

EAST DEVON DISTRICT COUNCIL

Minutes of the joint Overview Committee and Scrutiny Committee Budget Meeting held at Council Chamber, Blackdown House on 11 January 2023

Attendance list at end of document

The meeting started at 9.30 am and ended at 3.55 pm

64 Public speaking

There were no members of the public registered to speak.

65 Minutes of the previous meeting

The minutes of the previous joint meetings held on 12 January 2022 and 17 January 2022 were agreed and signed as a correct record.

66 Declarations of interest

Minute 70a. Countryside and Leisure.

Councillor Ian Hall, Affects Non-registerable Interest, Councillor is Chair of a charitable organisation running the Axminster Skatepark project.

Minute 70a. Countryside and Leisure.

Councillor Tony Woodward, Disclosable Pecuniary Interest, Councillor has contract as casual worker with LED Leisure Management Ltd.

The Monitoring Officer granted Cllr Woodward a dispensation to remain in the meeting, as without a dispensation the Overview Committee would have been inquorate at certain points during the meeting.

Minute 70a. Countryside and Leisure.

Councillor Vicky Johns, Affects Non-registerable Interest, Councillor works for an art charity.

Minute 70b. Housing.

Councillor Jake Bonetta, Affects Non-registerable Interest, Councillor is Chair of Honiton Foodsave.

67 Matters of urgency

There were no matters of urgency.

68 Confidential/exempt item(s)

There were no confidential / exempt items.

69 Draft Revenue and Capital Budgets 2023-2024

The Portfolio Holder for Finance thanked the Director of Finance and the Finance Manager for their work in preparing the reports. It was noted that the draft budgets had been prepared against a background of reduced funding by central Government, constraints on council tax limits and high inflation, all of which were significant factors.

Recommendations from the Committees would go forward to Cabinet on 1 February before referral to full Council to agree the budget.

The Director of Finance outlined the budget position and presented the draft Revenue and Capital budgets for 2023-2024, highlighting the following key points to the Committees:

- With regard to the General Fund position, since the report was compiled the Local Government Settlement has been announced which provided an additional £349,000 in grants, leaving a requirement of £85,000 to be taken from reserves in order to balance the budget.
- It was acceptable to take this amount from reserves and Government advice was that Councils should consider taking amounts from reserves due to the current significant implications of inflation.
- The report highlighted significant variations in portfolio expenditure between years with a 25% increase in expenditure due to factors such as the national pay award in the current financial year, the assumed pay award for the next financial year and the Council's recent pay review.
- Increasing energy costs had added £200,000 to the budget across the whole Council.
- Regarding service specific variations between years, a one off cost of £169,000 had been included for the District Election in May 2023.
- A linked background paper explained the requirement for the inclusion of £100,000 in the budget for the early stage planning of a new town.
- An additional £1.1m was required by StreetScene for expenditure on recycling and waste as a result of the approved bridging solution and inflation linked to contract payments.
- The Housing Task Force Team required an additional £182,000 which would be met from earmarked reserve.
- Special items had been excluded from the draft budget as there was no scope for additional expenditure until the outturn position was known.
- The report highlighted that since the draft budget had been prepared, LED had requested a revised amount of £1.498m which was an increase of £126,000 above the draft budget figure of £1.372m. This request would be considered at the forthcoming meeting of the LED Forum, following which recommendations would go back to Cabinet in February before the final budget proposals are considered by full Council.
- The draft budget assumed a £5 increase to the Council Tax, taking the charge for a Band D property to £161.78, being a 3.19% increase.
- The draft budget was within the range adopted by the Council, although it was noted that it was close to the bottom end of the reserves level. This was due to expenditure approved during the current year and the cost of the upcoming elections.
- The business rate income at £6.7m was significantly above the Government baseline figure and the report highlighted a risk in 2025/26 of this income being substantially reduced as a result of the anticipated Government rebasing of business rates. The potential effect of this on budget shortfall in the following years was shown in the table at 2.18 of the report.
- The report highlighted the Financial Sustainability Model as the agreed approach to addressing the modelled deficits. An in-house review is being undertaken to ensure that work is being carried out as efficiently and effectively as possible and results would be reported back to Members to inform decisions with regard to future budgeting and any potential cuts to services.
- The Housing Revenue Account would be considered in detail by the Housing Review Board at its January meeting.
- The results of the housing stock survey are still awaited.
- The Government cap of 7% on local authority housing rents had been built in to the budget and it was noted that the increased rental income would be needed to cover maintenance costs which were likely to increase by the Consumer Price Index (CPI) which was currently around 10%.

