

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of the meeting of Cabinet held at Council Chamber, Blackdown House, Honiton on 1 October 2025**

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

The meeting started at 6.05 pm and ended at 7.30 pm

#### **75 Minutes of the previous meeting**

The minutes of the previous meetings of Cabinet held on 3 September 2025 were agreed.

#### **76 Declarations of interest**

There were no declarations of interest given.

#### **77 Public speaking**

There were no members of the public wishing to speak.

#### **78 Matters of urgency**

There were none.

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

There was one item dealt with in this way recorded at Minute 85.

#### **80 Minutes of Scrutiny Committee held on 4 September 2025**

Members noted the minutes of the Scrutiny Committee held on 4 September 2025.

#### **81 Recycling & Waste LATCo governance and financial proposal - further detail**

The Interim Director of Place introduced a presentation summarising the steps taken to get to this stage and recommendations to future actions to be taken.

Cabinet received a report in July 2025 which reviewed the updated Business Case for Future Service Provision for Recycling and Waste. Cabinet resolved to proceed with creation of a Local Authority Trading Company (LATCo) and to receive a future report outlining financing options and detailed governance arrangements. The current report addressed these issues and recommended appropriate actions. Structure and governance arrangements had been developed by legal firm Bevan Brittan, in consultation with the Recycling and Waste Portfolio Holder Group and Officers. Options for the funding mechanism had been assessed and a flexible loan arrangement had been identified as the preferred option.

The Chair and Cabinet thanked and paid tribute to the Portfolio Holder Group for their service and Andrew Hancock, Dave Roberston and Mark Barrow for their hard work over a long time to get to this position in the creation of the LATCo.

**RECOMMENDED to Council to:**

1. a. Approve of the updated Business Case at Appendix E  
b. Approve of a loan of no more than £2.8 million to the LATCo

**RESOLVED that Cabinet:**

2. Subject to 1 above that Cabinet approve the following recommendations: -
  - a. To continue to progress the creation of a LATCo to take over provision of recycling & waste kerbside collections and associated services from 1st July 2026
  - b. That operational activities of the LATCo are funded through a revolving credit facility with the Council which includes the potential for security.
  - c. That delegated authority is granted to the Director of Place in consultation with the Section 151 Officer and Portfolio Holders for Finance and Environment Operations to make suitable arrangements and to enter into a formal loan agreement with the LATCo.
  - d. That the maximum value of the loan agreement is no more than £2.8 million and that the Shareholder Committee receives a regular report on the status of the loan, to be provided by the LATCo Company Board.
3. That a Cabinet Sub-Committee is formed immediately to undertake the Council's role as owner of the LATCo, being the Shareholder Committee, following structure outlined in this report and the recommendations agreed within the Structure and Governance proposal agreed by Cabinet in July 2025.
4. That Bevan Brittan are instructed to produce the following documents for approval by the Shareholder Committee
  - a. Articles of Association
  - b. Shareholder Agreement
  - c. Governance arrangements for the structure of the Company Board
  - d. Terms of Reference for the Company Board
  - e. Advice on the necessary actions to ensure compliance with Subsidy Control legal requirements including a submission to the UK Subsidy Register.
5. That Bevan Brittan are instructed to develop changes to the Council's Constitution to set out
  - a. The scope, powers and limitations of the Shareholder Committee, reflecting principles agreed by Cabinet in July.
  - b. The purpose, scope and limitations of the Recycling and Waste Partnership Board, following the recommendations within this report.
6.
  - a. delegates responsibility to the Chief Executive to appoint two to three staff to act as temporary Company Directors during the formation stage of the Company, until the selection process for Non-Executive Directors is completed and,
  - b. also delegates all future Company Board appointments and dismissals to the Shareholder Committee.
7. That the Chief Executive, in consultation with the Leader and where necessary the appropriate Directors and Portfolio Holders, ensures effective ongoing oversight of the development of the LATCo and prior to the appointment of company managing director makes any required subsequent changes to the structure and development of the LATCo and appointment of its employees, to ensure that the establishment of the LATCo proceeds and meets the required key milestones and timelines.

**REASON:**

To enable the legal and effective establishment of the LATCo to be ready to take over provision of recycling & waste kerbside collections and associated services from 1<sup>st</sup> July 2026. Items in the report would ensure effective and complaint governance and financial arrangements such that the company can operate.

## 82 **Delivery Vehicle for Marlcombe**

The Portfolio Holder Place, Infrastructure & Strategic Planning introduced the report stating it was part of a large and complicated jigsaw that, when assembled in the right order, would in the coming years complete the picture of a vibrant, sustainable, well-supported community called Marlcombe. The Strategic Planning Committee had received and agreed a masterplan and transport vision for Marlcombe. Those papers set out a high-level spatial framework for exactly what, and where, was to come forward at Marlcombe – in terms of employment space and physical and social infrastructure like roads, schools, healthcare facilities, and wastewater treatment plants, as well as homes. The Cabinet report presented detailed how the council was going to make sure that its vision was made reality down the line.

The Director of Place presented the Strategic Outline Business Case for the establishment of a delivery vehicle for the Marlcombe new community. The delivery of a new town was a complex, long-term endeavour that necessarily involved multiple different stakeholders. A key learning point from Cranbrook was the need to establish a dedicated delivery vehicle from the outset to provide the necessary focus and resources to realise the ambitious vision for a place, including integrating both physical and social development. He thanked Cabinet and the Portfolio Holder Place, Infrastructure & Strategic for their support and leadership throughout this process.

### **RESOLVED that Cabinet:**

1. Supports the Executive Summary of the Strategic Outline Business Case for the establishment of a delivery vehicle for the Marlcombe new community.
2. Receives a further report setting out the full Strategic Outline Business Case.
3. Receives subsequent reports regarding:
  - a. the terms of reference for an interim vehicle, and
  - b. the full business case for a delivery vehicle for the integrated proposal including the Cranbrook expansion and Enterprise Zone areas.

### **RECOMMENDED to Council:**

4. That a budget of £350k is made available from the new communities' reserve to enable the development of the business case alongside progressing further technical work, matching potential funding being made available by Homes England.

### **REASON:**

To support the future establishment of a delivery vehicle that was capable to ensuring that the vision for Marlcombe was translated into practical delivery on the ground.

## 83 **Financial Strategy 2026 Onwards 2026 – 2036**

The Portfolio Holder Finance stated the real financial challenges ahead, not least from the Fairer Funding Review and the uncertainty around local government reorganisation. He said that responsibility now was to ensure EDDC continued to make sound and responsible financial decisions in the best interests of its residents. The next steps would see the Senior Leadership Team bringing forward proposals to meet a stretch target of £1.5 million in savings or additional income over the next two years. These proposals would then be considered by members through the usual budget-setting process, helping shape a balanced draft budget for everyone's consideration. At the same time, Members would be reviewing the capital programme to make sure it was realistic and deliverable, with a focus on those legacy projects they wished to leave in place for the district.

The Director of Finance went on to present the Financial Strategy which was updated and presented annually. It includes a ten-year Medium Term Financial Plan (MTFP) which looked ahead over that period to give a projection of our financial position with actions needed to ensure financial sustainability and the ability to set annually balanced budgets.

At this time the landscape was remarkably different, the Fairer Funding Review (FFR) brought significant funding reductions from 2026/27 and there was also Local Government Reorganisation (LGR). On the current timelines this gave the council only two more years of setting budgets before a successor authority was in place.

Although modelling had been undertaken under the normal premise of ten years, this Strategy's focus was dealing with the next two years of still being a Council with the effects of significant funding reductions from the FFR. The Strategy recorded and considered the funding of the key legacy projects the Council wanted to deliver in its remaining time.

The Deputy Leader paid tribute to Simon Davey, Director of Finance for being prudent in the past that has allowed for this financial position that was being presented to Cabinet. He stressed the need to be responsible with public money and for balanced accounts, for maximum retention of services and minimise putting up fees and charges for EDDC's residents.

**RECOMMENDED to Council:**

To consider the draft Financial Strategy 2026 Onwards (2026 – 2036) and to recommend to Council its adoption and direction outlined in balancing future budgets.

**REASON:**

It was essential the Council considered its financial resources in advance to allow time to make necessary amendments in its service provision to ensure balance budgets were maintained.

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

**RESOLVED that Cabinet:**

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).

85 **Recycling & Waste LATCo governance and financial proposal - further detail**

**RESOLVED** that Cabinet agreed the recommendations as set out in the report and recorded at Minute 81.

## **Attendance List**

### **Present:**

#### **Portfolio Holders**

P Arnott	Leader of the Council
S Hawkins	Portfolio Holder Finance
P Hayward	Portfolio Holder Assets and Economy
S Jackson	Portfolio Holder Communications and Democracy
G Jung	Portfolio Holder Environment - Operations
D Ledger	Portfolio Holder Sustainable Homes & Communities
J Loudoun	Deputy Leader & Portfolio Holder Corporate, Council & External Engagement
T Olive	Portfolio Holder Place, Infrastructure & Strategic Planning
R Jefferies	Portfolio Holder Environment - Nature & Climate

### **Cabinet apologies:**

N Hookway	Portfolio Holder Culture, Leisure, Sport and Tourism
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### **Also present (for some or all the meeting)**

Councillor Aurora Bailey  
Councillor Brian Bailey  
Councillor Ian Barlow  
Councillor Kevin Blakey  
Councillor Kim Bloxham  
Councillor Roy Collins  
Councillor Paula Fernley  
Councillor Mike Goodman

### **Also present:**

#### **Officers:**

Melanie Wellman, Director of Governance (Monitoring Officer)  
Amanda Coombes, Democratic Services Officer  
David Robertson, Project Manager Recycling and Waste  
Mark Barrow, Interim Director Place  
Tim Child, Assistant Director Place, Assets & Commercialisation  
Simon Davey, Director of Finance  
Ed Freeman, Assistant Director Planning Strategy and Development Management  
Andrew Hancock, Assistant Director StreetScene  
Simon Phillips, Director of CBRE  
Chris Knott, CBRE

Chair .....

Date: .....