

EAST DEVON DISTRICT COUNCIL

Minutes of the consultative Joint Budget meeting of the Scrutiny Committees held at Online via the Zoom App on 12 January 2022

Attendance list at end of document

The meeting started at 9.29 am and ended at 2.00 pm

31 Public speaking

There were no members of the public registered to speak.

32 Minutes of the previous meeting

The minutes of the previous joint meeting held on 14 January 2021 were noted.

33 Declarations of interest

36. Draft Revenue and Capital Budgets 2022 - 2023.

Councillor Marcus Hartnell, Personal, A business owner who will be impacted by changes in car parking prices.

36. Draft Revenue and Capital Budgets 2022 – 2023.

Councillor Paul Millar, Personal, Council appointed director of Sideshore (Exmouth Queen's Drive Community Interest Company).

36. Draft Revenue and Capital Budgets 2022 – 2023.

Councillor Maddy Chapman, Personal, Council appointed director of Sideshore (Exmouth Queen's Drive Community Interest Company).

37. Key Service Plan Objectives 2022 - 2023.

Councillor Jake Bonetta, Personal, Special Responsibility Holder at Honiton Town Council for Arts, Culture and Heritage.

37. Key Service Plan Objectives 2022 - 2023.

Councillor Paul Arnott, Personal, Joint owner with his wife of a small Bed & Breakfast.

37. Key Service Plan Objectives 2022 - 2023.

Councillor Vicky Johns, Personal, Works as Arts Administrator for South West Academy of Fine and Applied Arts.

37. Key Service Plan Objectives 2022 - 2023.

Councillor Tom Wright, Personal, Owner of a dog.

37. Key Service Plan Objectives 2022 - 2023.

Councillor Jake Bonetta, Personal, Chair and Founder of Honiton Food Safe.

37. Key Service Plan Objectives 2022 - 2023.

Councillor Vicky Johns, Personal, Director of Ottery Larder.

37. Key Service Plan Objectives 2022 - 2023.

Councillor Tom Wright, Personal, Chair of the main resident's Communities Committee regarding the Lower Otter Restoration Project.

34 **Matters of urgency**

There were no matters of urgency.

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

There were no confidential items.

36 **Draft Revenue and Capital Budgets 2022 - 2023**

The Chair invited the Strategic Lead Finance to outline the budget position and present the Draft Revenue and Capital Budgets.

In presenting the budgets, the Strategic Lead Finance highlighted to the committees:

- The draft budget proposed and adopted by Cabinet requires £323k to be taken from the General Fund Balance. This would put the retained General Fund within the adopted range but at the lower end of that range, giving reduced flexibility in-year to approve additional expenditure or any risks that might come forward;
- The joint committees are asked to consider a revised increase in prime car parks to a £1.50 hourly charge. If agreed, this will generate an estimated additional income of £339k thereby negating the aforementioned need to use the General Fund Balance, and balancing the books for 2022-23;
- The draft budget assumes an increase in Council Tax by £5 a year;
- The draft budget includes income from central government of £710k for the year;
- The draft budget includes an additional £2 million from Business Rates over and above the government assessment of what the Business Rates would be;
- The budget has been produced on an 'as is' basis in terms of service delivery, but service leads in a number of areas (including StreetScene, Environmental Health and Car Parks, Development and Management, Arts and Culture) have highlighted that in order to deliver services as is, and items within the Council Plan, they would require additional staff resources. These items, totalling £737k, are currently not in the budget as they are unaffordable;
- Other items not included in the budget due to being unaffordable include a request for £60k per year for Council Voluntary Service and £50k for a detailed Tree Strategy;
- The New Homes Bonus for 2022-23 is £2.1 million. Of this, £1.5 million will go into the General Fund and the remainder into the Capital Budget to fund the capital programme;
- The Housing Revenue Account will be debated for recommendation by the Housing Review Board;
- The Capital Programme has been considered by the Budget Setting and Capital Allocation Panel. Recommendations were approved by Cabinet and are reflected in the presented Capital Budget.