- The Housing Revenue Account was showing a surplus of £268,000 but it was anticipated that this would be required for in-year costs.
- With regard to the Capital Programme the details were set out in the Budget Book which was attached to the report and which had been recommended by the Budget Setting and Capital Allocations Panel.

The Chair thanked the Finance Director for presenting a balanced budget during very challenging times.

In response to questions and comments from Members the following points were made:

- With regard to the Business Rates Retention Scheme, Members were concerned that the Council would be penalised for its achievements. It was noted that the Scheme was always going to be for a certain period of time only and had never been reviewed. The Council was now using income from business rates to support services and the Medium Term Financial Plan set out the anticipated worst case scenario as a result of the future re-basing of the Scheme. It is likely that the Government will introduce a transition period to mitigate against the worst effects.
- Members were of the view that the issue of the Business Rates Retention Scheme review should be raised with MPs.
- The increase in the budgeted expenditure for car parks was due to additional staffing costs.
- Budgeted increase in costs for public conveniences was due to inflationary pressures and particularly increases in the cost of water and electricity.
- In response to concerns regarding second homes, Member's attention was drawn to the report to the January meeting of Cabinet and the on-going work on this issue.
- Members expressed concern at the proposed increase to Council tenants' weekly rent and whether there was sufficient support for tenants.
- Members expressed concern regarding the potential increase in the LED costs and it was noted that budget reports would be presented at the January meeting of the LED Monitoring Forum, followed by further consideration by Cabinet at its February meeting.
- With regard to Members' concerns about the increase in maintenance costs for the Council's housing stock, it was noted that payments are built into maintenance contracts and that there is no scope for renegotiation.

PROVISIONAL RECOMMENDATION

That, in principle, and subject to any further revisions following the joint meeting of the Overview and Scrutiny Committees on 12 January 2023, the draft Revenue and Capital Budgets 2023-2024 be recommended to Cabinet for adoption.

70 Key Service Plan Objectives 2023-2024

The Committees considered the service plan objectives for the following services:

- Countryside and Leisure
- Environmental Health
- Housing
- StreetScene

The Director for Housing, Health and Environment delivered a presentation outlining the key issues and challenges for the four services and the cross-cutting themes from each of the service plans. The presentation included the following:

- Service plans are aligned with the Council Plan and the four services make a significant contribution to delivery of the Council Plan's priorities.
- High level challenges include delivering core services well, using resources effectively, prioritising and maintaining staff morale, ongoing recruitment and retention issues, meeting customer expectations and delivering Council Plan and Service Plan priorities.
- Addressing the climate change emergency is a corporate commitment with significant work to be undertaken to meet the Council's targets. Every Service Plan makes a contribution to meeting the target of becoming a carbon neutral Council by 2040.
- With regard to public health and wellbeing, challenges were identified as response and recovery from the covid pandemic, tackling environmental and social conditions to promote good physical and mental health, encouraging healthier behaviour to reduce illness and addressing the loss of independence and promote wellbeing and self-care.
- The importance of corporate health and safety was highlighted, with some areas such as StreetScene requiring a very strong health and safety focus.
- Addressing poverty and its prevention is now a corporate priority with a clear strategy and action plan.

71 **Countryside and Leisure**

The Assistant Director Countryside and Leisure presented the Service Plan for 2023-2024. Key challenges under the headings of Maintaining our Nature Reserves and Green Space, Trees and Outdoor Health and Wellbeing were identified as follows:

- Delivery of duties under the new Environment Act including securing 20% biodiversity net gain on all new developments, as opposed to the mandatory 10%. Guidance on this duty is awaited from Defra. Training will be provided for planning officers and information workshops will be held for Members.
- Development of a local nature recovery plan, led by Devon County Council.
- Working with Natural England's policy on nutrient neutrality on the River Axe with the aim of delivering habitat based nutrient neutrality mitigation measures and water efficiency measures on Council housing stock in the Axe Valley catchment.
- Delivery of nature recovery and re-wilding projects including the Wild Honiton project.
- Development of a new Tree Strategy for East Devon once the draft Devon Tree Strategy is published around March/April and the expansion and support of the Tree Warden Scheme.
- Delivery of priorities identified within the Leisure Strategy including actively re-negotiating dual site agreements, a stock condition survey of leisure centres and provision of leisure facilities at Cranbrook.
- Delivery of priorities within the Culture Strategy which will be assisted by the recent employment of the Cultural Producer.
- Ensuring synergy between the Leisure Strategy, Cultural Strategy and Tourism Strategy.

