



SOUTH EAST DEVON
HABITAT REGULATIONS
PARTNERSHIP

South East Devon Habitat Regulations Executive Committee

Financial Report

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April 2021



Exeter
City Council



Legal comment/advice:

The legal considerations are included within the report. Legal Services will assist with any further issues on which advice may be needed as they are raised.

Finance comment/advice:

The financial implications are set out in the report.

Public Document:	Yes
Exemption:	None
Review date for release	None

Recommendations

It is proposed that the Executive Committee:

- 1. Notes the update on the overall financial position including contributions received, expenditure and anticipated contributions (from signed S106 and CIL).**
- 2. Notes the expenditure against budget for the 2020-21 Annual Business Plan and reasons given for any variance.**

Equalities impact: Low

Risk: Low

This is an update, repeated annually on the current financial position of developer contributions (both collected and anticipated) for Habitat Regulations mitigation across the three partner authorities.

1. Summary

1.1 The purpose of this report is to update members of the Executive Committee on the overall financial position of developer contributions received by the partner authorities as mitigation payments towards measures identified in the South East Devon European Site Mitigation Strategy (“the Strategy”).

1.2 The report sets out details of the contributions received from inception to date and anticipated income from contributions where planning permission has been granted but the contribution has not yet been paid. Details of expenditure against the 2020/21 Annual Business Plan, as well as total expenditure to date are also provided.

1.3 Updated housing forecasts have been made available from each partner authority and are reported in Table 3. These projections have also been used to assist in outlining the indicative 5 year Delivery Plan, reported separately.

1.4 Collected figures come from the returns compiled by the 3 authorities. In previous reports there was a separate line for potential amounts signed but not collected. In order to maintain consistency as far as possible with the Housing and Economic Land Availability Assessment (HELAA) methodology of forecasting income, these amounts are now included within the forecast figures.

1.5 Rather than forecasting receipt of these amounts in the immediate future, this recognises that the period between planning permission and commencement varies and assumes a steady but cautious rate of delivery over the five years of the plan. For the purposes of this report, this category of applications was treated as one potential receipt, spread according to the phasing assumed by HELAA. Analysis individually by date of planning approval would not be meaningful, as some of these applications now date back to the earliest years of the partnership/interim arrangements and have not conformed to average delivery assumptions.

1.6 There is a risk that some approved applications in this category will be withdrawn or expire. However, all authorities agreed that once permission is commenced, it can remain live and active, with no timeframe on reaching contribution trigger dates. It was therefore deemed more prudent to assume a more phased approach, with ongoing reviews of older applications.

1.7 Forecast figures were put together using the market conditions model for calculating housing delivery rates as per the joint HELAA methodology. For the sake of caution, the current report assumes a recessionary model for the first 3 years. It should be noted that economic indicators are mixed. Developers are optimistic, but this may take time to materialise in completion numbers.

1.8 Expenditure is an amalgamation of East Devon District Council financial download figures and Teignbridge information (in relation to SANGS and other relatively minor items such as accountancy and monitoring support).

1.9 Due to the differences in approach and information constraints, there are limitations on the level of analysis, for example over exactly which income streams are used to fund recharges.

Table 1. Developer contributions received (less expenditure) to date.

Charging zone/period	Total received to date	Total expenditure to date	Balance to date
SANGS	£4,918,958 ¹	-£4,918,868 ²	£90
Dawlish Warren	£837,732	-£283,026	£554,706
Exe Estuary	£581,640	-£363,822	£217,818
Pebblebed Heaths	£470,202	-£279,358	£190,844
EDDC CIL ³	£483,162	£5,812	£477,349
Cranbrook agreement ⁴	£222,728	£0	£222,728
Total	£6,933,364	-£5,850,886	£1,663,535

Table 2. Position of all developer contributions from planning consents granted but not yet received to date.

Charging zone	Position to date
Dawlish Warren	£116,609
Exe Estuary	£152,300
Pebblebed Heaths	£149,900
SANGS	£557,108
Total	£975,917

¹ Includes forward funding and internal borrowing at TDC.

² Includes future commitment to funding Dawlish Countryside Park maintenance.

³ This is the sum reserved for measures identified by EDDC as infrastructure. Therefore it can be spent as appropriate on SANGS or on site infrastructure.