The risks for the year ahead, which have been included in the draft, include:

- Recycling and Refuse – negotiations are ongoing regarding additional crew and vehicles required to meet increased demand, and a separate report will be taken to Cabinet and Council with the full details of implications for the Revenue and Capital Budgets. Discussions have indicated that a budget should be included in the range of £400k to £600k;
- LED – a Service Level Payment is included in the draft budget of £944k but there is a risk that the final sum could be higher if no service degradation is to be seen. Full details will be presented through the LED Forum for debate. It is proposed that a sum in the range of £50k - £100k as additional budget may be required;
- Pay review – an authority-wide pay review is in progress and whilst the outcome will not be known until February 2022, indications are that Council pay has fallen below the

medium pay level in key areas. It is assumed that the review will recommend an increase in the Council's pay bill, which will affect the General Fund and Housing Revenue Account. It is considered appropriate to consider a budget sum in the range of £300k - £500k for the General Fund.

It was proposed to allow a 75% risk factor within these bandings which would result in a sum of just over £1 million to be added into the budget.

Recommendations would go forward to Cabinet before referral to Council to agree the final budget.

The joint committees were asked to be mindful of the financial challenges and the overall budget position of the Council in considering the Draft Service Plans for 2022-23, and to recommend approval or any amendments being made to Cabinet.

The Portfolio Holder for Finance thanked the Strategic Lead for Finance for his succinct report. He highlighted that:

- If the General Fund Reserve was taken down to £3.6 million this would be very close to the minimum and it was unsustainable to continue to raid the Reserve going into future years;
- Funding of £1.6 million had been provided to LED to support them through the impact of the pandemic. Had leisure services been provided through the Council's own resources instead of through LED, the Council would have been eligible to claim financial support from central government. Pleas have been made via MPs to central government for support and if successful, this will help the budget position considerably;
- Car parking charges have not increased for 10 years despite inflation and the introduction of 20% VAT which has reduced the Council's income further. An increased hourly rate of £1.50 would still be very reasonable relative to neighbouring authorities;
- The vast majority of capital allocation proposals were urgent maintenance issues related to health and safety, rather than for new projects.

Questions, comments and clarification included:

- In response to a Member's request for clarification, the Strategic Lead Finance confirmed that the additional staff resource requests which had been deemed unaffordable were not factored into the budget for the pay review calculation, as the numbers would be immaterial to the budget level;
- In response to a Member's question about penalty clauses in the recycling contract, the Service Lead StreetScene stated that there was a penalty calculator in the contract related to missed bin collections and contractor complaints and these were monitored at the Partnership Management Board. No penalty clauses had been invoked to date and the focus was on working together in the spirit of partnership;
- Following a request for clarification it was confirmed that if approved, the £50k for a detailed Tree Strategy would have been a one-off payment. A member commented that the Council has committed to a climate strategy and it would be appropriate for the joint committees to recommend to Council that the Tree Strategy one off payment should be made;
- Views were expressed that the proposed increase in the hourly car parking rate to £1.50 was not enough. It was noted that in peak tourist season some prime car parks were full and the Council was not getting the income from this that it should be. Car parking charges in neighbouring authorities were higher although it was unclear whether car parks being compared had toilets attached or close by, and whether these were chargeable. Comment was made that in comparing parking charges with those of neighbouring authorities, it was important to compare like with like;
- Comment was made that in comparing parking charges with other authorities, it should be recognised that East Devon is competing with the whole of the South West for tourist spend, not only with neighbouring authorities;