The Portfolio Holders for Coast, Country and Environment and Tourism, Leisure, sport and Culture thanked the Assistant Director and his team for their work and acknowledged the significant value of the countryside in maintaining residents' wellbeing.

Questions and comments from Members included the following points:

- The Sport England pilot for Cranbrook has taken a long time to get up and running. There is a clear plan for delivery and focus now needs to be on delivering actions identified in the plan.
- Concerns regarding durability of new trees planted on developments will be raised with planning enforcement officers and the issue will be included in the new Tree Strategy.
- Concern was expressed regarding support for the most vulnerable to be able to access leisure centre facilities and Members' attention was drawn to the forthcoming meeting of the LED Forum and the agenda for that meeting.

- There is an urgent need to address issues regarding nutrient neutrality on the River Axe and on-going work to set up the framework will be communicated to Ward Members. £100,000 is available in the Planning service budget and it is vital that the right expertise is brought in for this work in collaboration with Dorset and Somerset.
- There was a need for sufficient officers to deliver the new Tree Strategy and it was noted that there had been issues with the recruitment of tree officers. Officers were of the view that the recent pay review should assist with recruitment and other routes such as apprenticeships should also help with long term recruitment and retention of staff.
- Regarding concerns over Ash dieback, it was noted that this would be addressed through re-planting and would be addressed through the new Tree Strategy.
- Concern was expressed that if leisure centre facilities are withdrawn then work in conjunction with the NHS would be lost unless other facilities elsewhere are available.
- Members queried what other leisure facilities are available through providers other than LED. It was noted that the information may be available as data was compiled during production of the Leisure Strategy.
- Concern was also expressed that LED might be duplicating what is already being provided by other providers and there was a need to understand potential areas of duplication between LED and private providers to ensure that the Council is obtaining best value for tax payers.
- With regard to the development of a café offer at Seaton Wetlands, it was noted that this would be a very modest and sensitively located concession to encourage visitors to explore the whole of the Wetlands as well as to generate some income.
- Regarding development of the ACED Network, it was confirmed that all cultural events in East Devon should be able to be accessed via the ACED website.

RECOMMENDATION TO CABINET:

That the Service Plan for Countryside and Leisure for 2023 – 2024 be adopted subject to the addition of the following:

That an objective be included for a scoping paper to be prepared in order to understand the areas of potential duplication between LED and the private sector to ensure that, going forward, LED is not being paid to carry out work which is being done elsewhere. This is to ensure the best use of taxpayers money.

Prior to the start of the next item, the Chair advised that the Overview Committee had become inquorate due to a Committee member having to leave the meeting. Another member was expected to join later during the meeting.

72 Environmental Health

The new Assistant Director Environmental Health introduced himself and presented the Service Plan for 2023 – 2024. The overarching priority in the Service Plan is to protect the health of the public and the environment and work to improve healthy lifestyles and reduce health inequalities. The presentation included the following key points:

- Regulation of private sector housing including delivery of enforcement, houses of multiple occupancy, regulation of private water supplies, bringing empty homes back into use and improving the energy efficiency of homes.
- Food and water safety and security. It was noted that the pre-Brexit EU regulations will fall away at the end of the year and it was not yet clear what impact this will have on the service.
- Protecting health including regulating environmental pollution risk, anti social behaviour, infectious disease and animal health where this affects disease and food standards.

Key service development / projects for 2023 -2024 included:

- The creation of a Green Team with representatives from all services to oversee, monitor and report on the delivery of the actions in the Climate Change Strategy and Action Plan.
- Improving the winter resilience of private sector housing.

- Monitoring and improvement of air, land and water quality in the District.
- Improving food hygiene, health and safety in the District including assessment of the new Food Standards Agency Strategy due during the year.
- With regard to community safety and anti-social behaviour, identifying and progressing safeguarding improvements.
- Review of the public health strategy.
- Review of the corporate Emergency and Business Continuity Plans.
- Utilise the Contain Outbreak Management Fund on positive health outcomes.

The Portfolio Holder for Coast, County and Environment thanked the Director Housing, Health and Environment for his work in the interim phase prior to the appointment of the new Assistant Director.

The Portfolio Holder for Climate Action and Emergency Response thanked all of the officers involved.

Questions and comments from Members included the following points:

- Members noted that the position with regard to staffing had improved but that some issues with recruitment remain.
- With regard to private water supplies, the team risk assesses supplies through water sampling to ensure safety.
- The team supports communities in managing anti-social behaviour and is part of the Community Safety Partnership.
- The Portfolio Holder Coast, Country and Environment is holding meetings with the relevant MP and South West Water to address sewage pollution in Exmouth. It was acknowledged that engineering works in Exmouth and Budleigh Salterton are a long term and multi million pound issue.
- In response to Members' concerns regarding damp and mould, it was noted that the Environmental Health team has wide-ranging powers and takes a zero tolerance approach to damp and mould. The whole housing sector is prioritising work of this type.

