

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Budget Setting and Capital Allocations Panel held at online via zoom on 2 December 2021

Attendance list at end of document

The meeting started at 9.31 am and ended at 3.48 pm

18 Welcome from the Chair

The Chair welcomed those present, and set out how the Panel would consider the wider financial context of the Council, and how the bids proposed for addition to the Capital Programme would be considered.

19 Notes from the previous meeting held on 18 June 2021

The minutes of the previous meeting held on 18 June 2021 were agreed.

20 Declarations of interest

None.

21 Medium Term Financial Plan - Focus on 2022/23 budget

The Panel were reminded on the MTFP position, specifically:

- The budget gap in 2022/23 comprises of £2.3m from losses in business rate income and new homes bonus payments; and £0.7m from service costs increasing greater than income generated;
- The key issues and drivers were on track;
- Highlighted issues that contributed to the budget gap included:
 - Pay restructure for grades 1 – 5
 - N.I. changes
 - Inflation
 - LED outreach
 - Recycling & refuse contract negotiation on increase
 - Cranbrook additional operations (Streetscene)
 - Environmental health & car parks restructure
 - Seaton Jurassic closure
 - Exmouth lifeguard service increase
 - Planning service additional staffing resources

The Panel were asked to bear the demands in budget in mind, and to prepare for difficult budgetary decisions; equally, officers needed to clarify priorities and focus on what is affordable as opposed to aspirational. The recommendations to Senior Officers for approval on public toilet provision was a large step towards closing the budget gap, but further work was needed to come to a balanced budget.

Discussion by the panel covered:

Recycling and refuse contract

In response to questions, the current contract was to cover up to 73k properties for the lifetime of the contract, but the growth rate had been faster than expected and was

predicted to hit that level of properties in September 2022; however the tonnage of collected recycling was now equivalent to 73k of properties in that households habits had changed considerably due to the pandemic. The contract negotiations had been fully scrutinised and the figures being presented reflected that increased demand.

Members discussed the responsibilities of delivery companies and producers in dealing with their own product waste; with legislation awaited on “extended producer liability” this was unlikely to come into any effect until 2024; in the meantime, the Council needed to consider the budget to cope with the demand levels that were expected to remain high.

Holiday lets are charged for schedule 2 collections, in response to a query about second homes.

2026 was the target year for the decarbonisation of the SUEZ fleet; at present the technology was not at a suitable level for collection vehicles.

Second homes

Raising income from second homes on commercial waste collection was commented on; in response, those second homes used for letting were likely to qualify for small business rate relief, therefore unlikely to be paying business rates.

Town and Parish Council responsibilities

Discussion took place on various arrangements in the District, with an example of Chard Town Council arranged collection from public waste bins/dog bins to a central point, for collection by SSDC. Some towns were part funding the resources need to clear bins, but there were wider implications for that towns and parishes could afford, as well as an increase in demand because of more visitors to popular areas prompted by the pandemic and likely to continue.

Service delivery overall

Many services had seen an increase in operational demand, including for some services new duties. Some teams were struggling to deliver their service requirement and therefore budgets would come forward to provide the resources needed.

Car Park Charges

Charges were under review by means of a Task and Finish Forum; consideration of the prime sites that regularly attracted customers could be to consider an additional increase over that budgeted, in order to realise more income to help reduce the budget gap.

22 Capital project update as at 15 November 2021

The Panel received and noted a report on the current capital projects as at November 2021.

23 Capital Programme Financing

The Panel received detail on the Capital Programme over the five year period to 2025/26 which included the capital bids proposed to show the outcome of adding in all the bids presented. This included a detailed breakdown of existing bids and those proposed in portfolio area across the five year period.

In outlining how the capital programme is financed, the Strategic Lead Finance took the Panel through the five year budget lines.

The net expenditure to be financed was set out, with budget lines for how it would be financed, including if there was any financing from:

- general fund receipts
- section 106 funding
- general fund grants
- use of general fund capital project reserves
- general fund revenue contributions to capital funding
- Housing Revenue Account (HRA) funding
- New Homes Bonus funding

What remained after those elements had been subtracted from the net expenditure, had to be met from general fund loans/internal borrowing, termed as the “minimal revenue provision”. This amount to pay off annually is then listed on the revenue position. Whilst some bids to the capital programme were urgently required because of health and safety requirements, the Panel were asked to bear in mind that any bids added into the capital programme had an impact on the revenue position as a result.

Funding the minimal revenue position could fall to either a PWB loan, or from other cash resources. Whilst interest rates are currently low from the PWB, it would be a prudent option to fund from internal cash resources.

In response to a question about how capital projects are reported, the Panel were reminded that their role was to monitor the major projects; financial monitoring was regularly reported to Cabinet. It would take considerable resources to report to all Members every aspect of all the projects.

A request was made for clear delineation of CIL contributions as a subject line in the capital programme financing.

24 **Capital bids proposed**

The Panel worked through the 42 bids proposed to the Capital Programme, seeking clarification from officers as required and diligently debating those bids that should go forward for recommendation. The Panel were mindful of the impact on the minimal reserve position in recommending bids.

Discussion also took place on the number of bids presented, which reflected the change from reactive works to maintaining stock condition for assets. The Panel were also supportive of bids, or elements of bids, that covered necessary works for the health and safety of the public. The Panel also discussed the forthcoming work in formulating the Leisure and Built Facilities Strategy, and how that impacted on the bids proposed that related to assets that LED ran leisure provision from. As a result, some bids were referred to the LED Monitoring Forum for further discussion.