- It was noted that the customer reaction to increased car parking charges was unknown and it could not be assumed that a percentage increase in hourly charges would equate to the same percentage increase in revenue, especially given the wider cost of living squeeze. The Service Lead Environmental Health and Car Parks informed Members that under legislation, the Council could not simply raise car parking charges for the purpose of raising money, but had to consider carefully what raising charges would do to demand. In discussion, Members expressed differing views on the likely impact on demand of increasing charges;
- It was acknowledged that in considering car parking charges, Members needed to be mindful of the potential impact on vulnerable high streets and town centre economies;
- Members expressed opposing views on whether car parking charges should be consistent across all of the district's car parks, or whether they should differ depending on demand and location. Comment was made that a blanket fee did not take account of the different uses that car parks have;
- In response to a question about revenue from green garden waste bins, it was clarified that green waste is a profit making service, with profit split between Suez and the Council. Income from the service goes into the overall recycling and waste budget which helps to offset the cost of providing the service;
- Comment was made that the cost of car park permits should be subject to the same percentage increase as the hourly charge. The Service Lead Environmental Health and Car Parks stated that a decision had been taken a year ago to increase the cost of the parking permit to £120 from April 2022;
- Views were expressed that the car parking permit should be more widely promoted among local residents, with the ability to pay monthly.

Councillor Paul Millar proposed, seconded by Councillor Davey and Councillor Woodward, the following recommendations:

- Council adopt a £2.00 an hour charge for a limited number of popular hot-spot car parks within Category 1: Exmouth Queen's Drive Echelon, Exmouth Beach Gardens, Budleigh Lime Kiln, and Sidmouth Ham (East and West) from April 2022.
- Council adopt a £1.50 an hour charge for all other Category 1 car parks from April 2022 but avoid the 10p per year charge for the subsequent three years to prevent damage to vulnerable High Street businesses.
- Cabinet review other budgetary requests (e.g. Tree Strategy and StreetScene) which have been rejected in line with new estimated budget forecasts.
- That Overview and Scrutiny Committees further request that a working draft of the Car Parking Strategy be presented to the next Overview Committee in order to set timescales for a speedy adoption.

Councillor Marcus Hartnell proposed the following:

- Council increase all £1.00 an hour car parks to £1.20 an hour so that all car parks are £1.20 an hour.
- Cabinet review other budgetary requests (e.g. Tree Strategy and StreetScene) which have been rejected in line with new estimated budget forecasts.
- That Overview and Scrutiny Committee further request that a working draft of the Car Parking Strategy be presented to the next Overview Committee in order to set timescales for a speedy adoption.

Following a vote of committee members present, Councillor Millar's proposals of were accepted.

Councillor Andrew Moulding proposed the following recommendation:

- Moving £500k from the Capital Budget to the Revenue Budget.

Following a vote of committee members present, Councillor Moulding's proposal was rejected.

RECOMMENDATION;

The following provisional recommendations by the Overview and Scrutiny Committees to Cabinet were agreed at this point:

- To adopt the draft Revenue and Capital Budgets for 2022-23 taking account of the following:
 - adopting a £2.00 an hour charge for a limited number of popular hot-spot car parks within Category 1: Exmouth Queen's Drive, Exmouth Queen's Drive Echelon, Exmouth Beach Gardens, Budleigh Lime Kiln, and Sidmouth Ham (East and West) from April 2022; and
 - adopting a £1.50 an hour charge for all other Category 1 car parks from April 2022 but avoid the 10p per year charge for the subsequent three years to prevent damage to vulnerable High Street businesses.
- To review other budgetary requests (e.g. Tree Strategy and StreetScene) which have been rejected in line with new estimated budget forecasts.
- That a working draft of the Car Parking Strategy be presented to the next Overview Committee in order to set timescales for a speedy adoption.

The Chair advised that this would be revisited after the two committees had reviewed the Service Plans in both this meeting and the following session on 17 January 2022.

