



SOUTH EAST DEVON
HABITAT REGULATIONS
PARTNERSHIP

South East Devon Habitat Regulations Executive Committee

Financial Report

East Devon District Council

April 2022



Exeter
City Council



Teignbridge
DISTRICT COUNCIL
South Devon

Legal comment/advice:

There is no direct comment to be made in relation to this report, each and any individual issue will need to be considered as it arises.

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 2021-22 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 As previously reported, in order to maintain consistency as far as possible with the Housing and Economic Land Availability Assessment (HELAA) methodology of forecasting income, amounts expected from signed planning obligations 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 remains the 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 is 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.

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 31/12/21.

Charging zone/period	Total received to 31/12/21	Total expenditure to 31/12/21	Balance to 31/12/21
SANGS	£5,839,434 ¹	-£5,119,625 ²	£719,809
Dawlish Warren On site	£915,810	-£327,811	£587,999
Exe Estuary On site	£775,124	-£417,157	£357,967
Pebblebed Heaths On site	£664,136	-£312,526	£351,610
EDDC CIL ³	£742,902	-£37,198	£705,704
Cranbrook agreement ⁴	£222,728	£0	£222,728
Total	£9,160,134	-£6,214,317	£2,945,817

Table 2. 5 Year forecast of income/housing delivery.

Year	Dawlish Warren	Exe Estuary	Pebblebed Heaths	SANGS	EDDC CIL	Total
22-23	£91,000	£460,134	£313,350	£1,230,702	£117,123	£2,212,309
23-24	£110,500	£502,677	£314,238	£1,281,104	£92,841	£2,301,360
24-25	£110,500	£365,798	£218,674	£856,834	£80,934	£1,632,740
25-26	£94,250	£213,256	£106,507	£421,718	£36,384	£872,115
26-27	£109,850	£306,446	£185,512	£723,492	£70,854	£1,396,154
Total	£516,100	£1,848,311	£1,138,281	£4,513,850	£398,136	£8,414,678

¹ Includes forward funding and internal borrowing at TDC as well as the Housing Infrastructure Fund (HIF).

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.

1.5 Table 3, below, shows the estimated expenditure on the 2022/23 ABP and projected remaining balance at the end of each year until 2026/27.

Table 3 – Recommended on site expenditure by year and projected balance of funds as at end of each year until 2026/27⁸.

Year	Dawlish Warren spend	Exe Estuary spend	Pebblebed Heaths spend	Infrastructure funded from CIL	Total spend
2022-23	£64,757	£69,757	£53,316	£179,370	£367,200
2023-24	£56,104	£64,304	£57,536	£10,370	£188,314
2024-25	£57,487	£65,687	£58,919	£10,370	£192,464
2025-26⁵	£68,799	£68,999	£63,905	£10,370	£212,073
2026-27⁶	£59,946	£68,146	£63,052	£10,370	£201,514
Total	£307,093	£336,893	£296,728	£220,850	£1,161,565

Remaining balance at end 2026-27	£853,478	£1,999,406	£1,280,630	£882,990	£2,616,237⁷
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2. Expenditure against Annual Business Plans (ABP)

2.1 Previous finance reports have reported nil expenditure against mitigation measures which have not yet been implemented, such as the potential for new byelaws regarding fires, reed screening near the golf course and the visitor management plan at Dawlish Warren.

2.2 These measures are all on hold and under review, given the increased speed of coastal change at the Warren and it is currently uncertain whether these measures will continue in their current form. An update on the future of these measures will be due when more is known about the future plans for the site, in particular the Environment Agency and the Beach Management Scheme review. As such, nil expenditure on these measures will no longer be reported in finance reports.

⁵ Funding arrangements for the Delivery Manager and Devon Loves Dogs Coordinator are currently in place until March 2025.

⁶ See (5)

⁷ Total remaining "on site" balances as at end 2026-27. Other funds (from the Cranbrook Agreement) will also remain available – see 1.9 for reporting constraints.

