



## **Agenda for Cabinet**

### **Tuesday, 10th October, 2023, 6.00 pm**

#### **Members of Cabinet**

Councillors: M Rixson, G Jung, D Ledger, M Hall, O Davey, S Jackson, J Loudoun, N Hookway, P Arnott (Chair) and P Hayward (Vice-Chair)

**Venue:** Council Chamber, Blackdown House, Honiton

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Friday, 29 September 2023

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This meeting is being recorded for subsequent publication on the Council's website and will be streamed live to the [East Devon District Council Youtube Channel](#)

- 1 Minutes of the previous meeting (Pages 4 - 11)
- 2 Apologies
- 3 Declarations of interest  
Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)
- 4 Public speaking  
Information on [public speaking is available online](#)
- 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 three items which officers recommend should be dealt with in this way.
- 7 Minutes of the Strategic Planning Committee held on 5 September 2023 (Pages 12 - 24)
- 8 Minutes of Scrutiny Committee held on 7 September 2023 (Pages 25 - 31)
- 9 Minutes of Placemaking in Exmouth Town and Seafront Group held on 12 September 2023 (Pages 32 - 34)
- 10 Minutes of Budget Setting and Capital Allocations Panel held on 18 September 2023 (Pages 35 - 37)

- 11 Minutes of LED Monitoring Forum held on 19 September 2023 (Pages 38 - 42)
- 12 Minutes of Extraordinary Recycling and Waste Partnership Board held on 20 September 2023 (Pages 43 - 45)

### **Key Matters for Decision**

- 13 Council Tax - Local Discount for Care Leavers (Pages 46 - 57)
- 14 Updates to Discretionary Rate Relief Policies (Pages 58 - 69)
- 15 Financial Plan 2024-2034 (Pages 70 - 75)

### **Matters for Decision**

- 16 **East Devon - Local Economic Review** (Pages 76 - 130)
- 17 **Enterprise Zone** (Pages 131 - 138)
- 18 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

#### **The Vice Chair to move the following:**

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

### **Part B Key Matters for Decision**

- 19 Recycling & Waste Contract extension (Pages 139 - 147)
- 20 Review of Lifeguard provision 2023 (Pages 148 - 152)
- 21 Review of the Home Safeguard Service (Pages 153 - 165)

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

[Decision making and equalities](#)

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**EAST DEVON DISTRICT COUNCIL****Minutes of the meeting of Cabinet held at Council Chamber, Blackdown House, Honiton on 6 September 2023****Attendance list at end of document**

The meeting started at 6.00 pm and ended at 8.45 pm

**31 Public speaking**

Cllr Steve Gazzard spoke about the Community Safety Partnership meetings. He was concerned that the meetings had not reconvened since the end of the pandemic. At a recent Police Advocates meeting he asked the Police Inspector when these meeting were due to restart. She said that the meetings were led by EDDC and supported the idea of them restarting. Cllr Gazzard said that the appropriate officer at the council response when questioned, was that they were looking at other ways of dealing with the issue. Cllr Gazzard stated he and fellow Exmouth councillors were concerned that anti-social behaviour had increased and that this was a serious matter.

The Chair assured Cllr Gazzard that he would receive a written response from the appropriate officer.

**32 Minutes of the previous meeting**

The minutes of the previous meeting of Cabinet held on 12 July 2023 were agreed.

**33 Declarations of interest**

Min 50. Strategic Land Acquisition.

Councillor Eleanor Rylance, Affects Non-registerable Interest, Ward Member.

Min 50. Strategic Land Acquisition.

Councillor Paul Arnott, Affects Non-registerable Interest, Chair of the Enterprise Zone Board.

Min 51. Seaton Jurassic.

Councillor Olly Davey, Affects Non-registerable Interest, Member of Devon Wildlife Trust.

**34 Matters of urgency**

There were no matters of urgency.

The Chair announced he had appointed Cllr Todd Olive as the Assistant Portfolio Holder for Coast, Country and Environment.

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

There were 2 items which officers recommend should be dealt with in this way recorded at Minutes 50 and 51.

**36 Minutes of LED Monitoring Forum held on 27 June 2023**

Members agreed to note the Minutes of LED Monitoring Forum held on 27 June 2023.

37 **Minutes of Recycling and Waste Partnership Board held on 12 July 2023**

Members agreed to note the Minutes of Recycling and Waste Partnership Board held on 12 July 2023.

38 **Minutes of Scrutiny Committee held on 6 July 2023**

Members agreed to note the Minutes of Scrutiny Committee held on 6 July 2023.

39 **Minutes of Overview Committee held on 20 July 2023**

This item was discussed in more detail at Minute 44 where Members agreed to note the Minutes and recommendations of Overview Committee held on 20 July 2023.

**Minute 6 Proposals for a Place and Prosperity Framework for East Devon District Council**

The Committee recommended the amendment of the Place and Prosperity Framework to reflect the addition of an additional non-executive member and recommended that the Framework proceeds to Council.

40 **Minutes of Placemaking in Exmouth Town and Seafront Group held on 25 July 2023**

Members agreed to note the Minutes of Placemaking in Exmouth Town and Seafront Group held on 25 July 2023.

41 **Nature Recovery Declaration for East Devon**

The Assistant Director Countryside & Leisure, and District Ecologist's report stated that EDDC was required to have input into the Local Nature Recovery Strategy (LNRS) process under the Environment Act 2021. DCC as the identified 'Responsible Authority' has requested that all District Authorities who were identified as 'Supporting Authorities' contribute to the consultation and preparation of the Local Nature Recovery Strategy.

The Nature Recovery Declaration for East Devon recognised the crisis being faced ecologically alongside climate change and sets out how the Council would respond to this emergency at a high level.

During debate the question was asked if the 6 Town Councils could be included in discussion and how important it was to keep residents informed to aid engagement. The Assistant Director Countryside and Leisure stated the method of this engagement from the Town Councils would be looked into as he acknowledged this was of key importance for the success of the Strategy.

Members wished to thank Charlie Plowden and the team for their hard work in getting this Strategy established.

**RECOMMENDED to Council;**

1. To adopt the Nature Recovery Declaration for East Devon;
2. To support DCC as the 'Responsible Authority' in developing a Devon Local Nature Recovery Strategy in our role as a 'Supporting Authority' as defined by the Environment Act 2021;
3. To develop a Local Nature Recovery Plan and Local Habitat Map for East Devon as a 'Supporting Authority' as defined by the Environment Act 2021.

**REASON:**

This would enable East Devon DC to fulfil its role as a Supporting Authority as defined in the Environment Act 2021 and support Devon CC in developing a Devon Local Nature Recovery Strategy (LNRS). It would also enable EDDC to prepare a Local Nature Recovery Plan and Local Habitats Map that would develop the district's Nature Recovery Network and improve those habitats and species most under threat.

42 **Application for Local Authority Housing Fund for Afghan Refugee resettlement**

The Housing Projects Officer presented the report that stated that the Department for Levelling up, Homes and Communities (DLUHC) had issued grant funding primarily to assist Local Authorities in providing temporary accommodation for Afghan Refugees currently housed in bridging hotels across the country. It also provided limited funding for the provision of housing for general temporary accommodation.

There was the understanding that once the properties were no longer required for the primary focus, they could revert to be used for anyone seeking temporary accommodation. There was a specific requirement that out of the 5 units, 4 would be used in the first instance for people arriving under the two specific Afghan relocations Schemes with the remaining unit to be allocated as general temporary accommodation. Due to the make-up of the cohort, there was an expectation that the units would be large family sized properties.

Discussions included buying new properties where repair costs would not be an issue.

**RESOLVED:**

1. That delegated authority be granted to the Assistant Director of Housing in consultation with the S151 Officer, Monitoring Officer and Portfolio Holder for Sustainable Homes and Communities to provide including the possibility of purchasing, four units of accommodation for refugees and one unit for general temporary accommodation.

**RECOMMENDED to Council;**

2. The Approval of £750K from the Local Authority Housing Fund to enable the provision of temporary accommodation for Afghan Refugees and others in need of temporary accommodation;
3. The Approval of a Housing Revenue Account capital budget of £975,000 as match funding for the project if required.

**REASON:**

The LAHF round 2 had been specifically designed to help those Afghani citizens who assisted us during the conflict in their country. All local authorities had been encouraged to participate in this national effort to ensure that accommodation and support to those individuals be provided.

EDDC did not have sufficient appropriate accommodation for large families. Whilst this funding would initially only provide one property for general needs temporary

accommodation, the properties originally allocated to assist with Afghan resettlement can revert to general needs housing once the need for refugee resettlement had been satisfied. This fund would therefore enable the council to either bring back into use or purchase family-sized accommodation that would assist local families in need both in the short and long term.

#### 43 **Decarbonisation of EDDC Swimming Pools - Consultant Appointment**

The Assistant Director Environmental Health presented his report that outlined a request for a key decision to be made regarding the allocation of up to £333,000 from the Climate Change budget towards the production of Heat Decarbonisation plans for three swimming pools.

In response to the question on the £333,000 fee proposal 'not' including specialist work and surveys, the Assistant Director Place, Assets and Commercialisation responded that he would seek clarification and provide a written response. He clarified that this was the full budget amount being requested.

##### **RESOLVED:**

That the allocation of £333,000 from the Climate Change budget for the production of RIBA Plan of Works Stage 3 decarbonisation plans for Exmouth and Honiton Leisure Centres, including swimming pools, and Sidmouth Swimming Pool be agreed.

##### **REASON:**

To support the council's journey towards its net-zero target by 2040.

#### 44 **Proposals for a Place and Prosperity Framework for EDDC**

The Project Manager Place and Prosperity (Exmouth) provided Members with the proposed new Place & Prosperity Framework for consideration.

In addition to the adoption of the Framework itself, the Council would need to agree a sum to borrow from the Public Works Loan Board (PWLB) to enable the Framework to deliver investment opportunities in the district – the Framework recommends £20m in the first tranche.

##### **RESOLVED:**

1. That the recommendation from Overview Committee held on the 20 July 2023 that the Place and Prosperity Framework be amended to include an additional non-executive Board member be incorporated. Cabinet agreed for this to be the Chair of Overview Committee at Stage 1 of the framework process.
2. Amend the Place and Prosperity Framework to specify that the Chair of Overview Committee Board member should be able to enter into debate as part of the decision-making process at Stage 1 but should not have voting rights.

##### **RECOMMENDED to Council;**

3. The adoption of the Place and Prosperity Framework as amended to include the Chair of Overview as an additional non-executive member at Stage 1 of the Framework process.
4. The borrowing of up to £20,000,000 as a first tranche from Public Works Loan Board to deliver investments in accordance with the adopted Framework.

##### **REASON:**

To allow the Framework to move forward for consideration through the democratic process and, subject to agreement, onwards to the implementation phase.

45 **Assistant Payroll Officer funding request**

The HR Manager sought approval for funding for a new Assistant Payroll Officer post to support the effective operation of the Council's payroll.

**RECOMMENDED to Council;**

1. That approval is given to increase the Human Resources Service team budget by £34,344 per annum to facilitate a new post of Assistant Payroll Officer to support the existing payroll resource provision.
2. That the HR Manager reviews the arrangements for the provision of payroll to external organisations to assess whether further costs can be recouped.

**REASON:**

To ensure there was sufficient resource to operate an effective payroll.

46 **Annual Treasury Management Review 2022/23 - 1 April 2022 to 31 March 2023**

The report detailed the overall position and performance of the Council's Treasury Management Strategy during 2022/23.

**RECOMMENDED to Council:**

That the investment values and performance for the year to 31 March 2023 be noted.

**REASON:**

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

47 **Financial Monitoring Report 2023/24 - Month 4 July 2023**

The Finance Manager's report gave a summary of the council's overall financial position for 2023/24 at the end of month four (31 July 2023).

Current monitoring indicates that:

- The General Fund Balance is being maintained within the adopted levels. Early forecasts indicated a favourable position of £150k was predicted. The council continued to see a short-term favourable position in treasury management interest, offset with Housing Benefit subsidy costs and increased Refuse and Recycling contract costs. The council was still awaiting any pay award outcome that remains to be accounted for.
- The Housing Revenue Account Balance was being maintained at or above the adopted level.

**RESOLVED:**

That the variances identified as part of the Revenue and Capital Monitoring process up to Month 4 be acknowledged.

**REASON:**



The report updated Members on the overall financial position of the Authority at set periods and included recommendations where corrective action was required for the remainder of the financial year.

#### 48 **Corporate Peer Challenge**

Council agreed at its meeting on 19 July 2023 a Motion on actions to provide a strong, united and informed managerial and political leadership.

This comprised 5 key actions summarised as:

- A skills and knowledge audit of members in order to provide necessary support where required.
- Bring together Cabinet and Senior Management Team to become a unified team working together to meet challenges faced by the Council.
- Request the Local Government Association (LGA) to undertake a Corporate Peer Challenge.
- Ask the Centre for Governance and Scrutiny to conduct a review of the Council's scrutiny process.
- For South West Employers to undertake a training and support review of the Senior Management Team and how it functions as a coherent team.

The Chair wished to thank Paul Clark from the LGA and Richard Kemp, Deputy Lord Mayor of Liverpool for their support on this matter.

#### **RECOMMENDED to Council;**

1. That a budget of £25k be met from the Transformation Reserve to meet actions already adopted by Council.

#### **RESOLVED:**

2. That Cabinet note and agree the timeline for delivery of identified actions from the Council's adopted motion.

#### **REASON:**

To meet the adopted Motion of Council as outlined in the report.

#### 49 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

That under Section 100(A) (4) of the Local Government Act 1972 and in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public (including the press) be excluded from the meeting as exempt and private information (as set out against each Part B agenda item), is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

#### 50 **Strategic Land Acquisition**

Cabinet were advised of a strategic land acquisition opportunity in the west end of the District that could provide a site for the council's operations as well as offer employment sites for investment by the private sector in the future. The acquisition would be in partnership with Devon County Council where they would own and develop part of the site.

#### **RESOLVED:**

1. that the content of the report be noted and supports the council's actions in seeking to negotiate an acquisition price with the landowner be noted;
2. to agree to receive a further report detailing a negotiated purchase price and seeking approval to make a formal offer for the land in conjunction with Devon County Council, and subject to Enterprise Zone Board funding approval (including DCC) and full Council approval.

**REASON:**

To ensure that Cabinet was informed of the council's actions in negotiating to acquire a strategic site which could offer new operational accommodation, as well as sites for commercial investment by the private sector enabling further growth and business development opportunities in the west end of the District.

51 **Seaton Jurassic**

Seaton Jurassic Interpretation Centre was passed back to EDDC on 17 September 2021. There had been reports to Cabinet and Council at regular stages since, with the most recent report being to Cabinet on 5 October 2022 and then recommendation to Council on 19 October 2022. At that stage and following marketing of the opportunity to operate the interpretation centre by way of a lease there was a recommendation to progress heads of terms with Seaton Tramway for a 20-year lease. The complexities of this arrangement and the interrelationship with the different live funding agreements had made a freehold sale more appropriate.

Members wished to express their sincere thanks to Tim Child and officers for their tenacity in getting this to this stage. Cllr Marcus Hartnell expressed his thanks and the thanks from the residents of Seaton. He said their tremendous efforts and hard work could not be underestimated and that this was a huge asset for Seaton.

**RESOLVED:**

That Cabinet agree:

1. The freehold disposal of the Jurassic Centre (to also include adjoining ancillary area) to Seaton Tramway on those terms as outlined in report.
2. The novation of the funding agreement with one funder as outlined in report.
3. The surrender of the funding agreement with another funder as outlined in report.
4. The Memorandum of Understanding being entered into as outlined in the report.
5. Utilising the existing agreed revenue budget of £30,000 agreed in October by Council for costs in completing the lease, now to be utilised for completing the freehold transfer.
6. To delegate to Assistant Director Place, Assets & Commercialisation in consultation with Director Finance, Director Governance & Licencing, and Portfolio Holder for Finance & Assets to agree detailed terms in accordance with those principles set out in the report and to enter into all relevant documentation including legal documentation associated with the freehold transfer of the asset, the novation of the funding agreement, the surrender of the other funding agreement and the entering into of a memorandum of understanding as all detailed within the report.

**RECOMMENDED to Council;**

7. The capital receipt being ring fenced for delivery of those types of projects outlined in the report.

**REASON:**

To progress a way forward to ensure occupation of the site and its continued use as an Interpretation Centre linked to the broad requirements and expectations of the funding agreements and original intentions of the Centre.

## **Attendance List**

### **Present:**

#### **Portfolio Holders**

M Rixson	Portfolio Holder Climate Action & Emergency Response
G Jung	Portfolio Holder Coast, Country and Environment
M Hall	Portfolio Holder Economy
O Davey	Portfolio Holder Strategic Planning
S Jackson	Portfolio Holder Communications and Democracy
J Loudoun	Portfolio Holder Council and Corporate Co-ordination
N Hookway	Portfolio Holder Culture, Leisure, Sport and Tourism
P Arnott	Leader of the Council
P Hayward	Deputy Leader and Portfolio Holder Finance (Assets)

### **Cabinet apologies:**

D Ledger	Portfolio Holder Sustainable Homes & Communities
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### **Also present (for some or all the meeting)**

Councillor Brian Bailey  
Councillor Ian Barlow  
Councillor Roy Collins  
Councillor Peter Faithfull  
Councillor Steve Gazzard  
Councillor Mike Goodman  
Councillor Marcus Hartnell  
Councillor Todd Olive  
Councillor Eleanor Rylance

### **Also present:**

#### **Officers:**

Matthew Blythe, Assistant Director Environmental Health  
Tim Child, Assistant Director Place, Assets & Commercialisation  
Joanna Fellows, Corporate HR Manager  
Amy Gilbert-Jeans, Assistant Director Housing  
Alison Hayward, Project Manager Place & Prosperity  
Gerry Mills, Project Manager Place & Prosperity (Exmouth)  
John Symes, Finance Manager  
Amanda Coombes, Democratic Services Officer  
Simon Davey, Director of Finance  
Andrew Hopkins, Communications, Digital Services and Engagement Manager  
Tim Laurence-Othen, Housing Projects Officer  
Charles Plowden, Assistant Director Countryside and Leisure  
Melanie Wellman, Director of Governance & Licensing (Monitoring Officer)

Chair .....

Date: .....

**Recommendations for Cabinet consideration from the meeting of the Strategic Planning Committee on 5 September 2023**

**Minute 22: Gypsy and Traveller Site Provision**

1. That the Council agree in principle to taking over the lease arrangements for the Elbury Close site at Broadclyst and progress discussions with Devon County Council and the National Trust over these arrangements be agreed as well as to discuss the opportunities to continue the current management arrangements with Elim Housing. A detailed proposal for the new lease and management arrangements to then be brought to Cabinet for Members consideration.
2. That option 3 of paragraph 3.11 of the report be recommended as the preferred option.

**Minute 24: Section 106 and CIL Resources and Processes**

1. That the proposed revised S106 Monitoring Fees charging schedule appended to this report be supported.
2. That the proposed Planning Obligations Team incorporating the existing COL and Section 106 Officer posts and the proposed new Planning Obligations Manager and Planning Obligations Support Officer posts be created with the new posts to be funded from S106 Monitoring Fees and CIL admin funds be approved.
3. That the current spend process for S106 receipts for spend in the community on play areas, open space and other community spaces be amended as per option 2 as detailed in the report and delegated authority be given to the Assistant Director – Planning Strategy and Development Management to issue best practice guidance on the Council's website on how town and parish councils should engage their communities on spend decisions be approved.

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of the meeting of Strategic Planning Committee held at Council Chamber, Blackdown House, Honiton on 5 September 2023**

#### **Attendance list at end of document**

The meeting started at 10.00 am and ended at 3.51 pm. The Chair adjourned the meeting for lunch at 12:50 pm and reconvened at 1.35 pm. Brief adjournments also took place at 11.30 am to 11.50 am and 2.45 pm to 2.55 pm.

#### **14 Minutes of the previous meeting**

The minutes of the Strategic Planning Committee held on 21 July 2023 were confirmed as a true record.

#### **15 Declarations of interest**

Minute 19. Housing Numbers in the East Devon Local Plan.

Councillor Paul Hayward, Affects Non-registerable Interest, Employed as Clerk to Axminster Town Council.

Minute 20. East Devon Local Plan - Future Work Planning.

Councillor Paul Hayward, Affects Non-registerable Interest, Employed as Clerk to Axminster Town Council.

Minute 21. Achieving Nutrient Neutral Development in the River Axe Catchment.

Councillor Paul Hayward, Affects Non-registerable Interest, Employed as Clerk to Axminster Town Council.

Minute 22. Gypsy and Traveller Site Provision.

Councillor Marcus Hartnell, Other Registerable Interest, as a Devon County Councillor left the chamber for this item and did not take part in discussions or vote on this item.

Minute 22. Gypsy and Traveller Site Provision.

Councillor Mike Howe, Affects Non-registerable Interest, as Ward Member have wards referred to in the report.

Minute 22. Gypsy and Traveller Site Provision.

Councillor Paula Fernley, Affects Non-registerable Interest, as Ward Member have wards referred to in the report.

Minute 22. Gypsy and Traveller Site Provision.

Councillor Todd Olive, Affects Non-registerable Interest, as Ward Member have wards referred to in the report.

Minute 23. Duty to Co-operate Update.

Councillor Paul Hayward, Affects Non-registerable Interest, Employed as Clerk to Axminster Town Council.

Minute 24. Section 106 and CIL Resources and Processes.

Councillor Paul Hayward, Affects Non-registerable Interest, Employed as Clerk to Axminster Town Council.

Minute 24. Section 106 and CIL Resources and Processes.

Councillor Mike Howe asked for it to be noted that although it was not a declaration he was Chair of the Community Infrastructure Levy Working Party which referred to his ward in the report.

16 **Public speaking**

There were no members of the public wishing to speak.

17 **Matters of urgency**

There were no matters of urgency.

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

There were no confidential/exempt items.

19 **Housing Numbers in the East Devon Local Plan**

The Assistant Director – Planning Strategy and Development Management presented the report which addressed matters raised by Strategic Planning Members at the meeting on 9 June specifically addressing the housing need matters with constraints in East Devon to accommodate housing growth.

The report focused on two key aspects which related to the unconstrained housing need figure calculated on the Government's standard method for calculating housing numbers and the housing requirement which takes into the constraints. The current housing need figure under the Government's standard method stands at 910 homes per year which Members noted was not unusual for Southern England.

The Assistant Director – Planning Strategy and Development Management highlighted the following planning constraints which the report addressed but concluded could not be taken into account as these were not classed as exceptional circumstances:

- Areas of Outstanding Natural Beauty
- Green Belts
- Duty to co-operate
- Growth on protected habitats

He also addressed the wider concerns for not accommodating the standard method housing need numbers and emphasised that current evidence had demonstrated East Devon did not have any exceptional circumstances to justify using an alternative approach to the standard method for calculating the Local Housing Need.

The Assistant Director – Planning Strategy and Development Management advised it was important to note that the proposed levels of growth could be accommodated with suitable mitigation in place and that it would be kept under review should Government policy changes.

Members thanked the Assistant Director – Planning Strategy and Development Management for the excellent detailed report which gave a compelling argument to the recommendations proposed and raised the following comments and questions:

- There is a need to challenge the housing numbers through political channels rather than through the local plan process.
- Concern was raised about the duty to co-operate and neighbouring authorities not meeting their housing numbers. It was advised there was a need to wait and see and then push for evidence to back up their case. Torbay was the only neighbouring authority at this stage that had indicated that they would not be able to meet their housing numbers and evidence had been requested to confirm this.
- There was a need to find ways to mitigate existing challenges and focus on issues such as waste water and working with NHS.
- There was a need to work closely with town and parish councils to ensure they get the right housing that they believe is needed.
- Clarification was sought on the affordability ratio and the comments detailed in paragraph 5.30. The Assistant Director – Planning Strategy and Development Management agreed questioning the evidence about whether this would bring house prices down.
- Clarification was sought on the infrastructure issues detailed in paragraph 5.24 and whether this could be considered a constraint if Government was failing to carry out the engineering solutions. In response the Assistant Director – Planning Strategy and Development Management advised it would not be a constraint to levels of growth in planning terms as development could be phased to allow for the infrastructure to put in place, but it could be raised at a political level.
- Concern was raised about the proposal for a new town when DCC were not happy with their infrastructure and roads in Exeter.
- There is a need to separate the site allocations from worst to good and put the worst sites on a reserve which if needed can be appealed when the local plan goes for inspection.
- The reason why East Devon suffers so badly with house prices and availability is due to inward migration.

In line with comments received from Members about the need to challenge the housing numbers through a political process Councillor Kevin Blakey proposed the following additional recommendation which was seconded by Councillor Ben Ingham.

‘That EDDC should write to our local MPs to press for a policy change as referred to in recommendation 2 to take into account the real local need excluding the influence of demand for housing created by inward voluntary migration.’

Further comments included:

- Do not agree that we do not have exceptional circumstances. There is a duty to our residents to push back and not accept figures from an algorithm.
- Concern raised that the local plan was not moving forward since the consultation and the need to stop going around in circles.
- It was suggested to a slight amendment of the wording in recommendation 2 as there was a need to keep other neighbouring authorities under constant review with their housing numbers.
- Dissatisfaction was expressed about the delivery of housing sprawling out into the countryside onto our green fields. Discussions have never taken place in committee about how this can be avoided.
- In response to the additional recommendation proposed by Councillor Blakey it was suggested there was a need for a continuous commitment to look at political avenues to challenge the housing numbers.
- There is a need to push to maximise the number of affordable homes.

- A member expressed support for a letter to be sent to local MPs to try and get the housing numbers down but could not support a letter that could not support the voluntary inward migration as this would stop people coming into the district that were highly skilled. In response Councillor Blakey advised the point he was trying to make was that local housing need should be made more affordable and that house prices were driven by people coming into the area.
- The current housing target was completely unreasonable and that continued conversations were needed with our local MPs to keep the pressure on Government.
- It was suggested to have a bullet pointed letter to the local MPs listing all the constraints.
- It was suggested to use the previous letter sent to Michael Gove should be used as a base point.

The following suggestions were made by Members to include in the letter to Michael Gove:

- A member suggested circulating the letter to the Strategic Planning Committee Members as several Members who had commented earlier were not present.
- It was suggested there was a need to send the letter out as a press release and to also put the letter on all the council's social media platforms, so residents know that they are supported.
- There was a need to include the following constraints:
  - the impacts on roads and infrastructure.
  - the effects on water and sewerage and its infrastructure
  - the increased pressures on doctors' surgeries and the NHS in general.
  - the efficacy of the affordability uplift in the standard method.
  - the ability for councils to build homes and not just developers to maintain a mixed market.

#### **RESOLVED:**

1. That active local plan preparation reconvene and work on the basis, for the time being, of providing sufficient housing to meet the Government standard method.
2. That should the Government policy change and provide sufficient flexibility for a differing housing level, an insurmountable infrastructure constraint, or a finding at a local plan examination elsewhere then matters should be reviewed for an alternative approach is applicable, appropriate and desirable and can be successfully achieved in the East Devon local plan.
3. That EDDC should write an open letter to our local MPs to press for policy change as referred to in recommendation 2. Delegated authority to be given to the Assistant Director – Planning Strategy and Development Management in consultation with the Chair and Vice Chair to agree the content of the letter in line with the previous letter written and points raised.

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### **East Devon Local Plan - Future Work Planning**

The Assistant Director – Planning Strategy and Development Management provided the Committee with an interim update on the work programme for the new local plan to address the immediate issues to the local plan making system due to the proposed Levelling-up and Regeneration Bill. He advised that it was critical for Members to be aware that absolute deadline to submit the draft local plan was June 2025 and adopted by June 2026.



The Assistant Director – Planning Strategy and Development Management drew Members attention to key areas that had been identified as not having been effectively progressed and would need further consultation through a further Regulation 18 stage. Members noted that a detailed report would be brought to Committee next Spring.

These included:

- Site allocations and master planning for the new town
- Employment allocations
- Further housing sites
- Clyst Valley Regional Park Boundary
- Green Wedges
- Coastal Preservation Areas
- Designated Neighbourhood Area Housing Requirements

Members attention was drawn to the detailed table that summarised the further work, evidence and committee considerations that may be needed to support the local plan which would be brought to Members in bite size chunks, chapter by chapter to work through and agree any changes.

Questions from Members included:

- Clarification was sought on whether there was a Jurassic Coast Protection Area to cover the inland areas and whether this was an overlap of the coastal preservation areas. The Assistant Director was not aware of this and advised he would look into this with the World Heritage Site Team.
- There was a need to consider food and water security and look at ways of protecting the grade 1 and 2 lands on further developments and clarification was sought on whether there would be policies in the local plan to protect these types of land. It was advised there would be policies in the plan to protect the best agricultural land and could look to accommodate water security which could be picked up when the Water Cycle Study was completed.
- Concern raised that there nothing in the local plan about our rural communities and clarification was sought about helping farmers. It was advised current policies were open to rural development and rural diversification.
- Several Members raised concerns about the Green Wedges advising they were very important, and the review should not propose to reduce them or be encroached on. The Assistant Director – Planning Strategy and Development Management advised there the Green Wedge Policy along with the other outdated policies must be reviewed to make sure the new local plan has up-to-date evidence and justification for it to be adopted. In response there was a request to have it noted in the minutes that whilst the committee recognises there was more work to be done that as a matter of principle the Green Wedges were a priority and preventing the coalescence of settlements was absolutely vital.
- Clarification was sought on the strategic development at Whimble and Feniton. In response it was advised this would be picked up at a later date when considering the site allocations.
- It was suggested that the Chair and Vice Chair be kept regularly up to date on the GANT chart and on any other relevant information relating to progress. The Assistant Director – Planning Strategy and Development Management confirmed he was happy to sit down with the Chair and Vice Chair and review the work programme at any time.
- Clarification was sought on whether a policy could be introduced to prevent developers trying to get out of providing affordable housing after the planning application has been approved. In response it was advised that if current

government legislation changed this could be possible but at present this would not be possible.

**RESOLVED:**

1. That local plan production continues under the current existing plan making system though with future periodic reviews to assess possible potential and desirability to work under the proposed new system.
2. Working on and refining the existing draft local plan notwithstanding that scope exists to alter the plan strategy and add to, delete or amend draft policies in the future be endorsed.

21 **Achieving Nutrient Neutral Development in the River Axe Catchment**

Prior to the Assistant Director – Planning Strategy and Development Management presented his report the Portfolio Holder Coast, Country and Environment read out the following statement.

‘I was alarmed last week to read the Government proposed changes to Nutrient Neutrality for their National Policy

It is proposed that within the Levelling-up and Regeneration Bill to make Natural England’s nutrient neutrality rules advisory rather than mandatory. This will effectively enable this council to resume processing planning applications again in the Axe catchment which we have been unable to do since early 2022. On the face of it, its good news for local housing building, but is it good for the environment?

It still remains vital to clean up the Axe Catchment and will the change in policy with the lifting planning restrictions and the announced alleged new funding tackle the root causes of nutrient pollution in rivers and estuaries.

It is reported that additional funding will be provided to the NE Nutrient Mitigation Scheme to tackle pollution and restore habitats, with the promise that developers will contribute to funding mitigation in the future.

It was also announced the Government will also provide:

- Legislation requiring investment from water companies to improve infrastructure to the highest standard by 2030. But this has already been announced so not new money.
- £200m grants to improve slurry infrastructure and fertilising equipment on farms, with an increase in inspections to ensure that farmers are minimising water pollution. But Liz Truss, who when in charge at the DEFRA between 2014 and 2016, oversaw “efficiency” plans set out in the 2015 spending review reduced Environment Agency funding by £235m. This included a £24m cut from a government grant for environmental protection, including surveillance of water companies, between 2014-15 and 2016-17. So, this new grant is simply replacing what was cut 9 years ago!
- Additional £25m to invest in innovative land and soil management techniques. But these 2 new funding announcements are less than what was cut in 2014! So, what about inflation?
- Consultation later this year to consider requirements for sustainable drainage solutions to protect homes and waterways. Surely wasn’t this part of the NPPF proposed changes that were to be concluded last spring?

I therefore question this “new” funding for environmental mitigations will deliver what is needed throughout the country!

Although I never understood the stopping of planning permission for the Axe catchment in 2022, as the greatest amount of pollution was estimated as Agricultural at over 70%. (To me it seemed that the wrong player was sent off!!)

Now the Government are suggesting removing this requirement, but I feel we need to know the full consequence of their proposals within the Axe catchment area before we react to what seems a retrograde step from the Nature Recovery Policy which we are now introducing.

It would seem that funding is simply returning but at yesterday's prices in another form!

Up to now the Axe catchment work has been through Strategic Planning, as it effects new homes, but I now wonder if we need to include this within our Nature Recovery, rather than it being only being a planning matter.

I therefore suggest that we review this suggested change in Government policy and plan any changes required in our strategy to the Axe catchment and feedback our thoughts appropriately to Government and our MPs.

What we don't want is to lose the valued work already achieved that has been done to improve the Axe water quality, but to use that work and build on it to return this catchment to its former high-quality status as soon as possible.

Just because government is suggesting the lifting of the NE requirement to a building ban, we don't want to waste the work we have achieved so far.'

Members considered the Assistant Director – Planning Strategy and Development Management's report which sought agreement into delivering suitable mitigation measures in the River Axe catchment.

The Assistant Director – Planning Strategy and Development Management drew the Committees' attention to the letter received in April 2022 from Natural England advising that because of the sensitivity of the River Axe it had been placed in a Special Area of Conservation and that new planning permissions for new homes and other developments providing overnight accommodation should not be granted unless it can be shown to be 'nutrient neutral'.

The Assistant Director – Planning Strategy and Development Management advised there were key mitigation options for Members to consider:

1. To set up a trading platform which would allow landowners to bring forward projects to allow mitigation of phosphate discharge.
2. To agree a £3k payment towards initial set up costs. This would be taken from the £100k funding monies that had already been provided by Government to address these issues;
3. To pursue potential water efficiency measures to the Council's housing stock, and
4. To investigate the council housing stock within the River Axe catchment that is not connected to mains drainage and whether upgrading drainage systems could reduce the discharge of phosphates.
5. To adopt the guidance from Natural England.

Members were made aware of a recent ministerial statement that the Government was intending to propose changes through the Levelling-up Bill to address the issues highlighted in the report and clarified from a letter received from the Department of Levelling-up Housing and Communities that these measures were subject to Parliamentary scrutiny and effect from Royal approval which implied it was still a long way off and planning decisions would still need to be taken in line with the current planning framework.

The Assistant Director Planning Strategy and Development Management recommended a caveat to Recommendation 1 to read:

‘Agree to provide financial support to the Environment Agency and West Country Rivers Trust Nutrient Trading Platform in the form of a £3k payment towards initial set up costs and £10k for this financial year and defer payments for future years until there is greater clarity.’

Comments and questions raised from Members included:

- Reassurance was sought on whether the private credit trading platform would achieve better outcomes. In response the Assistant Director – Planning Strategy and Development Management advised it would not be for profit and can have reasonable assurance it would deliver its intended outcomes. Further details had been requested which if Members wanted could be brought back to Committee at a later date.
- Clarification was sought on how many of our council houses were not on mains drains in the catchment area. Although an exact figure could not be provided the Assistant Director – Planning Strategy and Development Management advised it was not very many and advised this would be investigated further.
- Clarification sought on what was the least and most effective on mitigation measures. It was advised that a wetland would be far more effective than water efficiency measures but purchasing land for a wetland would be extremely difficult.
- Clarification sought on the efficiency measures referred to in paragraph 5.7
- Reference was made to paragraph 5.8 and whether increasing the concentration of phosphates in discharge would have the desired effect.
- Clarification sought on how many houses would be affected by the River Axe catchment area in the emerging local plan. It was advised there were about 700 homes proposed in the catchment area which included all the first and second choice sites and about 150 homes currently delayed through the planning application process directly as a result of these issues.

Councillor Mike Howe proposed the recommendations which included the Assistant Director – Planning Strategy and Development Management’s caveat to Recommendation 1 which was seconded by Councillor Helen Parr.

#### **RESOLVED:**

1. That financial support to the Environment Agency and West Country Rivers Trust Nutrient Trading Platform in the form of £3k payment towards initial set up costs for this year be agreed and delegated authority be granted to Assistant Director – Planning Strategy and Development Management in consultation with the Monitoring Officer and Section 151 Officer to agree an Service Level Agreement between the Environment Agency, West Country Rivers and East Devon District Council reflecting the issues raised by Members concerns.
2. To pursue potential water efficiency measures to the Council’s housing stock within the River Axe catchment be agreed and that a detailed proposal be brought to Members for consideration at a future meeting.

3. To investigate council housing stock within the River Axe catchment that is not connected to mains drainage and consider whether upgrading drainage systems could reduce the discharge of phosphates be agreed.
4. That the guidance on thresholds for the significance of projects impacting on nutrient neutrality issues as agreed with Natural England be adopted by the Council and published on the Council's website.

## 22 **Gypsy and Traveller Site Provision**

The Assistant Director – Planning Strategy and Development Management updated Members on work that was on-going to develop a strategy for delivering necessary sites to meet the needs for gypsy and travellers.

It was advised a number of attempts had been made to acquire suitable sites however it had become an ongoing challenge to find these suitable sites due to the lack of willingness from landowners to sell.

A couple of opportunities had now been presented. These options were:

### Elbury Close, Broadclyst.

This site was currently leased from the National Trust to DCC. It is in poor condition and in need of urgent repairs. DCC would like EDDC to take on the lease arrangements which would provide an opportunity to explore expanding the site to provide additional pitches.

### Cranbrook

The adopted Cranbrook Plan DPD allocated land for a total of 15 permanent pitches across 2 sites.

Members views were sought on the following 3 options for delivery:

1. The developers market the pitches as serviced sites having first laid out the site as per the agreed and costed specification.
2. The developers market the pitches without services and without first laying them out.
3. The Council agrees to take the free transfer of all the pitches (as serviced land) and a financial contribution from the developers to enable their delivery.

The Assistant Director – Planning Strategy and Development Management also sought Members views on Baxters Farm, Musbury which is owned by DCC and had been identified as potential land for a gypsy and travellers site. This was identified in a draft development brief but DCC would not want to accommodate provision on the site and have been looking at alternatives. Members were advised that DCC were also mindful that there is an unauthorised encampment of travellers on DCC land within Shute Woods which is subject to an enforcement notice to remove the travellers from that site. As a result there is some pressure on DCC to find a suitable site in the district.

### **RESOLVED:**

1. That the historic issues associated with gypsy and traveller site provision in the district be noted and the current position be noted.
2. That the 3 options for the delivery of gypsy and traveller pitches as part of the Cranbrook expansion areas as set out at paragraph 3.11 be considered.
3. That the emerging opportunity to work with Devon County Council to deliver a gypsy and traveller site in the east of the district in-lieu of provision of Baxters

Farm, Musbury and to address the long running unauthorised encampment at Shute Woods be noted.

**RECOMMENDED TO CABINET:**

1. That the Council agree in principle to taking over the lease arrangements for the Elbury Close site at Broadclyst and progress discussions with Devon County Council and the National Trust over these arrangements be agreed as well as to discuss the opportunities to continue the current management arrangements with Elim Housing. A detailed proposal for the new lease and management arrangements to then be brought to Cabinet for Members consideration.
2. That option 3 of paragraph 3.11 of the report be recommended as the preferred option.

23 **Duty to Co-operate Update**

The report presented by the Assistant Director – Planning Strategy and Development Management updated Members on matters related to the duty to co-operate and was advised that as the council had a duty to co-operate with neighbouring local authorities and stakeholders if the local plan was not prepared in a way that met the duty to co-operate it would not be found sound and would not be adopted.

The bodies considered to be bound by the duty to co-operate included:

- Environment Agency
- Natural England
- NHS
- Highways England
- South West Water

Members attention was drawn to the appended report. Appendix 1 provided Members with a summary of the relevant bodies, comments received and key actions and appendix 2 summarised the strategic cross boundary issues and key actions.

The Assistant Director – Planning Strategy and Development Management emphasised there was a lot of work still to be done and that there could still be a lot of issues to resolve and officers were working to reassure Members that the duty to co-operate can be met.

**RESOLVED:**

1. That the representations received on the draft local plan from 'duty to co-operate bodies' as set out in Appendix 1 to this report be noted.
2. That work undertaken on strategic cross boundaries issues and proposals for examining the issues identified as set out in Appendix 2 to this report be noted.
3. That the table set out in Appendix 2 be circulated to other duty to co-operate bodies for comments as set out in paragraph 4 of this report.

24 **Section 106 and CIL Resources and Processes**

The Assistant Director – Planning Strategy and Development Management presented a report updating Members of the current position with regard to the Section 106 and Community Infrastructure Levy (CIL) processes.

It was noted that the proposed measures to address a number of issues highlighted by the SWAP audit was to include a new staffing structure within the planning obligations team to incorporate alongside the existing CIL and Section 106 Officer posts a new Planning Obligations Manager, an additional CIL Officer and Planning Obligations Support Officer. This would in turn provide the much needed additional resource to assist the town and parish councils to help deliver projects in their areas with the Section 106 monies.

The Assistant Director – Planning Strategy and Development Management advised to help reduce the financial burden on the council it was proposed to increase the monitoring fees as detailed in appendix 1 of the report.

The Chair on behalf of the Members thanked the Assistant Director – Planning Strategy and Development Management for the welcomed report which addressed not only the historical issues but a proposed solution and how it would be funded and looked forward to seeing the improvements.

**RECOMMENDED TO CABINET:**

1. That the proposed revised S106 Monitoring Fees charging schedule appended to this report be supported.
2. That the proposed Planning Obligations Team incorporating the existing COL and Section 106 Officer posts and the proposed new Planning Obligations Manager and Planning Obligations Support Officer posts be created with the new posts to be funded from S106 Monitoring Fees and CIL admin funds be approved.
3. That the current spend process for S106 receipts for spend in the community on play areas, open space and other community spaces be amended as per option 2 as detailed in the report and delegated authority be given to the Assistant Director – Planning Strategy and Development Management to issue best practice guidance on the Council's website on how town and parish councils should engage their communities on spend decisions be approved.

**RECOMMENDED TO COUNCIL:**

1. That these charges be applied with effect to Section 106 agreements associated with planning applications received once the new charges have been published on the Council's website.
2. That the proposed Planning Obligations Team incorporating the existing COL and Section 106 Officer posts and the proposed new Planning Obligations Manager and Planning Obligations Support Officer posts be created with the new posts to be funded from S106 Monitoring Fees and CIL admin funds be approved.

**Attendance List**

**Councillors present:**

B Bailey  
J Bailey  
K Blakey  
O Davey (Chair)  
P Fernley  
C Fitzgerald  
M Hartnell  
P Hayward  
M Howe (Vice-Chair)

B Ingham  
Y Levine  
T Olive  
H Parr

**Councillors also present (for some or all the meeting)**

R Collins  
G Jung  
M Rixson

**Officers in attendance:**

Ed Freeman, Assistant Director Planning Strategy and Development Management  
Anita Williams, Principal Solicitor (Deputy Monitoring Officer)  
Wendy Harris, Democratic Services Officer

**Councillor apologies:**

B Collins  
D Ledger

Chairman .....

Date: .....



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

**Scrutiny Committee 7 September 2023**

**Minute 15 Section 106 and CIL Resources and Processes**

1. Recommend that Cabinet support the proposed revised S.106 Monitoring Fees charging schedule appended to the report [Report on Section 106 and CIL Resources and Processes] and recommend to Council that these charges be applied with effect to Section 106 agreements associated with planning applications received once the new charges have been published on the Council's website.
2. Recommend to Cabinet and to Council that the proposed Planning Obligations Team incorporating the existing CIL and Section 106 Officer posts and the proposed new Planning Obligations Manager and Planning Obligations Support Officer posts be created with the new posts to be funded from S.106 Monitoring Fees and CIL admin funds.
3. Recommend to Cabinet that the current spend process for S.106 receipts for spend in the community on play areas, open space and other community spaces be amended as per option 2 as detailed in the report and delegated authority be given to the Assistant Director – Planning Strategy and Development Management to issue best practice guidance on the Council's website on how Town and Parish Councils should engage their communities on spend decisions.
4. Recommend to Cabinet that an interim solution be found to put resources in place as soon as possible in respect of dealing with the approximately 150 outstanding cases where a notice of payment has been issued and monies remain outstanding.

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of the meeting of Scrutiny Committee held at Council Chamber, Blackdown House, Honiton on 7 September 2023**

#### **Attendance list at end of document**

The meeting started at 6.00 pm and ended at 8.07 pm

#### **9 Minutes of the previous meeting held on 6 July 2023 and minutes of the meeting held on 2 March 2023**

The minutes of the previous meeting held on 6 July 2023 and the minutes of the meeting held on 2 March 2023 were agreed as a true record.

#### **10 Declarations of interest**

Minute 15. Section 106 and CIL Resources and Processes.

Councillor Ian Barlow, Personal, Member of Sidmouth Town Council which is in receipt of S.106 monies.

Minute 15. Section 106 and CIL Resources and Processes.

Councillor Paul Hayward, Personal, Clerk to Axminster Town Council which is in receipt of S.106 monies.

Minute 15. Section 106 and CIL Resources and Processes.

Councillor Sarah Jackson, Affects Non-registerable Interest, Details of the nature of the interest are withheld under S.33 of the Localism Act 2011.

Minute 15. Section 106 and CIL Resources and Processes.

Councillor Vicky Johns, Personal, Member of Ottery St Mary Town Council which is in receipt of S.106 monies.

#### **11 Public speaking**

One member of the public had registered to speak at the meeting. Mr Jack Rowland spoke on agenda item 11.1, the proposal form for car parking tariffs and advised that it was incorrect that the cost of all car parking across the district had been increased by 100% in 2022, as stated on the proposal form. Mr Rowland noted that some car parking tariffs had remained the same, and that over the winter period, the cost of car parking was £2 per day. Residents were also able to purchase car parking permits with an option of paying £10 per month.

Prior to the increases in 2022, car parking tariffs had not been increased for a decade and it was important to consider the overall budget plan. When compared with other local authorities in the southwest, East Devon was not the most expensive as stated on the proposal form. Mr Rowland gave examples of other authorities which were increasing their charges again. Mr Rowland also noted that it had always been the intention for a report reviewing the impact of the increase in car park tariffs to be considered by Cabinet in the autumn of this year, and so queried the timing of the submission of the proposal form.

The Chair thanked Mr Rowland for his contribution.

12 **Matters of urgency**

There were no matters of urgency.

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

There were no confidential / exempt items.

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

There were no decisions made by Cabinet called in by Members for scrutiny.

15 **Section 106 and CIL Resources and Processes**

The Committee considered the report from the Assistant Director – Strategic Planning and Development Management on Section 106 (S.106) and Community Infrastructure Levy (CIL) resources and processes. The report highlighted a number of issues in relation to the Council's work in administering planning obligations such as CIL and S.106 agreements. Some of the issues had been highlighted in an audit in 2020 and while actions recommended by the audit were completed, due to various staffing issues there was a significant backlog again. The report proposed measures to address this, including a new staffing structure within the planning team that would be funded by a revised S.106 monitoring fees charging schedule as well as changes to the process for the spend of S.106 monies to try and reduce the administrative burden on the Council.

The Chair advised that he had visited six Town and Parish Council Clerks and had also spoken to Cllr Johns in her capacity as Chair of Ottery St Mary Town Council. The Chair had written a report with recommendations which had been seen by the Assistant Director – Strategic Planning and Development Management. The Chair's report would be circulated to Members following the meeting.

Discussion of the Assistant Director's report included the following points:

- As the Strategic Planning Committee had already considered the same report and had agreed the report's recommendations to Cabinet, it was questioned why the report had come to the Scrutiny Committee.
- At the previous meeting of the Scrutiny Committee, it had been noted that Town and Parish Councils across the district were having problems with accessing S.106 and CIL monies, and the Committee had considered this an important matter to scrutinise.
- Concern was expressed that the equalities impact assessment should not be low impact, as shown in the report, but should be high impact as S.106 is time limited.
- Members were aware of cases where S.106 money had been returned to developers as the time limit had expired.
- There was concern that the proposals for staffing arrangements set out in the report would take a long time to implement and it was suggested that an interim arrangement should be put in place to ensure that S.106 monies due to town and parish councils are not lost in the meantime.
- Members noted that there are around 150 cases where a notice of payment had been issued and where monies remained outstanding. It was questioned who would make the decision as to whether it was expedient or not to pursue these outstanding funds in the case of the smaller amounts.
- It remains unclear as to why it has taken so long to resolve the issue with S.106 and CIL resources and processes and there is a need to understand what has happened. It was

suggested that it would be beneficial to meet with the Clerks, Chairs and Deputy Chairs of the larger town and parish councils to understand what the problems are.