37 Key Service Plan Objectives 2022 - 2023

The joint committees considered the service plan objectives for the following services:

- Countryside and Leisure
- Environmental Health and Car Parks
- Housing
- Streetscene

The Strategic Lead Health, Housing and the Environment delivered a presentation outlining the significant challenges that the four services face and the cross-cutting themes that appear in each of the service plans, including:

- Resource challenges with respect to staff recruitment, retention and absence, and the need to maintain staff morale;
- Staff health and safety. It was noted that there were some dangerous activities, for example tree surgery, and litter picking on high-speed roads;
- A number of budget requests put forward to meet significant growth in customer demand had been deemed unaffordable, therefore the focus would be on managing services with the available resource and ensuring staff were deployed to best effect;
- The Council's commitment to achieving a carbon net zero position over the next 20 years, with good progress being made;
- Public health, and the Council's work in facilitating the response to the pandemic and recovery back to near-normal conditions;
- Addressing poverty in line with the Poverty Strategy and action plan, based on identified objectives. It was noted that this was an area that would become increasingly important for the Council, in protecting vulnerable communities.

(a) Countryside & Leisure

The Service Lead Countryside and Leisure presented the service's 2022-23 service plan, outlining the key strategic themes and challenges and highlighting some specific service activities that are planned to meet those challenges. He highlighted:

- The statutory work that the service covers;
- The significant budgetary pressures on the service's discretionary areas

which included green spaces, culture and creative arts. He summarised the considerable benefits that these areas had brought over the past 20 months in helping local communities and residents recover from the impacts of the pandemic, and shared that recent government report showed that the health and welfare benefits of green spaces were valued at £30 billion a year;

- The work being undertaken to ensure better homes and communities for all including the Leisure and Built Facilities Strategy, Culture Strategy, the Arts and Culture East Devon grass-roots network and the culture recovery work;
- The key work in ensuring a greener East Devon;
- The actions on tackling climate change;
- Continued work in developing the volunteering programme, linking into the social prescribing programme that benefits many individuals.

The Portfolio Holder for Coast, Country and Environment thanked the Countryside team for their very good work in continuing to protect the natural environment in East Devon throughout a challenging period. He added that he would like to see a focus on delivering the Tree Strategy and he hopes the Council can find land to purchase to extend its woodland.

The Portfolio Holder for Tourism, Sport, Leisure and Culture expressed thanks to the Countryside team for delivering aspects of the cultural, leisure and tourism portfolio. He stressed the importance of the Leisure Strategy which was necessary to access funding from Sports England, and the Culture Strategy, which is a catalyst for economic activity and provides conditions of well being for many people, and facilitates access to Arts Council funding. He commented that there were also some serious long-term issues which the Council would need to fund, including refurbishments.

Discussion included:

- It was expressed that in looking to the future, the Council should follow the lead of cities in using arts and culture to full advantage as a revenue stream to boost the economy and tourism;
- It was noted that tree grants are available, in the event that the Council is able to purchase additional areas where it can plant trees;
- In response to a question about how the team plans to achieve a 10% reduction in the service's carbon footprint this year, it was noted that electrification of vehicles is key, along with online delivery of events and activities, and the creation of more wetlands and tree planting;
- Thanks were expressed to officers for being proactive in focusing on mental health and well being, and it was noted that a Mental Health Challenge Coordinator was now in post;
- Comment was made that setting up the LED Monitoring Forum and the Arts and Culture Forum had been crucial for democratic oversight, especially given that Leisure East Devon (LED) was the biggest area of spend for leisure.

Recommended to Cabinet by the Overview and Scrutiny Committees that the Service Plan 2022-23 for Countryside and Leisure be adopted.

(b) Environmental Health & Car Parks

The Strategic Lead Housing, Health and Environment and the Service Lead Environmental Health and Car Parks presented the service's 2022-23

service plan, highlighting the following points:

- There was a continuing focus for the foreseeable future on supporting businesses and assisting with some community groups including food banks;
- There was an ongoing focus on environmental protection and ensuring that restaurants comply with hygiene standards;
- A number of objectives were in place relating to private sector housing, including activities to bring empty homes into use, and securing the safety of private sector tenants by ensuring that private sector housing meets minimum standards;
- There were risks and challenges arising from resource pressures and the recruitment and retention of staff. It was noted that with existing resources the team were barely managing to deal with:
 - Antisocial behaviour, of which they had seen an increase;
 - Emergency planning and business continuity;
 - Tackling modern slavery and violent crime;
 - Weather and flooding events;
 - Irresponsible dog ownership including dogs not under control, and dog fouling;
- There was a raft of new legislation concerning animal welfare and the team did not currently have the resource to properly address this.

