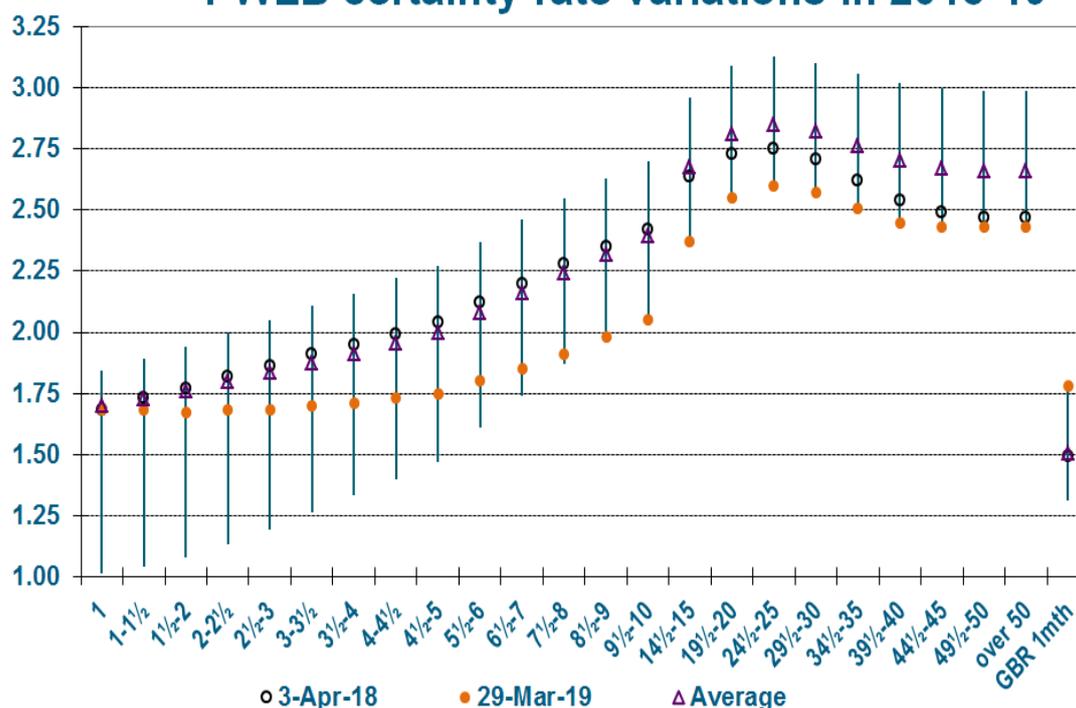
Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Strategic Lead Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- * if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018/19 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View 12.2.18													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%
5yr PWLB Rate	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

PWLB certainty rate variations in 2018-19



	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2018	1.48%	1.85%	2.23%	2.57%	2.29%
29/03/2019	1.48%	1.55%	1.85%	2.40%	2.23%
Low	1.28%	1.50%	1.80%	2.33%	2.16%
Date	29/05/2018	26/03/2019	28/03/2019	26/03/2019	26/03/2019
High	1.64%	2.07%	2.50%	2.93%	2.79%
Date	04/10/2018	10/10/2018	10/10/2018	10/10/2018	12/10/2018
Average	1.50%	1.80%	2.20%	2.66%	2.47%

6. Investment Strategy in 2018/19

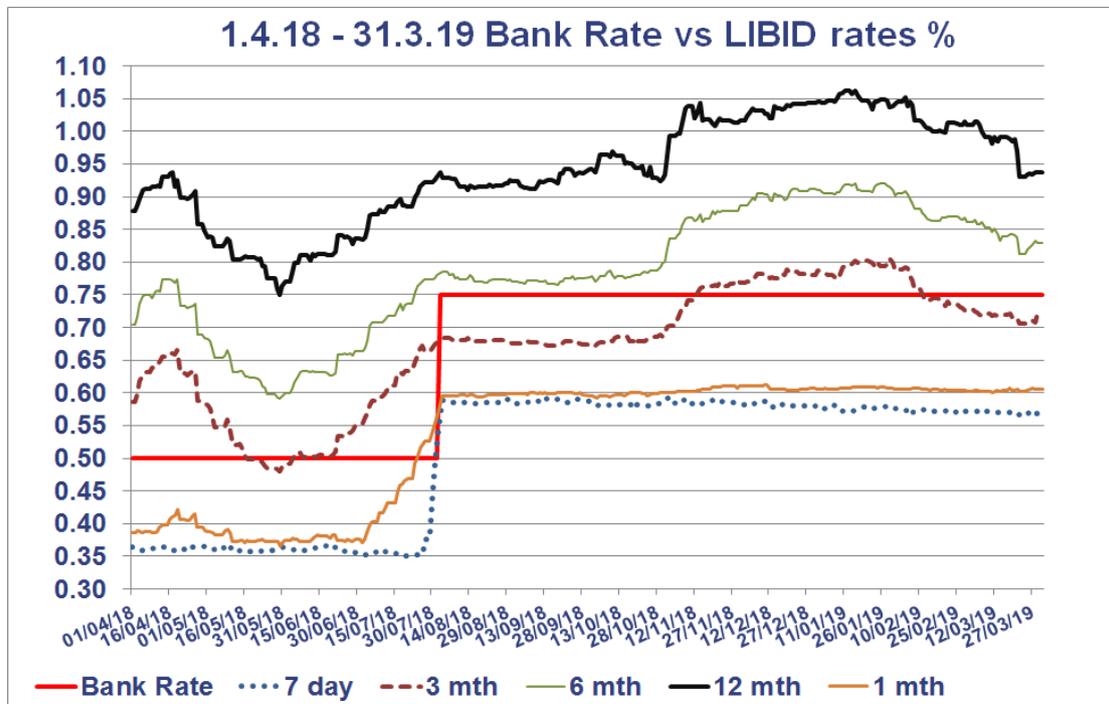
Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018-19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018. During this period, investments were, therefore, kept shorter term in anticipation that rates would be higher later in the year.