- It was noted that the Town and Parish Councils need training on how to manage S.106 and CIL, and that this has been acknowledged by the Assistant Director – Strategic Planning and Development Management.
- More staff have been taken on in the past and this did not resolve the issues.
- Private contractors could be brought in to assist with staff resources in the short term.
- Advice could be sought during the upcoming peer review and the processes used in neighbouring councils could be looked at.
- The whole S.106 and CIL process has been opaque when it should be open and transparent.
- Concern was expressed that the on-going issues with S.106 and CIL have a negative impact on the leisure strategy.
- The Council owes it to the local communities to bring in contractors to sort out the issues.
- It was noted that progress was being made but that this was then impacted by staff leaving.
- It was particularly urgent to have an initial push at resolving the issues.
- There was concern that the proposed structure and number of staff would not be sufficient to deal with the issues.
- The Parish and Town Councils could assist with providing information on developments.
- A Task and Finish Forum could be set up to consider various issues including how to ensure payments are collected so that Town and Parish Councils can spend the money they are owed. The TaFF could consist of Scrutiny Committee members with Overview Committee members invited.
- It was noted that the Assistant Director's report would continue through the Strategic Planning Committee process to Cabinet.

The Deputy Monitoring Officer advised that advice would need to be given through the Chair on the political balance and number of members on the TaFF. Notice of setting up the TaFF had not been given due to it arising from the discussion at the meeting, and members of the Overview Committee would not be aware of the discussion and subsequent decision. The TaFF could be held virtually.

## **RESOLVED:**

To set up a Scrutiny Committee Task and Finish Forum, with members of the Overview Committee invited to participate, in order to consider various issues regarding S.106 and CIL monies collection and spend.

Members of the Scrutiny Committee and the Overview Committee would confirm their interest in joining the TaFF to the supporting Democratic Services Officer.

The following recommendations to Cabinet were then agreed:

## **RECOMMENDATIONS TO CABINET:**

1. Recommend that Cabinet support the proposed revised S.106 Monitoring Fees charging schedule appended to the report [Report on Section 106 and CIL Resources and Processes] and recommend to Council that these charges be applied with effect to Section 106 agreements associated with planning applications received once the new charges have been published on the Council's website.
2. Recommend to Cabinet and to Council that the proposed Planning Obligations Team incorporating the existing CIL and Section 106 Officer posts and the proposed new Planning Obligations Manager and Planning Obligations Support Officer posts be created with the new posts to be funded from S.106 Monitoring Fees and CIL admin funds.

3. Recommend to Cabinet that the current spend process for S.106 receipts for spend in the community on play areas, open space and other community spaces be amended as per option 2 as detailed in the report and delegated authority be given to the Assistant Director – Planning Strategy and Development Management to issue best practice guidance on the Council's website on how Town and Parish Councils should engage their communities on spend decisions.
4. Recommend to Cabinet that an interim solution be found to put resources in place as soon as possible in respect of dealing with the approximately 150 outstanding cases where a notice of payment has been issued and monies remain outstanding.

The following was then agreed:

**RESOLVED:**

1. That the Scrutiny Committee receive an update report in late Summer 2024 to advise of progress in forming the new planning Obligations Team and their progress in addressing the issues highlighted in the report, and
2. That the Scrutiny Committee receive an interim update on progress in February 2024 as a matter of urgency.

**16 Update on the draft Scrutiny Protocol - Monitoring Officer**

The Deputy Monitoring Officer advised that the Monitoring Officer had been working on the draft Scrutiny Protocol and that there was a slight delay pending advice from the Centre for Governance and Scrutiny. It was anticipated that the draft protocol would come to the October Committee meeting.

**17 Update on progress with the quarterly performance report task force - Committee Chair**

The Chair provided an update on progress with reviewing the quarterly performance report. The Chair and Vice-Chair had held a very positive meeting with the Management Information Officer. It had been agreed by senior officers and internal audit that changes to the report were needed and a number of recommendations were being followed up.

The Chair, Vice-Chair and Cllr Whibley had been invited to attend the performance review workshop. It had been agreed with officers to bring the next quarterly performance report for quarter 2 to the November Scrutiny Committee meeting. This to be added to the Forward Plan.

**18 Forward Plan**

The Committee considered two proposal forms regarding:

1. a review of car parking tariffs, and
2. a review of public toilets.

**1. Car parking tariffs**

The Chair advised that he had submitted the proposal form in order to assist Cabinet with the provision of information when it considers its review of car parking tariffs in November.

The discussion included the following points:

- Concern was expressed that the incorrect figure regarding the increase in car parking tariffs contained in the proposal form was being quoted in the media.
- A number of complaints regarding car parking tariffs had been received, although this had not been indicated on the proposal form.
- Car parking permits should be publicised more widely and particularly when members of the public make a complaint regarding car parking tariffs.
- Information on parking permits could be included when council tax bills are sent out.
- As Cabinet would be reviewing the increase in car parking tariffs, it was not appropriate for Scrutiny to review at the present time.
- It was noted that district wide car parking tariffs would have a detrimental impact on asset transfers in Beer.
- It was suggested that proposal forms be fact checked by officers before publication.
- Any review of car parking tariffs should be undertaken with full information and there was a need to agree what data would be required for a review.

The Deputy Monitoring Officer advised that the Committee should agree the exact nature of what would be included in any review.

As Cabinet would consider an officer's report on the increase in car parking tariffs at its November meeting, or when the report was ready, it was agreed to defer this item on the Forward Plan until Cabinet had discussed this matter.

## 2. Public toilets

The Chair advised that he had met with officers to discuss issues with public toilets in Sidmouth and that, in his view, there was a lack of public awareness regarding the previously agreed toilet strategy which has begun to be implemented. Information regarding public toilet provision in Sidmouth had recently been published on the Council's website.

As a result of discussions with officers, the Chair wished to withdraw this proposal form and had submitted a proposal form to the Overview Committee instead.

The Chair of the Overview Committee advised that she was only looking for an update from officers on progress with implementing the toilet strategy.

## Forward Plan

With the amendments as agreed at the meeting, the Forward Plan was agreed.

## **Attendance List**

### **Councillors present:**

J Bailey  
I Barlow  
M Chapman  
R Collins  
M Goodman (Chair)  
A Hall  
J Heath  
J Kemp (Vice-Chair)  
D Mackinder  
A Toye

**Councillors also present (for some or all the meeting)**

P Arnott  
B Bailey  
P Hayward  
N Hookway  
B Ingham  
S Jackson  
V Johns  
G Jung  
M Rixson

**Officers in attendance:**

Andrew Hopkins, Communications, Digital Services and Engagement Manager  
Sarah Jenkins, Democratic Services Officer  
Anita Williams, Principal Solicitor (Deputy Monitoring Officer)

**Councillor apologies:**

B Collins  
S Smith  
J Whibley

Chair .....

Date: .....

**EAST DEVON DISTRICT COUNCIL****Minutes of the meeting of Placemaking in Exmouth Town and Seafront Group held at Online via Zoom app on 12 September 2023****Attendance list at end of document**

The meeting started at 10.05 am and ended at 11.03 am

After the roll call was completed, it was apparent that the meeting was inquorate. Following advice from the Deputy Monitoring Officer, it was agreed that as there were no decisions to be made, it would be acceptable for the meeting to continue on an informal basis.

**9 Minutes of the previous meeting held on 25 July 2023**

The minutes of the previous meeting held on 25 July 2023 were noted as a true and accurate record. The Project Manager Place & Prosperity (Exmouth) advised that Cllr Matt Hall's name had been omitted from the attendee list at Appendix 1 Page 4.

**10 Declarations of interest**

Cllr Davey wished it to be recorded that he is on the membership of the PETS Group in his capacity as Portfolio Holder Strategic Planning, Exmouth Town Ward Member and as Chair of Exmouth Town Council.

**11 Public speaking**

Two members of the public had registered to speak in the meeting.

Suzanne Isaacs spoke in her capacity as Vice-Chair of Exmouth Rowing Club. She outlined the Club's history, its current situation, and its challenges for the future. The Club would like to request the use of the land next to their boatyard for boat storage, to resolve their storage challenges and enable them to continue to serve the community.

Jonathan Fisher spoke in his capacity as General Manager – South and East Devon properties, National Trust. He outlined the areas of National Trust land and properties in and around Exmouth for which he has responsibility, and was keen for the National Trust to contribute in the Placemaking process, going forward.

**12 Presentation of the Exmouth Youth Survey**

A presentation detailing the results of the Exmouth Youth Survey was delivered by Pip and Debbie Piper from One Small Barking Dog Media Charity. The survey was supported by Exmouth Town Council and was undertaken with a view to empowering the young people of Exmouth and ensuring their voices are heard.

Discussion included the following points:

- Members were concerned to note the issues that were affecting young people including mental health, vaping and smoking, travel to and from schools, and traffic around schools.
- The lack of a police presence in Exmouth was of particular concern, and Members felt it would be appropriate to seek the views of the Police and Crime Commissioner on how this issue could be addressed.



The Project Manager Place and Prosperity (Exmouth) stated that the survey is the start of a process to ensure young people are represented, and the findings have been passed to the Placemaking consultants.

The Chair thanked Pip and Debbie Piper for their work on this important survey.

### 13 **Progress update on Placemaking in Exmouth**

The Project Manager – Place and Prosperity (Exmouth) ran through the update report which summarised progress since the last meeting of the Placemaking in Exmouth Town and Seafront Group. In an appendix to the report, members received a summary of the vision setting workshop which took place on 31<sup>st</sup> July 2023.

Members also received a verbal update on LED's activities at the Queen's Drive Fitness Space, and were informed of plans by the RNLI for a Yellow Welly Trail around Exmouth to commemorate the RNLI's Bicentennial in 2024.

Discussion and clarification included the following points:

- It is understood that the Exmouth Active Travel Improvement Scheme (formerly known as Exmouth Gateway) has changed over time, to meet the refined criteria for Levelling Up Round One, and the further refined criteria for Levelling Up Round Two. This has meant that the Scheme now has a different emphasis to what was set out in the original application, and is more highways focused.
- The impact of the inclement weather on attractions in and around Exmouth has been varied and it would be advantageous to have more all-weather attractions on Exmouth seafront.
- There have been a large number of events taking place and the Chair expressed thanks to the StreetScene staff for their very good work in dealing with the litter and refuse from these events.
- Members commented positively on the work of the Placemaking consultants, WSP, and felt that a lot of good conversations had come out of the workshop which took place on 11<sup>th</sup> September 2023.

Members noted the update report and the progress since the previous meeting.

#### **Attendance List**

##### **Councillors present:**

P Arnott (Vice-Chair)  
N Hookway (Chair)  
O Davey (Exmouth Town Council)  
G Deasy (Exmouth Town Council)

##### **Councillors also present (for some or all the meeting)**

G Jung  
C Nicholas  
M Rixson  
E Rylance  
E Wragg

##### **Officers in attendance:**

Tim Child, Assistant Director Place, Assets & Commercialisation

Sarah James, Democratic Services Officer  
Sarah Jenkins, Democratic Services Officer  
Gerry Mills, Project Manager Place & Prosperity (Exmouth)  
Anita Williams, Principal Solicitor (Deputy Monitoring Officer)  
Katie Webb, Property Lawyer

**Councillor apologies:**

B Bailey  
M Hall  
P Hayward

**Also in attendance:**

Lisa Bowman, Town Clerk, Exmouth Town Council

Chair: .....

Date: .....

**EAST DEVON DISTRICT COUNCIL****Minutes of the meeting of Budget Setting and Capital Allocations Panel held online via zoom on 18 September 2023****Attendance list at end of document**

The meeting started at 2.05 pm and ended at 2.55 pm

**6 Welcome from the Chair**

The Chair welcomed Members and Officers to the meeting and set out the purpose of the meeting to the Panel.

**7 Notes from the previous meeting held on 29 June 2023**

The minutes of the meeting held on 29 June 2023 were noted as a true record.

**8 Declarations of interest**

Minute 9. Financial Plan.

Councillor Paul Hayward, Affects Non-registerable Interest, employed as Town Clerk by Axminster Town Council.

**9 Financial Plan**

The Financial Plan report presented by the Director of Finance provided the Panel with an update on the 2024 – 2034 budget which comprised of two parts:

- Part A - The Medium Term Financial Plan Model (MTFP)  
This provided a forecast of the cost of providing services and an estimate of the financial resources likely to be available to the Council based upon assumptions and perceived risks.
- Part B - The Financial Sustainability Model (FSM).  
This provided details how the Council would balance its finances.

It was reported the annual budget shortfall assuming the previous year's shortfall was found would be as follows:

- 2024/25 - £578k
- 2025/26 - £563k
- 2026/27 - £4.5m

The Director of Finance addressed the 2026/27 shortfall advising the reason for the substantial deficit was due to the assumption that Central Government would introduce a Local Authority Funding Reform which would result in the Council losing its business rate growth and New Homes Bonus income.

The Director of Finance advised that actions and scenarios would be formulated in the next 12 months to allow Members to consider options.

The Panel noted some key areas in the MTFP calculation included:

- **Possible New Town** – the current budget has increased to £1m to be phased over four years for resource implications on delivering a possible new town in the district.
- **Recycling and Waste Contract** – Discussions on the current contract extension was changing the risk balance of the contract with a proposed switch to a cost plus 5%.
- **Pay and general inflation higher than expected** – the 2023/24 budget for staff salaries was based on an assumed 3.4%. This has increased to 6% taking into account under budgeting for two years.
- **Planning Fee increase** – The Government has announced an increase in planning fees. From 2024/25 major applications are to increase by 35% and all others by 25%. This is estimated an additional £400k income for 2024/25.
- **2<sup>nd</sup> home additional charges** – Government legislation to allow councils to charge double on 2<sup>nd</sup> homes was intended to be introduced for 2024/25. This Council has already approved the policy which has equated to additional income of £421k.

The Panel noted that the way forward was to:

- To continue with the Member Panel to consider the allocating of capital resources against competing capital scheme bids.
- The programme needs to be populated with realistic expenditure estimates and further work undertaken on Council assets costs and Asset Management Plan.
- Continued monitoring of progress on key projects through the Council's Strategic Management Team and Member Panel.
- Service reviews would be rolled out across the Council to determine priority areas.

Members comments included:

- Clarification was sought on the £320k for carbon reduction. The Director of Finance confirmed that if this was not spent it would be transferred to the Reserve Fund to help fund other schemes.
- It was suggested that additional funding to LED could be reduced.
- Concerns were raised about Local Authority bankruptcy and the consequence of high interest rates.

The Panel noted the Financial Plan report.

## 10 **Project Progress Summary**

The Panel received the annual project report for 2023/2024 that provided Members with an update on key projects of the Council.

A comment was made about the council's current housing stock and clarification was sought about whether it was within the Panel's remit to consider looking at upgrading the existing stock. In response the Director of Finance advised that although it was within the Housing Review Board's remit he was happy to include some housing projects in the next project report which he would discuss with the Chair. In response the Chair informed the Panel that he had recently met with the newly appointed Director of Housing, Health and Environmental Health who fully aware of the current issues.

The Panel noted the project update report.

**Attendance List**

**Councillors present:**

P Hayward (Chair)

M Hall

N Hookway

G Jung

C Nicholas

M Rixson

**Councillors also present (for some or all the meeting)**

I Barlow

C Brown

J Brown

**Officers in attendance:**

Tim Child, Assistant Director Place, Assets & Commercialisation

Simon Davey, Director of Finance

Wendy Harris, Democratic Services Officer

**Councillor apologies:**

P Arnott

C Fitzgerald

J Heath

S Jackson

D Ledger

J Loudoun

Chairman .....

Date: .....

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of the meeting of LED Monitoring Forum held at Online via the Zoom app on 19 September 2023**

#### **Attendance list at end of document**

The meeting started at 10.00 am and ended at 11.52 am

#### **15 Minutes of the previous meeting held on 27 June 2023**

The minutes of the previous meeting held on 27 June 2023 were noted as a true and accurate record.

#### **16 Declarations of interest**

Cllr N Hookway: Minute 24: Affects Non-Registerable Interest: Member of Exmouth Town Council.

#### **17 Public Speaking**

One member of the public, Mr Stephen Beer, had registered to speak at the meeting on behalf of Exmouth Stroke Club but, in the event, did not attend.

#### **18 Matters of urgency**

There were no matters of urgency.

#### **19 Confidential/exempt item(s)**

There were two items to be considered in private session (minutes 27 and 28 refer).

#### **20 Cranbrook Leisure Centre update report**

The Cranbrook New Community Manager introduced this update report which provided an overview of plans to bring forward a leisure centre as part of the development of the town centre, to serve the Cranbrook new community.

In presentation, the Cranbrook New Community Manager provided a summary of the development in Cranbrook to date and the plans for further development including delivery of a Leisure Centre and a Health and Wellbeing Hub. The presentation included examples of what has been done locally in terms of delivery of new leisure centres, and the choices that would have to be made. Anticipated next steps are:

- Undertake community consultation on the town centre;
- Finalise town centre masterplan, to include decision on relationship with the Health and Wellbeing Hub;
- Convene a project team and establish governance;
- Explore grant funding opportunities for leisure centre.

Discussion and clarification included the following points:

- There is a large funding shortfall in excess of £6 Million for delivery of the leisure centre at Cranbrook, and consideration will need to be given to how the project is funded; this could be through prudential borrowing or other means of drawing down funds. If grant

funding is secured, it is expected that this will be a contribution towards closing the funding gap.

- It is hoped to deliver on the project within 5 – 10 years, pending closing off the funding gap. The roadmap for delivery is by way of the 'next steps', as set out in the update report.
- It is understood that other leisure centres e.g. Chard, Sherford, cost in the region of £12 – 13 Million. Whereas they are thought to have as low a carbon footprint as possible within the cost frame, officers and the LED CEO were unclear on whether the centres are carbon neutral.
- A key design principle in the Chard leisure centre was for the make up of the centre to be revenue positive; learnings can be taken from this in terms of the mix of different uses that complement each other.
- The district heating system in Cranbrook should provide a cost-effective way of heating a swimming pool, and it is hoped that the pool will be carbon neutral.
- Members were concerned that delivery of the infrastructure in Cranbrook has been slow relative to the delivery of houses, and questioned whether lessons have been learned about how the S106 and the developers' consortium were structured.
- The Assistant Director – Growth, Development & Prosperity outlined examples of good practice in Cranbrook e.g. early delivery of the schools, made possible due to available forward funding. He added that lessons have been learned, particularly around the need to develop a business case for a delivery vehicle from the outset that focuses on turning a vision into practical delivery, and how to deal with the financing.

The Chair thanked the Cranbrook New Community Manager for the update and presentation and it was agreed that the Forum will receive a further progress report in March 2024.

## 21 **Decarbonising Swimming Pools report**

The Principal Building Surveyor introduced this report which outlined progress in work relating to decarbonising EDDC's swimming pools and related matters including applying for external funding opportunities, namely the Low Carbon Skill Fund Phase 4, the Public Sector Decarbonisation Scheme Phase 3c and the Swimming Pool Support Fund Phase II (Capital).

The matter was debated by the Forum at its meeting of 11<sup>th</sup> April 2023 and a recommendation was made that consultants be appointed to advise Council and LED about the most appropriate way of moving forward for achieving carbon neutral swimming pools and leisure centres. An update was provided at the Forum's meeting of 27<sup>th</sup> June 2023.

The cost to progress decarbonisation schemes in EDDC's swimming pools to RIBA Stage 3 and prepare for future external funding opportunities is approximately £333,000, and Cabinet approved the allocation of this sum from the existing Climate Change Budget, on 7<sup>th</sup> September 2023.

Next steps include:

- To finalise instructions and agree fee proposals with the best value offer and formally appoint consultants to move forward decarbonisation plans.
- To prepare proposals to present at this year's Budget Setting and Capital Allocation Panel to secure capital funding to fully fund the projects over the next two financial years.

New external funding opportunities will be applied for as appropriate and any funding secured will be offset against internal capital allocations.

The Principal Building Survey drew the Forum's attention to the following main risks as set in the report:

- Failure to secure external funding
- Failure to secure self-funding (through PWLB), with or without external funding secured
- Failure to deliver the works within the timeframes required.

Discussion and clarification included the following points:

- It is not known why a bid to the Low Carbon Skills Fund Phase 4 was unsuccessful, since feedback is not given.
- It is appropriate to ensure that sites are fit for the future, and that involves decarbonisation. It is therefore vital to invest in consultants. It is also appropriate to reduce reliance on gas, from an energy security perspective.
- It is important not to conflate decarbonisation with reduced energy bills since there may be nuances which mean that measures which are good from a decarbonisation perspective may not be good from a financial perspective. The reverse may also apply.
- The Council has expressed a willingness to help the Flamingo Pool apply for funding, and the onus is on the Flamingo Pool trustees to engage and provide the required information.

Forum members noted the report.

## 22 **LED Facilities and Activities report**

The Forum received and noted the update report which provided a summary of the activities going on, and a projects update.

## 23 **LED Community Engagement report**

The Forum received and noted this report which outlined the work of the LED Community Engagement Team.

## 24 **Exmouth Pavilion report**

The LED Theatre Manager introduced this report which provided an update on operational delivery and buildings maintenance at the Pavilion.

The LED CEO highlighted that major health and safety repair works are scheduled for January and February 2024 and events have therefore had to be cancelled resulting in a loss £80k of income. He was concerned to ensure that meaningful activity takes place during that period in order to avoid further closures and associated revenue losses.

In discussion, a Member expressed concern that it will not be possible to secure specialist builders at this late stage for the works in early 2024, if those works have not yet been quoted for. The Principal Building Surveyor responded that the project is being worked on but there are a sea of complexities and complications. Due to its nature, not all of the work will be completed in January and February. The Principal Building Survey was confident, however, that a great deal of the work will be done. He stated that an update will be provided, going forward.



25 **LED KPI Dashboard August 2023**

The Forum received and noted key details of the performance of LED Community Leisure for August 2023.

26 **Leisure Strategy Delivery Plan updates**

The Assistant Director – Countryside & Leisure ran through the updates on the Leisure Strategy Delivery Plan, outlining the main areas of progress since the last meeting.

The Leisure Strategy Delivery Plan remains a living document and the update is a standing agenda item for the Forum.

The meeting then went into private session.

27 **Draft management fee template 2024/25 - 2025/26**

Forum members were asked to consider the service level agreement, currently in draft form, and to indicate whether they were in support of the document.

Rachel Sutcliffe of Strategic Leisure explained that the document is drafted with a view to providing a degree of reassurance to the Council about ongoing costs, together with a degree of influence over what LED is delivering, whilst providing LED with flexibility to respond to market conditions. It sets out some key principles and parameters for the partnership moving forward, and addresses issues identified through the Leisure Strategy work.

Following discussion at length, Forum members expressed support for the draft document, to take forward and progress. The Assistant Director – Countryside & Leisure stated that a final draft will be brought back to the Forum in due course.

28 **AOB - Honiton sports club facilities**

The Assistant Director – Countryside & Leisure introduced this report which detailed a number of requests that have come forward from within the Honiton sports club community based around a number of issues, as set out in the report.

Members discussed the report at length, recognising the complexity of the issues, and the need for Officers to have a steer from Members on how to progress some of the issues and take negotiations forward, within the realms of the Medium Term Financial Plan and the Leisure Strategy.

It was noted that the report covers issues which sit within the wider leisure agenda across the Council, and beyond the Council's relationship with LED. In discussion, Members agreed that it would be appropriate to reconsider the Forum's name and terms of reference to reflect the wider Leisure Strategy focus, and incorporating LED. It was agreed that Officers will bring a proposal to the next Forum meeting, to this effect.

**Attendance List**

**Councillors present:**

P Arnott  
S Hawkins (Chair)  
P Hayward  
N Hookway (Vice-Chair)  
G Jung  
S Smith  
A Toye

**Councillors also present (for some or all the meeting)**

I Barlow  
K Bloxham  
J Brown  
C Nicholas  
M Rixson  
E Rylance

**Representatives of LED Community Leisure in attendance:**

Janette Cass, Pavilion Manager  
Andrew Dare, LED Fitness and Wellbeing Manager  
Lottie Edwards, LED Community Engagement Manager  
Peter Gilpin, LED CEO  
Richard Purchase, Chairman of LED Board

**Officers in attendance:**

Thea Billeter, Cranbrook New Community Manager  
Tim Child, Assistant Director Place, Assets & Commercialisation  
Simon Davey, Director of Finance  
Tracy Hendren, Director of Housing, Health and Environment  
Sarah James, Democratic Services Officer  
Sarah Jenkins, Democratic Services Officer  
Jorge Pineda-Langford, Principal Building Surveyor, Property & FM  
Charles Plowden, Assistant Director Countryside and Leisure  
Andrew Wood, Assistant Director Growth Development and Prosperity

**Councillor apologies:**

M Hall  
J Loudoun

Chair .....

Date: .....

**EAST DEVON DISTRICT COUNCIL****Minutes of the meeting of Recycling and Waste Partnership Board held at online via zoom on 20 September 2023****Attendance list at end of document**

The meeting started at 2.00 pm and ended at 2.35 pm

**11 Declarations of interest**

Declarations of interest.

Councillor Geoff Jung, Affects Non-registerable Interest, Ward member for Woodbury and Lympstone which includes Greendale Business Park.

**12 Recycling and Waste Contract Extension**

The Assistant Director – Street Scene introduced and outlined the contract extension report to those present. He explained that it would be considered by Cabinet on 10 October 2023 and thanked all the officers involved for the huge amount of work that had gone into the final proposal. The Board's role was to review and consider the contents of the report before it went to Cabinet.

The report outlined the terms of the EDDC/SUEZ Recycling & Waste contract extension and explained why it was required, along with the due diligence that had been undertaken to assure that the terms were commensurate with the changing sector and the commercial pressures that were present, as well as the legal advice that had been taken on the contract extension terms. Agreement in principle to take the 3-year extension available in the contract was approved by Cabinet in March 2022. Subsequently negotiations on the specifics had been undertaken with Suez from April 2023 until June 2023 (following the submission of their first proposal in March 2023), which then necessitated an interim-extension agreement with Suez under an officer delegation to allow time to finalise the outstanding points and complete the report to seek Cabinet agreement.

The recycling and waste sector was entering a lengthy period of transformation which was complex. This complexity was reflected in the details of the contract extension negotiations and subsequent terms of the extension. The detail was included in the full report and in the SUEZ document which set out in detail what was entailed within the contract extension.

Approval of the EDDC/SUEZ contract extension terms would allow the successful EDDC/SUEZ partnership to remain in place for the full available contract term of ten years taking it up to June 2026. It would also provide continuity to allow the Recycling & Waste team to continue to appraise the forthcoming changes to the recycling and waste sector as DEFRA issued more information and thus prepare EDDC for implementation of the changes from 2025 onwards, along with scoping and building a clearer specification for contract replacement in 2026. In response to a question from the Board the Assistant Director explained that EDDC did not have to continue with SUEZ for the extension period when the issue was considered in March 2022, but that due to uncertainty in the industry EDDC wanted to take the three years available in the contract to understand the guidance and reduce risk being priced into the contract if it had gone to market. The current contract was run with a strong partnership ethos, with the EDDC recycling team and the SUEZ operational team working closely to jointly deliver the service and deliver

performance. The joint working approach had enabled the team to become one of the best performers in the country. It was a strong desire of both partners to complete the contract extension term with the same ethic, which had proven to be advantageous to both organisations.

The Assistant Director – Streetscene explained the two tipping points in the contract at which additional resources were committed to the collection rounds to manage the increase in households. These were set at 70,000 households and 73,000 households. Tipping point 2, of 73,000 households, was reached in autumn 2022 and prior to this a plan for additional resources was agreed in the form of the 'bridging solution' and approved by Cabinet on 30 March 2022. The bridging solution was devised to provide resources to manage projected property growth up until the fully extended contract term. Projected property growth up to June 2026 was estimated at 76,400 households. The decision to enter into the contract extension was incorporated with the bridging solution agreement to enable the continuity required across the partnership team to implement and bed in resource changes needed. The Assistant Director's report was looking at the detail of that extension and terms of the agreement. The second phase of the bridging solution was planned for implementation from October 2023.

As part of the bridging solution negotiations both partners (EDDC & SUEZ) expressed that they wanted to enter into the full contract extension period. However, against a background of a rapidly developing sector with a high degree of uncertainty both partners had to be mindful of achieving their respective desired positions during what would be an unpredictable period ahead. SUEZ wished to complete the contract extension term without incurring financial losses by moving to a more secure pay mechanism and return a 5% profit in the contract extension period. This would increase the month-on-month uncertainty for EDDC with the likelihood that there would be an overall cost increase, along with a level of uncertainty and unpredictability. EDDC would take on the full risk of the volatility of the materials market, meaning 100% of any income but also 100% of any losses against forecast budget. The report explained the ways that the financial risks to EDDC were mitigated. The financial modelling using SUEZ actual profit and loss information from 2022/23 showed a range from £80,000 improved position for EDDC, to a reasonably likely scenario of £124,000 over current budgets, to a reasonable worst of slightly more than £500,000 over current budgets. In the medium-term financial plan work for 2024/25 a potential worst-case scenario of £600,000 above current market estimates was shown due to the level of risk and uncertainty in the materials market and possible inflationary movements in SUEZ's costs. These figures would be planned for and managed going forward.

Overall the risk levels of the contract extension were assessed as medium, with operational risk low. The contract extension terms were built up as an iterative process by the working group, with the operational aspects considered at each stage. There was a strong and embedded partnership ethos and both parties approached the negotiations in good faith, keen to protect the good reputation of the service and service provider. Risk was being managed through a period of uncertainty.

It was recognised that the recycling and waste sector was embarking on a period of fundamental change, largely driven by new legislation. The legislation was part of the Government's ambition to produce a green economy with one key component being the development of a circular economy which was much more resource efficient. The legislation was still in development by DEFRA with a great deal of information still to be released, causing uncertainty in the sector with little clarity currently. There was frustration over the lack of information and timescales being pushed back. Consultations seemed to be focussed on the producers, with little input from the collectors. There was

likely to be an impact on the composition and volume of material collected, but that would not be known for sure until the changes had taken effect.

On behalf of the Board the Chair thanked the SUEZ officers for their services over the past seven years. He commented that it had been a very successful team effort and was pleased that it was continuing for another three years. The Assistant Director asked the Recycling and Waste Partnership Board whether they were satisfied with the report's content and proposals. This was received positively, and the Board agreed with the recommendations contained in the report to Cabinet. Members endorsed the recommendations in the report and recommended that Cabinet should approve them.

**RESOLVED:** that the Board support and endorse the Cabinet report.

**Attendance List**

**Board Members:**

**Councillors present:**

G Jung (Chair)

M Rixson

**Officers present:**

G Bourton, Recycling and Waste Contract Manager

A Hancock, Assistant Director StreetScene

**Suez present:**

N Tandy, Principal Commercial Manager

J Gatter, Contract Manager

**Councillors also present (for some or all the meeting)**

P Arnott

J Brown

P Faithfull

P Fernley

E Rylance

**Officers in attendance:**

Alethea Thompson, Democratic Services Officer

**Suez representatives in attendance:**

**Board Member apologies:**

James Pike, Regional Director

Councillor Steve Gazzard

Tracy Hendren, Director - Housing, Health and Environment

Councillor Todd Olive

Chair .....

Date:



Report to: Cabinet

Date of Meeting 10 October 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

## Care Leavers Council Tax Discount Policy

### Report summary:

This report is seeking Members approval to implement a council tax discount scheme of up to 100% relief for care leavers until their 25<sup>th</sup> birthday from 1 October 2023.

### Is the proposed decision in accordance with:

Budget Yes ☐ No ☒

Policy Framework Yes ☒ No ☐

### Recommendation:

1. That Cabinet recommend to Full Council to agree to a Care Leavers discount scheme of up to 100% relief until their 25<sup>th</sup> birthday where Devon County Council has acted as their corporate parent. Scheme to apply from 1 October 2023 using our provision under S13A (1) (C) of the Local Government Finance Act 1992.
2. That Cabinet approves delegated authority is given to the Assistant Director for Revenues, Benefits, Corporate Customer Services to finalise the scheme criteria and make technical changes so we can ensure our scheme is aligned with the other Devon districts including any potential changes in scheme funding.

### Reason for recommendation:

Care leavers face the challenge of having to cope with the demands of living on their own at a young age: having to manage finances, maintain a home and manage their lives independently, without the support from their families. Whilst not mitigating the impact of all of the disadvantages that care leavers have experienced, a council tax discount can provide a positive financial measure.

Officer: Libby Jarrett, Assistant Director Revenues, Benefits & Corporate Customer Services.  
[ljarrett@eastdevon.gov.uk](mailto:ljarrett@eastdevon.gov.uk)

Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Communications and Democracy
- ☐ Economy
- ☒ Finance and Assets
- ☐ Strategic Planning

- ☐ Sustainable Homes and Communities
- ☐ Culture, Leisure, Sport and Tourism

### **Equalities impact** Low Impact

An [equalities impact assessment](#) has been carried out as this is a new policy and also because East Devon District Council has included 'Children and Vulnerable adults' as an additional group to be included when considering the equalities impact of this policy. Although this has a high relevance the impact is low.

### **Climate change** Low Impact

**Risk:** Low Risk; If we do not implement a local discount scheme for care leavers then this will disadvantage care leavers living in East Devon especially if other parts of Devon adopt a local scheme and could harm our reputation. Unless there is a significant rise in the number of care leavers then the annual costs are relatively minimal compared to the level of council tax we collect (circa £139m).

**Links to background information** The national statutory guidance on the application of the corporate parenting principles to looked after children and care leavers - [Applying corporate parenting principles to looked-after children and care leavers - GOV.UK \(www.gov.uk\)](#)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/266484/Care\\_Leave\\_r\\_Strategy.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266484/Care_Leave_r_Strategy.pdf)

### **Link to [Council Plan](#)**

Priorities (check which apply)

- ☒ Better homes and communities for all
- ☐ A greener East Devon
- ☐ A resilient economy

## **1. Background**

- 1.1 In England, care leavers are not exempt in legislation from paying Council Tax.
- 1.2 Corporate parenting principles for looked after children and care leavers stress the importance of joint working in supporting care leavers. At the Devon Strategic Parenting Board, work is underway to look at an enhanced approach to corporate parenting. This includes improving access for those in the care system to work experience and employment and, for when they leave care, to housing. The Council has a duty to co-operate with Devon County Council (DCC) in making arrangements for improving the wellbeing of children in Devon.
- 1.3 One area, endorsed by the National Adviser for Care Leavers within the Department for Education is the introduction of a council tax exemption for care leavers aged 18 up to 25 with a council tax liability.
- 1.4 The national statutory guidance on the application of the corporate parenting principles to looked after children and care leavers is designed to help local authorities consider the kinds of services that may be offered when having regard to the corporate parenting principles. It states the importance for all who exercise functions in relation to looked-after children and care leavers including those responsible for housing and council tax – to work together to ensure they have a more joined up approach.
- 1.5 Annexe 3 of that guidance sets out where consideration of corporate parenting principles should normally apply, and it includes functions of local government that are within the direct remit or control of district councils in a two-tier system, collection of council tax being one of those functions:

**Table A: functions where consideration of corporate parenting principles should generally apply**

	Shire areas			Metropolitan areas	London	
	Unitaries	County councils	District councils	Metropolitan districts	London boroughs	GLA
Education	✓	✓		✓	✓	
Social care	✓	✓		✓	✓	
Housing	✓		✓	✓	✓	
Libraries	✓	✓		✓	✓	
Leisure and recreation	✓		✓	✓	✓	
Local taxation collection	✓		✓	✓	✓	

- 1.6 There are many authorities in the Country who are already providing up to a 100% discount for care leavers until their 25<sup>th</sup> birthday with a formalised scheme for this. In 2019, a Devon district wide process for supporting care leavers was agreed where DCC would provide details of care leavers so we could look at whether they were receiving their statutory entitlements as well as considering support under the Council's Exceptional Hardship fund. However, local authorities were reliant on data being provided by DCC and this approach did not necessarily guarantee financial support would be provided or ensure a consistent approach across the Devon districts.
- 1.7 At one of the Devon District Forum meetings (attended by Devon Chief Executives and Leaders) in June 2023 the issue of developing a consistent approach across Devon was discussed and an 'in principle' decision of implementing a new Devon wide council tax discount scheme was in the main agreed (subject to funding) with the aim of implementing this from 1 October 2023.
- 1.8 There are currently ongoing discussions with the Council's S151 officers in relation to the principles of funding this scheme and whether this should be shared in relation to the proportion of council tax each major preceptor receives rather than the full cost being met by the Billing Authority (East Devon).
- 1.9 The initial approach is to use our discretionary powers under S13A (1) (c) of the Local Government Finance Act 1992. This provision allows the Council to reduce liability in relation to individual cases or classes of cases. Using this provision means the full cost of any relief awarded is met solely by East Devon, even though we only retain 7% of any council tax.
- 1.10 Due to concerns being raised by some of the Billing Authorities over the principle of this being funded solely by the Billing authority and not being shared through the collection fund (i.e., in proportion to the share each authority receives, for East Devon this is 7%). A proposal now being discussed is that we instead incorporate support for care leavers within our Local Council Tax Reduction (CTR) Scheme for working age. The difference with this approach is that the cost is borne by the collection fund. However, this is not something we can implement straightaway. Although we have been advised it is possible to incorporate within our working age scheme it is not necessarily a natural fit as this is a means tested scheme whereas the support for care leavers isn't.



- 1.11 CTR Scheme for working age is a means tested council tax discount to support low-income households where we can provide up to 100% support. We would be unable to implement any changes mid-year because schemes have to be approved ahead of the financial year (deadline 11 March). In order to make changes to our working age scheme we are required to go out to public consultation. As we made significant changes to our scheme for 2023/24 (increasing support to 100%, changes to bandwidths, etc) we were not planning to make any revisions to our scheme for 2024/25. It should also be noted that the timelines for making changes are now incredibly tight as would need to allow for a minimum 6-week consultation period and due to other work priorities, we would not be in a position to do this until 2025/26.
- 1.12 This means that in order to implement a scheme from 1 October 2023 we would need to still implement a policy using the S13A (1) (C) provision, but this may only remain in place should we adopt an alternative approach such as incorporating support as part of our Local CTR Scheme policy. This is dependant upon an agreement with the Devon authorities and at the time of writing this report this is still in discussion. In order to revise our working age CTR scheme is a decision of Full Council.

## **2.0 Scheme proposal and next steps**

- 2.1 The proposed scheme is that where a care leaver lives within the District that a discount of up to 100% will be awarded up to the care leaver's 25<sup>th</sup> birthday where Devon County has acted previously as a corporate parent. The discount will be awarded after the entitlement to all other discounts, exemptions and reliefs has been assessed. Devon County will financially support care leavers who live outside of the County.
- 2.2 A draft policy on the proposed scheme is at appendix 1. Where a care leaver lives on their own the relief will be 100%. It will only be a lesser amount of either 50% or 25% dependent upon the make-up of the residents liable to pay council tax living at the property. It is likely that most will fall in the 100% or 50% category.
- 2.3 The latest data provided by DCC indicates that the number of care leavers who are registered to pay council tax and are not already in receipt of a 100% relief is 15. Based on the current year's charge and after allowing for any discounts or relief the approximate cost if awarded for the full year would be circa £15K. Implementing the scheme from 1 October 23 would mean that the cost on this year would only be circa £7-£8K. Should the scheme be incorporated into our Council Tax Reduction Scheme for subsequent years then the cost to East Devon would be approximately £1,050 (this is calculated based on the current year charge and doesn't take account of subsequent annual rises). It may well be that a care leaver doesn't want help with their council tax which means the overall costs could be less.
- 2.4 There will of course be an ongoing cost as young people enter and leave the care system and go on to become care leavers.
- 2.5 The proposal will impact positively on care leavers as the removal of having to budget to pay their council tax will improve their ability to better manage their finances and reduce some of the barriers of day to day living.
- 2.6 The success of the scheme is contingent on us (and indeed all districts) receiving data from DCC on a timely basis, which has been problematic to date, and improvements are needed by DCC to ensure the system operates much more effectively in future if care leavers are not to be disadvantaged and have their claims delayed. To this end, Devon County Council has committed to provide updates on any changes on a monthly basis.
- 2.7 The Devon Revenues and Benefits Managers along with the S151 Officers will need to work together to finalise an agreed approach (to address the funding issue), ensure a consistent approach to scheme criteria and the process for the timely and accurate sharing of data with the children services team at Devon County Council.

### 3.0 Summary

- 3.1 Looked after children and care leavers are some of the most vulnerable residents in our society and can experience some of the worse outcomes as children and moving into adulthood. By adopting a council tax discount policy for care leavers not only formalises our approach but importantly provides a tangible way in financially supporting care leavers transitioning to adulthood.
- 3.2 As other Councils across the Country have implemented a local scheme then this will bring us in line and ensures care leavers are not disadvantaged from receiving help towards their council tax because of where they live.
- 3.3 The first recommendation is to implement a scheme to provide up to 100% council tax discount for care leavers until their 25<sup>th</sup> birthday from 1 October 2023 using the provision under S13A (1) (C) of the LGFA 1992. Recommendation 2 is for delegated authority to be given to the Assistant Director for Revenues, Benefits and Corporate Customer Access to make subsequent changes including potentially replacing/changing the policy (still retaining the same criteria/level of support) but to reflect changes in funding arrangements, such as incorporating this within our CTR Scheme policy.
- 3.4 As there is an ambition to have schemes in place effective from 1 October 2023 this approach ensures we can start supporting our care leavers but allows the flexibility to finalise our scheme criteria to ensure it's aligned with the other Devon districts but also to address the funding issues.

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#### **Financial implications:**

Under the initial proposal where this is granted as a relief under our discretionary powers as identified in the report the cost in the current year is likely to be between £7k-£8k and for 2024/25 onwards circa £15k depending on the number of individuals and council tax rises. The scheme maybe amended going forward to share costs with other preceptors thereby reducing the cost to this Council.

#### **Legal implications:**

The legal issues are dealt with in the body of the report and the attached policy.



**East Devon District Council  
Care Leavers Discount Policy  
Council Tax  
S13A (1) (c)  
Local Government Finance Act 1992**

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## 1.0 Introduction

- 1.1 The following policy outlines the Council's approach to granting discretionary reductions in liability for Council Tax under S13A (1) (c) of the Local Government Finance Act 1992 in respect of specified care leavers within the Council's area. The Council has the ability to the reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot be applied.
- 1.2 This policy covers the decision by the Council to support certain care leavers with their liability for Council Tax.

## 2.0 Legislation

- 2.1 The relevant legislation, Section 13A (1)(c) of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012), states the following:

### Reductions by billing authority

- (1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13);
- (a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme;
- (b) in the case of a dwelling situated in the area of a billing authority in Wales, .....
- (c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.**
- 2.2 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power is available to the Council.

## 3.0 Council Tax Care Leavers Discount Scheme

### Introduction

- 3.1 The Council has decided to provide assistance with Council Tax to people who are leaving care. This has been implemented to reflect challenges faced by many care leavers as they learn to budget their finances independently.
- 3.2 Care leavers are a particularly vulnerable group for Council Tax debt, and as they move into independent accommodation and begin to manage their own budget, it can be a challenging time, exacerbated if they fall behind with Council Tax.

- 3.3 The Council wants to support care leavers **up to the age of 25**, by the granting of a discretionary reduction of up to 100% of the Council Tax liability. This means that the Council will be providing financial support to care leavers whilst they develop independent lives and life skills.
- 3.4 Assistance will only be provided to care leavers who reside within the East Devon District Council area.

### **The Council's Policy in respect of Carer Leavers.**

- 3.5 The Council shall operate the scheme as follows. :

#### **Part 1**

This applies to the following:

- (a) Care leavers who are sole occupants of a dwelling and who have liability for Council Tax; or
- (b) Dwellings that are solely occupied by care leavers, where one or more of the residents are liable for council tax.

#### **Part 2**

This part applies to the following:

- (a) Care leavers who are jointly and severally liable with one or more other person(s) who is/are not a care leaver.

- 3.6 A reduction in liability will only be applied after the entitlement to other national discounts or reductions have been applied and will only apply to Council Tax liabilities within the East Devon area.

### **Definition of a Care Leaver for the purposes of this scheme**

- 3.7 The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant, and former relevant children:
- The person is someone for whom Devon County Council has acted previously as a corporate parent;
  - Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17; and
  - Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.
- 3.8 Care leavers can also be classified as a 'qualifying' care leaver. This category applies to young people who:
- (a) Left care after 1st October 2001, after they had turned 16, but who are not 'eligible' or 'relevant' because they did not fulfil the 13-week criteria;
  - (b) Were accommodated, but in residential education, mental/health provision

- private fostering or Special Guardianship; or
- (c) For the purposes of this policy 'qualifying care leavers' will be treated in the same way as 'care leavers'.

- 3.9 Additionally former care leavers born before 2001 will be designated as a qualifying care leaver for the purposes of this policy.
- 3.10 The Council will only consider a reduction in liability where it receives confirmation that the applicant is a Devon County Council Former Relevant Child. The confirmation **must** be received from Devon County Councils Education and Families Team.

### **Reductions for care leavers falling into Part 1 of this scheme**

- 3.11 The Council, under this policy, will reduce the amount of Council Tax payable to nil, after the application of all other discounts or reductions, where a care leaver, as defined in this policy, is **solely liable** for Council Tax, and any other adult residents in the dwelling also meet the definition of care leaver as defined within this policy.

### **Reductions for care leavers falling into Part 2 of this scheme**

- 3.12 The Council, under this policy, will reduce the amount of Council Tax payable, by applying a reduction as follows:
- (a) 50%, after the application of all other discounts and reductions, where a care leaver, is jointly liable for council tax, with **one** other adult resident the property who is not a care leaver; and
  - (b) 25%, after the application of all other discounts and reductions, where a care leaver, is jointly liable for council tax, with **more than one** other adults resident the property who are not care leavers.

### **Exclusions**

- 3.13 This reduction will only apply where the property is occupied. No reduction will apply where premises are no one's sole or main residence or where the premises is defined as a second home.
- 3.14 Where the care leaver is liable for more than one property, the reduction will only be awarded in respect of the dwelling which is deemed to be their sole or main residence.
- 3.15 Where a care leaver lives in a household and the dwelling would be deemed exempt from Council Tax if the care leaver did not reside at the property, a 100% reduction will be awarded.
- 3.16 For the sake of clarity, **no** reduction will be granted where the care leaver resides in a House in Multiple Occupation (HMO) or where the care leaver resides in a property for which they are not liable for Council Tax.

## **Changes in circumstances**

- 3.17 The Council may revise any reduction in liability where the applicant's circumstances or situation changes.

## **The award and duration of a reduction in liability**

- 3.18 Both the amount and the duration of the reduction are at the discretion of the Council and the reduction will be awarded on the basis of the evidence supplied and the circumstances of the individual.

## **Effective Date**

- 3.19 The effective date of this policy shall be 1st October 2023.

## **4.0 Delegated Powers**

- 4.1 This Care Leavers Discount policy has been approved by the Council. However, the Assistant Director - Revenues, Benefits, Corporate Customer Service, is authorised to make technical scheme amendments to ensure it meets the following:
- (a) the criteria set by the Council;
  - (b) any changes in legislation; or
  - (c) any agreement on approach or funding within the group of Devon billing authorities or major precepting authorities.

## **5.0 Notification**

- 5.1 The Council will issue a written decision either by a letter or by a revised demand notice, to the applicant within one month of the request, or as soon as practicable thereafter.

## **6.0 Review of Decisions**

- 6.1 Notwithstanding any discounts or reductions applied automatically to the Council Tax account, where any application is refused, the applicant will be notified that they can ask for the decision to be reviewed. Any request for a review must be made, in writing or by email, within one month of the decision letter.
- 6.2 A relevant officer of the Council shall undertake the review and shall respond within two months and will have regard to any further evidence supplied.
- 6.3 If the applicant is dissatisfied with the outcome of the review, they can, within two months of the Council's reply, appeal to the independent Valuation Tribunal Service to consider their case.



## **7.0 Financial Arrangements**

- 7.1 The Council will reimburse the full cost of the scheme to the collection fund in accordance with legislation. The financial arrangements may be changed subject to any agreement within the Devon billing authorities and the major precepting authorities.

## **8.0 Changes in circumstances and misrepresentation**

- 8.1 A reduction in liability under this policy can be recovered if it has been made as a result of misrepresentation or failure to disclose a material fact. It can also be recovered as a result of the subsequent application of a national discount or reduction or any adjustment in banding by the Valuation Office Agency
- 8.2 Changes of circumstances that subsequently negate the need for a reduction in liability under this policy will be recovered by the Council. Where this occurs, the Council shall notify the taxpayer accordingly.

Report to: Cabinet

Date of Meeting 10 October 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



## Updates to Discretionary Rate Relief Policies

### Report summary:

To seek Cabinet approval to update the following policies relating to technical and administrative changes:

- Local Discretionary Rate Relief and Hardship Policy
- Discretionary Rate Relief for Partly Occupied premises.

### Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

### Recommendation:

1. Cabinet approves the updated Local Discretionary Rate Relief and Hardship policy and the Discretionary Rate Relief for Partly Occupied premises policy.
2. Cabinet approves delegated authority to be given to the Assistant Director responsible for Business Rates to update the policy to take account of technical or administrative changes.

### Reason for recommendation:

Policy updates currently require Cabinet approval as we have not allowed for officers to make technical changes and moving forward the second recommendation will allow for this.