⁸ SANGS expenditure & balance dependent on funding arrangements relating to the Housing Infrastructure Fund (HIF) – see report "HREC funding arrangements", Nov 2020.

2.3 The continuing cross-site mitigation measures are shown in Table 5, below. The largest variance in expenditure (staff and associated recharges) is accounted for because the data does not include the 4th quarter of the current financial year.

Table 4. Cross site mitigation and expenditure recommended as part of the 2021/22 ABP.

Site	Measure	Revenue budget	Expenditure (Actual)	Variance +/-
All	Staff (salary, pension, NI)	£143,666	£139,471	+£4,195 ⁹
All	Staff recharges	£18,874	£12,590	+£6,284 ¹⁰
All	Wildlife Wardens – operational (stationary, PPE, uniform, training)	n/a	£199	-£199 ¹¹
All	Wildlife Wardens – vehicle	£3,000	£2,081	+£919 ¹²
All	Patrol Boat	£7,000	£5,057	+£1,943 ¹³
All	Dog project vehicle	£1,875	£482	+£1,393 ¹⁴
All	Dog project – operational	£2,000	£1,332	+£668 ¹⁵
Totals		£176,415	£161,212	+£15,203

2.4 Expenditure on all site specific mitigation measures either completed or initiated is shown below in Table 5.

2.5 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.

⁹ Additional 12 month 0.5 FTE Wildlife Warden approved in Nov 2020. Includes £11,583 furlough salary recovery towards these costs, as anticipated.

¹⁰ Recharges for Delivery Manager expected at year end.

¹¹ The strategy does not identify operational costs for the Wildlife Wardens but these are minor and can easily be accounted for from underspend in other budgets such as the vehicle or patrol boat.

¹² Staff changes within the team from Nov 2021 meant that there were fewer journeys made.

¹³ See 12.

¹⁴ Many of the usual events and guided walks were cancelled due to Covid restrictions and so fewer journeys were made.

¹⁵ Fewer large events due to Covid restrictions meant that there was less spend on materials/resources than usual.

2.5 Phase 1 of the East Devon Pebblebed Heaths visitor access improvements is complete. WSP will submit a planning application for Phase 2 in April, with works expected in summer 2022. New interpretation and signage design/manufacture is almost complete, with first phases due for installation April 2022. All projects continue to be invoiced according to agreed contractual schedules.

Table 5. 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	Translocation of petalwort	£2,000	£330	+£1,670 ¹⁶	£2,000	£1,670
Dawlish Warren	Fencing to prevent access along shore near roost on Bight.	£2,800	£3,082	-£282 ¹⁷	£160,000	£156,918
Dawlish Warren	Carry out audit of information boards	£1,500	£2,506	-£1,006 ¹⁸	£19,500	£5,722 ¹⁹
Dawlish Warren	BBQ info at local retailers	£2,000	£0	+£2,000 ²⁰	£6,000	£6,000
Dawlish Warren	Monitoring of vegetation change	£5,000	£1,355	+£3,645 ²¹	£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	£27,950	£ ⁻²²	£30,000	£2,050
Exe Estuary	Wildlife Refuge buoy markers.	£30,000	£17,606	+£12,394	£30,000	£12,394
Exe Estuary	Update signs at public slipways	£40,000	£25,940	+£14,060 ²³	£120,000	£94,060

¹⁶ Initial consultant site visit paid for. EA paid for report. Further discussion required re: future plans.

¹⁷ Cost of timber has increased since original costs estimated in 2014.

¹⁸ See 17

¹⁹ Takes into account £11,272 spent on new signage, approved in 2017/18 annual business plan.

²⁰ Design of posters completed in-house @ TDC.

²¹ Survey completed, reported to Committee November 2020.

²² 3 year study completed and reported to Committee October 2021.

²³ 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
Exe Estuary	Interpretation boards	£5,000	£0	+£5,000	£112,500	£112,500
Pebblebed Heaths	Dog bins	£13,480	£10,379	+£3,101 ²⁴	£273,100	£262,721
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 ²⁵	£6,500	£6,500
Pebblebed Heaths	Signs related to conduct	£6,600	£0	+£6,600 ²⁶	£6,600	£6,600
Pebblebed Heaths	Path monitoring/repair	£12,000	£5,269	+£6,731 ²⁷	£95,000	£89,731
Pebblebed Heaths	Interpretation Boards	£5,000	£510	+£4,490 ²⁸	£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	£39,597	+£121,532 ²⁹	£161,129	£121,532
Pebblebed Heaths	Phase 2 Visitor Access Improvements	£147,837	£5,075	+£142,762 ³⁰	£147,837	£142,762
All	Visitor survey	£12,422	£10,570	+£1,852 ³¹	£167,000	£156,430
All	Gazebo	£3,500	£2,128	+£1,372 ³²	£3,500	£1,372
All	Website redesign	£7,000	£6,740	+£260 ³³	£7,000	+£260
All	HMO vehicle change	£3,000	£3,452	-£452	£140,000 ³⁴	£136,548
Sub total		£535,874	£207,593	+£328,281	£1,796,526	£1,577,661

²⁴ Economies of scale achieved during installation, annual costs include maintenance/repair (not yet required). Awaiting invoice for 2021/22.

²⁵ Contract awarded, project due to complete summer 2022.

²⁶ See 23.

²⁷ Priority works have completed. Future audits due according to intervals.

²⁸ Integral part of Phase 1 works, contract awarded, project due to complete summer 2022.

²⁹ Permission granted and works underway, completion April 2022. Invoicing ongoing.

³⁰ WSP will submit planning application April 2022. Works expected summer/autumn 2022.

³¹ Additional surveys for Pebblebed Heaths included in original budget will be paid for by the Pebblebed Heaths Conservation Trust.

³² Procured below budget.

³³ New website (and monitoring dashboard) launched April 2022.

³⁴ Based on £20K for change of vehicle every 10 years. See 7.4, 2016-17 Annual Business Plan, June 2016.

3. Core staff capacity – update.

3.1 A July 2019 report³⁵ to the Executive recommended the extension of funding for staff roles considered critical to the successful delivery of the mitigation Strategy.

3.2 This was updated in the “Core Staff Capacity” report in November 2020 which further recommended securing additional contributions in order to fund a 0.2 FTE Communications Officer role. The estimated funding requirement at that time was £150,182, which necessitated an increase of developer contributions of £6.81, as shown in Table 6, below:

Table 6. Required increase in developer contributions (Nov 2020).

Required funds (July 2019)	£ 105,000
Communications Officer 0.2 FTE (5 years)	£ 45,182
Total	£ 150,182
Number of charges	22,044
Increase per dwelling	£ 6.81

3.3 During the November 2020 meeting, the Executive resolved that the increase in developer contributions were approved, with a further review in April 2022.

3.4 A review of the housing and income forecasts has been completed, which indicates that the increase to contributions approved in November 2020 remain sufficient to ensure certainty of delivery. However, it should be noted that these calculations are based on forecast data which cannot take account of unforeseen changes to housing delivery in the future. This is illustrated by the fact that projected housing numbers have increased by 2347 since Nov 2020.

3.5 The position as at April 2022 is shown in Table 7, below. The current position would allow for a 10% contingency decrease in income whilst still covering the majority of costs.

³⁵ Staffing requirements of the South East Devon European Site Mitigation Strategy.

Table 7. Review of developer contributions, April 2022

Required funds	£150,182
Number of charges ³⁶	24,391
Increase per dwelling	£ 6.81
Projected income	£166,103
10% decrease	£149,492

3.6 Given the reassurance that the current forecast secures the required funding, it is considered unnecessary to make any further changes to developer contributions at this time.

Growth, Development & Prosperity,
East Devon District Council

April 2022

Natural England comment:

Natural England have reviewed the report and have no comment to make.

³⁶ From 2020 to the end of respective Local Plan/Core Strategy periods.