It was not expected that the MPC would raise Bank Rate again during 2018-19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by placing longer term investments after 2 August where cash balances were sufficient to allow this.

Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary

pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
01/04/2018	0.50	0.36	0.39	0.59	0.70	0.88
31/03/2019	0.75	0.57	0.61	0.72	0.83	0.94
High	0.75	0.59	0.61	0.81	0.92	1.06
High Date	02/08/2018	01/11/2018	10/12/2018	29/01/2019	15/01/2019	11/01/2019
Low	0.50	0.35	0.37	0.48	0.59	0.75
Low Date	01/04/2018	19/07/2018	30/05/2018	30/05/2018	30/05/2018	30/05/2018
Average	0.67	0.51	0.54	0.68	0.79	0.94
Spread	0.25	0.24	0.25	0.33	0.33	0.31

Link Asset Services Interest Rate View		12.2.18											
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%
3 Month LIBID	0.40%	0.70%	0.70%	0.90%	0.90%	0.90%	0.90%	1.20%	1.20%	1.20%	1.40%	1.40%	1.40%
6 Month LIBID	0.50%	0.80%	0.80%	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.50%	1.50%	1.50%
12 Month LIBID	0.80%	1.10%	1.10%	1.20%	1.20%	1.20%	1.30%	1.40%	1.40%	1.50%	1.70%	1.70%	1.70%

7. Borrowing Outturn for 2018/19

Treasury Borrowing

At the beginning of the year, the Council borrowed £4.5m temporarily from Leicester City Council, from 19 March 2018 until 6 April 2018 at a fixed rate of 0.85%, for cash flow purposes.

Long Term Borrowing

Loans were drawn from the PWLB as follows:

- to re-finance £1.581m of naturally maturing HRA debt;
- to re-finance £5m of prior years' net capital expenditure previously financed internally;
- to match-finance loans to third parties of £1.525m made to Exeter Science Park and Norman Lockyer Observatory during the year.

The Council's long term borrowing is all from the PWLB at fixed rates. Details are as follows:

Borrowing for General Fund and Non-Financial Loans and investments	Original Principal £	Principal Owing at 31/03/2019 £	Interest Rate	Maturity
Refuse Loan (GF)	598,500	170,663	3.68%	31 March 2021
LED One (GF)	750,000	624,175	2.49%	30 April 2034
LED Two (GF)	700,000	597,814	2.87%	30 April 2034
General Loan (GF)	5,000,000	4,603,007	1.75%	20 April 2024
Norman Lockyer Observatory (GF)	25,000	25,000	2.50%	12 October 2028
Exeter Science Park Grow-on Building (GF)	1,500,000	1,500,000	1.55%	10 December 2020
Total General Fund Borrowing from PWLB	8,573,500	7,520,659		

Borrowing for HRA	Original Principal £	Principal Owing at 31/03/2019 £	Interest Rate	Maturity
Self-Financing Loans	79,992,492	79,992,492	1.55% to 3.46%	27 March 2020 to 14 March 2039
Affordable Housing Loan	646,000	602,411	5.31%	31 March 2051
Total HRA Borrowing from PWLB	80,638,492	80,594,903		

Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

8. Investment Outturn for 2018/19

Investment Policy – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 28/2/2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data.

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Investments held by the Council - the Council maintained an average balance of £8.265m of internally managed funds. The internally managed funds earned an average rate of return of 0.75%. The comparable performance indicator is the average 7-day LIBID un-compounded rate, which was 0.57%.

Investments held by fund managers - the Council uses Payden & Rygel and Royal London external fund managers to invest part of its cash balances. The performance of the managers against the benchmark return was:

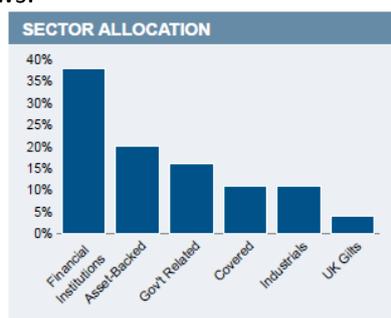
External Fund Managers	Market Value of Investments Held at 31.3.2018	Market Value of Investments Held at 31.3.2019	Distribution Return	Benchmark (7 Day Libid Compounded)
Payden & Rygel Global Ltd - Sterling Reserve	£15.451m	£15.435m	1.07%	0.57%
Royal London Asset Management - Cash Plus Fund	£14.457m	£14.461m	0.84%	0.57%
	£29.908m	£29.896m	0.93%	0.57%

The following performance summaries have been compiled using information from the fund manager’s quarterly performance reviews for the quarter to 31 March 2019.

Payden & Rygel Global Ltd – Sterling Reserve

This fund is invested in a diversified range of sterling denominated, high credit quality, liquid, government, agency and corporate bonds. The fund holds both fixed and floating-rate structures but as at 31 March 2019, had a bias toward holding floating-rate securities.

As at 31 March 2019 the portfolio’s duration was 0.59 years; (31 March 2018: 0.71 years). The relatively low duration stance was due to expectations of a bank base rate hike. The fund’s sector allocation was as follows:



The fund remains constructive on sterling corporate bonds and has increased its stake from 45% of the fund to around 50%, whilst reducing its allocation to high-quality securitized debt by the same amount, to around 30%. The Fund's exposure to UK Gilts remains similar. In the final quarter of the year, the fund outperformed 7-day LIBID by around 0.26% on a net of fees basis and its average credit quality was AA Af.

Royal London Asset Management – Cash Plus Fund

RLAM Asset Allocation	At 31.3.2018	At 31.3.2019	Notes
Cash and cash instruments	57.5%	49.6%	Cash, Certificates of Deposit, Time Deposits, Floating Rate Notes (FRNs), Forward Settlement
Covered bonds	30.0%	42.8%	Covered bonds issued by banks and building societies
Corporate bonds	11.1%	5.3%	FRNs and short dated bonds
Gilts and Supranationals	1.4%	2.3%	UK Government securities and treasury bills
Total	100%	100%	

The portfolio retains an allocation to short-dated corporate bonds; this is likely to reduce over time. CDs will be focused on medium and longer dated CDs as and when longer dates offer value in the context of the expected interest rate path. The portfolio has exposure to some longer dated supranational bonds, offering good rates of interest and diversification.

9. The Economy and Interest Rates

After weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in quarter 4.

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for CPI inflation itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Brexit. The Conservative minority government has so far, (8.4.19), been unable to muster a majority in the Commons over its Brexit deal. The EU has set a deadline of April 12 for the House of Commons to propose what form of Brexit it would support. If another form of Brexit, other than the proposed deal, does get a majority by April 12, then it is likely there will need to be a long delay to Brexit to allow time for negotiations with the EU. It appears unlikely that there would be a Commons majority which would support a disorderly Brexit or revoking article 50, (cancelling Brexit). There would also need to be a long delay if there is no majority for any form of Brexit. If that were to happen, then it increases the chances of a general election in 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the strong rate of growth; this rose from 2.2%, (annualised rate) in quarter 1 of 2018 to 4.2% in quarter 2, 3.5% in quarter 3 and then back to 2.2% in quarter 4. The annual rate came in at 2.9% for 2018, just below President Trump's aim for 3% growth. The strong growth in employment numbers has fed through to an upturn in wage inflation which hit 3.4% in February, a decade high point. However, CPI inflation overall fell to 1.5% in February, a two and a half year low, and looks to be likely to stay around that number in 2019 i.e. below the Fed's target of 2%. The Fed increased rates another 0.25% in December to between 2.25% and 2.50%, this being the fourth increase in 2018 and the ninth in the upward swing cycle. However, the Fed now appears to be edging towards a change of direction and admitting there may be a need to switch to taking action to cut rates over the next two years. Financial markets are now predicting two cuts of 25 bps by the end of 2020.

EUROZONE. The European Central Bank (ECB) provided massive monetary stimulus in 2016 and 2017 to encourage growth in the EZ and that produced strong annual growth in 2017 of 2.3%. However, since then the ECB has been reducing its monetary stimulus measures and growth has been weakening - to 0.4% in quarters 1 and 2 of 2018, and then slowed further to 0.2% in quarters 3 and 4; it is likely to be only 0.1 - 0.2% in quarter 1 of 2019. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The ECB completely ended its programme of quantitative easing purchases of debt in December 2018, which means that the central banks in the US, UK and EU have all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth. With its refinancing rate already at 0.0% and the deposit rate at -0.4%, it has probably reached the limit of cutting rates. At its March 2019 meeting it said that it expects to leave interest rates at their present levels "at least through the end of 2019", but that is of little help to boosting growth in the near term. Consequently, it also announced a third round of TLTROs; this provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years

later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank's eligible loans.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH. Equity markets are currently concerned about the synchronised general weakening of growth in the major economies of the world: they fear there could even be a recession looming up in the US, though this fear is probably overdone.