Officer: Libby Jarrett, Assistant Director – Revenues, Benefits, Corporate Customer Access, Fraud & Compliance [ljarrett@eastdevon.gov.uk](mailto:ljarrett@eastdevon.gov.uk)

Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Communications and Democracy
- ☒ Economy
- ☒ Finance and Assets
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Culture, Leisure, Sport and Tourism

### Equalities impact Low Impact

The aims of the policies remain as previously approved by Council; the changes relate to new legislation on Subsidy Controls, delegated authority for making decisions and minor administrative updates.

## Climate change Low Impact

**Risk:** Low Risk;

### Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

- ☐ Better homes and communities for all
  - ☐ A greener East Devon
  - ☒ A resilient economy
- 

## 1 Background

1.1 Non-Domestic Rates (hereafter Business Rates) is mainly determined by legislation but there are some areas where the local authority has discretion to provide rate relief under certain circumstances. It is important when using our discretion, we have up to date policies in place that sets out our approach for how we will determine applications.

1.2 The following two policies have been updated:

- The Local Discretionary Rate Relief and Hardship Policy (appendix 1).
- Discretionary Rate Relief for Partly Occupied Premises Policy (appendix 2).

### 1.3 The Local Discretionary Rate Relief and Hardship Policy

Legislation allows local authorities to award discretionary rate relief in any circumstances provided it is in the interests of the local council taxpayer to do so. Under the Hardship provision the applicant would sustain hardship if the Council did not do so and is, also in the interests of the local council taxpayer to grant relief.

### 1.4 Discretionary Rate Relief for Partly Occupied Premises policy

Legislation permits the billing authority to exercise its power if it chooses to do so to provide rate relief where a property is only partly occupied. This policy sets out our approach for determining requests for relief under this provision. This will often only apply in limited circumstances as it relates to a property that is partly unoccupied for a temporary period only and allows the Council to obtain a certificate from the Valuation Office Agency to apportion the rateable value between the unoccupied and occupied elements. This means that there has to be a clearly defined area between the unoccupied and occupied elements in order for the rateable value to be apportioned. The maximum period relief would apply is normally up to 3 months or 6 months for a qualifying industrial property (this mirrors the statutory exemption for empty property).

## 2 What are the main changes:

2.1 Technical changes – both policies have been updated to reflect Subsidy Control Act 2022 requirements which replaces EU State Aid rules. The Local Discretionary Rate Relief Policy also takes account of the Hardship provision.

2.2 Changes in the delegation for making decisions:

## Local Discretionary Rate Relief Policy

### Current policy:

Decision is made by the Director of Finance in consultation with the Finance and Economic Development Portfolio Holders. Reviews are carried out by the Chief Executive.

### Proposed change:

Decision to be made by Assistant Director – Revenues, Benefits & Corporate Customer Access in consultation with the Assistant Director for Growth, Development and Prosperity, the Portfolio Holder for Finance and Portfolio Holder for Economic Development.

Reviews of decisions on Discretionary Rate Relief to be dealt with by the Director of Finance in consultation with the Leader or Deputy Leader of the Council.

This change will bring delegated authority more in line with existing delegated authority for considering applications for Rate Relief for Partly Occupied Premises.

- 2.3 Other changes are administrative such as updates to the Council template, reordering the criteria, etc.

## **3 What has not changed?**

- 3.1 The qualifying criteria, factors taken into account, the conditions that need to be met and the type of information required from the ratepayer remain the same. The overarching aims of the policies remain the same.

## **4.0 Summary**

- 4.1 In 2022/23 we provided £2,496 in rate relief to one business under our Local Discretionary Rate Relief policy.
- 4.2 Important to note that the government have over the past 4 to 5 years put in place a number of temporary government schemes to support businesses during Covid and with the current cost of living crisis. We are aware that with the current state of the economy this will be impacting our businesses and depending on future government support schemes (often announced as part of the Autumn Budget) we may start to see higher numbers of businesses applying for help under our discretionary schemes. It is therefore important that our policies are up to date.
- 4.2 The recommendation is to approve the updated policies and to allow in future technical and administrative changes to be made by the Assistant Director for Business Rates.

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### **Financial implications:**

These are in line with existing policies in terms of financial implications and therefore are not expected to have any additional implications.

### **Legal implications:**

The legal issues are dealt with in the body of the report.

# East Devon District Council

## Local Discretionary Rate Relief and Hardship Policy

### 1 Why has the Council introduced this policy?

- 1.1 This Policy updates the Local Discretionary Rate Relief (LDRR) Policy which was adopted in April 2013 and reviewed in 2016 and 2019. This policy now takes account of our discretion to remit all or part of a rate liability on the grounds of hardship.
- 1.2 Applications under this policy will be considered under both:
  - Section 47 of the Local Government Finance Act (LGFA) 1988, as amended, which allows the Council to grant Discretionary Rate Relief in any circumstances provided it is in the interests of the local council taxpayers to do so, and/or
  - Section 49 LGFA 1988 which allows the Council to remit all or part of a rates liability if it is satisfied that the applicant would sustain hardship if the Council did not do so, and if it is in the interests of the local council taxpayers to do so.
- 1.4 A decision to award under the above provisions must be made during or within six months after the end of the financial year to which it relates. This is inline with legislation where you cannot backdate S47 discretionary rate relief beyond this period. Although there are no backdate restrictions applicable for S49, however, in order to prove hardship it is reasonable to expect an application to be made within the same timeframe.
- 1.5 There is no provision within the rating regulations to withhold payment whilst an application for relief is pending, therefore recovery action may continue if due instalments are not paid.
- 1.6 Councils have the power to grant rate relief to ratepayers that meet certain criteria. The relief granted is used to reduce the amount the ratepayer has to pay in Non-Domestic Rates (hereafter Business Rates).
- 1.7 Where the government introduce a temporary rate relief scheme using the provision under S47 LGFA 1988 which are fully funded by government then this will be delegated to the Assistant Director for Revenues, Benefits and Corporate Customer Access to implement the scheme in line with the Council's constitution. These schemes will therefore fall outside this policy.

### 2 What is the Council's Policy?

- 2.1 This policy sets out the criteria and conditions that need to be met as well as the type of information to be provided when a ratepayer applies for a reduction in their Business Rates bill.
- 2.2 This policy:
  - Makes clear the specific and limited criteria under which Discretionary Rate Relief will be awarded by the Council.
  - Anticipates that relief will only be granted in exceptional circumstances and for a limited period.
  - Will ensure that all ratepayers making an application for Discretionary Rate Relief are treated in a fair, consistent and equal manner.

- Sets a framework for how businesses/organisations can apply for Discretionary Rate Relief.
- Sets out the delegated authority for dealing with applications.
- Seeks to safeguard the interest of local council taxpayers by ensuring that funds allocated for Discretionary Rate Relief are used in the most efficient, effective and economical way in accordance with the Council's priorities.

2.3.1 The Council recognises the importance of having a thriving, competitive local economy and seeks, where it can, to help retain existing employment and encourage new higher value employment. It is anticipated that relief will only be granted in exceptional circumstances and is subject to the following mandatory criteria:

- Where there has been a material change to the property or there is concern that the rateable value is too high, that businesses have first applied to the Valuation Office Agency to have the rateable value reassessed.
- All other statutory rate reliefs have been awarded first including any government funded schemes.
- Consideration has first been given to rate deferral, re-profiling of instalments and payment arrangements as an alternative method of support.
- That the proposed relief is for a temporary period.
- The proposed cost of funding relief is affordable for the Council given constraints on Council finances.
- It is in the interests of council taxpayers as a whole to grant rate relief.

When considering an application under this policy the following factors will be taken into account:

#### Economic & Employment Impact

- The significance of potential loss of employment in the district.
- The measurable impact on other businesses (including local supply chains) and the local community.
- Opportunities for inward investment, new business growth and new high value employment within the district.
- The capacity of Council intervention to secure further investment and retain new employment opportunities.
- Reassurance of duration and value of retained employment and continued production/operation in the district.
- Uniqueness of service/commodity being provided within the community/district.
- Alignment with relevant objectives of the Council Plan

#### Financial Sustainability

- The positive effects on business cash flow and evidence of positive impact on future viability so that business rates payment can resume within a reasonable period.
- Sufficient evidence of likelihood of recovery of the applicant's business.
- Whether relief is for occupied or unoccupied rates.
- What proactive measures the business/organisation is taking to reduce other significant overheads.
- Measures being taken to reduce their rate liability, for example occupying smaller premises, letting out parts of the building, etc.

- 2.3.2 Giving rate relief to a business/organisation must be balanced against whether this creates unfair market conditions to the detriment of others.
- 2.3.3 It should be recognised that one of the main overheads of any business occupying non-domestic premises is Business Rates and therefore it is reasonable to expect that businesses have made provision to ensure this can be paid. In *R v Liverpool City Council ex parte Caplin* [1984] the High Court confirmed the Council had not acted unreasonably in refusing to remit rates since the applicants own improvidence had been the cause of its hardship.
- 2.3.4 An applicant's payment record history will also be taken into account.
- 2.3.5 Relief will be withdrawn or cancelled if:
- the conditions or circumstances on the basis of which the relief was granted change, fail to materialise, or the information submitted as part of the application proves to be misleading.
  - the applicant ceases to be the ratepayer.
  - the business/organisation ceases to trade (in case of occupied rates) or downscales operations or workforce in contravention of any agreement.
  - the use of the property changes.

Where relief is cancelled this will normally take effect from the actual date of change. However, in certain circumstances relief may be withdrawn in full. A revised rates bill will be issued for payment.

- 2.3.7 Ratepayers are required to notify the Council of any change in circumstances that may affect entitlement to Discretionary Rate Relief.

## 2.4 Funding

- 2.4.1 The cost of funding Discretionary Rate Relief is based on the Business Rates Retention Scheme and East Devon's share is currently 40%.

## 2.5 Subsidy Control

- 2.5.1 The Council must ensure that it is complying with the Subsidy Control Act 2022 when awarding Discretionary Rate Relief.
- 2.5.2 The vast majority of subsidies awarded in the UK are unlikely to raise concerns under our international commitments. The risk of challenge is likely to be small apart from subsidies to sensitive sectors operating at scale on international markets. The level of analysis required to satisfy the Council that there are no, or minimal appreciable risks, will need to be decided on a case-by-case basis.
- 2.5.3 The Subsidy Control Act fully incorporates the definition of a subsidy in the UK-EU Trade & Co-operation Agreement allowing up to £315,000 of financial assistance in any 3 year period.

## 2.6 Administering the Scheme

- 2.6.1 Discretionary Rate Relief must be applied for in writing by the ratepayer (email is OK).

2.6.2 It is expected that the ratepayer will need to provide:

- details of what relief percentage and time period relief is being sought
- reasons why relief should be given and how this meets our policy
- details of all other support/recovery measures the business /organisation is undertaking or receiving
- audited accounts and/or current trading figures.
- Business Plan including growth forecasts (to evidence that the Council would be helping an organisation/business that is demonstrating potential to become sustainable)
- an explanation as to how it meets the interests of the local community and local council taxpayers.
- Its declaration as to the amount of financial assistance it, or any other organisation in its group, has received in the current & previous two years.

2.6.3 The Council will reserve the right to request any other information it feels appropriate in order to consider an application.

2.6.4 Delegated authority is given to the Assistant Director – Revenues, Benefits, Corporate Customer Access, Fraud & Compliance in consultation with the Assistant Director for Growth, Development and Prosperity, the Portfolio Holder for Finance and for Economic Development for determining applications for rate relief. In the absence of the Assistant Director for Revenues, Benefits, Corporate Customer Access, Fraud & Compliance it will pass to the Director for Finance.

2.6.5 Successful applicants will be notified in writing of the amount and period Discretionary Rate Relief has been awarded for. Any entitlement will be applied to the rate account and a revised bill will be sent.

2.6.6 Unsuccessful applicants will be notified in writing/by email together with the reason for the decision.

2.6.7 The Council will aim to make a decision within 14 days of receiving all the information required.

2.6.8 Officers reserve the right to refer a decision to Cabinet where the level of relief being sought is material, where there is a possible conflict of interest or for other risk considerations.

## 2.7 Right of Appeal

2.7.1 There is no statutory right of appeal against a decision made by the Council regarding Discretionary Rate Relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.

2.7.2 A review of a decision will be dealt with by the Director of Finance in consultation with the Leader or Deputy Leader of the Council. If the Director of Finance was involved in the initial decision a review will be dealt with by the Council's Monitoring Officer or Chief Executive in consultation with the Leader or Deputy Leader of the Council. There is no further right of appeal.

2.7.3 A request for review must be made within one calendar month of the date of the decision notice.



2.7.4 This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of Judicial Review.

## 2.8 Outcomes

2.8.1 The Policy is intended to ensure that Discretionary Rate Relief contributes to the Council's priorities: to promote prosperity and reduce hardship within the district, to increase the number and quality of jobs, as well as ensure higher wages. The overall aim is to ensure a resilient, thriving, competitive local economy and to encourage investment.

2.8.2 Granting Discretionary Rate Relief is in the interests of the local council taxpayers.

## 3 **Policy Administration**

3.1 The Assistant Director for Revenues, Benefits, Corporate Customer Access, Fraud & Compliance is delegated to update the policy to take account of technical or administrative changes.

### **Links related Policies/Strategies, Procedures and Legislation**

#### Related Policies

- Corporate Strategy
- Corporate Debt Policy 2021-2026

#### Legislation

- Local Government Finance Act 1988
- Localism Act 2011
- Subsidy Control Act 2022
- Data Protection Act 1998
- R v Liverpool City Council ex parte Caplin [1984]

### **Data Protection**

Trading and business information like company accounts, profit and loss and cash flows along with documentation on personal circumstances for sole traders and partnerships will be requested. This data will be stored and used in line with the [Council's Data Protection Policy](#).

### **Policy consultation**

Consultation on these updated changes has been undertaken with the Growth, Development & Prosperity Team.

### **Policy review**

No later than April 2027.

# East Devon District Council

## Discretionary Rate Relief for Partly Occupied Premises

### 1 Why has the Council introduced this policy?

- 1.1 This policy sets out the criteria, the conditions that need to be met and the type of information to be provided when a ratepayer applies for a reduction in their rates bill due to part occupation.
- 1.2 Section 44A of the Local Government Finance Act 1988 allows the Council to grant rate relief on property that is partly unoccupied, so long as the situation exists for a short time only.
- 1.3 The Council has the power to request the Valuation Officer to apportion the rateable value of a property between the occupied and unoccupied parts where it appears to the Council that part of it is unoccupied but will remain so for a short time only. This is a discretionary power and full rates will remain payable on a partly occupied property if the Council chooses not to exercise its power in this respect.
- 1.4 The decision to exercise our discretion must be taken before a certificate is requested from the Valuation Officer because the 'occupied value', once certified, becomes the Section 42 rateable value for the purpose of the Act
- 1.5 The discretion given to the Council only extends to deciding whether or not to allow relief and what is a short period in relation to the premises or ratepayer.
- 1.6 Discretion does not extend to selecting categories of property or ratepayer where relief will be favoured.
- 1.7 Unoccupied is where a property is empty. In certain circumstances fixtures and fittings, equipment & machinery can remain.
- 1.8 The purpose of this policy is to:
  - Ensure that all ratepayers making application for this discretionary rate relief are treated in a fair, consistent and equal manner.
  - Set a framework for how ratepayers can apply for this relief
  - Make clear the limited criteria under which relief will be awarded
  - Highlight that it only granted for a short period.
  - Set out the delegated authority for dealing with applications.

## **2 What is the Council's policy?**

2.1.1 When considering an application for S.44A relief the following factors will be taken into account:

- The circumstances leading to the partial occupation
- What is the intention of the business in relation to the unoccupied parts
- What evidence is there that the unoccupied part will be empty for a short term only.

2.1.2 The Council will not normally give relief under this provision where:

- Part occupation is likely to exceed a short time
- Part occupation is seasonal
- It appears there is no effort being taken to let, sell, re-occupy or totally vacate
- It is for a retrospective period

2.1.3 Any relief awarded will end when either:

- There is a change in the partial occupation (more or less); or
- It is the end of the financial year (though we can use our discretion to request a further certificate if the circumstances permit it); or
- There is a change in the rateable value (through revaluation or an appeal).

2.1.4 Ratepayers are required to notify the Council of any change in circumstances that may affect entitlement to this relief.

## **2.2 Administering the rate relief**

2.2.1 Relief must be applied for in writing (including email) and will need to include the following:

- The period for which relief is claimed
- The reasons why relief should be given and the circumstances leading to the partial occupation
- A plan of the rated premises which clearly identifies the occupied and the unoccupied areas.
- Its declaration as to the amount of financial assistance it will receive in the current and previous 2 years, for the purpose of subsidy control compliance (see section 2.4)

2.2.2 The premises will need to be inspected in order to verify the information that has been provided

2.2.3 The maximum period relief will be granted for is normally up to 3 months, 6 months for qualifying industrial property (this mirrors the statutory exemption for empty property).

2.2.4 The Assistant Director for Revenues, Benefits, Corporate Customer Access, Fraud & Compliance will determine applications for this relief and in their absence will fall to the Council's S151 officer.

2.2.5 The Council will aim to make a decision within 14 days of receiving all the information required.

2.2.6 Unsuccessful applicants will be notified in writing together with the reason for the decision.

### 2.3 Right of Appeal

2.3.1 There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.

2.3.2 A review of a decision will be dealt with by the Director of Finance in consultation with the Council's Monitoring Officer. There is no further right of appeal.

2.3.3 A request for review must be made within one calendar month of the date of the decision notice .

2.3.4 This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of Judicial Review.

### 2.4 Subsidy Control

2.4.1 The Council must ensure that it is complying with the Subsidy Control Act 2022 when awarding this relief.

2.4.2 The vast majority of subsidies awarded in the UK are unlikely to raise concerns under our international commitments. The risk of challenge is likely to be small apart from subsidies to sensitive sectors operating at scale on international markets. The level of analysis required to satisfy the Council that there are no, or minimal appreciable risks, will need to be decided on a case-by-case basis.

2.4.3 The Subsidy Control Act fully incorporates the definition of a subsidy in the UK-EU Trade & Co-operation Agreement allowing up to £315,000 of financial assistance in any 3 year period.

### 2.5 Funding

2.5.1 The cost of funding discretionary rate relief is based on the Business Rates Retention Scheme and East Devon's share is currently 40%.

### **3 Policy Adminstraion**

- 3.1 The Assistant Director for Revenues, Benefits and Corporate Customer Access is delegated to update the policy to take account of technical or administrative changes.

#### **Links related Policies/Strategies, Procedures and Legislation**

##### **Related Policies**

- Corporate Strategy
- Corporate Debt Policy 2021-2026

##### **Legislation**

- Local Government Finance Act 1988
- Localism Act 2011
- Subsidy Control Act 2022
- Data Protection Act 1998

#### **Data Protection**

Trading and business information like company accounts, profit and loss and cash flows along with documentation on personal circumstances for sole traders and partnerships will be requested. This data will be stored and used in line with the [Council's Data Protection Policy](#).

#### **Policy consultation**

Consultation on this policy has been undertaken with the Growth, Development & Prosperity Team.

#### **Policy review**

No later than April 2027 by the Assistant Director for Business Rates.

Report to: Cabinet

Date of Meeting 10 October 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



## Financial Plan 2024 - 2034

### Report summary:

The annual formulation of the Financial Plan and approval process helps the Council plan ahead to maintain balance budgets.

Attached is the draft Financial Plan 2024 – 2034 for recommendation to Council. The Budget Setting and Capital Allocation Panel have considered the draft Plan and have recommended it to Cabinet.

The Financial Plan comprises of two parts.

### Part A - The Medium Term Financial Plan Model (MTFP) - (page 3 of the Plan)

This is an essential part of the budget setting process. The MTFP provides a financial model and forecast of the cost of providing services over a rolling ten year period, together with an estimate of the financial resources that are likely to be available to the Council. The process is designed to provide an early warning of any potential deficit in the required level of resources.

As well as considering the General Fund, the MTFP also reviews the affordability of the Council's capital programme. The capital programme is easier to control as individual schemes can be approved or not by Council to match resources available. This has implications in meeting Council objectives but does not have the same degree of organisation complexity as the General Fund involving significant staff numbers, team interaction and service delivery.

The focus of analysis and emphasis is therefore placed on the General Fund, a summary position if given below.

Summary of the MTFP Model – Annual budget shortfall assuming previous year's shortfall was found - (page 12 of the Plan)

General Fund	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Budget Shortfall/(Surplus)	578	563	4,467	(154)	(126)	(131)	863	(142)	(258)	(44)

The reason for significant changes between years is that 2026/27 as explained is when rebasing of business rates is expected creating a significant funding shortfall.

## Part B – Financial Sustainability Model (FSM) - (page 14 of the Plan)

The Plan outlines that addressing the funding gap comes in two stages linked to the uncertainty of Government funding for local authorities and possibly even the shape of local government going forward.

The funding gap for 2024/25 and 2025/26 is considered manageable exploring what savings/increased income can be achieved working with services. To follow the methodology in the Financial Sustainability Model (FSM) agreed in the previous Financial Plan adopted October 2022. The budget gap currently identified for 2026/27 will not be found through this process and requires significant service reduction based on member priorities, however as highlighted the scale of this task and timing is unclear until certainty is given by Government.

- **2024/25 and 2025/26 budget gap** - Continue to follow the Financial Sustainability Model (FSM) adopted in the previous Plan; with 3 months remaining to help address the 2024/25 budget shortfall and 15 months to address the 2025/26 shortfall.

Broadly of the £578k shortfall in 2024/25 it is considered approaching half of the required saving will be found through the FSM process, the remaining balance to be found revisiting key assumptions, and to look for cost reductions during the budget process. If necessary to bring forward some service reductions for members to consider. Then continue to work on the 2025/26 budget gap using the same principles.

The FSM process is described in the Plan and undertakes reviews to ensure we are delivering VFM, drive efficiencies to see what savings can be achieved and to form an evidence base that we have done what we can.

- **2026/27 budget gap** - If the funding gap estimated in 2026/27 of £4.5m materialises, which is dependent on Government direction, then efficiencies and income generation are not going to drive the level of savings required and we will need to propose significant service reductions. Importantly this action comes at a point when we are clearer on how much we need to find and by when, before radical service decisions are made. As stated in the Plan, we have a MTFP Risk Reserve in place to protect us against any immediate changes should Government carry out reforms without good notice.

This gap should not be ignored, and actions and scenarios need to be formulated to allow members to consider options, to be ready to implement when required, to the scale required. This modelling and member discussions can happen over the next 12 – 15 months.

### Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

### Recommendation:

To consider the draft Financial Plan 2024 – 2034 and to recommend to Council its adoption.

**Reason for recommendation:**

It is essential the Council considers its financial resources in advance to allow time to make necessary amendments in its service provision to ensure balance budgets are maintained.

Officer: Simon Davey – Director Finance (CFO/S151) [sdavey@eastdevon.gov.uk](mailto:sdavey@eastdevon.gov.uk)

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Portfolio(s) (check which apply):

- ☒ Climate Action and Emergency Response
- ☒ Coast, Country and Environment
- ☒ Council and Corporate Co-ordination
- ☒ Communications and Democracy
- ☒ Economy
- ☒ Finance and Assets
- ☒ Strategic Planning
- ☒ Sustainable Homes and Communities
- ☒ Culture, Leisure, Sport and Tourism

**Equalities impact** Low Impact

At this stage there no recommendations effecting service provision

**Climate change** Low Impact

**Risk:** Medium Risk; These are identified within the Plan.

**Links to background information** [Financial Plan \(2024 -2034\)](#)

**Link to** [Council Plan](#)

Priorities (check which apply)

- ☒ Better homes and communities for all
- ☒ A greener East Devon
- ☒ A resilient economy

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**Financial implications:**

Details are contained in the report and in the accompanying Plan

**Legal implications:**

There are no substantive legal issues to be added to the report.



EAST DEVON DISTRICT COUNCIL - MTFP summary Page																											APPENDIX A (i)						
GENERAL FUND REVENUE BUDGET FORECAST																																	
Note	BASE			2024/25			2025/26			2026/27			2027/28			2028/29			2029/30			2030/31			2031/32			2032/33			2033/34		
	Total	Addition	Reduction	Total	Addition	Reduction	Total	Addition	Reduction	Total	Addition	Reduction	Total	Addition	Reduction	Total	Addition	Reduction	Total	Addition	Reduction	Total	Addition	Reduction	Total	Addition	Reduction	Total	Addition	Reduction	Total		
BUDGET SET	22,222,279			22,222,279			23,251,444			23,682,180			24,146,759			24,707,269			25,165,609			25,820,482			26,489,402			27,370,089			27,870,672		
AMENDMENTS TO BUDGET INCLUDING BUDGET VARIATIONS																																	
1	One off Items of expenditure from Earmarked Reserves		1,381,229	(1,381,229)							182,800		182,800		182,800	(182,800)			0		0		0		0		0		0		0		
2	EDDC Elections (budget 2023 + inflation)																		0		0		0	197,400		197,400	0	197,400	(197,400)	0			
3	Staffing & Resourcing of possible new town, £100k in base.	150,000		150,000	150,000		150,000		150,000	(150,000)		250,000	(250,000)	0		0	0		0		0	0		0	0		0	0	0	0			
4	Recycling & Refuse Contract - 5% oncost model implication (current worst case assessment)	600,000		600,000															0		0		0	0		0	0	0	0	0			
5	Savings on vehicle Allowances		56,000	(56,000)															0		0		0	0		0	0	0	0	0			
6	Reduction in Housing Benefit Subsidy	350,000		350,000															0		0		0	0		0	0	0	0	0			
7	Assumed impementation of Care Leavers Council Tax Discount	15,000		15,000															0		0		0	0		0	0	0	0	0			
8																																	
9	Government Announcement of increase Planning Fees (Gov't confirmed 35% increase on Major Applications & 25% on others 1/4/24 then annual CPI increase with 3yrlly reviews).	200,000	400,000	(200,000)					421,000	(421,000)																							
10	Government intended increase in 2nd Home Council tax approved in advance by Council																																
11	Inflation Adjustment for Pay £495k + additional increments for new pay grades (£200k) + general inflation uplift in base (£100k)	795,000		795,000	100,000		100,000																										
	New Posts approved in Year net costs from General Fund and then added to base	63,000		63,000																													
		0	2,173,000	1,837,229	335,771	250,000	421,000	(171,000)	0	150,000	(150,000)	182,800	250,000	(67,200)	0	182,800	(182,800)	0	0	0	0	0	0	197,400	0	197,400	0	197,400	(197,400)	0	0		
INFLATION																																	
12 a	Employee Pay Award	308,278		308,278	306,882		306,882	313,020		313,020	319,280		319,280	325,666		325,666	332,179		332,179	338,823		338,823	345,599		345,599	352,511		352,511	359,561		359,561		
b	Employees Other Costs	13,895		13,895	14,172		14,172	14,456		14,456	14,745		14,745	15,040		15,040	15,341		15,341	15,648		15,648	15,961		15,961	16,280		16,280	16,605		16,605		
c	Superannuation	64,959		64,959	66,259		66,259	67,584		67,584	68,935		68,935	70,314		70,314	71,720		71,720	73,155		73,155	74,618		74,618	76,110		76,110	77,632		77,632		
d	National Insurance	31,458		31,458	32,087		32,087	32,729		32,729	33,384		33,384	34,051		34,051	34,732		34,732	35,427		35,427	36,136		36,136	36,858		36,858	37,596		37,596		
13	Inflation Summary - expenditure	521,116		521,116	454,474		454,474	464,185		464,185	474,121		474,121	484,289		484,289	494,694		494,694	505,343		505,343	516,243		516,243	527,400		527,400	538,822		538,822		
14	Inflation Summary - fees, charges & contributions	(246,313)		(246,313)	(272,139)		(272,139)	(277,395)		(277,395)	(282,755)		(282,755)	(288,220)		(288,220)	(293,793)		(293,793)	(299,475)		(299,475)	(305,269)		(305,269)	(311,177)		(311,177)	(317,200)		(317,200)		
TOTAL INESCAPABLE BUDGET CHANGES		693,394	0	693,394	601,736	0	601,736	614,579	0	614,579	627,711	0	627,711	641,140	0	641,140	654,873	0	654,873	668,920	0	668,920	683,287	0	683,287	697,983	0	697,983	713,016	0	713,016		
SERVICE PLAN COMMITMENTS NOT INCLUDED IN BASE BUDGET																																	
15	None identified				0		0	0		0	0		0	0		0	0		0	0		0	0		0	0		0	0		0		
TOTAL "UNAVOIDABLE" CHANGES TO BUDGET		2,866,394	1,837,229	1,029,165	851,736	421,000	430,736	614,579	150,000	464,579	810,511	250,000	560,511	641,140	182,800	458,340	654,873	0	654,873	668,920	0	668,920	880,687	0	880,687	697,983	197,400	500,583	713,016	0	713,016		
PREDICTED BUDGET REQUIREMENT																																	
	22,222,279			23,251,444			23,682,180			24,146,759			24,707,269			25,165,609			25,820,482			26,489,402			27,370,089			27,870,672			28,583,688		
FINANCED BY:																																	
	Government Grant - NNDR Gov't baseline	3,098,000		3,179,000			3,242,580			3,307,432			3,373,580			3,441,052			3,509,873			3,580,070			3,651,672			3,724,705			3,799,199		
	Rural Services Delivery Grant	264,441		265,000			270,300			275,600			281,112			286,734			292,469			298,318			304,285			310,370			316,578		
	Minimum Funding Guarantee Grant	1,530,145		1,441,000			1,469,820			2,471,216			2,520,641			2,571,054			2,622,475			2,674,924			2,728,423			2,782,991			2,838,651		
	Service Grant	107,777		108,000			110,160			112,365			114,610			116,903			119,241			121,626			124,058			126,539			129,070		
	NNDR Uplift - Amount above Baseline (Rebused 2026/27)	3,618,000		5,072,000			5,008,420			492,568			600,000			800,000			1,000,000			200,000			400,000			600,000			800,000		
	Council Tax 2022/23 = £161.78 - Growth in base 500 each year, Assume + £5 per annum increase or 3% which is ever greater	9,973,900		10,365,877			10,762,532			11,173,875			11,600,212			12,042,073			12,500,005			12,974,575			13,466,369			13,975,994			14,504,077		
	Interest Income (currently £1m over budget through base rate change) assume similar interest rates in 24/25 but a slight reduction in cash balances. Then marginal base rate fall 25/26	1,148,535		2,000,000			1,650,000			1,650,000			1,650,000			1,650,000			1,650,000			1,650,000			1,650,000			1,650,000			1,650,000		
	Interest & Loan Repayment - assume Loan Debt increase of £8m allowance (MRP + 5% interest)	(523,490)		(923,000)			(1,123,490)			(1,123,490)			(1,123,490)			(1,123,490)			(1,123,490)			(1,123,490)			(1,123,490)			(1,123,490)			(1,123,490)		
	Savings target (Procurement)	70,000		0			0			0			0			0			0			0			0			0			0		
	Council Tax Collection Fund Surplus	358,810		140,000			125,000			125,000			0			0			0			0			0			0			0		
	Earmarked Reserve - one off items of expenditure (including Transformation Fund)	1,381,229		0			0			0			0			0			0			0			0			0			0		
	New Homes Bonus to revenue (Gov't ended current scheme)	1,025,642		1,026,000			1,026,000			54,000			54,000			54,000			54,000			54,000			54,000			54,000			54,000		
	General Fund Balance - District Elections	169,290		0			0			0			182,800			0			0			0			197,400			0			0		
	GENERAL FUND BALANCE	0		0			0			0			0			0			0			0			110,000			0			0		
	TOTAL	22,222,279		22,673,877			22,541,322			18,538,565			19,253,465			19,838,325			20,624,572			20,430,023			21,452,716			22,211,110			22,968,085		
(Abbreviations used - NHB = New Homes Bonus, N.I = National Insurance, NNDR = National Non Domestic Rates)																																	
ANNUAL (SURPLUS)/DEFICIT																																	
	0			577,566			1,140,858			5,608,194			5,453,804			5,327,284			5,195,910			6,059,379			5,917,373			5,659,562			5,615,603		
IN YEAR ADDITION TO ANNUAL (SURPLUS)/DEFICIT																																	
				577,566			563,291			4,467,336			(154,390)			(126,520)			(131,373)			863,469			(142,006)			(257,811)			(43,958)		

INESCAPABLE BUDGET CHANGES											Appendix A (ii)	
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
	£	£	£	£	£	£	£	£	£	£	£	
Note	BASE											
<b>Employee Costs</b>												
<b>Inflation - Employees Pay</b>												
Base Pay Budget (Salary/Wages/Overtime)	15,035,830	15,035,830	15,344,108	15,650,990	15,964,010	16,283,290	16,608,956	16,941,135	17,279,958	17,625,557	17,978,068	
23/24 assumed 3.4% pay award, latest estimate is assuming 6% - under budgeted sum		378,077										
Assumed Pay Award (inline with inflation)		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Total Pay		308,278	306,882	313,020	319,280	325,666	332,179	338,823	345,599	352,511	359,561	
<b>Inflation - Employees Other - Inline with General Inflation</b>												
Base Pay Budget	694,730	694,730	708,625	722,797	737,253	751,998	767,038	782,379	798,026	813,987	830,267	
Assumed Inflation Level		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Total Pay Inflation		13,895	14,172	14,456	14,745	15,040	15,341	15,648	15,961	16,280	16,605	
<b>Pension- Triannual review 23/24 - 25/26</b> (20% Primary rate all years, 2nd Rate minor increase)												
23/24 assumed 3.4% pay award, latest estimate is assuming 6% - under budgeted sum	3,164,790	3,164,790	3,312,926	3,379,185	3,446,769	3,515,704	3,586,018	3,657,738	3,730,893	3,805,511	3,881,621	
Inflation		79,396										
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Adjustment for increased pay award 2022/23 £588,150 *22%		83,177										
		64,959	66,259	67,584	68,935	70,314	71,720	73,155	74,618	76,110	77,632	
<b>National Insurance</b>												
23/24 assumed 3.4% pay award, latest estimate is assuming 6% - under budgeted sum	1,525,860	1,525,860	1,604,370	1,636,458	1,669,187	1,702,571	1,736,622	1,771,354	1,806,781	1,842,917	1,879,775	
Inflation		37,808										
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
		47,052										
Adjustment for increased pay award 2022/23 not in base £588,150*8%		31,458	32,087	32,729	33,384	34,051	34,732	35,427	36,136	36,858	37,596	
<b>OTHER</b>												
<b>Inflation - Premises General</b>												
Inflation Rate	1,344,520	1,344,520	1,371,410	1,398,839	1,426,815	1,455,352	1,484,459	1,514,148	1,544,431	1,575,319	1,606,826	
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		26,890	27,428	27,977	28,536	29,107	29,689	30,283	30,889	31,506	32,137	
<b>Inflation - Premises Energy</b>												
Inflation Rate	394,480	394,480	414,204	434,914	456,660	479,493	503,468	528,641	555,073	582,827	611,968	
		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Increased Sum		19,724	20,710	21,746	22,833	23,975	25,173	26,432	27,754	29,141	30,598	
<b>Inflation - Premises Rates</b>												
Inflation Rate	837,280	837,280	854,026	871,106	888,528	906,299	924,425	942,913	961,772	981,007	1,000,627	
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		16,746	17,081	17,422	17,771	18,126	18,488	18,858	19,235	19,620	20,013	
<b>Inflation - Transport General</b>												
Inflation Rate	839,000	839,000	855,780	872,896	890,354	908,161	926,324	944,850	963,747	983,022	1,002,683	
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		16,780	17,116	17,458	17,807	18,163	18,526	18,897	19,275	19,660	20,054	
<b>Inflation - Transport Fuel related</b>												
Inflation Rate	197,520	197,520	207,396	211,544	215,775	220,090	224,492	228,982	233,562	238,233	242,997	
		5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		9,876	4,148	4,231	4,315	4,402	4,490	4,580	4,671	4,765	4,860	
<b>Inflation - Supplies &amp; Services</b>												
Inflation Rate	5,986,775	5,986,775	6,106,511	6,228,641	6,353,214	6,480,278	6,609,883	6,742,081	6,876,923	7,014,461	7,154,750	
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		119,736	122,130	124,573	127,064	129,606	132,198	134,842	137,538	140,289	143,095	
<b>Inflation - Members Allowances</b>												
Inflation Rate	429,930	429,930	438,529	447,299	456,245	465,370	474,677	484,171	493,854	503,732	513,806	
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		8,599	8,771	8,946	9,125	9,307	9,494	9,683	9,877	10,075	10,276	
<b>Inflation - Refuse &amp; Recycling</b>												
	6,583,850	6,583,850	7,289,787	7,435,583	7,584,294	7,735,980	7,890,700	8,048,514	8,209,484	8,373,674	8,541,147	
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Adj for additional contract sum		563,000		-		-	-	-	-	-	-	
		142,937	145,796	148,712	151,686	154,720	157,814	160,970	164,190	167,473	170,823	
<b>Inflation - LED SLA</b>												
Set at increased level seen in last few years	1,322,000	1,322,000	1,420,170	1,448,573	1,477,545	1,507,096	1,537,238	1,567,982	1,599,342	1,631,329	1,663,956	
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
		98,170	28,403	28,971	29,551	30,142	30,745	31,360	31,987	32,627	33,279	
<b>Inflation - Strata</b>												
Contract (payment based on inflation - salary + software %)	3,082,940	3,082,940	3,144,599	3,207,491	3,271,641	3,337,073	3,403,815	3,471,891	3,541,329	3,612,156	3,684,399	
		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		61,659	62,892	64,150	65,433	66,741	68,076	69,438	70,827	72,243	73,688	
Summary of inflation												
		521,116	454,474	464,185	474,121	484,289	494,694	505,343	516,243	527,400	538,822	
<b>Inflation - HB payments (includes £550,000 overpayment income)</b>												
	18,348,320	18,348,320	18,348,320	18,348,320	18,348,320	18,348,320	18,348,320	18,348,320	18,348,320	18,348,320	18,348,320	
		0	0	0	0	0	0	0	0	0	0	
Misc/Elections												
	232,210											

	Sub Total	60,020,035										
Inflation - HB Admin (£311k base) /CTS (£139k base)	-382,280.00	-382,280	-389,926	-397,724	-405,679	-413,792	-422,068	-430,509	-439,120	-447,902	-456,860	
Assumed all reduction now made - annual increase inline with inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
		-7,646	-7,799	-7,954	-8,114	-8,276	-8,441	-8,610	-8,782	-8,958	-9,137	
Inflation - NNDR Admin	-246,770	-246,770	-251,705	-256,740	-261,874	-267,112	-272,454	-277,903	-283,461	-289,130	-294,913	
Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		-4,935	-5,034	-5,135	-5,237	-5,342	-5,449	-5,558	-5,669	-5,783	-5,898	
Inflation - Homelessness	-508,960	-508,960	-519,139	-529,522	-540,112	-550,915	-561,933	-573,172	-584,635	-596,328	-608,254	
Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		-10,179	-10,383	-10,590	-10,802	-11,018	-11,239	-11,463	-11,693	-11,927	-12,165	
Inflation -Recycling	-1,843,210	-1,843,210	-1,861,642	-1,880,259	-1,899,061	-1,918,052	-1,937,232	-1,956,605	-1,976,171	-1,995,932	-2,015,892	
Inflation Rate - assume 1% increase		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Increased Sum		-18,432	-18,616	-18,803	-18,991	-19,181	-19,372	-19,566	-19,762	-19,959	-20,159	
Inflation - Government & OLA Grant Balance	-378,800	-378,800	-386,376	-394,104	-401,986	-410,025	-418,226	-426,590	-435,122	-443,825	-452,701	
Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		-7,576	-7,728	-7,882	-8,040	-8,201	-8,365	-8,532	-8,702	-8,876	-9,054	
Inflation - Other Grants & Con't	-605,110	-605,110	-617,212	-629,556	-642,148	-654,991	-668,090	-681,452	-695,081	-708,983	-723,162	
Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		-12,102	-12,344	-12,591	-12,843	-13,100	-13,362	-13,629	-13,902	-14,180	-14,463	
Inflation - HB Subsidy	-18,295,740.00	-18,295,740	-18,295,740	-18,295,740	-18,295,740	-18,295,740	-18,295,740	-18,295,740	-18,295,740	-18,295,740	-18,295,740	
		0	0	0	0	0	0	0	0	0	0	
Inflation - Other Customer Receipts	-5,752,500	-5,752,500	-5,867,550	-5,984,901	-6,104,599	-6,226,691	-6,351,225	-6,478,249	-6,607,814	-6,739,971	-6,874,770	
Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		-115,050	-117,351	-119,698	-122,092	-124,534	-127,024	-129,565	-132,156	-134,799	-137,495	
Inflation - Homesafeguard	-820,220	-820,220	-836,624	-853,357	-870,424	-887,833	-905,589	-923,701	-942,175	-961,018	-980,239	
Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		-16,404	-16,732	-17,067	-17,408	-17,757	-18,112	-18,474	-18,843	-19,220	-19,605	
Inflation - Net Recharges to HRA	-2,500,626	-2,500,626	-2,550,639	-2,601,651	-2,653,684	-2,706,758	-2,760,893	-2,816,111	-2,872,433	-2,929,882	-2,988,480	
Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		-50,013	-51,013	-52,033	-53,074	-54,135	-55,218	-56,322	-57,449	-58,598	-59,770	
Inflation - Car Park Charges	-4,982,000	-4,982,000	-4,982,000	-4,982,000	-4,982,000	-4,982,000	-4,982,000	-4,982,000	-4,982,000	-4,982,000	-4,982,000	
Inflation Rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Increased Sum		0	0	0	0	0	0	0	0	0	0	
Inflation - Planning Fees	-1,374,200	-1,374,200	-1,054,200	-1,075,284	-1,096,790	-1,118,725	-1,141,100	-1,163,922	-1,187,200	-1,210,944	-1,235,163	
Inflation Rate - Stated CPI to apply annually from increase in 2024/25 - £320k added to base		0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		0	-21,084	-21,506	-21,936	-22,375	-22,822	-23,278	-23,744	-24,219	-24,703	
Inflation - Other Income	-198,760	-198,760	-202,735	-206,790	-210,926	-215,144	-219,447	-223,836	-228,313	-232,879	-237,537	
Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Increased Sum		-3,975	-4,055	-4,136	-4,219	-4,303	-4,389	-4,477	-4,566	-4,658	-4,751	
Sub Total	-37,889,176.00											
Net Exp	22,130,859.00											
Summary of inflation		-246,313	-272,139	-277,395	-282,755	-288,220	-293,793	-299,475	-305,269	-311,177	-317,200	

Assumptions:
General Inflation - Treasury Target used (CPI 2%) - OBR + other comentators inflation back or below target 24/25. Allowance in costs for effects in 2023.
Pay Award - Inline with CPI
Utilities Inflation - DECC data now out of date use CPI going forward with con't added for 2023
Superannuation - 22% recovery rate.
Inflation on Car Parks charges assumed from 2024/25
Planning Inflation assumed reliant on Government directive

Report to: Cabinet

Date of Meeting 10<sup>th</sup> October 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



## East Devon – Local Economic Review

### Report summary:

The purpose of this report is to present the main findings of the Local Economic Review (LER) recently completed by the Economic Development team (see Appendix A) and to highlight the core issues and challenges facing our district economy as evidenced from the most up to date Census and ONS data.

Endorsement of the work is sought alongside approval for its use in informing both the emerging Council Plan and in the development of a new Economic Development Strategy for East Devon.

### Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

### Recommendations:

That Cabinet;

- endorse this report and the detailed Local Economic Review which underpins it.
- approve the use of this Local Economic Review and the most up to date statistical evidence it comprises to inform the development of the emerging Council Plan.
- endorse the development of a new Economic Development Strategy for East Devon that will directly engage the core challenges highlighted by the Local Economic Review.

### Reason for recommendation:

To ensure that the Council is informed, and so able to act upon, the most reliable, transparent and up to date local economic evidence. This data can then inform the emerging Council Plan in identifying local economic and employment priorities, as well as providing baseline evidence for the development of a robust Economic Development Strategy to deliver on our new Council Plan aims.

Officer: Dr Robert Murray, Economic Development Manager, tel 01395 517514

[rmurray@eastdevon.gov.uk](mailto:rmurray@eastdevon.gov.uk)

Portfolio(s) (check which apply):

- ☒ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Communications and Democracy
- ☒ Economy
- ☐ Finance and Assets
- ☐ Strategic Planning



- ☒ Sustainable Homes and Communities
- ☒ Culture, Leisure, Sport and Tourism

**Equalities impact** Low Impact. No equality implications or adverse impacts on people with protected characteristics.

**Climate change** Medium Impact. The LER data (ONS) shows East Devon's higher levels of out-commuting is a significant contributor to our high emissions. The report highlights the need to prioritise decarbonisation and reduce travel to work times through strengthening local employment and associated land provision. This will improve our job density alongside supporting the wider transition to a low carbon economy.

**Risk:** Low Risk; This report highlights the key trends impacting the district's economic and employment trajectory. Core challenges are highlighted with no significant risks associated with the report recommendations, only with a failure to act upon the evidence.

### Links to background information

Census 2021 data ONS page: [Census - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk).

For information about a single Census topic, see [topic summaries](#) page on Nomis.

ONS data on economic activity and employment: [Employment and labour market - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk).

Nomis data on claimant counts: [Claimant Count - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://nomisweb.co.uk).

Most LER data (including all Census data) can be located via this [search function](#).

Greater Exeter Economic Development Needs Assessment ([JLL, Nov. 2022](#)).

LG Inform Local Government data: [Explore data | LG Inform \(local.gov.uk\)](https://local.gov.uk)

### Link to [Council Plan](#)

Priorities (check which apply)

- ☒ Better homes and communities for all
  - ☒ A greener East Devon
  - ☒ A resilient economy
- 

## 1 Background

1.1 Since early 2020, Local Authorities have sensibly steered clear of seeking to establish baseline assessments from headline economic indicators. However, as local economies emerge from the turbulence of the UK's departure from the EU, pandemic lockdowns and recent sharp increases in supply chain and energy costs, EDDC's Economic Development Team have taken the opportunity presented by a period of comparative calm to complete a Local Economic Review (LER) capturing the core economic data for the district of East Devon.

1.2 The LER (see Appendix A) incorporates the most recent data available at the time of production from the 2021 Census (primary datasets) along with figures provided by the Office for National Statistics (ONS, typically sample based) and other credible bodies. The data in this report can be used to guide wider strategic planning and help to inform policy at a local level.

1.3 From this work, historical changes (longitudinal) can be identified across a range of areas such as our demography, levels of economic activity, local employment, skills, wages, productivity,

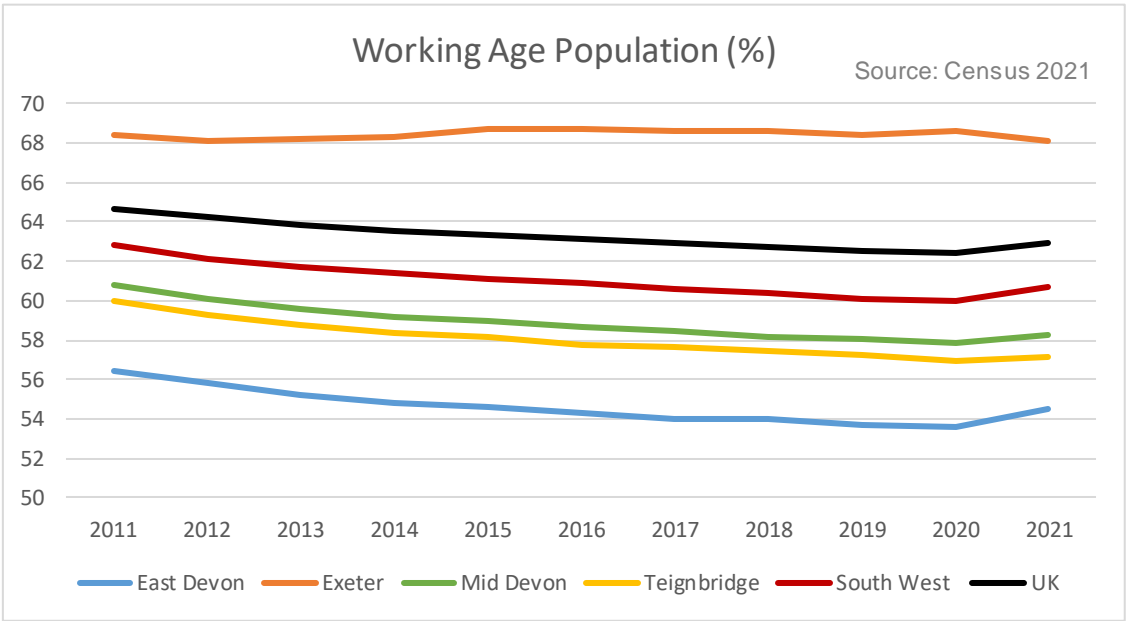
enterprise data, workspace supply/demand, wellbeing and district level carbon emissions. Where the LER presents data in a geographical format, Exeter, Mid Devon and Teignbridge are used as local comparator geographies, as these areas make up the wider Exeter and the Heart of Devon (EHOD) functioning economic market area (FEMA). A regional (South West England) and national comparator (UK or England) are also provided where possible.

## 2 Main Findings

2.1 The Local Economic Review provides a comprehensive overview of the local economy in East Devon. Close assessment of the data by the Economic Development team has shown three particular clusters of economic change as being most noteworthy in terms of illustrating areas of improved performance, as well as highlighting key challenges to be acknowledged, understood and acted upon. These are presented as follows:

### Demographic Challenges

2.2 The 2021 Census shows East Devon had a working age population (all those aged 16 to 64 years of age) of 82,156. This is 54.5% of the total population. The most recent estimates from the ONS show that the percentage of working age people in East Devon has been consistently below the national and regional average. When compared against all 332 local authority areas in England, East Devon has the fourth highest proportion of retirees and the third lowest proportion of working age people. This has inevitable consequences in terms of reduced employment, constrained local business growth and reduced economic activity.

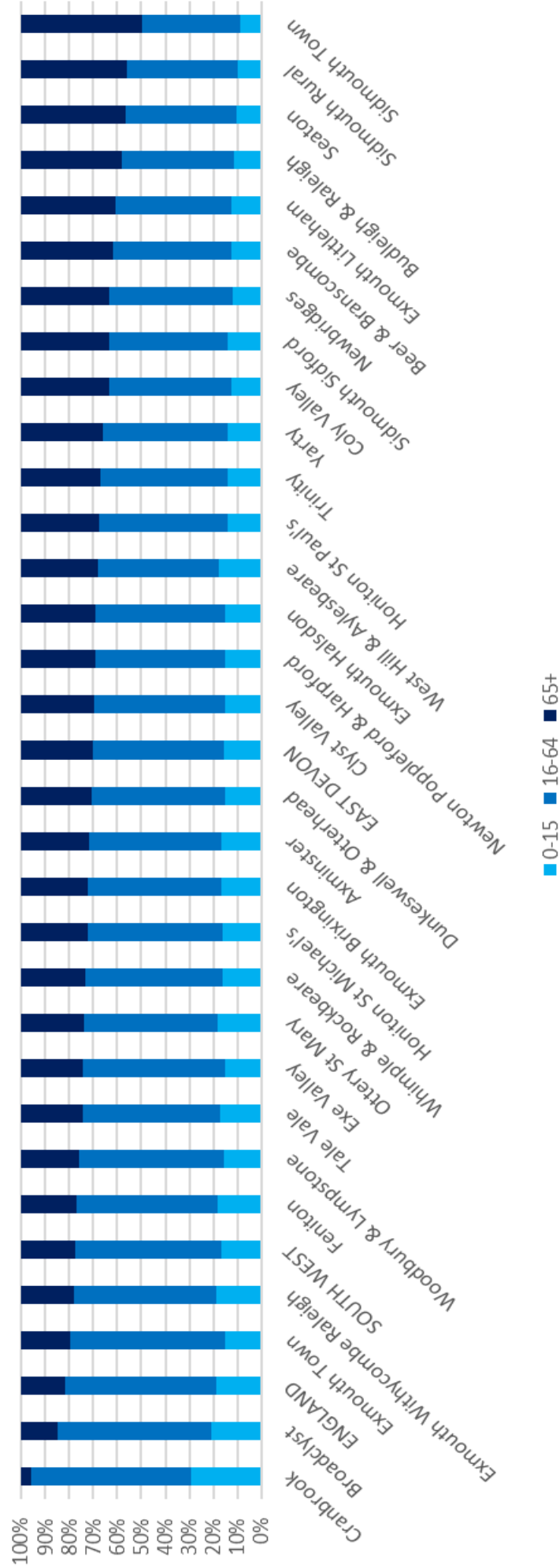


2.3 Just as notable as our increased proportion of retirees and reduced working age population is the pronounced variance in population statistics across East Devon wards.

The graph (below) shows age groups as a percentage of the total ward population, with Cranbrook and Broadclyst showing a very different age profile to Budleigh, Seaton and Sidmouth wards.

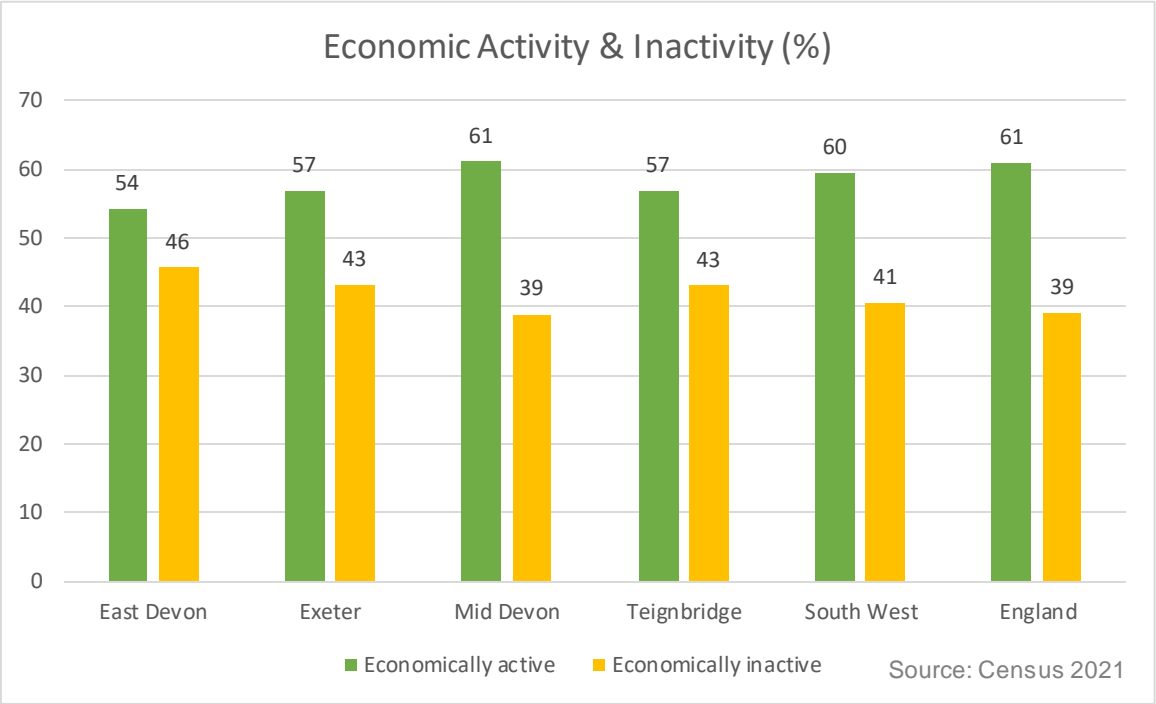
The inclusion of the England profile shows that only two of East Devon’s 30 wards have a retiree population below the national average, and only 4 below the SW average. Retirees in Sidmouth Town actually make up the majority of the population.

Ward Population by Age Brackets



2.4 Having established the scale of our demographic change towards a reduction in our district’s working age population and an increased representation of residents aged 65 and over across most East Devon wards, we need to consider the implications of this in terms of our current Council Plan priority of ensuring a resilient local economy.

2.5 Looking at levels of economic activity<sup>1</sup>, the 2021 Census shows that East Devon has the lowest proportion of economically active residents and highest number of economically inactive residents compared to the other EHOD geographies and the regional and national averages.



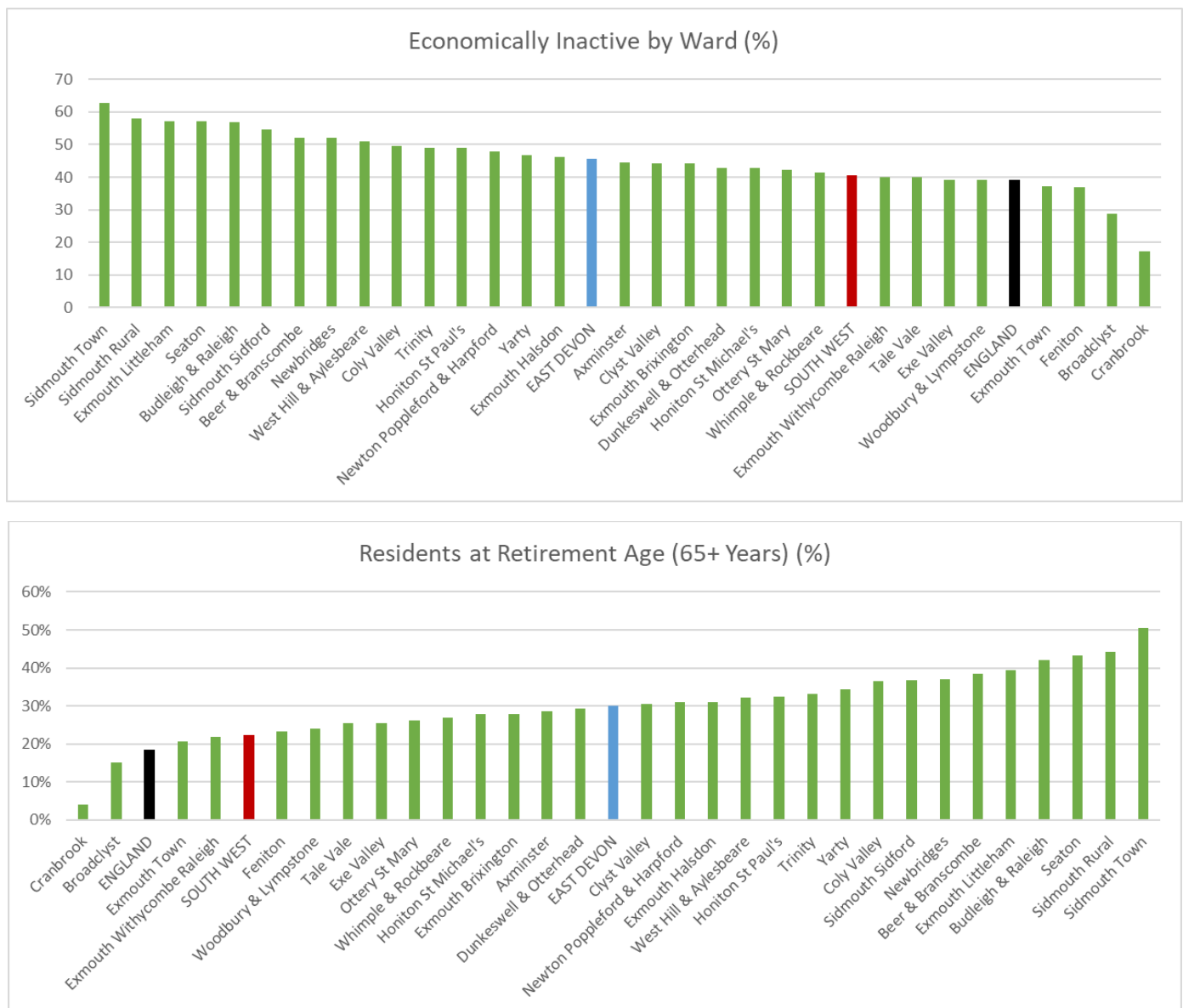
2.6 Looking more closely at the Census 2021 data, we see almost three quarters of those aged 16 and over in East Devon were economically inactive due to retirement, the fifth highest percentage of 332 local authority areas.

Reason	East Devon Ranking (out of 332)
Economically inactive	23rd
Retired	5th
Student	308th
Looking after home or family	299th
Long-term sick or disabled	240th
Other	283rd

2.7 Ward level data is also provided on economic inactivity allowing more detailed analysis. The following ONS derived graphs show economic inactivity at a ward level and highlight that 9 of East Devon’s wards have populations comprising an absolute majority (above 50%) of economically inactive residents. Since retirees are included within the economic inactivity figures (ONS), East Devon’s high proportion of retirees has increased the number of those who are economically inactive above the national and regional averages for most wards.

<sup>1</sup> Those who are defined as economically active are those in employment, unemployed but looking for work, or unemployed and waiting to start a job that had been offered and accepted. Those who are economically inactive are neither in employment or seeking employment (Census 2021).





2.8 Only 4 of our 30 wards record levels of economic activity higher than the England average. We also see just two ward populations (Cranbrook and Broadclyst) reporting a lower percentage of retired residents than the national average. These two wards also show the lowest levels of part time working and highest levels of full-time employment in East Devon.

2.9 Acknowledging and addressing our pronounced levels of economic inactivity across the majority of East Devon wards is a fundamental and pressing challenge for the Council.

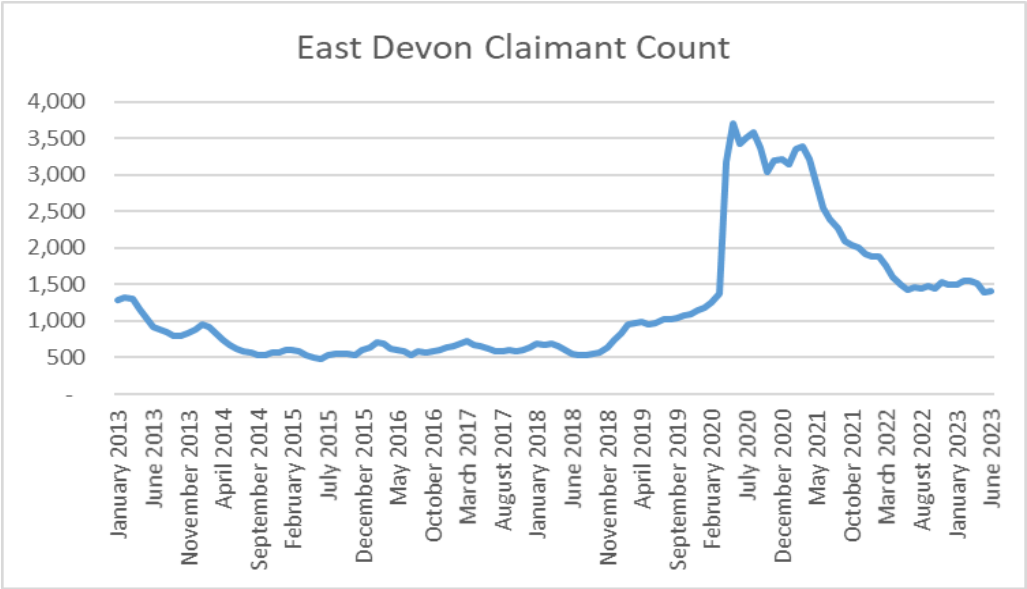
The District will, in all probability, remain an attractive retirement location and there is a question as to what placed based policies and proposals can help to support increased economic activity. Experience over the past decade in the Broadclyst and Cranbrook wards has also demonstrated the significant impact that major new development can have in supporting a very different population demographic.

## Employment and Wages

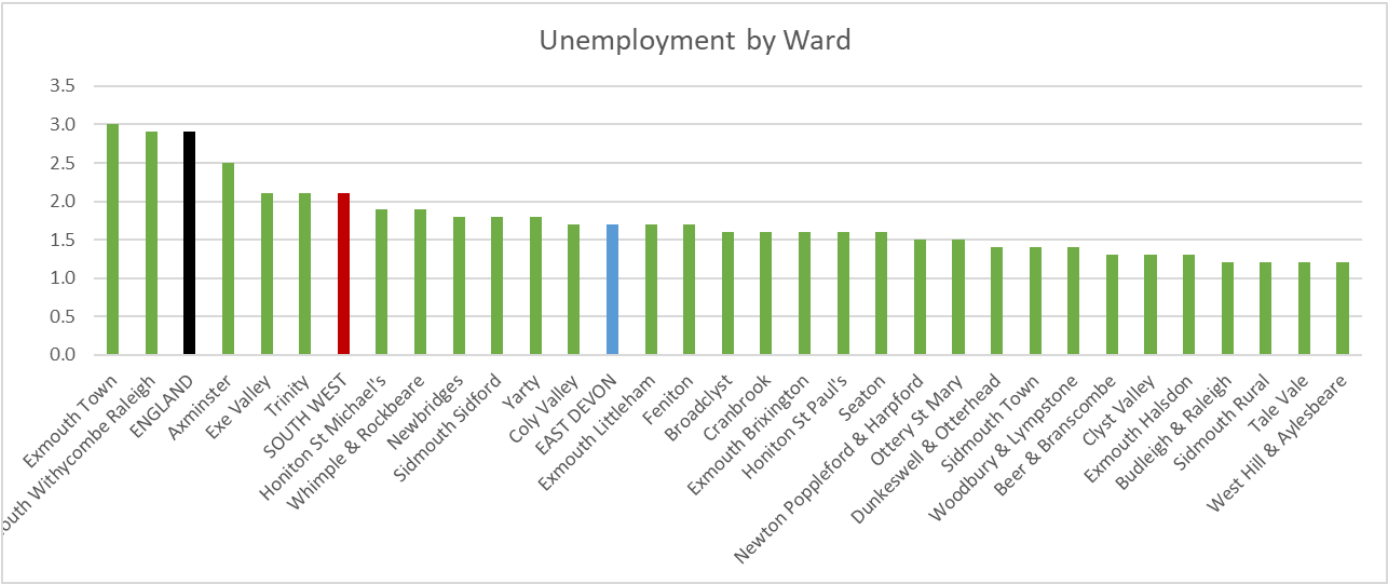
2.10 Alongside highlighting core economic challenges, the LER has provided more optimistic local employment data. District level claimant count statistics published by the Department for Work and Pensions (DWP) report on the number of people claiming benefits principally for the reason of being unemployed.

2.11 The latest figures for East Devon (June 2023) show our total claimant count standing at 1,410 individuals, or around 1.7% of the working population. We may be weak in terms of our shrinking proportion of working age residents, but in terms of unemployment levels, we are the 18<sup>th</sup> lowest out of 332 local authority areas.

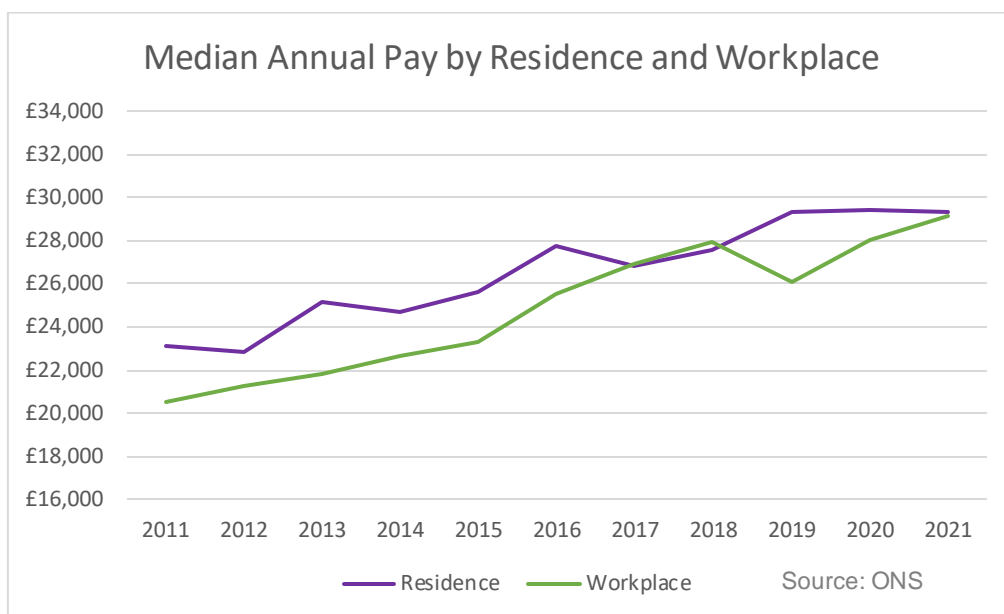
2.12 The claimant count in East Devon has remained consistently below both the regional and national average and has remained broadly in line with neighbouring local authority areas. Although we can see in the graph below that claimant figures have generally stabilised since the pandemic, they do remain higher than the pre-pandemic levels.



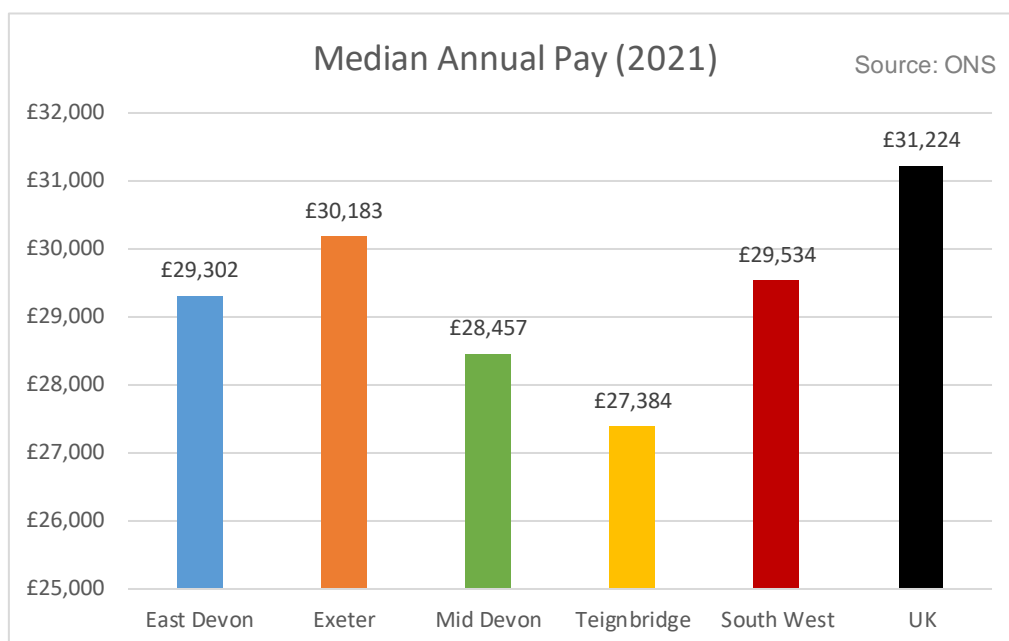
2.13 The graph below shows unemployment at a ward level (Census 2021). Exmouth Town and Exmouth Withycombe Raleigh were the only two wards to have rates of unemployment either equal to or marginally higher than the national average.



2.14 On our district wage levels too, despite the critical loss of Flybe in March 2020 and around 1,000 of our most valuable highly skilled jobs, the LER highlights positive change over the last 10 years. Longitudinal ONS data shows wages for those who reside in East Devon and those who work in East Devon have both increased significantly since 2011:

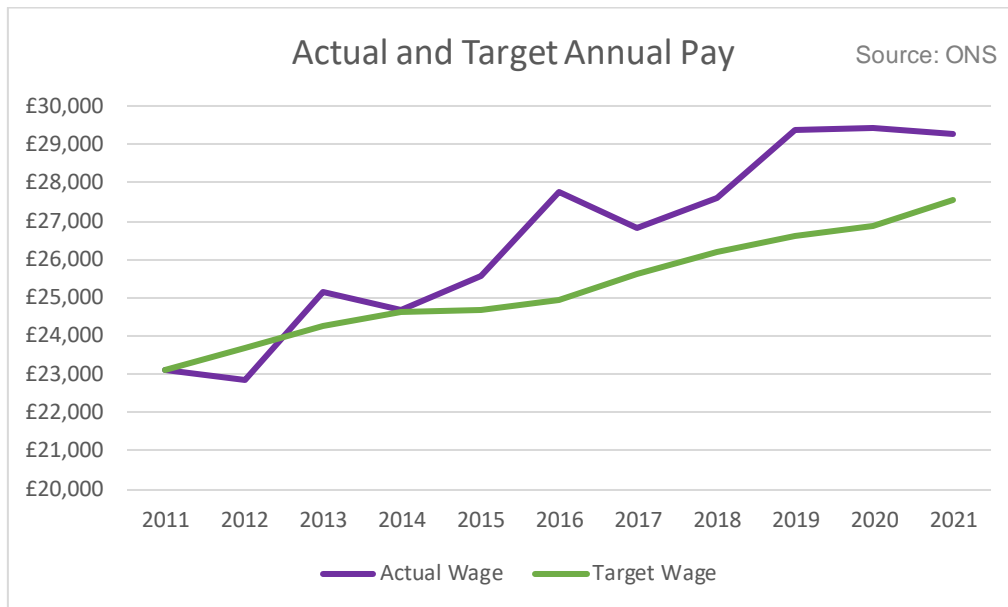


2.15 Comparing the median annual wage (by place of residence), we see East Devon residents' wages now compare well with the regional average but remain below the national average. Median salaries are however higher than Mid Devon and Teignbridge, although slightly lower than Exeter.



2.16 East Devon's median annual pay can also be compared against an inflation-adjusted rate of pay, or a 'target' annual wage. The target wage takes the actual annual salary from 2011 and increases it each year by the rate of inflation, as measured by the Consumer Prices Index including owner occupiers' housing costs (CPIH).

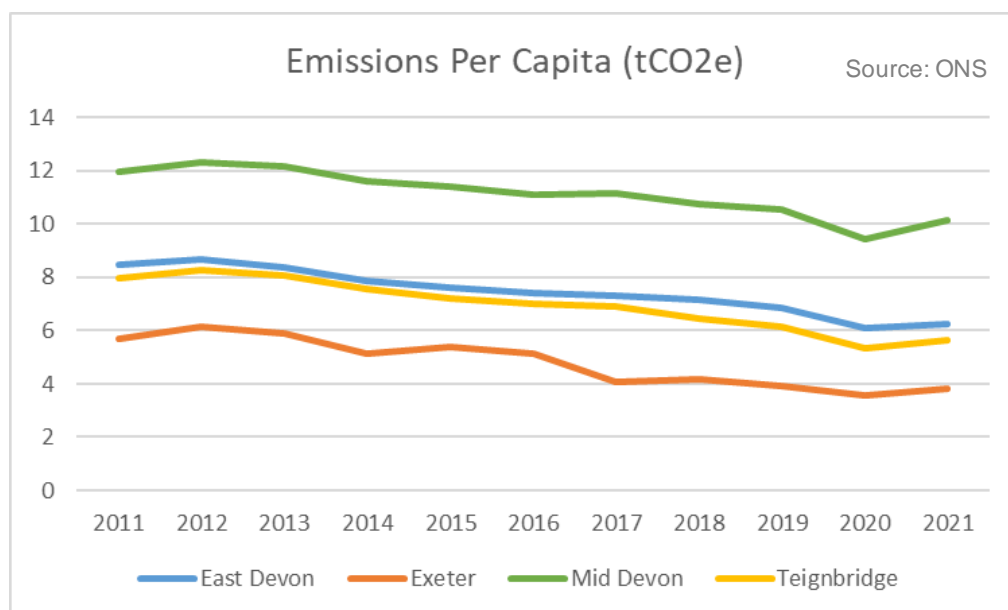
2.17 This analysis shows that actual pay has been increasing at a rate higher than inflation, leading to a real terms pay increase for the average (median) East Devon resident (see graph below). This real terms pay increase is much higher when compared against East Devon wages by place of work.



## Sustainable Communities and Local Employment

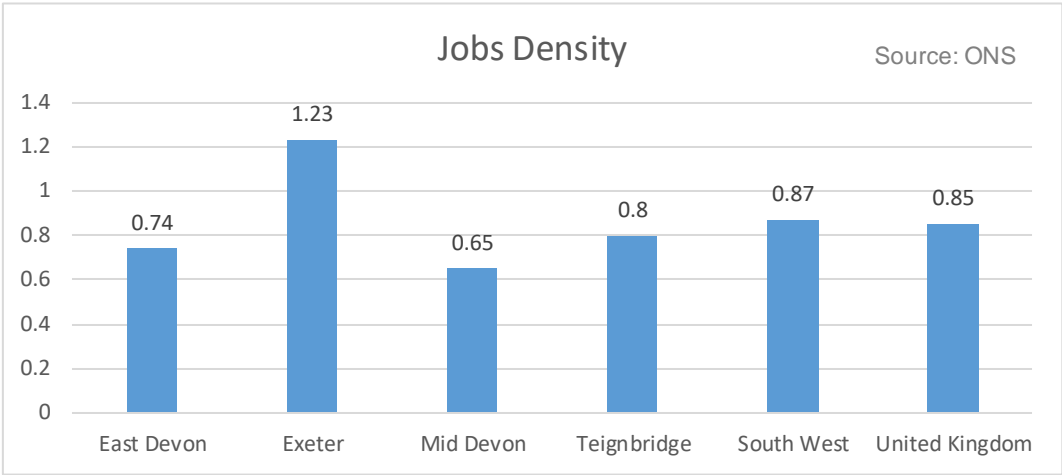
2.18 As a district, East Devon compares poorly regionally and nationally in terms of providing local employment to reduce the need for out-commuting with clear consequences for our carbon emissions and the sustainability of our communities.

2.19 ONS data is available to track carbon emissions at a local authority level. Given East Devon's larger population as compared to our EHOD neighbours, assessment of our emissions per capita (tCO<sub>2</sub>e) as opposed to total emissions provides a more reliable basis for comparison. Here we see our carbon per capita has decreased from around 8.4 tonnes per East Devon resident in 2011 to 6.2 tonnes in 2021. This remains higher than Exeter, and Teignbridge as well as the national and regional average with transport accounting for 31% of our overall emissions.

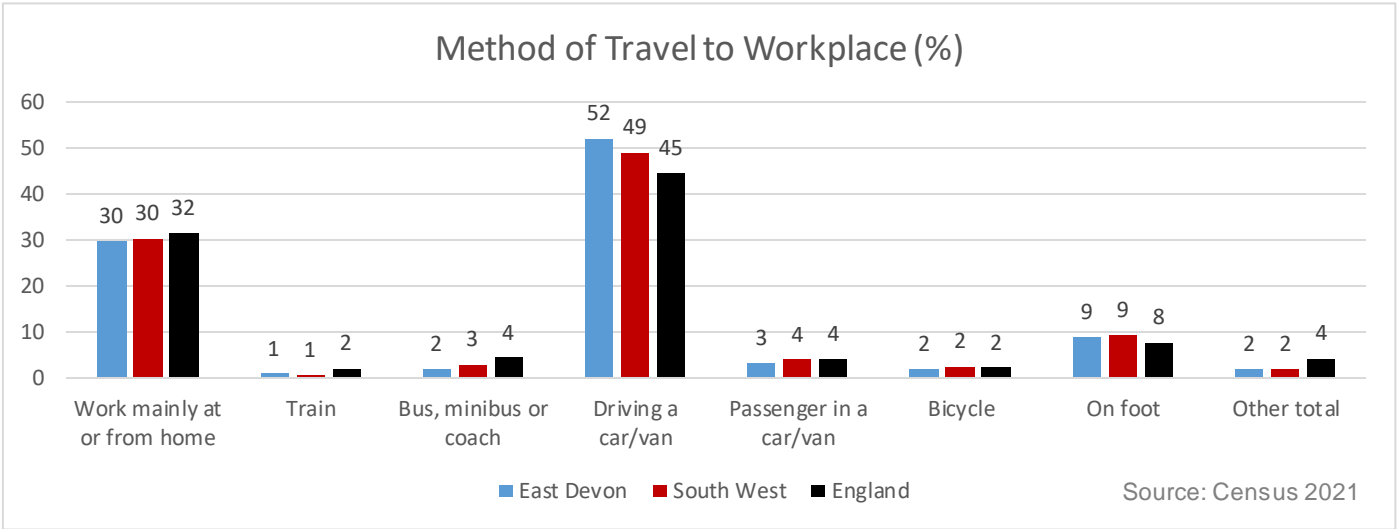


2.20 Out commuting is an ongoing issue for East Devon. 2021 ONS data shows the district has a job density figure of just 0.74, lower than in 2011 (0.78). This means we have significantly fewer occupied jobs in district compared to our overall working age population. The data shows East Devon compares poorly in terms of local jobs provision with most surrounding authorities, the

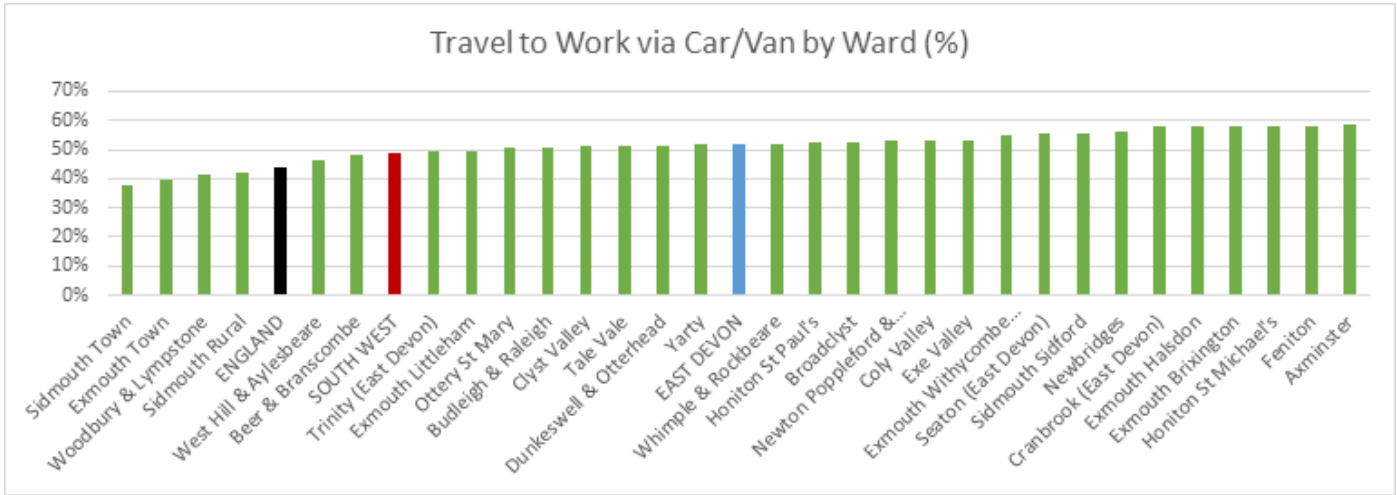
regional and national level. We can also see more people commute to work in Exeter (many from East Devon) than there are working residents who live in the City as their jobs density figure is significantly above 1.



2.21 Census data on how local residents travel to work shows that a higher percentage of East Devon residents are reliant on private vehicles to get to work. Data also points to around a third of people primarily working from home.



2.22 The graph below shows the percentage of residents who travel to work via a car or van at a ward level. The data shows that car use is typically higher than the national and regional average for most East Devon wards.



2.23 From an Economic Development perspective, we have sought to understand the reasons behind our lower local jobs provision undermining settlement sustainability, our higher levels of out commuting and higher associated emissions.

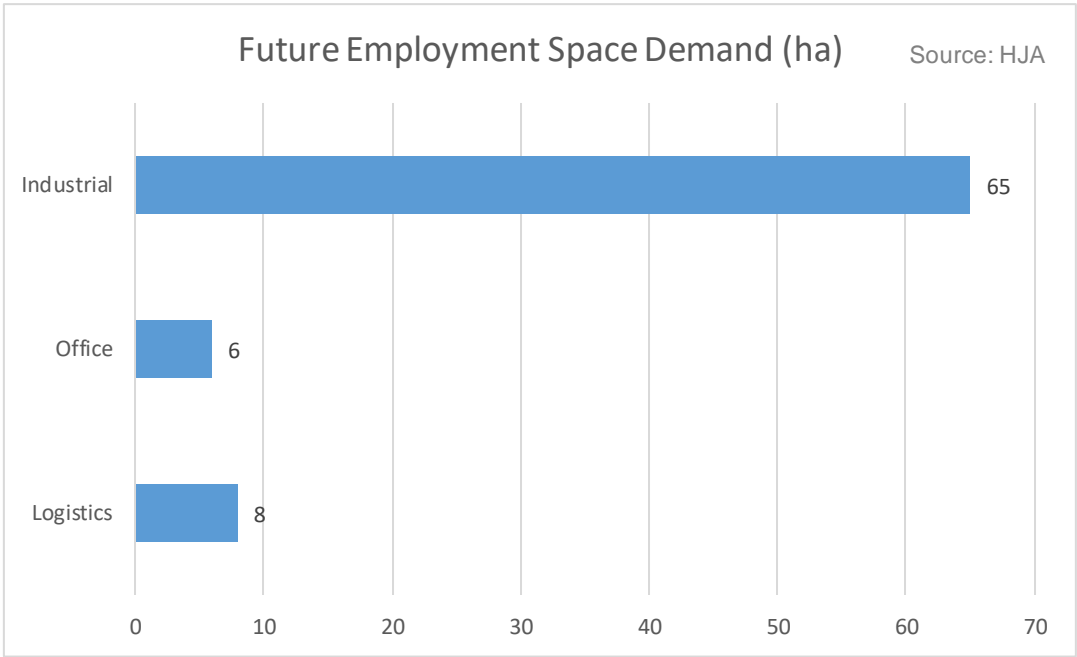
2.24 What is clear through our detailed assessment of the relevant evidence is that as a district, there is high demand from employers to provide local employment within East Devon. However, the actual supply of available employment land and premises is highly constrained. Members will be aware of the environmental constraints of the district, however development economics and associated viability also places a significant constraint on the delivery of employment land and premises. This complicates the ability of inward investors to bring employment sites forward.

2.25 Local employers looking to grow and provide additional valuable local employment can also find it difficult to grow on their current site due to these constraints or have specific operational requirements that are difficult to meet on the available land. This means that in some cases they must look outside of district and relocate. Lastly, many of our communities have high levels of out commuting with insufficient local jobs provision compelling many of those seeking work to look further afield, out commuting to areas such as Exeter where jobs are being offered.

2.26 Recent employment supply and demand evidence has been provided by local commercial real estate agents and consultants working on behalf of the district council in the context of the Economic Development Needs Assessment. Data from JLL shows how much of the existing stock of employment space was available or under offer in 2022.

When the current amount of unmet demand (50.8ha - mostly industrial and logistics space) is compared against the very low current amount of available supply (just 1.7ha) it shows that unmet employment land and premises demand is significantly higher than available supply.

2.27 The graph below displays the total demand expected between 2020 and 2040, as forecasted by Hardisty Jones Associates (Economic Development Needs Assessment, 2022).



2.28 The figures above are based on a mid-point scenario of 79ha, with total future demand dropping to 63ha for the low demand scenario and increasing to 87ha for the high demand scenario.

2.29 The EDNA concludes that “East Devon appears to have a sufficient amount of employment land which is consented, allocated or suitable for development to meet the demand generated between 2020 and 2040 within the District”. This does not however tell the full picture since current unmet demand (50.8ha) is not accounted for in this conclusion. While the total anticipated employment land supply on the face of it may appear to align with forecasted future demand, the spaces that make up that supply do not necessarily provide the types and range of spaces that are needed. For example, the data is slightly skewed by an unusually high supply of office spaces at Winslade Park.

2.30 The EDNA also notes that some of the supply of employment spaces are sites that have been allocated for some time but have not come forward and further work is needed to understand why this is the case and what can be done to either unlock or replace these sites. There are also issues across the wider greater Exeter economic area in terms of proposals within the Liveable Exeter programme, which is likely to form part of the new Exeter Local Plan. These would lead to the loss of some key employment sites within the city that are important to the wider economy and that residents of East Devon rely on for their employment. This is coupled with the inability of the City to meet all of its future demand.

2.31 Further work is being undertaken by officers to understand the challenges of existing allocated but undelivered employment allocations and to understand future supply on a sub-regional basis. This work is being carried out as a part of the Local Plan process and will be reported to members in due course. The outputs from the work will help to refine and improve our understanding of the current position and future challenges.

2.32 The supply of employment land and premises is an example of a complex system with many interrelated factors and feedback loops. Some of these factors are more directly in the control of the Council than others, notably the ability to allocate land through the Local Plan process and to bring forward development proposals on our land ownership. There is also evidence of market failure, particularly where the recent very high rate of construction price inflation has outstripped the rise in commercial rents. This is alongside structural changes in the commercial property market, notably the reduction in the demand for office space due to the shift to hybrid working.

### **3 Conclusion**

3.1 Our comprehensive Local Economic Review provides more than a useful benchmark of headline economic indicators for the district. It provides a longitudinal assessment of our most important economic performance factors, plotting changes and highlighting emerging trends over a 10 year timeframe as compared to our neighbouring EHOD areas, the SW region and national levels.

3.2 Close analysis of this raw data has led to a number of key trends being identified as most relevant to East Devon’s economic and employment trajectory. Most critically, the core challenges of pronounced demographic imbalance, increased economic inactivity and the need to ensure available employment land provision to facilitate sustainable communities have been evidenced.

3.3 There are undoubtedly some encouraging trends, not least the real terms increase in average wages. However, East Devon’s lower level of jobs density/self-containment and higher degree of out commuting by private vehicle is undermining our Council Plan aims of reducing

carbon emissions through unnecessary travel and facilitating the economic sustainability of our local towns and communities.

3.4 Through acknowledging the shortfall in new *local* jobs provision to support the sustainability of settlements across much of the district, EDDC has the ability to act on this through our emerging Local Plan and place-based policies and proposals. This up to date LER data and evidence should inform the Council's approach in addressing serious levels of current and future employment land undersupply to meet evidenced demand and ensure a balanced provision, flexibility and choice of future local employment options across our district. This is alongside existing strategic programmes such as in relation to the Enterprise Zone.

3.5 Cabinet endorsement is now sought for this report and the detailed Local Economic Review (Appendix A) which underpins and informs it. Furthermore, it is recommended that the Local Economic Review and the most up to date statistical evidence it comprises directly inform the economic and employment aims of the emerging Council Plan.

3.6 Lastly, it is recommended that Cabinet endorse the development of a new Economic Development Strategy for the District. This will then enable officers to operationalise Council Plan priorities through the development and delivery of a clear action plan, directly engaging the core challenges highlighted by the Local Economic Review wherever we have resources, or can develop agency and/or influence, including in the context of the emerging devolution proposals.

3.7 It is envisaged that this work will sit alongside and complement the development strategy that is being formulated through the emerging Local Plan. The Local Plan will identify the required quantum of employment land, allocate sites and set out through planning policy how these should come forward and the types of uses and activities which should take place on each site. This will be informed by the further work that is currently being undertaken to understand site deliverability and the supply of sites on a sub-regional basis.

3.8 The Economic Development Strategy presents an opportunity to better understand how we should address some of the wider issues highlighted by this report and how the council can be involved in supporting and enabling the delivery of employment sites and premises.

3.9 To aid the development of the Economic Development Strategy, officers will develop a Brief to be agreed by the Portfolio Holder for Economy. This Brief will outline the purpose, timeframe and process of developing the Strategy. Once the Economic Development Strategy has been drafted, it will be presented to Cabinet for consideration.

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### **Financial implications:**

There are no direct financial implications from the recommendations in the report. The findings of the Local Economic Review will likely impact members priorities going forward and in that sense may have financial implication in future reports to Council. As highlighted in the Council's Financial Plan the success to date of having high economic growth in the District has been vital to the Council's own financial position and the ability to fund services through business rate income.

### **Legal implications:**

There are no substantive legal issues to be added to this report.



**Appendix A:**

**East Devon Local Economic Review**

**East Devon District Council  
September 2023**

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## **Introduction**

The purpose of this Local Economic Review is to provide a single document illustrating the core economic data for the district of East Devon. This document utilises the most recent data available through the 2021 Census along with figures provided by the Office for National Statistics (ONS) and other credible bodies. The data in this report can be used to guide wider strategic planning and help to inform policy at a local level.

## **Technical Notes**

The review gives first preference to Census data where possible, with ONS datasets, which are typically sample based, used to show changes over time (longitudinal). As the methodologies used in the Census and other ONS datasets are not always consistent, there can often be slight changes for the same type of metric.

Data collated from non-official sources is also provided where this is the only source available. For example, data within the Economic Development Needs Assessment (EDNA) undertaken by Hardisty Jones Associates and JLL will be used to show expected economic and employment forecasts for the district.

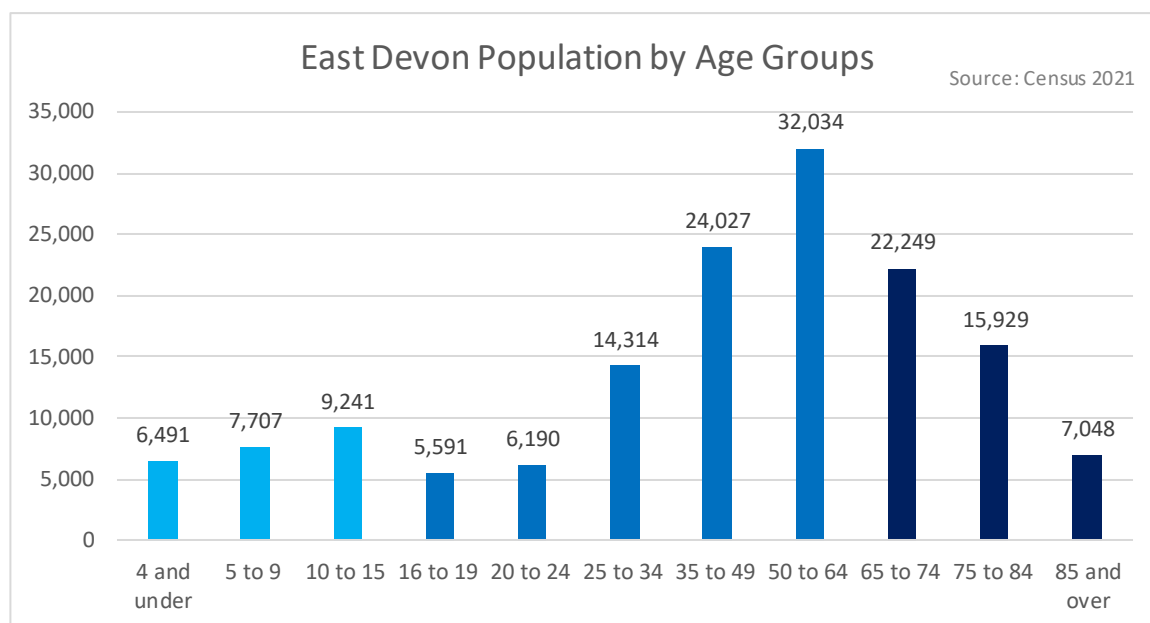
Data will be shown primarily in graph format, with East Devon data usually illustrated in blue. Where data is presented in a longitudinal format, a ten year timespan will typically be used unless there is a more appropriate data-specific baseline or where ten years' worth of data is not available.

Where data is presented in a geographical format, Exeter, Mid Devon and Teignbridge will be used as the local comparator geographies, as these areas make up the wider Exeter and the Heart of Devon functioning economic market area (FEMA). A regional (South West England) and national comparator will also be displayed, with the UK used as the preferred national comparator, with England as the secondary preference.

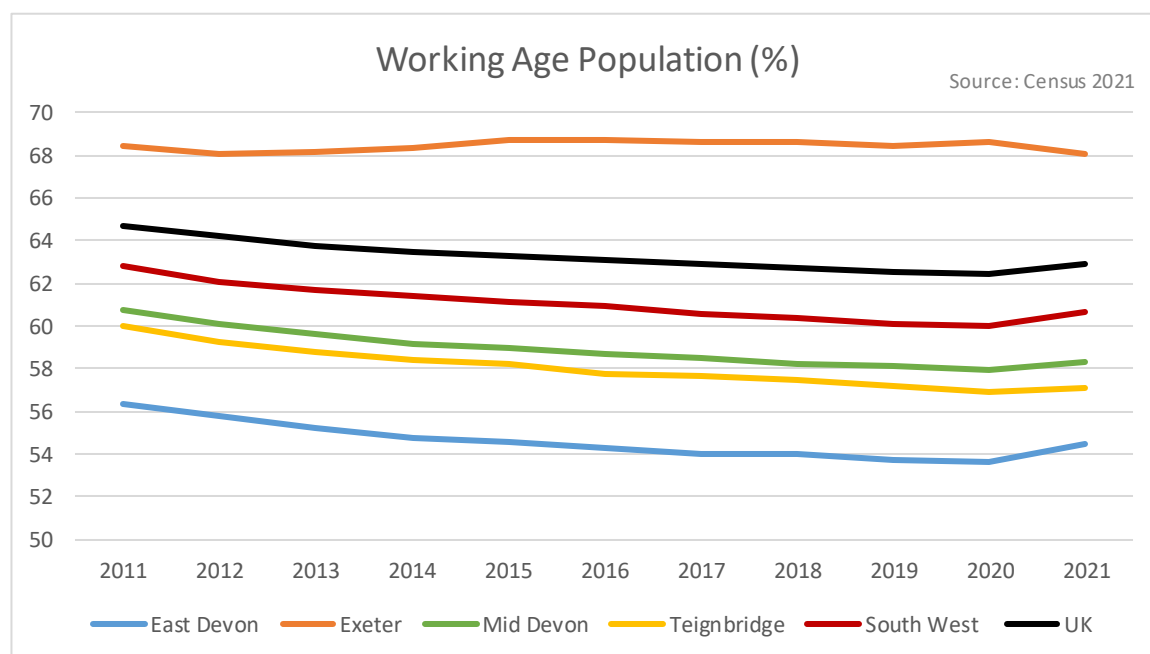
Ward level Census data is available and has been illustrated where there is a reasonable degree of variation between the wards.

## Population

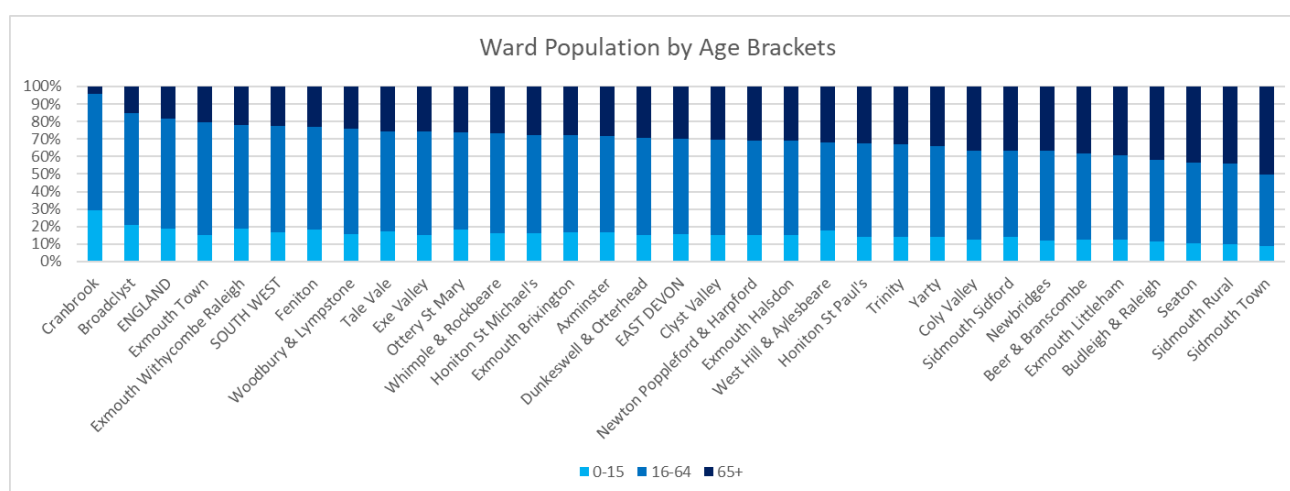
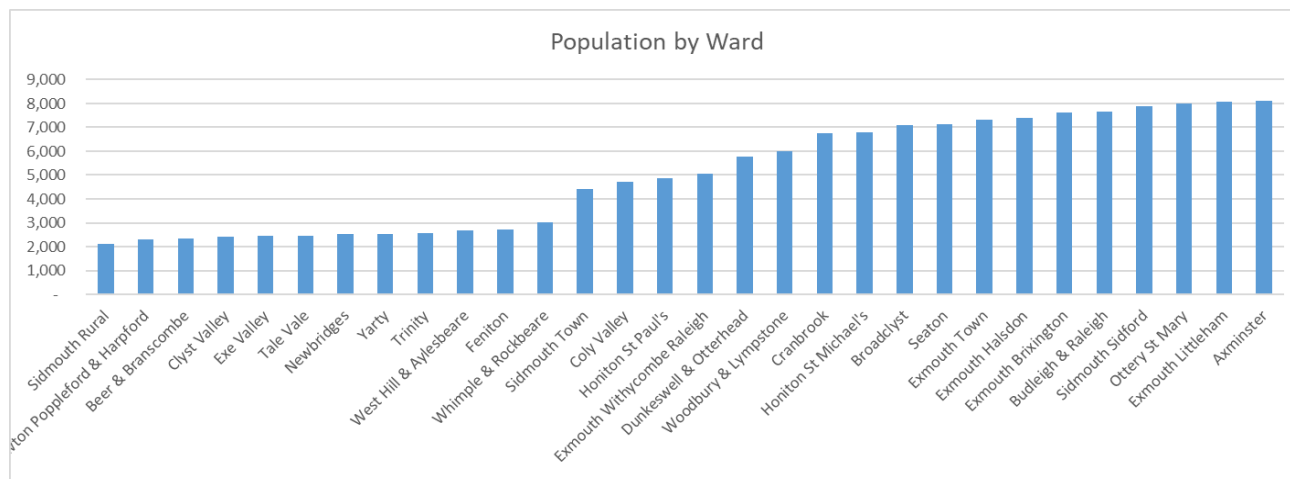
According to the 2021 Census, East Devon's population stood at 150,821 people.



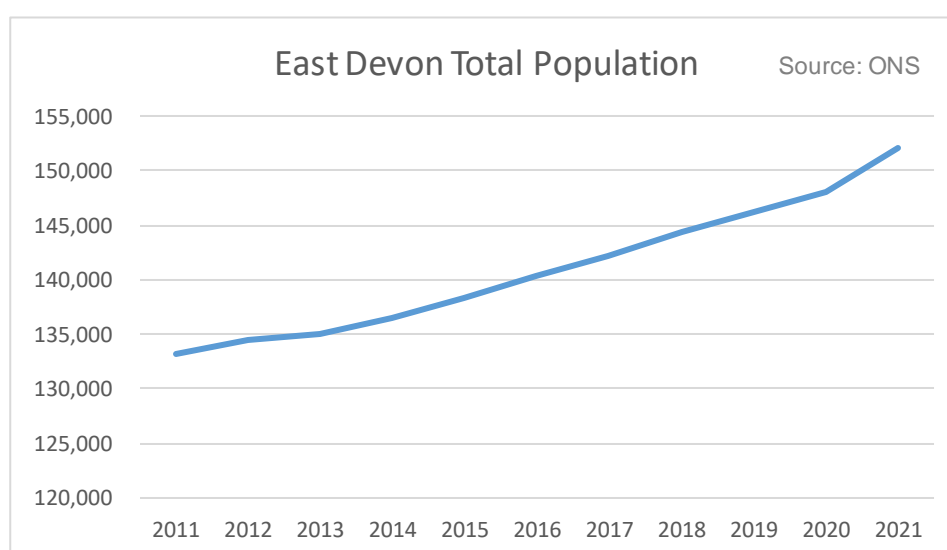
East Devon had a working age population (all those aged 16 to 64 years of age) of 82,156, which is 54.5% of the total population. There were 45,226 people of retirement age (65 years of age or above) making up 30% of the population, with those aged 0-15 years of age making up 15.5% of the population.



Population estimates from the Office for National Statistics (ONS) show that the percentage of working age people in East Devon has been consistently below the national and regional average. When compared against the 332 Local Authority areas in England, East Devon has the fourth highest proportion of retirees and the third lowest proportion of working age people.



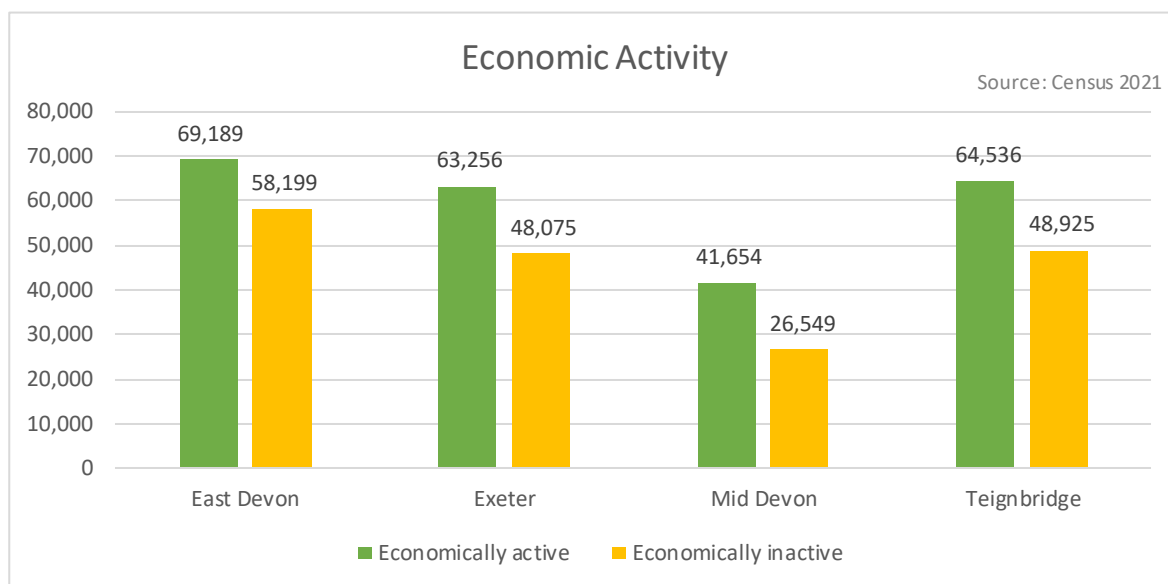
The two graphs above show population statistics for each ward in East Devon. Whereas the upper graph illustrates ward by total population, the lower graph shows age groups as a percentage of the total ward population. Only two of East Devon's 30 wards have a retiree population below the national average, whereas retirees in Sidmouth Town make up the majority of the population.



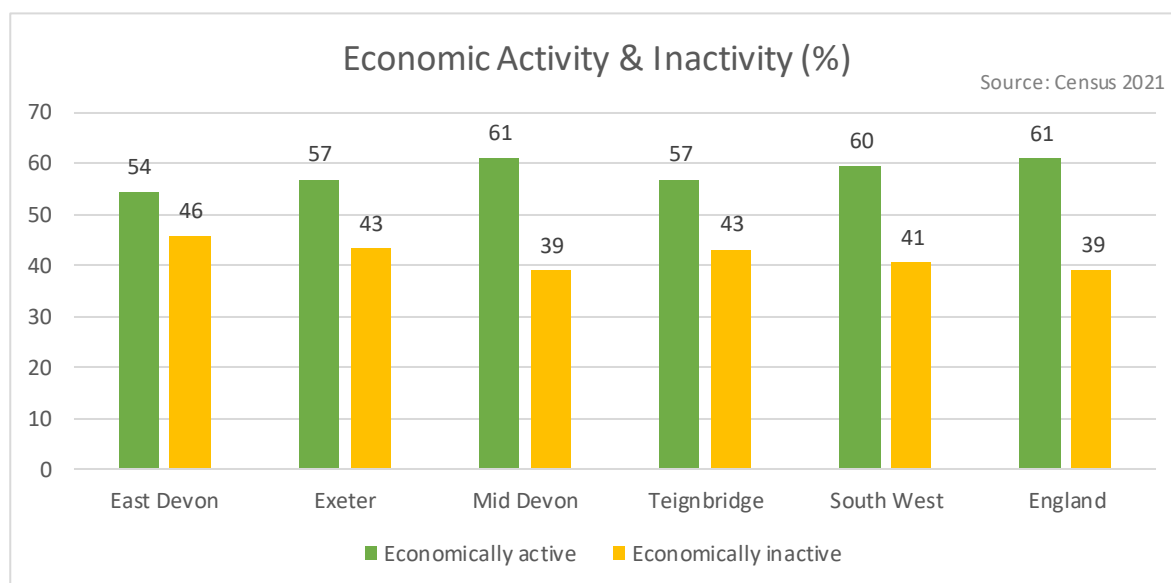
The graph above shows how the total population of East Devon has increased over time, with a 14% increase in the population between 2011 and 2021 according to ONS estimates.

## Economic Activity

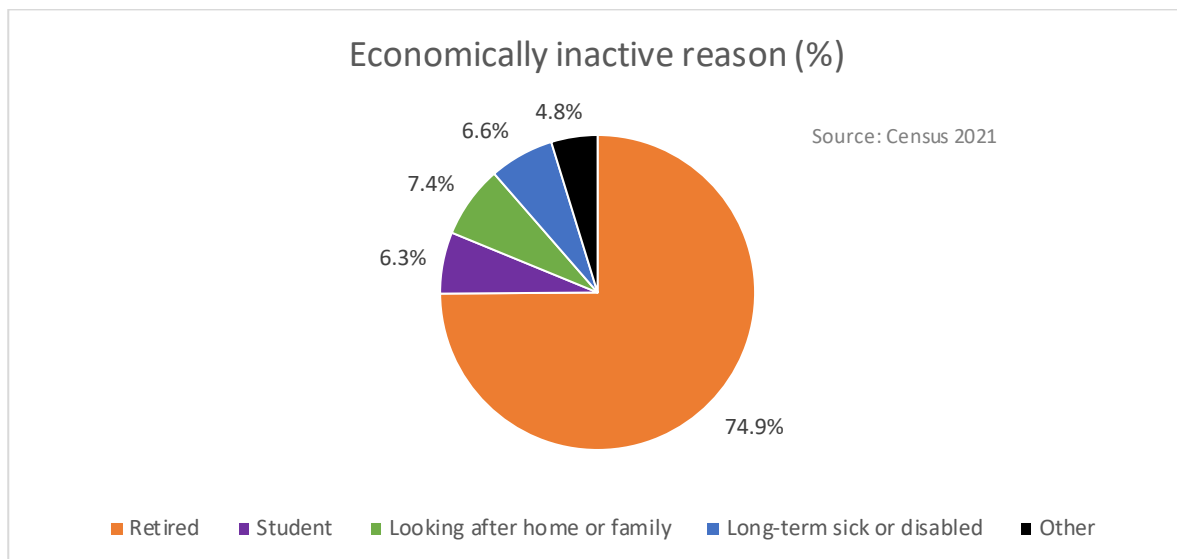
Those who are defined as economically active are those in employment, unemployed but looking for work, or unemployed and waiting to start a job that had been offered and accepted. Those who are economically inactive are neither in employment or seeking employment.



As the district with the highest population in the EHOD area, Census data shows that East Devon has the highest number of both economically active and economically inactive residents.



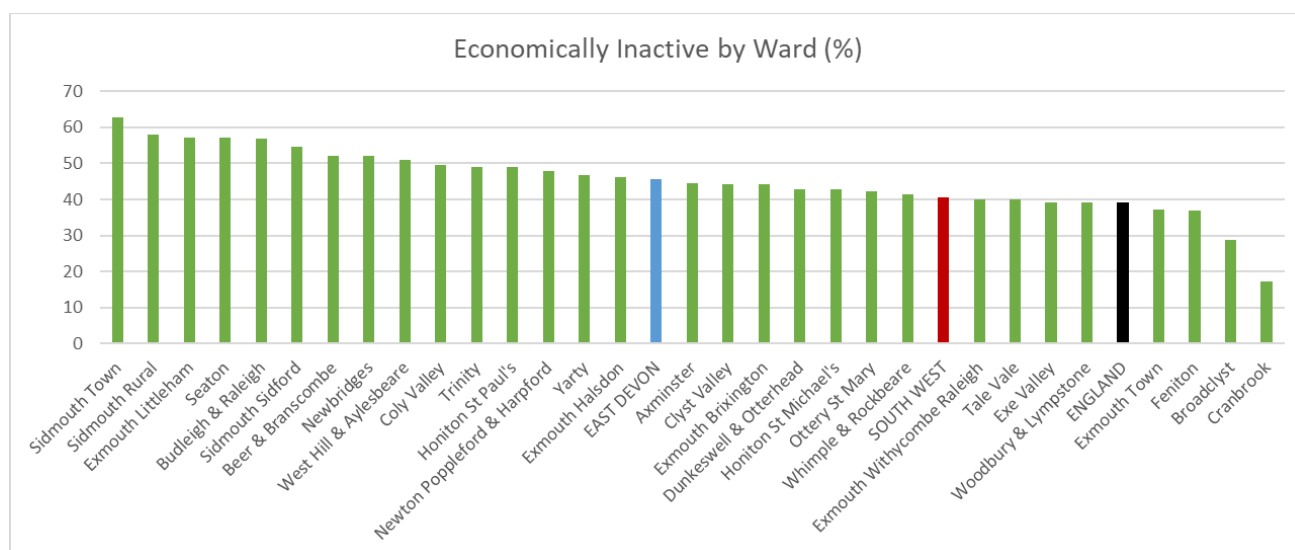
When compared as a percentage of the working age population, East Devon has the lowest proportion of economically active residents and highest number of economically inactive residents compared to the other EHOD geographies and the regional and national averages.

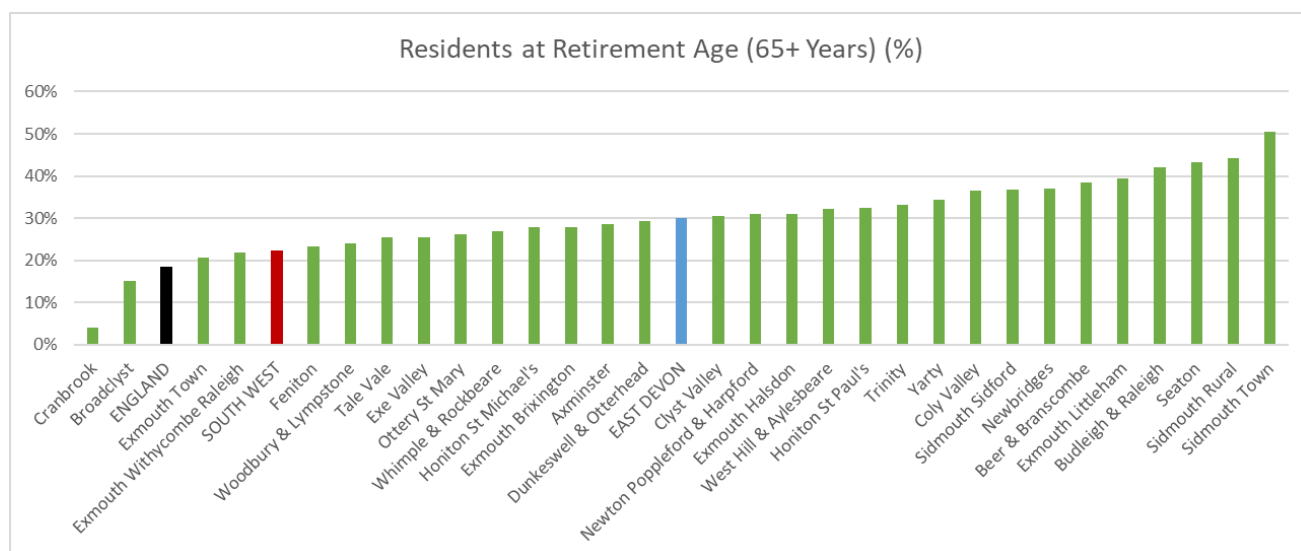


Almost three quarters of those aged 16 and over were economically inactive due to retirement, the fifth highest percentage of 332 local authority areas.

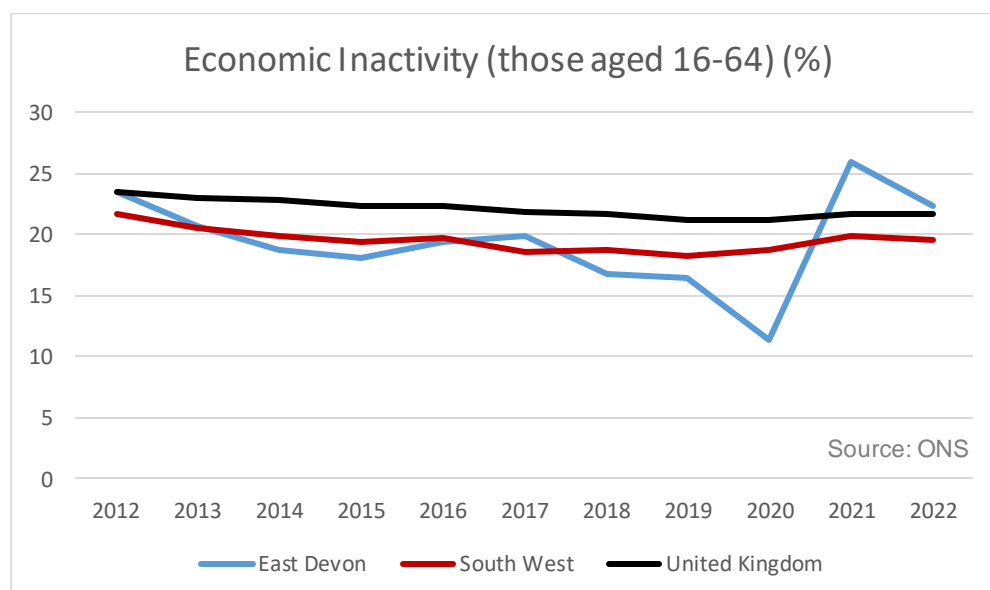
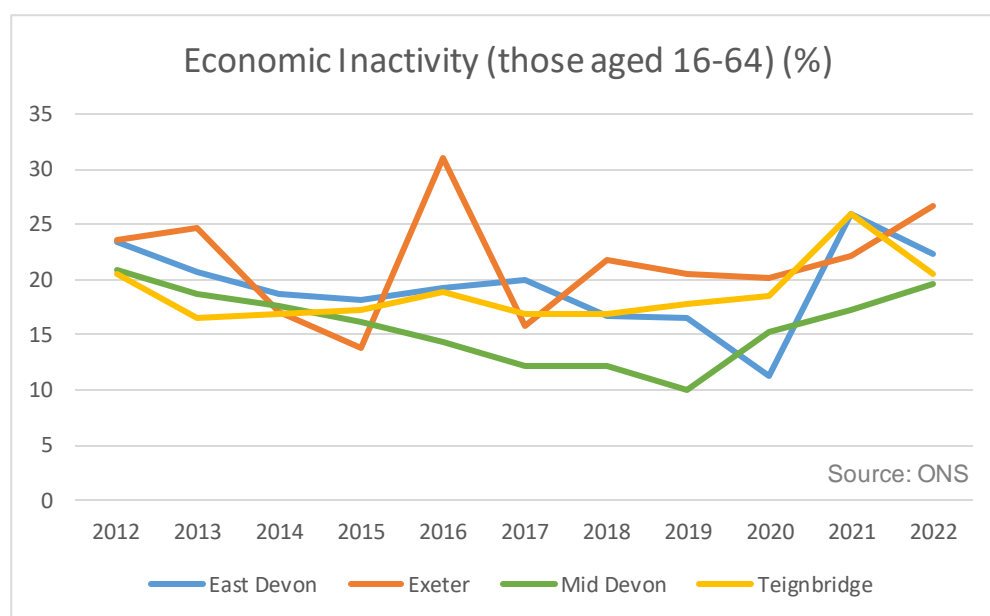
Reason	East Devon Ranking (out of 332)
Economically inactive	23rd
Retired	5th
Student	308th
Looking after home or family	299th
Long-term sick or disabled	240th
Other	283rd

The graphs below show economic inactivity at a ward level, with 9 of East Devon's wards having the majority of their populations economically inactive. As retirees are included within the economic inactivity figures, East Devon's high proportion of retirees has increased the number of those who are economically inactive above the national and regional averages for most wards.



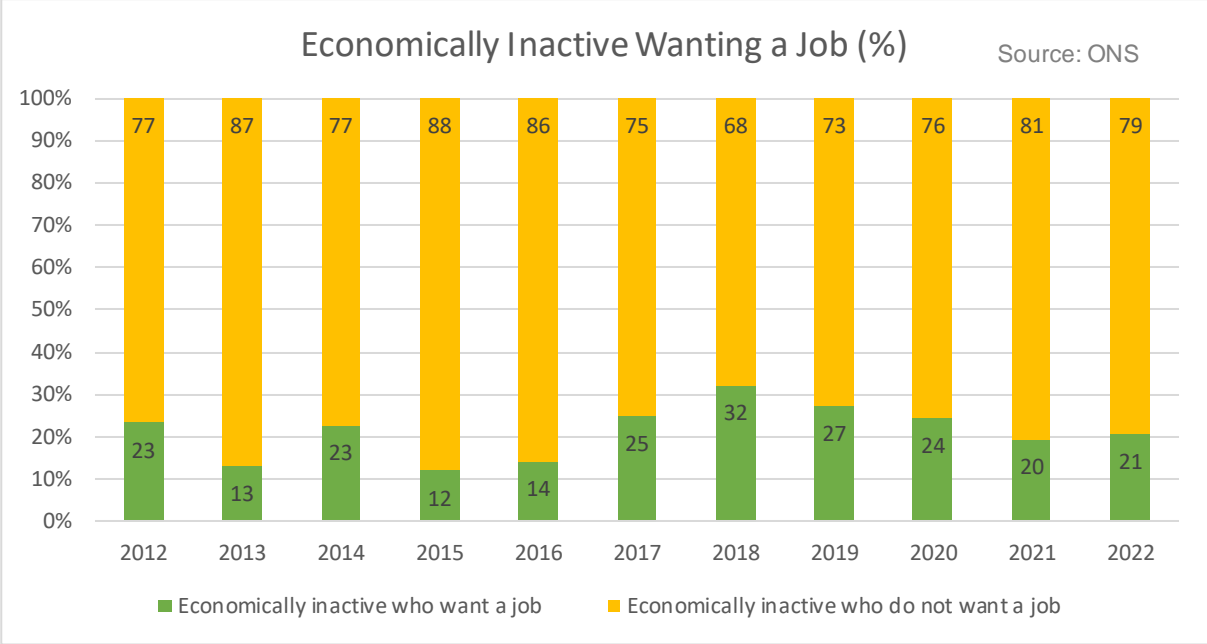


When those of retirement age (65 years of age or older) are removed from the data, ONS estimates show a more balanced picture, with East Devon less of an outlier both locally and nationally.

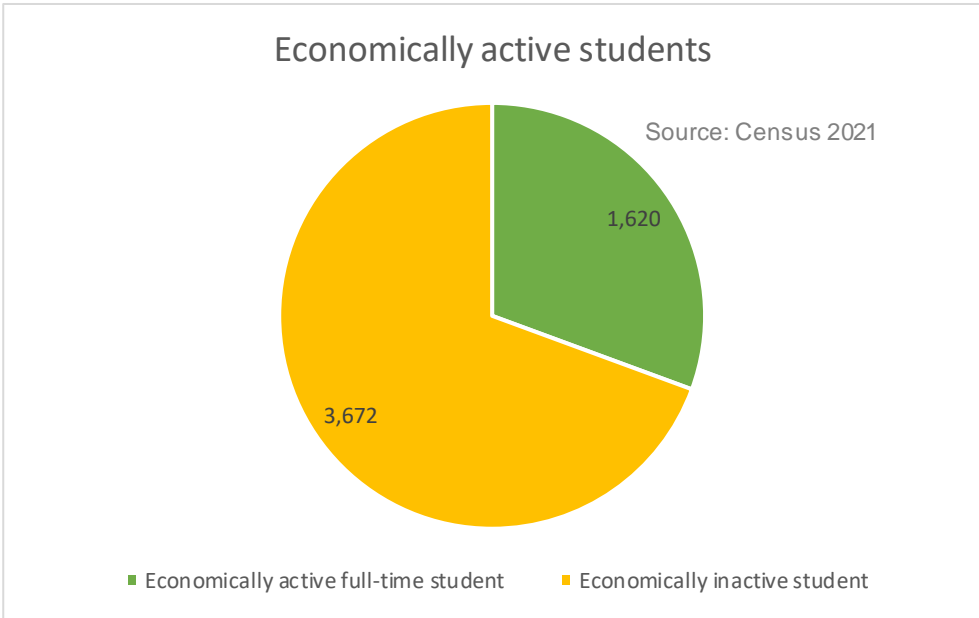




ONS estimates show that the majority of those who are economically inactive and are of working age do not want a job. In 2022 it was estimated that 21% of economically inactive people in East Devon would like a job, but are neither in employment or actively seeking employment.



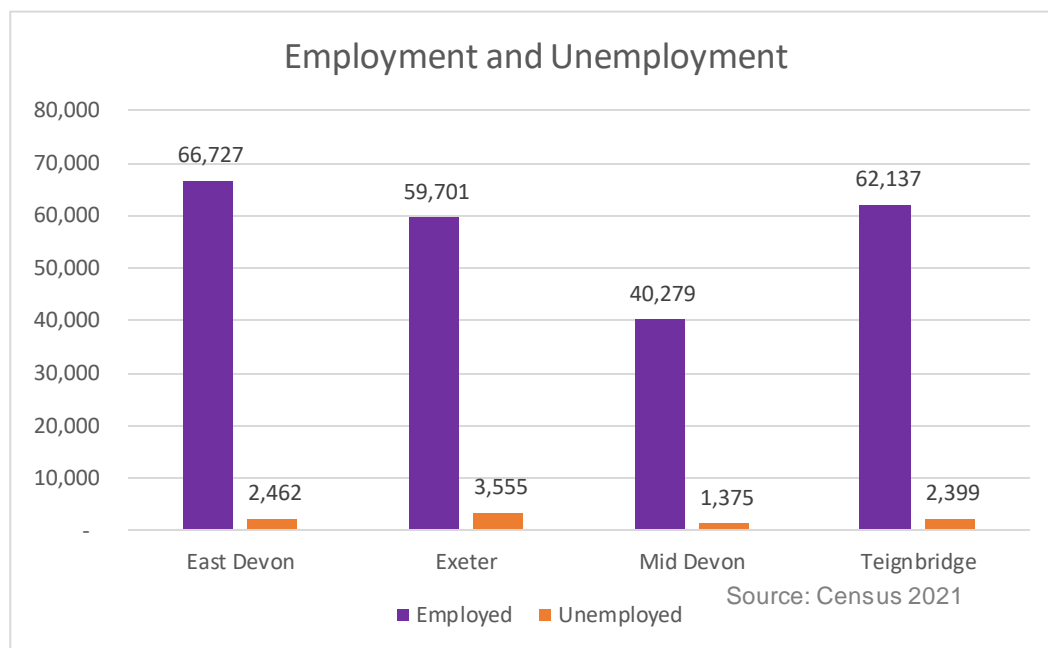
Census data also shows the number of students who are economically active, with 31% of students in a job, seeking a job or about to start a job.



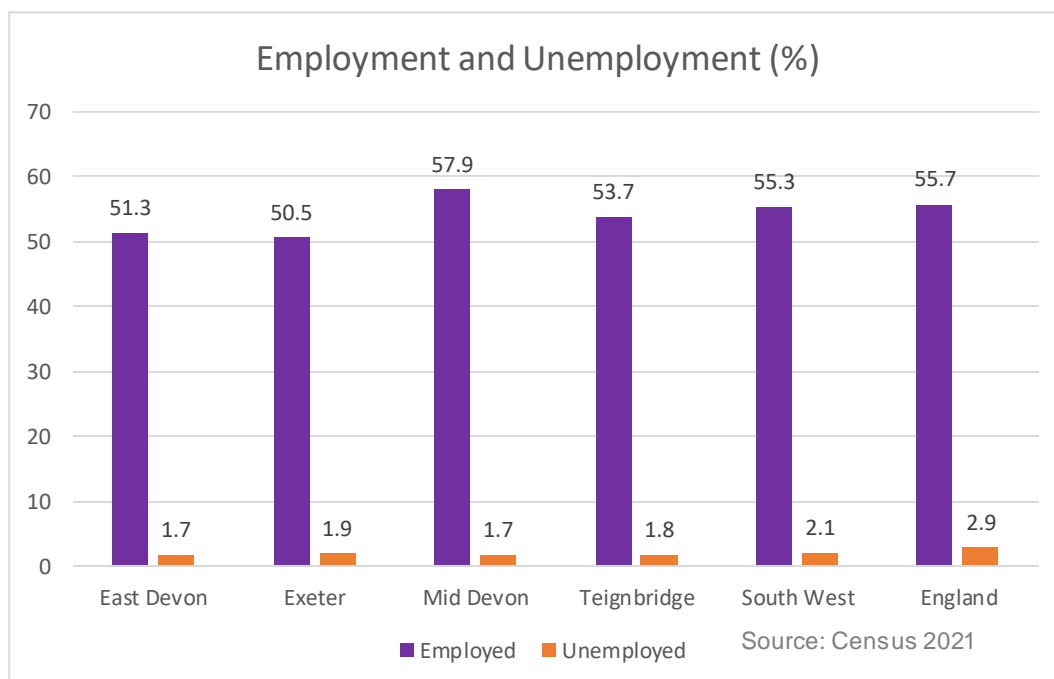
## Employment

Those who are economically active can be further categorised into those who are employed and those who are unemployed.

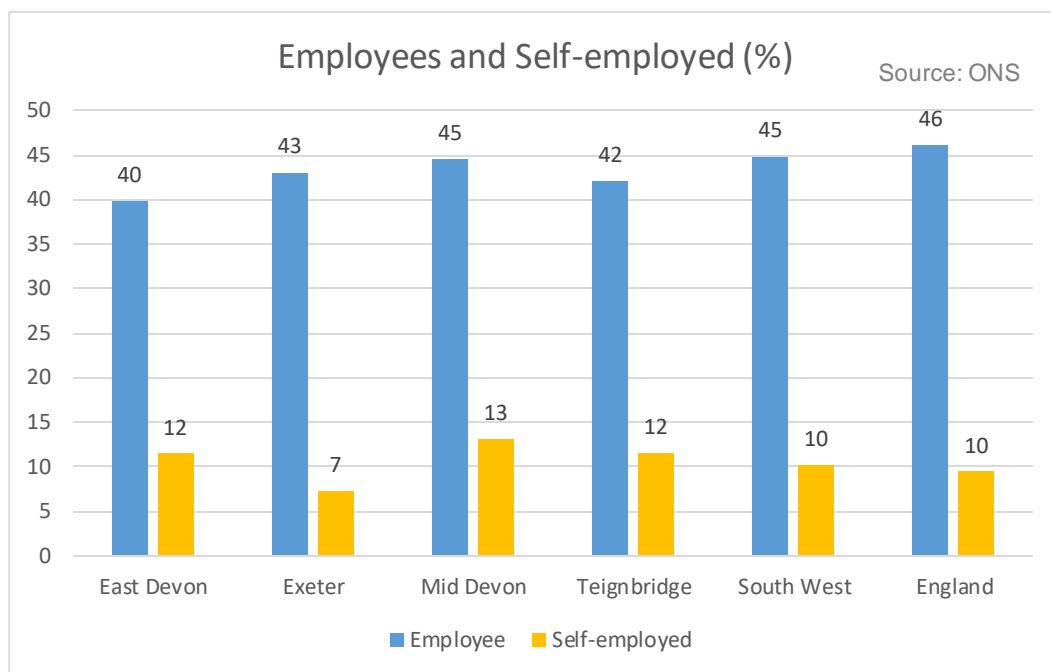
The difference between unemployment and economic inactivity is that those who are unemployed do not currently have a job but are actively seeking employment or are about to start a job. Those who are economically inactive are not employed and are not seeking employment.



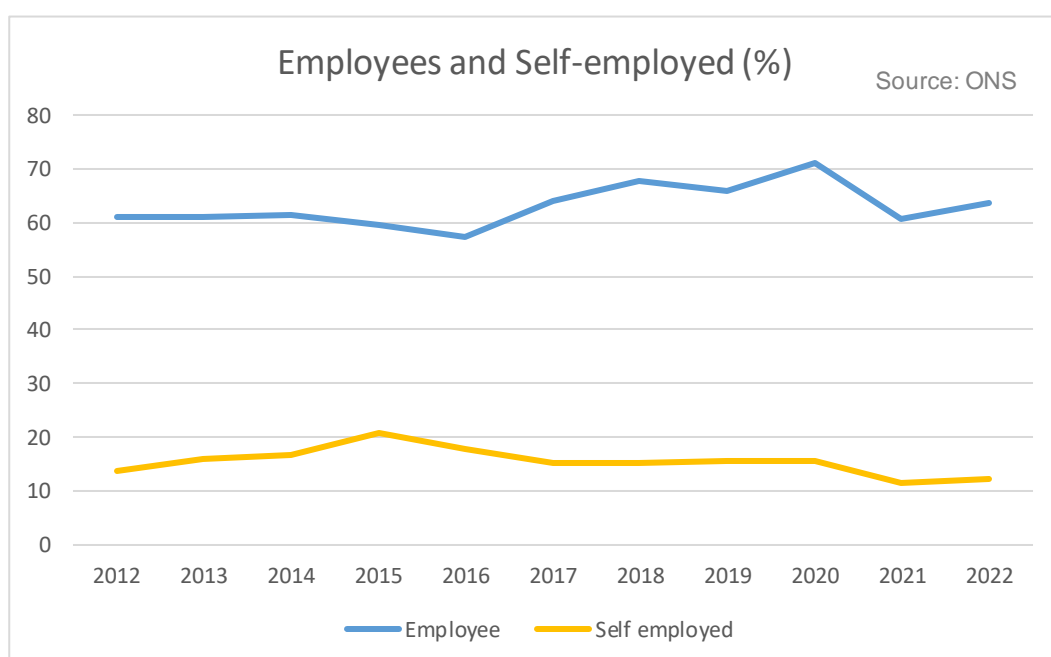
Census data shows that 51.3% of East Devon residents of 16 years or over were in employment. 1.7% of East Devon residents were classed as unemployed, the 18<sup>th</sup> lowest out of 332 local authority areas and below the national and regional average.



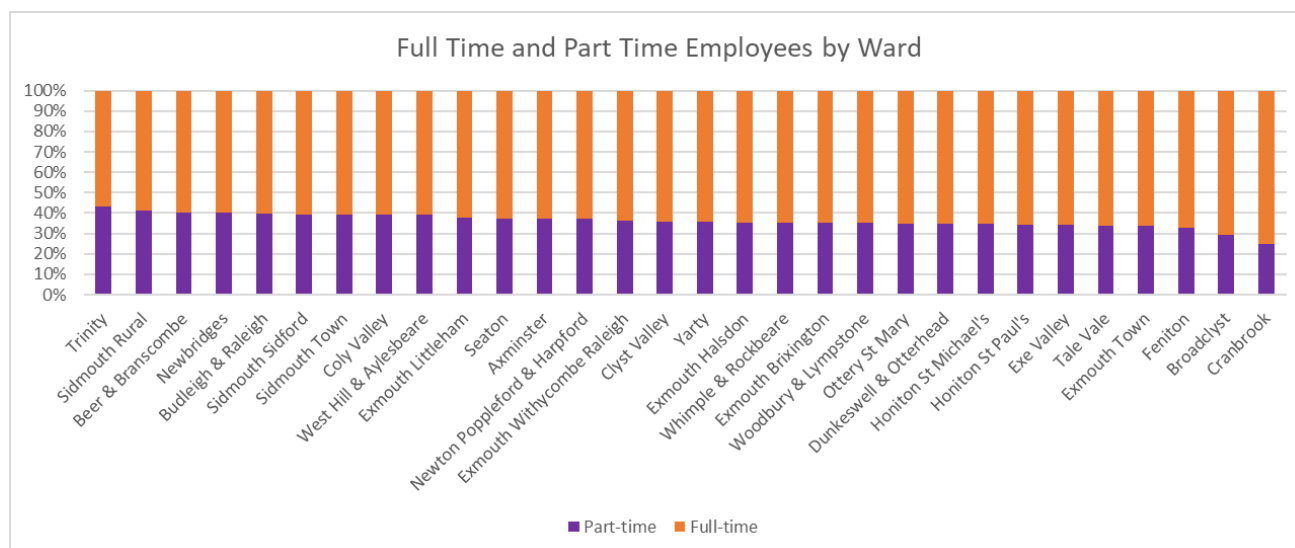
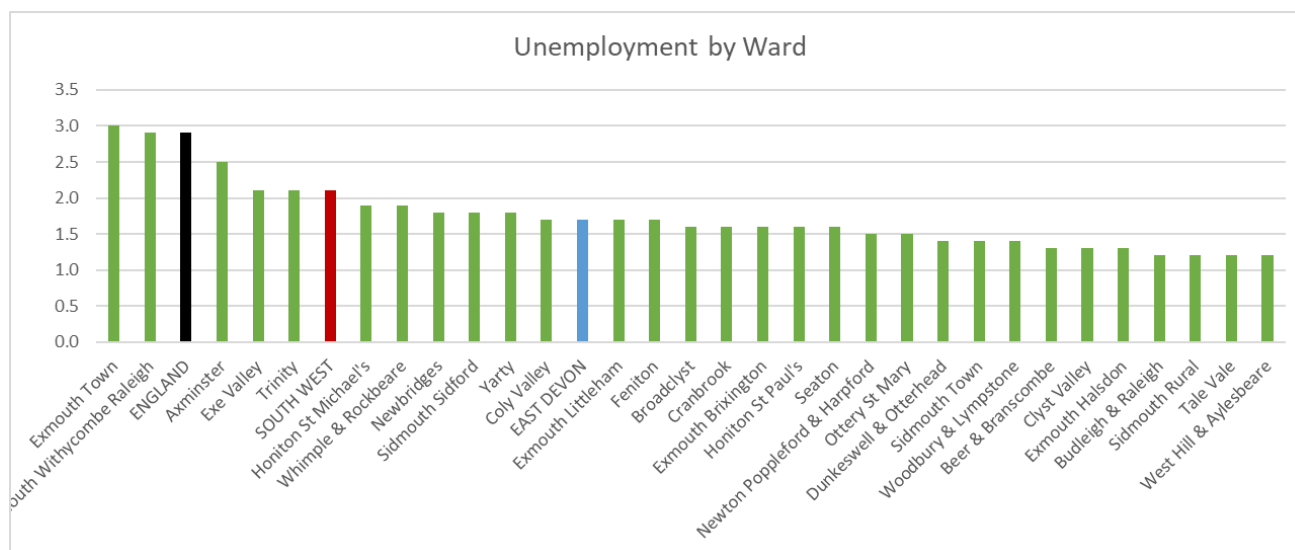
Of those who are in employment, this can be sub-divided further into those who are employed and those who are self-employed. Census data shows that there were 52,049 employees and 14,678 self-employed individuals in East Devon in 2021. The graph below shows the percentage of employed and self-employed individuals as a percentage of those who are economically active. The percentage of those who are self-employed in East Devon is slightly higher than the regional and national average and relatively high in comparison to the number of those who work for an employer.



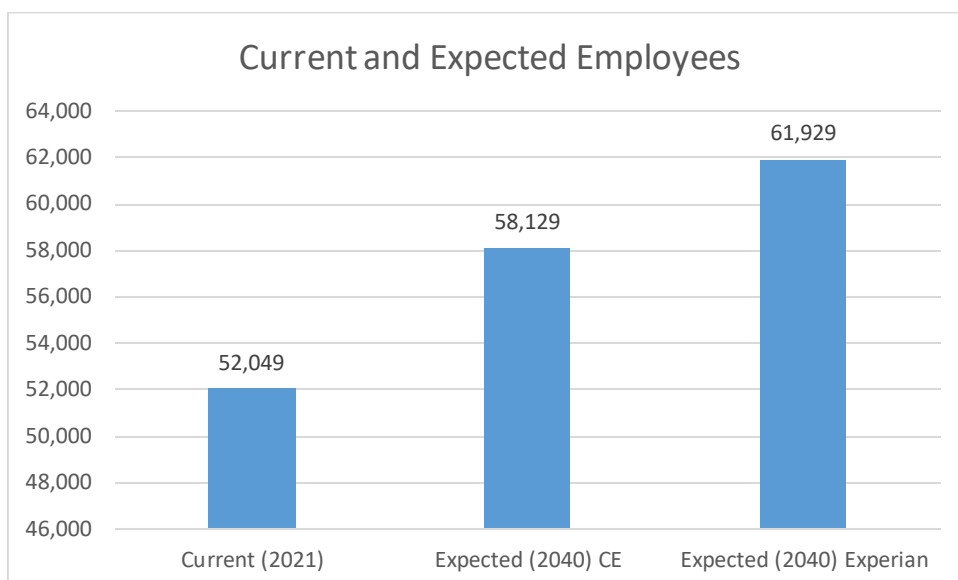
Census data shows that there were 14,678 self-employed individuals in East Devon in 2021, this includes 70 students who also work on a self-employed basis. ONS data in the graph below indicates that the number of self-employed individuals (as a percentage of working age people) in East Devon has remained fairly consistent over time.



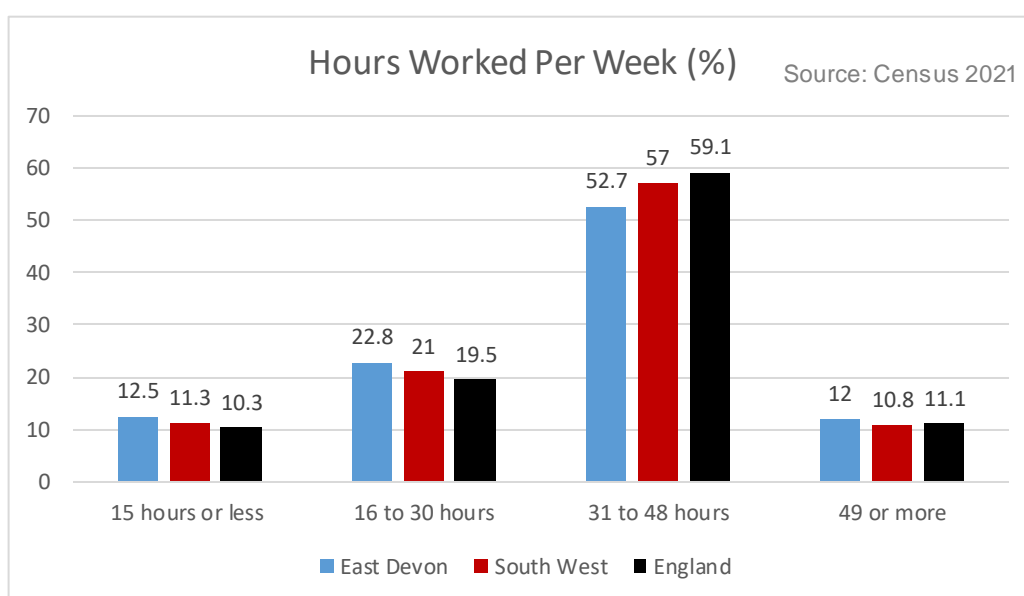
The graphs below show unemployment and part time working at a ward level. Exmouth Town and Exmouth Withycombe Raleigh were the only two wards to have rates of unemployment either equal to or marginally higher than the national average.



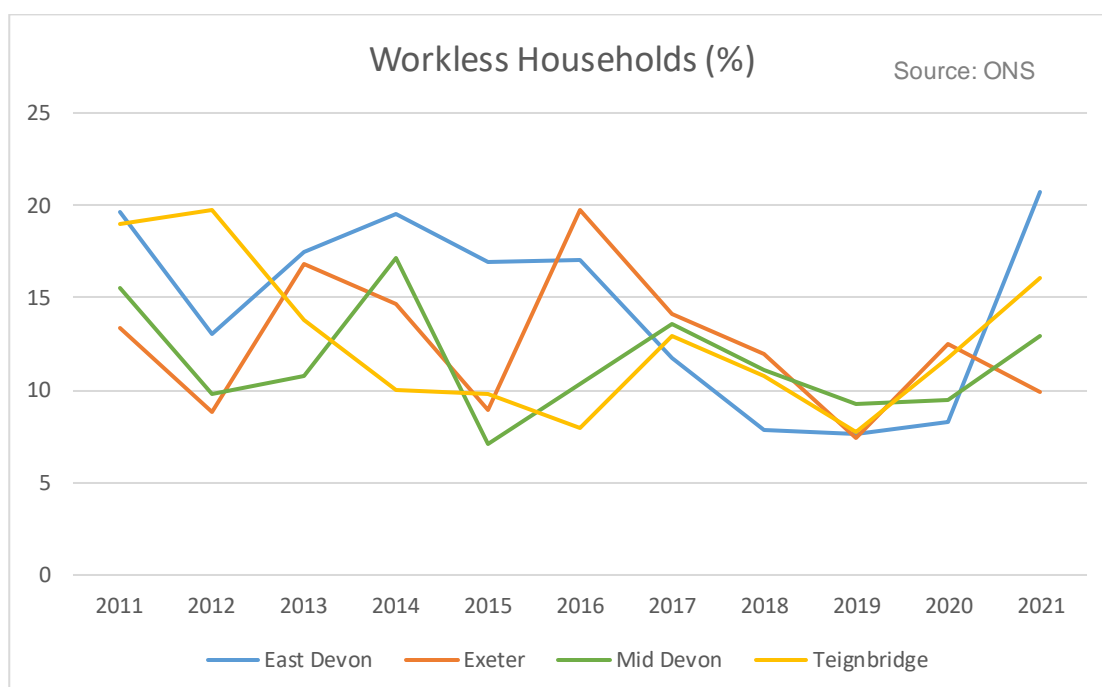
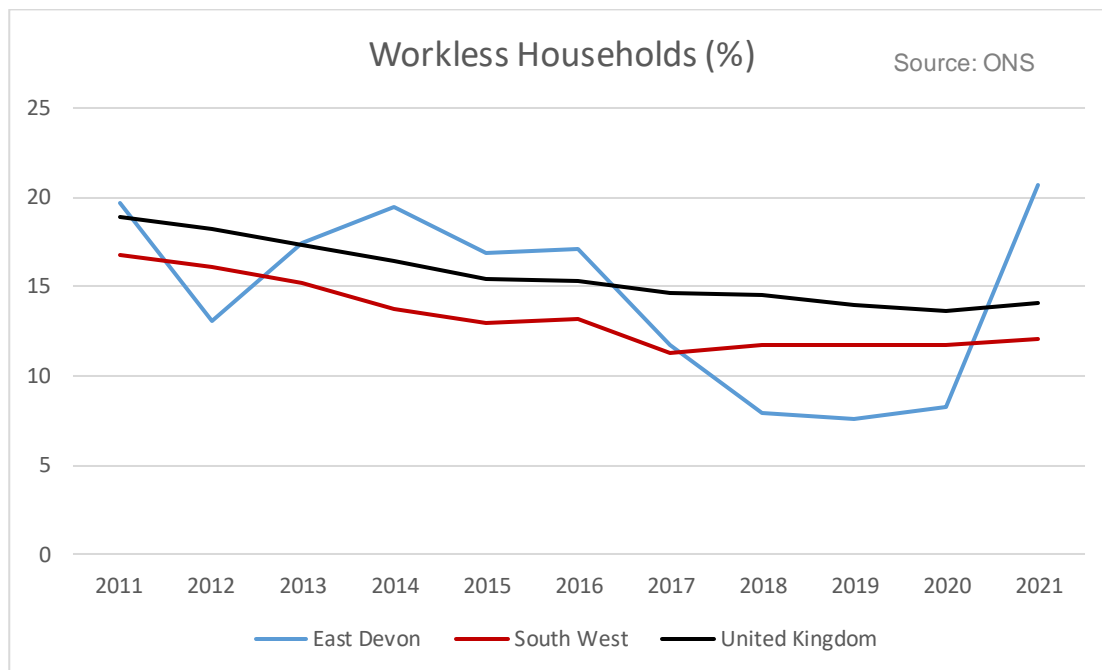
The graph below shows the number of employees in 2021 (taken from the Census) and the expected number of employees forecasted between 2020 and 2040. These forecasts have been derived from two separate sources, Cambridge Econometrics and Experian. The former predicts that employment in East Devon could increase by 320 jobs a year on average, whilst the latter predicts growth of 520 jobs a year on average. Compared to the 2021 jobs count figure, this represents a 12% and 19% increase in employment respectively.



Data from the 2021 Census also asked respondents in employment to confirm how many hours they work in a week. The data shows that there are slightly more East Devon residents working fewer hours compared to the regional and national averages. However, the percentage of East Devon residents that are working 49 hours or more a week is slightly higher than those regional and national averages.

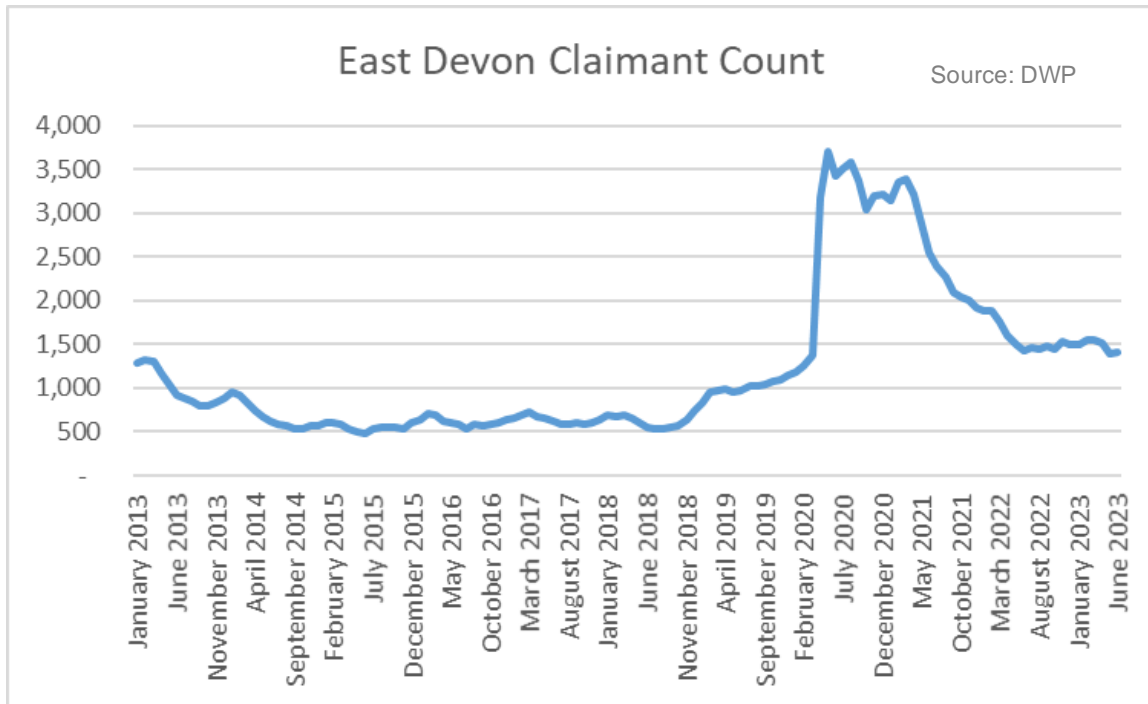


The ONS collates data from workless households, where no-one aged 16 or over is in employment. These individuals may be unemployed or economically inactive. The percentage of workless households appears to have significantly increased in East Devon from 2020 to 2021, which is not in line with the regional or national trend.

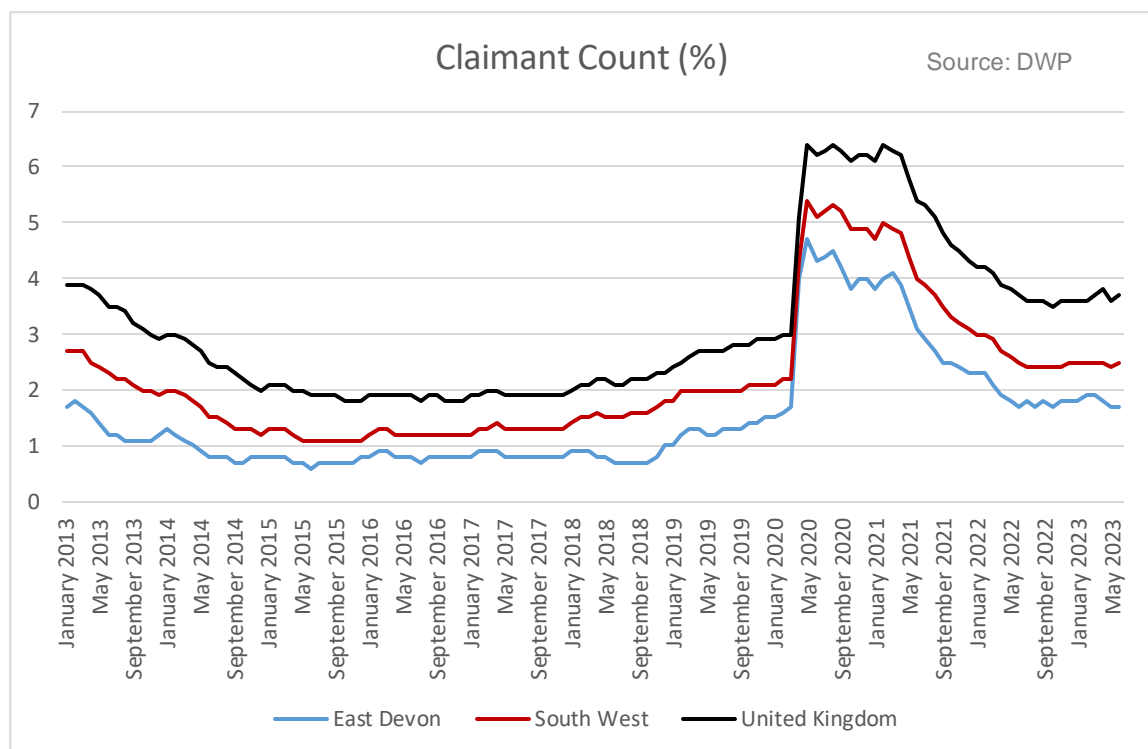


A more reliable source of data for tracking those who are unemployed is the claimant count statistics published by the Department for Work and Pensions. This data is published monthly and removes the annual swings frequently observed in ONS data.

The Claimant Count is the number of people claiming benefits principally for the reason of being unemployed. This is measured by combining the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits with the number of people receiving Universal Credit principally for the reason of being unemployed.



The latest figures for East Devon (June 2023) shows the claimant count standing at 1,410 individuals, or around 1.7% of the working population. Although figures have generally stabilised since the pandemic, they remain higher than the pre-pandemic levels.



The claimant count in East Devon has remained consistently below both the regional and national average and has remained broadly in line with neighbouring local authority areas.

## Jobs

In addition to employment data, figures are available which provide further detail on the types of jobs currently held and how people travel to those jobs. It should be noted that this data only includes occupied job and not jobs which are vacant.

The table below displays jobs by occupation as a percentage of all jobs, with the South West and England averages displayed as a comparison. The table has been colour coded to show which occupations make up the largest share of the workforce at the time of the Census.

Occupation	East Devon	South West	England
Managers, directors and senior officials	14.1	12.8	12.9
Professional occupations	17.5	19.1	20.3
Associate professional and technical occupations	12.3	12.8	13.3
Administrative and secretarial occupations	8.9	9.3	9.3
Skilled trades occupations	13.7	12.1	10.2
Caring, leisure and other service occupations	10.6	9.9	9.3
Sales and customer service occupations	7.9	7.5	7.5
Process, plant and machine operatives	5.4	6.5	6.9
Elementary occupations	9.6	10.0	10.5

The types of occupations in East Devon are broadly consistent with the national and regional averages, albeit with East Devon having a slightly higher proportion of managers compared to professional occupations. The percentage of skilled tradespeople is also higher, with fewer plant and machine operatives. The types of occupation will link to those sectors where East Devon has a higher proportion of jobs. The table below shows the distribution of East Devon jobs by sector.

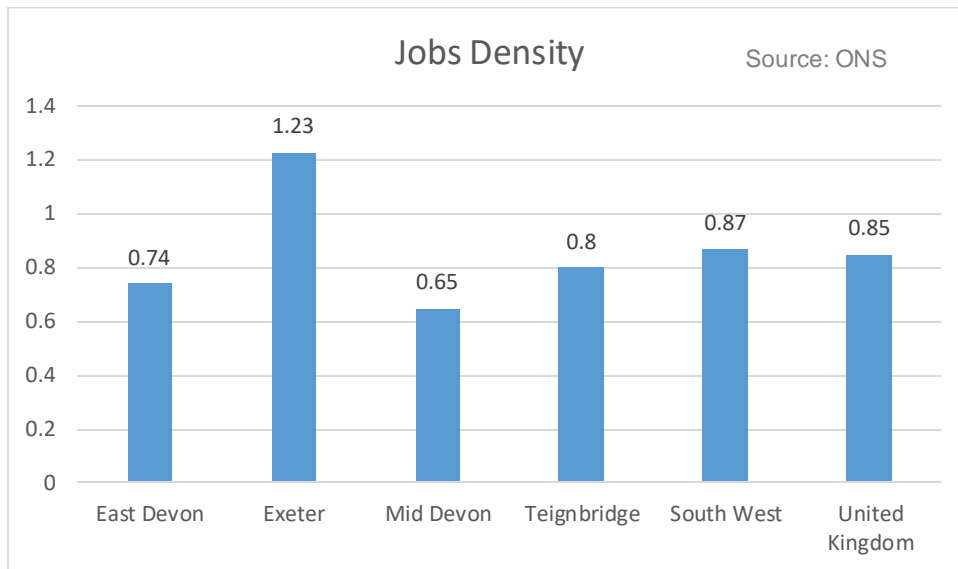
Sector	Jobs
Agriculture, forestry and fishing	1,898
Mining and quarrying	63
Manufacturing	3,374
Electricity, gas, steam and air conditioning supply	472
Water supply, sewerage, waste management, etc	726
Construction	6,267
Wholesale and retail trade, repair of motor vehicles, etc	10,194
Transport and storage	2,495
Accommodation and food service activities	4,305
Information and communication	2,008
Financial and insurance activities	1,295
Real estate activities	1,062
Professional, scientific and technical activities	4,452
Administrative and support service activities	3,414
Public administration and defence, compulsory social security	4,285
Education	6,439
Human health and social work activities	10,580
Other	3,398



The table below displays jobs by sector as a percentage of all jobs, with the South West and England averages displayed as a comparison. This shows the East Devon's sectoral distribution of jobs is roughly similar to the regional and national averages, with slightly higher percentages in farming and tourism based activities and with lower percentages in manufacturing, financial and ICT services.

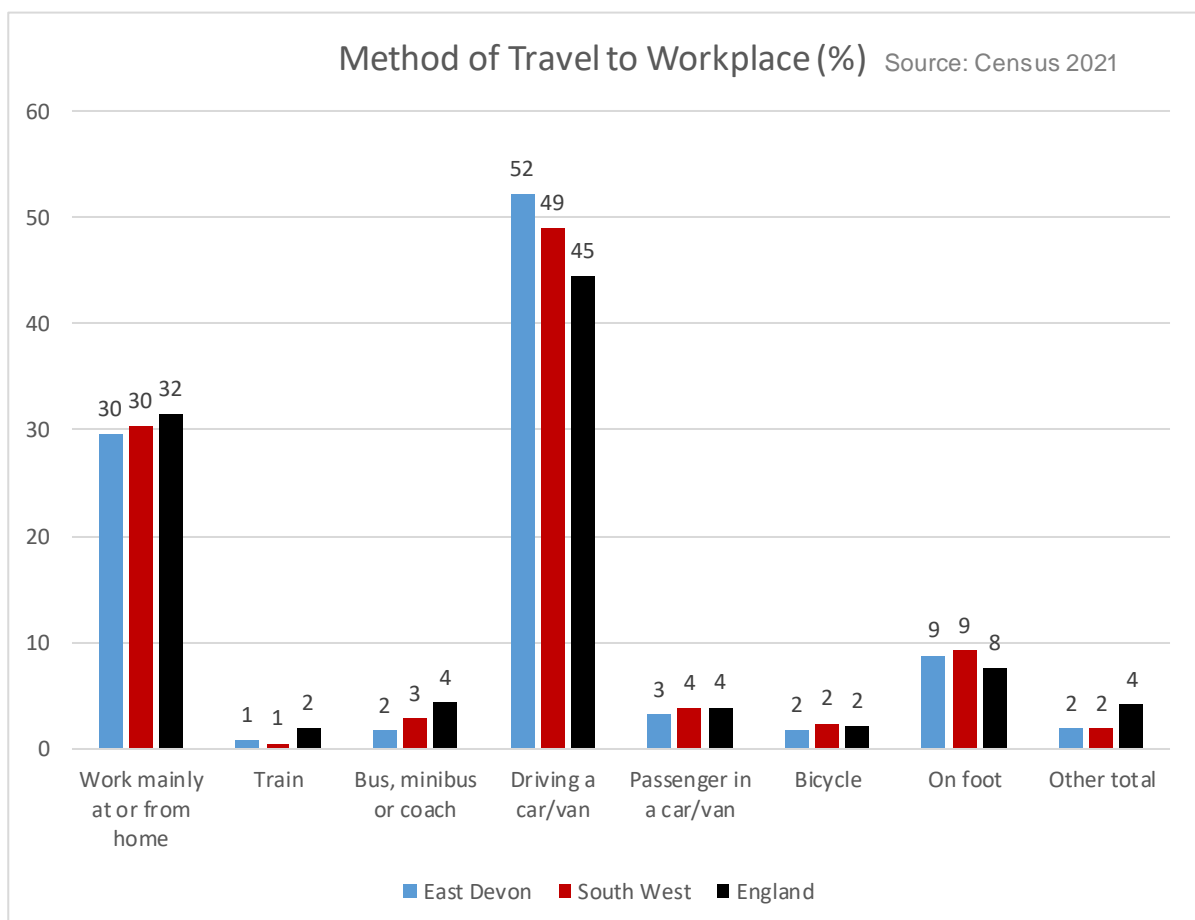
Sector	East Devon	South West	England
Agriculture, forestry and fishing	2.8	1.6	0.8
Mining and quarrying	0.1	0.2	0.2
Manufacturing	5.1	7.4	7.3
Electricity, gas, steam and air conditioning supply	0.7	0.6	0.6
Water supply, sewerage, waste management, etc	1.1	0.9	0.7
Construction	9.4	9.1	8.7
Wholesale and retail trade, repair of motor vehicles, etc	15.3	14.9	15.0
Transport and storage	3.7	4.0	5.0
Accommodation and food service activities	6.5	5.6	4.9
Information and communication	3.0	3.9	4.7
Financial and insurance activities	1.9	3.2	3.8
Real estate activities	1.6	1.5	1.6
Professional, scientific and technical activities	6.7	6.1	6.7
Administrative and support service activities	5.1	5.0	5.3
Public administration and defence, compulsory social security	6.4	6.7	5.8
Education	9.6	9.6	9.9
Human health and social work activities	15.9	15.3	14.6
Other	5.1	4.6	4.6

Jobs density figures can be useful to understand how many jobs are occupied in a given area compared to the overall working age population. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. ONS data for East Devon in 2021 shows a job density of 0.74.

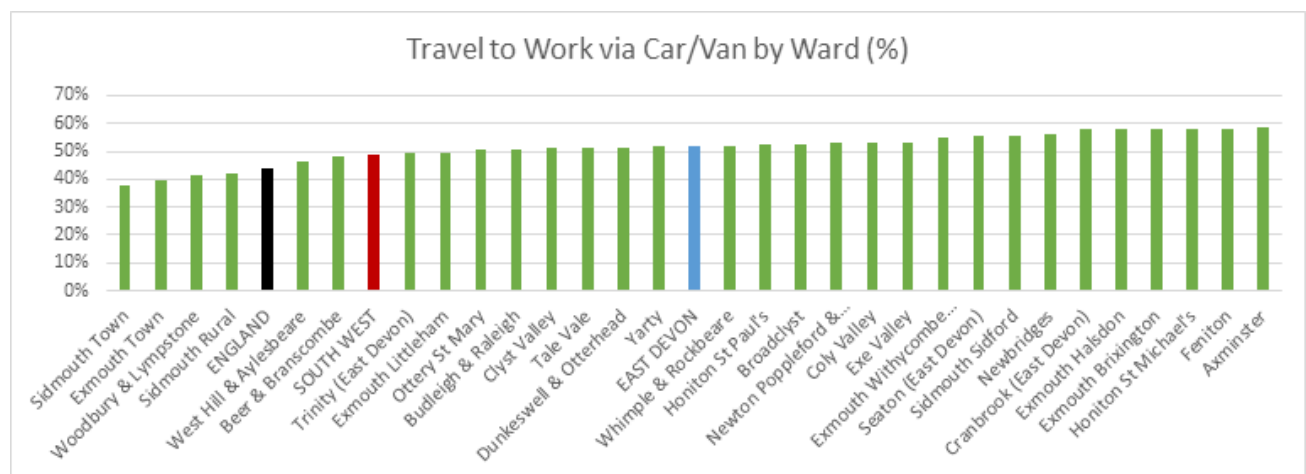
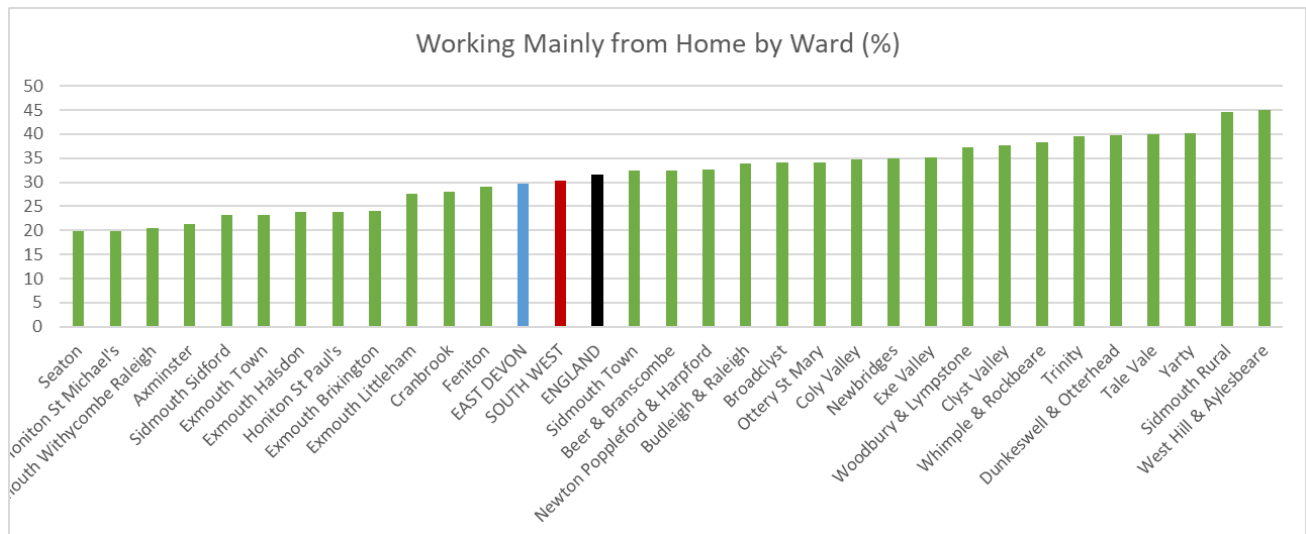


The high job density figure for Exeter suggests that more people commute to work in Exeter than there are working people residents who live in Exeter. For East Devon, there are more working age residents than jobs occupied.

Census data on how local residents travel to work shows that a higher percentage of East Devon residents are reliant on private vehicles to get to work. Data also points to around almost a third of people primarily working from home.



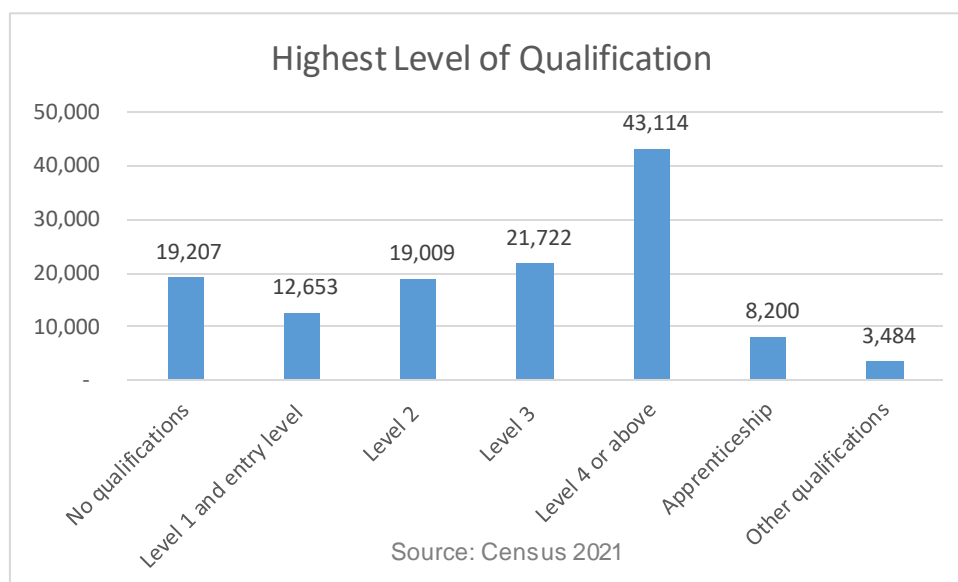
The graphs below show the number of individuals who mainly work from home and those who travel to work via a car or van at a ward level. The data shows that car use is typically higher than the national and regional average for most East Devon wards.



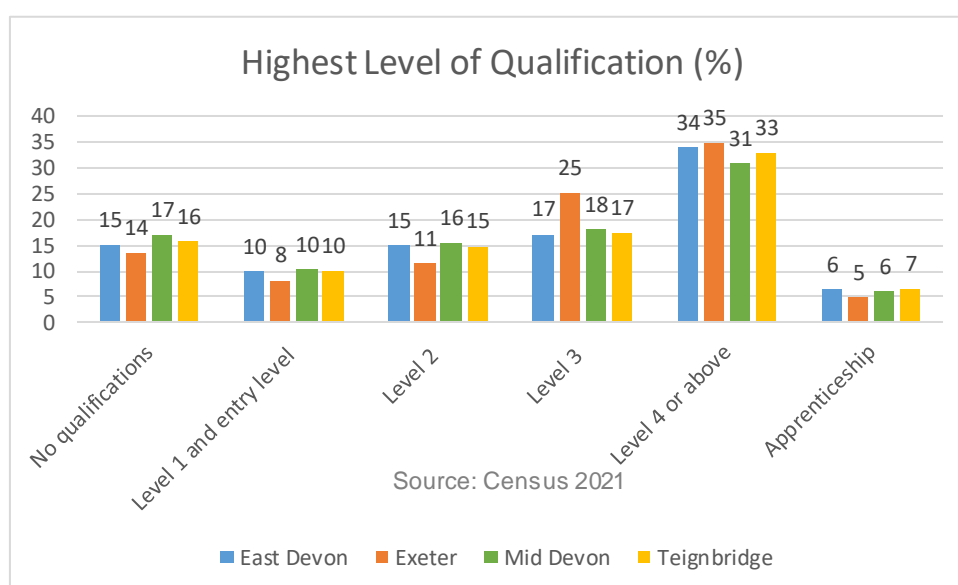
## Skills

Census data has captured the skill and qualification levels of East Devon residents of 16 years of age and older. Levels of qualifications are defined as follows:

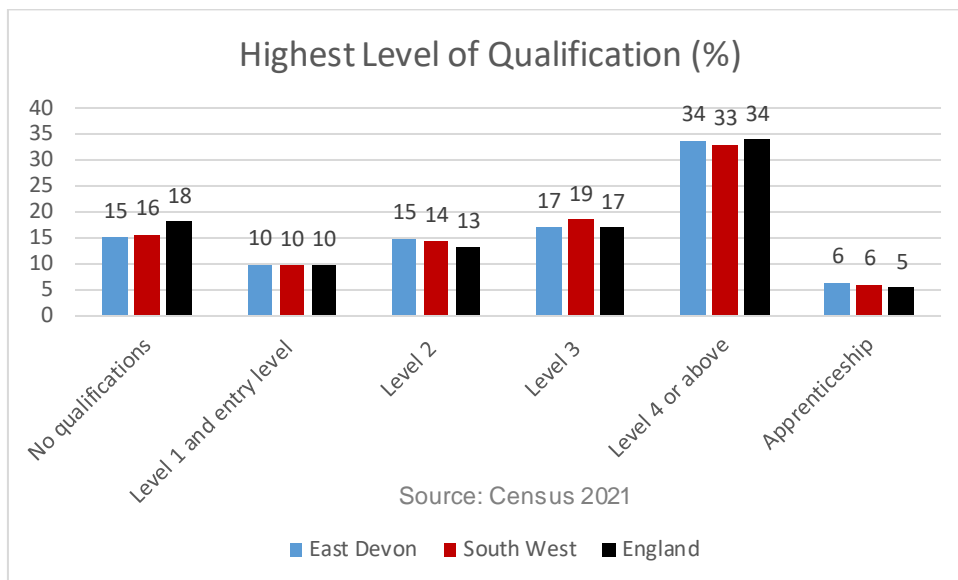
- Level 1: fewer than 5 GCSEs at grades A-C or equivalent.
- Level 2: 5 or more GCSEs at grades A-C or equivalent.
- Level 3: 2 or more A levels or equivalent.
- Level 4 or above: degree or equivalent, higher degree, professional qualifications, etc.



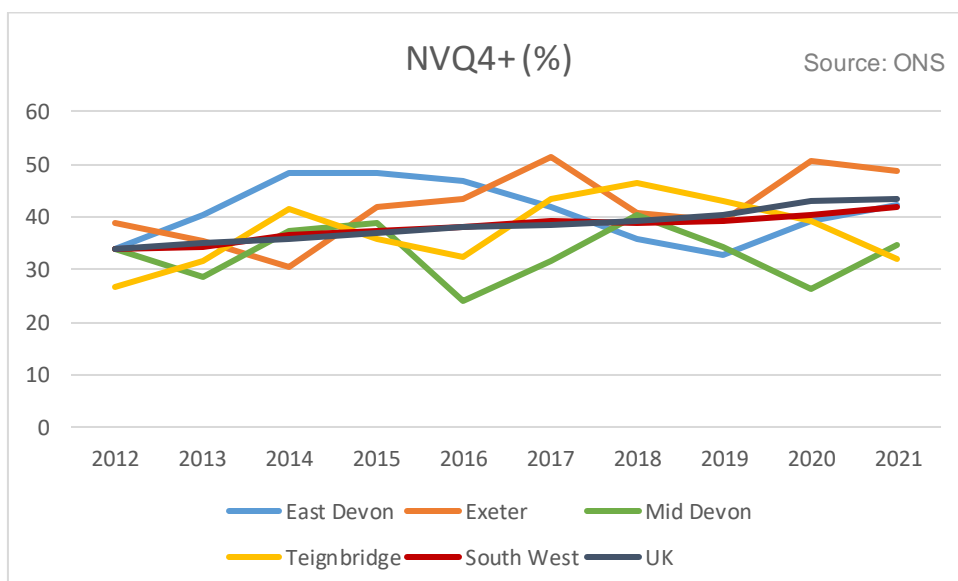
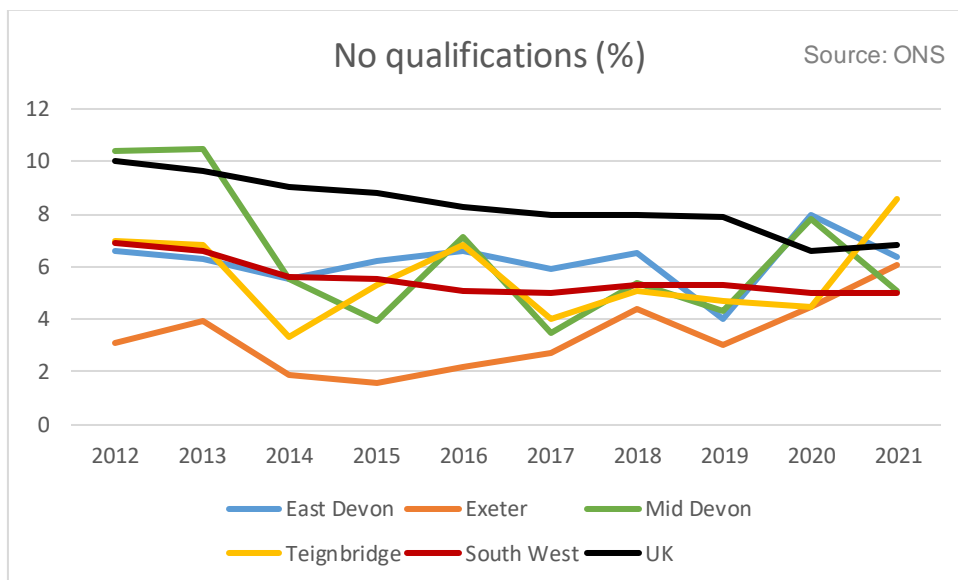
When viewed in percentage terms, the figures for East Devon are broadly similar to Mid Devon and Teignbridge, although Exeter has a slightly smaller percentage of residents with no or low level qualifications whilst having a slightly higher proportion of level 3 and level 4 qualifications.



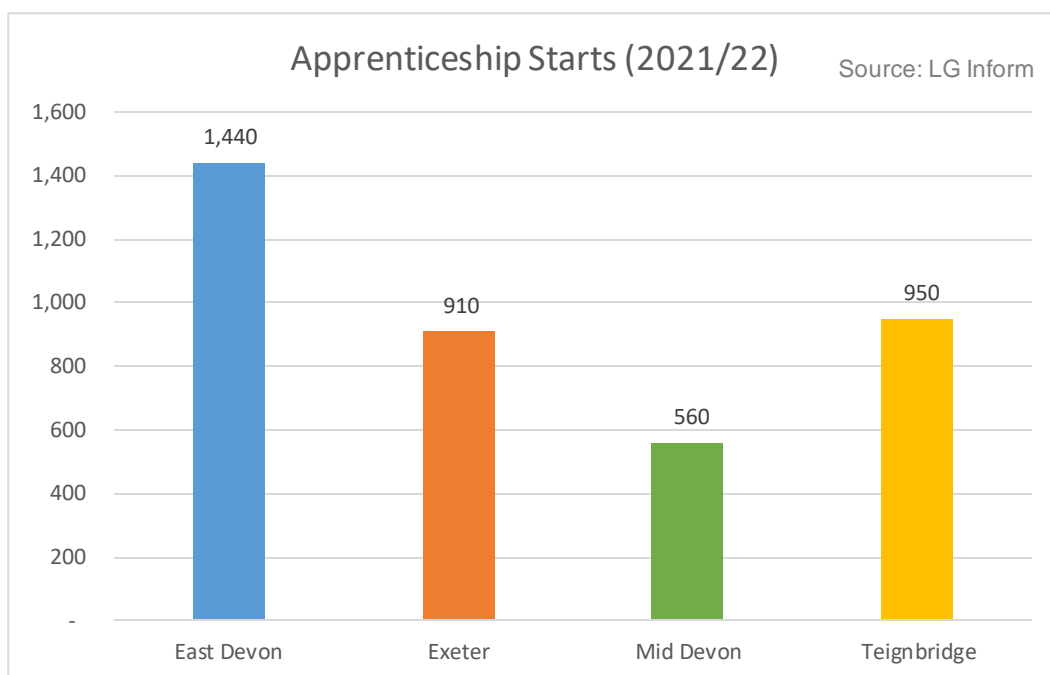
When comparing East Devon to the national average, there is a slightly reduced proportion of those with no qualification, but the figures are otherwise relatively consistent.



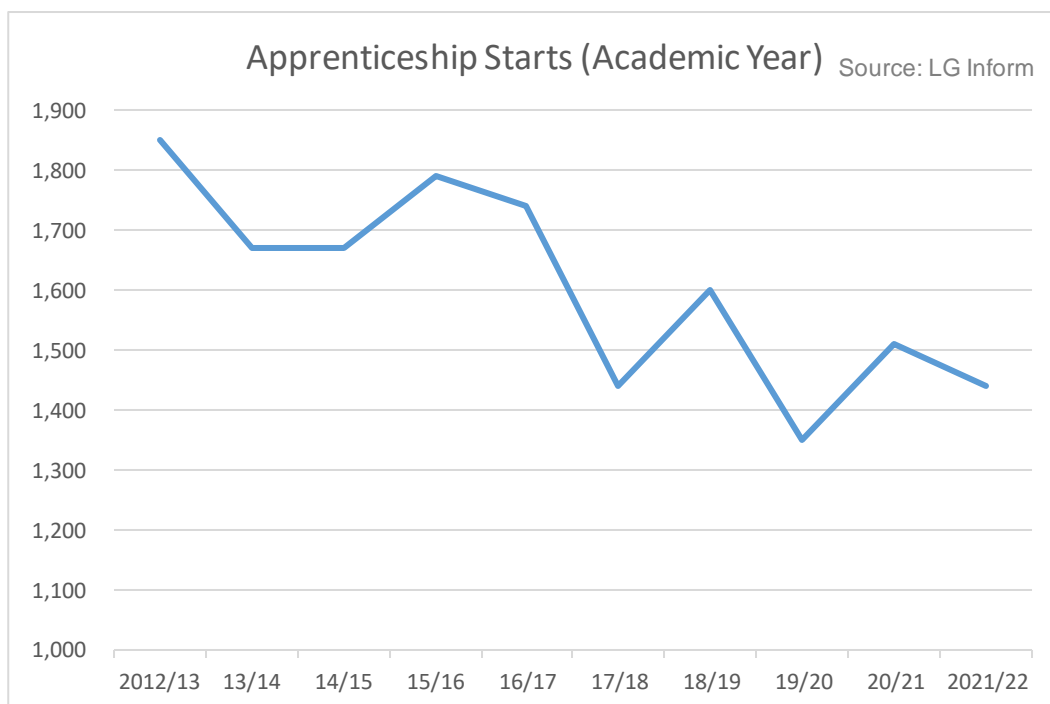
ONS data shown in the tables below indicate that changes in qualifications over time, with East Devon following a broadly similar line to the regional average and typically below the national average for with no qualifications.



In addition to the apprenticeship data provided in the Census, data on those starting an apprenticeship each year is available through LG Inform.



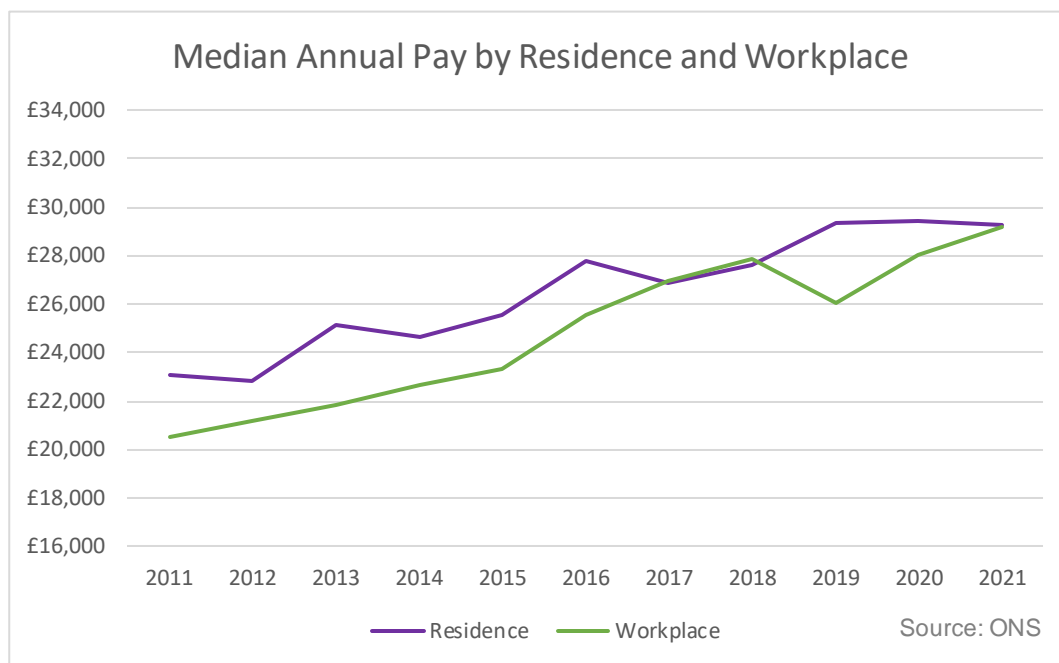
This data shows that East Devon had the highest number of new apprenticeship starts in 2021/22. However, the number of new apprenticeships in East Devon has slowly decreased over the last ten years.



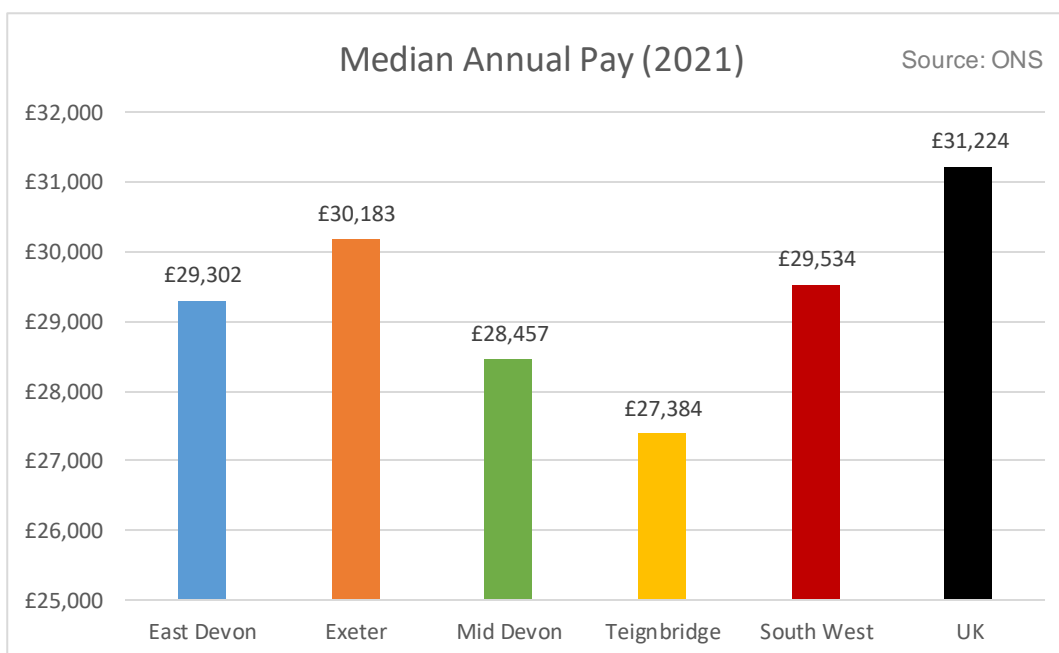
## Wages

Although the 2021 Census did not capture any wage, income or wealth related data, the ONS does regularly publish wage data by place of residence and place of work.

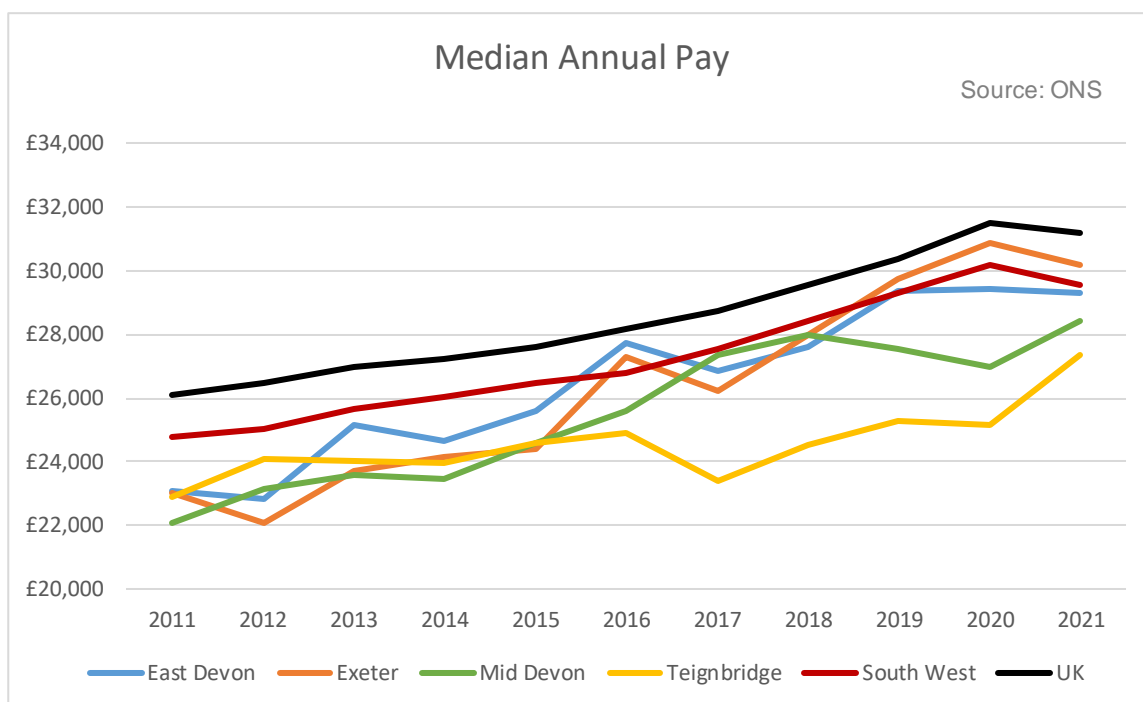
The graph below shows East Devon wages for those who reside in East Devon and those who work in East Devon. It shows that those who live in East Devon are typically earning a slightly higher wage than those who work in the district.



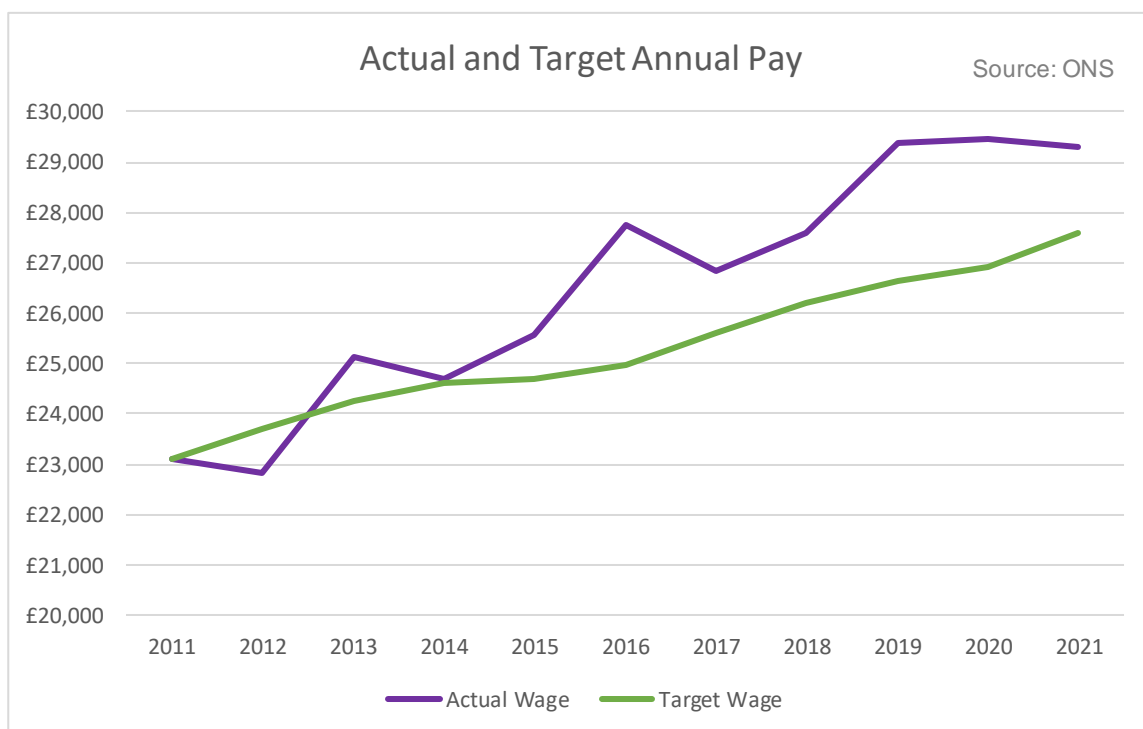
The graph below compares the median annual wage (by place of residence) between different areas. It shows that East Devon residents are typically earning a wage at around the regional average but below the national average. Median salaries are however higher than Mid Devon and Teignbridge, although slightly lower than Exeter.



Reviewing this data over time shows that East Devon’s median wage compared to other areas has changed very little over the last ten years, although more notable swings can be observed for the remaining EHOD areas.



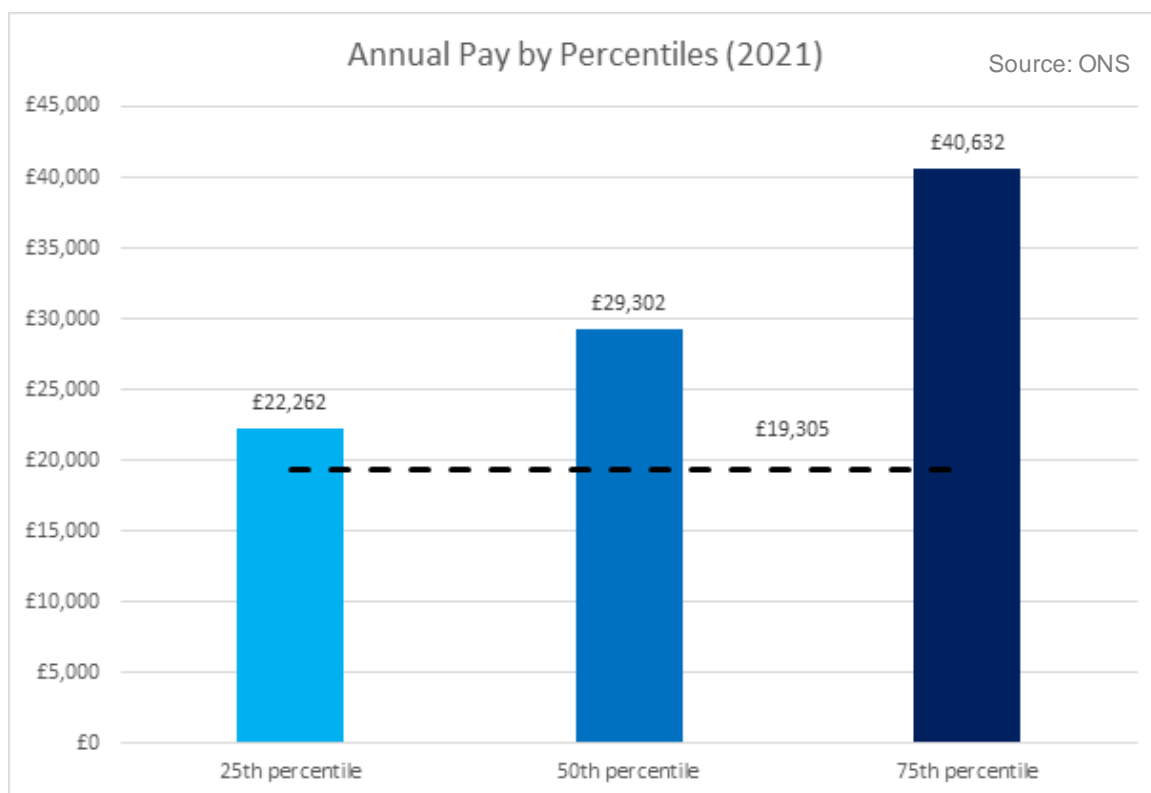
East Devon’s median annual pay can also be compared against an inflation-adjusted rate of pay, or a ‘target’ annual wage. The target wage takes the actual annual salary from 2011 and increases it each year by the rate of inflation, as measured by the Consumer Prices Index including owner occupiers' housing costs (CPIH)





The graph above shows that actual pay has been increasing at a rate higher than inflation, leading to a real terms pay increase for the average (median) East Devon resident. This real terms pay increase is much higher when compared against East Devon wages by place of work.

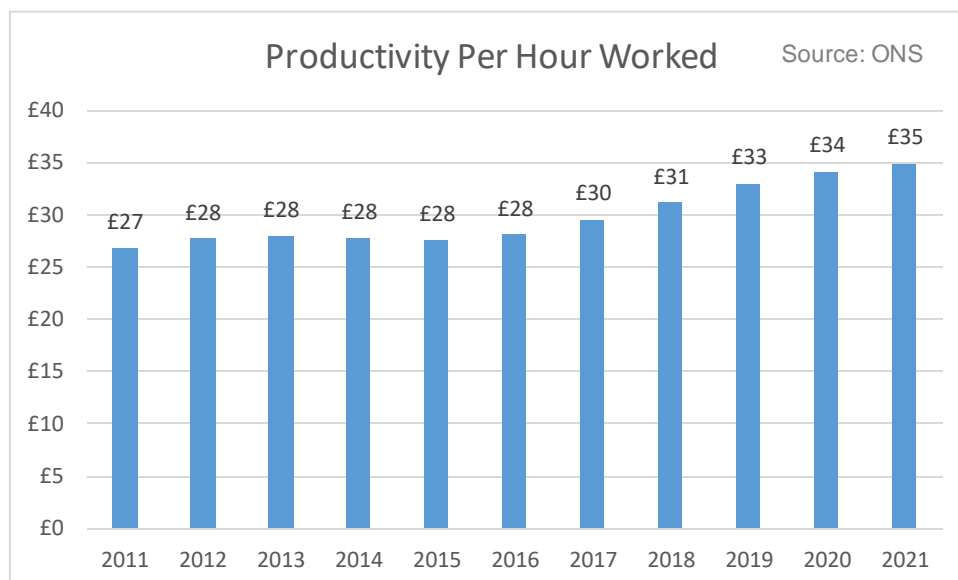
Annual pay can also be viewed in percentile format. Percentiles allows us to compare an individual group of earners against all groups combined. For example, the 25<sup>th</sup> percentile of wages would be the average wage of the bottom 25% of earners, whilst the 75<sup>th</sup> percentile would be the average the average wage of the top 25% of earners. The 50<sup>th</sup> percentile is the average (median) wage for all earners.



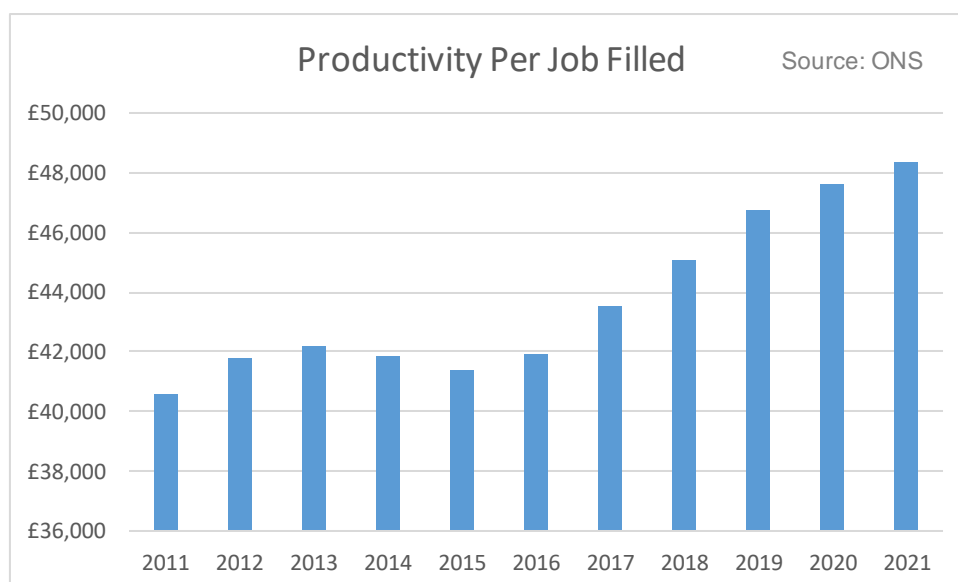
The graph above shows the average wage for the bottom quarter and top quarter of earners in East Devon for 2021. The dashed line shows the real living wage for 2021 presented as an annual wage for full time workers (£19,305 per annum), as set by the Living Wage Foundation. The graph shows that the bottom 25% of East Devon earners are typically earning above the real living wage.

## Productivity

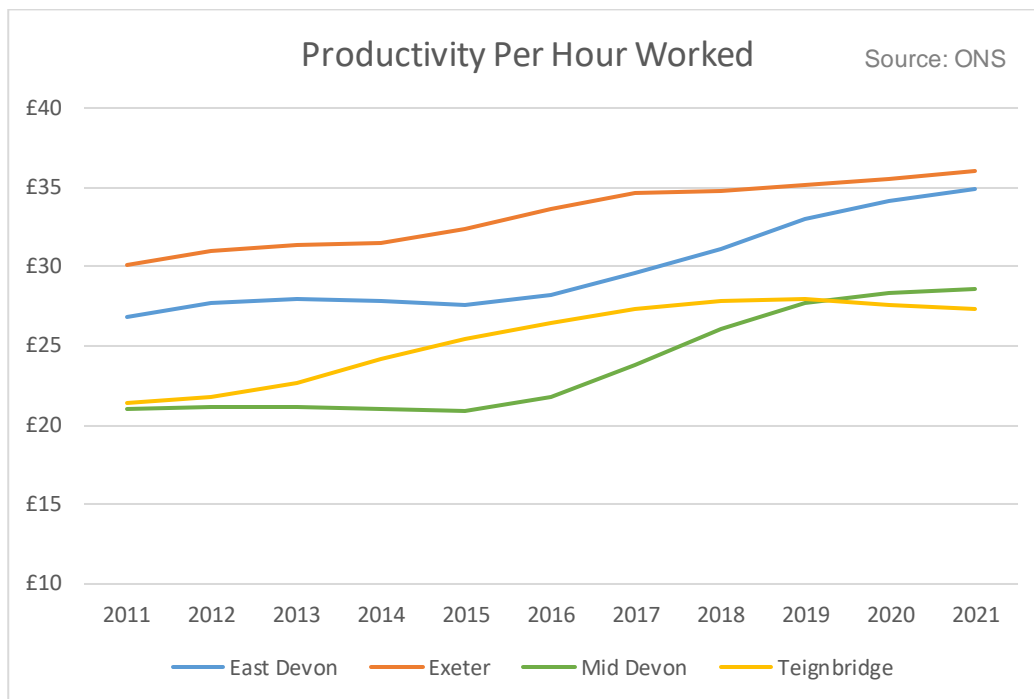
One way to measure the economic performance of a given area is by analysing gross value added (GVA) data, otherwise simply referred to as productivity data. GVA measures the value generated in the production of goods and services, with the ONS' GVA(B) metric used to reveal productivity at a local district level.



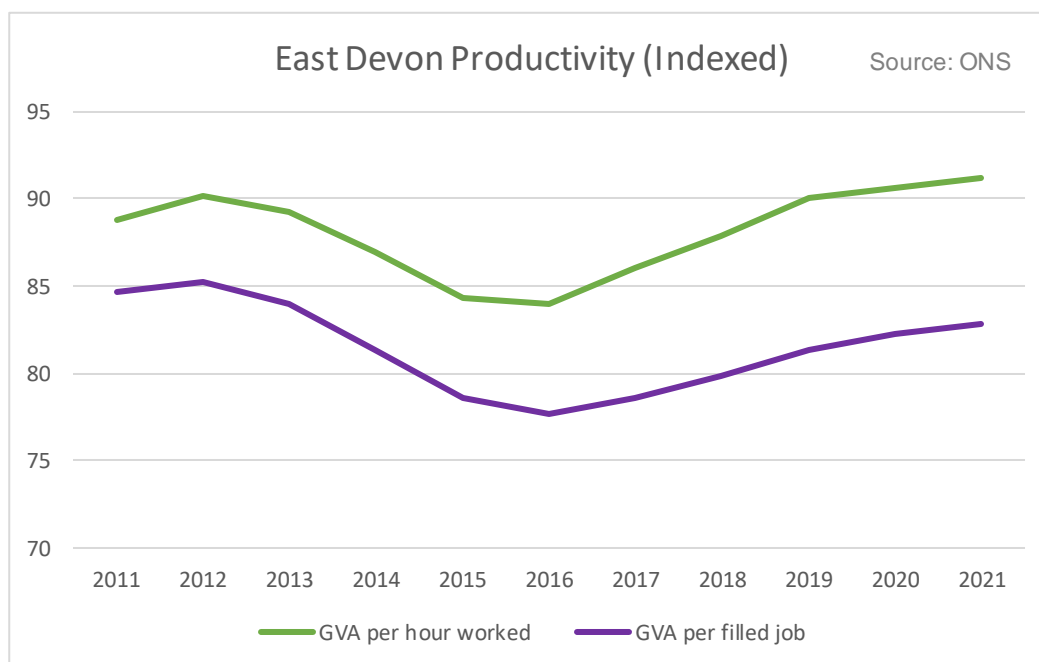
The graph above shows the average value added per hour worked in East Devon, with the graph below showing the average value added per job in East Devon. As of 2021, the average worker produced £48,340 of added economic value, with £35 of value being produced on average per hour worked.



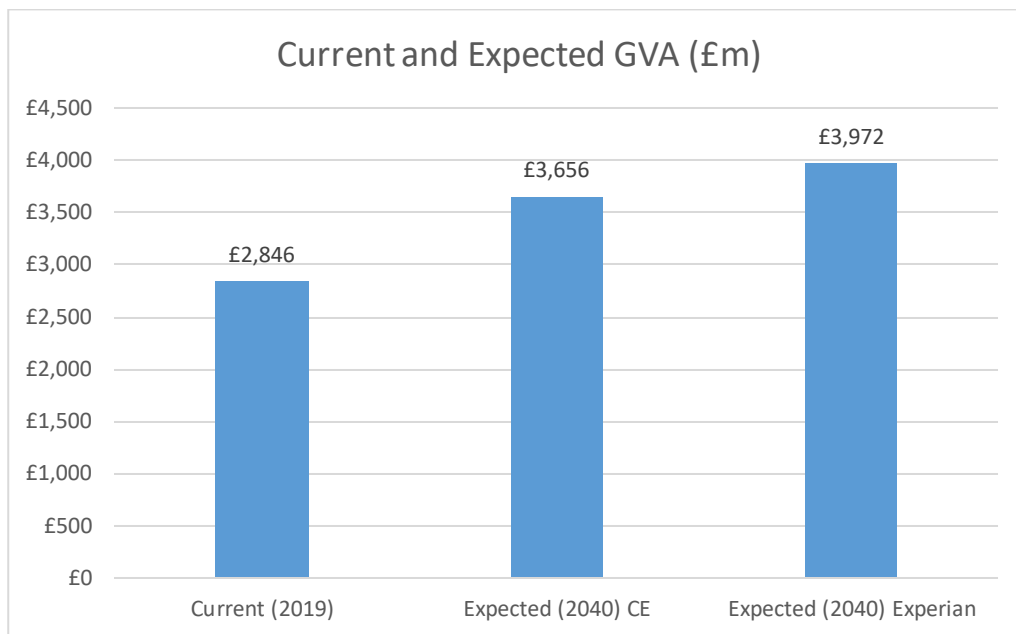
When compared against the other EHOD areas, East Devon is slightly beneath Exeter's productivity in terms of hour worked, with Mid Devon and Teignbridge lagging by £6 and £8 an hour respectively. The figures for productivity per job filled is fairly similar to the trends shown below, although the gap between Exeter and East Devon is marginally wider.



Current price indexed data from the ONS can be used to show how levels of productivity differ from the UK average for any region for a given year. For example, if an area's productivity index is 115, its labour productivity is estimated to be 15% higher than the UK average, while an area with a productivity index of 85 is estimated to be 15% lower than the UK average. It should be noted that when used in this context, a decrease in the productivity index number does not necessarily mean that the productivity has decreased in actual terms; it rather means that the area has seen lower growth than the rest of the UK over the period. In other words, its actual productivity level may have improved, but at a slower rate than the UK overall.



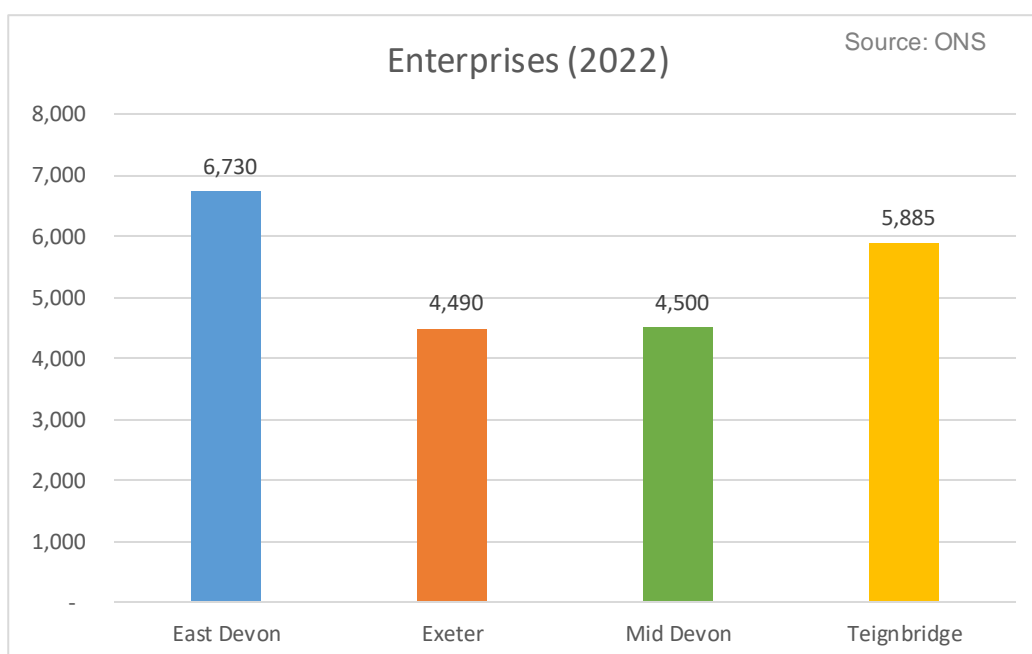
The table above shows that productivity in East Devon has been consistency below the UK average (100) with the gap widening between 2012 and 2016 and then narrowing back from 2016 to 2021.



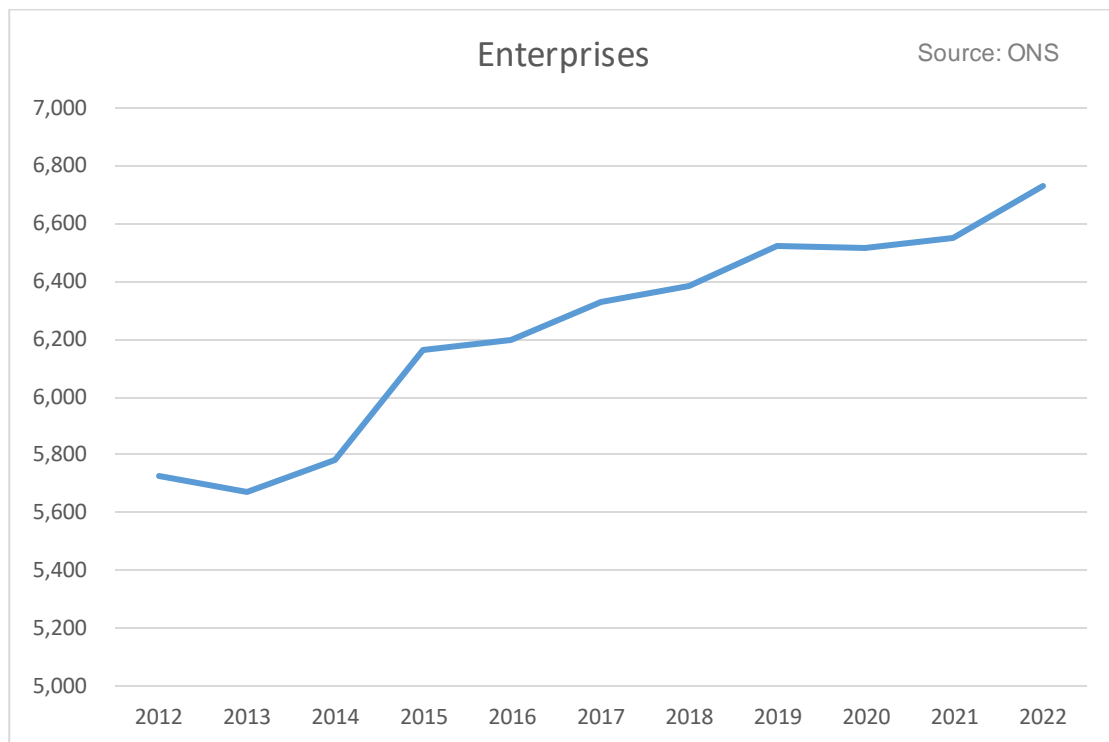
The graph above shows the total GVA for East Devon in 2019 (taken from the ONS) and the expected GVA forecasted between 2019 and 2040. These forecasts have been derived from two separate sources, Cambridge Econometrics and Experian. The former predicts a compound growth rate of 1.2% a year on average, whilst the latter expects GVA in East Devon to grow by 1.6% a year on average.

## Businesses

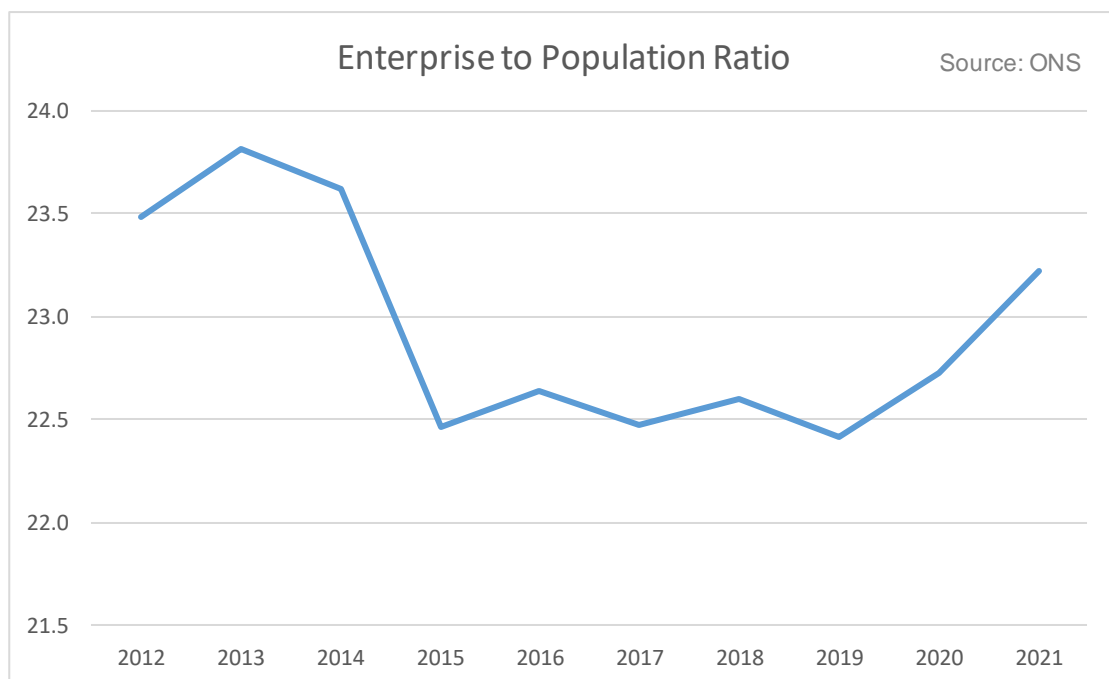
ONS business counts can be used to understand the number and different types of enterprise operating within local authority areas.



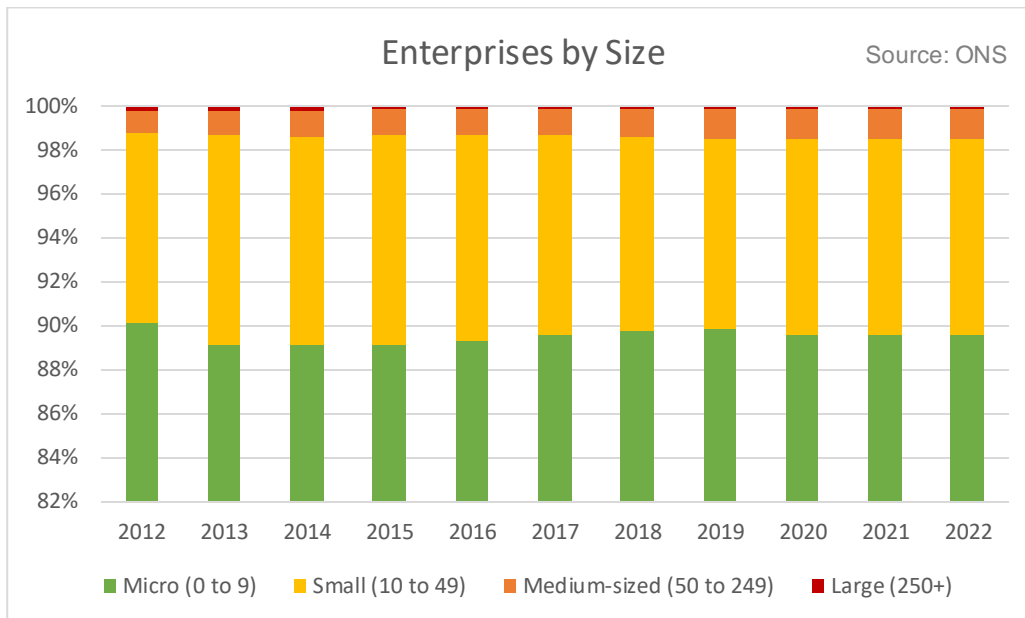
The graph above shows that East Devon has the largest business base of the EHOD authorities. The number of enterprises has grown over time, as shown below.



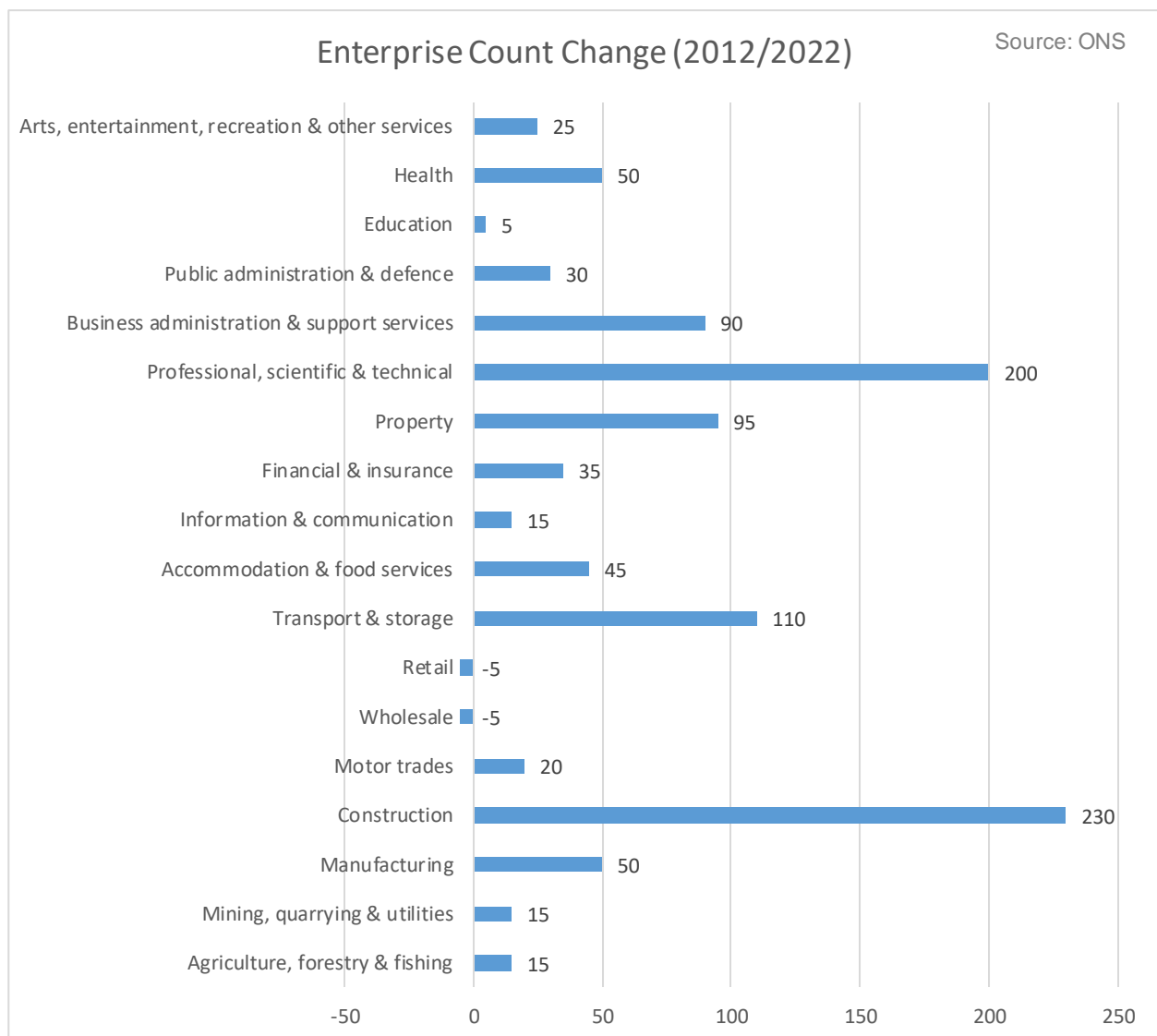
When comparing the number of enterprises to the number of working aged residents in the district, the impact of general population growth in the district can be neutralised. The growth below shows that the enterprise to working age resident ratio had declined in 2015 but has started to rebound since 2019.

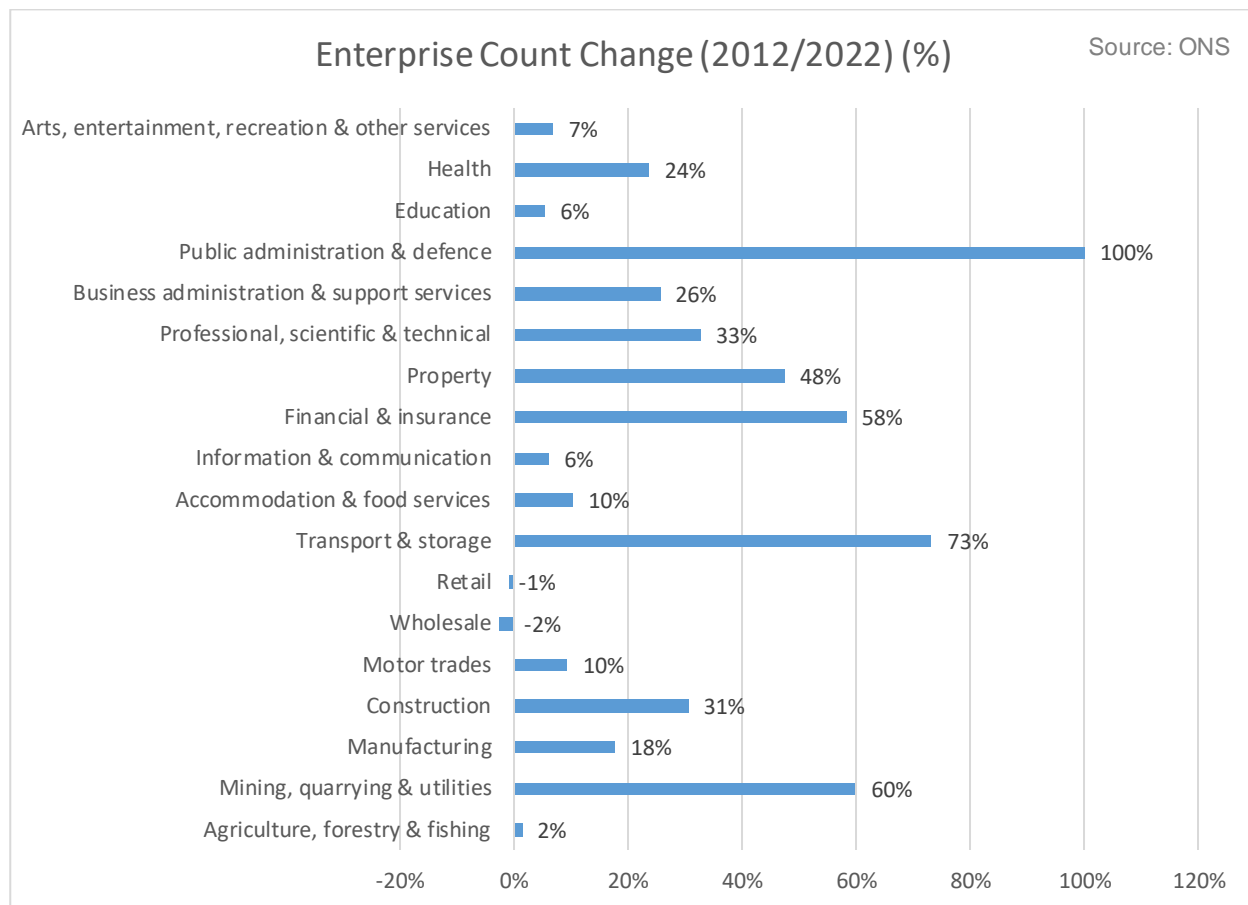


The ONS also record the size of enterprises at a district level, distinguishing between micro enterprises (0-9 employees), small (10-49 employees), medium (50-249 employees) and large enterprises (250+ employees).

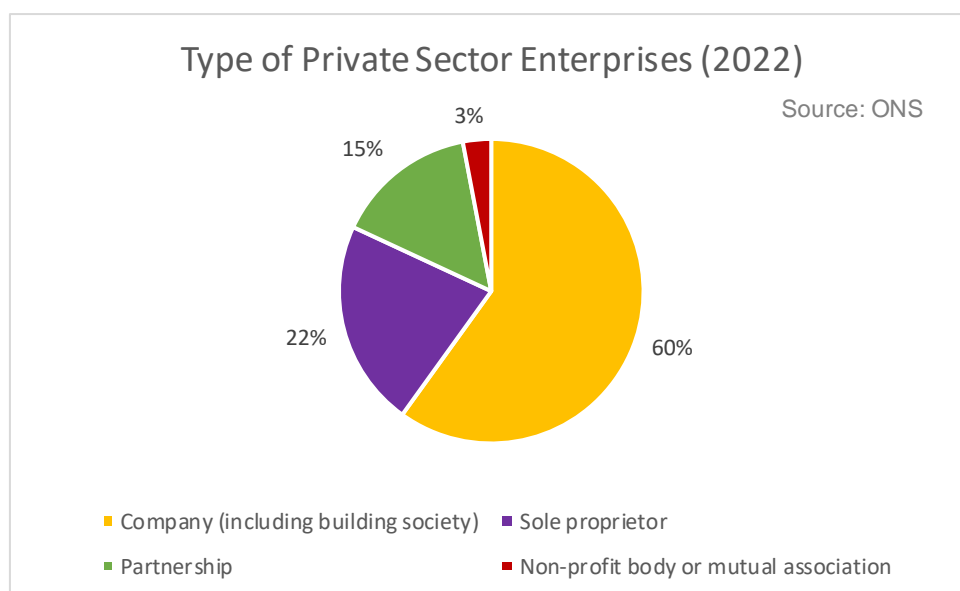


As of 2022, 90% of East Devon enterprises are classed as micro businesses, with 9% in the small business category, 1.3% medium sized and 0.1% classed as large businesses. As the graph above shows, these percentages have changed very little over the last ten years.

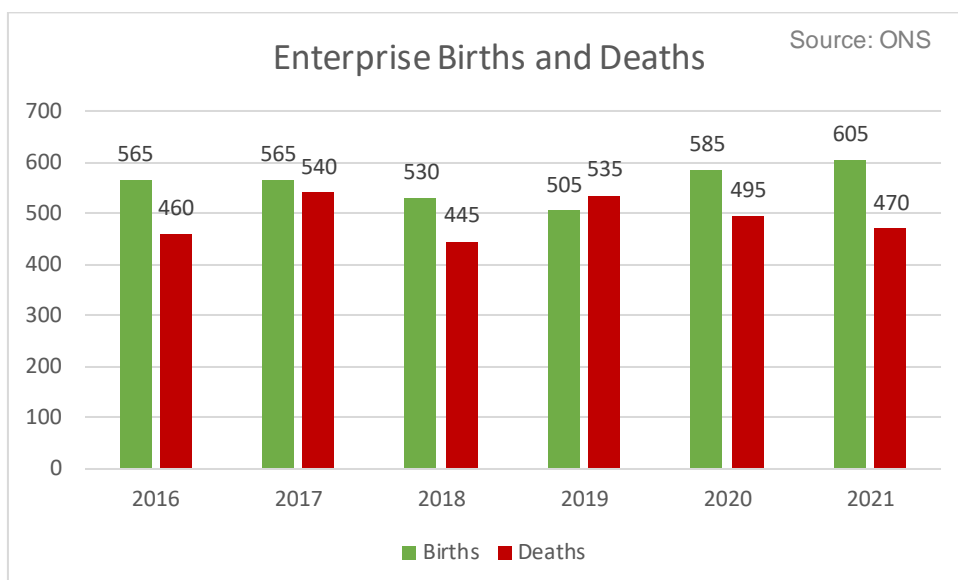




The graphs above show changes to the number of enterprises in different sectors between the 2012 count and 2022 count. The graph shows a slight decline in the retail and wholesale sector, whilst the number of enterprises in the transport and storage sector, construction sector and professional/scientific sectors have seen a significant increase.



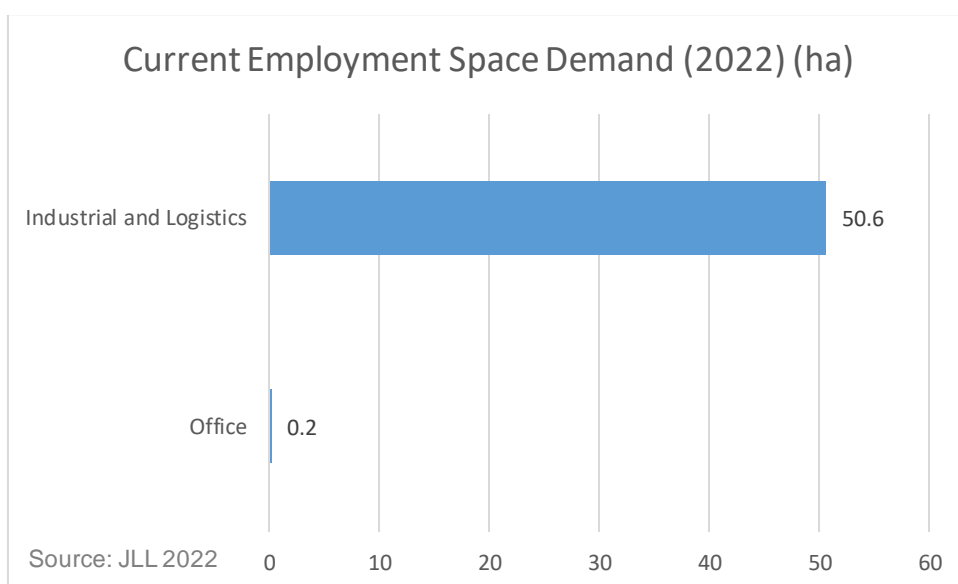
The pie chart above shows the type of private sector enterprises as a percentage of the total. The majority of enterprises (3,995) are conventional businesses, with 1,465 sole proprietors and 1,005 partnerships making up 22% and 15% of enterprises respectively. 200 enterprises are classed as non-profit or mutual organisations.



ONS data showing the number enterprise births and deaths is available over a six year period. With the exception of 2019, there are generally more business births than deaths in East Devon resulting in a consistent net increase across this timeframe.

## Workspace

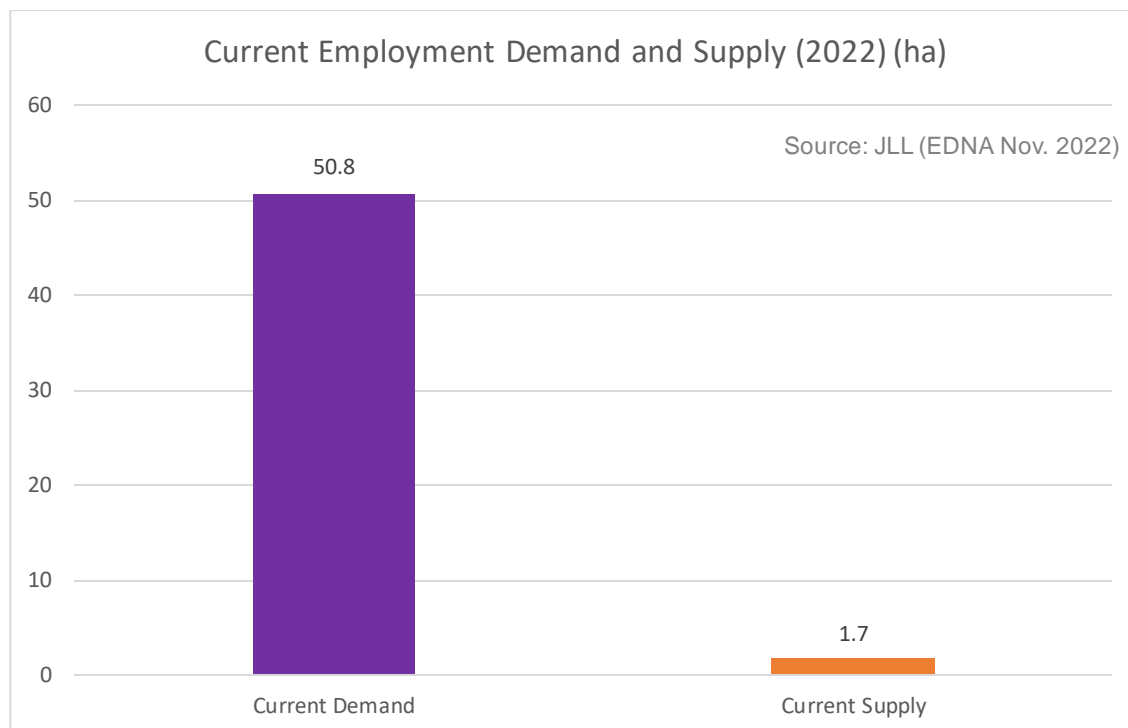
Although no ONS or Census data is available relating to commercial space in East Devon, data can be obtained from local commercial real estate agents and consultants on the behalf of the district council.



The graph above shows data which has been taken from a 2022 Economic Development Needs Assessment published by JLL for the EHOD district councils, showing the current estimated total demand for employment space in East Devon. The vast majority of current demand appears to be for industrial space, with around 80% of the industrial demand from the logistics sector with the remaining demand stemming from manufacturing or research and development (R&D).



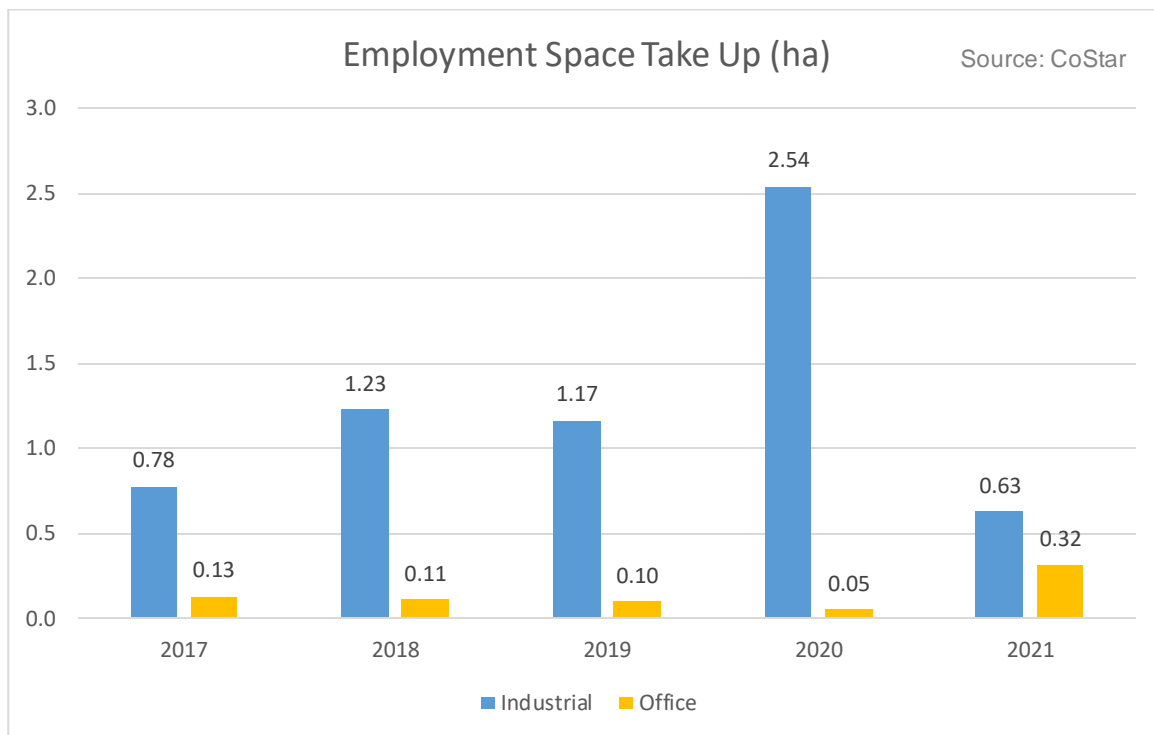
Data from JLL (EDNA) also shows how much of the existing stock of employment space was available or under offer at the time of publication in Nov. 2022. When the current amount of demand is compared against the current amount of available supply, it shows that demand is significantly higher than supply.



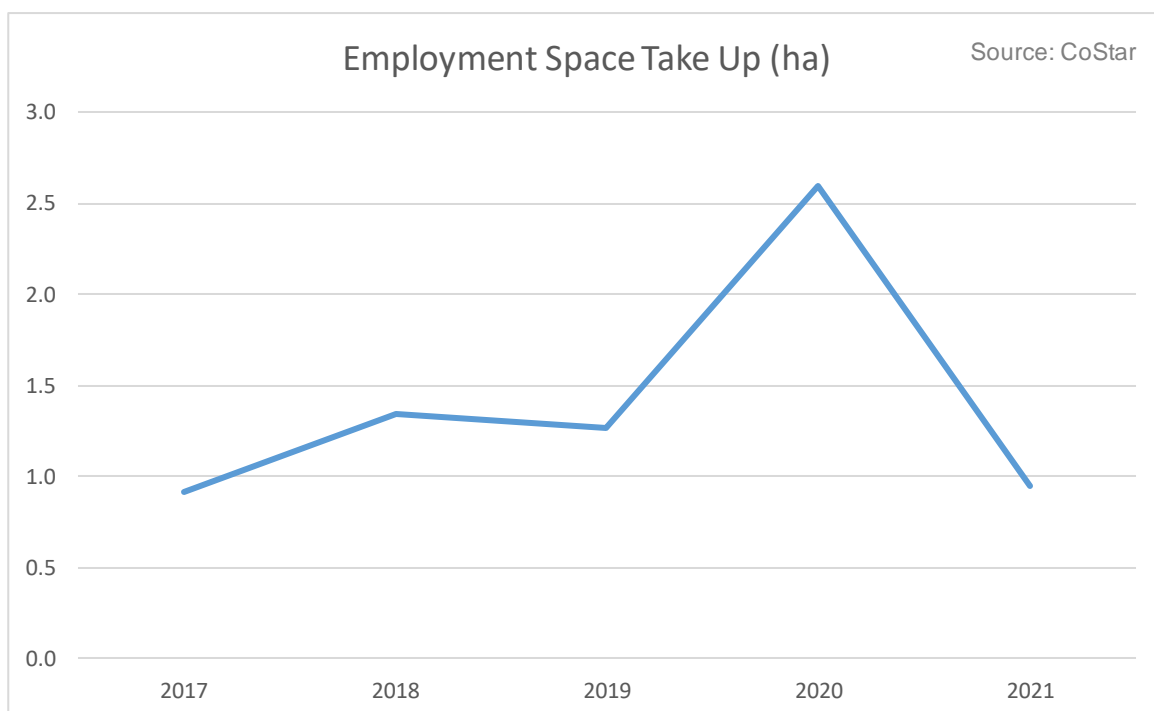
The amount of currently available supply can also be compared against the total stock of employment space in East Devon, indicating that the vast majority of employment units are occupied. JLL estimate that the total stock of employment space in East Devon equates to around 44.7ha.



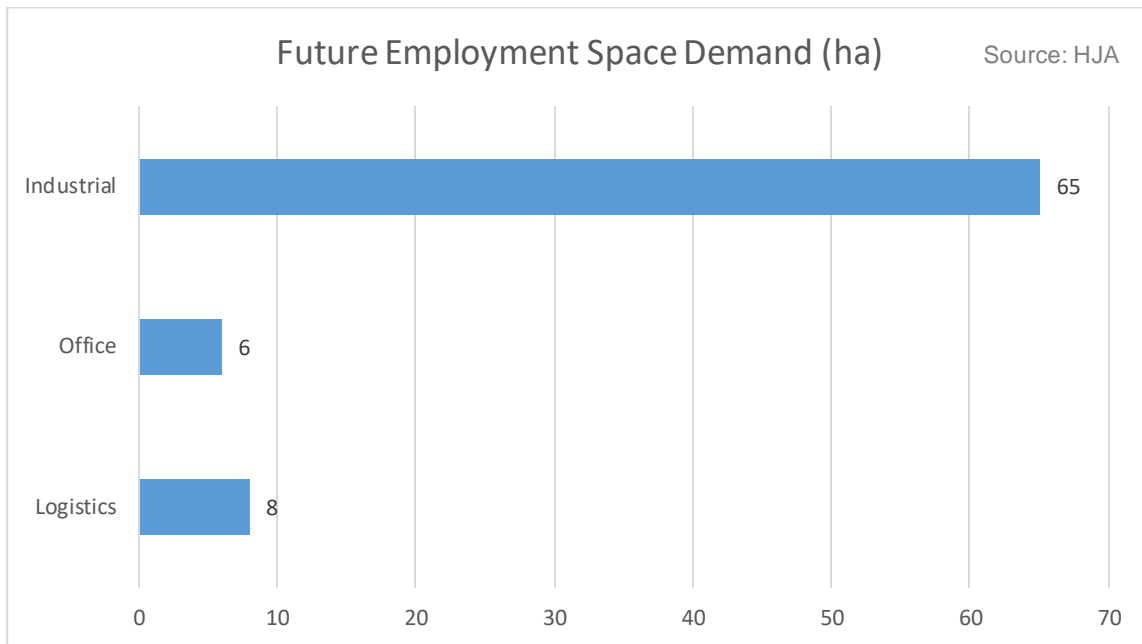
Of the 1.7ha of currently available space, around 29% of this is industrial space (6 units), with the remaining 71% comprising vacant office space (7 units). Around a third of all vacant space is taken up by one office building, Clyst House at Winslade Park.



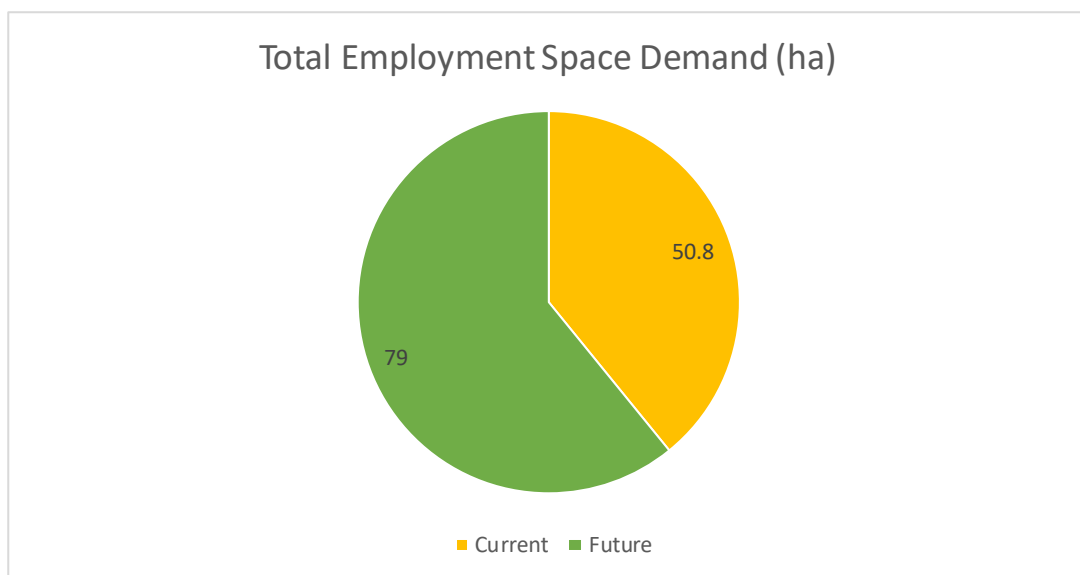
Data from CoStar shows that the take-up of industrial space has been much higher than office space between 2017 and 2021, as shown above. When combined, the graph below shows that take-up of employment space in East Devon averages at around 1.41ha per year. This will include both new employment space and previously occupied/developed employment space.



The graph below displays the total additional demand expected between 2019 and 2040, as forecasted by Hardisty Jones Associates in their publication of the Economic Development Needs Assessment (EDNA) for the EHOD areas.



The figures above are based on a mid-point scenario of 79ha, with total future demand dropping to 63ha for the low demand scenario and increasing to 87ha for the high demand scenario.



When adding total existing demand to total expected demand, we can see that the total demand for employment space in East Devon from 2019-2040 is expected to be 129.8ha.

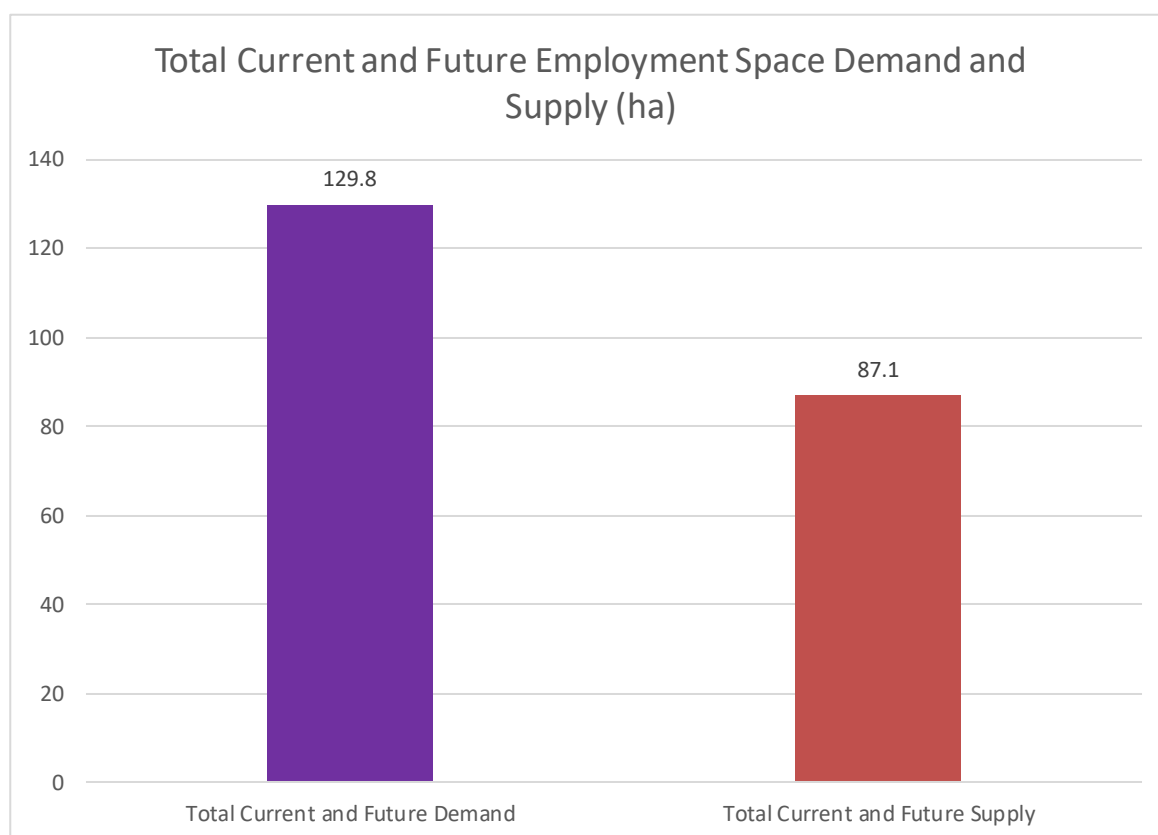
Only 6.2ha of this represents demand for office space, with the remaining 123.6ha of demand for industrial and logistics space.

In addition to expected demand, expected supply has also been calculated by JLL based upon a number of sites in East Devon which could be developable within the 2019-2040 timeframe.

The size of these sites have since been checked against planning permissions and officer recommendations to provide an accurate and up to date figure. The table below shows the amount of expected supply based on these sites.

Site	Size (ha)
Alexandria Industrial Estate, Sidmouth	0.2
Exeter Gateway Office Park	1.6
Exeter Logistics Park	13.7
Exeter Science Park	4.5
Finnimore Industrial Estate, Ottery St Mary	2.2
Goodmores Farm, Exmouth	2
Honiton Gateway	1.4
Land north of Sidford	5.8
Land of Devonshire Road, Heathpark	1.2
Land to the north of Harepath Road, Seaton	2.2
Land west of Hayne Lane, Honiton	15.1
Liverton Business Park, Exmouth	2.8
Millwey Rise, Axminster	2.7
PowerPark	7.5
Skypark	12.8
Treasbeare Farm, Clyst Honiton	9.7
<b>Total</b>	<b>85.4</b>

The graph below combines the total current and future demand figures with the total current and future supply figures. This shows that even if all of the sites identified by JLL as being potentially developable are developed within the next 21 years, there will still be a shortfall of 42.7ha of employment space.

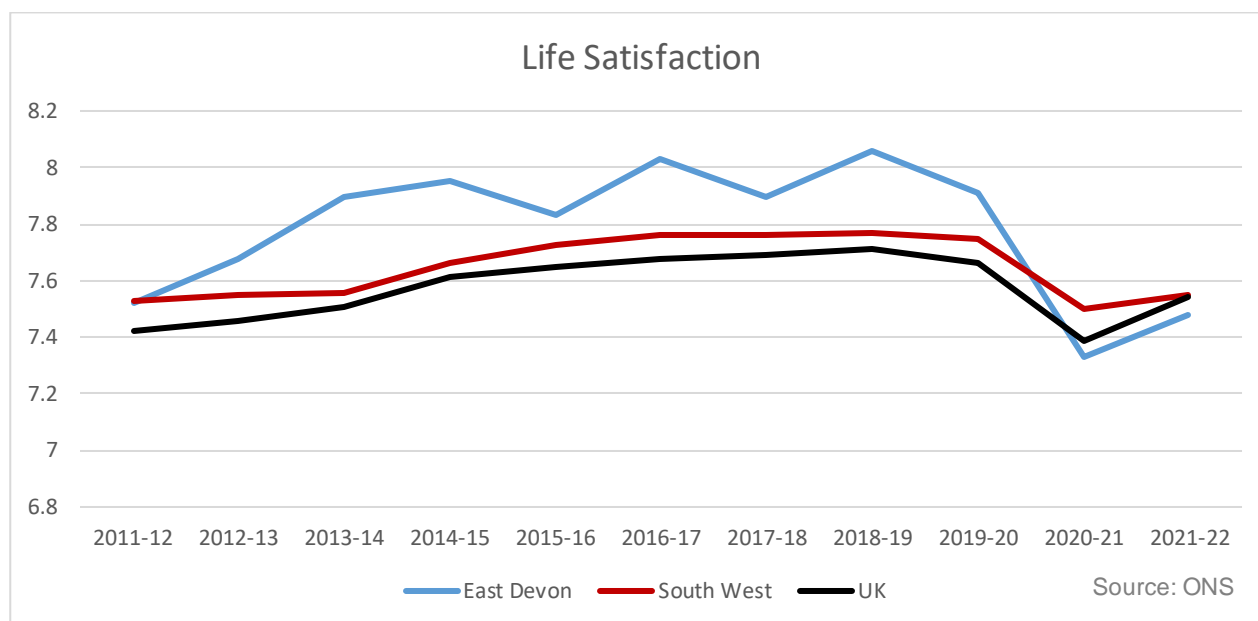


Further work is on-going to understand the total demand for employment space and the supply position.

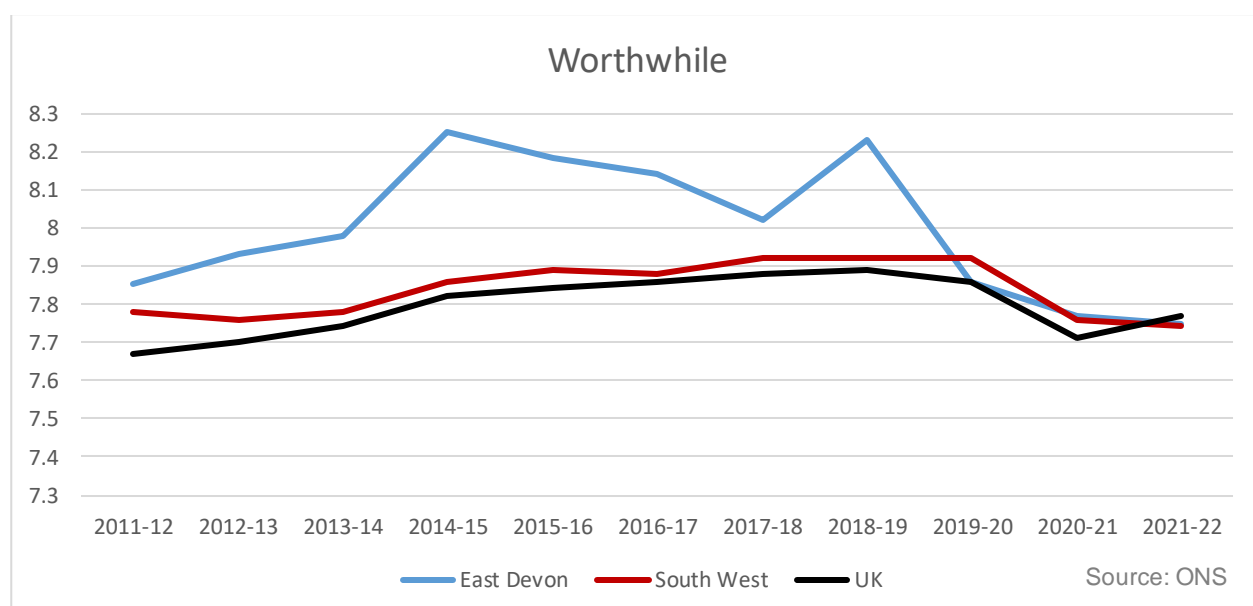
## Wellbeing

ONS data is available providing estimates of wellbeing within a given local authority area. Respondents are asked the following question on a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”.

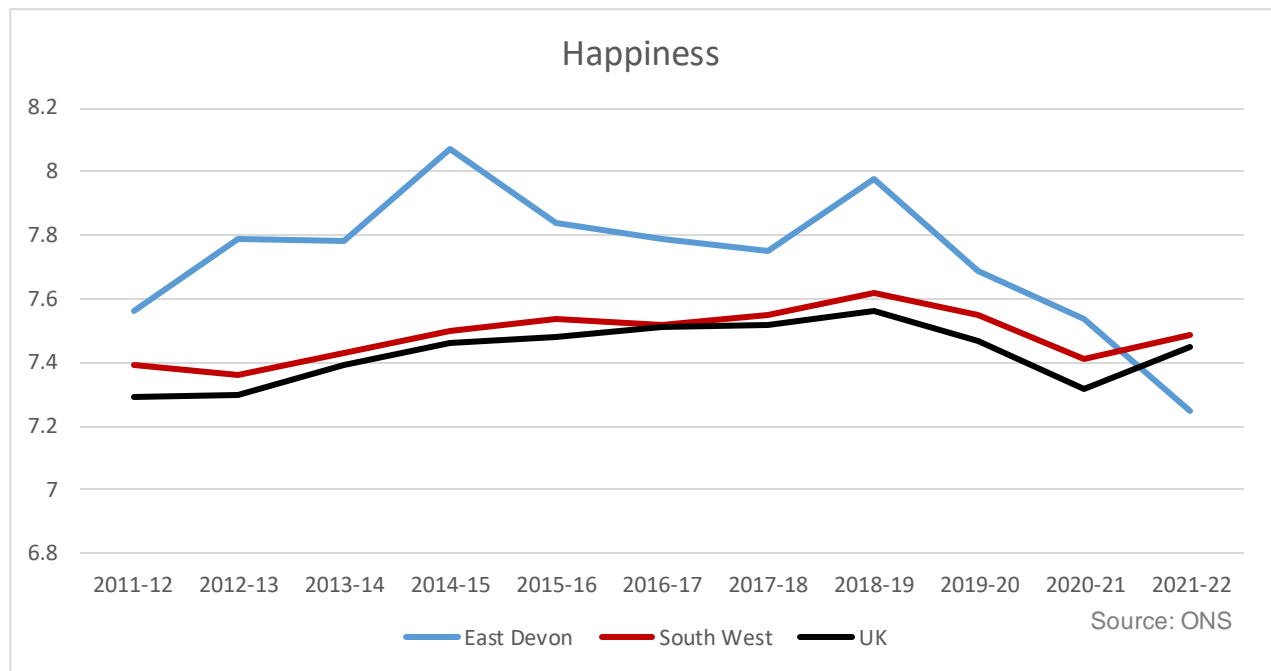
- Life satisfaction: Overall, how satisfied are you with your life nowadays?
- Worthwhile: Overall, to what extent do you feel that the things you do in your life are worthwhile?
- Happiness: Overall, how happy did you feel yesterday?
- Anxiety: On a scale where 0 is “not at all anxious” and 10 is “completely anxious”, overall, how anxious did you feel yesterday?



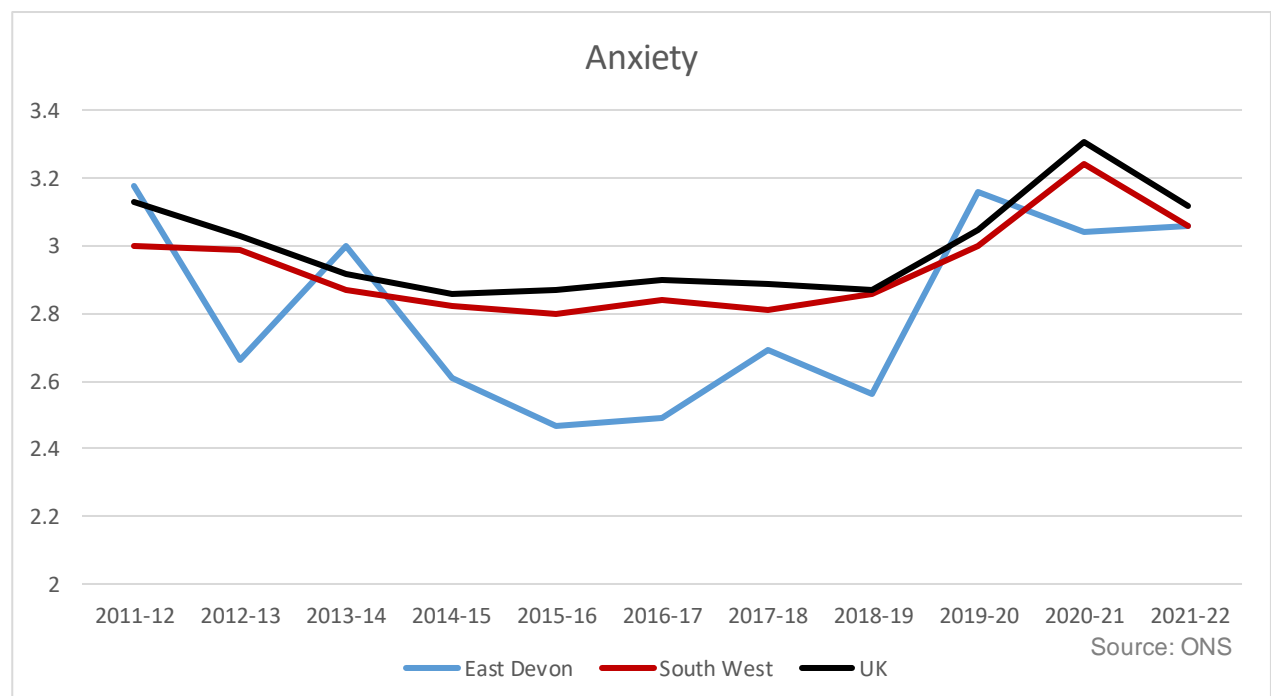
Figures for life satisfaction and a worthwhileness have typically been above the national and regional average in East Devon, with a notable decline in 2020/21 and 2018/19 respectively. The district average is now at or around the national and regional averages.



A similar pattern can be found with the happiness index, showing that the average East Devon resident is now slightly less happy than the national and regional average.

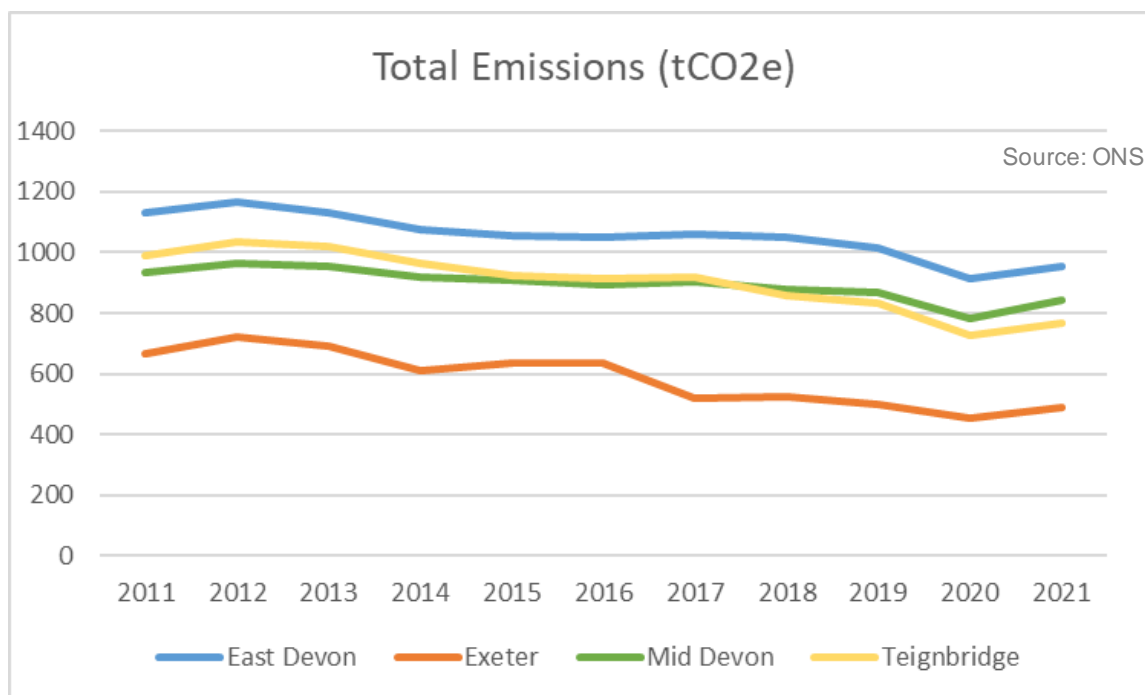


For anxiety, where a lower score means less anxiety, the figures have generally been below or at the national and regional average, with figures stabilising at a higher rate since 2019/20.

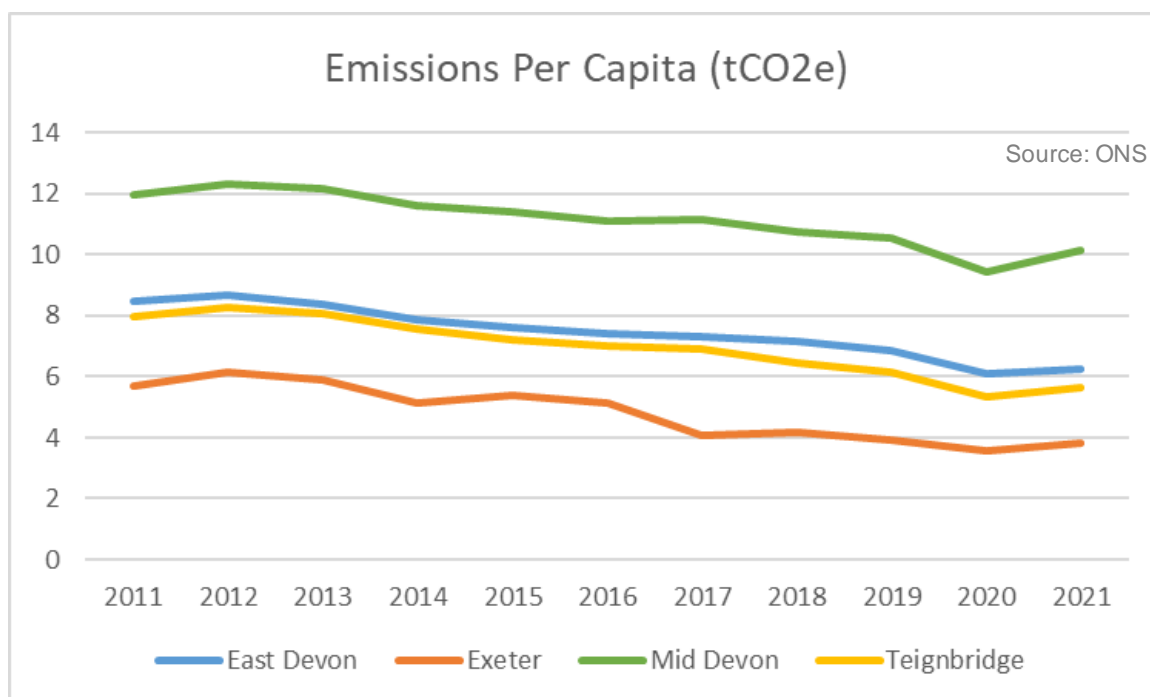


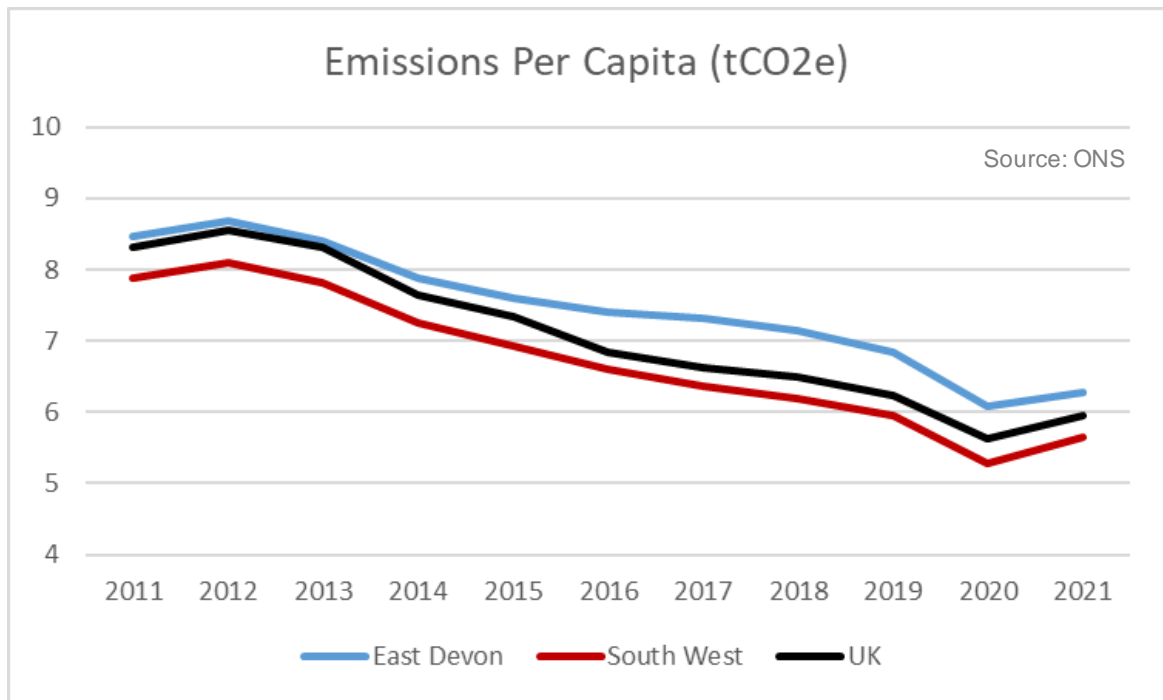
## Emissions

ONS data is available to track carbon emissions at a local authority level. The graph below shows that tonnes of carbon equivalent in East Devon have decreased from 1,129 tonnes in 2011 to 953 tonnes in 2021. This amounts to a 15.6% reduction in tCO<sub>2</sub>e.



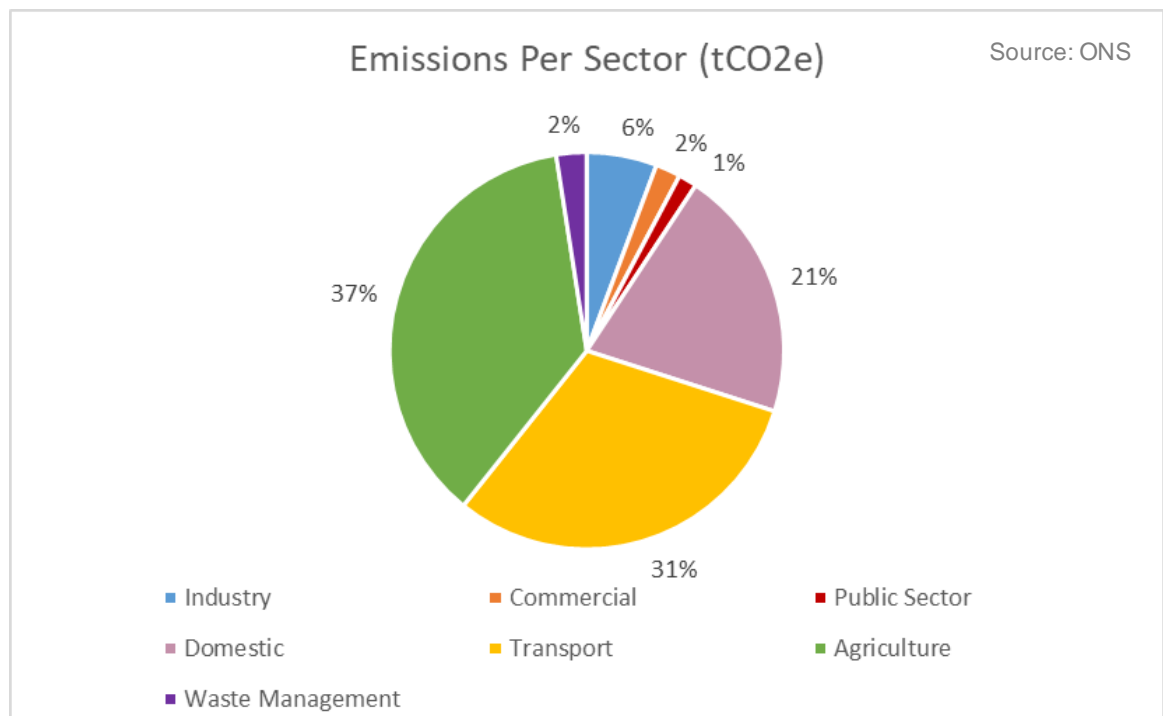
Carbon emissions can also be measured on a per capita basis, showing the average carbon emitted per person. Carbon per capita has decreased from around 8.4 tonnes per person in 2011 to 6.2 tonnes in 2021.





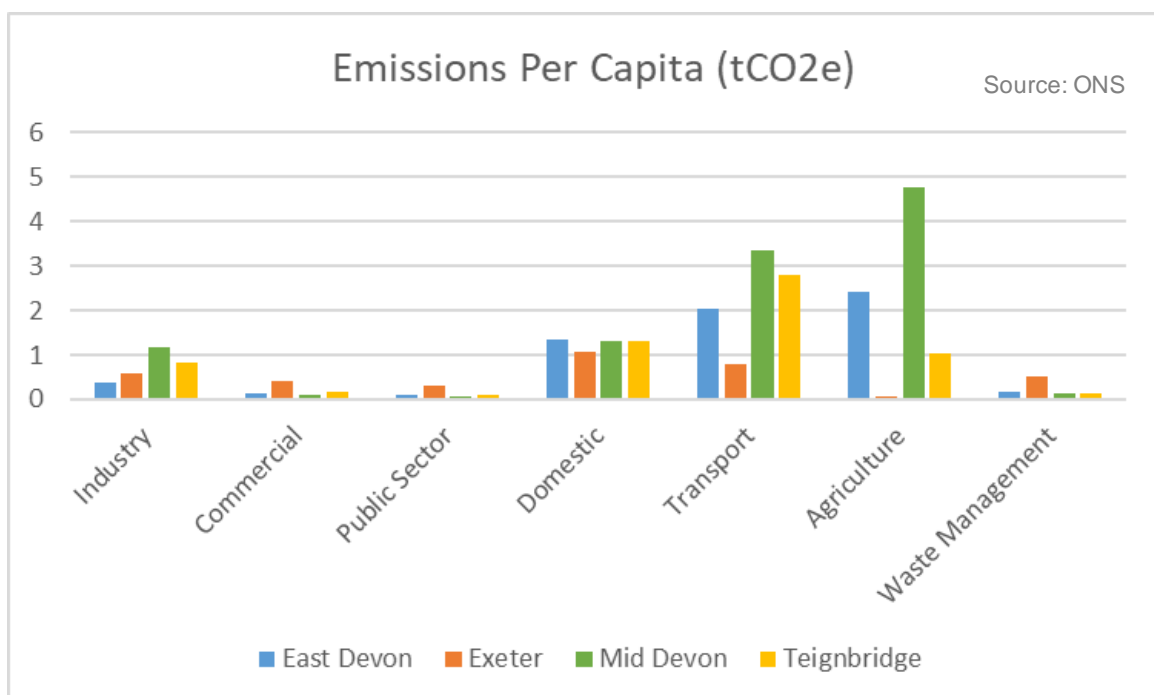
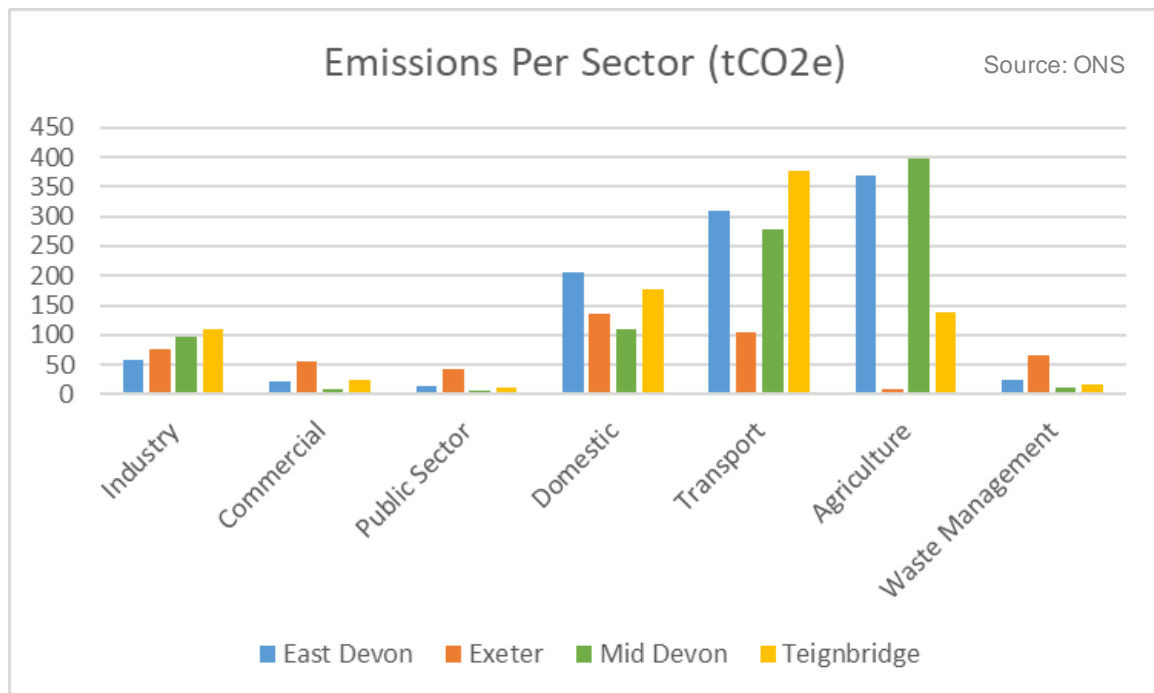
As the graph above illustrates, carbon emitted per capita is on average higher in East Devon compared to the national and regional average.

The graphs below show emissions by sector as a percentage of total emissions in East Devon. It shows that the majority of carbon is emitted from agriculture, transport and within domestic residences.

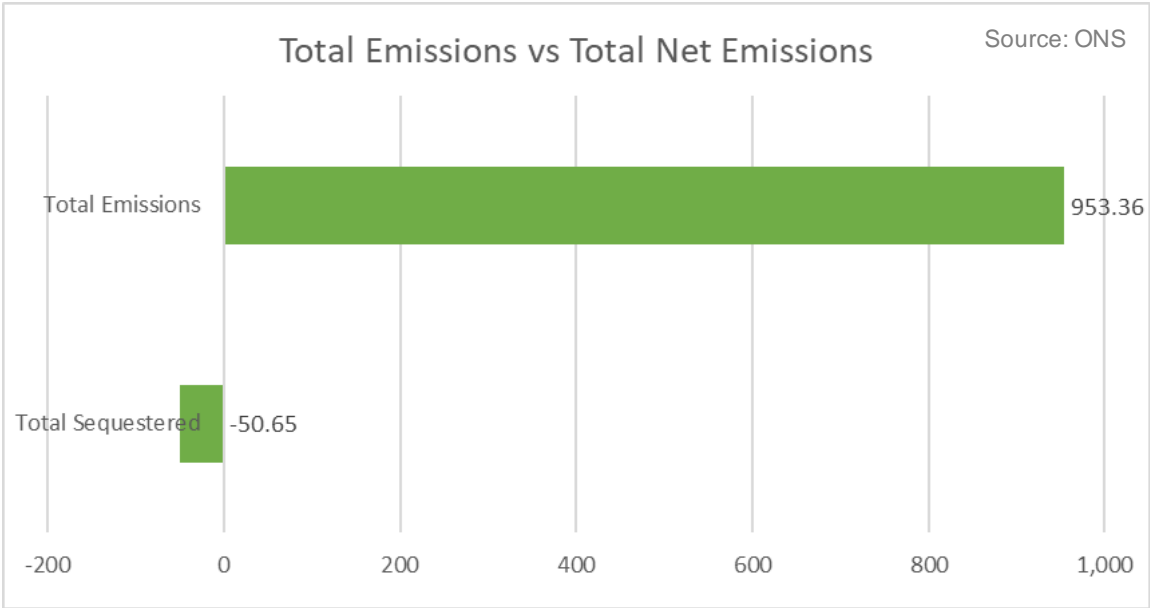




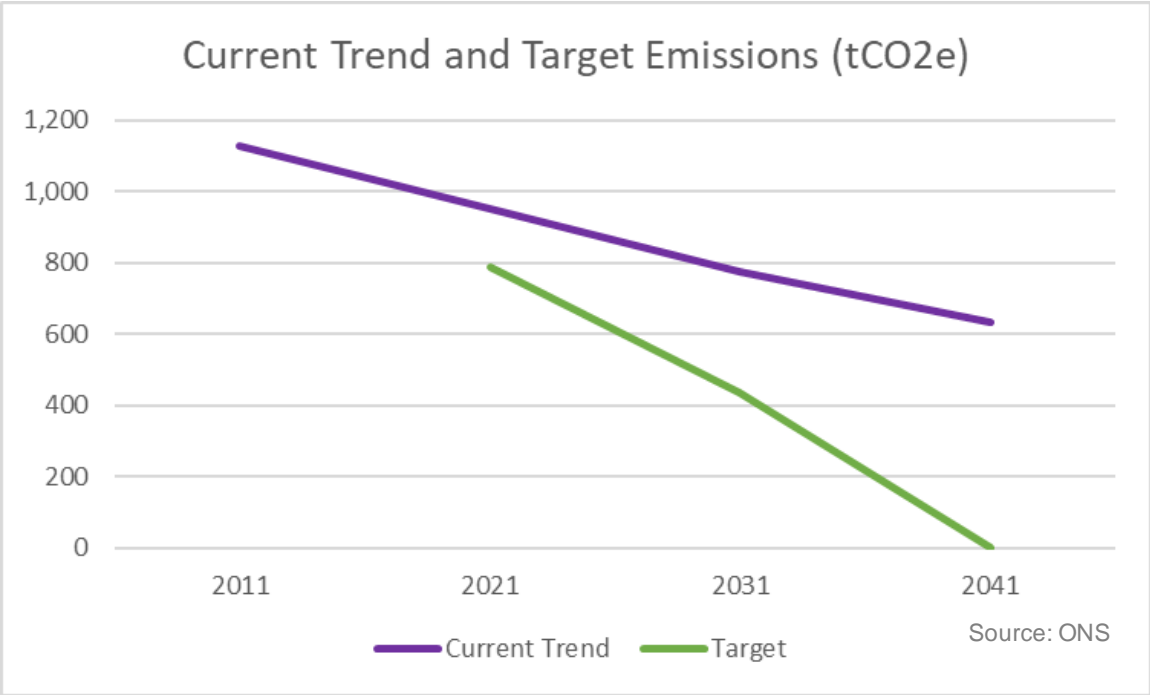
When compared against the other EHOD areas, both in terms of total emissions and emissions per capita, East Devon's largest emitters are relatively similar to the other rural districts (Mid Devon and Teignbridge).



The amount of carbon sequestered by our natural environment can also be measured against the amount of carbon equivalent emitted. As the graph below shows, the amount of carbon being sequestered is significantly below that being emitted.



By analysing the previous ten years of emissions data for East Devon, a trend line can be produced for the next 20 year period. The graph below shows how much carbon equivalent will be emitted in the next 20 years should the current rate of carbon reduction continue. The Target line shows the rate of reduction required over a 20 year period to reach net zero by 2040.



Report to: Cabinet

Date of Meeting 10 October 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



## Enterprise Zone

### Report summary:

This report provides an update on the operation and performance of the Exeter and East Devon Enterprise Zone designation. This includes a review of what has been delivered to date since the beginning of the designation in 2017. The assessment focuses particularly on the capacity for investment in specific projects, funded through borrowing against ring-fenced business rate income. This provides important wider context for specific investment proposals that will be reported to Cabinet over the coming months.

### Is the proposed decision in accordance with:

Budget Yes ☐ No ☒

Policy Framework Yes ☒ No ☐

### Recommendation:

That Cabinet;

- Notes the progress with the delivery of the Enterprise Zone designation to date.
- Notes the current position regarding borrowing against retained business rate income and the capacity to support further strategic investment.
- Recommends to Council that up to £250k is borrowed against future ring-fenced business rate income to support the ongoing progression of the Interconnector Project.

### Reason for recommendation:

To ensure that Cabinet is aware of the progress to date with the Enterprise Zone designation.

To provide context for further investment decisions that will be reported to Cabinet in the coming months.

To support the ongoing development of the Interconnector Project.

Officer: Naomi Harnett, Delivery Manager, email: [nharnett@eastdevon.gov.uk](mailto:nharnett@eastdevon.gov.uk), Andy Wood, Assistant Director, email: [adwood@eastdevon.gov.uk](mailto:adwood@eastdevon.gov.uk)

Portfolio(s) (check which apply):

- ☒ Climate Action and Emergency Response
- ☒ Coast, Country and Environment
- ☒ Council and Corporate Co-ordination
- ☒ Communications and Democracy
- ☒ Economy
- ☒ Finance and Assets
- ☒ Strategic Planning

- ☒ Sustainable Homes and Communities
- ☒ Culture, Leisure, Sport and Tourism

### **Equalities impact** Low Impact

**Climate change** High Impact. A core purpose of the Enterprise Zone designation is to support the delivery of clean growth. The Interconnector Project will deliver up to 17,200 tonnes of carbon savings per year. This is significant both locally and nationally. Delivering large scale zero carbon development in the West End is a key objective in the Council's Climate Change Action Plan. The Devon Carbon Plan makes it clear that in 2019 burning of fossil fuels for heat accounted for 19% of Devon's greenhouse gas emissions. It states that 'we must consider district heating for new developments where the distribution pipes and energy centre can be designed in from the outset, particularly in locations where waste heat is available from industrial processes

**Risk:** Medium Risk;

**Links to background information** [Guidance for Local Enterprise Partnerships \(LEPs\) and local and combined authorities: integration of LEP functions into local democratic institutions - GOV.UK \(www.gov.uk\)](#)

**Link to [Council Plan](#)**

Priorities (check which apply)

- ☒ Better homes and communities for all
  - ☒ A greener East Devon
  - ☒ A resilient economy
- 

### **Background and context**

1.1 The Exeter and East Devon Enterprise Zone is a statutory designation that commenced in 2017 and runs until 2042. It covers four sites in the West End of the District as follows;

- Exeter Science Park
- Skypark
- Power Park (formerly known as Airpark)
- Cranbrook Town Centre

1.2 The designation is intended to accelerate the delivery of new commercial space and support employment creation. There is potential for up to 10,000 jobs to be accommodated across the four sites at full build out.

1.3 An advisory Board, which is chaired by EDDC and includes representation from the County Council, Local Enterprise Partnership and four site owners, provides oversight of the delivery of the programme. The District Council is the accountable body for the designation and an Implementation Plan sets out key priorities.

1.4 A key feature of the designation is that business rate income is ring-fenced and 100% retained locally for the 25-year duration of the designation. This makes it our most strategic and powerful tool for promoting sustainable economic development. Whilst the business rate income steps up over time it is also possible to borrow against this income stream in order to instigate projects that have the effect of accelerating the rate at which new business rate income accrues. All borrowing decisions are considered by Cabinet and recommended to Council.

1.5 A period of HMT funded rate relief ran for the first five years of the designation. Further incentives include a simplified planning regime in the form of Local Development Orders. These are now in place for the Power Park site and to facilitate the roll out of district heating networks. Further work is underway to support the development of an LDO for Skypark.

1.6 The Enterprise Zone was rebranded in September 2023 with the benefit of a new logo and marketing material. The vision is to deliver a world-class, low-carbon environment for business success. This recognises the emphasis being placed on achieving clean growth and supporting the transition to a low carbon economy.

### What has been delivered to date?

2.1 The initial focus of the programme has been on addressing barriers to delivery and bringing forward projects that have a catalytic impact in terms of encouraging further investment. Through borrowing against future ring-fenced business rate income, the following projects have been delivered;

Project	Cost
Park and change facility at Exeter Science Park	£1.1m
Ada Lovelace Building, Exeter Science Park	£660k
Enhanced Bus Service	£450k
Land acquisition, Cranbrook town Centre	£5.117m
Long Lane enhancement	£4.52m
Total	£11,847,000

2.2 Overall circa 400,000 sq. ft of new floorspace has come forward since 2017. The largest building is the new 200k sq. ft facility for Stovax at Skypark. The following are also currently under development;

- Cranbrook Town Centre – Morrisons supermarket, parade of shops and nursery
- Science Park – Zeal hotel

Overall, the four sites have the potential to accommodate up to 2,500,000 sq. ft of floorspace.





Fig 1: The Stovax building at Skypark completed in May 2023. A local development order for the site is currently under development to reflect structural changes in the commercial property market. (credit: Still Imaging)



Fig 2: Development of Cranbrook town centre commenced in August 2022. This followed extensive negotiations which led to the Council acquiring 4 acres of land. This is needed to safeguard the development of the town centre and ensure that it can ultimately support a population of around 20,000 people (credit: Still Imaging)





Fig 3: The Long Lane scheme was needed to unlock the development of the Power Park site. Widening the lane to 6.5m allows two HGVs to pass safely. Alongside this a Local Development Order has also been adopted to provide a flexible regime through which future buildings can come forward.



Fig 4: The Ada Lovelace building completed in 2021 with a £660k contribution from the EZ programme.

## Future Borrowing capacity


3.1 At the outset of designation assumptions were made about the potential development of floor space over time and the likely resulting uplift in business rate income in the period to 2042. These were used to inform future borrowing potential. The assumptions made were deliberately conservative so as to ensure that all borrowing would be covered from ring-fenced income. Unlike

outside of the EZ designation, there is no rebasing of business rate income which serves to reduce the level of associated risk.

3.2 Nonetheless there are still inherent risks when trying to predict future business rate income over such a long time period, not least because the initial modelling preceded the Covid-19 pandemic. The main risk factors are;

- 1) The form of development – the impact of the pandemic and shift to hybrid working has meant that the proportion of future office development, particularly at Skypark, is likely to be significantly smaller than originally anticipated.
- 2) The type of occupier – certain occupiers, such as the University, benefit from up to 80% rate relief.
- 3) Wider economic conditions – the impact of high interest rates coupled with the threat of a potential recession has had a significant impact on the commercial property market including dampening potential occupier demand. The Power Park site in particular has been slower to start construction than originally anticipated despite the substantial investment in enabling infrastructure and the adoption of a LDO.
- 4) Governance changes – the government recently confirmed that it will no longer provide core funding for Local Enterprise Partnerships beyond the end of March 2024 with the expectation that the functions are transferred to the upper tier authorities. With the emerging devolution proposals also proposing the establishment of a Combined County Authority there was a risk that control of retained business rates would be elevated to this body. This now seems unlikely given that the relevant guidance states that arrangements should be agreed locally.

3.3 In the context of potentially very significant calls on the EZ programme coming forward to Cabinet in the near future, including in relation to the district heating project and the potential for further land acquisition, it is important to stress that all potential borrowing is 100% covered business rates arising from existing or under construction buildings. In other words there is no gearing in the sense that all borrowing is covered by secure income. This is illustrated in the graph below which also shows that initial estimates have been substantially exceeded.

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3.4 There is still available headroom of circa £14M in terms of current borrowing relative to secure income. This is without making any allowance for new rateable development that has yet to commence construction.



## Interconnector Project

4.1 One of the unusual features of the Enterprise Zone area is the presence of two district heating networks. This was part of a deliberate strategy to underpin the large-scale delivery of low and zero carbon development. This strategy has largely avoided the need for gas boilers to be installed in individual homes and commercial buildings.

4.2 Cabinet has received a series of reports on the decarbonisation of the networks. This will be achieved through harnessing recoverable heat from the Hill Barton Business Park and transmitting it to connect with the two networks through the installation of a new heat main. This is known as the Interconnector Project and extensive work on technical, legal and financial aspects of this has been undertaken to date.

4.3 In November 2022 Cabinet approved a draft business case document for the project and endorsed proceeding to procurement. The procurement was launched in February 2023 and the procurement is now at an advanced stage. It is anticipated that the project will be reported to Cabinet in January to make a final investment decision.

4.4 The progression of the interconnector project to date has been supported by the Heat Network Investment Programme by both capital (grant/loan) and revenue funding, Heat Network Development Unit grant and match funding from the Enterprise Zone programme to support commercialisation. This is set out below:

<b>Overview of revenue funding (September 2021-present)</b>	
Heat Network Investment Programme	£500,000
Heat Network Development Unit	£365,000
Enterprise Zone	£250,000
	£1,115,000

4.5 This funding has been utilised to develop the project and produce the following:

- Full business case,
- Procurement documentation – involving completion of draft technical design, draft legal agreements, etc.
- Progress commercial negotiations with E.On and Stuart Partners, including heat supply and offtake agreements
- Development of route, including negotiations on easement
- Preparing and submitting planning applications.

4.6 Over 75% of the revenue costs incurred to date have been met from government grants.

4.7 Additional funding is required to:

- Conclude the procurement process
- Finalise easements for the preferred route
- Conclude commercial negotiations
- Finalise RIBA stage 3 design

4.8 The project team are seeking additional Heat Network Development Unit (HNDU) funding to progress the project to final investment decision but to date no formal decision has been made on these applications. To ensure that the project can continue to progress a request is made for up to £250k (in addition to the £250k match funding provided by the Enterprise Zone programme in 2022) towards the consultant costs associated with the project and for this to be funded by borrowing against ring-fenced business rate income. If external grant funding is awarded (from HNDU), this budget will be utilised as match funding and the EZ

Board advised of the budget saving. Without additional funding the Council will not be able to progress this project.

## **Conclusion**

5.1 The Enterprise Zone is a powerful, long-term designation. Good progress is being made across the four sites which is ultimately helping to bring forward a wide range of new employment opportunities. The analysis demonstrates that a prudent approach has been taken in relation to retained business rate income and that headroom exists to support further strategic investment.

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## **Financial implications:**

The financial details are contained in the report and sufficient funds are available within the EZ retained business rates income to meet this request. Treasury Management principles will determine whether actual Council borrowing is required but the request is that a budget is granted of £250k and this is met from EZ income.

## **Legal implications:**

As this report is a progress report, there are no substantive legal issues directly arising. In terms of the additional funding for the interconnector project, Full Council approval is required. As is indicated in the financial comments, sufficient funds are available within the EZ retained business rates.

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of the Local Government Act 1972.

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