The Portfolio Holder for Climate Action and Emergencies commented on the work of the Climate Change Officer who had been in role for 6 months, sharing that she had produced two films to support residents in reducing their energy use and about food waste reduction. A further aim had been to reduce in-house carbon emissions, and it was hoped that the use of company cars would facilitate this.

Discussion included:

- Thanks were noted to officers for their hard work;
- Support was expressed for any measures to deal with irresponsible dog ownership;
- It was raised that people used bathing waters in all seasons and it was necessary to protect them by ensuring water quality throughout the year;
- In response to a member's question, the Service Lead Environmental Health and Car Parks stated that dealing with vacant properties was a work in progress for the team and he would be happy to discuss further how this area of work could be developed;
- Concern was raised that in the event of fire at electric car charging points in car parks, foam and water could not be used due to the acid in the car batteries. A question was asked whether the Council needed to supply fire equipment in car parks for this eventuality or if there was an update from the fire service. The Service Lead Environmental Health and Car Parks was unaware of the matter as a specific risk and stated that he would make enquiries into it;
- Concern was expressed about the impact from charging residents more whilst they potentially experience a decline in the standard of services, and comment was made that any additional revenue from raising car parking charges should be directed into supporting services.

Recommended to Cabinet by the Overview and Scrutiny Committees that the Service Plan 2022-23 for the Environmental Health and Car Park service be adopted.

(c) Housing

The Service Lead Housing introduced the service's 2022-23 service plan, highlighting the following:

- Priorities included more affordable homes, addressing homelessness and rough sleeping, and ensuring council homes were fit for purpose, with satisfied tenants;
- The priorities linked to public health, and the health and well being agenda;
- An important objective of the service plan was the Stock Condition Survey the data from which would lead into a robust Asset Management Strategy which would in turn inform the Housing Revenue Account and 30-Year Business Plan;
- The Housing service was carrying a number of staff vacancies, and recruitment challenges were impacting on day to day service delivery;
- A compliance team had been established. Next steps were to populate the team with the right people and ensure that they were covering what was needed;
- Poverty was a theme throughout the Housing service plan;
- A review of the Home Safeguarding service would be taking place;
- There was a focus on meeting the demands of the recently launched Social Housing White Paper concerning compliance and the customer voice;
- The team was about to launch its Mental Health Strategy, and a Mental Health Officer had been appointed in Housing to facilitate focus on this area;
- There was an emphasis on climate change, and an example was provided of Council homes where 'fabric first' improvements had been undertaken including the fitting of solar panels and more energy-efficient doors and windows.

The Portfolio Holder for Sustainable Homes and Communities thanked the Housing team for their ongoing work. She commented that she fully supported the Housing service plan and recommended its approval to members.

The Portfolio Holder for Climate Action and Emergencies commented that housing contributes substantially to carbon emissions in the district, and there are concerns about the impact of fuel poverty on residents which was expected to worsen from April with consequences for the work of the Revenue and Benefits team. She would be interested to know year on year what decrease in emissions had been achieved with regard to the Council's housing stock.

Discussion included:

- Councillor Rowland would discuss with the Service Lead Housing the issues around staff recruitment, outside of the meeting;
- In response to a question about the review of Home Safeguard, the Strategic Lead for Housing, Health and Environment confirmed that a report would be taken to Cabinet in February concerning the direction of travel;
- It was raised that complaints about problem tenants were an ongoing issue and there was concern about the ability to deal with these problems;
- In response to a question about the reach of the Fair Share project, it was reported that the team were working in conjunction with voluntary groups and Devon County Council to agree a way forward for the district and the county.

Recommended to Cabinet by the Overview and Scrutiny Committees
that the Service Plan for 2022-23 for the Housing Service be adopted.

(d) Streetscene

The Service Lead StreetScene introduced the service plan for the service for 2022-23, highlighting the following:

- There are significant pressures on the StreetScene services, with a 30% increase in some operational demand last year. This has increased the pressure on frontline delivery teams;
- A budget request of £280k for StreetScene Operations has been deemed unaffordable and this will have a implications for service delivery including:
 - A probably reduction in standards of street cleansing in a visible way. In some areas the team will be unable to deliver the Council's statutory services;
 - Communications with the public and councillors on service requests will need to be curtailed to core services only.
 - The team will not have the resources to engage in communications should standards of operational delivery fall below what the public expect;
 - Staffing issues will necessitate the team's focus to be on day to day delivery of services only, impacting on planning, system changes and efficiency improvements;
- A further large pressures area is the Suez contract bridging solution, with an approximate £1.2 million increase for collection resources;
- There were a number of objectives set out in the service plan under 4 themes: i) operational delivery ii) recycling and waste iii) engineering projects; and iv) green spaces and community.

Discussion included:

- The Portfolio Holder Coast, Country and Environment commented that the electorate expect StreetScene to provide a good service and he hopes this can continue, but the service needs more funding. He added that whereas East Devon was ranked ninth for recycling among local authorities, he aims for the Council to be ranked as number one;
- In response to a question about whether bin lorries will be electric, the Service Lead for StreetScene commented that currently the technology is not there for HGVs and RCVs, and is still evolving. A meeting is scheduled with Suez to discuss decarbonisation of the Suez fleet and there is a need to look at the infrastructure of depot requirements for decarbonisation;
- Disappointment was expressed that some areas will lose some statutory street cleansing services, especially given that some of those areas pay more than others for the collection of bins. It was suggested that this point should be reviewed, with a view to all areas paying the same. The Service Lead StreetScene stated that it costs the Council different amounts to collect from different places and whereas a review of chargeable services might be appropriate, the team does not have the capacity to carry this out;
- In response to a question about dog waste bins, it was confirmed that there is no cost saving to be had in removing dog waste bins and the waste instead going into general waste bins;
- In response to a question about on-street aluminium recycling bins, the Service lead StreetScene stated that he hadn't looked into this as there was typically a large amount of contamination with on-street recycling bins, and it would require the purchase of additional vehicles. He added that a deposit return system would probably be in place in a couple of years' time.

- In response to a question about the Blue Flag awards and the release of sewerage, the Service Lead StreetScene confirmed that the Environment Agency test the bathing water quality and, in the event of a storm event, if the Council has displayed a water quality warning notice, then that sample is discounted from the water quality results which affect the Blue Flag.

Recommended to Cabinet by the Overview and Scrutiny Committees
that the Service Plan 2022-23 for StreetScene be adopted.

Attendance List

Councillors present:

T Wright (Vice-Chair)

V Ranger

A Bruce

M Chapman

A Colman

O Davey

C Gardner

S Hawkins

J Kemp

P Millar

H Parr

E Rylance

D Barrow

J Bonetta

M Hartnell

B Ingham

A Moulding

T Woodward

V Johns (Chair)

S Gazzard

G Pook

Councillors also present (for some or all the meeting)

J Bailey

D Bickley

K Bloxham

C Brown

F Caygill

G Jung

D Ledger

J Loudoun

J Rowland

I Thomas

P Arnott

Officers in attendance:

Andrew Ennis, Service Lead Environmental Health and Car Parks

Jo Garfoot, Acting Housing Service Lead

Amy Gilbert-Jeans, Service Lead Housing

John Golding, Strategic Lead Housing, Health and Environment

Henry Gordon Lennox, Strategic Lead Governance and Licensing (and Monitoring Officer)

Andrew Hancock, Service Lead StreetScene
Sarah Helman, Democratic Services Officer
Susan Howl, Democratic Services Manager
Charles Plowden, Service Lead Countryside and Leisure
Simon Davey, Strategic Lead Finance

Councillor apologies:

I Hall

Chair:

Date: