



Agenda for Cabinet

Wednesday, 4th March, 2020, 5.30 pm

Members of Cabinet

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

Venue: Council Chamber, Blackdown House, Honiton

Contact: Amanda Coombes, Democratic Services Officer;
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Monday, 24 February 2020

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- 1 Public speaking
Information on [public speaking](#) is available online
- 2 Minutes of the previous meeting (Pages 4 - 15)
- 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
Information on [matters of urgency](#) is available online
- 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 16 - 17)
- 8 Minutes of South and East Devon Habitats Regulations Executive Committee held on 28 January 2020 (Pages 18 - 21)
- 9 Minutes from Strata Joint Executive Committee held on 27 January 2020 (Pages 22 - 25)
- 10 Minutes of Recycling and Waste Partnership Board held on 29 January 2020 (Pages 26 - 33)
- 11 Minutes of Overview Committee held on 30 January 2020 (Pages 34 - 40)

12 Minutes of Scrutiny Committee held on 6 February 2020 (Pages 41 - 44)

Matters for Decision

13 **Long Lane Enhancement Scheme** (Pages 45 - 48)

To seek final budgetary approval for the Long Lane Enhancement works.

14 **Business Rates - rate relief measures** (Pages 49 - 54)

This report updates Members on additional business rates measures that were announced by the Financial Secretary to the Treasury in a Written Ministerial Statement on 27 January 2020 that will apply from 1 April 2020.

15 **Financial Monitoring Report 2019/20 - Month 9 December 2019** (Pages 55 - 59)

A summary of the Council's overall financial position for 2019/20 at the end of month nine (31 December 2019).

16 **Thelma Hulbert Gallery's new strategic direction and programming** (Pages 60 - 64)

To report the refocussing of the THG's work programme and priorities to deliver the new Council Plan's aims and objectives.

17 **UK Refugee Resettlement Scheme** (Pages 65 - 70)

The government has invited all local authorities to renew their commitment to refugee resettlement through a new UK Resettlement Scheme, from 2020/21.

18 **Relocation - Project Close Out Report** (Pages 71 - 96)

The District Council moved to Blackdown House in February 2019 completing the physical move from Sidmouth to Honiton and the refurbished town hall in Exmouth. Following the first year of operation in Honiton and in Exmouth this report is a first opportunity to meaningfully review the performance of relocation against projected benefits.

19 **Update on the work of the Governance Review Working Group** (Pages 97 - 100)

To update Cabinet on the activity of the Governance Review Working Group.

Under the Openness of Local Government Bodies Regulations 2014, any members of the public are now allowed to take photographs, film and audio record the proceedings and report on all public meetings (including on social media). No prior notification is needed but it would be helpful if you could let the democratic services team know you plan to film or record so that any necessary arrangements can be made to provide reasonable facilities for you to report on meetings. This permission does not extend to private meetings or parts of meetings which are not open to the public. You should take all recording and photography equipment with you if a public meeting moves into a session which is not open to the public.

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](#)

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Cabinet held at Council Chamber, Blackdown House, Honiton on 5 February 2020

Attendance list at end of document

The meeting started at 5.32 pm and ended at 8.35 pm

124 Public speaking

There were three people wishing to speak. One spoke at minute 139 New Feniton Flood Alleviation Scheme and two spoke at minute 140 Queen's Drive Redevelopment Project.

125 Minutes of the previous meeting

The minutes of Cabinet held on 8 January 2020 were confirmed as a true record.

126 Declarations of interest

Minute 139 New Feniton Flood Alleviation Scheme.

Councillor Susie Bond, Personal, Has been involved with the scheme from the start.

Minute 140 Queen's Drive Redevelopment Project.

Councillor Bruce De Saram, Personal, Member of the Queen's Drive Delivery Group.

Minute 140 Queen's Drive Redevelopment Project.

Councillor Nick Hookway, Personal, Part of a community group with a keen interest on the site.

127 Matters of urgency

There were no matters of urgency.

128 Confidential/exempt item(s)

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

129 Forward Plan

Members agreed the contents of the forward plan for key decisions for the period 1 March to 30 June 2020.

130 Minutes from Asset Management Forum held on 9 January 2020

Members received and noted the Minutes from Asset Management Forum held on 9 January 2020.

RESOLVED that the following recommendation be agreed:

Minute 24 Notes from the previous meeting

a review into remote capabilities of meeting facilities be carried out.

Minute 32 Marpool workshops, Exmouth

Marpool workshops Exmouth be declared surplus to service requirements.

131 **Minutes of Strata Joint Scrutiny Committee held on 13 January 2020**

Members received and noted the Minutes of Strata Joint Scrutiny Committee held on 13 January 2020.

132 **Minutes of the Joint Overview and Scrutiny Committees held on 15 January 2020**

Members received and noted Minutes of the Joint Overview and Scrutiny Committees held on 15 January 2020.

RESOLVED that the recommendations at Minute 6 be taken into account with the related report (Minute 135 Revenue and Capital Budget 2020/21):

133 **Minutes of Housing Review Board held on 23 January 2020**

Members received and noted the Minutes of Housing Review Board held on 23 January 2020.

RESOLVED (1) that the recommendations at Minutes 51, 52 and 53 be taken into account with the related report (Minute 135 Revenue and Capital Budget 2020/21):

RESOLVED (2) that the following recommendations be agreed:

Minute 54 Future Right to Buy spend

1. 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 2020/2021 spending requirements using Right to Buy receipts and borrowing from public works loans board together with any commuted sums that may become available.
2. following consideration of the options put forward for spending Right to Buy receipts in the future, that option 5 be pursued; a combination of purchasing stock and to look at developing new build.
3. paying back some Right to Buy receipts may be a possibility be noted.

Minute 56 Homes Standard

1. the contents of the self-assessment document appended to the report be noted.
2. a budget of approximately £20,000 be approved to fund an external consultant to undertake a health check/audit of all areas of statutory compliance.
3. the Property and Asset Manager consider options for combining the final two years of electrical inspections (due to finish 2021/2022) into the coming year 2020/21 in order to finish the programme one year early.

Minute 57 Review of fire safety policy
the fire safety policy be approved.

Minute 59 Extension to gas servicing contract
the existing gas servicing and repair contract is extended for one further year.

Minute 60 Extension to asbestos surveying contract

the existing asbestos surveying contract is extended for one further year.

134 **Programme of Meetings 2020/21**

The Cabinet considered the proposed timetable of meetings for the next Council year.

RECOMMENDED:

that the draft meetings timetable be referred for approval to the annual meeting of the Council.

RESOLVED:

that the 2020 Annual Council meeting be held on Wednesday 13 May.

135 **Revenue and Capital Budget 2020/21**

The Strategic Lead Finance presented the Revenue and Capital Estimates for 2020/21. Cabinet adopted draft Revenue and Capital Estimates for 2020/21 at its meeting on 8 January 2020. A joint meeting of the Overview and Scrutiny Committees reviewed those budgets on 15 January and the Housing Review Board considered the Housing Revenue Account budgets on 23 January.

Cabinet agreed the following recommendations from the Joint Overview and Scrutiny (Minute 6 refers);

2. Include within the Finance Key Service Objectives that it should '*carry out an urgent review of the Capital Strategy and Allocations Group, specifically the fitness for purpose of the climate change matrix which is used to determine the fate of applications*' in light of the CSAG decision over providing open space at Brixington.
3. Include within the Finance Key Service Objectives wording on the Commercialisation Strategy to say '*Enable officer to prepare plans to execute commercialisation in priority areas to deliver the Commercialisation Strategy.*'
4. Include two additional Key Service Objectives for Governance & Licensing namely, '*Enable enhanced meeting management through fully utilising the Bosch equipment in the Chamber by implementing electronic voting and speaker queuing*' and '*Assess options for live-streaming and / or webcasting of meetings and virtual member attendance at meetings*'.
5. In the Place, Assets and Commercialisation Service to replace the word '*target*' with '*approach*' in relation to Asset Transfer to Towns and Parishes.
6. In the Planning Service include a Key Service Objective in relation to ensuring proper Construction Environment Management Plans are put in place for development and then enforced robustly where necessary.
7. In the Planning Service, agree to the Key Service Objective on the carrying out of a review of the Playing Pitch Strategy, but ensure that the spirit of the Strategy, once adopted, is followed at all levels within the Council.

Cabinet determined that there should not be two additional posts in the Economic Development service and it was therefore unnecessary for the amount allocated in the budget for Climate Change Action Plan of £0.323m to be reduced by £0.100m to provide for them. Cabinet therefore did not accept recommendations 8 and 9 of Minute 6 of the Overview and Scrutiny Meeting.

Cabinet agreed the recommendations in Minutes 51, 52 and 53 of the Housing Review Board from the meeting of the 23rd January 2020.

As part of the Prudential Code for Capital Finance in Local Authorities the Council was required to set prudential indicators as part of its budget setting process, these indicators were detailed in the Treasury Management Strategy 2020/21 – Minimum Revenue Provision Policy Statement and Annual Investment Strategy contained in the report for members' consideration.

Alongside the Treasury Management Strategy sits the Capital Strategy which was also contained in the agenda for adoption.

RECOMMENDED: to Council to approve:

1. the Net Revenue General Fund Budget of £14.777m,
2. a Council Tax increase of £5 a year giving a Band D council tax of £146.78 a year for 2020/21,
3. the Housing Revenue Account Estimates with a net surplus of £0.927m and,
4. the Net Capital Budget totalling £8.069m for 2020/21.

REASON:

There was a requirement for the Council to set a balanced budget for both the General Fund and Housing Revenue Account and to levy a Council Tax for 2020/21.

136 **Capital strategy 2020/21 - 2023/24**

The Finance Manager presented the report that asked Cabinet to consider this strategy which formed part of the annual budget setting approval process. The report draws together various adopted strategies and agreed process of the Council that govern how the Council manages capital expenditure and investment decisions.

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code required local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions were taken in line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability. This Council's practices met these outcomes and it was useful to set these out in one place to demonstrate this.

The Capital Strategy was a key document, it provided a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provided an overview of how associated risk was managed and the implications for future financial sustainability. It included an overview of the governance processes for approval and monitoring of capital expenditure.

The Portfolio Holder for Finance thanked John Symes and his team for their efforts in creating the strategy.

RECOMMENDED:

that Council adopt of the Capital Strategy 2020/21 – 2023/24.

REASON:

In order to comply with good practice there was a requirement for the Council to have in place an adopted Capital Strategy.

137 **Treasury Management including the Strategy 2020/21 - Minimum Revenue Provision Policy Statement and Annual Investment Strategy**

The report detailed the overall position and performance of the Council's investment portfolio for the first six months of 2019/20.

The Chartered Institute of Public Finance and Accountancy (CIPFA) produced a Code of Practice for treasury management for Public Services. One of the main recommendations of the code was the requirement for an annual Treasury Management Strategy to be formally adopted by the Council. There was also a requirement to set prudential indicators relating to all treasury activities that the authority would undertake in the forthcoming financial year.

RESOLVED:

that the Treasury Management Mid-Year Review 2019/20 – 1 April 2019 to 30 September 2019 – the investment values and performance for the period to 30 September 2019 be noted.

RECOMMENDED: that Council approve and adopt:

The Treasury Management Strategy 2020/21 – Minimum Revenue Provision Policy Statement and Annual Investment Strategy, including;

- a. the Prudential Indicators for 2020/21,
- b. the Minimum Revenue Provision Policy Statement and
- c. the creditworthiness criteria and updated list of counterparties.

REASON:

The Council was required:

1. to produce an annual review of its treasury management activities and performance.
2. to produce a half yearly review of its treasury management activities and performance.
3. to formally adopt a Treasury Management Strategy and set prudential indicators before the beginning of the financial year.

138 **Climate Change Strategy**

The Strategic Lead Housing, Health & Environment presented this new strategy. Having completed a carbon footprint exercise and adopted a climate change action plan it was recommended that these elements of EDDC's climate change actions be incorporated in a climate change strategy. This provided a context for the actions proposed to take to become carbon neutral.

The Strategy pulled together elements of the previous cabinet reports and briefings into a narrative that explained what was trying to be achieved and why. The central piece of the Climate Change Strategy was the Action Plan and the Devon Climate Change Declaration. This would constitute a key policy document for the Council.

Discussions included the following:

- The need for our MPs and County Councillors to lobby central government directly for financial support due to the enormous sums involved to address the issues within the Climate Change Strategy

- Any social housing improvements to reducing carbon emissions would come from the HRA
- The need to get on with it even with a lot of unknowns at present.

The Portfolio Holder for Environment thanked John Golding for his report.

RECOMMENDED: that Council adopt:
the Climate Change Strategy 2020 – 2025 incorporating the Climate Change Action Plan.

REASON:

To present a strategy document to sit with the Climate Change Action Plan.

139 **New Feniton Flood Alleviation Scheme**

The completion of the Feniton Flood Alleviation Scheme in 2020/21 to allow a review of grant funding to bridge the current budget shortfall needed to be agreed; it was intended that Phase 3 would be delivered in early summer 2020 and Phase 4 would follow in 2021.

Martyn Smith, Chairman of Feniton Parish Council spoke of the anguish and impact flooding in the village had on its residents, with some being flooded more than once and then having to live in temporary accommodation miles away while their houses were being repaired. He described the mental anguish residents had when it rains and how essential the work of the flood wardens was when they step in to put in place measures to prevent flooding. Mr Smith emphasised the need for Phase 3 to go ahead.

The Deputy Leader spoke of her and all the residents of Feniton gratitude to Tom Buxton-Smith for the incredible work he has done to get to this stage in the scheme.

RESOLVED:

1. to proceed with the delivery of Phase 3 of the flood alleviation scheme (being the proposed May 2020 undertrack crossing) on the basis of an emerging cost basis contract subject to the Environment Agency confirming the availability of the additional funding as detailed in the report,
2. that delegated authority be granted to the Strategic Lead Housing, Health and Environment in consultation with the Strategic Lead Governance and Licensing to negotiate and enter into the emerging costs basis contract with Network Rail and its contractor to deliver Phase 3, and
3. that Phase 4 of the flood alleviation scheme (being the linking up and completing the project) be scheduled for delivery in 2021/22, to allow sufficient time to apply for further Government grants and plan and procure the project for a summer construction, with a further report detailing the precise delivery date.

REASON:

As it stands, the project budget was insufficient to complete both Phase 3 (UTX) and Phase 4, without further applications for Central Government grant money. It was not known if these applications would be successful prior to the last mobilisation date (end February) for Network Rail to deliver the Phase 3 UTX this year. Indications from the Environment Agency had been positive that more funding should be available. A change to the partnership funding percentage would allow enough budget to complete Phase 3

and this approval by the Environment Agency should be known prior to the Cabinet meeting.

Much time and effort had gone into securing the May 2020 UTX, and delaying this would add additional cost to the project. There were no other possession dates available in 2020, and dates for 2021 had not yet been planned. The project would benefit more than 70 properties in Feniton as well as providing relief from the anxiety of the ever present flood risk. It was understood that the project was eligible for further Central Government Grant money, however this was not yet formally signed off. Risk to EDDC was that if Phase 3 was built and if Phase 4 was not funded, the project had wasted £770k for an unconnected culvert under the railway and offering no flood risk reduction to Feniton.

140 **Queen's Drive Redevelopment Project**

The purpose of the report was to provide information on the final findings of the work completed by the council's external advisors, along with their recommendations for the next steps, in relation to the Queen's Drive redevelopment project. It should be noted that Phase 1 (Road and Car Park) works were now complete and Grenadier Estates were on site and well on their way to deliver the new watersports centre (Phase 2). The focus was therefore the future of the Phase 3 site.

Jane Ashton spoke on behalf of Andy Lock who was a member of Transition Exmouth and who was involved in the HemingwayDesign visionary exercise. Transition Exmouth endorsed a sustainable approach to the outcome of Phase 3 and were keen that environmental, social, economic and cultural considerations with a future driven by good health and well-being for all were crucial. Early on in the consultation it was stated that Exmouth had declining visitor numbers, shorter visits and less spend per head compared to elsewhere in East Devon. Queen's Drive Phase 3 may not in itself reverse this trend unless it was imaginative and progressive. There was concern that the project was playing it safe with an addition of a hotel adjacent to a family play area, this was not the best use of space and did not address the wider objectives previously set.

Councillor Brian Bailey from Exmouth Town Council said if there was to be a hotel then the site should be sold to give the council funds to develop the rest of the area for play and recreation which made economic sense. The recreational area could then be more inventive. The hotel should be a mid-market hotel to attract younger people and families. The Harbour View Café needed to be developed by a separate business from the hotel in order to keep prices reasonable.

Discussions included the following:

- Ward members needed to be included in the discussions of Phase 3
- The need to get the seafront finished but in a manner that supported the democratic process
- The selection panel was ill suited. EDDC was held in low regard by Exmouth residents
- EDDC was not to get involved in direct investment
- To keep the guidelines in mind and get real-time marketing information
- Take advantage of the empty site by ensuring Climate Change issues would be paramount to future development and businesses
- Professional advice stated the need for a hotel. Clarity was needed for potential hotel businesses who may be interested
- There had never been a business plan with no evidence to show the need for a hotel on the seafront

- What the community wants must come first
- Concern a lot of the site may be taken up by the hotel with not much left for the community. Must see a cohesive approach to the whole site

RESOLVED:

1. a selection panel comprising of the Leader, the Portfolio Holders for Asset Management, Finance and Economy, an EDDC Exmouth ward member appointed by the Leader, the Service Lead (Place, Assets and Commercialisation) and Project Manager – Place & Prosperity, be established for the purpose of agreeing the selection criteria for the commercial development (Phase 3a & 3b), which should be agreed in consultation with the Exmouth Queen's Drive Delivery Group. Then carrying out the evaluation of the bids received following the marketing exercise with a view to making a recommendation to Cabinet in relation to the preferred bidder / operator. That the Strategic Lead Finance be given delegated authority to progress the rest of the actions identified in Section 6 of the report,
2. that where any Phase 3b land is not disposed of under Recommendation 1 above, any further decisions on any disposals or development proposals in relation to delivery of the open leisure spaces/public realm would remain with the Cabinet and a separate report to be brought to Cabinet,
3. that if, following the marketing exercise, there was an opportunity for the council to be involved in direct investment and/or delivery of new development on the site, that this would be assessed through the Commercial Investment Framework process before being reported to Cabinet,
4. that delegated authority be granted to the Strategic Lead Finance in consultation with the Leader and Portfolio Holder for Asset Management to oversee delivery of further popular temporary attractions on Queen's Drive Space during the 2020 season, and
5. that the Exmouth Queen's Drive Delivery Group sits in public as from 1 March 2020 with Parts A & B agendas as required.

REASON:

To enable the final phase of the Queen's Drive redevelopment project to complete the thorough independent scoping process that had been underway for the last 2 years since the council decided to undertake to refresh the vision for Queen's Drive phase 3 in 2016. To progress to the next stages of delivery.

To ensure that the popular Queen's Drive Space could continue to offer a range of leisure and free play activities for local residents and visitors to Exmouth throughout 2020.

141 **Exemption to standing orders - Events Consultant**

To inform members of the reappointment of Andrew Hopkins as Events Consultant for Queen's Drive Space.

RESOLVED:

that the attached Exemption to Standing Orders in respect of the appointment of Andrew Hopkins as Events Consultant for Queen's Drive Space for 2020, be noted.

REASON:

To ensure continuation of the programme of spring and summer events at Queen's Drive Space in 2020.

142 **Heart of the South West Joint Committee Governance Arrangements**

The report provided an update for the Constituent Authorities on the Joint Committee's governance arrangements and budgetary position for 2019/20. The report contained recommendations for amendments to the Committee's Arrangements document following the governance review.

Discussions included the following:

- The council had a responsibility to drive the local economy forward
- The council could only use its influence if it was part of the joint committee
- This was an important body that helped the council participate and bring in funding and investment for the area
- This was good value for money

RECOMMENDED: that Council agree:

1. the amendments to the Heart of the South West Joint Committee's list of functions in the Arrangements document and note the updated budget position for 2019/20,
2. the recommendation from the Joint Committee on 27 September 2019, to re-appoint Somerset County Council as the Administering Authority for the Joint Committee, and
3. that provision be made of £2,800 as a contribution to the administration and work programme of the Joint Committee in the 2020/21 financial year, subject to all other Constituent Members making a financial contribution based on the methodology agreed in previous years.

REASON:

In recent months the Joint Committee had reviewed and updated its governance arrangements in the light of experience since its establishment in early 2018 and in response to changing Government policy and local circumstances. Some changes were required to the Committee's Arrangements document as a result and these needed to be formally agreed by the Constituent Authorities. It was essential that the Joint Committee remains: fit for purpose, represents a sustainable way of working into the future; and delivers value for the resources committed to it by the Constituent Authorities.

143 **Establishing (1) a Housing Company TaFF and (2) a Poverty Working Panel**

An agreement was sought to the setting up of a Housing Company Task and Finish Forum (TaFF) and Poverty Working Panel following recent motions agreed by Council.

Poverty Working Panel

There was a discussion to increase the membership to represent cross parties and allow the chair to be selected by the group. The Portfolio Holder for Sustainable Homes and Communities stated the panel must be established early in order to input into the future

strategy. She said she welcomed cross party involvement and saw this as a positive contribution to this serious matter. She agreed that the membership should be increased.

Housing Company TaFF

The Portfolio Holder for Asset Management proposed Councillor Dan Ledger as Chairman of the TaFF and was happy for himself to be elected Vice-Chairman.

RESOLVED that:

1. a Poverty Working Panel be established on the basis set out in paragraphs 5 & 6 of the report, with the membership being increased to 10,
2. a Housing Company TaFF be established on the basis set out in paragraphs 9 & 12 and to appoint Councillor Dan Ledger as Chairman, and
3. that the resourcing implications that may arise, be noted.

REASON:

To satisfy the wishes of Council in accordance with the motions agreed at the Council meetings of 23 October and 18 December 2019.

144 Update on fly tipping and littering enforcement and the introduction of the additional fixed penalty provision for householder duty of care

The Service Lead Environmental Health and Car Parks updated members on fly tipping and littering enforcement and introduce of the additional fixed penalty provision for householder duty of care.

RESOLVED that:

An additional fixed penalty fine be introduced and set in line with existing fly tipping penalties as follows:

1. £200 fine (reduced to £120 if paid within 10 days of service of the notice) for small fly tips of 180 litres (a standard wheeled bin) or less, and
2. £400 fine (reduced to £200 if paid within 10 days of service of the notice) for medium and large fly tips.

REASON:

To enable officers from both the Environmental Health and Streetscene teams to issue a fixed penalty notice to a person who had breached their duty of care by not ensuring that their waste had been properly disposed of.

145 Response to the Otterton Neighbourhood Plan Submission

To agree the response by this Council to the Regulation 16 submission consultation for the Otterton Neighbourhood Plan.

RESOLVED that:

1. the formal submission of the Otterton Neighbourhood Plan be noted and congratulations given to the producers of the plan on the dedicated hard work and commitment in producing the document, and
2. the proposed representation set out at paragraph 5.2 in this report in response to the consultation, be made.

REASON:

To ensure that the view of the District Council was recorded and inform the consideration of the Neighbourhood Plan by the independent Examiner.

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
G Pook	Portfolio Holder for Asset Management
I Thomas	Portfolio Holder for Finance

Also present (for some or all the meeting)

Councillor Mike Allen
Councillor Paul Arnott
Councillor Dean Barrow
Councillor Kim Bloxham
Councillor Fred Caygill
Councillor Bruce De Saram
Councillor Sam Hawkins
Councillor Paul Hayward
Councillor Nick Hookway
Councillor Sarah Jackson
Councillor Vicky Johns
Councillor Dan Ledger
Councillor Tony McCollum
Councillor Paul Millar
Councillor Andrew Moulding
Councillor Helen Parr
Councillor Val Ranger
Councillor Marianne Rixson
Councillor Jack Rowland
Councillor Joe Whibley
Councillor Chris Wright
Councillor Tom Wright

Also present:

Officers:

Tim Child, Service Lead - Place, Assets & Commercialisation
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
Andrew Hancock, Service Lead StreetScene
Alison Hayward, Senior Manager Regeneration & Economic Development
Karen Simpkin, Strategic Lead Organisational Development and Transformation
John Symes, Finance Manager
Mark Williams, Chief Executive

Chairman

Date:

EAST DEVON DISTRICT COUNCIL

Forward Plan of Key Decisions - For the 4 month period: 1 April 2020 to 31 July 2020

This plan contains all the 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.

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 permit urgent Key Decisions to be made without 28 clear days' notice of the proposed decisions having been published provided certain procedures are followed. 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 the meeting in accordance with the Council's public speaking rules.**

Obtaining documents

Committee reports in respect of Key Decisions include links to the relevant background documents. If a printed copy of all or part of any report or background document is required please contact Democratic Services (address as above) or by calling 01395 517546.

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Key Decision	Portfolio (& Lead Officer)	Documents to be considered before Cabinet take decision	Whether other documents will be considered before decision taken [Y/N]	Other meetings where matter is to be debated / considered	Date of Cabinet meeting	Part A = Public meeting Part B = private meeting [with reasons]
Cranbrook workspace and Enterprize Zone investment	Economy / Finance (Andy Wood)		Y		May 2020	Part A
Community Asset Transfer Policy - adoption following consultation	Asset Management (Tim Child)		Y	Asset Management Forum	May 2020	Part A
Affordable Housing SPD	Strategic Development (Ed Freeman)		Y	Strategic Planning Committee	May 2020	Part A
Delivery of Zero Carbon Development in the West End	Strategic Development and Partnerships (Andrew Wood)		Y		June 2020	Part A
Review of Careful Choices consultation outcomes	Organisation Development (Karen Jenkins)		Y		June 2020	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 Leader of the Council c/o Democratic Services (as above).

March 2020

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of South and East Devon Habitat Regulations Executive Committee held at Council Chamber, blackdown House, Border Road, Honiton, EX14 1EJ on 28 January 2020

Attendance list at end of document

The meeting started at 2.00 pm and ended at 4.00 pm

29 Public speaking

There were no members of the public wishing to speak.

30 Minutes of the previous meeting

Minutes of the South East Devon Habitat Regulations Executive Committee meeting held on 30 October 2019 were agreed and signed as a true record.

31 Declarations of interest

Minute 28 Cllr Martin Wrigley – Personal interest. His house looked over the estuary. Was a member as Treasurer of Cockwood Boat club.

32 Matters of urgency

There were no matters which the officers recommended be dealt with as Matters of Urgency.

33 Confidential/exempt items

There were no matters which the officers recommended be dealt with in Part B.

34 East Devon Pebblebed Heaths visitor access consultation.

The Executive Committee considered the joint report of Naomi Harnett, Principal Projects Officer and Neil Harris, Habitat Regulations Delivery Manager. The report outlined specific mitigation measures for the East Devon Pebblebed Heaths as identified in the Visitor Management plan. Within the context of an increasing human population, it was critical that future visitor access to the heaths was planned and prepared in advance of impacts. Robust and effective mitigation enabled the partner authorities to be certain of no net impact to this highly protected site. This enabled the continued development as outlined in respective local plans and within 10km of the heaths without the risk of legal challenge. Kim Strawbridge, East Devon Pebblebed Heaths Conservation Trust (EDPHCT) Site Manager provided the Executive Committee with a presentation.

During discussions the following points were noted:

- The EDPHCT team were responsible for disposing of any fly-tipping that occurred on the Heaths. Rubbish in bins was collected by the relevant Streetscene service.
- Attempts were being made to reduce event parking at Woodbury Castle due to the small capacity of that site and issues with traffic queuing on the highway. EDPHCT staff monitored car parking hotspots.

- Reductions in car parking spaces at Castle car park would not take place and appropriate parking spaces would be saved at Estuary View car park instead.
- It was proposed to keep parking free of charge, improve car park surfaces and install way marked trails. There were no plans to expand the number of car parking spaces as this could increase visitor pressure on the heaths.
- Are we encouraging cycling to the Heaths and was there bike locking available? This would be investigated and monitored as considered appropriate.
- There were some concerns raised about height barriers, which had been have taken into account and it was recommended some height barriers were locked open. If problems arise, these barriers would be closed and any concerns about the unauthorised use of car park sites would be carefully monitored.

Kim Strawbridge, Site Manager, EDPHCT was thanked for her presentation.

RESOLVED:

1. that the proposals outlined in the Pebblebed Heaths Visitor Access Advisory Report be noted.
2. that the outcome of the East Devon Pebblebed Heaths visitor access consultation exercise on the proposed changes to visitor access of the heaths be noted.
3. that the Committee will receive costed recommendations as part of the 2020-21 annual business plan and 5-year delivery programme as the next meeting of the Executive in April 2020.

35 **Presentation from Stephanie Harper-Chung, Exe Estuary Officer for the Exe Estuary Management Partnership - Verbal report**

The Executive Committee received a presentation from Stephanie Harper-Chung, Exe Estuary Officer for the Exe Estuary Management Partnership on aspects of the Management Partnerships work. It was noted that the Exe Estuary was a site of global significance in terms of overwintering bird populations and habitat and had various designations, including: SPA, SSSI and Ramsar sites. It was an excellent place for a variety of recreational activities and important for local businesses, tourism health & wellbeing.

The Executive Committee noted that the Exe Estuary Management Partnership co-ordinated management of the estuary on behalf of local authorities, government agencies and conservation bodies. The Partnership sought to conserve and enhance the estuary's special nature and promote sustainable uses. It was reported that the Partnership had undertaken a number of consultations and initiatives on behalf of the Executive committee, which included the wildlife refuge consultation, codes of conduct and a review of signage around the Exe Estuary.

Stephanie Harper-Chung was thanked for her rpresentation.

36 **Effecting positive behavioural change**

The Executive Committee received the report of the Principal Projects Manager, EDDC, and Habitat Regulations Delivery Manager concerning a review of current and potential public engagement and education. It was acknowledged that promoting awareness and understanding of key messages was an essential component of the mitigation approach.

Members noted that there was an emphasis and focus on how engagement could have a positive impact on visitor education. Education and engagement were an essential part of the projects work and engagement with schools and school children was an especially important part of this work.

During discussions the following points were noted:

- Is there registration required for commercial dog walkers who use estuary sites (as at the Pebblebed Heaths)? Dog walkers were expected to follow the codes provided and the maximum number of dogs allowed per walker was 6 dogs per person.
- Importance of providing a consistent message to all dog owners was emphasised.
- Emphasis on engagement with schools; there was a significant programme of events which involved school age children.
- There were two different types of approach used for signage on the estuary for interpretation about the area and its wildlife and information on how to share the space respectfully.
- Concern expressed regarding the comment in the report of the likelihood of decreased improvement in reduction of disturbance events in the second year of use of wildlife refuges and reports in 2019 of frequent reports of major disturbance. How were these issues going to overcome? There were a number of incursions into these refugees mostly from water users. There needed to be more imaginative ways to overcome these problems.
- The future engagement initiatives for Devon Loves Dogs showed little change from previous years, but this work was limited by the 0.5 FTE officer hours. It was noted that the programme of work could be reviewed in the future to try to improve reach.
- Effect of the introduction of the Greater Exeter Strategic Plan on the Exe Estuary.

RESOLVED: 1. that the review of the approach to public engagement, education and behavioural change that has been undertaken be noted.
2. that the proposals for adapting this approach to achieve greater levels of understanding and awareness of key issues be noted.

37 **Dates of future meetings - The next meeting will be held on Tuesday 21 April 2020 in the Yarty Room, Blackdown house, Border Road, Honiton. Future meetings will be: Tuesday 14 July 2020, Tuesday 3 November 2020, Tuesday 2 February 2021 and 27 April 2021. (all at 2.00pm at Exeter City council offices)**

Attendance List

Councillors present:

S Bond (Chairman)
Rachel Sutton, Exeter City Council
Martin Wrigley, Teignbridge District Council

Councillors also present (for some or all the meeting)

G Jung, Environment Portfolio Holder
G Taylor Teignbridge District Council

Officers in attendance:

Ed Freeman, Service Lead Strategic Planning and Development Management
Naomi Harnett, Principal Projects Manager East Of Exeter
Christopher Lane, Democratic Services Officer
Fergus Pate
Anita Williams, Principal Solicitor (and Deputy Monitoring Officer)
Andrew Wood, Service Lead - Growth Development and Prosperity
Neil Harris, Habitat Regulation Delivery Manager
Anne Mountjoy, Growth Point Communication Officer
Jay Boyle, EEMP/Devon County Council
Ella Chambers,
Hilary Winter,
Chris Harradies, EDDC
Stephanie Harper-Chung, Exe Estuary Management Partnership
Kim Strawbridge, Pebblebed Heaths Conservation Manager

Apologies;

Alison Slade, Natural England
Peter Hearn, Exeter City Council

Chairman

Date:

STRATA - JOINT EXECUTIVE COMMITTEE

MONDAY, 27 JANUARY 2020

Present:

Councillors Dewhurst (Chairman), Bialyk and Ingham

Non-Voting Members:

Karime Hassan ECC, Phil Shears TDC

Members Attendance:

Councillors Wrigley

Apologies:

Mark Williams EDDC

Officers in Attendance:

Laurence Whitlock, Strata IT Director

Robin Barlow, Head of Security & Compliance

Martin Millmow, Head of Document Centres

David Sercombe, Head of Business Systems & Business Intelligence

Adrian Smith, Head of Infrastructure & Support

Simon Davey, Strata Board Director

David Hodgson, Strata Board Director

Paul Nicholls, Strata Board Director

Trish Corns, Democratic Services Officer

**These decisions will take effect from 10.00 a.m. on 3 February, 2020
unless called-in or identified as urgent in the minute**

1. APOLOGIES

An apology was received from Mark Williams, East Devon District Council Chief Executive.

2. MINUTES

The Minutes of the meeting held on 24 September 2019 were approved as a correct record and signed by the Chairman

3. DECLARATIONS OF INTEREST

None.

4. QUESTIONS FROM THE PUBLIC UNDER PROCEDURAL RULES

None.

5. QUESTION FROM MEMBERS OF THE COUNCILS UNDER PROCEDURE RULES

None

6. STRATA IT DIRECTOR & MANAGER REPORT

The Strata IT Director presented the report on activity from 1 August to 31 December 2019, identifying key activities, successes and areas for improvement. 2019 had been a very productive and successful time for Strata, despite a challenging five year period to reach the current successful position.

The successes included: savings of £110,000 over the three authorities as a result of renegotiating the mobile phone contract (this figure is not included in the overall Strata revenue savings figure); the replacement of the previous 20 year telephony platforms with a new single platform across all three authorities, enabling agile working; 50% of East Devon Councillors being migrated to Microsoft O365 platform, providing more functionality on the assigned portable devices (iPads); the re-certification to the annual PSN CoCo ahead of target for all three authorities; and the delivery of an IT environment to support the consolidation of Exeter staff into one building at Exeter Civic Centre.

In relation to Climate Change, the use of iPads by Councillors had significantly reduced printing demand; corporate print paper costs had decreased by utilising a thinner print paper but which did not affect print quality; and the replacement of handsets to headsets for Skype for Business have made a £2,500 energy saving per saving at Teignbridge District Council.

All savings had been achieved without any detriment to the service.

Future projects included the roll out of cyber awareness training (DoJo) to officers and councillors and cyber accreditation (Cyber Essentials Plus); Windows 10 migration rollout, to ensure all three authorities remain supported; and all three authorities collaboratively working more efficiently and effectively; progression of commercialisation; and the rollout of the new Strata vFire portal on 3 February, which would improve reporting and requesting IT issues for the customer. It would also enable access via a mobile app, and understanding demands and trends to achieve internal efficiencies.

The presentation is attached to the minutes.

Strata Joint Scrutiny Committee had considered the report at its meeting on 13 January 2020.

RESOLVED that the report be noted.

7. STRATA FINANCE REPORT

The Strata Director (Finance) advised on the financial position of Strata at the end of November 2019.

The projected revenue saving in 2019-20 was on track at £323,759. The projected 2020-21 savings of £500,000 would be provided to the authorities at the beginning of the financial year, therefore Strata was on track to deliver the savings set out in the business plan. This was after taking into account the approved £50,000 expenditure on exploring commercialisation. The report also detailed key financial variations, the savings of £100,000 on renegotiating the mobile phone contract, and cost of additional equipment ordered by each authority.

Future challenges included the renegotiation of the Microsoft licence which had been factored into the Business Plan, although this is only an estimate of what the renewal costs might be.

Strata Joint Scrutiny Committee had considered the report at its meeting on 13 January 2020.

RESOLVED that the report be noted.

8. STRATA 2020 BUSINESS PLAN UPDATE

An update was given on the Strata 2020 Business plan, with projections to 2025, which would be considered by all three authorities, and signed off by the Joint Executive. The plan would build on the 'solid foundations' that had been created over the last five years. With a flexible, stable and scalable IT environment, supported by skilled resource and sound processes, the authorities could now look to further exploit the environment for organisational benefit.

Strata Joint Scrutiny Committee had considered the report at its meeting on 13 January 2020.

RESOLVED that the report be noted.

9. STRATA GOVERNANCE UPDATE

Further to consideration of this matter at the last meeting, an updated version of the Governance paper was created and circulated. The paper would be discussed between the three Council Leaders, the Chief Executives of ECC and EDDC and the Managing Director of TDC. Any agreement to the proposed changes in the Strata Governance model, would be implemented from 1 April, 2020.

Strata Joint Scrutiny Committee had considered the report at its meeting on 13 January 2020.

RESOLVED that the report be noted.

10. STRATA COMMERCIALISATION UPDATE

The Strata Director updated Members on the potential for the commercialisation of a number of Strata services. A consultant had been engaged to undertake the discovery phase, the scope of which was set out in the report. A further report would be presented to Members on the results of the discovery phase in due course.

Strata Joint Scrutiny Committee had considered the report at its meeting on 13 January 2020.

RESOLVED that the report be noted.

11. ENTERPRISE CONTENT MANAGEMENT UPDATE

An update was given on the development of a single storage and retrieval of content (including documents, emails, spreadsheets, etc) for all three authorities, which were currently stored in multiple locations. The project had highlighted the current extent and type or date storage. The new system would provide a Google search for all authorities.

It was envisaged that the findings of the investigatory work would be reported to Members in March 2020.

Strata Joint Scrutiny Committee had considered the report at its meeting on 13 January 2020.

RESOLVED that the report be noted.

12. LOCAL DIGITAL DECLARATION PROJECT

An update was given on the discovery phase which was being funded by £71,000 successful bid to MHCLG as part of the Governments Local Digital Declaration Initiative. The three authorities were working in partnership with Sedgemoor, Basildon and Brentwood on the discovery phase. The Government Digital Service GDS would consider the findings of the discovery phase in determining whether to award additional funding for the next phase of the project. The project had attracted media coverage and the recognition of innovative IT progression in the West of England.

Strata Joint Scrutiny Committee had considered the report at its meeting on 13 January 2020.

RESOLVED that the report be noted.

CLLR A DEWHIRST
Chairman

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

Recycling and Waste Partnership Board on 29 January 2020

Minute 35 Paper sack trial
RECOMMENDED by the Recycling and Waste Partnership Board:
<ol style="list-style-type: none"> 1. that phase two of a paper sack trial in Brixington, Exmouth be approved, with the necessary budget provisions. 2. that the results of the phase two trial be brought back to the Board to recommend whether to launch the additional paper sack district wide.

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Recycling and Waste Partnership Board held at Blackdown House, Honiton on 29 January 2020

Attendance list at end of document

The meeting started at 10.10 am and ended at 12.40 pm

25 Minutes of the previous meeting

The minutes of the Recycling and Waste Partnership Board meeting held on 23 October 2019 were confirmed and signed as a true record.

26 Declarations of interest

There were no declarations of interest.

27 Matters arising

It was noted that there had been no issues arising from the termination of the Woodbury paper sack trial.

28 SUEZ structural changes

The Director Fleet and Municipal Development gave a verbal update on senior personnel changes at SUEZ. SUEZ now had a more regional based structure, with municipal waste contracts falling regionally. He introduced James Pike, Regional Director South West, to the Board. It was noted that Matt Canning, Regional Manager South West, had been seconded to Somerset on a two-year long project and would therefore be replaced by Nick Tandy, Principal Commercial Manager.

He thanked the Board for all of its hard work and commented that it had been a pleasure to be involved in one of the best partnerships ever run. He thanked the Recycling and Waste Contract Manager for the amount of presentations he had given.

On behalf of the Board the Chairman thanked the Director Fleet and Municipal Development and the Regional Manager South West for providing such a good service on a successful partnership. Members were grateful for the way SUEZ had responded to challenges and their partnership working.

It was noted that the next stage of consultation on the Government's Waste and Resources Strategy was planned for April 2020. It was thought that the Government wanted to get the changes into the statute books for 2021, with implementation in 2022. The two key elements that would affect the partnership contract were:

- EPR (Extended Producer Responsibility) – 90-100% of the cost of packaging material being pushed back to the manufacturer.
- DRS (Deposit Return Scheme).

It was thought that it was likely that EPR would be introduced first, with DRS then extended out, in order to be able to determine the impact of each initiative.

RESOLVED: that Steve Holgate, Director Fleet and Municipal Development be replaced by James Pike, Regional Director South West, and Matt Canning, Regional Manager

South West, be replaced by Nick Tandy, Principal Commercial Manager, as SUEZ representatives on the Recycling and Waste Partnership Board.

29 **Joint contract and operational report**

The Recycling and Waste Contract Manager and the SUEZ Contract Manager gave the Board a joint report on a contract review and operational update. Due to thorough preparations the Christmas/New Year collection period had been well managed with crews working long hours to cope with the volumes. The Strategic Lead – Housing, Health and Environment reported that from East Devon's perspective the Christmas catch up period had gone very well, with record breaking tonnages being collected. It was noted that the partnership started planning for the Christmas period from July. The Chairman thanked SUEZ for the successful Christmas/New Year collection period.

Two significant growth milestones had been passed, meaning that over 500,000 regular collections were being made each month:

- Servicing 70,500 households.
- 11,400 green waste customers.

Quality issues remained a concern for some materials and the team was working hard to mitigate the effects of these. Driver retention was an increasing risk and focus was needed on this issue.

It was noted that there had been an overall reduction in health and safety statistics, which was very positive, particularly given the time of year. The operational results were also positive, more material being collected and less collections being missed (0.07% total missed collections rate). Contractor complaints had also improved with a reduction on 95 complaints from the previous period. The overall recycling rate was 61%.

The SUEZ Contract Manager reported that the partnership had sold 1360tonnes of materials during quarter 3, which was a reduction in 93tonnes from the previous quarter. Material value had remained stable and the partnership had received £208,961 from sales. There had been a reduction in cardboard value, which was expected to continue into February 2020. It was noted that there was no capacity to store on site, in order to be able to stock pile materials until they received a better value. Quality was more important than quantity. The Director Fleet and Municipal Development advised that there was movement between months and that it was therefore better to look at the overall quarter. There was a constant drop in residual collections, meaning that the quality of materials was absolutely paramount. Most of the quality and price issues were around textiles and paper. A lot of work was being done with crews and at the resource recycling centre, and a quality assessor from Palm paper mill had also provided very helpful advice. Due to the heavy rains experienced many of the textiles put out for collection became soaked and were then rejected by the Salvation Army. Constant communications with customers was required as often the quality of the materials was dictated by residents. A request was made for the figures of the value of textiles and paper to be presented to the next meeting of the Partnership Board.

Although the paper and textile problems had not been significant enough to affect the partnership's recycling rate they had had an impact on its commercial position.

The Recycling and Waste Contract Manager reported that the Alexa recycling skill had been formally launched in late November and promoted through the Christmas bin

hanger, press releases, social media and a BBC Radio Devon interview. Feedback from customers had been extremely positive and there were already over 600 users.

It was noted that East Devon had a high profile within the sector. They were often approached from other authorities seeking advice and guidance. Workshops had recently been run for Exeter City Council and New Forest District Council, as well as advice being given to a number of other authorities. An award for 'Best New Idea' had been won at LARAC 2019 in October, where East Devon jointly ran two workshops on the use of digital communications with Cloud 9 Technologies.

RESOLVED: that the figures for the value of textiles and paper be presented to the next Board meeting.

30 **Performance framework/penalty calculator**

The Board were presented with a detailed monthly performance report that the SUEZ Contract Manager and the Waste and Recycling Contract Manager used to monitor performance. Officers from EDDC and SUEZ met monthly to review these statistics, which were drove the regular action plan. Issues from the last quarter were highlighted to the Board and it was noted that the main influence was the number of working days in a month. The data was used forensically to identify trends, monitor performance and target crews.

It was noted that the number of missed assisted collections was high and needed to be addressed. Problems often occurred through the use of agency staff who did not have local knowledge. The retention of drivers was also crucial. Performance reduction points were rising and related back to drivers.

It was noted that the last waste analysis had been conducted in 2017 and that Devon County Council carried out a county wide composition analysis every five years. It was suggested that East Devon carry one out every three years. The Director Fleet and Municipal Development suggested that the partnership wait until April when more would be known about the Government's Waste and Resources Strategy. The Waste and Contract Manager reported that on a more informal level, there were waste and recycling officers on the streets at all times who were able to report issues.

31 **Risk register**

The Recycling and Waste Contract Manager advised that risk A3, lack of Strata design capacity to meet deadlines for communications materials, continued to be a risk. The service was very communications and a year's work programme had been planned with the designer, with work requests logged with Strata. Risk I4 indicated the volatility of markets and material price, which EDDC had little control of. Risk Q related to the Government's resources strategy, but this had not yet been scored as not enough information was known at present. Risk B4, LGV driver shortage and recruitment, was highlighted as a risk and would be discussed later in the meeting under a separate agenda item.

32 **Green waste - quarterly accounts update**

The Recycling and Waste Contract Manager thanked the Accountant for compiling the accounts and explained them to the Board, including the profit share for SUEZ and EDDC, which incentivised both parties to maximise income and minimise operating

costs. As of 1 April 2020 there would be four rounds. There was still growth in the green waste service, with more scope for sales. It was noted that positive feedback was received from users of the service.

The Recycling and Waste Contract Manager outlined the 2020 marketing plan:

- Early March – an all property door drop and an advert on the outside of the council tax envelope.
- May – repeat door drops in targeted areas; Lympstone and Budleigh Salterton.
- June, July & August – ‘One’ media magazine. Advert in three successive issues.
- September – an all property door drop.

Throughout this period marketing would be underpinned by regular social media posts and other advertising.

The Recycling and Waste Contract Manager then outlined the renewals process and explained that a direct debit facility was being investigated with Strata.

RESOLVED: that the green waste service accounts be noted.

33 **Tipping point/property growth projection**

The Recycling and Waste Contract Manager explained that the tipping point in the contract was 70,000 properties. An additional sum on the monthly base payment was due via agreement that the number of properties receiving recycling and waste collections in accordance with the contract was at or over 70,000 properties on 31 March. However if this occurred later in the year payments would not be made until 1 April 2020. This was a complex issue with a big data set. SUEZ and EDDC officers forensically examined the data and SUEZ had missed the tipping point by 24 properties in April 2019. SUEZ urged EDDC to be lenient as this additional sum on the monthly base payment would have a significant impact on SUEZ, which had not yet broken even on the contract. SUEZ felt that 24 properties discrepancy was an unfair situation from SUEZ’s financial point of view on the contract as an increase in payment would allow SUEZ to continue to invest in its partnership with EDDC. However, the Board were reminded that EDDC were not contractually obliged to pay any additional sums at present until the 70,000 properties at 31 March had been agreed, at which point there was a mechanism contained in the contract for payment. EDDC were facing a large funding deficit the following year and therefore it was very difficult to justify paying out on the contract if it was not contractually necessary. The additional payment had not been budgeted for in the existing financial year. EDDC had been good partners within the governance and financial constraints that it had.

The Recycling and Waste Contract Manager reminded the Board that there was another tipping point in the contract – a contract review at 73,000 properties. Projection based on property growth was that 73,000 properties would be reached around September 2022. This was a key period as a lot of other changes would likely be taking effect due to the Governments Waste and Resources Strategy. The contract would need to be renegotiated by September 2021 and if additional resource were to be required planning for this would need to be prepared by November. It was acknowledged that at this point there were a lot of unknowns, but some idea was needed in order to budget for it. It was possible that post Brexit and with Cranbrook phase four development, the 73,000 properties tipping point may come forward from the projected date of September 2022. Also if the Government changed the rules around waste and recycling, this would force the partnership contract to be changed. All the Government’s consultation issues were

likely to affect the EDDC contract and service, although the total impact would not be known until 2021.

It was suggested that more flexibility be brought into the renegotiated contract to allow for future negotiations. The Board agreed that the Government's Waste and Resources Strategy consultation and the contract tipping point renegotiation should become standard Board agenda items.

It was also suggested that the new MP for the area be briefed on the SUEZ/EDDC service and that he be involved as much as possible. Both MPs would be invited to visit the Greendale depot.

RESOLVED:

1. that the Recycling and Waste Contract Manager formally write to SUEZ to inform them that EDDC would not be paying an additional sum during 2019/20 as the tipping point of 70,000 properties had not been met at 31 March 2019, according to the terms of the contract.
2. that the following become standard Partnership Board agenda items:
 - i. Government's Waste and Resources Strategy consultation.
 - ii. Contract tipping point renegotiation.

34 **Driver pay**

The SUEZ Director Fleet and Municipal Development explained that due to public procurement rules and the way that the contract linked pay to inflation, the partnership were falling behind on driver's pay. SUEZ currently paid £9.94/hour, with the top rate for drivers being £13/hour and £11.50/hour being the market average. The SUEZ Somerset contract would pay £11.75 and it was likely that drivers would move across the border. Driver pay was a challenge that would have to be resolved as retention of drivers was a big problem. There was a danger that SUEZ could not put the necessary vehicles out as there were not enough drivers.

SUEZ were continually eight drivers short. They currently used agency staff, but did not like doing this for a number of reasons. SUEZ tried many ways of gaining drivers, including an apprenticeship scheme, but retention was becoming an issue as rates of pay fell short of the industry standard. EDDC's refusal to pay the tipping point sum in 2019/20 compounded SUEZ's problem as SUEZ were still not making any profit on the contract.

The SUEZ Regional Director South West reported that following a regional survey of competitive pay they had agreed a pay increase which should have a significant impact on the ability to recruit. A revised driver rate of £11.24/hour would result in a £150k/year increase in costs. A 50/50 split on this cost would need to be negotiated on this increase in costs, which both EDDC and SUEZ indicated they would be satisfied with.

The Service Lead Streetscene would produce a report for SMT recognising the importance of the partnership and the significance of the problem of driver pay and retention. It would look at ways of increasing income to part fund the increased driver pay and emphasise that not agreeing to this could impact on service delivery and ultimately EDDC residents not having their bins collected.

RESOLVED: that the Service Lead – Street Scene prepare a report to SMT on the problems of driver retention and the need to increase driver pay in the SUEZ contract.

35 **Paper sack trial**

The Recycling and Waste Contract Manager explained that the contracted paper reprocessors had warned EDDC about poor material quality, which led to a financial implication and the threat of rejected loads. SUEZ and EDDC had worked together since July 2019 to enhance crew engagement and knowledge as well as implement daily crew monitoring and yard material picking. Paper quality was paramount. EDDC's aim was to preserve its current position rather than trying to increase its position in a volatile global market.

A small-scale trial had been undertaken in the Brixington area of Exmouth (121 properties), to understand the use of an additional sack for paper recycling. The aim was to:

- Reduce the level of contamination in paper (from glass and card).
- Increase crew productivity.
- Encourage residents to further separate their recycling and prepare for increasing demand for quality material.

The areas was monitored for six weeks beforehand and six weeks after the sacks were delivered (during November and December 2019). The data showed:

- Crews were on average five minutes quicker with the sack.
- 81% of households who presented their recycling also presented the paper sack (high engagement).
- Overall participation rate was 92.56%.
- The amount of paper in each sack varied property to property and week to week.
- 22% of properties presented their paper sack but still had paper in the recycling box. Therefore regular communication and reminders would be necessary to ensure success of the new container.

Overall the crews were positive about the additional sack, there were no health and safety issues and residents embraced the trial. There had also been helpful information from the paper mill assessor. White paper had the highest value, therefore residents would be asked to put white paper in the separate sack and brown paper with cardboard in the green box. This complex communications message of improving recycling would need to be well managed.

Following on from the small, phase one trial, it was recommended that a larger second phase trial of an additional sack for paper be undertaken in the larger area of Brixington, Exmouth (647 properties) to understand if it:

- Reduces the level of contamination in the paper and improves quality to command good prices in a very competitive materials market.
- Increases crew productivity.
- Encourages residents to recycle more.
- Is beneficial to the future of the recycling service in East Devon.

The sacks for phase one of the trial were acquired free of charge, however as phase two was on a larger scale the sacks would need to be purchased. A small budget would also be needed for a communications plan. It was anticipated that the total budget required was in the region of £1,700.

The issue of Christmas wrapping paper and cards was raised. It was noted that most other authorities did not collect cards or wrapping paper, but EDDC chose to collect these. It was awaiting the paper reprocessor's report to determine quality issues. The

Recycling and Waste Manager advised that if EDDC decided not to collect Christmas wrapping paper and card this year a decision would be required by July 2020, before any communications materials were designed.

RECOMMENDED:

1. that phase two of a paper sack trial in Brixington, Exmouth be approved, with the necessary budget provisions.
2. that the results of the phase two trial be brought back to the Board to recommend whether to launch the additional paper sack district wide.

Attendance List

Board Members:

Councillors present:

T Wright
G Jung (Chairman)
D Bickley
P Faithfull

Officers present:

G Bourton, Recycling and Waste Contract Manager
J Golding, Strategic Lead Housing, Health and Environment
A Hancock, Service Lead StreetScene

Suez present:

S Holgate
H Mcleman, Contract Manager

Councillors also present (for some or all the meeting)

Officers in attendance:

John Hudson, Accountant
Alethea Thompson, Democratic Services Officer

Suez representatives in attendance:

J Pike
N Browning
R Boulton, Recycling Officer

Board Member apologies:

Nick Tandy, Principal Commercial Manager

Chairman

Date:

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

Overview Committee held on 30 January 2020

Minute 43 Poverty Working Panel
<p>That Cabinet;</p> <ol style="list-style-type: none"> 1. Increases the membership of the Poverty Working Panel from seven councillors, as initially recommended by the Monitoring Officer, to twelve councillors, and 2. Agrees that the Poverty Working Panel elects a Chairman at its first meeting.
<p>Minute 45 Draft Drone Policy</p> <p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Deletes the reference to the release of lanterns from the draft Drone Policy and, 2. Adopts the Policy.
<p>Minute 46 House of Lords Select Committee on Regenerating Seaside Towns</p> <p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Notes the content of the report of the House of Lords Select Committee on Regenerating Seaside Towns and Communities and where appropriate that the Select Committee's report recommendations and the Government's response are fed into the Council's forward planning process including service plans 2. Uses the Select Committee recommendations and Government responses where possible to inform funding bids and influence among third parties such as HotSW LEP, MHCLG or Lottery Fund 3. Assesses the implications of the Select Committee's report and the Government's response.
<p>Minute 47 Economic Development in Coastal & Rural Areas</p> <p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Agrees that the resources needed within economic development are: <ul style="list-style-type: none"> • Economic Development Manager and Senior Officer • Inward investment resource (specialist) • Business liaison resource(s) – technology vs tourism vs farming • Research resource • Place marketing resource • Spatial planning resource (allowing DMC comment on business applications and negotiation with incoming businesses) • Partnerships resource, and 2. Requests a report from the economic development team in time for the current budget round.

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Overview Committee held at Council Chamber, Blackdown House, Honiton on 30 January 2020

Attendance list at end of document

The meeting started at 6.00 pm and ended at 9.11 pm

40 Public Speaking

There were no members of the public wishing to speak.

41 Minutes of the previous meeting

The minutes of the previous meeting held on 14 November 2019 were approved and signed as a correct record.

42 Declarations of interest

9. Economic Development in Coastal & Rural Areas - A short presentation by Councillor Mike Allen.

Councillor Mike Allen, Personal, Assists with running a food bank.

10. Update on the Devon & Somerset Fire & Rescue Service Consultation of future Service Delivery - Safer Together.

Councillor Ian Hall, Personal, Devon County Councillor.

43 Matters of urgency

Poverty Working Panel

The Chairman advised that Cllr Paul Millar had requested to raise as a matter of urgency the report and recommendation of the Monitoring Officer regarding the appointment and composition of a Poverty Working Panel which would be considered by Cabinet at its meeting on 5 February 2020.

The Chairman confirmed that he had accepted Cllr Millar's request on the basis of special circumstances due to the timescales involved.

Cllr Millar advised that the recommendation of the Monitoring Officer included the following:

'It is recommended that the Panel should be chaired by the Portfolio Holder for Homes and Sustainable Communities. In terms of the makeup of the Panel, it is recommended that this should comprise seven councillors, as per the Constitution, and that the Monitoring Officer be given delegated authority in consultation with the Portfolio Holder for Homes and Sustainable Communities to agree the membership with Group Leaders to ensure, as far as possible, a cross-party involvement.'

The Overview Committee discussed the proposed composition of the Poverty Working Panel, with particular reference to cross-party balance. The appointment of the Panel's

Chairman was discussed and it was noted that the motion to establish the Panel had come from members in the first instance.

RECOMMENDED:

That Cabinet;

1. Increases the membership of the Poverty Working Panel from seven councillors, as initially recommended by the Monitoring Officer, to twelve councillors, and
2. Agrees that the Poverty Working Panel elects a Chairman at its first meeting.

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

There were no items to be dealt with in this way.

45 **Draft Drone Policy**

Tim Child, Senior Manager Property and Estates, presented the draft Drone Policy which would only apply to EDDC owned land and would ensure that the Council's interests were protected. Permission would be granted solely for those uses set out in the Policy and for commercial operators only.

The Committee noted that the requirements of the Policy would be incorporated into the appropriate signage over time as signage was replaced or updated.

Following discussion, it was agreed to recommend that the reference to the release of lanterns be removed from the Policy as this would be dealt with elsewhere under a different policy.

RESOLVED:

That the Overview Committee noted the draft Drone Policy and agreed the following recommendations:

RECOMMENDED:

That Cabinet:

1. Deletes the reference to the release of lanterns from the draft Drone Policy and,
2. Adopts the Policy.

46 **House of Lords Select Committee on Regenerating Seaside Towns**

Linda Perry, Place, Assets and Commercialisation, presented the findings of the House of Lords Select Committee on Regenerating Seaside Towns and Communities and the implications for EDDC.

The Deputy Chief Executive advised that questions remained regarding the response of the previous Government. EDDC would follow up on previous commitments with the Secretary of State for Housing, Communities and Local Government to ascertain whether East Devon would see the same benefits as other areas of the country.

The Committee discussed the implications of the report from an economic perspective and the need to be proactive in attracting larger businesses and a younger population.

RESOLVED:

That the report be noted and that the following recommendations be agreed:

RECOMMENDATION:

That Cabinet:

1. Notes the content of the report of the House of Lords Select Committee on Regenerating Seaside Towns and Communities and where appropriate that the Select Committee's report recommendations and the Government's response are fed into the Council's forward planning process including service plans
2. Uses the Select Committee recommendations and Government responses where possible to inform funding bids and influence among third parties such as HotSW LEP, MHCLG or Lottery Fund
3. Assesses the implications of the Select Committee's report and the Government's response.

47 **Economic Development in Coastal & Rural Areas - A short presentation by Councillor Mike Allen**

Cllr Allen presented his report on economic development in rural and coastal areas and the following issues were discussed:

- The need for more small business units and opportunities for expansion for small businesses
- 3 year survival rates for small businesses
- The need to attract larger businesses and retain skilled and qualified younger people
- The poverty cycle, reliance on food banks and zero hours employment contracts

The Chairman advised that currently there were no planned resources to deliver economic development in rural and coastal areas.

The Deputy Chief Executive suggested that the Committee may wish to request an officer report to address the issues raised by Cllr Allen.

Cllr Allen stressed that the resources should be recommended at the current time due to the point reached in the budget cycle.

It was noted that all previous proposals and amendments were withdrawn.

Cllr Allen proposed that the Overview Committee recommends to Cabinet the resources needed within economic development and that a report be requested from the economic development team in time for the current budget round. This was seconded and **RESOLVED**.

RECOMMENDATION:

That Cabinet:

1. Agrees that the resources needed within economic development are:
 - Economic Development Manager and Senior Officer
 - Inward investment resource (specialist)
 - Business liaison resource(s) – technology vs tourism vs farming
 - Research resource
 - Place marketing resource
 - Spatial planning resource (allowing DMC comment on business applications and negotiation with incoming businesses)
 - Partnerships resource, and

2. Requests a report from the economic development team in time for the current budget round.

48 **Update on the Devon & Somerset Fire & Rescue Service Consultation of future Service Delivery - Safer Together**

The Committee discussed the revised recommendations of the Devon and Somerset Fire and Rescue Authority approved on 10 January 2020 and the implications for the service in East Devon.

The update was noted.

49 **Overview Forward Plan 2019/20**

The Committee discussed the Forward Plan, including the four recommendations from the joint meeting of the Overview and Scrutiny Committee held on 15 January 2020.

The Forward Plan was agreed:

Meeting date	Topic
27 February 2020	Governance Arrangements at EDDC
26 March 2020	Items from joint Overview & Scrutiny Budget meeting on 15 January 2020: Commercialisation Strategy Consultancy Spend 2020 / 21
tbc	Items from joint Overview & Scrutiny Budget meeting on 15 January 2020: Delivery at Cranbrook Town Centre Seaton Wetlands Link Project

Other work was discussed and agreed as follows:

Meeting date Priority or referral	Topic
tbc	Public Toilet Review – consultation plan
26 March 2020	Income generation - agreed to include in the Commercialisation Strategy (above)
tbc	High Street and village centre regeneration, expand to include the development of new high street in reference to Cranbrook – agreed to include in Delivery at Cranbrook Town Centre (above)
Low priority	Natural Capital in the Heart of the South West document

tbc	Business case for increase in community engagement officers, to include community focus (see below)
Refer to Scrutiny Committee	Review out of hours telephone system provided by the Council for residents and tenants
tbc	Climate change – including rising sea levels, coastal erosion, single use plastics, to determine what can be done locally as well as lobby Government and feed in to the Devon Group
High priority	Fairer funding from Government for the South West region – clarification from the Chief Executive would be needed
tbc	Community focus – include with the Business case for increase in community engagement officers (above)
Low priority	Promotion of EDDC services to local residents
tbc	Improving working with Town and Parish Councils – to be scoped
Covered elsewhere – remove from Overview	Tackling poverty – awaiting the outcome of the Poverty Working Panel
Refer to Scrutiny Committee	Review of 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
Refer to Scrutiny Committee	Street trading
Refer to Scrutiny Committee	Right to buy effect on housing stock
Refer to Housing Review Board	Delivery of housing, specifically assisted living – has been discussed by the Housing Review Board, to be discussed further by Strategic Planning Committee before being referred back to HRB
Medium priority	Transport – specifically fare for 16 – 18 year olds still in education by not qualifying for state help
Refer to Scrutiny Committee	Policy implementation – that policies put in place were being applied in practice
High priority	GESP involvement

Due to the workload in the Forward Plan, the Committee discussed the need to meet more often. It was agreed to wait for the outcome of the Governance Review and to discuss the practicalities with the Democratic Services Manager.

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
P Millar

Councillors also present (for some or all the meeting)

S Bond
P Faithfull
B Ingham
D Ledger
A Moulding

Officers in attendance:

Linda Perry
Tim Child, Service Lead - Place, Assets & Commercialisation
Richard Cohen, Deputy Chief Executive
Alison Hayward, Senior Manager Regeneration & Economic Development
Susan Howl, Democratic Services Manager
Sarah Jenkins, Democratic Services Officer
Anita Williams, Principal Solicitor (and Deputy Monitoring Officer)
Andrew Wood, Service Lead - Growth Development and Prosperity

Councillor apologies:

J Loudoun

Chairman

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Scrutiny Committee held at Council Chamber, Blackdown House, Honiton on 6 February 2020

Attendance list at end of document

The meeting started at 6.00 pm and ended at 8.35 pm

50 Election Of Chairman

RESOLVED that Cllr Maddy Chapman be elected Chairman for the meeting.

51 Appointment of Vice Chairman

RESOLVED that Cllr Bruce De Saram be nominated as Vice Chairman for the meeting.

52 Public Speaking

There were no members of the public who wished to speak.

53 Minutes of the previous meeting

The minutes of the previous meeting held on 21 November 2019 were agreed and signed as a true record.

Cllr Jack Rowland wished to raise the issue of the lack of a progress report at the meeting on the public portal into the Exacom system to permit public access to the data held on the collection and spend of Section 106 and CIL monies. However, it was noted that a report would be made by Ed Freeman, Service Lead – Planning Strategy and Development Management to the next meeting of the Committee on 5 March.

54 Declarations of interest

There were no declarations of interest.

55 Matters of urgency

There were no matters of urgency.

56 Confidential/exempt item(s)

There were no confidential/exempt items.

57 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.

58 Process for assessing Commercial Investment opportunities

Consideration was given to the report and presentation of Tim Child, Service Lead – Place, Assets & Commercialisation which advised members of the history, criteria and purpose of the Council's adopted Commercial Investment Framework and informed discussions and recommendations.

Members noted that the Commercial Investment Framework provided the mechanism to help deliver £450,000 net income per annum set out within the Council's Transformation Strategy and on which the Capital Strategy and Treasury Management Strategy have been developed. Being more commercial generally and generating this £450,000 net income per annum is key to the pathway to financial self-sufficiency and to address the Council's budget shortfall along with the benefits of contributing to the wider growth and prosperity and place making aspirations benefitting not only the council but the residents and visitors to East Devon. There was a £20M fund to generate the £450,000 net income required.

At the joint Overview & Scrutiny Committee of 15th January discussions took place around the adopted Commercial Investment Framework. Councillors were interested in the degree of engagement with them in the consideration of individual transactions, the importance of commercial sensitivity and its impact in terms of confidentiality and the ability to share information.

During discussions the following points were noted:

- There was a clear preference expressed to invest within the district.
- It was a cautious and proportionate approach being taken, due to EDDC's financial position being relatively comfortable.
- Applying a clear and costed risk managed and studied programme of investment using rigorous criteria and with appropriate decision making capabilities to respond to market opportunities in an agile but safe manner.
- Need to ensure agility in terms of the allocation of resources but also in decision making to take advantage of commercial opportunities when they arise but doing so in a safe, accountable and democratic way.
- Investment opportunities under £5M are delegated to the Deputy Chief Executive and those over £5M for Cabinet decision. The delegation will escalate to the Chief Executive following the departure of the Deputy chief Executive.
- The greatest challenge had been around availability of a good quality of investments within East Devon. It had been a difficult market in the last 6 months.
- There were a number of opportunities that were being progressed and a number that had been rejected.
- A concern that the requirement to invest in East Devon could drive up the cost of investment opportunities. There was no evidence of this happening and no investment would be pursued unless it stacked up financially.
- In terms of ethical considerations around the investment policy members were interested in how these might be addressed. Officers advised of one recent example with regard to a petrol filling station which was able to be considered in the context both of commercial case and the Council plan and emerging Climate Change concerns. The acquisition was not pursued.
- There had been a recent increase in Public Works Loan Board (PWLB) rate to consider in terms of the viability of investments. The Council would only borrow on a fixed rate so a PWLB rate increase is factored in at the outset and for the duration of the loan periods.
- Concern over a possible crash in the commercial property market and the importance of buying property at the right time.

- Members were reassured of the experience and professional qualifications within the officer team and the council more broadly (eg legal and finance colleagues) as well and the ability and budget to bring in external expertise as required.
- Ward members should have more involvement in the investment decision making process.
- Importance of getting the policy right and generate the £450,000 of additional income that is currently required as part of a balanced budget.
- It was important that the decision to invest should be done ethically and wisely. There needed to be an ethical framework around investment decisions. There was concern that the decision to invest was currently in the hands of too few people.
- The scoring matrix is confidential because otherwise the market would know how potential investments were scored.
- Concern over the length of time the process to find suitable investments for the council was taking.
- The £4M invested in Seaton Jurassic had been funded from a variety of sources. Seaton Jurassic was not a commercial investment and was taken forward as a regeneration project before the council's commercial investment fund was initiated.

RESOLVED 1. that the content of the presentation be noted.

2. that Council be **RECOMMENDED** to consider the following:

- a. that there be further engagement with Councillors through Commercialisation Workshops.
- b. that following the Commercialisation Workshops, an officer report be discussed at Council in April regarding an ethical investment policy.
- c. that the Commercial Investment Flow chart be updated to reflect the changes in SMT structure.
- d. that the Ward Members for the ward in which the investment proposition is located be notified prior to the exchange of contracts and before the press are notified.

59 **Forward Plan**

Noted that the next meeting would include discussion on staffing review, an update on Section 106 and CIL process and the quarterly monitoring report. It was also requested that discussion on Council Housing Policy be added to a future meeting. There were number of items on the Overview Committee Forward Plan that has been suggested could be discussed by scrutiny Committee.

Attendance List **Councillors present:**

T McCollum
V Ranger
J Rowland
E Rylance
J Whibley
M Chapman
B De Saram
P Jarvis
A Colman

Councillors also present (for some or all the meeting)

S Bond
P Faithfull
G Jung
P Millar
A Moulding
T Wright
P Arnott
H Parr
G Pook

Officers in attendance:

Tim Child, Service Lead - Place, Assets & Commercialisation
Christopher Lane, Democratic Services Officer
Anita Williams, Principal Solicitor (and Deputy Monitoring Officer)
Richard Cohen, Deputy Chief Executive

Councillor apologies:

A Dent
K Bloxham
K McLauchlan
C Gardner

Chairman

Date:

Report to: Cabinet

Date of Meeting: 4 March 2020

Public Document: Yes

Exemption: None

Review date for release: None

Subject: Long Lane Enhancement Scheme

Purpose of report: To seek final budgetary approval for the Long Lane Enhancement works.

Recommendation: That Cabinet agree a budget of £2.55m for the Long Lane Enhancement works to be funded through the Enterprise Zone programme

Reason for recommendation: To enable the Long Lane enhancement works to be implemented.

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

Portfolio Holder: Portfolio Holder for Finance

Financial implications: Council has approved £8m of borrowing for projects to facilitate economic growth in the Enterprise Zone with funding to come from ring fenced EZ business rate income. Detailed approval of schemes within this sum were to be approved by Cabinet.

In line with this approval Cabinet agreed a £3m spend on Long Lane Enhancement scheme with contributions to be secured of £970k (£300k Airpark and £670k FAB) giving a net spend of £2.03m. The scheme was subsequently scaled down because of the inability to secure the FAB funding, this was approved by Cabinet with a reduction in spend of £1.4m, but with no FAB contribution of £670k, giving a net budget of £1.3m.

This report updates the costs involved in delivering the scaled down project to £2.55m which after deducting £300k Airpark contribution gives a revised net cost budget of £2.25m which Cabinet are being asked to approve.

Legal implications: The report does not alter the overall legal position which was commented on in the reports to Cabinet of March and July 2019. As detailed, the outcome of the first report was a decision to proceed with the enhancement works but the second report agreed to revise the works and reduce the overall projects costs to minimise potential risk. Notwithstanding that, the costs have now risen for the reasons set out and it is therefore necessary to obtain Cabinet's agreement to the revised spend which remains within the overall approved budget. Otherwise there are no specific legal implications requiring comment and the legal advice in relation to the project remains as per the March 2019 and July 2019 Cabinet reports.

Equalities impact:	Low Impact
Climate change:	High Impact The works will help to create a public transport loop and cycleway which will serve a major employment area. This will help to reduce reliance on the private car and promote sustainable modes of travel.
Risk:	Medium Risk The County Council are leading the delivery of the scheme including procuring contractors. Residual risks in relation to landownership and drainage are being managed by the County Council.
Links to background information:	Cabinet March 2019 Item 19 Cabinet July 2019 item 14
Link to Council Plan:	Outstanding Economic Growth, Productivity and Prosperity Outstanding Council and Council Services.

Background

- 1.1 Long Lane runs in an east/west direction immediately to the south of Exeter Airport. It connects to the B3184 and provides the main point of access to the Airport, Flybe Hangar and Training Academy and the Airport Hotel. When travelling in an easterly direction the Lane quickly narrows to below the standard (6.5m) needed to accommodate the two way flow of HGV traffic. This includes substantial stretches of single carriageway. The inadequate nature of the current highway is a major barrier to bringing forward the Airpark Enterprise Zone site.
- 1.2 Cabinet received a paper in March 2019 which set out a proposal for funding an enhancement and upgrading scheme for the Lane. This comprised of three main sections and included the stretch to the east of the Flybe Training Academy towards Harrier Court. This was itself connected with the need to provide enhanced access for the convertor station for the proposed France-Alderney-Britain Link project. The proposals are illustrated in plan form in Appendix A.
- 1.3 Cabinet resolved to make up to £3m available to fund the enhancement scheme. This was subject to securing contributions from both the Airpark (£300k) and FAB (£670k) projects. Delegation was approved to the Chief Executive in consultation with the Leader and Strategic Leads for Finance and Governance and Licensing to agree the terms and complete the funding agreement and any other necessary legal documentation.
- 1.4 Following further negotiations it became apparent that the FAB project was unwilling to offer any security to underwrite their £670k contribution to the scheme. Subsequently Cabinet resolved in July 2019 to reduce the overall scope of the works to delete the section between the Flybe Training Academy and Harrier Court.

Current position

- 2.1 Subsequent to Cabinet's consideration of the scheme last year the County Council has progressed further detailed design and technical work and undertaken a full procurement exercise. The final scheme comprises the following sections;

- Long Lane: Airport Terminal entrance, to Car Park 1
- Long Lane: Car Park 1 to Training Academy/Hotel
- Silverdown Lane Link

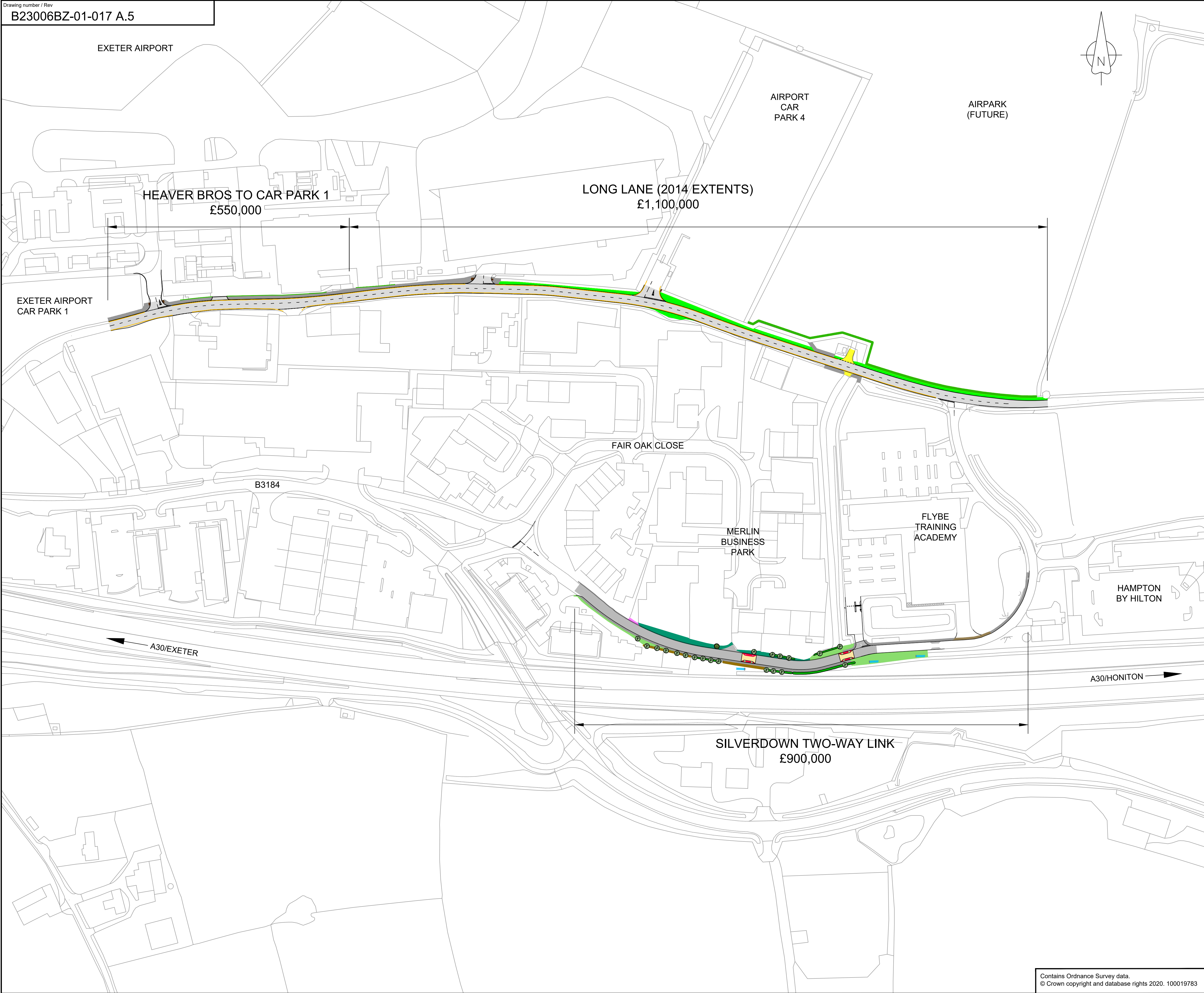
2.2 The final budget for the works is now £2.55m. The revised costs are due to;

- completion of further technical work regarding the drainage strategy
- changes to the design of the access to Car Park 1 at the Airport from a roundabout to a T junction to facilitate bus circulation
- completion of a detailed tendering exercise to secure contractors for both the Silverdown Lane link and Long Lane works
- further clarity in relation to design, legal and supervision costs

2.3 It is a specific recommendation of this paper that a revised budget of £2.55m for the works is approved to be funded through the Enterprise Zone programme. A final funding agreement can then be agreed with the County Council to allow the works to proceed.

Conclusion

3.1 The enhancement of Long Lane is an important project which, in addition to unlocking the Airpark Enterprise Zone site, will also bring a series of wider benefits including improved public transport provision. The works are now in a position where they can progress imminently and be complete early in 2021.



NOTES

- 1. DO NOT SCALE FROM THIS DRAWING.
- 2. ALL DIMENSIONS ARE IN METRES UNLESS OTHERWISE STATED.
- 3. DRAWING TO BE PRINTED IN COLOUR.

KEY

Rev	Rev. Date	Purpose of revision	Drawn	Checkd	Rev'd	Apprv'd
A.5	07/02/20	FOR INFORMATION	JB	MC	MCM	MCM
A.4	28/02/19	FOR INFORMATION	SL	MC	MM	MM
A.3	13/02/19	FOR INFORMATION	BRH	MC	MM	MM
A.2	28/01/19	FOR INFORMATION	SL	MC	MM	MM
A.1	18/10/18	FOR INFORMATION	TS	MC	MM	MM

Client



Project
LONG LANE ENHANCEMENT AND SILVERDOWN LINK

Drawing title
SCHEME LAYOUT SHEET 1 OF 1

Drawing status
FIT FOR INFORMATION

Scale
1:1250 @ A1 | DO NOT SCALE

Jacobs No.
B23006BZ

Drawing number
B23006BZ-01-017

Rev
A.5



Report to: Cabinet

Date of Meeting: 4 March 2020

Public Document: Yes

Exemption: None

Review date for release None

Subject:**Business Rates – rate relief measures****Purpose of report:**

This report updates Members on additional business rates measures that were announced by the Financial Secretary to the Treasury in a Written Ministerial Statement on 27 January 2020 that will apply from 1 April 2020:

- changes to the retail discount scheme – support to increase from one-third to 50%. This scheme will also be extended to include cinemas and music venues
- an extension of the local newspaper business rates discount
- the introduction of a discount for pubs

The first two measures are for information only as Members have previously approved to award discretionary relief in line with Government guidance.

The introduction of a discount for pubs will require Members approval in order to ensure that Government funding is passed on to eligible businesses.

Recommendation:**That Cabinet:**

- 1. Note the changes to the retail discount scheme for 2020/21 and the extension to the local newspaper discount scheme that will apply for an additional 5 years until 31 March 2025.**
- 2. Agree to implement the pubs discount scheme in line with Government guidance, including granting delegated authority to the Service Lead - Revenues & Benefits to determine eligibility.**

Reason for recommendation:

Members need to approve the pub discount in order to ensure that ratepayers benefit from the funding provided by Central Government.

Officer:

Libby Jarrett, Service Lead for Revenues, Benefits, Customer Services
ljarrett@eastdevon.gov.uk 01395 517450

Portfolio Holder:

Portfolio Holder for Finance

Financial implications:

As stated in the report the costs involved of granting the discounts will be covered by Government.

Legal implications:

The legal implications are detailed in the report and no further comment is required.

Equalities impact:

Low Impact

Climate change: Low Impact

Risk: Low Risk

Links to background information:

- [Retail Discount 2020/21 - Guidance](#)
- [Pub Discount 2020/21 - Guidance](#)

Link to [Council Plan](#):

Outstanding Economic Growth, Productivity, and Prosperity

1.0 Background

1.1 The following business rate measures were announced:

- an increase to the retail discount scheme from one-third to 50 per cent of a rates bill;
- an extension to the retail discount scheme to include eligible cinemas and live music venues with a rateable value of less than £51,000;
- an extension of the £1,500 business rate discount for office space occupied by local newspapers for an additional 5 years until 31 March 2025; &
- the introduction of a £1,000 pubs discount to eligible pubs with a rateable value of less than £100,000 in 2020/21.

1.2 All reliefs are subject to state aid rules.

1.3 The Government expects local authorities to apply and grant relief to qualifying ratepayer from the start of the 2020/21 billing cycle.

2.0 Retail Discount Scheme

2.1 The Government recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and has taken action to help the high street evolve.

2.2 The Government provided a business rates retail discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019/20 and 2020/21. The value of the discount was originally one third off the bill. In a written Ministerial Statement on 27 January 2020 the Government announced that it would increase the value of the discount to 50% in 2020/21. In addition, eligibility has been extended to include occupied cinemas and music venues.

2.3 Where the Council grants a locally funded relief it must be applied after the retail discount and, where appropriate, after the 2020/21 pubs discount (see 4.0 below).

2.4 As this measure was only for 2019/20 and 2020/21 the Government did not change legislation. Instead the Government, in line with the eligibility criteria, reimburses local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988), to grant the discount.

2.5 The Government has issued updated scheme guidance which is available [here](#). In essence properties that will benefit from the discount will be occupied premises that are wholly or mainly being used as shops, restaurants, cafes & drinking establishments and, from 1 April 2020, cinemas & live music venues.

2.5.1 Shops, restaurants, cafes, drinking establishments, cinemas and live music venues mean:

- i. Premises that are being used for the sale of goods to visiting members of the public:
 - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, charity shops)
 - Opticians
 - Post offices
 - Furnishing shops / display rooms (such as: carpet shops, double glazing, garage doors)
 - Car / caravan show rooms / Second hand car lots
 - Markets
 - Petrol filling stations
 - Garden centres
 - Art galleries (where art is for sale / hire)
- ii. Premises that are being used for the provision of the following services to visiting members of the public:
 - Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
 - Shoe repairs/ key cutting
 - Travel agents
 - Ticket offices e.g. for theatre
 - Dry cleaners / Launderettes
 - PC/ TV/ domestic appliance repair
 - Funeral directors
 - Photo processing
 - Tool hire / Car hire
- iii. Premises that are being used for the sale of food and/ or drink to visiting members of the public:
 - Restaurants
 - Takeaways
 - Sandwich shops
 - Coffee shops
 - Pubs / Bars
- iv. Premises that are being used as cinemas
- v. Premises that are wholly or mainly used for the performance of live music for the purpose of entertaining an audience, excluding premises wholly or mainly used as a nightclub or a theatre.

2.5.2 The types of uses that the Government does not consider to be retail for the purpose of this discount are:

- i. Premises that are being used for the provision of the following services to visiting members of the public:
 - Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
 - Other services (e.g. estate agents, letting agents, employment agencies)
 - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
 - Post office sorting offices

ii. Premises that are not reasonably accessible to visiting members of the public

- 2.5.3 The Government considers theatres, museums or properties used for sport or physical recreation (e.g. gyms) to be outside the scope of this discount.
- 2.6 The total amount of government-funded discount available for each property for 2019/20 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied; for 2020/21 the discount is 50%. There is no discount available under this scheme for properties with a rateable value of £51,000 or more.
- 2.7 Eligibility for the discount and the discount itself will be assessed and calculated on a daily basis; if a ratepayer vacates part way through a year the discount will be apportioned pro rata.
- 2.8 Ratepayers that occupy more than one property will be entitled to relief for each eligible property, subject to State Aid limits.
- 2.9 As Members of Cabinet on 6 February 2019 had previously approved to implement the retail discount in line with Government's scheme guidance then we will automatically apply the changes.

2.9 State Aid

- 2.9.1 State Aid law is the means by which the EU regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the Retail Discount will be State Aid compliant where it is provided in accordance with the De Minimis Regulations that allow an undertaking to receive up to €200,000 of aid in a three year period (consisting of the current financial year and the two previous financial years).
- 2.9.2 The Government is advising that although the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and EU provides that during an implementation period State Aid rules will continue to apply as before and will be subject to control by the EU Commission.

2.10 Qualifying Businesses

- 2.10.1 As at 31 December 2019 East Devon had 6,776 rating assessments, 429 of which were in receipt of retail discount. In 2019/20 £1.14m of retail discount has been granted. There are 2 cinemas in East Devon that may be eligible for the discount from 1 April 2020.

2.11 Administering the Scheme

- 2.11.1 Ratepayers in receipt of retail discount in 2019/20 will automatically be granted the discount in 2020/21.
- 2.11.2 The Council will reduce the administrative burden on businesses by automatically granting new occupiers of retail premises the discount and instruct ratepayers to contact the business rates team if receipt of the discount breaks State Aid rules or if the property is not wholly or mainly used for retail.

3.0 Local Newspaper Discount

- 3.1 The Government introduced funding to local authorities so that they could provide a discount worth up to £1,500 a year for two years from 1 April 2017 to office space occupied by local newspapers. This is up to a maximum of one discount per local newspaper title, per hereditament up to state aid limits.

3.2 Following the 29 October 2018 Budget the Government announced the extension of the discount for 2019/20. As this was due to expire on 31 March 2020, the Government has announced that it is extending the discount for an additional 5 years until 31 March 2025.

3.3 We currently have one media company benefitting from this discount.

3.4 We will continue to award the local newspaper discount in line with Government policy.

4.0 Pubs Discount 2020/21

4.1 The Government recognises the important role that pubs play in urban and rural communities across the country and have announced a £1,000 business rate discount for public houses with a rateable value of less than £100,000 for one year from 1 April 2020.

4.2 As this is a measure for 2020-21 only, the Government is not changing legislation but will, in line with the eligibility criteria set out in its [guidance](#), reimburse local authorities that use their discretionary powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant the discount.

4.3 Central government will fully reimburse local authorities for the local share of the discretionary discount.

4.4 The scheme will be available to eligible occupied properties with a rateable value of less than £100,000. The majority of pubs are independently managed and will not be part of chains. Where pubs are part of a chain, the discount will be available for each eligible property in the chain, subject to meeting State Aid requirements (see 2.9).

4.5 There is no definitive description of a public house in law which could be readily used by local authorities to determine eligibility. The Government objective has been to adopt an approach that makes the design and eligibility of the scheme easy to implement by local authorities in a clear and consistent way, is widely accepted by the industry and which is consistent with the Government's intention.

4.6 The Government's intention is that eligible pubs should:

- be open to the general public
- allow free entry other than when occasional entertainment is provided
- allow drinking without requiring food to be consumed
- permit drinks to be purchased at a bar.

For these purposes, it should exclude:

- restaurants/cafes/snack bars
- nightclubs
- hotels/guesthouses/boarding houses
- sporting venues
- music venues/theatres/concert halls
- festival sites
- museums
- exhibition halls
- cinemas
- casinos

4.7 These exclusions are not exhaustive and it is for the local authority to determine those cases where eligibility is unclear. Delegated authority is sought for the Service Lead - Revenues & Benefits to resolve any dispute regarding eligibility for the discount.

- 4.8 The total amount of government-funded discount available in the year 2020/21 under this scheme is £1,000 per eligible property. There is no discount available under this scheme for properties with a rateable value of £100,000 or more.
- 4.9 Eligibility for the discount and the discount itself will be assessed and calculated on a daily basis so if a ratepayer vacates part way through a year the discount will be apportioned pro rata.
- 4.10 This discount should be applied to bills after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, including the retail discount, but excluding those where local authorities have used their discretionary relief powers under section 47 which are not funded by section 31 grants. Where an authority applies a locally funded relief under section 47 this must be applied after the pubs discount.

4.11 State Aid

- 4.11.1 Ratepayers that occupy more than one property will be entitled to the discount for each of their eligible properties, subject to State Aid De Minimis limits.

4.12 Qualifying Businesses

- 4.12.1 As at 31 December 2019 East Devon had 88 properties that appeared to be eligible for the discount.

4.13 Administering the Scheme

- 4.13.1 The Council will reduce the administrative burden on businesses by automatically granting eligible businesses the pubs discount as part of 2020/21 annual billing and instructing ratepayers to contact us only if receipt of the discount breaks State Aid rules.

4.14 Members approval

- 4.14.1 The recommendation is to adopt the Government's scheme as set out in the guidance as this funding provides financial support to our local pubs which links to our key priority in developing outstanding economic growth.



Report to: **Cabinet**

Date of Meeting: 4 March 2020

Public Document: Yes

Exemption: None

Review date for release None

Subject: **Financial Monitoring Report 2019/20 - Month 9 December 2019**

Purpose of report: This report gives a summary of the Council's overall financial position for 2019/20 at the end of month nine (31 December 2019).

Current monitoring indicates that:

- The General Fund Balance is being maintained at or above the adopted level.
- The Housing Revenue Account Balance is being maintained at or above the adopted level.

Recommendation: **The variances identified as part of the Revenue and Capital Monitoring process up to Month 9 be acknowledged.**

Reason for recommendation: The report updates Members on the overall financial position of the Authority at set periods and includes recommendations where corrective action is required for the remainder of the financial year.

Officer: John Symes – Finance Manager, jsymes@eastdevon.gov.uk

Portfolio Holder: Portfolio Holder for Finance

Financial implications: Contained within the report

Legal implications: Any legal implications are identified in the report and no further comment is required.

Equalities impact: Low Impact

Climate change: Low Impact

Risk: Low Risk

Links to background information: .

Link to [Council Plan](#): Outstanding Council and Council Services

Report in full

1. Introduction

- 1.1 The purpose of this monitoring report is to update members of Cabinet on the overall financial position of the Authority following the end of month nine. The report considers expenditure to date and projections on year end spend to determine if the Council will maintain it's spending within budget and maintain the General Fund Balance and the Housing Revenue Account Balance within the adopted ranges.

2. General Fund Position as at Month 9 December 2019

- 2.1 The following table shows the original budget set for the year and any supplementary estimates approved to date affecting the General Fund position. In year variances have been identified which are likely to alter the outturn position for the year as detailed below:

General Fund Position	£000
Original Budget Requirement (set 27/02/19)	12,330
Month 9 predicted over / (under) spend at year end detailed below	(122)
Predicted Outturn Position 31/3/2020	12,208

A summary of the predicted over and under spends to the Year End is shown below:

Predicted over / (under) spends	Predicted Outturn Variation £000
<u>Environment Portfolio</u>	
Car Parks	
Income from fees above budget, really good summer.	(150)
Queens Drive higher works specification.	18
<u>Streetscene Portfolio</u>	
Recycling and Refuse	
Costs over and above refuse collection contract as indices higher than budgeted.	104
Recycling incomes - volatile recycling prices i.e. paper down, plastics up.	25
Other cost savings in service area (staff, supplies).	(43)
Coast & Flood Prevention	
Savings on contractors & support.	(37)
Cemeteries	
Burials Income lower than predicted. Budget was increased by £50k and has subsequently been reduced for 20/21.	89

<u>Economy Portfolio</u>	
Building Control Increase in application numbers, favourable income position of £25k, but ringfenced account so no effect on General Fund.	-
<u>Finance Portfolio</u>	
Financial Services Investment income higher than budgeted (£16k) and Capital Financing Requirement (CFR) charge to General Fund lower than budgeted (219k) following revised methodology to benefit council.	(235)
<u>Strategic Development & Partnership Services</u> Planning application fees lower than budgeted (£280k) however reduction in expenditure being used to mitigate overall reduction.	137
<u>Sustainable Homes & Communities Portfolio</u>	
Homeless Persons Implications on new legislation. To reduce Prevention Fund expenditure there has been an increase in Homelessness Rent Deposits bonds paid to recover Rent in Advance payments.	25
<u>Corporate Services Portfolio</u>	
EDDC Elections Increase of Royal Mail Pollsort postal service, 70% for postal vote postage and 100% for Poll Card postage. Increases in the electorate and increase payments to polling staff have also added to increased costs.	60
Staffing position across all services Overall savings on budget which includes an assumption that we would save £349k through vacancies in year. Savings are across a number of service areas.	(115)
Predicted Outturn Total Variations General Fund	(122)

- 2.2 These variations will have the following overall effect on the Council's General Fund Balance:

	£000
General Fund balance as at 1/4/2019	(3,938)
Use of General Fund Balance 2019/20	181
Predicted net over / (under) spend to year end	(122)
Predicted General Fund Balance 31/03/20	(3,879)

The Council has an adopted range for the General Fund Balance to be within £3m to £3.8m. The predicted balance is currently above this range and any required action can be taken at year end.

3. Housing Revenue Account Position

3.1 The following table shows the variation against the original budget which will affect the Housing Revenue Account year end position.

Predicted over / (under) spends	Predicted Outturn Variation £000
Income	134
Responsive Repairs	938
Programme Maintenance	(130)
Special Works	(245)
Supervision & Management	(236)
Other Expenditure	(69)
Major Repairs	(91)
Financing interest on Balances	44
Predicted Outturn Total Variations HRA	345

Notable items of budget variance are;

- Income lower driven by void levels being higher than predicted
- The implementation in the year of the new maintenance contract, the interim contract provided by Ian Williams to cover the shortfall of the previous contractors combined with the clean-up of the residual invoices relating to the old contract has caused a significant overspend. Savings on programme maintenance, Special works and on Supervision & Management has reduced the overall impact.

3.2 The following table shows the original budget surplus set for the year and the total variations as identified above, which are likely to affect the budget to give a revised budget deficit for the year.

HRA (Surplus)/Deficit	£000
Original Budget surplus (Council 27/2/19)	(1,154)
Month 9 predicted net (under)/overspend to year end	345
Predicted Budget (Surplus)/Deficit HRA	(809)

The original approved budget generates a surplus of £1.154m in 2019/20. This sum was to be used to help finance the purchase of properties, continuing with the £5m annual investment programme (£3.5m from reserves/surplus and £1.5m from RTB receipts).

3.3 The following table shows the effect on HRA Reserve:

	£000
HRA balance as at 1/4/2019	(3,100)
Predicted net over / (under) spend to year end	(809)
Predicted General Fund Balance 31/03/20	(3,909)

The HRA Balance is required to be maintained within the adopted range of £2.1m and £3.1m, it is currently being projected to be £3.909m at the end of 2019/20. Other reserves held by the HRA are contained in the detailed report to Housing Review Board.

4. Capital Programme Position up to Month 9

4.1 Below is the current position estimated for the capital programme which reflects a re-profiling of expenditure taking into account carried forward from the 2018/19 budget.

Capital Programme	£000	£000
Net Capital Programme Budget (Council 27/02/19)		9,819
2018/19 outturn position, budget slippage into 2019/20	6,198	
Revised 2019/20 budget		16,017
Capital Programme variations	-	-
Predicted Capital Budget Requirement Month 9		16,017

4.2 Details of the capital programme financing is given below:

Capital Programme Financing	£000
Predicted Capital Budget Requirement Month 9	16,017
HRA Financing	(4,846)
General Fund Capital Projects Reserve	(48)
New Homes Bonus	(2,323)
General Fund Capital Receipts	(8,644)
Net Internal/External Borrowing	156

4.3 The Council currently does not hold a general capital reserve and all funding needs to be found. The cash required to fund the expenditure of £0.156m can be met from internal cash balances or through raising loans, this decision is made in line with Council's Treasury Management Strategy. The revenue implications of funding this position has been factored into the revenue monitoring position.

Report to: Cabinet

Date of Meeting: 4 March 2020

Public Document: Yes

Exemption: None

Review date for release None

Subject: **Thelma Hulbert Gallery's new strategic direction and programming**

Purpose of report: To report to Cabinet the refocussing of the THG's work programme and priorities to deliver the new Council Plan's aims and objectives. The appointment of a new Gallery Manager and the need to develop a new Business Plan for the gallery provides an opportunity to reset specific goals over the next 3 years. The emphasis going forward will be on how the THG can help to deliver complex issues such as the Council's commitment to climate change, integrate its work programme into enhancing and celebrating East Devon's outstanding natural environment and working with local communities to help with place making initiatives.

Recommendation: **Cabinet to approve and endorse the new strategic direction for the Thelma Hulbert Gallery (THG).**

Reason for recommendation: The Thelma Hulbert Gallery (THG) has appointed a new Gallery Manager and will be developing a new Business Plan for the THG which includes a refocussing of its strategic direction to better align with the new Council Plan's aims and objectives. The report and presentation provide Cabinet with the proposed 'direction of travel' for the THG.

Officer: Charlie Plowden, Service Lead – Countryside & Leisure
CPlowden@eastdevon.gov.uk 01404 515616
 Ruth Gooding, Gallery & Arts Development Manager
RGooding@eastdevon.gov.uk 01404 45008

Portfolio Holder: Portfolio Holder for Environment

Financial implications: There are no direct financial implications as a consequence of this report.

Legal implications: There are no direct legal implications requiring comment.

Equalities impact: Low Impact

Climate change: Low Impact

Risk: Low Risk

Links to background information:

Link to [Council Plan](#): Outstanding Place and Environment

Report in full

1. Background

- 1.1 The Gallery's work is set in the context of the Council's priority work under 'Outstanding Place and Environment' section of the Council Plan. A major aspect of the THG team's work is engaging with the district's community groups and hard to reach groups to help improve their quality of life through workshops and projects that help tackle a range of issues such as health and wellbeing, rural isolation, social cohesion, using art to understand complex educational issues. These important contributions over the last six years have helped to deliver our Council Plan's priorities and is recognised as an important function of the THG.
- 1.2 In 2019 the strategic mission of THG was redefined as operating as a '**cultural hub**' supporting communities in their **health, environment** and **well-being** through an annually changing programme of exhibitions, events and workshops, which inspire, challenge and excite. The gallery is driven to support **innovation** in rural cultural production and operate as a **resilient** rural arts organisation, strengthened through working in **partnership** and **collaboration**. The THG is preparing to apply to Arts Council England for National Portfolio Organisation status (2022-26). Following the announcement of the Arts Council England 2020-30 strategy, the gallery is in a strong position, already performing highly across all planned outcomes from the new 10 year Strategy.

2. THG & Social Value

- 2.1 The THG is now a core part of delivering EDDC's health and wellbeing agenda and our commitment to social inclusion as it has been firmly embedded into the work of the Gallery team and its key achievements since 2015/16. The THG is also playing a lead role in engaging with organisations such as Mind, Switch, Early Help Forum, Memory Cafes and Children Centres across East Devon to deliver activities that will help support individuals in coping with issues of mental health and wellbeing. This has led to the THG becoming a nationally accredited Dementia friendly gallery through leading workshops in partnership with the District's network of Memory cafes and also organisations such as Age UK, Alzheimer's Society and Mind.
- 2.2 Looking to the future, as these social prescribing responsibilities are now set up and successfully supporting numerous groups, there is recognition within the health care arena that the THG is providing important and meaningful support to these specific areas of healthcare and making a tangible difference to people's lives. This role is fully recognised and explained within East Devon DC's Public Health Plan.

3. Arts Council England Strategy 2020-30

- 3.1 Arts Council England's Strategy for 2020-30 is built around three Outcomes and four Investment Principles. They are designed to work together to achieve a vision of a country in which the creativity of 'each of us' is valued and given the chance to flourish, and where 'every one of us' has access to a range of high-quality cultural experiences.
- 3.2 The three Outcomes focus in turn on how people can develop personal creativity at every stage of their lives; how culture is created by and with **people in their communities**, and how it shapes the places in which they live, work, learn and visit; and the development of the innovative, **collaborative** and **internationally** facing **professional cultural sector** that we believe will be needed over the next decade. The first Outcome focuses on **amateur and voluntary creative activity**, including by children and young people. The third Outcome looks at the professional cultural sector, including those seeking to develop a career in the

creative industries after they leave full-time education. The second Outcome brings the first and third Outcomes together by considering how the professional and voluntary sectors can work with each other to help shape stronger cultural provision in villages, towns and cities.

3.3 The Arts Council England also produced a report in 2019 'Value of Arts and Culture in Place Shaping' that shows that arts and culture are as important as good schools when people make their decisions about where to live. There is not only tangible value in investment in the arts, but also a significant public demand for it. In the Report those surveyed, 44% said the local arts scene is an important factor, compared with 43% saying the same about schools. The presence of a theatre or a gallery – places where people gather to enjoy themselves and share an experience can help to sustain towns through the transformations that towns experience through time. Galleries or theatres can generate local pride and help to forge a new identity based on creativity, while still celebrating their past.

3.4 As well as considering the benefits to communities, people are also drawn to places with a strong artistic offering because they recognise the value of creativity to themselves as individuals. According to the report, nearly two-thirds of people think that arts and culture are good for wellbeing, and 36% think arts and culture are "essential to life". People who attended a wide range of arts and cultural events reported higher levels of satisfaction with their lives than those who did not, even after accounting for other factors that influence life satisfaction.

3.5 Artists and arts organisations can also shape conversations about the environment. They can challenge and be provocative, both informing and opening our minds. Recently there has been an overwhelming response from arts and cultural organisations to put this conversation centre stage. A range of innovative projects that engage audiences in the issue of climate change are now beginning to emerge across the country, working with leading visual artists, creative technologists and scientists to encourage meaningful responses to environmental issues. These are highlighting issues around plastic in drinking water or raising awareness of biodiversity in UK woodlands; The arts has an important role in helping society to face up to the challenge of climate change and create a more sustainable future for us all.

4. Arts Council England & Climate Change

4.1 Arts Council England wants cultural organisations (such as the THG) to act as leaders within their communities in terms of taking an environmentally responsible approach to running businesses and buildings: by lowering carbon emissions, increasing levels of recycling, cutting their use of plastic and reducing water consumption.

4.2 There is also an expectation from the Arts Council England to promote the need for environmental responsibility in the communities in which cultural organisations work, through their partnerships and with their audiences. This means the THG should be aware of the cultural sector's role in helping to lead change, and so the gallery should aim to be innovative and responsive in the choices it makes.

5. THG's new strategic direction

5.1 The THG has recognised the need to meet these new challenges going forward and with the appointment of a new Gallery Manager and the need to develop a new five year Business Plan (2020-2025) the moment and opportunity is now. The challenge that has been set for the THG is:

- To help deliver the Council's Climate Change Strategy and Action Plan by helping local communities understand the complex issues facing them through climate change by commissioning workshops and artists to engage in better understanding these challenges and finding solutions.

- To mainstream the work of the THG into the Council's commitments to its natural environment through using art and artists to help our communities to better understand, connect and engage with their green spaces and the wildlife that lives amongst it.
- To help deliver the Council's regeneration schemes by commissioning artists and public art to help improve the public realm and enable place making schemes that will enable a cultural dimension to the regeneration schemes, develop civic pride in public spaces that have been neglected or attracted anti-social behaviour.

5.2 The THG has set about meeting these challenges through a series of programmes and projects that are and will be working with local communities, schools, developers and other Council teams such as Countryside, Streetscene, Planning, Estates and Housing. This will ensure there is a joined up approach corporately, a maximisation of resources and clear identification of how the THG can add value.

6. THG's Culture + Climate Change 2020 programme:

6.1 In 2020, against the context of East Devon District Council's commitment to Devon's Climate Change Emergency declaration, and the University of Exeter's declaration of an environment and climate emergency, Thelma Hulbert Gallery and the University of Exeter are working together to deliver a series of ambitious exhibitions, projects and public programme. Audiences will be invited to participate in a range of activities at Thelma Hulbert Gallery, the University and diverse locations across East Devon. The core messages align to the strategic plan and service plans: Walking and health, The natural environment and conservation, reuse, repair, recycle

6.2 THG's Culture + Climate 2020 exhibitions and project highlights:

- Working in partnership with Tate and National Galleries of Scotland, ARTIST ROOMS Richard Long *Being in the Moment* opened on Saturday 22nd February 2020. It is a presentation of work by renowned Sculptor and Land Artist Sir Richard Long. The exhibition follows museum standards of display and interpretation, made possible through a generous exhibition bursary. This exhibition is followed by Mike Perry, *LAND/SEA which* runs throughout the summer (5th June – 5th September) featuring two widely acclaimed collections of environmental photography.
- Running in parallel to both exhibitions is an ambitious and wide-reaching environmentally themed learning and outreach programme, designed to reach new audiences and strengthen partnerships.
- Specific audiences include: Families from low socio-economic backgrounds, rurally isolated older people, Young people, Young people with additional needs and new audiences with little experience of cultural engagement. The ambition of the programme could only be realized with further generous support from Tate/National Galleries of Scotland, East Devon Area of Outstanding Natural Beauty, Arts Council England and University of Exeter.
- The programme has been a catalyst for high profile partners and strategic regional and local collaborations: including: Tate, National Galleries of Scotland, University of Exeter, Area of Outstanding Natural Beauty, Beehive, Seaton Jurassic, The School of Art and Wellbeing and Devon Recovery Network (DRLN/NHS). Our work with DRLN uses art and the environment as a springboard to keeping mentally well using the format CLANG: **C**onnect, **L**earn, be **A**ctive, **N**otice, **G**ive back.
- This year the THG are also trailing two different models of engaging audiences from further afield including Exeter, Bristol and Plymouth. This is exploring and celebrating THG's role and voice in rural place making and cultural programming, while highlighting and inviting dialogue around the cultural and environmental achievements and challenges in East Devon:
- University of Exeter presents Creative Dialogues with Richard Long - At the Beehive, Honiton 13th May 2020

- Culture and Climate Change 2020 symposium. Various locations across East Devon including Exmouth, Seaton, Thelma Hulbert Gallery and School of Art and Wellbeing. June 18th & 19th 2020
- In 2020, following a successful application to HLF to fund a volunteer development project, THG will be working in the community developing training programmes for existing and new volunteers. Our new volunteer team who come from a range of backgrounds and ages (15-90), will receive specialist professional and creative training and equipment to enable them to support us to deliver our ambitious programme.

7. THG's 'Out and About' programme

7.1 THG's 'Out and About' programme is a way of bringing the benefits of cultural activities direct to the residents of East Devon and shine a spotlight on the districts outstanding natural environment for all to enjoy. It makes cultural activities accessible and a 'way of life', where everyone can enjoy culture in the outdoors, benefiting health and wellbeing.

7.2 THG 'Out and About' works in the outdoors to engage diverse audiences through participatory, interactive and unusual creative processes. It employs a range of creative practitioners from poets to artists, sculptors to designers, sharing ideas on our heritage and natural environment, inspiring and exciting communities locally, nationally and globally.

7.3 **Abode of Love, Exmouth - June 2020.** *Abode of Love* is an area on the beachfront of Exmouth. It runs along the back of the beach approximately 342 feet long, with 9 bays each 38 feet long intercepted by a flight of stairs leading up to the main road, acting as a flood defence. THG has devised a two year public art programme enabling an artist of national acclaim (Simon Terrill) to work with schools and groups of young people to develop a public artwork which responds to the site and context of the climate emergency. Historically the area has attracted anti-social behaviour. Working in collaboration with EDDC Countryside's Wild Exmouth project, participants will re-imagine the site as a social space. The project launches as part of the Culture + Climate symposium 18th June.

7.4 **Out and About & Area of Outstanding Natural Beauty (EDAONB).** In 2020 THG enters its third year of partnership working with East Devon AONB. The Culture + Climate programme has been a catalyst for a programme of activity focused on nature connection: workshops, walks, maps and talks. This includes the launch of the Harpford's woods activity jars. A trail of activities inviting visitors to use the woods for creativity and wellbeing. A highlight of the partnership will be the presentation of Mike Perry's environmental photography at the University of Exeter, as part of the National Association of AONBs Conference being held in Devon in July 2020.

8. Summary

The THG has a clear role in helping to tackle the considerable challenges of addressing the Council's priorities on Climate Change through a mixture of engaging with communities, trying to help people to understand the complex challenges faced and how individually we can make a difference. The exciting new partnerships developed with the Tate and Exeter University will help to take this ambition forward. The connections being made with East Devon's outstanding environment with the 'Out & About' programme will bring a much closer and collaborative relationship with East Devon DC's Countryside team and the two AONBs. The new programme is the start of a bold and ambitious strategic direction and a way of working for the THG which will help it to deliver many of the challenges within the new Council Plan.



Report to: **Cabinet**

Date of Meeting: 4 March 2020

Public Document: Yes

Exemption: None

Review date for release None

Subject: **UK Refugee Resettlement Scheme**

Purpose of report:

The government has invited all local authorities to renew their commitment to refugee resettlement through a new UK Resettlement Scheme, from 2020/21.

Refugee resettlement in Devon has since 2016 been delivered through a partnership coordinated by Devon County Council. As of December 2019, 42 families (185 people) have been resettled in Devon. The resettlement infrastructure in Devon will be able to support further resettlement arrivals provided that a minimum of five families are resettled across Devon in 2020/21.

Devon County Council is asking each City and District Council to consider making a commitment to the new UK Resettlement Scheme by:

- pledging to secure a specific or minimum number of properties to accommodate new arrivals of refugee families under the local authority-managed resettlement scheme in their area in 2020/21 and;
- making a commitment in principle to participating in the UK Resettlement Scheme beyond 2020/21 subject to government confirmation of the numbers of people and associated funding – for instance by setting a maximum number of family arrivals in any year and;
- cooperating with Devon County Council in considering applications from new Community Sponsorship groups in their area on a case-by-case basis.

Recommendation:

That East Devon District Council continues to support the Devon resettlement scheme from 2020/2021.

Reason for recommendation:

Information to be used as needed within the Council to assist elected members and senior managers in making decisions about continuing the Council's involvement in the UK government's refugee resettlement scheme from 2020/21.

Officer:

Andrew Mitchell, Housing Needs and Strategy Manager
amitchell@eastdevon.gov.uk

Portfolio Holder:

Portfolio Holder for Sustainable Homes and Communities

Financial implications:	The direct costs incurred by the Council are recovered through government funding through Devon County Council.
Legal implications:	The report does not identify any legal implications requiring comment.
Equalities impact:	Medium Impact This initiative will provide homes for disadvantaged groups from abroad and contribute towards the humanitarian effort to assist refugees.
Climate change:	Low Impact
Risk:	Low Risk
Links to background information:	Homelessness Strategy
Link to Council Plan:	Outstanding Place and Environment Outstanding Homes and Communities

1. Background

- 1.1 Prompted by the Syrian refugee crisis, the UK government committed in 2015 to resettle 23,000 refugees in the UK by 2020. The government looked to local authorities to provide housing and integration support for families accepted for resettlement. Where local authorities volunteer to participate in resettlement, the government provides a 5-year funding package for every family resettled.
- 1.2 In response, Devon formed a partnership of City, District and County Councils, the NHS, Devon and Cornwall Police and partners in the voluntary and community sector. Devon County Council coordinates this partnership and manages the government funding. A Memorandum of Agreement is in place between all participating Councils and the operation of the scheme is overseen by an officer group from those councils.
- 1.3 Devon's Councils made independent, public decisions on the number of properties they aimed to offer for resettlement over the course of the scheme, as shown below:

Area	City/District Council pledge (families)	City/District Council offers (houses found)	Community sponsors approved (families)	Families arrived	People arrived
East Devon	8	4	1	4	18
Exeter	12	12	1	13	55
Mid Devon	5	3		2	9
North Devon	4		3	3	15
South Hams	6	6		6	23
Teignbridge	7	6	1	7	31
Torridge	Not specified		2	2	12
West Devon	4	5		5	22
Total	46+	36	8	42	185

**North Devon Council and Torridge District Council are participating in resettlement through Community Sponsorship only.*

- 1.4 The total number of family arrivals across Devon is likely to meet or exceed the total pledged, due to a small number of ongoing property offers and Community Sponsorship applications.
- 1.5 The government expects to achieve the target of resettling 23,000 refugees across the UK in the first half of 2020 and has already announced a new global resettlement scheme to start in 2020/21. The new scheme will aim to resettle a further 5,000 people in 2020/21. The number to be resettled in subsequent years will be determined through future spending rounds.
- 1.6 The government intends the new scheme to continue seamlessly from the current schemes (see letter in **annex 1**). In principle, the new UK Resettlement Scheme may accept refugees from anywhere in the world where there is acute need. In practice, it is likely that the nationalities and needs of families accepted will remain similar to current schemes at least at first - that is, of Middle Eastern and North African nationalities, displaced by the Syrian conflict or other regional crises.
- 1.7 Devon's City and District Councils enable resettlement by finding sustainable, affordable housing for refugee families. The government does not prescribe how Councils should do this. Under the current schemes, Devon's Councils have looked to the private rented sector to ensure that refugee families are not given priority over local residents' housing needs. Most of Devon's Councils have chosen to lease properties from landlords, place refugee families in the properties as Council tenants and to manage the properties and tenancies on the landlords' behalf. It is equally possible to appoint a third party as agent for the landlord, or for a landlord to accept families as direct tenants. Whatever the arrangement, sustainability and affordability are key.
- 1.8 Experience shows that resettled families will be dependent on benefit income for some time while they learn sufficient English to look for work. Councils must therefore source accommodation that is affordable within the Local Housing Allowance. There is an acute shortage of such accommodation across the county. A significant proportion of the properties that have been brought into the resettlement scheme have been provided by landlords who are moved by the plight of refugees and who want to help this group.
- 1.9 Since 2017, the government has promoted **Community Sponsorship** of refugee resettlement alongside the local authority-managed scheme. Community Sponsorship allows suitable, charitable, community and voluntary organisations to take full responsibility for the resettlement of a refugee family with the consent of the relevant local authorities and under formal contract with the government. The scheme has been a great success across the UK and in Devon, where there are now six active Community Sponsorship groups, with two groups each welcoming a second family.
- 1.10 Under the new UK Resettlement Scheme, people resettled through Community Sponsorship will be additional to the 5,000 based on local authority commitments. Councils will be unable to count Community Sponsorship towards any Council pledge.

2. Commitments from 2020

- 2.1 The specification of support services and the local authority funding package for the new scheme will not change: the government will provide a total of £20,520 for each refugee tapered over five years. The funding is intended to cover local authorities' direct costs in delivering the resettlement scheme. Devon's experience shows this to be broadly

realistic. Devon County Council reimburses City and District Councils for their declared direct costs related to the scheme. Separate additional funding also goes to local education and health services for the first year after arrival of each family.

- 2.2 Based on the current operating infrastructure in Devon, pledges of a minimum of 5 family arrivals in total across Devon during 2020/2021 will be needed from those City/District Councils that are already participating in the local authority-managed resettlement scheme, in order to provide sufficient capacity to accept any new arrival. Adjustments to the infrastructure may be needed before it is possible to accept refugees with a wider range of cultural and language needs than has so far been the case.
- 2.3 Devon County Council, as accountable body for the resettlement funding and commissioner of the principal resettlement support services, invites City/District Council partners to make a continuing commitment to the scheme if they wish to see it continue in their area and to confirm this commitment by 31.03.2020.
- 2.4 From 2015, the resources used in order to implement the Vulnerable Persons Relocation Scheme have been drawn from the Housing Options team, who have the statutory responsibility covering the Council's homelessness service. However, the landscape has changed considerably since that time, with the introduction of the Homelessness Reduction Act in April 2018 which has placed much greater pressure on a limited supply of accommodation suitable to meet the needs of our clients.

3. Recommendations

- 3.1 That East Devon District Council continues to support the Devon Resettlement Scheme from 2020/2021.



20 December 2019

Dear local authorities,

UK Resettlement Scheme – pledges to resettle refugees

The Government is committed to supporting and safeguarding vulnerable people who seek protection in the UK through resettlement and asylum routes. We could not do this without the ongoing commitment and support of local authorities and your communities. I would like to thank you for the important contribution local authorities, such as yours, make to resettlement, the asylum system, or both.

On 17 June, the then Minister of State for Immigration and the Minister for Faith wrote to your Leader to tell them about the new UK Resettlement Scheme. Since then we know that many of you have been considering how to start, or continue, contributing to the UK resettlement effort. In the year 2020-21, we aim to resettle in the region of 5,000 refugees. I am grateful to those who have already indicated your clear commitment to support this important humanitarian effort.

We intend the start of the new scheme to follow seamlessly the arrival of the 20,000th refugee through the existing Vulnerable Person's Resettlement Scheme. We have begun to receive referrals under the new scheme from UNHCR and anticipate arrivals from early April.

To ensure a smooth flow of arrivals through transition we now need a fuller picture of the number of places that local authorities across the UK are able to offer. Therefore, it would be helpful if you could **please let your Regional Strategic Migration Partnership know, by Friday 31 January, how many refugees you will pledge to resettle in 2020-21**. In some authorities, you may still be working through your decision-making process. If that is the case, please do let us know: this is certainly not the final opportunity to demonstrate your commitment to the UK Resettlement Programme.

If you wish to clarify aspects of the scheme, please **get in touch with your Regional Strategic Migration Partnership or your Resettlement Contact Officer who will be happy to help**.

In talking about numbers, it might be possible to lose sight of the individual lives that we are impacting positively, and in many cases saving, through our resettlement schemes. We know that behind each successful resettlement is a huge amount of planning and ongoing hard work. Thank you again for your invaluable support for resettlement through the current schemes, as well as your support for those who arrive through asylum routes. I look forward to hearing from you in relation to the future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kate Carr', with a stylized, flowing script.

Kate Carr

Director of Resettlement, Asylum Support and Integration



Report to: Cabinet

Date of Meeting: 4 March 2020

Public Document: Yes

Exemption: None

Review date for release None

Subject: Relocation – Project Close Out Report

Purpose of report: The District Council moved to Blackdown House (BH) in February 2019 completing the physical move to Honiton and to Exmouth Town Hall (ETH) having spent over 40 years in Sidmouth.

Following the first year of operation in Honiton and in Exmouth this report is a first opportunity to meaningfully review the performance of relocation against projected benefits. This report describes the progress and outcomes of relocation including the following key headline benefits:

- Immediate and ongoing savings through reduced operating costs: £191,568 in Yr 1 and continuing every year thereafter
- Effective use of capital investment on modern rather than outdated buildings
- Energy savings and an 80% reduction in CO2 emissions
- Delivery of the project within budget
- A 20% increase in capital receipt on the original agreed base sale price from £7.5m to £9.0m.

Recommendation:

- 1. Members to note the content of the report and assessment of performance and outcomes against benefit projections.**
- 2. Members to note the ongoing actions to resolve outstanding accommodation issues.**
- 3. Members to consider the SWAP report attached at Appendix 2 and refer its findings to the Capital Strategy and Allocations Group for detailed consideration with regard to all major projects.**

Reason for recommendation: The Council has now completed its move away from its former offices. It is timely for a report to come to Cabinet to advise of the emerging benefits of the move and to inform about any outstanding tasks for completion.

Officer: Richard Cohen
Deputy Chief Executive
Email: rcohen@eastdevon.gov.uk
Tel: 01395 571552

Portfolio Holder:	Portfolio Holder for Asset Management
Financial implications:	The financial details are contained and commented on in the report.
Legal implications:	The report does not identify any legal implications requiring comment.
Equalities impact:	<p>Low Impact</p> <p>Blackdown House and Exmouth Town Hall meet Equalities Act 2010 standards. Both buildings are a significant improvement as workplaces and for customers and visitors. Exmouth Town Hall and Blackdown House both have disabled accessibility and services on all floors which was not previously the case with the Knowle nor Exmouth Town Hall prior to its refurbishment.</p> <p>Issues regarding disabled access to Blackdown House for meetings outside normal working hours have required some retro fitting action in terms of additional reception area staffing (now in place) and further investigation of the practicality of powered door opening.</p>
Climate change:	<p>Low Impact</p> <p>‘Low impact’ in the sense of significant and positive impact through major reductions in overall energy use and energy cost to the Council compared to the alternative of staying at the Knowle. This in turn is matched by a dramatic reduction in CO2 emissions attributable to the move from old to new and refurbished offices. These key benefits are explored in detail elsewhere in this report.</p>
Risk:	<p>Low Risk</p> <p>This is a project closure report. In that regard we are reporting on the completion of the relocation project and the achievement of projected benefits. Throughout the life of the project a detailed risk register was maintained and monitored. The risk register has now been closed. The Council has successfully relocated from its former Sidmouth offices and effectively managed a broad and complex range of project elements throughout the process.</p> <p>There remain some outstanding works issues for Blackdown House for which contract monies have been withheld from the contractor. These do not impact on the effective operation of the Council and are detailed elsewhere in this report.</p> <p>On 17 Feb 2020 the Council was advised that it had been awarded a Building Research Establishment Environmental Assessment Method (BREEAM) ‘Very Good’ rating of environmental sustainability for Blackdown House.</p> <p>South West Audit Partnership (SWAP) have been involved throughout the project and present at the regular project management fora.</p>
Links to background information:	<p>Appendix 1 – Benefits Analysis (attached)</p> <p>Appendix 2 – SWAP Audit Memorandum (attached)</p> <p>Relocation Decisions – Cabinet Report 11 Mar 2015</p> <p>Office Relocation Decisions – Cabinet report 5 April 2017</p>

Report in full

1. History

As far back as July 2010 a report came to Cabinet seeking approval to explore the opportunity for the Council to move out of the Knowle into modern, cost efficient alternative accommodation. The original report considered a split site approach using part of Exmouth Town Hall and a new office on the Council's land at Heathpark. After some variations to the theme as described below, that was the relocation outcome as of Feb 2019.

A further report came to Cabinet in July 2011 with a viable case for relocation and seeking authority to move forward with a relocation programme. Dedicated project management expertise was then commissioned and internal structures set in place for oversight and project delivery. Members also agreed to seek outline planning permission for development on the Knowle.

The planning application was prepared and submitted but refused by the Development Management Committee in March 2013. The Council determined that the financial and operational imperative to relocate remained and, following a Cabinet report in July 2013, moved forward with a search for alternative sites and to market both the Knowle and Heathpark sites. Cabinet and Full Council initially preferred a move to SkyPark which would also have entailed the sale of the Council's Heathpark site. In the event the sale of Heathpark did not progress and the Council instead decided to move forward with a twin site approach of refurbishment of Exmouth Town Hall and a new-build HQ at Honiton, Heathpark.

Full Council in December 2014 asked for independent audit to take a fresh view of the project and advise on matters of governance, modelling and value. In March 2015 the audit outcomes were reported to Cabinet and also to a combined meeting of Overview and Scrutiny and Audit and Governance Committees. On the basis of the positive findings of the independent assessment, Council agreed to move forward with relocation and that the Knowle site should be sold to PegasusLife, the Council's chosen developer.

In December 2016 PegasusLife's planning application was refused by the Development Management Committee. Around the same time the Council itself had gained planning permission for the Honiton office project. The following April the Council considered the impact of PegasusLife's planning refusal and the continuing case for relocation from the Knowle, and determined to move forward with Exmouth Town Hall refurbishment and a new HQ at Heathpark. PegasusLife subsequently won their planning appeal confirmed by the Planning Inspectorate in January 2018. With the completion of the transfer of the Knowle site to PegasusLife (or LifeStory as they are now known) the new owner is responsible for any planning obligations associated with the site and its development.

Along the way there were also a series of local challenges that were overcome regarding the move from Sidmouth and sale of the Knowle site including application for heritage listed status, town and village green status and rights of way. These various local actions did not prevent progress toward sale of the Knowle site. Throughout this process the Council has also committed to the transfer of the remaining Knowle parkland to Sidmouth Town Council.

Exmouth Town Hall (ETH) took nine months to refurbish and fit out. The construction of Blackdown House (BH) began in July 2017 and was completed by early January 2019, followed by some five weeks of fitting out. In November 2017 Exmouth Town Hall re-opened and on 11 February 2019 the move to Blackdown House was completed. The project has been delivered within the budget of £10,586,000.

For many elected members and officers, this has been a long and complicated journey to move from a previous HQ where this Council had lived since its earliest days for over 40

years. For many of our newest members and officers, Blackdown House is as new as you are.

2. Operational and Strategic Reasons for Relocation

On 5 April 2017 Cabinet agreed to move forward with construction of Blackdown House. That report reiterated a series of benefits that were expected to be achieved as a result of the move from the Knowle. SWAP have also been tasked as part of their audit programme with assessing relocation benefits realisation.

The headlines of relocation benefits are:

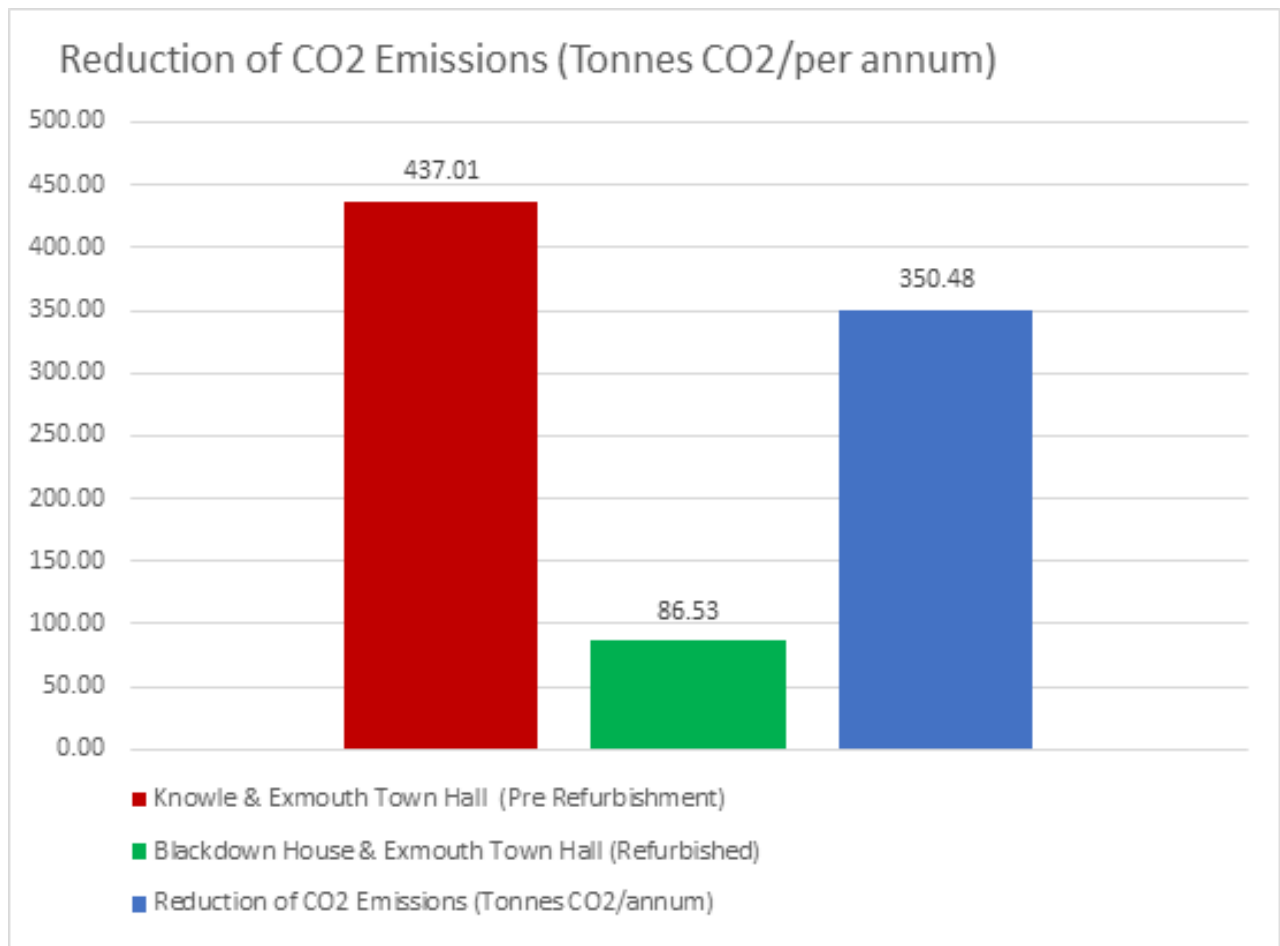
- Delivery within budget
- Successful sale of the Knowle and 20% (approx. £1.5m) improvement in final capital receipt over the base sale price
- Running Cost savings – immediate and continuous
- Avoidance of a £1.94m Knowle repair and maintenance bill
- 80% reduction in CO2 emissions from HQ buildings
- Smooth physical move to Exmouth and Honiton and operational continuity
- Flexibility of office accommodation to cope with future demands and potential change
- Modern, ICT rich and communicative working environment that reflects new ways of working.

The table at Appendix 1 details key reasons for relocation identified in the April 2017 Cabinet report alongside an assessment of their achievement one year on from relocation. The report from SWAP that compares project and outcome benefits is attached at Appendix 2.

3. Deliverables Achieved Following Relocation

Carbon Emissions Reduction – Based on the information identified in the Display Energy Certificates for Knowle and ETH and the Energy Performance Certificate for BH, it is advised that in addition to the operating costs savings, the move to BH and the refurbished ETH has enabled a significant reduction of some 350 tonnes per year which is equivalent to an 80% decrease in carbon emissions

Fig. 1 Reduction in Carbon Emissions



The reduction of CO2 principally relates to BH, since ETH, as an existing building, offered limited opportunity to create significant savings as an outcome of refurbishment. The main reasons for the lower CO2 at BH are because of:

- A high level of thermal insulation within the floors, walls, ceilings, roof structure and double glazing
- Innovative methods of heating & cooling using new, efficient gas boilers.
- Low levels of air permeability.
- Other energy saving measures e.g. the incorporation of photo voltaic panels on the roof.

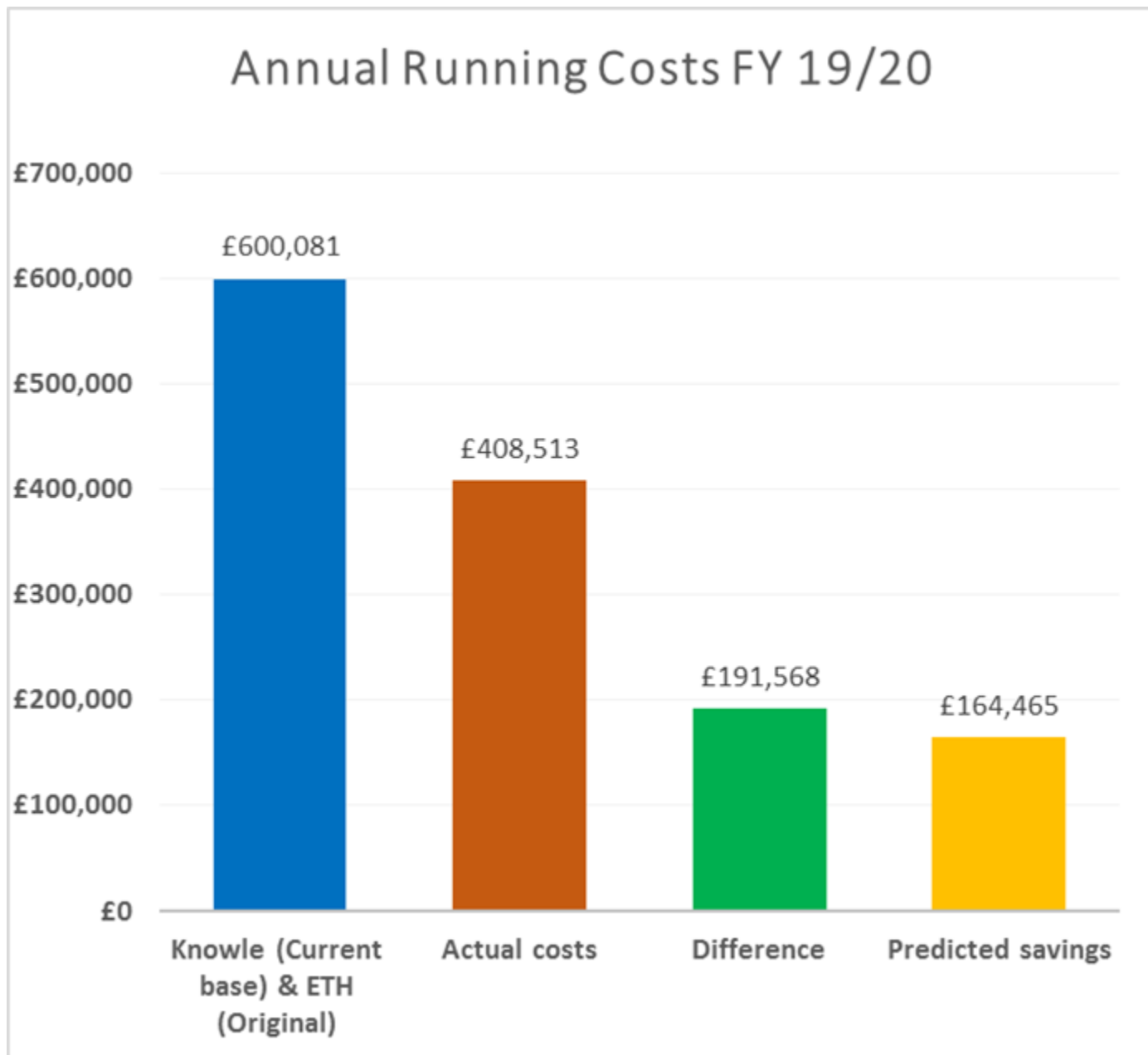
Conversely, Knowle was not energy efficient because of:

- Old inefficient methods of heating including old gas boilers
- Low levels of thermal insulation
- Heavy reliance on ineffective night storage heating
- Very high level of air permeability

Running Cost and Energy Savings Achieved - A key element, and integral to the Relocation Project's viability, was the potential savings on energy that would be achieved by moving from an existing inefficient building to purpose built/refurbished buildings. At the time of the 2017 Grant Thornton report the improvement in utilities costs for electricity, gas and water were anticipated as being £54,828 – a reduction of some 44% on previous costs. This was to be achieved by a high level of thermal insulation and innovative methods of heating & cooling as well as other energy saving measures, including at BH the incorporation of photo voltaic panels on the roof providing some 37Kwh pa.

As the end of FY19/20 approaches it is now possible to consider with some certainty the first year's running costs for BH and ETH. Costs are now known to 31 January 2020 (ie 10 months of the first full year of operation) and as a consequence the likely further costs can be reasonably estimated to the end of the financial year. As a consequence, it is confirmed that whilst the costs advised below at Fig. 3 should be considered provisional, and will be firmed up in due course, such provide a reasonable level of certainty.

Fig 2. Annual Running/Operating Costs

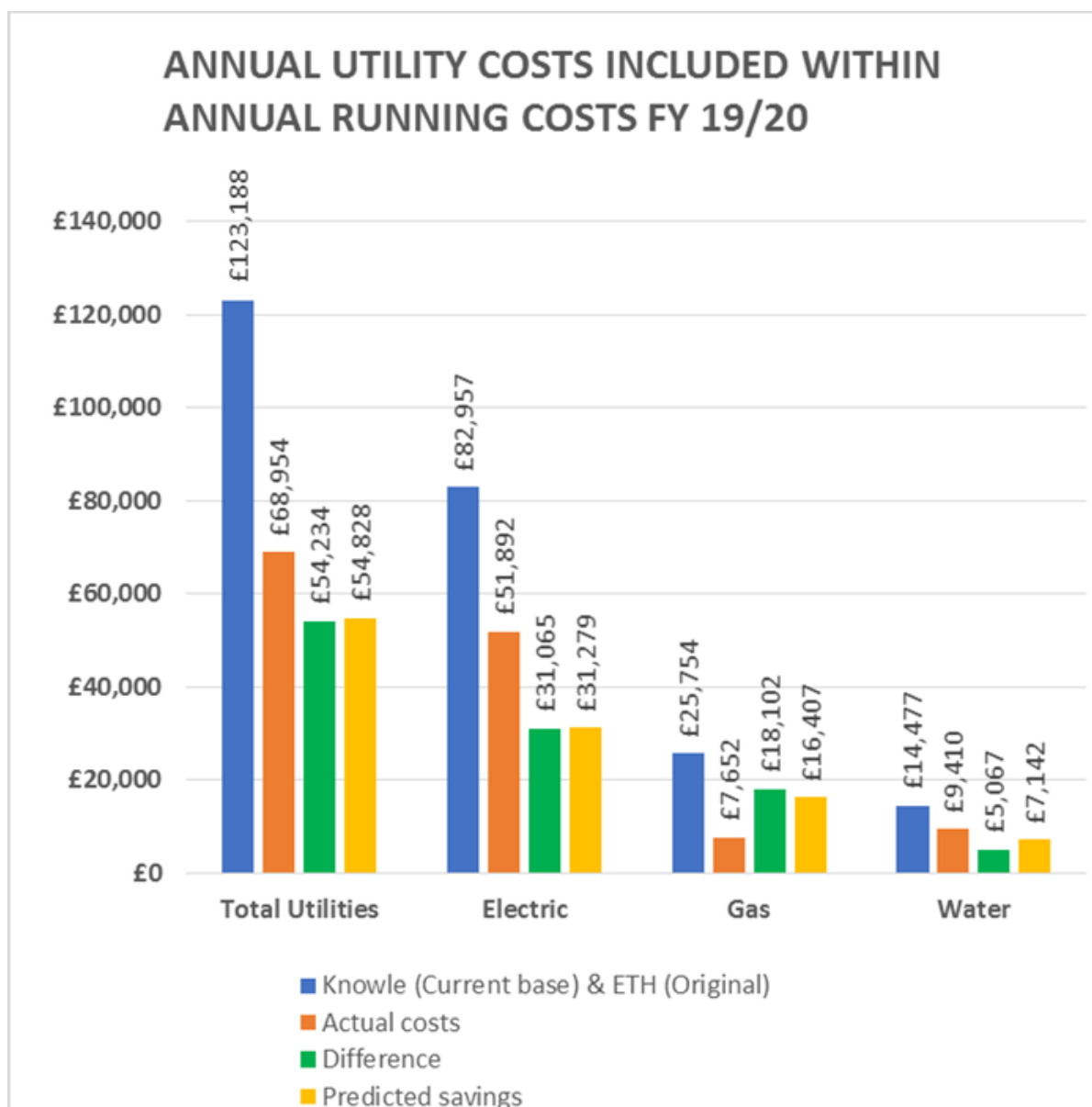


The above annual running costs principally reflect the range of operating costs comparing what would have been the costs of remaining at the Knowle (Blue) to the first annual operating costs of Exmouth and Honiton offices (Orange). We now know that the first year annual savings (Green) are even greater than the originally predicted savings (Yellow).

The costs are made up of various elements such as:

- Business Rates
- Planned Maintenance
- Reactive Maintenance
- Electricity consumption
- Gas consumption
- Water consumption
- Building and Content Insurances
- Employee costs
- Grounds Maintenance / Estate Servicing Costs
- Other costs associated with property maintenance
- Other running costs
- Miscellaneous running costs

Fig 3. Annual Utility Costs



The above annual utilities costs principally compare what would have been the costs incurred remaining at the Knowle (Blue) to the first annual utility costs of Exmouth and Honiton offices combined (Orange). The 2019/20 savings (Green) are close to the originally predicted savings (Yellow). Electricity savings are close to predicted savings, gas are

higher and water are lower. The figures are based on 10 months actual and part-projected for Feb/Mar 2020 to reflect time-lag in billing.

2017 Savings Projection Overall Compared to 2019/20 Result - Based upon the above particulars had EDDC remained at Knowle without any repairs and ETH not been refurbished, the operating expenditure for the period FY 19/20 would have been:

£ 600,081

In comparison, the corresponding cost having moved to BH and ETH had been anticipated as being:

£435,616

Thus, there was an anticipated reduction of operating costs of:

£164,465

2019/20 Outcome - Based on current and anticipated provisional costs, the combined annual running costs for BH and the refurbished ETH for FY 19/20 are:

£408,513

A reduction when compared to Knowle (current base) and ETH of:

£191,568

This saving being even greater than total annual saving originally expected by a sum of:

£27,103

It is also noted that these advised operating costs incorporate additional elements that had not originally been anticipated such as catering supplies (tea, coffee and milk).

Additional Headline Figures – Some of the numerical outcomes of the relocation process:

1. 476 to 322 - Reduction in number of desk spaces
2. 8,554m² to 3,880m² – Reduction of 55% in overall floor space from old to modern new and refurbished offices
3. 7 to 16 - Increase in reception spaces for public and officer consultations and interviews
4. 3 to 10 – Increase in number of formal meeting rooms.

Financial Model Description - The financial model provided by Grant Thornton in their report and reported to Cabinet on 5 April 2017 provided an update of their previous independent financial model that calculated the project costs based upon a set of assumed factors. One of the key components within this report was the identification of operating expenditure (or annual running costs) for Knowle and the financial comparison for anticipated expenditure for identical elements for the new office at Honiton (BH) and the refurbished Exmouth Town Hall (ETH).

To establish this reconciliation, the identified annual running costs for FY 15/16 for both Knowle (current base) and Exmouth Town Hall were confirmed. Then, mindful that the likely first complete full financial year costings for both BH and ETH would be for FY 19/20, indices were applied to update the FY 15/16 figures.

The corresponding anticipated operating expenditure for both BH and refurbished ETH were then calculated for the anticipated usage during FY15/16¹. Once these anticipated costs for both buildings had been established the same defined indices as used for Knowle and ETH were applied.

On this basis a reconciliation of the operating costs between the Knowle (current base) and existing ETH on the one hand and, on the other, those for the proposed BH and refurbished ETH from FY 19/20 was now available. It is also noted that these costs were then carried forward over the following twenty years and updated using predicted indices, thereby enabling anticipated future operating costs for the overall period to be identified. These details were considered, reviewed and agreed with Grant Thornton, who subsequently included the detailed particulars into their updated financial model.

3. The Relocation Process

Over the years there has been consultation and information sharing with the public, our members and with our staff to update on progress and gain feedback. Once Exmouth Town Hall and a new build HQ at Honiton were agreed then planning was followed by the appointment of a design team followed by contractor commissioning in accordance with Royal Institute of British Architects (RIBA) standards. The process was overseen by the Project Executive Group of lead members and officers serviced by dedicated project management for the build programme, facilities management and the physical move process for staff.

The project control process involved the following:

- Regular Risk Reviews
- Risk Workshops
- Monthly Cost Reports
- Regular Project Reports
- Change Control
- Regular progress meetings with Dep CEO and Relocation Facilities Manager
- Reporting to the Executive Group
- Reporting to SMT
- Council Committees
- SWAP – internal audits and attending meetings
- Grant Thornton/Gleeds – external auditors re models and instrumental in achieved Members decision to proceed with the project

4. The Construction Works and Move

The twin site approach was a complicated one involving separate and distinctly different construction projects. However, the refurbishment and move into Exmouth Town Hall also offered an opportunity to manage risk and resilience in terms of a staggered rather than single staff move and enabled staff to see and try out a working environment and systems that were different to previous practice at the Knowle and would become the comprehensive standard in Blackdown House as well.

Exmouth Town Hall

Prior to the refurbishment works, the three storey Exmouth Town Hall (ETH) provided offices in a cellular format, together with a separate Chamber, Committee Room and

¹ 'Knowle Energy Use and Maintenance Cost Analysis Report', Davis Langdon, June 2013
page 79

Reception area. The building was occupied by EDDC and several tenants, including Exmouth Town Council, Citizens Advice Bureau and the Registry Office.

The Council commissioned a conversion of the building to provide attractive, efficient, principally open plan office spaces with functionality and flexibility for the future. Chamber and Committee Room could now be joined up via folding partitions into one large space that is usable for both councils and the registrar's purposes. The design for the refurbishment followed the RIBA Worksmart procedures and Interserve Construction Ltd (ICL) was appointed to carry out the works.

Prior to the refurbishment works commencing, the Council worked with the tenants for some time to smooth a process of vacating the building. EDDC services relocated to a single office in the building but still remained publically accessible throughout the works.

ICL began refurbishment works in late January 2017. Whilst there were some issues during the works, particularly with the stability of existing internal walls, there were no delays to the overall contract programme, with completion being achieved on 25 September 2017. There was then a six week period when the Relocation Team managed the installation of furniture, fittings and equipment. In tandem during this period Strata installed new IT & AV hardware and associated equipment.

There were no reportable accidents during both the construction and fitting out phases.

Officers relocating to ETH (approximately a third of all staff) successfully decanted from Knowle over the weekend of 11/12 November 2017. Exmouth Town Hall was formally opened on Monday 13 November 2017. Exmouth Town Council, Exmouth Voluntary Services and the Registrar returned to the building during November and December 2017.

Following the 12-month Defects Liability Period, the Making Good of Defects Certificate was formally issued and the Final Account agreed.

Blackdown House, Heathpark

Blackdown House (BH) is a new purpose-built Council headquarters in Honiton. The design provides a modern, modestly scaled, efficient, principally open-plan space over three floors. The building includes a fully accessible reception area with a mix of public engagement spaces, a Council Chamber and viewing gallery, exterior terrace, members' area, meeting rooms and open plan offices with formal and informal break out spaces.

The building has been equipped with new IT and AV equipment. Internet resilience has been provided by the inclusion of both a 1GB and a separate 100MB connection.

As with ETH, the design followed the RIBA Workstage process. Planning approval for the project was received on 2 November 2016 and Interserve Construction Ltd (ICL) was appointed to carry out the works.

ICL started works in July 2017. During the build there were various though not unusual critical issues that delayed the completion date from 15 October 2018 until 4 January 2019. In addition, following Members decision ICL incorporated an access road between East Devon Business Centre and BH.

There were also ongoing concerns about ICL's financial wellbeing following significant downward share movement. As a result, a "Plan B" had been prepared to ensure the construction of the building was completed in a timely manner had ICL been unable to proceed with the contract.

Following the issue of the Completion Certificate, there was a period of five weeks whilst the Relocation Team managed the installation of furniture, fittings and equipment. As with ETH, during this period Strata also installed the new IT & AV hardware and associated equipment. There were some late and serious issues associated with availability of the

internet connections, but pressure from the DCEO, Senior Strata Officers, Relocation Manager and the local MP helped resolve the problem.

Again, there were no reportable accidents during both the construction and fitting out phases.

The move of officers from Knowle to Blackdown House took place successfully over three weekends from 26/27 January. Blackdown House was formally opened for business on Monday 11 February 2019.

During the 12-month Defects Liability Period, a number of problems with the building and several issues associated with the mechanical and electrical (M&E) installations became evident. Whilst generally these matters have been remedied, there still some snags and issues that are now reflected in the 12 Months Defects lists that were formally issued to the Contractor on 21 January 2020. Further details are discussed below.

The Move

The moves to Exmouth Town Hall and Blackdown House required significant and detailed preparations. Over time the Relocation Team and SMT had driven and monitored a programme of reduction of paper storage across the organisation. For decades the size of the Knowle (including basements, porta-cabins, multiple storage rooms and stationery cupboards) had allowed for very generous retention of paper documents, much of it mouldering in damp basements and out-buildings. Before a paper reduction programme was initiated the Council had the equivalent in paper storage boxes of the entire floor space of the former Council chamber. In preparation for a move to the new offices every part of the Council engaged in a process of managed disposal, scanning or, as necessary, retention so as to fit the storage allocations for the new office space.

The move to Exmouth Town Hall in November 2017 involved approximately 1/3 of our staff, primarily our Housing teams. The move of our remaining staff to Blackdown House happened in three phases in Jan/Feb 2019.

The Relocation Team and organisational management were very aware of the potential for such comprehensive physical movement to be disruptive to service quality. The objective was not to see any diminution of operational capability or customer service during and after the move programme. Teams were assigned move timetables and given guidance on what to do including the arrival of packing boxes. Reusable ICT hardware was moved at the same time to be reinstalled alongside new equipment.

The physical moves happened over three weekends with staff finishing at Knowle on a Friday and starting at the new offices the next Monday. Removers, furniture installers, Strata and the Relocation Team worked over weekends to avoid disruption and ensure readiness for staff to start work on their new site. Strata and the Relocation Team were on site after every phased move to support staff settling into their new working environment.

The outcome of this high level of preparation, planning, professionalism and hard work was a smooth transition to both Exmouth and Honiton. No move of this scale and complexity goes without hitches but the core objective of maintaining operational efficiency and customer service quality was achieved. Staff arrived and were able to get down to work promptly.

In the case of the move to Blackdown House heavy snowfall nearly disrupted one of the phased weekend moves when we were uncertain if removal lorries would be able to access the gradient up to the Knowle. Luckily they could. Another major challenge averted was late complications regarding the installation of main broadband fibre into Blackdown House that could have meant that all ICT was installed but no communications with the outside world by fibre or Wi-Fi. Again, this was resolved through intervention at a senior level.

Following the move of staff, storage and equipment to Exmouth and Honiton offices the Knowle was cleared of remaining furnishings and equipment by a mix of means including sale with donations to charity, auction, recycling and disposal in preparation for the transfer of the site to PegasusLife.

5. Concluding the transfer of Knowle

The Council's original timetable for completion of the sale of the Knowle was expected to be Spring 2019 following the completion of the move to Honiton in February 2019 and subsequent clearance of the vacated office building. This proved to be an over-ambitious timeline for several reasons, including:

- Clearance of the Knowle was a much larger scale project than originally anticipated. Whilst paper had been vastly reduced prior to the move there was a significant amount of old furniture and equipment (computers, white goods, portable heaters etc) to recycle or dispose of including to community organisations and the public.
- Agreement with PegasusLife and the Sidmouth Museum that EDDC would take responsibility for removal of fixtures of value (namely the fireplaces and surrounding tiles) to donate to the museum which was contractually going to be a matter for PegasusLife to deal with after they took ownership of the site. This required appraisal and appointment of appropriate contractors to come on site and remove the items.
- In advance of this removal work, it was necessary, and in compliance with the statutory requirements of Control of Asbestos Regulations, to carry out a localised R&D Asbestos Survey. No asbestos materials were discovered during this survey.
- Further negotiation and reaching agreement with PegasusLife regarding the payment of an additional sum (totalling £418,750) over and above the agreed base purchase price, being 50% of the monies PegasusLife had set aside in case the planning process necessitated developer contributions to be provided through a S106 agreement, but which was not required in its entirety. They were required to expend some monies through a S106 agreement, hence why there was a requirement for negotiation and agreement.

As well as the physical delays around exiting the Knowle, the summation of the discussions with PegasusLife was that they agreed to pay £418,750 to EDDC (being the sum we considered to be the correct amount) but sought a definitive completion date rather than dealing with completion by way of the service of notices. It was ultimately agreed that completion would take place on 18 December 2019 which was still within the timeframe for completion envisaged within the contract. For the extra short period of time that the Council continued to hold the Knowle, PegasusLife agreed to pay half the Council's running costs of maintaining the Knowle, amounting to a further sum of £30,000. This outcome benefitted both the Council and PegasusLife at that time and hence why it was agreed to.

In the event and as members are aware, PegasusLife did not make payment on 18 December 2019 and legal proceedings were commenced. Ultimately they completed the sale on 14 January 2020 and for this delay they paid a penalty to the Council of a further £38,366 plus £15,000 of legal costs.

6. Financial Case for Relocation

As well as the organisational and operational benefits described elsewhere in this report, there is the financial betterment² that underpinned the necessity of relocating. This difference had

²'Betterment' means the difference in cost to the council between operating in its new and refurbished offices or the costs if the council had stayed in its old offices.

been calculated in 2017 and showed that over a 20 year period following relocation it was estimated (and independently audited) that the Council would have made cash savings of £1.4m through the move. Had the Council stayed at Knowle then it would be £4.5m worse off.

On top of the base sale price there were additional sums to accrue to the Council that make up the Final Purchase Price. The agreement negotiated with PegasusLife by the Council not only involved the base price of £7,505,000 but also a requirement for the developer to pay a percentage increase on the base price that reflects time elapsed since the original purchase price was agreed and planning permission was approved. This is known as the 'Indexation' sum and totalled up to £1,095,855

Furthermore, PegasusLife had set aside a sum of money as an allocation for developer contributions should the planning decision have required it. In the end it was not required and the Council had negotiated in the contract that in that event occurring 50% of those monies would be paid to EDDC. As noted above, this totalled £418,750.

The total therefore paid to East Devon District Council by PegasusLife for the Knowle site is as follows:

Base Price:	£7,505,000
Indexation:	£1,095,855
Unrequired Developer Contribution:	£ 418,750
Total	£9,019,605

Financial Model

The financial model produced by Grant Thornton enabled members to understand and agree the projected financial benefits of moving. The April 2017 Cabinet report identified immediate savings and increased savings over time as follows:

- It was anticipated £164,465 would be saved during the first financial year on operating costs by moving away from Knowle (with essential repairs) to a new purpose built Office at Heathpark and Refurbished Exmouth Town Hall.
- It was anticipated financial saving would increase with inflation during subsequent years
- Every year after the Council moved, the savings in operating costs were predicted to be greater than the loan repayments
- After twenty years, the loan repayments would end and the savings continue to increase
- Over the twenty year period, the district would be £1.4m better off if the Council moved from Knowle
- This would compare with being £4.5m worse off by remaining at Knowle and carrying out only essential maintenance works.

The Table below is the dashboard from the Grant Thornton Financial Model included within the April 2017 Cabinet report. This Model provided the financial assessment and reassurance that to sell the Knowle, build a new HQ at Heathpark Honiton and refurbish Exmouth Town Hall was the best financial option for the Council. The Model has now been updated with the final figures on completion of the project. It reflects:

- Actual build and refurbishment costs
- Financing/borrowing costs incurred

- Final capital receipt from the Knowle of £9,019,605 (plus a £4,200 dilapidation payment from Devon County Council on Exmouth Town Hall)

As we are only one year into the 20 year betterment period the Model calculation has not been updated. It can be seen from analysis that Year 1 operating cost savings are even greater by £27,000 than those predicted in the Model. Rather than project this improvement forward these have been unchanged.

Dashboard

Do Minimum			Pegasus Option	Pegasus Option - Outturn Position
Unit: £				
Total Cost by Option				
NPV - Discounted to 1 January 2017	£	(3,762,238)	789,055	1,845,495
Total Operating Expenditure Betterment	£	904,611	4,648,892	4,648,892
Capital Expenditure	£	(3,608,000)	(10,360,950)	(10,117,891)
Operating Expenditure Betterment	£	904,611	4,648,892	4,648,892
Capital Receipts	£	-	7,505,000	9,023,805
Interests				
Internal Council Funding	£	(1,828,139)	(59,316)	(18,004)
PWLB Short-Term Funding	£	-	(49,572)	(26,795)
PWLB Long-Term Funding	£	-	(257,108)	-
Council Additional Funding Interests	£	-	(22,326)	-
Drawdowns				
PWLB Short-Term Funding	£	-	8,218,079	8,157,513
PWLB Long-Term Funding	£	-	1,204,080	-
Repayments				
PWLB Short-Term Funding	£	-	(8,218,079)	(8,157,513)
PWLB Long-Term Funding	£	-	(1,204,080)	-
Total Net Council Cash Position vs. Current Base	£	(4,531,529)	1,404,619	3,510,007
		6	1	1
Total Operating Expenditure	£	16,976,203	13,231,923	13,231,923

The Model shows that the final outturn position has significantly improved from that estimated. A positive cash position of £1.4m as originally projected is now actually £3.5m as a result of:

- A greater capital receipt for the Knowle
- Savings on relocation project spend compared with approved budget
- An improved financing position due to:
 - a. A smaller sum to finance through the project
 - b. Borrowing rates were less than predicted (and no long term borrowing was has been needed)

As explained, the annual savings on operating costs to date are also better than predicted and no long term borrowing for the project is required. Long term borrowing was previously estimated at £1.2m.

Members should note that the model did not include the cost of construction of the additional road access between the east Devon Business Centre and Blackdown House. An additional budget of £225,000 was considered by members and approved separately and aside from the overall business case and budget for relocation.

7. Outstanding Issues at Blackdown House

As is common to new build projects there are some ongoing issues with the building work and M&E installation that became apparent following ICL's completion of the works in January 2019. These matters have include:

- Non-compliant glazing causing modest increases in solar gain (ie interior warming). Re-glazing with compliant glazing was successfully undertaken during October and November 2019, thereby enabling relevant certificates to be issued
- Air permeability exceeds the contract specification, which causes a modest increase in the energy costs for the building. Compensation is being negotiated with the contractor.
- Issues with the ventilation in the building due to faulty motorised dampers, which have all now been replaced. Also, problems with the Chamber A/C system. Some of the problems have been overcome but there is further action required by the contractor that is under discussion.
- The grey hue of the mortar to the external faced brickwork visibly varies across the building's elevations. Whilst Interserve have carried out some remedial works on several occasions, the actual visual effect of their actions has been minimal. It is expected that over time the colour/hue differential will likely reduce because of weathering.
- The original ironmongery incorporated to the external doors to the building is not considered to be fit for purpose. Replacement ironmongery has been identified and remedial works are underway.
- The quality of some of the plants and general workmanship associated with the landscaping is considered inadequate. Whilst some remedial work has been carried out there still remains further work to be undertaken.

Alongside the particular issues in relation to shortcomings in the delivery of contractor responsibilities, there have been some experiences during the settling in period that can be addressed. In Exmouth Town Hall for example there was some retro-fitting of acoustic damping and the carpeting of the Council chamber to reduce noise in ground floor offices.

In Blackdown House we have the following matters for further attention:

- Although the number of parking spaces are proportionally greater than at Knowle, the pressure for additional parking has been recognised with new spaces being provided at the rear of the building and the intention to identify some additional formal spaces within the existing car park curtilage.
- Out of office hours access for visitors with disabilities has been an identified issue. It has been complicated by the failings of external doors, the door security system and fire safety considerations. The Council has employed additional reception staff cover for the duration of evening meetings and the option of also powering key doors is under negotiation.
- There are occasions when meeting rooms are at a premium. Sometimes this is unavoidable if sustained and/or larger events are underway eg elections or planning enquiries. However, there is opportunity to sharpen up meeting room usage eg small groups not using larger meeting rooms, more use of informal space, better usage of rooms and space at rear of reception etc
- Members are interested in whether changes can be made within the member's area to better meet their needs (eg mix of furnishing and space usage). Coat hanging facilities are being introduced.
- Various photographic images of East Devon have been introduced around the offices to add further attraction to the palette of colours throughout the building. We will also consider the reception area to see what might further brighten that area as well.

The Council has withheld monies otherwise due to the contractor pending resolution of outstanding works. Also, in consideration of the issues associated with the tree planting, external doors and mortar colour a Deed of Variation extending the 12-month warranty for these specific matters will be issued to ICL shortly.

Following the 12 Months Defects Liability Period, a detailed inspection of the building and external works has been carried out. As a result, a list of defects has been identified and the Contractor formally advised. The Contractor has commenced the remedial works.

Handover arrangements for Relocation Team to EDDC Property team are in train pending the Relocation Team's completion of the Project.

8. Summary

Relocation has been a priority of the Council since Cabinet agreed in 2010 to investigate and then formally agreed in 2012 to go ahead with the project and create a new future for East Devon District Council having spent over 40 years in a former railway hotel and sundry office blocks in Sidmouth.

Relocation was a key element of the previous Council's transformation agenda and will be a fundamental pillar supporting the new Council's Careful Choices programme as well as especially the Fit for Purpose objective for the future. Furthermore, relocation has been an important early step in the Council's commitment to address the challenge of climate change through an 80% saving in CO2 emissions from the move to new HQ premises.

The project has not been without its twists and turns. It has depended upon and benefitted from member and officer commitment and strong management with a broad range of internal and external skill and expertise all contributing to a successful progress and outcome. Staff enthusiasm and commitment has also been vital to the success of the move and ongoing operation in our new working environments.

The physical move has been completed and the funds have been banked with a capital receipt significantly higher than the original sale price representing very good value for public money. PegasusLife now owns the Knowle site and the remaining parkland is destined to be transferred to Sidmouth Town Council's ownership.

We are working our way through a reducing number of outstanding snagging and contractor obligations as well as adaptations that come with the real life experience of a new working environment. Operationally, the Council has maintained its effectiveness throughout the process and our staff, the Relocation Team and Strata colleagues are to be congratulated on that success.

Relocation made good sense and met the rigour of independent assessment when the sale price of the Sidmouth site was £7.5m. In the end the Council secured £9m for the sale of the Knowle which has meant that no long term borrowing has been required and the savings to the Council and its community are greater and achieved quicker than predicted.

Relocation as a function and project of the Council is now closing down and our Property and Estates team will take over the running of Blackdown House as part of our wider estate.

Benefits Comparison – Projected and Outcomes

April 2017 – Projected Relocation Benefits	Feb 2020 –Benefits Outcomes 12 mth Post-Relocation
<p>I. Effectiveness</p> <ul style="list-style-type: none"> • More and more, the workforce of the Council is operating in a mobile and technology led manner. The Council does not need space in the same way as before but it does need flexible and modern office space that enables modern ways of working as well as full accessibility and predictable operating costs. • The public sector is often criticised for not being easy to reach especially its frontline services. At the heart of East Devon's relocation aims has been the desire to make services and staff accessible to residents and businesses both remotely and face to face. Exmouth and Honiton as office locations will deliver that flexibility for our customers far more effectively than trying to keep the Knowle going. • If the Council is going to spend money on offices it is better to put that money into the right places, in ways that use the investment more cost effectively and in a way that can secure a capital receipt from land sale to offset the cost of borrowing. 	<ul style="list-style-type: none"> • The Council is now operating successfully from a space that is approximately half the size of the Knowle. We have moved from cellular and disconnected office spaces to an open office environment. • The modern work spaces are also a much safer and healthier working environment compared to the Knowle which suffered from asbestos, damp, trip hazards, occasional infestations and other problems common to old buildings. • Initial concerns regarding the number of desks and availability at both BH and ETH have not materialised as this part of the project was carefully managed through a detailed analysis of working times and days for all staff. As envisaged officers are taking the opportunity to work more flexibly using the key WorkSmart principal that work 'will take place at the most effective time and location respecting the needs of the individual, task, customer and team.' • Following an extensive number of WorkSmart Workshops, all staff were able to put their views forward regarding the co-location of services. As a result staff are finding the zonal working arrangements to be effective. Professional and detailed pre-planning for the move enabled the Council to get its space allocations and equipment specifications right. Our staff are our most important asset and their involvement and understanding was core to the project. • The WorkSmart approach set out from the outset the IT requirements that were required to underpin the change and this included the global desktop and skype roll out as well as document management and 'follow me' printers.

	<ul style="list-style-type: none"> • The WorkSmart approach set out from the outset the changes required to HR policy to support the new culture. This included a 'Dress for your day' approach and changes to the Travel Policy, Flexible Working Policy, Flexi time Policy. • Managers were given training in 'change management' and 'managing dispersed teams' to help facilitate the move. • A survey conducted with staff in December 2019 outlined that 82% of staff rated the BDH offices highly and 69% for ETH. • Customer access to Exmouth and Honiton offices has increased their choice, offered much more attractive front of house facilities. This, combined with increased on-line transaction opportunities and continued phone access has broadened the options for customers to engage with the Council. • The Council has invested funds in modern and modernised buildings rather than investing in maintaining an ageing and inappropriate working environment. It calculated that the benefits of relocation are more sensible and cost effective than repair and refurbishment of the Knowle. The latter would have required new roof, new boilers, rewiring and a new ring main as basic repair before any thought of refurbishing the building into anything approaching a work environment fit for modern working practices.
<p>II. Transformation</p> <ul style="list-style-type: none"> • Across the public sector, the drive for efficiencies is increasingly about more than just making successive cuts. For front-line services to be protected and long term savings to be achieved, East Devon, like other councils, has recognised that traditional ways of working and delivering services have to be the subject of fundamental review and transformation. • Office space can no longer be accepted as a static overhead. It is important that we recognise that relocation to Exmouth and to Honiton presents us with a unique and timely opportunity to significantly enhance the effectiveness of service delivery for our customers through a more efficient use of space and new ways of working which is underpinned by mobile and digital technology. 	<ul style="list-style-type: none"> • Relocation was a key pillar of the Council's then transformation agenda. The move to BH and ETH also fits well with the new Council Plan 2020-24 and the emerging Careful Choices agenda. • We have two buildings fitted out to modern standards that of themselves are capable of sub-division if a future need arises. ETH is already a hub for a mix of local services. • The twin site arrangement and office designs give the Council flexibility in future use of main office accommodation in the event of changes to local government size (internally or externally driven).

<ul style="list-style-type: none"> • It is a well-trodden path that many councils across the UK have adopted and already moved away from expensive, outdated offices where employees are tied to their desks, office locations and legacy IT systems. • Relocation is a key element in the Council's Transformation Strategy and has been included as part of the Strategy approved by members. 	<ul style="list-style-type: none"> • Whilst we retain two sites this is helpful for Business Continuity purposes. • The new office environment has meant a major reduction in operating costs. Further details are advised in the body in this report (see Section 6).
<p>III. Council Plan Delivery</p> <ul style="list-style-type: none"> • For East Devon to deliver the ambition and priorities set out in our Council Plan, work is underway to harness the benefits of technology so that our staff can deliver services in the ways our customers want them, both now and in the future. • Technology is increasingly an 'enabler' allowing staff to work on a more flexible and mobile basis for the benefit of the customer without the need to return to the office location - making them much more efficient and productive. • Our demand analysis and consultation shows that most of our customers contact us by phone and that increasingly customers are using our on-line services. Having a mobile and flexible workforce as well as an office presence in our two largest towns will ensure that we are truly 'open for business no matter how our customers want to get in touch. 	<ul style="list-style-type: none"> • Standardised desk arrangements across the Council's offices were a part of the relocation package. Staff were consulted extensively through WorkSmart Workshops on the furnishings and equipment in our new working environment (desk space, meeting rooms and breakout space). • Skype for Business, new AV technology and mobile ICT has enabled our ability to communicate between offices and with officers in the field or working from home. There is room for improvement in AV/Skype and similar connections for meetings in ETH main meeting rooms. • Relocation also gave us the opportunity to upgrade our internet resilience with two independent fibre connections into BH (which has already proved its worth following a main connection failure up the line requiring the Council's second supply to take over temporarily for several days). • The twin site approach improves choice for our customers. Our aim continues to be encouraging customers toward on-line transactions but we also recognise the importance of face to face engagement hence the choice of two sites and improved public access facilities and services in both Exmouth and Honiton.
<p>IV. Workforce</p> <ul style="list-style-type: none"> • Our workforce is our most valuable asset and without them we cannot deliver on what our customers deserve and expect. Our People Strategy is designed to ensure that we employ, develop 	<ul style="list-style-type: none"> • Workforce remains our most important asset. The Organisational Development Service managed the change programme through extensive consultation with staff, WorkSmart Workshops, Staff surveys, News and Views

<p>and retain high performing people who take pride in their work and care about delivering the Council's priorities.</p> <ul style="list-style-type: none"> • To succeed in delivering the aims of our People Strategy, at the very least, we need to provide a fit for purpose, modern working environment which is designed and equipped for individuals and teams who work on a mobile and flexible basis. • Modern, accessible office environments will be both attractive to our residents and help us to recruit and retain a skilled and contented workforce. At a time of near full employment and a competitive labour market EDDC must offer working environments, workplace accessibility and flexible work arrangements that attract and keep a skilled, productive workforce. 	<p>meetings, team meetings and active engagement of staff throughout the years of planning were vital.</p> <ul style="list-style-type: none"> • The moving phases themselves were meticulously planned in conjunction with teams to minimise any disruption. In the end the process was smooth and without any significant dip in service. Strata staff oversaw the installation and operation of ICT equipment and were on hand to support staff for several days after the move. • Honiton is a location that can better compete in the wider labour market and the Greater Exeter area.
<p>V. Asset Value</p> <ul style="list-style-type: none"> • As with other public bodies, East Devon is seeking to maintain high quality services, manage costs and make optimal use of its assets. This is at a time when central government grant is diminishing and Council's must find effective and imaginative solutions to cost saving without impact on services. • The Knowle site is a high value asset in the Council's portfolio and remains an underutilised asset to be realised for a wider benefit. If the Council remains on the Knowle site then the asset and its value are not utilised. 	<ul style="list-style-type: none"> • Relocation fits with the evolving Careful Choices agenda of the Council especially in terms of creating a Fit for Purpose organisation. Securing efficiencies and savings for the Council through its asset base, including main office buildings, means that there is less financial pressure on public services and the staffing levels to deliver them. • Relocation has meant that the Council is not faced with major capital repair and refurbishment costs to outdated and over-sized old office buildings. It also means that the Council has been able to realise the value of its most valuable asset, the Knowle site at a sum significantly higher than the original sale price: circa £9m compared to £7.5m (a figure that itself fell within the original independent Red Book valuation of the site). • None of the bidders for the Knowle in the original marketing process had any interest in retaining some or all of the existing buildings. Only the original 'cottage' was to be retained as this contained a bat roost. • The relationship of final capital receipt and overall project expenditure is explored below in Section 6 of this report.

VI. Cost of Knowle Buildings Repair and Maintenance

- If the Council were to remain at the Knowle then essential maintenance and repair of the buildings would be £1,939,000. This is an estimate and, as with, older buildings, cannot be guaranteed. There is no capital receipt for this expenditure.
- With the move of service focused teams to the refurbished Exmouth Town Hall the Council would still have to keep any empty Knowle buildings in repair and heated.
- If we remain on the Knowle site then the cost of repair and modernisation would have to be found from elsewhere.
- The Knowle buildings themselves have no capital value therefore any investment in repair of the Knowle will show no return or value uplift.
- As the Council has learnt through its marketing, none of the existing buildings are of interest to the development sector: it is the site that has value.
- Relocation has mean that the Council is no longer tied to a legacy building of 40 years that carried with it a repair cost alongside no physical asset value other than the site value.
- Independent audit by Grant Thornton tested and confirmed the projected costs and benefits of relocation compared to remaining at the Knowle.
- The Council has invested in creating modern office environments rather than repair of outdated office space.
- The Council has realised a value of £9.02m for the Knowle site and the overall anticipated project cost of relocation is £10.12m (not including the £181,500 invested in an additional access road to BH). Current spend to 31 January 2020 is £10.02m. The Council has been able to cover the difference without requiring to borrow funds.

VII. Cost of Knowle Buildings Modernisation

- A key argument for the Council's departure from the Knowle is that the building is not fit for the functioning of a modern, flexible and efficient public authority.
- Beyond the costs of maintenance and repair, if we wished to turn the Knowle offices into an accessible, open planned office with flexible working and meeting spaces, including the inclusion of the existing Chamber, Members Area and Committee Room, then that would be expensive and without the offset of a capital receipt: The order of costs for these works according to building price book calculations would be circa:
 - The former hotel structure £11,298,000
 - The 19702/80s offices £ 5,908,000
- Exmouth Town Hall is a building of mixed age that makes sense for refurbishment because of its more modest scale and the fact that its location is in the heart of the community where EDDC services are most in demand.
- It remains the case that it has been more cost effective to invest in refurbishment and new build of ETH and BH respectively rather than try to make the Knowle into a semblance of a modern working environment.
- The projected costs of BH and ETH have been effectively monitored and managed and has proved accurate. The Council has delivered both buildings within budget and at a price that is significantly cheaper than trying to convert and update the Knowle buildings which would have cost up to £17.2m.
- Any investment in the Knowle would have had to be found without the offset of a sale receipt for the site. Such a choice of action was financially unacceptable.
- The combination of ETH and BH gives the Council a flexible future as well as greater accessibility for our customers. ETH continues to be an efficient hub for a mix of services including ourselves, the Town Council and the registry office.

<ul style="list-style-type: none"> • The Knowle is twice the size that the Council has needed in its move to new offices. When Exmouth is up and running there will be even greater unused and cost inefficient space at the Knowle. • A new build HQ at Honiton continues to offer a modern, low energy, operationally cost effective and fully accessible building close to the centre of the district. 	
<p>VIII. Knowle Future</p> <ul style="list-style-type: none"> • The appropriateness of a residential use on the Knowle has been established through allocation in the adopted Local Plan. • The recent refusal of planning permission for the development proposed by PegasusLife accepted the principle of residential / care home development on the Knowle site. 	<ul style="list-style-type: none"> • PegasusLife (now known as LifeStory) won its appeal against the refusal decision of the Council's planning committee. The developer has permission to build a 113 unit retirement community and care development on the Knowle. The permission expires on 21st January 2021 unless it is implemented prior to this. Notwithstanding the planning permission, the site benefits from an allocation in the adopted Local Plan and the principle of a care home development has been established. • The Council has now transferred the development site to PegasusLife whose responsibility it now is to manage the site and take it forward for development.
<p>IX. Benefits to the District</p> <ul style="list-style-type: none"> • Council has already determined that compared to remaining on the Knowle site, a twin site solution of Exmouth and Honiton is a positive outcome in terms of keeping the Council's jobs in the district. • Sidmouth will gain a legacy of a new living space on the Knowle site and the economic benefit of the spending power of an addition to the town's community. • Sidmouth Town Council has been offered the ownership of the extensive remaining parkland at the Knowle. • It brings the benefits of the Council's presence to new East Devon towns after over 40 years in Sidmouth. • Relocation continues to offer an overall economic benefit to East Devon as a whole. 	<ul style="list-style-type: none"> • The twin site outcome has allowed for choice in terms of where our staff work from and where our customers attend. Both sites are more accessible in terms of location and transport options for staff. • The Knowle site has a planning permission for 113 new living spaces. Whilst East Devon continues to benefit from the Council's operations retained elsewhere in the district, there will also continue to be a benefit to Sidmouth from the spending power in particular of this increase in the town's population. The positive impact will be better understood when the site is built out and occupied. • During any construction phase there may well also be local business benefits from spending by the workforce and the

	<p>possibility of local contracts and employment in the construction works.</p> <ul style="list-style-type: none">• EDDC maintains its commitment to Sidmouth Town Council to transfer ownership of the remaining parklands of the Knowle outside the development boundary. This has been confirmed to the town council. All parties have been in discussion with Devon County Council who are in the latter stages of preparing to construct flood attenuation facilities on the lower field area of the park. The project will help protect around 100 homes in Sidmouth from rain water run-off and create an open air amphitheatre event space in the park adding to its public utility and value.
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Audit Memorandum



To: Richard Cohen, Deputy Chief Executive
Simon Davey, Strategic Lead - Finance

From: Georgina Teale, Senior Auditor
Alastair Woodland, Assistant Director

Date: 18 February 2020

East Devon District Council

Introduction

As part of the 2019/20 Internal Audit Plan an audit on the Benefits Realisation of the Relocation was agreed. We undertook a review of the benefits of the move to Exmouth Town Hall in 2018/19 but were not able to conclude whether the full benefits of the relocation programme were realised at that stage as the relocation project was not complete.

EDDC have now been at Blackdown House for 12 months and therefore the benefits, described as the Operational and Strategic Reasons in the April 2017 Cabinet Report, should either now be realised or close to being realised. A closeout report is now being presented to Cabinet by the Deputy Chief Executive to provide an assessment of performance and outcomes against benefit projections.

This report is an independent opinion on the accuracy of the data contained in the report and whether it sufficiently demonstrates that the benefits have been realised. Our work has focussed on reviewing evidence to support the Benefits Comparison in Appendix 1 and agreeing figures to supporting papers.

Conclusion

We have reviewed the Closeout report and reviewed evidence, where available, to support figures and statements contained within the report. We can confirm that the benefits detailed in the closeout report have been realised and verified to the supporting documentation. The main objective of the relocation was the financial case and although non-financial benefits were identified it was recognised at the start that they would be more difficult to evidence. It was therefore more difficult to substantiate the non-financial benefits although it was believed they would be achieved.

The Project Management Guidelines includes a post project evaluation template which states that a summary should be included on how effectively the needs of the customer and projects were met and the Closeout report has included this. However, we recommend that details around the benefits realisation process could be strengthened within the Guidelines. This should include how benefits are identified, structured, planned and realised with clarity around how and what information and evidence will be used to evaluate the delivery of the benefits. This should ensure the necessary information is produced and attainable and monitored.

Summary of Work Undertaken

The following table summarises the Operational and Strategic Reasons for relocation included in the April 2017 Cabinet Report and the evidence that was reviewed to support them.

Projected Relocation Benefits	Benefits Outcomes – evidence reviewed and verified for accuracy
Effectiveness	<ul style="list-style-type: none"> • Review of WorkSmart Strategy and outcomes from WorkSmart Workshops. • Review of changes to HR Policies including Travel Policy, Flexible Working Policy and Flexi-time Policy. • Staff Survey results
Transformation	<ul style="list-style-type: none"> • Transformation Strategy • Operating Costs comparison between the Knowle and Blackdown House
Council Plan Delivery	<ul style="list-style-type: none"> • Review of WorkSmart Workshops outcomes. • Use of Skype for Business and AV technology • Review of visitor numbers to Exmouth and Honiton
Workforce	<ul style="list-style-type: none"> • Review of WorkSmart Workshop and News and Views
Asset Value	<ul style="list-style-type: none"> • Review of Careful Choices Plan
Cost of Knowle Buildings Repair and Maintenance	<ul style="list-style-type: none"> • Review of the independent audit by Grant Thornton • Review of Running Cost Reconciliation and agreeing figures to Cedar.
Cost of Knowle Buildings Modernisation	<ul style="list-style-type: none"> • Review of current Relocation Expenditure to confirm in line with budget.
Knowle Future	<ul style="list-style-type: none"> • Development of Knowle is in in Local Plan
Benefits to the District	<ul style="list-style-type: none"> • Confirmation of Devon County Council plans to construct flood attenuation facilities on the lower field.

There is evidence to demonstrate that the proposed benefits have been realised. This includes the reduced running costs and avoidance of the significant Knowle repair bill. The benefits of flexible and modern office accommodation that reflects the new ways of working are also evident. In addition, the staff survey revealed that 82% of staff rated the Blackdown House Offices highly and 69% for Exmouth Town Hall.

The projected relocation benefits outlined in the Cabinet Report were not all measurable benefits and therefore some of the statements made to support them were also general statements. This meant evidence to support these statements was subjective rather than based on hard evidence. Examples included:

- The modern workspaces are also a much safer and healthier working environment compared to the Knowle which suffered from asbestos, damp, trip hazards, occasional infestations and other problems common to old buildings.
- Customer access to Exmouth and Honiton offices has increased their choice, offered much more attractive front of house facilities.
- The twin site approach improves choice for our customers. Our aim continues to be encouraging customers toward on-line transactions but we also recognise the importance of face to face engagement hence the choice of two sites and improved public access facilities and services in both Exmouth and Honiton.



Report to: **Cabinet**

Date of Meeting: 4 March 2020

Public Document: Yes

Exemption: None

Review date for release None

Subject: **Update on the work of the Governance Review Working Group**

Purpose of report: To update Cabinet on the activity of the Governance Review Working Group.

Recommendation: **To note the content of the report**

Reason for recommendation: As the report is simply to provide an update there is no specific decision required.

Officer: Henry Gordon Lennox, Monitoring Officer

Portfolio Holder: Choose Portfolio Holder.

Financial implications: There are no financial implications arising

Legal implications: There are no legal implications arising

Equalities impact: Low Impact

Climate change: Low Impact

Risk: Low Risk

Links to background information: [Council 23rd October 2019](#)

Link to [Council Plan](#): Outstanding Council and Council Services

Report in full

- On 10th July, the Cabinet considered a report relating to the carrying out of a review of the Council's governance arrangements. The resolution was as follows;

RESOLVED:

- 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.*

2. At the meeting of the Overview Committee of 25th July, the committee resolved as follows;

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.*

3. There was an update at 29th August meeting of the Overview Committee as follows;

Review of the Council's Governance Arrangements - update

Minutes:

The Chairman advised the committee that circumstances had prevented a meeting between him and the Portfolio Holder for Transformation, but that work would continue on this issue.

An additional meeting for the committee was set for the 17 October 2019 to debate this issue only. Further discussion had also been timetabled in for the scheduled meeting in February 2020.

4. Subsequently the Portfolio Holder for Transformation ceased to be a member of the Cabinet and left the Independent Group. The Council also received the outcome of the Peer Review. There was also an informal meeting of the Overview Committee on 17th October in which a number of issues were considered and which concluded that a cross party group should be established. Accordingly, the matter was reported to the Council at its meeting of 23rd October. The resolution is below and a copy of the report (with hyperlinks to the various meetings referred to above) can be accessed from the background links.

RESOLVED;

A Governance Review Working Party be set up on the basis set out in paragraph 7 of the report but with the word 'thereafter' added before Cabinet in (j). Delegated authority be given to the Monitoring Officer to finalise the composition of the Working Group and agree membership with the Group Leaders/non-affiliated members.

5. Subsequent discussion between the Monitoring Officer and Group Leaders resulted in a group comprising the following membership;

Independent Group 4 (including the Chair)

Conservative 4

EDA	3
Liberal Democrats	1
Green	1
<u>Independent</u>	<u>1</u>
Total	14

Made up of Cllrs Hookway (Chair), Pratt, Bloxham, Blakey, Allen, Hartnell, Skinner, Barrow, Arnott, Rixson, Hayward, Wragg, Davey and Millar.

6. The Group's first meeting was an informal meeting on 17th October. The LGA were present to facilitate discussion and help determine the way forward. Items discussed included a reminder of why the group was meeting, summary of issues to explore and precise of potential options that may be available and discussion over what the Council is trying to achieve. The LGA confirmed their availability to assist throughout the process.
7. At the next meeting of 11th November, a facilitated discussion was undertaken by the LGA to determine what the group were trying to achieve (i.e. what were the goals) and what was stopping the goal being achieved currently. There was then discussion on what works well and what would be the priorities for the group in terms of improvement / focus going forward.
8. At the meeting of 25th November, there was further discussion on the goals of the review with an extra goal being added. There was a general discussion around shadow cabinet arrangements but there was no specific outcome as it was not seen as a priority for the group. There was a brief discussion in relation to our current Overview and Scrutiny arrangements. It was discussed that there needed to be engagement with other Councils (operating different models) to help inform the work of the Group to ensure appropriate assessment and evidence in relation to options due to being committed to a legal change for 5 years. This was discussed as including a survey to a number of councils (to include the Leader, Group Leaders / minority members, CEO and Monitoring Officers). The need to assess cost implications was referenced as were the overall timings of the review. Given the importance of understanding the rationale for change and because it would underpin the Monitoring Officer's report to Council, the goals were looked at again. Finally, the options to be considered as part of the review were agreed as being;
 - a. Remain the same
 - b. 'Leader-Cabinet' model with constitutional change to strengthen accountability
 - c. A hybrid model
 - d. Committee system
9. At the meeting of 9th December, the Group agreed the survey questions and that the survey would be sent to the persons identified above at South Somerset District Council, South Gloucestershire Council, Stroud District Council, Worcester City Council, Babergh and Mid Suffolk District Councils, North Devon District Council, Mendip District Council and Newark and Sherwood District Council. It was also agreed that there would be some research undertaken on the Councils that were being considered as possible options to visit with an online vote of the membership of the Group being taken.
10. The survey was sent out on 19th December and members, having received the analysis from the Monitoring Officer, agreed to seek to visit Mendip (Executive arrangements), South Somerset (Hybrid arrangements), Stroud (Committee system) and North Devon (Committee system).

11. At the meeting on 21st January, members discussed the visits and it was agreed that a small number of councillors (no more than 6) would visit two of the Councils (each visiting one of those with a committee system) with the intention of having a number of open sessions to hear the views of the Leader, the wider membership and a core group of officers comprising the Chief Executive, Monitoring Officer and key senior officers. In light of progress, it was considered that the Group should refine the goals with a view to making it easier to assess whether a particular option meet a goal. Members also agreed that it was important to get the decision right and that therefore meeting the deadline to present this to Annual Council was unrealistic. Not rushing the work would also permit the Council to consult / engage with the public and stakeholders prior to final decisions being taken. The Group agreed that they would look to conclude the review by September / October 2020. Finally, it was noted that only six responses had been received (from four councils) to the 100+ surveys sent. It was agreed that the Monitoring Officer would send a chaser in relation to the survey and make contact with those councils that had been identified for visits.
12. At the meeting on 11th February, it was noted that there had been no further responses to the survey. North Devon had confirmed their willingness to facilitate a visit but no response had been received from the other Councils. The Monitoring Officer agreed to progress the visit with North Devon and to chase the other three Councils. Other topics discussed, which were to be factored into the review as it progressed, where political group assistants / apolitical assistants within Democratic Services, the scrutiny call-in procedures, timing and number of Overview meetings and shadow cabinet arrangements.
13. The goals were further refined following discussion and have been agreed to be;

Increased member involvement and engagement in decision-making	
Improved public involvement to aid decision-making	
Improved efficiency in the running of the Council	
Resilience to future political change	
Ability to foster consensual decision-making	
Increased openness on interactions with partners	
Increased availability of information	

14. The next meeting of the Working Group is the 10th March.