⁴ This agreement was calculated using a method different to the rest of the Strategy and therefore does not neatly fit into the other categories.

Table 3 – 5 Year forecast of income/housing delivery.

Year	Dawlish Warren	Exe Estuary	Pebblebed Heaths	SANGS	EDDC CIL
21-22	£68,379	£160,267	£169,278	£607,723	£109,737
22-23	£74,103	£184,775	£135,446	£535,975	£88,083
23-24	£153,655	£243,357	£185,416	£671,231	£123,978
24-25	£153,655	£342,203	£191,496	£691,009	£131,928
25-26	£183,927	£232,133	£157,296	£576,169	£107,088
Total	£633,719	£1,162,735	£838,932	£3,082,107	£560,814

1.5 Table 4, below, shows the estimated expenditure on the 2020/21 ABP and projected remaining balance at the end of 2025/26.

Table 4 – Recommended on site expenditure and projected balance of funds as at end 2025/26⁵.

Year	Dawlish Warren spend	Exe Estuary spend	Pebblebed Heaths spend	Total spend
2021-22	£60,677	£68,420	£240,857	£369,954
2022-23	£60,104	£89,804	£238,939	£388,847
2023-24	£56,020	£70,220	£69,496	£195,736
2024-25	£56,020	£64,220	£69,496	£189,736
2025-26	£56,020	£64,220	£69,496	£189,736
Total	£288,841	£356,884	£688,284	£1,334,009

Remaining balance at end 2025-26	£884,899	£1,008,985	£721,353	£2,616,237⁶
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⁵ SANGS expenditure & balance dependent on funding arrangements relating to the Housing Infrastructure Fund (HIF) – see report “HREC funding arrangements”, Nov 2020.

⁶ Total remaining “on site” balances as at end 2025-26. Other funds (from Cranbrook Agreement and EDDC CIL) will also remain available – see 1.9 for reporting constraints.

2. Expenditure against Annual Business Plans (ABP)

2.1 As shown in Table 5, there are a number of mitigation measures which are subject to delay, as reported separately⁷.

Table 5. Mitigation measures currently subject to delay.

Site	Measure	Capital cost	Expenditure (Actual)	Variance +/-
Dawlish Warren	Byelaw preventing fires and barbeques in buffer zone	£2,000	£0	+£2,000 ⁸
Dawlish Warren	Visitor Management Plan	£12,000	£0	+£12,000 ⁹
Dawlish Warren	Reed screening between Bight & Golf Course	£10,000	£0	+£10,000 ¹⁰
Dawlish Warren	Monitoring of accretion and erosion	£1,000	£0	+£1,000 ¹¹
Sub total		£25,000	-£0	+£25,000

2.2 The continuing cross-site mitigation measures are shown in Table 6, below. The largest variance in expenditure (staff and other project costs) is accounted for because the data does not include the 4th quarter of the current financial year.

Table 6. Cross site mitigation and expenditure recommended as part of the 2020/21 ABP.

Site	Measure	Revenue budget	Expenditure (Actual)	Variance +/-
All	Staff, Dog project, vehicles, boat, tax, insurance, fuel, maintenance.	£167,810	£202,860	-£35,050 ¹²

⁷ Annual Business Plan – Progress Report, April 2020.

⁸ Evidence gathering still underway, no recent incidents reported.

⁹ Some measures at Dawlish Warren are on hold pending further discussion with TDC and EA.

¹⁰ Some measures at Dawlish Warren are on hold pending further discussion with TDC and EA.

¹¹ Some measures at Dawlish Warren are on hold pending further discussion with TDC and EA.

¹² Data includes payment for DLD vehicle from 2019-20 ABP, increased staff costs during the year (see Core Staff Capacity report, Nov 2020) and change of vehicle for the HMOs.

2.3 Expenditure on all site specific mitigation measures either completed or initiated is shown below in Table 7.

2.4 As indicated by the “(Total) SEDESMS budget” column, the majority of these measures all have an element of ongoing funding allocated for revisions and/or maintenance in future years.

2.5 Exe wildlife refuge disturbance monitoring has completed its final year and the South East Devon Visitor Survey will resume this month. Both projects continue to be invoiced according to agreed schedules.

Table 7. Expenditure on completed/initiated mitigation measures.

Site	Measure	Initial budget	Expenditure (Actual)	Variance +/-	(Total) SEDESMS budget	(Remaining) SEDESMS budget
Dawlish Warren	Petalwort monitoring	£1,000	£1,608	£608	£26,667	£25,059
Dawlish Warren	Carry out audit of information boards	£11,500	£11,272	£228	£19,500	£8,228
Dawlish Warren	BBQ info at local retailers	£2,000	£0	£2,000 ¹³	£6,000	£6,000
Dawlish Warren	Monitoring of vegetation change	£5,000	£1,355	£3,645 ¹⁴	£133,333	£131,978
Exe Estuary	Codes of conduct	£11,500	£10,720	£780	£11,500	£780
Exe Estuary	Wildlife refuge consultation	£5,000	£9,186	£4,186	£5,000	£4,186
Exe Estuary	Disturbance monitoring - Refuges	£27,950	£19,786	£9,784 ¹⁵	£30,000	£11,834
Exe Estuary	Wildlife Refuge buoy markers.	£5,000	£16,387	£11,387	£30,000	£13,613
Exe Estuary	Update signs at public slipways	£40,000	£18,812	£14,060 ¹⁶	£120,000	£94,060
Exe Estuary	Interpretation boards	£5,000	£0	£5,000	£112,500	£112,500

¹³ Design of posters completed in-house @ TDC.

¹⁴ Survey completed, reported to Committee November 2020.

¹⁵ Awaiting final invoice.

¹⁶ Economies of scale achieved in first phase. 2020-21 Annual Business Plan (July 2020) recommended savings be reinvested in other behavioural change initiatives (gazebo, website redesign – see below). This accounts for discrepancy between initial budget/expenditure/variance

Site	Measure	Capital cost	Expenditure (Actual)	Variance +/-	(Total) SEDESMS budget	(Remaining) SEDESMS budget
Pebblebed Heaths	Dog bins	£13,480	£7,835	+£5,645 ¹⁷	£273,100	£265,265
Pebblebed Heaths	Educational resources	£4,656	£4,590	+£66	£46,560	£41,970
Pebblebed Heaths	Pebblebeds Codes of conduct	£4,000	£4,000	-	£6,000	£2,000
Pebblebed Heaths	Signs directing people	£6,500	£0	+£6,500 ¹⁸	£6,500	£6,500
Pebblebed Heaths	Signs related to conduct	£6,600	£0	+£6,600 ¹⁹	£6,600	£6,600
Pebblebed Heaths	Path monitoring/repair	£12,000	£5,269	+£6,731 ²⁰	£95,000	£89,731
Pebblebed Heaths	Interpretation Boards	£5,000	£510	+£4,490 ²¹	£64,800	£64,290
Pebblebed Heaths	Changes to car parks (preliminary survey)	£15,000	£15,000	-	£15,000	£0
Pebblebed Heaths	Phase 1 Visitor Access Improvements	£161,129	£13,286	+£147,84 ²²	£161,129	£147,843
All	Visitor survey	£12,422	£1,138	+£11,284 ²³	£167,000	£165,862
All	Gazebo	£3,500	£2,128	+£1,372 ²⁴	£3,500	£1,372
All	Website redesign	£5,000	£0	+£5,000 ²⁵	£5,000	£5,000
All	HMO vehicle change	£3,000	£3,452	-£452	£140,000 ²⁶	£136,548
Sub total		£366,237	£155,094	+£212,763	£1,484,689	£1,331,215

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¹⁷ Economies of scale achieved during installation, annual costs include maintenance/repair (not yet required). Awaiting invoice for 2020/21.

¹⁸ Contract awarded, project due to complete summer 2021.

¹⁹ See 19.

²⁰ Works are ongoing according to schedule.

²¹ Integral part of Phase 1 works, contract awarded, project due to complete summer 2021.

²² WSP are working to submit planning permission to EDDC for the scheme April 2021.

²³ Surveys paused through lockdowns. Scheduled to resume April 2021.

²⁴ Delivered under budget.

²⁵ Work is underway, awaiting first invoice.

²⁶ Based on £20K for change of vehicle every 10 years. See 7.4, 2016-17 Annual Business Plan, June 2016.

Natural England comment:

Natural England have reviewed the report and have no further comment.