Recommended to Cabinet to include in the Capital Programme:

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- a. Bid 1 Exmouth Camperdown Depot Roof Replacement (£32k for yr 22/23
- b. Bid 2 Exmouth Pavilion Refurbishment and Improvement Works for works only to mitigate health and safety requirement element of the bid at a figure of **(to be provided)**

- c. Bid 4 Replacement of roofs at Broadclyst and Ottery Leisure Centres (£316,250 yr 22/23 and £259,325 yr 23/24)
- d. Bid 5 Corporate Property Fire Risk Assessment (FRA) Works (£52K yr 22/23, £52k yr 23/24)
- e. Bid 6 Review of energy saving opportunities and resultant improvement works across Corporate and Leisure Portfolios part bid (£60k only for yr 22/23) and further investigation of works required
- f. Bid 7 External Repairs at Various Corporate Buildings (£224,250 yr 22/23 and £224,250 yr 23/24)
- g. Bid 9 External Emergency Lighting to Various Industrial Units (£29K yr 22/23)
- h. Bid 10 LED Tenanted Property Fire Risk Assessment (FRA) Works (£200K yr 22/23 and £231K yr 23/24)
- i. Bid 11 Refurbishment of sports halls and sports floors at various LED premises only sports floors element of bid at a figure of (to be provided)
- j. Bid 12 Refurbishment of swimming pool plant at Exmouth, Honiton, and Sidmouth LED Pools (£63, 250 yr 22/23 and £63,250 yr 23/24)
- k. Bid 13 Refurbishment/replacement of ventilation equipment and HVAC plant at various LED leisure centres (£172,500 yr 22/23)
- l. Bid 14 External Decorations and Repairs Depots (£32K yr 22/23)
- m. Bid 15 Main Streetscene Depots Operation Review (£50k yr 22/23)
- n. Bid 16 Colyton Dolphin St Toilets Render to External Walls and External Decorations with efforts made to reduce to minimum work required (£25K yr 22/23)
- o. Bid 17 Mini Site Nr 3, Durham Way, Honiton - Retaining Wall rebuild (£101,500 in yr 22/23)
- p. Bid 18 Refurbishment and Repairs to Beach Huts and Chalets part bid (£100k yr 22/23) and endorse ongoing work to review the beach huts and chalets offer
- q. Bid 20 Exmouth Manor Gardens Tool Shed Replacement (£22,500 yr 22/23)
- r. Bid 21 Exmouth Leisure Centre - Replacement of Cold Water Storage Tank with Mains Water Supply (£21,000 yr 22/23)
- s. Bid 22 Exmouth and Manor Pavilion Repairs to Stage Equipment (£43,300 yr 22/23 and £13,200 yr 23/24)
- t. Bid 24 Recycling & Waste Capital Programme part bid at £405K for yr 22/23 to cover necessary elements outside of contract negotiation
- u. Bid 25 Axmouth Harbour Repair (£70K yr 22/23)
- v. Bid 26 Beer Breakwater Scour Repair (£40K yr 22/23)
- w. Bid 27 Blackmore Gardens Maintenance (£20k yr 22/23)
- x. Bid 28 Car Park relining of spaces (£20k yr 22/23)
- y. Bid 29 Exmouth Seawall Repairs (£40K yr 22/23)
- z. Bid 30 Foxholes Resurfacing (£100K yr 22/23)
- aa. Bid 31 Rewilding Plantation Walk, The Beacon, Exmouth (£50K yr 22/23)
- bb. Bid 32 Sidmouth Seawall Repairs (£70K yr 22/23)
- cc. Bid 33 Axmouth Harbour ALWC survey (£22K yr 22/23)
- dd. Bid 34 Exmouth Beach Management Plan (**£75k yr 22/23 and £75k 23/24**)
- ee. Bid 37 Littleham Brook Outfall repair (£175K yr 22/23)
- ff. Bid 38 Littleham Village Hall renewal of play equipment (**£75k yr 23/24**)
- gg. Bid 39 Renewal of Norman Crescent play area, Budleigh Salterton (£60k yr **23/24**)
- hh. Bid 40 Phear Park Skatepark Lighting part bid (£20k yr 22/23) with request to Exmouth Town Council to fund remaining £20k; and ensure low energy lighting used
- ii. Bid 41 Renewal of Whitebridges Play Area, Honiton (£130K yr 22/23)
- jj. Bid 42 Renewal of Willow Walk play area, Honiton (£50k yr 22/23)

- 2 An uplift of 10% on all engineering project bids listed at £75k or above to cover additional resources required to deliver the projects.

The Panel chose to defer the following bids as follows:

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- a) Bid 3 Exmouth Pavilion Refurbishment Works to Catering Areas;
- b) Bid 8 Refurbishment/replacement of HVAC plant at various corporate buildings;
- c) Bid 19 Various Swimming Pools Pool Water Treatment Energy Management and refer the bid for debate at the LED Monitoring Forum
- d) Bid 23 Sidmouth Swimming Pool Light Refurbishment to Changing Facilities and refer the bid for debate at the LED Monitoring Forum
- e) Bid 35 Exmouth Clock Tower Lights
- f) Bid 36 Mamhead Baffle

Attendance List

Councillors present:

J Rowland (Chair)
M Armstrong
P Arnott
K Blakey
P Hayward
S Jackson
G Jung
D Ledger
J Loudoun
A Moulding
G Pook
M Rixson
E Rylance
N Hookway
V Johns

Councillors also present (for some or all the meeting)

P Faithfull
P Millar

Officers in attendance:

Andrew Hancock, Service Lead StreetScene
Tom Buxton-Smith, Engineering Projects Manager
Tim Child, Service Lead - Place, Assets & Commercialisation
Debbie Meakin, Democratic Services Officer
Jorge Pineda-Langford, Principal Building Surveyor, Property & FM
Gareth Bourton, Recycling and Waste Contract Manager
John Golding, Strategic Lead Housing, Health and Environment

Councillor apologies:

D Bickley
E Wragg