When agreeing the recommendation, it was noted for the record that the Members of the Overview Committee were in agreement although the Committee was inquorate and Members did not vote.

RECOMMENDATION TO CABINET:

That the Environmental Health Service Plan for 2023 – 2024 be adopted.

73 **Housing**

The Assistant Director Housing and the Housing Task Force Service Lead presented the Service Plan for 2023 – 2024 and outlined the key challenges for the service under the following headings:

- More affordable homes – a decent home for all.
- Homelessness and rough sleeping.
- Council homes fit for purpose and satisfied tenants

The Assistant Director Housing also advised that:

- The service is currently experiencing very high and growing demand and complexity of demand.
- There is a national issue of damp and mould which is rightly receiving a lot of attention.
- Changes are anticipated due to the forthcoming Social Housing Act.
- The service had to change completely during the covid pandemic and it has taken time to get the service back to normal running pre-covid.

- The service has also experienced personnel challenges, with high levels of staff sickness and difficulties with recruitment.

With regard to the key challenge of more affordable homes, The Housing Task Force Service Lead outlined the work of the Task Force since February 2022 as it seeks to grow the Council's housing stock and explores building Council's own housing in order to re-dress the balance following the right to buy scheme.

The Task Force is reviewing land already owned by the Council and had found 11 sites in the District with potential for development. The Task Force is seeking to deliver new carbon neutral homes in Honiton by way of ZedPods.

Regarding the key challenges of homelessness and rough sleeping and Council homes fit for purpose, the Assistant Director Housing made the following points:

- The service is seeing highest ever demand due to the two main reasons of loss of private sector accommodation and family breakdown.
- Officers are having to spend a lot of time with residents linked to issues with mental health.
- The Homelessness and Rough Sleeper Strategy 2024 – 2028 is due for renewal during the year.
- An internal action plan to address damp and mould would be considered at the upcoming meeting of the Housing Review Board.
- The service worked closely with the Poverty Working Group on the winter strategy.

Questions and comments from Members included the following points:

- With regard to the replacement of carpets and curtains at the end of a tenancy, this is under review and where possible fixtures and fittings would be retained.
- Retrofitting of housing stock would bring most homes up to EPC B.
- Regarding the suitable sites for housing provision, the two largest sites are in Honiton with in excess of 50 homes. Other sites are in Sidbury, Exmouth and Sidmouth with potentially 70-80 homes in the pipeline. There is also significant development potential in Axminster which cannot currently proceed until the Natural England embargo is lifted.
- With regard to the waiting list for homes, it was noted that the vast majority on the waiting list are already housed, but are waiting to move to a more appropriate property.
- It was noted that the Housing service is seeing an increase in work required when properties are returned and that the service had negotiated with the Council's contractor to bring in significant resources to address this issue.
- Members were advised that some people who are homeless do not wish to engage with officers.
- Clarification as to the definition of affordable homes and social homes in that affordable homes are 80% of market rental and social homes are 70% of market rental. The categories also attract different funding.
- In response to a question regarding the complaints to the Housing Ombudsman and the subsequent findings, it was noted that a report on this issue is going to the January Housing Review Board meeting. Further details on this matter are also available on the website.
- Councillors expressed concerns with regard to supporting the most vulnerable residents and it was noted that officers are working proactively to help residents and to encourage vital early engagement.
- With regard to routine maintenance, annual visits to properties are being introduced in order to ensure that the service becomes more proactive.

The Chair thanked the Assistant Director Housing and the Housing Task Force Service Lead for their presentations.

It was noted that the Overview Committee was quorate due to the arrival of a Committee Member.

RECOMMENDATION TO CABINET:

That the Housing Service Plan 2023 -2024 be adopted.

74 **Streetscene**

The Assistant Director Streetscene presented the service plan for 2023 – 2024 and summarised the key points as follows:

- The focus for 2023-24 will be on meeting core demands and bedding in the already approved resources, for example, six new operatives to assist with street cleaning due to increased demand for this service.
- It was anticipated that the recruitment of a new Project Officer will shortly be completed and it was noted that the recent pay review had assisted with recruitment. The new Project Officer will work on delivery of items such as the review of bin charges and operating models.
- The service plan includes projects to progress work on climate change such as fleet decarbonisation and more sustainable management of green spaces, together with evidence to show how the service is improving.
- Work will be undertaken to review financial sustainability and future service shape including a review of software to manage these works.
- The service plan includes capital projects for the engineering team, however the challenge will be to deliver with a small team.
- It is anticipated that major projects such as beach management plans will see funding gaps due to global issues and a report on this issue would be considered at an upcoming Cabinet meeting.
- Work will include consideration of low carbon alternatives to hard engineering.
- The service plan also focuses on contract renewal of recycling and waste services in 2026 and meeting the requirements of the forthcoming Environment Act.
- Planning is underway to service up to 90,000 properties in the next decade.
- The service will be considering future depot requirements and investment in infrastructure which will work in tandem with decarbonisation of the fleet, with the investment required in the tens of millions.
- It is hoped that the service will move up the Defra league table for recycling and the service is planning for a recycling rate of 70% by 2030, although it was noted that margins for improvement are tight.
- The recent pay review is helping with recruitment as demand increases due to higher visitor numbers in the District, an increase in residents and longer tourist season due to climate change.
- It was highlighted that the decarbonisation of the fleet will be a significant investment as electric vehicles are double the cost of conventional vehicles.
- A re-naturing strategy will be developed to improve the sustainable management of green spaces.
- Applications for renewal of blue flag status will be made for Exmouth, Sidmouth, Seaton and Beer.

The Portfolio Holders for Coast, Country and Environment and Tourism, Leisure, Sport and Culture thanked the Assistant Director and his team for their work.

Questions and comments from Members included the following points:

- With regard to a review of street litter bin collection models, Members were advised that the new Project Officer should be in post fairly soon and this review would be a priority. In order to understand how the operation is set up, the service would take the opportunity to undertake a full review with the timeline for this shown in the draft service plan.

- Regarding examples of alternative methods of waste collection in other countries, Members were advised that the current system is built on restricted capacity and that residual waste levels are very low. Alternative methods are not under consideration as they do not incentivise residents to recycle.
- In response to a question regarding alternative use of category B and C public toilets under the public toilet review, Members were advised that the Place, Assets and Commercialisation team are leading on negotiations and focussing on those which are progressing. Further information will be released at the appropriate time.
- Regarding re-generation of play areas, it was noted that coastal and flooding resilience are the priorities for the engineering team. Once the new engineering officer is in post some of the work on play areas may be able to be progressed although this is less time sensitive than the coastal and flooding priority projects.
- With regard to a possible review of green bin charges, Members were advised that the charge has not been increased in previous years in order to attract and retain customers. The current draft budget has provision for a small increase.
- Work on increasing on-street recycling is progressing slowly due to waiting for details of the Government's Deposit Return Scheme.
- Beach trackway matting has been very well received.
- Progress on the Bapton Valley cycle route has been slow due to staff shortages.
- Regarding the Heads of Terms for transfer of public toilets, it was noted that proposed transfer is on a long leasehold basis to enable transferees, such as town and parish councils, to raise funds to take on the asset.
- Regarding dog waste, Environmental Health deals with enforcement. A report on proposals to vary and discharge the Public Space Protection Orders was considered at the January Cabinet meeting.
- Consideration could be given to asking residents to put out recycling for collection only when containers are full.

RECOMMENDATION TO CABINET:

That the Streetscene service plan for 2023 – 2024 be adopted.

Attendance List

Councillors present:

M Chapman
O Davey (Vice-Chair for this meeting)
D Key
H Parr
E Rylance (Chair for this meeting)
B Taylor
T Woodward
J Bonetta (joined the meeting at 2pm)
S Gazzard
I Hall
M Hartnell
V Johns (Vice-Chair for this meeting and left at 1pm)

Councillors also present (for some or all the meeting)

K Bloxham
N Hookway
G Jung
J Loudoun
M Rixson

J Rowland
P Skinner
T Wright

Officers in attendance:

Matthew Blythe, Assistant Director Environmental Health and Car Parks
Simon Davey, Director of Finance
Jo Garfoot, Assistant Director Housing Task Force
Amy Gilbert-Jeans, Assistant Director Housing
John Golding, Director of Housing, Health and Environment
Henry Gordon Lennox, Director of Governance and Licensing (and Monitoring Officer)
Andrew Hancock, Assistant Director StreetScene
Sarah Jenkins, Democratic Services Officer
Charles Plowden, Assistant Director Countryside and Leisure
John Symes, Finance Manager

Councillor apologies:

M Allen
J Bailey
C Gardner
S Hawkins
J Kemp
P Millar
J Whibley
D Barrow
D Manley
A Moulding

Chair

Date: