

Phil Norrey
Chief Executive

To: The Chair and Members of the
Cabinet

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

(See below)

Your ref :
Our ref :

Date : 8 May 2018
Please ask for : Karen Strahan, 01392 382264

Email: karen.strahan@devon.gov.uk
:

CABINET

Wednesday, 16th May, 2018

A meeting of the Cabinet is to be held on the above date at 10.30 am in the Committee Suite - County Hall to consider the following matters.

P NORREY
Chief Executive

AGENDA

PART I - OPEN COMMITTEE

1 Apologies for Absence

2 Minutes

Minutes of the meeting held on 11 April 2018 (previously circulated).

3 Items Requiring Urgent Attention

Items which in the opinion of the Chair should be considered at the meeting as matters of urgency.

4 Announcements

5 Petitions

6 Question(s) from Members of the Council

FRAMEWORK DECISION

NIL

KEY DECISIONS

7 Realignment of the A379 at Slapton Line (Pages 1 - 8)

Report of the Head of Highways, Infrastructure Development and Waste (HIW/18/31) on proposals for the Realignment of the A379 at Slapton Line, attached.

Electoral Divisions(s): Kingsbridge

8 Ash Die Back Disease: Policy Update and Management (Pages 9 - 22)

Report of the Chief Officer for Highways, Infrastructure Development and Waste, the Head of Planning, Transportation and Environment and the Head of Digital Transformation and Business Support (HIW/18/32) on Policy Update and Management of Ash Die Back Disease, attached.

An Impact Assessment is also attached to the agenda.

Electoral Divisions(s): All Divisions

9 Department for the Environment, Food and Rural Affairs (DEFRA) Consultation: The future for food, farming and the environment (Pages 23 - 32)

Report of the Head of Economy, Enterprise and Skills (EES/18/4), attached.

Electoral Divisions(s): All Divisions

MATTERS REFERRED

10 Corporate Infrastructure and Regulatory Services Scrutiny Committee - Broadband and Mobile Phone Connectivity - Task Group Final Report (Pages 33 - 54)

In considering the Report of the Broadband and Mobile Phone Connectivity Task Group, the Corporate Infrastructure and Regulatory Services Scrutiny Committee at its meeting on 27 March 2018 (Minute 57) **RESOLVED**;

(a) that Recommendation 3 in the Report be amended so that the heading reads 'Meaningful Consultation on Gainshare and Take-up Clawback';

(b) that the Report be endorsed and its recommendations commended to the Cabinet; and

(c) that the Broadband and Mobile Connectivity Task Group continue to monitor and scrutinise the work that CDS and the Council are doing across Devon, with a greater emphasis on mobile phone connectivity.

Recommendation

(a) that Cabinet thank the Task Group for their helpful report;

(b) that Cabinet endorse the work of the Task Group and the greater emphasis on mobile;

(c) that the Cabinet Member will raise the recommendations with the CDS Board and with SCC as the Accountable Body; and

(d) that the results will be reported to a future CTS meeting.

Electoral Divisions(s): All Divisions

KEY DECISION

- 11 Revenue and Capital Budget Outturn for 2017/18 (Pages 55 - 94)

Report of the County Treasurer (CT/18/43) on the Revenue and Capital Budget Outturn position for 2017/2018, attached.

Electoral Divisions(s): All Divisions

OTHER MATTERS

- 12 Public Health Annual Report 2017/2018 (Pages 95 - 98)

Report of the Chief Officer for Communities, Public Health, Environment and Prosperity, presenting the Public Health Annual Report for 2017/18, attached.

The annual report is a separate document and is available at <https://bit.ly/2ES2xoo>

Electoral Divisions(s): All Divisions

STANDING ITEMS

- 13 Question(s) from Members of the Public

- 14 Delegated Action/Urgent Matters (Pages 99 - 100)

The Registers of Decisions taken by Members under the urgency provisions or delegated powers will be available for inspection at the meeting in line with the Council's Constitution and Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. A summary of such decisions taken since the last meeting is attached.

Electoral Divisions(s): All Divisions

- 15 Forward Plan (Pages 101 - 110)

In accordance with the Council's Constitution, the Cabinet is requested to review the list of forthcoming business (previously circulated) and to determine which items are to be defined as key and/or framework decisions and included in the Plan from the date of this meeting.

[NB: The Forward Plan is available on the Council's website at: <http://democracy.devon.gov.uk/mgListPlans.aspx?RPId=133&RD=0&bcr=1>]

Electoral Divisions(s): All Divisions

PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PRESS AND PUBLIC

NIL

Notice of all items listed above have been included in the Council's Forward Plan for the required period, unless otherwise indicated. The [Forward Plan](#) is published on the County Council's website.

Notice of the decisions taken by the Cabinet will be sent by email to all Members of the Council within 2 working days of their being made and will, in the case of key decisions, come into force 5 working days after that date unless 'called-in' or referred back in line with the provisions of the Council's Constitution. The Minutes of this meeting will be published on the Council's website, as indicated below, as soon as possible.

Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.

Membership

Councillors J Hart (Chair), S Barker, J Clatworthy, R Croad, A Davis, S Hughes, A Leadbetter, J McInnes and B Parsons

Cabinet Member Remits

Councillors Hart (Policy & Corporate), Barker (Economy & Skills), Clatworthy (Resources & Asset Management), Croad (Community, Public Health, Transportation & Environmental Services), Davis (Infrastructure Development & Waste), S Hughes (Highway Management), Leadbetter (Adult Social Care & Health Services), McInnes (Children's Services & Schools) and Parsons (Organisational Development & Digital Transformation)

Declaration of Interests

Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

Access to Information

Any person wishing to inspect the Council's / Cabinet Forward Plan or any Reports or Background Papers relating to any item on this agenda should contact Karen Strahan, 01392 382264. The Forward Plan and the Agenda and Minutes of the Committee are published on the Council's Website and can also be accessed via the Modern.Gov app, available from the usual stores.

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In addition, anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chair. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

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Questions to the Cabinet / Public Participation

A Member of the Council may ask the Leader of the Council or the appropriate Cabinet Member a question about any subject for which the Leader or Cabinet Member has responsibility.

Any member of the public resident in the administrative area of the county of Devon may also ask the Leader a question upon a matter which, in every case, relates to the functions of the Council. Questions must be delivered to the Office of the Chief Executive Directorate by 12 noon on the fourth working day before the date of the meeting. For further information please contact Karen Strahan on 01392 382264 or look at our website at: <http://new.devon.gov.uk/democracy/guide/public-participation-at-committee-meetings/>

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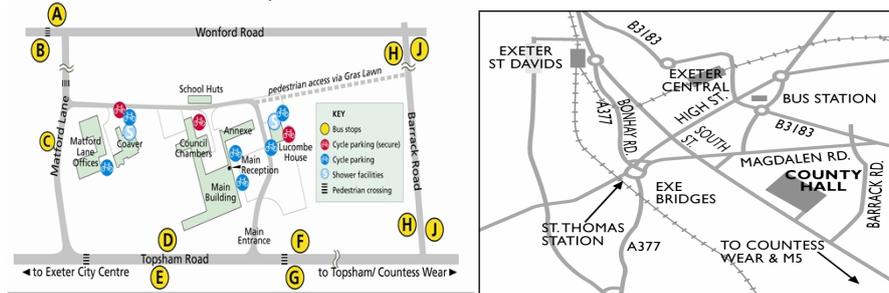
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NB   Denotes bus stops

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First Aid

Contact Main Reception (extension 2504) for a trained first aider.

HIW/18/31

Cabinet
16 May 2018

Reinstatement of the A379 at Slapton Line

Report of the Chief Officer for Highways, Infrastructure Development and Waste

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation: It is recommended that Cabinet approves the proposed reinstatement of the A379 at Slapton Line, plus other associated remedial works, funded by the dedicated, emergency funding provided by Central Government.

1. Summary and Purpose of Report

This report sets out the intended approach to the reinstatement of the length of the A379 at Slapton Line, which was closed following storm damage in early March 2018.

2. Background

On the evening of 1st March and early morning of 2nd March, Storm Emma caused a combination of gale force easterly winds, surge conditions and extremely high waves. Coupled with high spring tides, the result was storm conditions with an estimated return period of between 1 in 50 and 1 in 100 years, which is even more significant than earlier storm events experienced at Slapton Line in 2001 and 2014. This caused the partial loss and undermining of the carriageway along the central section of the A379 to the north of the Slapton village junction. Damage was sustained over more than 400 metres, on either side of the length of road which had been previously re-aligned.

It was the original damage to and reinstatement of the road back in 2001 which provides the context for the current proposals at Slapton Line. In the light of the strong local concerns about the fate of the A379, key organisations, community and landowning interests established the Slapton Line Partnership. This partnership commissioned and, in 2004, published the first iteration of a Coastal Zone Management Study, which set out a future approach to the management of Slapton Line in the face of ongoing coastal change. This included proposals for the realignment of further lengths of the A379 to prolong its anticipated lifespan. Devon County Council (DCC) responded by obtaining planning consent in 2007 for the potential realignment of two sections of the road on either side of the original road reinstatement. An ecological management scheme was put in place to avoid difficulties and delays linked to the Slapton Ley Site of Special Scientific Interest (SSSI) and National Nature Reserve (NNR) in the event of a future need to undertake this work.

There has been an ongoing process of dealing with coastal resilience and adaptation measures at Slapton Line since then. Storms experienced in the winter of 2013/14 prompted significant investment in coastal defence works along Slapton Line, particularly at Torcross. More recently, options for future coastal management have been formulated through a draft 'Beach Management Plan', for which national funding will be sought later this year. An attempt was also made in January 2018, albeit unsuccessfully, to obtain European Structural Investment Funds to support road realignment and other highway works at Slapton Line.

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3. Approach to Reinstatement of the A379 and Associated Remedial Works

Even before Storm Emma had fully subsided, site inspections and discussions about potential reinstatement of the A379 commenced. It quickly became apparent that the road between Torcross and Slapton Junction, whilst covered in shingle and other storm debris, could be cleared and re-opened, which happened over the following week. In contrast, the damage to the north of the Slapton turn-off required the closure of the road, with the only feasible approach to its reinstatement through realignment of the carriageway a short distance to the west.

The initial view was that the plans put in place in 2007 had accurately predicted the locations of greatest vulnerability and might allow for a relatively fast-track approach to the reinstatement of the road based on the existing planning permission. DCC was requested to pursue this option through a meeting of the Slapton Line Partnership held on 7th March and, later that same day, it was confirmed that emergency funding would be provided by Central Government for this purpose. Preparatory works started almost immediately with clearance works and have continued with various surveys, including unexploded ordnance, to inform the planning submission.

Since then it has become apparent that a revised design will have to be adopted for the northern section of the proposed realignment, which will require the submission of a new planning application, supported by an environmental impact assessment. The plan provided as Appendix 1 illustrates the general location of the two sections of damaged highway to be reinstated, to the either side of the 2001 realignment. The **southern realignment**, shown by Appendix 2, will be implemented based on the 2007 planning consent. The **northern realignment, shown by Appendix 3**, varies the 2007 design by extending it by a further 110m to the north and, for part of its length, by a few metres to the west.

In addition to the construction of the new road alignment, additional remedial work will be necessary to remove the remains of the damaged carriageway, large sections of which have collapsed onto the beach, to reinstate this as part of the Slapton Ley NNR and to provide a revised alignment for the South West Coast Path.

Based on the work undertaken to date, the steps and anticipated timing for the implementation of the proposed road reinstatement are as follows:

Scheme design, costing and contract preparation	May 2018
Preparation and submission of planning application and associated environmental impact assessment	May / Early June 2018
Select scheme contractor	June 2018
Undertake realignment construction work	Summer 2018
Finalise restoration of original, damaged, carriageway	Early Autumn 2018
Re-open A379	By late Autumn 2018

It should be noted that these timings may be affected by the progress of the planning application.

4. Consultations/Representations/Technical Data

Since early March there has been ongoing discussion with key organisations represented on the Slapton Line Partnership, as well as with the local Member of Parliament (MP) and with the Department of Transport. This consultation has been necessary to inform the approach to the proposed reinstatement of the A379 and how this relates to longer-term planning for Slapton Line. Of particular significance has been discussion with the landowner, the Whitley Wildlife Conservation Trust, the Trustees of which have provided in-principle agreement to the proposed scheme, based on the support expressed by the wider Slapton Line Partnership. Detailed negotiation is ongoing with the Field Studies Council, the managers of the Slapton Ley NNR, and with Natural England, to inform the detail of the planning application.

The next stage of public / stakeholder consultation will be through the planning application for the revised design of the northern realignment. However, this will focus on the detail of the proposed design, given that the principle of the realignment was established through the planning consent obtained in 2007.

5. Options/Alternatives

There are two main alternatives to the proposed scheme:

- a) The first is to leave the northern section of the road permanently closed. The ultimate loss of the A379 along Slapton Line is inevitable. However, the strong local desire to repair and reinstate this strategic transportation link is recognised by the Slapton Line Partnership and is consistent with the approach currently advocated by the Coastal Zone Management Study.
- b) The second would be to implement both sections of the road realignment based on the 2007 planning consent. Whilst simpler and quicker to implement, it would leave the road highly vulnerable to future damage.

Several stakeholders have suggested the reinstatement of the road with a single lane carriageway. However, there is no clear practical benefit to this and it would present a series of technical, safety and environmental challenges. Questions have also been asked about the possible installation of new sea defences to protect the road, but these would not be viable from a cost perspective and would conflict with national policy.

6. Financial Considerations

DCC has been provided by the Department of Transport with £2.5 million of capital funding for the required works at Slapton Line. Although no detailed scheme estimate is available, as yet, the current indication is that this will fit within the capital sum awarded. In the event of there being any residual funding, consideration will be given to how this might, potentially, be used to implement a range of other highway-related resilience and adaptation measures at Slapton Line, which have been proposed through the recent development of the Beach Management Plan.

Following detailed design, estimated costs and timelines, a financial letter will be submitted to the Member for finance and property, in order to enhance the capital programme, funded by Department for Transport flood resilience fund grant.

Agenda Item 7

7. Sustainability, Equality and Public Health Considerations

The proposed works take the form of a highway management scheme which seeks to reinstate an existing road. As such, no significant equality and public health issues are likely to result from the intended implementation of the scheme, although the interim closure of the road is creating difficulties for local businesses and the community. These social and economic issues would be compounded in the event of the road not being reinstated.

Slapton Line is a highly sensitive environment given its national wildlife and geomorphological importance, recognised by its SSSI and NNR designations. It also lies within the South Devon Area of Outstanding Natural Beauty (AONB). The issues were addressed through the environmental assessment linked to the 2007 planning permission and are being updated and refined through the further work to accompany the new planning application.

8. Legal Considerations

To ensure compliance with planning legislation and national / local planning policy, the elements of the proposed scheme which vary from the design approved in 2007 will be subject to a new planning application. This process will also ensure that many other legislative requirements, such as those relating to environmental issues, are appropriately addressed. Permission for the new highway alignment and its construction will be provided through a legal agreement with the landowner.

9. Risk Management Considerations

The shingle ridge along which the A379 runs at Slapton Line is a naturally evolving feature, which is influenced by coastal processes, exacerbated by the effects of climate change and sea level rise. Both the Coastal Zone Management Study and the Beach Management Plan recognise the severe risk presented by coastal change but suggest measures to prolong the lifespan of the A379 in the interim. This includes the potential realignment of the most vulnerable stretches, including the currently damaged length. Whilst the proposed design presents, what is believed to be, a viable option for the implementation of the scheme within the strict environmental constraints of the site, there can be no certainty about how long the realigned road might persist.

10. Reason for Recommendation/Conclusion

To speed-up the delivery of the scheme, Cabinet is asked to approve the reinstatement of the A379 now, on the general basis set out above and illustrated by the appendices, subject to planning permission being granted for the revised design of the northern realignment. These proposals, based on a modified version of the scheme first approved in 2007 and facilitated by the dedicated funding provided by Central Government, is considered to represent the most practical option for a, relatively, rapid reinstatement of the road in a manner consistent with the protected environmental status of the area. This scheme will be implemented as part of a wider suite of measures proposed by the Slapton Line Partnership to improve resilience and support adaptation in the face of ongoing coastal change.

Meg Booth
Chief Officer for Highways, Infrastructure Development and Waste

Electoral Divisions: Kingsbridge

Cabinet Member for Highway Management: Councillor Stuart Hughes

Agenda Item 7

Local Government Act 1972: List of Background Papers

Contact for enquiries: Peter Chamberlain

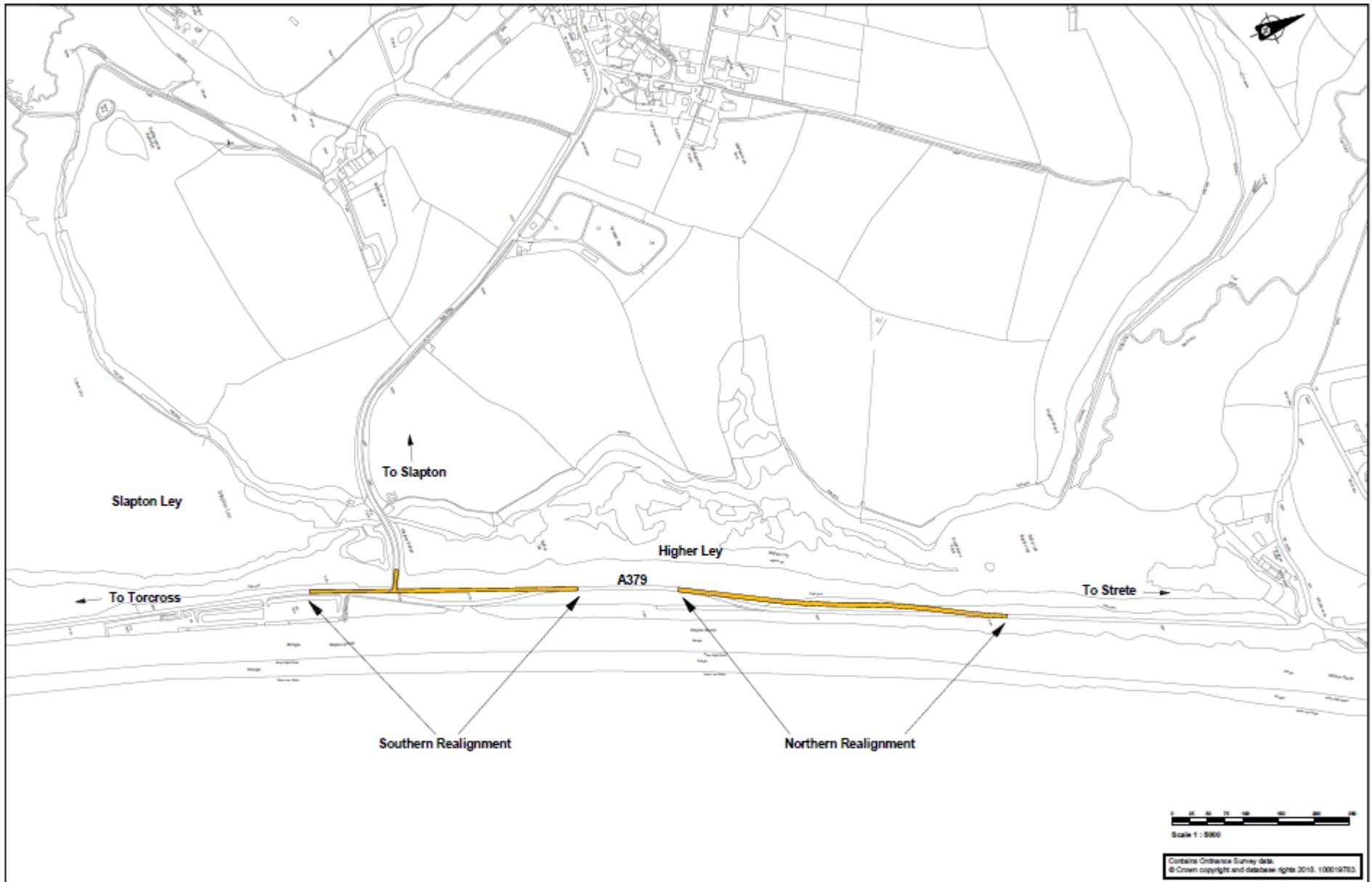
Room No. AB3, Lucombe House, County Hall, Exeter. EX2 4QD

Tel No: (01392) 383000

Background Paper	Date	File Reference
Slapton Coastal Zone Management Study	2004 (First Iteration) to 2006 (Final Report)	Available via Slapton Line Partnership web site at: http://www.slaptonline.org/library/index.php
Slapton Sands Beach Management Plan	Draft information from 2016 onwards	Available via Slapton Line Partnership web site (as above)
Documents relating to 2007 planning permission for realignment of the A379	Various – from 2006 to 2014	Stored on MasterGov by DCC Development Management Team

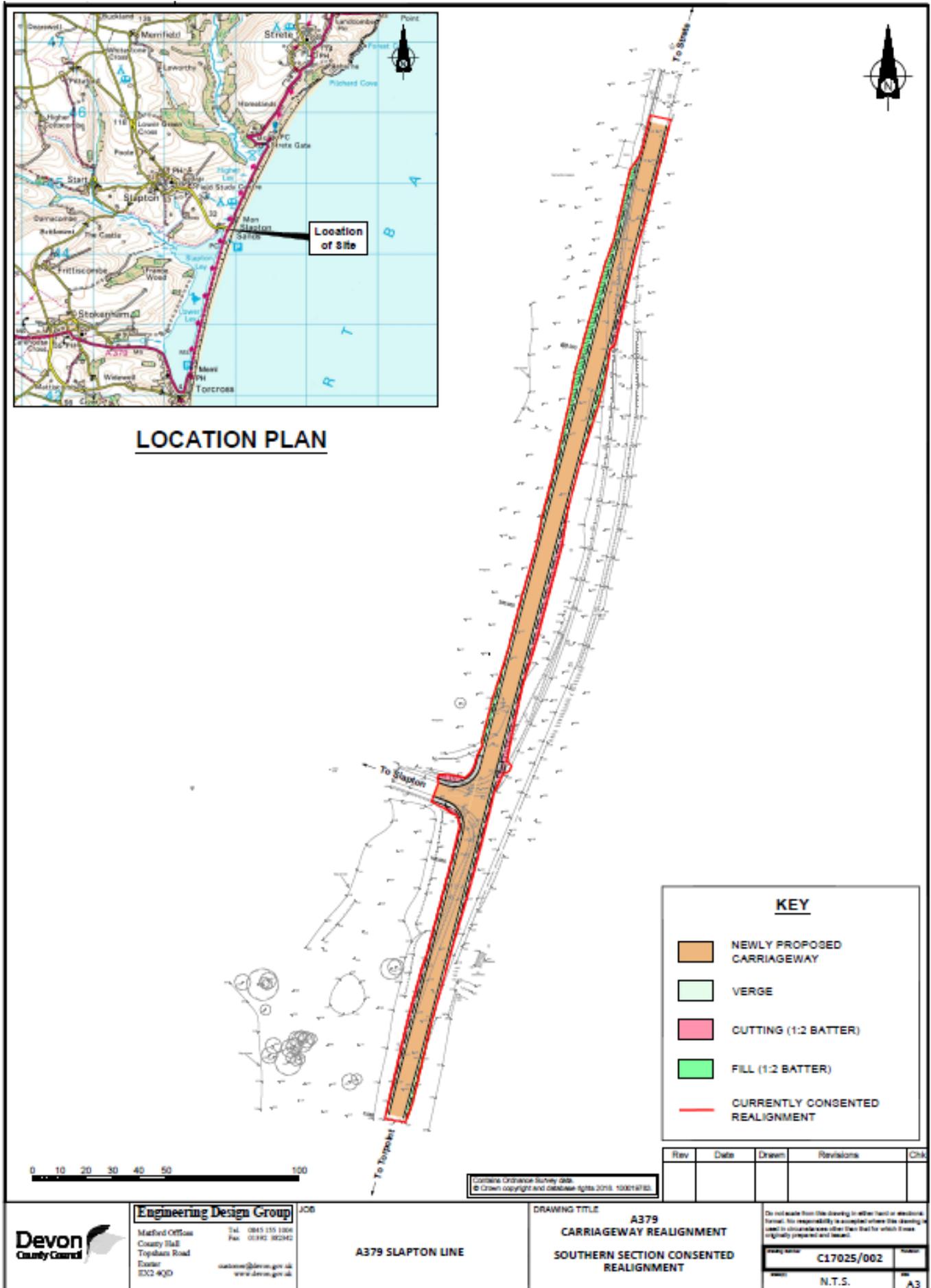
pc160518cab Reinstatement of A379 at Slapton Line
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Appendix 1 to HIW/18/31 – Proposed Reinstatement of Two Damaged Lengths of the A379 at Slapton Line



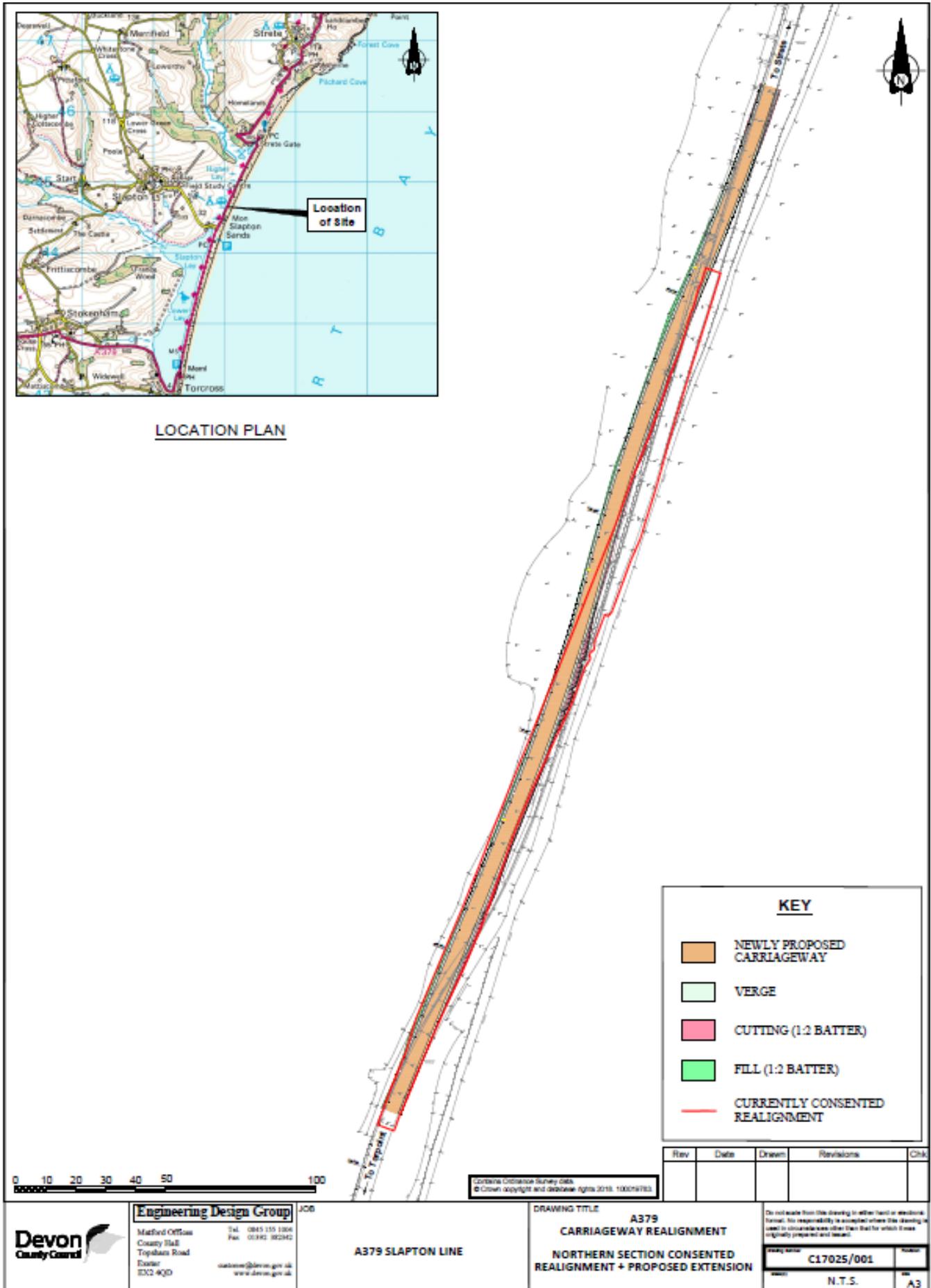
	Engineering Design Group Matford Offices Tel: 0845 155 1004 County Hall Fax: 01392 382342 Topsham Road Exeter exeter@devon.gov.uk EX2 4QD www.devon.gov.uk	JOB A379 SLAPTON LINE	DRAWING TITLE A379 CARRIAGEWAY REALIGNMENT SITE PLAN INCLUDING PROPOSED EXTENSION	Rev Date Drawn Revisions	Chk Do not scale from this drawing in either hard or electronic format. No responsibility is accepted where the drawing is used in circumstances other than that for which it was originally prepared and issued.
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Appendix 2 to HIW/18/31 – Southern Realignment Based on 2007 Planning Permission



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Appendix 3 to HIW/18/31 – Northern Realignment Modified from 2007 Planning Permission



HIW/18/32

Cabinet
16 May 2018

Managing Ash Dieback in Devon

Report of the Chief Officer for Highways, Infrastructure Development and Waste, the Head of Planning, Transportation and Environment and the Head of Digital Transformation and Business Support

Please note that the following recommendations are subject to consideration and determination by the Executive (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation:

- (a) that delegated authority be given to the Chief Officer for Highways Infrastructure Development and Waste and the Head of Digital Transformation and Business Support, in consultation with the relevant Cabinet Member, to vary the frequency of tree inspections as required to manage the risk of Ash Dieback;**
- (b) that the financial costs outlined in this report need to be considered as part of the process for setting the Council's 2018/19 budget and Medium term financial strategy;**
- (c) that Cabinet support and resource a programme of environmental mitigation in line with the principles set out in the Advice Note (Jan 2018) issued by the Devon Ash Dieback Resilience Forum.**

1. Summary

This report proposes how Devon County Council should manage its responsibility for Ash Dieback in the county regarding public safety and the environment.

2. Background/Introduction

Chalara dieback of Ash which is more commonly referred to as Ash Dieback (ADB) has been pervading the UK from the continent, spreading from east to west. The eastern counties from Kent to Norfolk are experiencing quite advanced stages of the disease, whilst in Devon it is in the early stages but with confirmed cases in most of the county. The most advanced areas of the disease in Devon are generally where imported ash has been unknowingly planted with the disease, and these include large plantations in Bickleigh (near Tiverton) and near Totnes.

It is estimated that 20% of Devon's total tree population is Ash. Ash defines a lot of Devon's landscape as it is a predominant hedgerow tree both by highways and in open landscape. It supports a small but limited range of lichens and invertebrates of which ash is the sole host. As a result of the disease it is expected that the vast majority of the Ash Trees will die with less than 5% being resistant. The timescale for the major impact in Devon is expected to be within the next ten years, but the disease can develop within individual trees in under two years and in some cases a single season.

Ash dieback is most readily identified when a tree is in leaf where it can be diagnosed through loss of canopy. When in its advanced stages, the disease will cause limbs to shed from the tree (or even whole tree failures), which is the key hazard.

Agenda Item 8

Devon County Council has estimated* that its Ash tree population includes:

- 6,300 on highway land
- 3,900 on its corporate estate
- 3,100 on school grounds
- Over 440,000 which are within falling distance of the highway (owned by third parties or in indeterminate ownership if land is un-registered)

(* – based on a sample survey of ash trees carried out across Devon in 2013)

3. Proposal

There are two principal areas to be considered in the management of Ash die-back in Devon. The first is public safety and the second is environmental impact and mitigation.

Public Safety with regards to Highway Trees

As a landowner or occupier of land, DCC has a duty of care to ensure that all trees on its land are kept in an acceptable condition that does not put persons and property at unreasonable risk. Trees are risk assessed into four categories from High to Very Low. The high-risk category includes location of high thoroughfare such as schools, high streets and major roads. These are inspected at least annually by staff and are inspected every three years by a qualified arboriculturalist. Lower risk categories are inspected less frequently but any reports of dangerous trees can trigger a professional ad-hoc inspection.

As Ash die-back starts to develop further in Devon, greater vigilance is required, and information received to date suggests that when canopy loss of ash trees reaches 50% it is unlikely that it will survive, and when it reaches 70% loss it can be dangerous to remove without mechanical means as branches/limbs could fall on the operative felling the tree. It is therefore currently seen as safest to act when the canopy loss gets to around 50%. This could require the professional inspection frequency to be increased, initially to every two years and potentially to every year and may need to be supplemented by more vigilant inspections by staff to highlight key areas where the disease is rapidly developing.

When trees are highlighted as a safety risk they are generally categorised as follows:

- Imminently dangerous - required felling or making safe within 24 hours
- Urgent – requires felling or tree surgery within 6 months.

Where the authority is made aware of dangerous private trees that could impact on the highway there are powers within the Highways Act to issue a Notice on landowners / occupiers and require them to take remedial action within a short timescale. If a landowner fails to act on a Notice, DCC may undertake the work itself and recharge the landowner. Where trees are imminently dangerous, it is not always possible to contact the owner and appropriate action would be taken to maintain public safety.

It is proposed that on main roads the Authority would seek to coordinate activity using the tree framework contractors, arrange the road closure and recharge private landowners. There has been pilot undertaken on the A396 and A3072 near Bickleigh where 68 DCC and private diseased trees were successfully felled in a coordinated approach which minimised the impact on highway users. From this pilot useful lessons have been learnt and will be used as a model for further work on other major roads. However, it does require significant administrative resource to identify the landowners gain their agreement and collect the payment.

The timescales for the development of the disease is unclear but it is expected to escalate in the coming growing season and could become extensive in the next few years.

Considerations for DCC Corporate Sites & Schools

The 2013 tree survey identified 3900 Ash trees on Corporate Sites and 3100 on Schools, however with the ongoing academisation of schools this number is dropping, with a much more limited number of neighbouring trees that may require action. These sites have been subject to a formal tree inspection every 3 years and Premises Managers are required to carry out an annual tree inspection and after severe storms.

In a similar approach to highways it is proposed that tree inspections are increased where it is shown that there is an increased risk, initially to two-yearly but ultimately annually if the risk dictates. It is expected that as ADB develops a network of staff sharing intelligence about the progression of the disease will be utilised.

When the presence of ABD is detected at a DCC site an assessment of the trees will be made to ensure which trees have 'actionable levels of infection' and need tree surgery. It is expected that the contractors on the DCC Tree Surgery Framework will be able to deal with trees provided the disease does not get too advanced.

The scale of managing trees outside of the highways context for DCC is considerably more manageable both in practical & financial terms.

Environmental Impact and Mitigation

The current expectation is that ash dieback will result in the loss of excess of 90% (and, perhaps, close to 100%) of all native ash trees in Devon. Given that ash is, currently, our second most numerous tree, this will have profound and long-lasting implications for Devon's environment. The anticipated effects are likely to include:

- Degradation of wildlife habitats and loss of key species;
- Visual impact on the landscape;
- Slope stability/soil erosion;
- Greater surface water run-off and increased flood risk;
- Possible implications for air quality and temperature regulation.

Devon County Council took a lead in establishing the Devon Ash Dieback Resilience Forum to promote a more joined-up and proactive approach between organisations, agencies and private land-owning interests in addressing its huge tree safety and environmental implications of this tree disease. It has also worked closely with the Devon Local Nature Partnership (LNP) in producing a Devon Ash Dieback Action Plan (February 2016), which is available on the Devon LNP web site at:

<https://www.naturaldevon.org.uk/wp-content/uploads/2016/02/Devon-ash-dieback-action-plan-February-2016.pdf>

The Devon Ash Dieback Resilience Forum is producing a range of materials to inform the Devon response to the environmental consequences of the disease. This includes an Advice Note on replacing ash through new tree planting (available at:

<https://www.naturaldevon.org.uk/wp-content/uploads/2018/03/Replacing-ash-advice-note-final-Feb-2018.pdf>).

This proposes the following eight key principles which, it is recommended, should be followed by Devon County Council wherever appropriate:

1. Act now to minimise the landscape impact of ash tree loss – start promoting new trees and taking better care of existing trees.
2. Use the Devon 3/2/1/ formula: at least 3 new trees for loss of a large tree, 2 for a medium tree and 1 tree for a small tree.
3. Promote natural regeneration wherever possible, particularly in woodlands.

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4. Grow the right trees in the right places in the right ways, and give them the right aftercare.
5. Encourage a diverse range of trees to develop a resilient landscape.
6. When choosing species, consider local factors such as what trees are characteristic of the area, soil type, management requirements, local stresses, etc.
7. For wildlife, landscape and woodfuel, choose native species, or those well established in the British Isles such as sycamore, wild pear, crab apple or white willow. In urban areas it is more acceptable to use species from other parts of the world.
8. Reduce the risks of introducing new diseases by only planting trees grown in Britain, by reputable nurseries, preferably from seed sourced from south-western England.

The Forum has also devised a project proposal entitled 'Save Devon's Treescapes', which is currently being considered for inclusion within a multi-million-pound funding bid to the Heritage Lottery Fund for a national programme of action to address ash dieback. If successful, this work will be coordinated by the Devon Wildlife Trust on behalf of the Devon Ash Dieback Resilience Forum. It is recommended that this Authority sets an example for all others in Devon by providing a significant match-funding contribution for this project, which might enable DCC to comply with the Devon 3/2/1 formula in replacing ash trees which it will be forced to remove for public safety reasons.

An Impact Assessment has been undertaken for the proposals set out in this report and circulated to Cabinet Members. This is available on the Council's web site at <https://new.devon.gov.uk/impact/published/>, which Members will need to consider for the purposes of this item.

4. Consultations/Representations/Technical Data

Devon County Council established the Devon Ash Dieback Resilience Forum two years ago to consider the long-term approach to tackling the disease. It has been leading on it in partnership with organisations including the Arboricultural Association, Devon AONBs, Clinton Devon Estates, Country Landowners Association, Devon Hedge Group, Devon Wildlife Trust, Dartmoor National Park, East Devon District Council, Forestry Commission, Highways England, National Trust, National Farmers Union, Network Rail, North Devon Council, RSPB, The Tree Council, Torbay Council, Plymouth City Council, and Western Power Distribution.

This group provides a useful sounding board for developing approaches to dealing with ADB, and provides a very useful conduit for communicating with a wide range of interested groups within the county. It has also been instrumental in determining how the disease is best managed and how the environmental impact of this disease can be mitigated, and through the Tree Council provides important national links. DEFRA have been closely monitoring Devon's approach to ABD, which they consider to be exemplary and a model for others to use.

The pilot undertaken at Bickleigh was well publicised to start raising the profile of ABD. The current key message is that landowners should be regularly inspecting their high-risk trees and understand their legal responsibilities.

5. Financial Considerations

The cost of felling the trees where Devon County Council has a direct responsibility is currently estimated at £2.5m, based on manual felling. The cost of felling all the ash trees that could affect the highway could be more than £70m but is predominantly the responsibility of other landowners, where they can be identified. Additional resources would

also be required to administer this activity which could cost in the region of £60 - £100,000 per annum.

An increased provision is required in the medium term financial strategy to absorb costs associated with the Authorities direct liabilities, but there is a further expenditure risk associated with unrecovered costs from private landowners.

A further funding provision of £250,000 is also recommended in order to address the significant environmental consequences of ash dieback. This would be offered as matchfunding support for the intended 'Saving Devon's Treescapes' project.

The financial costs outlined in this report need to be considered as part of the process for setting the Council's 2018/19 budget and Medium term financial strategy.

6. Equality Considerations

There is no known equality consideration that relates to this report.

7. Legal Considerations

As a landowner and occupier of land, DCC has a duty of care to ensure that all trees on its land are kept in an acceptable condition which does not put persons and property at unreasonable risk.

A similar common law duty applies to all landowners but section 154 of the Highways Act 1980 empowers the authority to deal, by notice, with hedges, trees and shrubs growing on adjacent land which overhang the highway, and to recover costs.

Clarification from Central Government is currently awaited on expected changes to regulations, including Felling Licences and Tree Preservation Orders, which should streamline procedures for the removal of trees infected by Ash dieback.

8. Risk Management Considerations

Ash dieback presents a significant risk to the authority which has been recorded in the corporate risk register and some provision highlighted within the medium term financial strategy. This report provides a means for managing the risk appropriately, enhancing the approach currently used to manage routine tree risk. The significant risks to Devon's environment are outlined above, along with recommended approaches to the mitigation of these.

9. Public Health Impact

There is no direct public health impact, but trees provide an essential range of services which support general health and wellbeing, including improvements to air quality, shading and temperature amelioration and flood regulation.

10. Options/Alternatives

There is an option for the authority to do nothing in the face of the increased risk posed by Ash die-back. However, this option could expose the authority to claims, if injury ensued, or possibly open the channels, if negligence could be demonstrated, to a charge of Corporate Manslaughter if someone were to die as a result.

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The Authority could choose not to replace any ash trees or engage in other mitigation measures; however, trees are such an important part of Devon's landscape, and have other key benefits, that a proactive approach is strongly recommended.

11. Reason for Recommendation/Conclusion

Devon County Council as a Highway Authority and landowner has a duty to ensure that it has taken reasonable steps to mitigate the risk of death or injury for falling trees or limbs, and Ash die-back provides an increased risk that is not appropriately accommodated by the authority's current policy. However, this proposal of increased inspections and action would provide an appropriate means of mitigating this risk.

Through its role in the Devon Ash Dieback Resilience Forum and its support for the Devon LNP, this Authority is well-placed to provide a lead in mitigating the huge environmental consequences of this tree disease, including its adoption of the Devon 3/2/1 ash replacement formula and match-funding support for the 'Saving Devon's Treescapes' project.

Dave Black
Head of Planning, Transportation and Environment
Rob Parkhouse
Head of Digital Transformation and Business Support
Meg Booth
Chief Officer for Highways, Infrastructure Development and Waste

Electoral Divisions: All

Cabinet Member for Highway Management: Councillor Stuart Hughes
Cabinet Member for Community, Public Health, Transportation and Environmental Services:
Councillor Roger Croad

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
1. Devon County Council Tree Safety Management Policy and Procedures	January 2018	Health & Safety Policies, The Source
2. 2013 Ash Tree Survey	January 2018	Jon Williams
3. Devon Ash Dieback Action Plan (Devon Local Nature Partnership)	February 2016	https://www.naturaldevon.org.uk/wp-content/uploads/2016/02/Devon-ash-dieback-action-plan-February-2016.pdf
4. Devon Ash Dieback Resilience Forum Advice Note: Replacing Ash	February 2018	https://www.naturaldevon.org.uk/wp-content/uploads/2018/03/Replacing-ash-advice-note-final-Feb-2018.pdf
5. Impact Assessment cc270418cab Managing Ash Dieback in Devon hk 06	May 2018 030518	https://new.devon.gov.uk/impact/published/

Impact Assessment

Version 2017

To publish, please send a dated PDF to impactassessment-mailbox@devon.gov.uk



Assessment of:	Managing Ash Dieback in Devon
Service:	Highways

Head of Service:	Meg Booth
Date of sign off by Head Of Service/version:	Version 1 - 2 nd May 2018
Assessment carried out by (incl. job title):	Peter Chamberlain – Environment Manager (PT&E) / Chris Cranston – Operations & Communications Manager

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Section 1 - Background

Description:	Ash dieback is a serious tree disease which is likely to kill at least 95% of all native ash trees in Devon (as elsewhere) over the coming ten years. As ash trees are the second most common of all tree species found in Devon, accounting for approximately 20% of all trees present, this represents a significant threat to public safety, as well as an environmental crisis. This impact assessment relates to Devon County Council's intended approach to the management of this tree disease from both a public safety and environmental perspective.
Reason for change/review:	This issue is being assessed now in response to a report to be considered by the DCC Cabinet at its meeting on 16 th May 2018 at which the DCC approach to managing ash dieback is to be considered. This assessment supports the relevant Cabinet report.

Section 2 - Impacts, options and recommendations

See sections 3, 4 and 5 for background analysis

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Options Appraisal and Recommendations:

DCC must decide how to address the significant risks associated with ash dieback. There are two main options:

Option 1 – Adopt a planned and proactive approach to dealing with the public safety and environmental issues which are likely to result from ash dieback.

This will require modification to the current policies and procedures employed by DCC in dealing with tree safety, as set out in the DCC Tree Safety Policy and the associated framework contracts for the surveying of trees and for tree safety works. Specifically, the frequency of tree inspections will need to be varied to ensure that infection is spotted in time and can be dealt with to limit public safety issues. However, DCC will only deal with trees for which it has legal responsibility and will expect others to take appropriate action to prevent risk or problems affecting the county highway network or DCC property. It will also require some action to be taken to address the anticipated environmental consequences of this tree disease, most notably by promoting / undertaking the planting trees to replace the huge number that will be lost to ash dieback. It is proposed that resources are made available to facilitate this approach.

Pros – This proactive approach should be effective, to some degree, in addressing the anticipated public safety and environmental issues. Not only will action taken by DCC help to reduce risk to the public directly, but its example and leadership of the Devon Ash Dieback Resilience Forum might help to encourage effective action to be taken by others in a timely manner. The same is true of its intended proactive approach to the environmental consequences.

Cons – A proactive approach will require the release of new and dedicated resources (i.e. funding for staff, for increased work through contractors and to fund the intended approaches to ecological mitigation). It also should be noted that taking this proactive action cannot prevent or lessen the disease, nor fully remove the increased risk to public safety and the environment.

Option 2 – Continue with current policies and procedures, taking no new action to manage the public safety and environmental issues which are likely to result from ash dieback.

This laissez-faire approach means that there will be no need to divert from the current tree safety policy and procedures, which are designed to deal with public safety risk associated with diseased, damaged or otherwise dangerous trees. Nor will it require any specific action in response to the environmental consequences of the disease.

Pros – This approach is straightforward, being based on a continuation of current practices. It will also avoid the need to release new and dedicated resources to deal with the situation in a proactive and planned manner, at least in the short term.

Cons – The disease cannot be prevented, so DCC will have to react and respond to it, regardless. The only issue is whether it deals with it in a pre-planned and proactive manner, or whether it adopts a more laissez-faire and reactive approach. This latter option will significantly increase the risk of public safety issues and will mean no effective environmental mitigation. In the event of a fatality or serious injury linked to insufficient or inappropriate action by DCC, there could a risk of legal action against the Authority. In addition, a lack of leadership by DCC, could limit the effectiveness of action taken by other organisations, meaning that the issues listed will be compounded across Devon.

On this basis, the report that is being presented to Cabinet recommends that a planned and proactive approach is adopted. Specifically, the following are recommended:

1. A variation to the frequency of tree inspections;
2. The release of resources to mitigate the Authorities liabilities linked to this disease, with this matched to its progress throughout the county.
3. Support and resource a programme of environmental mitigation in line the principles established through the Devon Ash Dieback Resilience Forum (chaired by DCC).

<p>Social/equality impacts (summary):</p>	<p>The very rapid loss of many millions of ash trees (i.e. approximately 20% of all trees) across Devon over a short time span will, inevitably, result in adverse social impacts for people in Devon, including all residents and visitors. There are likely to be specific consequences for certain groups, including land owners and managers and those involved in rural business linked to tree and woodland management, timber production and processing and, potentially, those involved in tourism. The indirect effects of the environmental consequences of significant tree loss will also have wider implications for Devon residents and for visitors across large parts of the county.</p> <p>Anticipated impacts are likely to include:</p> <ul style="list-style-type: none"> a) Consequences for public health and wellbeing or, indeed, quality of life, linked to a degraded natural environment. b) Implications for air quality and temperature regulation, particularly where there are significantly fewer trees in urban areas or in the vicinity of roads. c) Issues linked to greater slope instability, soil erosion, surface water run-off and increased flood risk. This could have localised implications for agriculture, for watercourses and for communities already vulnerable to flood risk. <p>Addressing these issues will require action to be taken not just by DCC, but by organisations, communities and individuals right across Devon.</p> <p><u>Note</u>: no specific equality issues have been identified. This is because ash dieback is a natural phenomenon, which will affect everyone in Devon in a variety of ways and which the whole of society has to address. Although there will be a requirement for particular action by certain sectors of society, particularly land owner individuals and organisation or others who have responsibility for tree management, they already hold these responsibilities, regardless of this disease. Nothing that is proposed by DCC will result in new and unfair burdens on particular sectors.</p>
<p>Environmental impacts (summary):</p>	<p>The inevitable and near complete loss of our second most common tree species in Devon represents an environmental crisis, although one caused by a tree disease, which is a natural process. The obvious environmental impacts will be upon Devon's wildlife interests and on the quality of its landscape. From a wildlife perspective, the loss of ash trees will result in detrimental impacts upon a wide range of wildlife interests that they support (e.g. birds, bats, insects, lichens etc..). From a landscape perspective, the longer terms impacts</p>

	<p>are likely to be most serious in areas outside of woodlands. Although many woodlands will be devastated in the short term, other species of tree and shrub are likely, quite quickly, to regenerate naturally, or through planned re-stocking. In contrast, very little such natural replacement is likely to occur in non-woodland situation, where ash is an important hedgerow or field tree and is very commonly found alongside roads and riverbanks. Here, the replacement of trees will be very much more dependent upon direct planning and intervention by man.</p>
<p>Economic impacts (summary):</p>	<p>There are likely to be specific consequences for certain groups, including land owners and managers and those involved in rural business linked to tree and woodland management, timber production and processing and, potentially, those involved in tourism. Those organisations with very significant responsibility for tree management and safety will, inevitably, have to invest significant resource in dealing with this disease, which may have implications for their wider financial wellbeing; these impacts will be greatest over the main period of infection by ash dieback, which we cannot predict at present, although it is thought to be likely over the next 10 years or so. Businesses focussed on forestry and timber products are likely to be particularly affected, although there will be gains and opportunities, as well as increased problems and costs (e.g. very high demand for trained tree operatives). The environmental consequences of the disease may well have knock-on impacts for the tourist industry, with attractive landscapes and environments made less so, particularly in the short term as a result of widespread tree disease/ death and associated tree felling. Once again, any such impacts are likely to lessen over time, after the main phase of tree infection and loss.</p>
<p>Other impacts (partner agencies, services, DCC policies, possible 'unintended consequences'):</p>	<p>The impacts documented above relate to the likely consequences of the infection and death of the great majority of our ash trees due to ash dieback, rather than the policy changes proposed by DCC. However, as explained above, the severity of the impacts will be influenced by the approach taken by DCC. As already mentioned, it is not just an issue of the direct action taken by DCC and the degree to which this reduces tree safety problems and environmental impacts, but equally important is the influence that DCC might have over others.</p> <p>In the knowledge of the likely severity of ash dieback, DCC worked alongside others to establish the Devon Ash Dieback Resilience Forum, which it chairs. Its purpose is to encourage widespread awareness and understanding of ash dieback and to promote coordinated approaches to action to mitigate its effects. This has included the production of a Devon Ash Dieback Action Plan, the production of other promotional and advisory literature and the staging of meetings and events.</p>

	<p>One of the dilemmas that would result from a proactive approach to addressing ash dieback is that putting too much emphasis on the tree safety aspects (e.g. taking action unduly early to remove infected trees and, to limit costs, removing nearby trees showing no signs of infection) could compound the environmental consequences. Wherever possible, trees that may have resistance to the disease should be given the chance to survive. As far as possible, trees should only be removed at the time that such action is properly justified. Achieving this right balance is likely to be difficult and is likely to require different approaches over time, as the disease progresses.</p> <p>DCC and the Devon Ash Dieback Resilience Forum have already recognised the problems that ash dieback will present for compliance with legislative systems and processes which are designed to protect certain trees or limit inappropriate tree felling. These include the system of felling licences, tree preservation orders and the specific requirements in Conservation Areas. At present, it is possible for DCC to deal with these issues through its normal tree safety inspection and works programme. However, when faced with the huge increase in workloads as large number of trees have to be removed, this will no longer be manageable. For this reason, DCC has been working with other organisations at a national level to consider what changes to these systems and processes might be necessary; advice from Central Government is currently awaited on these issues.</p> <p>One of the consequences of the formation of the Devon Ash Dieback Resilience Forum is the development of shared proposals for environmental mitigation. This has included the establishment of a partnership of organisations who have develop a funding bid, which is being linked with similar proposals elsewhere in the country through coordination by the Woodland Trust, and for which a grant request will be made through the Heritage Lottery Fund. The recommendations made to Cabinet suggest the release of funding to match-fund this bid / project. If the bid is successful, the implementation of the project will provide a practical means by which DCC might discharge its adopted responsibilities for the replacement of the infected ash trees that it has to fell. But, beyond this, it should also help to support a comprehensive programme of community engagement in ash dieback initiatives and action (particularly tree planting) across Devon.</p>
How will impacts and actions be monitored?	<p>DCC already has systems in place to monitor safety issues affecting the tree stock that it has responsibility for; it is the frequency of tree inspections which will be changed as a result of the recommended new approach. However, such inspections are designed to address the risk presented by specific trees, rather than providing an advance assessment of the spread of the disease and the extent of infection, to inform overall approaches to be</p>

adopted by DCC. For this reason, a new type of monitoring has been introduced to assess the level of infection at sample survey points across the road network. This will be continued for as long as it is useful.

The recommendations made to Cabinet also envisage ongoing monitoring of the way in which DCC is undertaking tree safety works as a result of its (proposed) proactive approach. This will happen through the teams dealing with tree safety policy and works. They will report to the DCC Tree Board, who will advise on changes to the frequency of tree inspections and also to the detailed procedures used to tackle the removal of trees infected by ash dieback in the most effective and efficient manner.

EES/18/4

Cabinet
16 May 2018

Department for the Environment, Food and Rural Affairs (DEFRA) consultation: The future for food, farming and the environment

Report by the Head of Service: Economy, Enterprise and Skills

Please note that the following recommendation is subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation: That Cabinet approves the draft Devon County Council response (Appendix I) to the DEFRA consultation.

1. Summary

DEFRA's consultation marks one of the most important developments in UK agricultural policy for a generation. Once the UK leaves the European Union it will withdraw from the Common Agricultural Policy (CAP). The Secretary of State says that the government wants to take this opportunity to introduce "a more rational, and sensitive agriculture policy which promotes environmental enhancement, supports profitable food production and contributes to a healthier society." The consultation is very broad and encompasses issues such as farming subsidies, trade, skills, public health, innovation and rural productivity, amongst others.

A holding response has already been submitted to DEFRA in order to meet the consultation deadline of 8 May 2018. Cabinet is now asked to approve the County Council's response so that confirmation can be provided to DEFRA.

2. Background/Introduction

Agriculture is one of Devon's most important economic sectors. Although small in absolute terms, it is the foundation for the broader rural economy and is the anchor for Devon's rural communities. It accounts for around 5.5% of jobs, which is around twice the UK average. Many more are supported in the supply chain and in the ancillary services provided to farmers.

Farming in Devon is based on livestock with the dairy, beef and sheep sectors being particularly prominent. There is high proportion of small and family-run farms which have provided the social fabric of the countryside and the bedrock of farming in Devon for centuries. There is also a higher number of owner-occupier farms in Devon than there are nationally, though there are also some large agricultural estates with tenanted farms including Devon County Council's own farms estate, which offers starter farm tenancies ranging from 37 to 301 acres, and the Duchy of Cornwall Estate.

Devon's environment is unique. The county is home to two National Parks, five Areas of Outstanding Natural Beauty, two World Heritage Sites and many protected species, natural areas and sites and buildings of historical importance. This world class environment is a main attraction for tourists and plays a key part in attracting our work force, students and inward investment. Tourism spend in the county is over £2 billion annually, more than any other county in the South West. 72.4% of land in Devon is farmed, which means that farmers

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are uniquely placed to make a significant contribution to the maintenance and enhancement of the countryside.

Low produce prices and higher input costs have created challenging conditions for many forms of farming in Devon in recent years. Since 2009, the number of farm businesses in Devon has fallen by around 15%.¹ Some farmers in Devon are struggling with several issues including family relationships, mental ill health (which has seen a significant increase) and succession planning. There has been a particularly harsh impact on small dairy farms. It has been estimated that 75% of dairy farms not operating on an aligned dairy contract are operating at a loss because it is costing them more to produce their milk than they are able to sell it for.

DCC's proposed response draws on the January 2017 report from the Place Scrutiny Committee Agriculture Task Group, which considered the issues facing Devon's agricultural sector in some detail.

3. Key issues

"Public Money for Public Goods" and farm resilience

One of the most significant proposals is the phased abolition of fixed payments to farmers based on how much land they farm (known as Direct Payments) and to affect a shift towards what the government calls "public money for public goods". In particular, the government wants a greater focus on agri-environmental schemes that reward farmers for managing and enhancing the natural environment.

The principle of public money for public goods is difficult to argue with, particularly if a broad view is taken of the public good that farming can contribute to e.g. skills, innovation, etc as well as environmental enhancement. DEFRA presents analysis to show that Direct Payments under CAP do not provide value for money and that they have led to a number of distortions, including inflated land values & rents and unintended environmental consequences. This would therefore appear to be a positive opportunity for reform.

That said, DEFRA's analysis also shows that some of the agricultural sectors that predominate in Devon are likely to be those most impacted by the withdrawal of Direct Payments, particularly livestock grazing which accounts for 51% of farmed area in Devon. According to DEFRA, 94% of average farm income for lowland livestock grazing comes from Direct Payments. Dairy, which accounts for 20% of farmed area in Devon, is somewhat less exposed at 38% of average farm income – but the amount is still significant.

DEFRA's analysis shows that in the absence of Direct Payments the proportion of loss-making farms would exceed 50% for livestock grazing farms and 25% for dairy farms respectively, other things equal. This is clearly quite concerning.

DEFRA argues that farms will need to become more productive and diversify to offset this impact. On average, farms will need to reduce their costs by 11%². But for the worst-performing lowland grazing farms this will be as high as 45%. DEFRA believes that rents should fall which will help tenant farmers at least to achieve some of this cost saving. Farmers will also be able to access the government's new subsidy schemes, which will be more focussed on rewarding public goods. However, there is little detail on the new schemes and how much money will be available, which makes it impossible to judge the net financial impact at this point in time. Anecdotally, the National Farmers Union reports that

¹ DEFRA, Structure of the agricultural industry in England and the UK

² Median cost reduction required for lowland grazing = ~11%, dairy = ~5%, uplands grazing = ~16%

Devon farmers struggle to access some of the current agri-environmental schemes which could be a concern if that continued in future.

It therefore seems very important to stress to government that it needs to pay close attention to the financial position and future sustainability of farm businesses when devising its new schemes to ensure that farming remains viable in places like Devon. Any significant loss of employment or farming activity in Devon would have huge economic and social consequences for the broader rural economy.

Farmers also need to be given enough time to plan for any changes in subsidies and, in the absence of Direct Payments, will require ongoing support to manage volatility in prices and output.

Balancing public goods and food production

While being supportive of the concept of public money for public goods, DCC's draft response says that the new system should also recognise the significant public value that is derived from domestic food production. Food production is at the core of what it means to farm. Moreover, high-quality primary production provides the foundation for Devon's thriving Food & Drink sector, which is seen as a major growth sector for the future.

Uplands farming

Uplands farming faces particular challenges which justify special government support. It is reassuring that this appears to be recognised in the consultation, with a chapter devoted to uplands farming, but nevertheless the draft DCC response emphasises the importance of finding solutions to this issue. It also reiterates support for the proposals from Exmoor and Dartmoor National Parks to host pilots of some of the new subsidy schemes.

Trade and market fairness

The consultation sets out the government's ambition for free and frictionless trade with as many countries as possible, but contains few specifics. DCC's draft response highlights the importance of trade to farmers, including exports which are particularly important in sectors such as sheep and dairy. Consumers also benefit from choice and the availability of goods. That said, the government should ensure that UK farmers are operating on a level playing field. The government should ensure that agricultural imports are subject to the same high regulatory standards that are applied to British farmers.

The DCC response also encourages the government to take steps to ensure that the domestic market is operating fairly, particularly in terms of the buying practices of the supermarkets.

Regulation and inspections

The consultation signals a relaxation and streamlining of some aspects of regulation, including inspections.

DCC's proposed response indicates support for a pragmatic approach to regulation. There is much good practice already in place which should be considered. In any push to remove perceived burdens on farmers, the response suggests that government should ensure that standards of animal health & welfare, food production and environmental protection are nevertheless protected. The consequences of regulatory failures can be devastating for rural communities (e.g. Foot & Mouth disease, BSE, etc).

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Rural economic development

There is recognition in the consultation of the importance of issues such as skills, innovation and connectivity to driving improvements in agricultural productivity. DCC's response states that the government should take this opportunity to bring a renewed focus to rural economic development more generally, and highlights the recent work of the South West Rural Productivity Commission. Rural areas face numerous economic and social challenges and risk being left behind their urban counterparts.

4. Stakeholder input

DCC's holding response has been informed by input from Services across the Council, as well as key external stakeholders including the National Farmers Union, the Devon Wildlife Trust, the Local Nature Partnership, Somerset County Council and the Heart of the South West Local Enterprise Partnership.

5. Financial Considerations

The current consultation does not involve any direct financial commitments for the Authority.

The government expects its reforms to lead to a fall in agricultural rents over the longer term, which will reduce the income of the County Farm estate. Policies enacted by the government following this consultation could also lead to changing service requirements, for example around farm inspections. Those impacts are not quantifiable at this stage.

6. Equality Considerations

An Impact Assessment has not been considered to be required at this stage.

7. Legal Considerations

The lawful implications/consequences of the proposals/recommendations/proposed course of action have been considered and taken into account in the preparation of this report/formulation of the recommendations set out above.

8. Risk Management Considerations

This proposal has been assessed and all necessary safeguards or actions have been taken/included to safeguard the Council's position.

No risks have been identified.

9. Options/Alternatives

No Consultation Response Provided

Devon County Council could opt to provide no consultation response and to withdraw the holding response that has been submitted. However, this would mean that Devon priorities are not represented in the policy making process.

Alternative Consultation Response Provided

The current consultation response provided could be amended to reflect feedback from Cabinet should any significant issues be highlighted.

10. Reason for Recommendation/Conclusion

The agriculture sector is a critical part of the Devon economy. This consultation is the key opportunity to ensure that Devon's priorities are reflected in the most significant development in agricultural policy for a generation.

Keri Denton
Head of Economy, Enterprise and Skills

Electoral Divisions: All

Cabinet Member for Policy and Corporate: Councillor John Hart
Cabinet Member for Economy, and Skills: Councillor Stuart Barker

Chief Officer for Communities, Public Health, Environment and Prosperity: Dr Virginia Pearson

Local Government Act 1972: List of Background Papers

Contact for enquiries: Keri Denton

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Background Paper	Date	File Reference
1. Defra Consultation: the future for food, farming and the environment	27 February 2018	https://www.gov.uk/government/consultations/the-future-for-food-farming-and-the-environment

td240418cqb Defra consultation - The future for food, farming and the environment
hk 03 070518

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**Appendix I
To EES/18/4**

Draft Devon County Council consultation response

Executive summary

Devon County Council is a passionate supporter of the agricultural sector and the many economic and social benefits it provides. It also believes in the enhancement of the environment and the importance of natural capital as an economic asset. Brexit offers a once-in-a-generation opportunity to ensure that agricultural policy supports a vision of UK farming that leads the world in quality food production and which enables the enhancement of the countryside and of our rural communities.

The Council supports the government's proposed focus on "public money for public goods". Any subsidy should be earned. Within this, there is scope for the government to support a wide range of activities, including environmental but also incorporating issues such as skills, innovation, animal health and public access to the countryside. It is equally important that the new system continues to support farmers to farm and recognises the considerable public value of domestic food production.

In implementing these reforms, it is critical that the government pays due regard to the financial resilience of farm businesses. It is of concern to the Council that DEFRA's own analysis shows that the sectors that predominate in Devon, particularly grazing livestock (51% of farmed area), are likely to be those most affected by the withdrawal of Direct Payments. For example, the proportion of loss-making livestock grazing farms would exceed 50% in the absence of Direct Payments, other things equal. It is unrealistic to expect that productivity gains and further diversification will be sufficient to fully offset this impact. It is therefore critical that the government takes a holistic view of the distributional impact of its reforms when designing replacement schemes and considers the steps necessary to support farmers through the transition to ensure that farming remains viable in all parts of the UK. Farmers will also require assistance with managing volatility on an ongoing basis. Furthermore, the new system should reflect the specific challenges faced by farmers in uplands areas and steps should be taken to address broader long-term issues such as market fairness.

The Council encourages the government to ensure that new approaches are trialled rigorously before they are introduced. It supports the proposals from Exmoor and Dartmoor National Parks to host such pilots, and would be keen to host similar pilots in Devon's lowland areas.

The government should take this opportunity to bring a renewed focus to rural economic development more generally. Rural areas face numerous economic and social challenges and risk being left behind their urban counterparts.

Introduction

Agriculture is one of Devon's key economic sectors, accounting for around 5.5% of jobs in the county which is roughly twice the UK average. Agriculture also provides the bedrock for the broader rural economy, underpinning Devon's world-leading food and drink sector for example, and supports many more jobs in various ancillary services. It also underpins the health and vitality of our rural communities.

Devon's environment is unique. The county is home to two National Parks, five Areas of Outstanding Natural Beauty, two World Heritage Sites and many protected species, natural areas and sites and buildings of historical importance. This world class environment is a

main attraction for tourists. Tourism spend in the county is over £2 billion annually, more than any other county in the South West. 72.4% of land in Devon is farmed, which means that farmers make a unique contribution to the maintenance and enhancement of the countryside.

Farming in Devon is based on livestock with the dairy, beef and sheep sectors being particularly prominent. There is high proportion of small and family farms which have provided the social fabric of the countryside and the bedrock of farming in Devon for centuries. There is also a higher number of owner-occupier farms in Devon than there are nationally, though there are also some large agricultural estates with tenanted farms including Devon County Council's own Farms Estate, which offers starter farm tenancies ranging from 40 to 300 acres, and the Duchy of Cornwall Estate.

Low produce prices and higher input costs have created challenging conditions for many forms of farming in Devon in recent years. Since 2009, the number of farm businesses in Devon has fallen by around 15%.³ Some farmers in Devon are struggling with a number of issues including succession planning, family relationships, mental ill health and – most concerning - high suicide rates. There has been a particularly harsh impact on small dairy farms. It has been estimated that 75% of dairy farms not operating on an aligned dairy contract are operating at a loss because it is costing them more to produce their milk than they are able to sell it for.⁴

Key points of response:

- **The Council supports the concept of public money for public goods:** Farming and farmers already generate significant benefits for the economy and their local communities, including in their role as stewards of the countryside. Farmers should be rewarded for this activity and incentivised to do more. We note the government's analysis that Basic Payments do not provide value for money to the taxpayer and have led to unintended consequences, including artificially inflated land values and farm rents. Oversight and regulation of any new subsidies needs to be clear and cost-effective and any support should be prioritised for those actively engaged in farming rather than simply landowners.
- **It is right that a broad range of public goods are encouraged:** Enhancement of the environment and biodiversity are very important, both intrinsically and for the economic benefits they unlock. For example, Devon's landscape, historic and natural environment are the key draws for tourists from outside the region, and rights of access to the countryside yield significant public health and wellbeing benefits. We would also encourage the government to support farmers to undertake activities that help to generate significant benefits for the wider rural economy, such as training, innovation and enabling public access to the countryside.
- **But there is a need to balance this with support for food production:** Food production remains at the core of what it means to farm. There are significant benefits to the nation from encouraging food production, including for UK consumers and for other sectors of the economy. For example, food and drink is a key growth sector in Devon and has a national and international reputation for quality and innovation. Much of this value-add activity is underpinned by local primary

³ DEFRA, Structure of the agricultural industry in England and the UK

⁴ Agriculture and Horticulture Development Board, 2016

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production. It is important that a renewed focus on public goods also recognises the significant public value of domestic food production.

- **Farm resilience:** DEFRA's analysis shows that Basic Payments do not provide value for money and have created market distortions. Nevertheless, it is important to note that many farm businesses currently rely heavily on Basic Payments and that this reliance tends to be higher in Devon than in other parts of the country. DEFRA's analysis shows that sectors that predominate Devon are likely to be those most affected by the withdrawal of Direct Payments.

For example, grazing livestock and dairy account for 51% and 20% of farmed area in Devon respectively. DEFRA's analysis shows that Direct Payments currently account for 91-94% of farm profits for grazing livestock farms. 19% of such farms currently make a loss, but this would rise to over 50% without Direct Payments. Moreover, profits for the remaining profitable farms would be substantially reduced. Similarly, the percentage of loss making dairy farms would rise from 12% to 26%. It seems unrealistic to expect that the withdrawal of this funding could be offset by productivity gains and diversification alone.

It is difficult to anticipate what the net impact will be on farm businesses as the consultation is not specific about the system of subsidies that will replace the current arrangements. However, it is absolutely critical that the replacement system ensures that farming remains viable across the UK. In Devon 5.5% of jobs are in agriculture and many more are sustained in the wider rural economy as a result. Any loss of employment would have a critical impact on a rural economy that is already lagging behind other parts of the country. It could also have significant social consequences. Furthermore, any loss of agricultural activity could have a significant impact on Devon's unique natural landscape.

- **Transition period:** Farm businesses operate on long investment cycles. They therefore need sufficient time to plan for a new system, particularly if these reforms coincide with changes to terms of trade and the availability of labour. The Council is not well placed to judge which of the specific options outlined in the consultation will best deliver this. However, it is also important that sufficient time is allowed for to rigorously pilot new programmes in different sectoral and geographical contexts so that their impacts can be judged before final decisions are made. Devon would be keen to host such trials. The Council is supportive of the proposals that have been submitted by Exmoor and Dartmoor National Parks, and would be keen to host similar pilots in lowland areas.
- **Local control:** Brexit presents a unique opportunity for government to devolve aspects of the system so that schemes can be tailored to the particular needs of different parts of the country. The current system is top down and rigid and a one-size-fits-all policy leads to perverse outcomes in some areas.
- **Farmers need help to manage volatility in prices:** Volatility in agricultural commodity prices has increased in recent years.⁵ Basic Payments provide some insurance against volatility, but with these being withdrawn it is imperative that the

⁵ Responding to price volatility: creating a more resilient agricultural sector, House of Lords European Union Committee, May 2016

government finds an alternative way to support farmers either through stimulating effective and affordable market solutions (e.g. futures markets, commercial insurance) or by providing other forms of direct financial support. Without support this volatility will jeopardise the viability of some farms and deter long-term investment across the sector.

- **Environmental protection schemes:** New schemes need to reward existing farming practices that deliver a high-quality environment, not just new activity that is a direct consequence of a particular grant. For example, Devon has a high proportion of grazing livestock and dairy farming which inherently encourages features which support biodiversity, such as hedgerows and permanent pasture. This contributes to a very high level of natural capital and a landscape that is a great draw to visitors from outside the region. However, farmers in Devon are reporting that they are finding it harder to access the latest agri-environmental schemes (e.g. the Countryside Stewardship Scheme) because those schemes don't fully recognise the environmental work that they already do. This seems perverse.
- **Uplands farming faces special challenges:** We strongly welcome the government's recognition that uplands farming faces particular challenges. It is very important that this is reflected in the new subsidy system. This support should also extend to those areas which are currently classified as Less Favoured Areas (LFAs), of which Devon has a particularly high concentration.
- **Distributional analysis:** Before final decisions are made, the government should publish a distributional analysis of the financial impact of its proposed reforms by geographical area and by agricultural sector.
- **Support for new entrants to farming:** The government should seek to provide enhanced support for new farmers, including young people. New farmers can be significant drivers of innovation and productivity improvements but they face significant barriers to entry. Devon County Council has a very successful County Farms Estate which has provided 27 new entrant opportunities on starter farms since 2010. A thriving County Farms Estate enables committed, entrepreneurial and enthusiastic new entrants to get a step on the farming career ladder. The government should look at how it can best support such initiatives.
- **Trade:** Trade is of critical importance to farmers. Agricultural exports are a key market, particularly in sectors such as sheep and dairy where the UK is a net exporter, and many farmers import machinery and other input products, which influences their production costs. Consumers also benefit from choice and the availability of goods. Free and frictionless trade with as many markets as possible is therefore desirable. That said, the government should ensure that UK farmers are operating on a level playing field. In particular, the government should ensure that agricultural imports are subject to the same high regulatory standards that are applied to British farmers.
- **Market fairness issues:** Market fairness continues to be an issue that is particularly pronounced in certain sectors. The government should ensure that the supermarkets do not abuse their market position, take steps to improve the availability of transparent market prices and encourage the shortening and localisation of supply chains.

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- **Regulation, animal health and inspections:** The Council supports a pragmatic approach to regulation. There is much good practice already in place which should be considered and, if appropriate, adopted and carried forward when considering any new structure and systems. In any push to remove perceived burdens on farmers, the government should ensure that standards of animal health & welfare, food production and environmental protection are nevertheless protected. The consequences of regulatory failures can be devastating for rural communities (e.g. Foot & Mouth disease, BSE, etc).

Rather than being a burden to business, on an annual basis Devon, Somerset and Torbay Trading Standards Service currently inspect only approximately 1% of farms in the area for a mixture of animal feed, food and animal welfare/disease purposes. These visits are targeted using a risk based approach.

It is also important to note that the 'use of regulation to ensure action is taken' should not always mean prosecution through the courts. Alternative enforcement action and other methods of support (regulatory and social) are more beneficial in certain instances. We need to have a range of options available along with the resources to implement them effectively; focussing those resources on those who need it most.

- **Rural economic development:** As highlighted by the South West Rural Productivity Commission, rural areas in the South West account for 54% of output and 58% of enterprises. Yet productivity is 8% lower than urban areas in the region and 10% lower than the average for rural areas in England. Closing that gap would secure an additional 5% increase in GVA.

Under CAP, the UK received significantly less rural development funding than countries such as France and Germany. The government should take this opportunity to increase the resources that are provided for rural economic development. The proposed focus on R&D and skills in the agricultural sector is welcome. But this focus should also support other businesses operating in rural areas, including in food and drink production, tourism and in the emerging industries such as digital and creative. The government should consider how it can support and empower local areas to help to deliver these objectives.

At a minimum, the government should continue to support rural business growth and diversification through locally-managed programmes (e.g. the highly successful LEADER programme). The rural economy is reliant on a high number of micro businesses and SMEs. Smaller, more locally targeted, grants combined with locally based advice and assistance are more effective at supporting this type of business.

- **Broadband and mobile connectivity:** As recommended by the South West Rural Productivity Commission, the government should implement the Universal Service Obligation for broadband as soon as possible and at an increased speed of at least 30mbps (upload & download). It should also take steps to improve mobile coverage, including by placing tougher obligations on the mobile network operators.

**Corporate Infrastructure & Regulatory Services
Scrutiny Committee**

Broadband & Mobile Connectivity Task Group

Final Report

March 2018

1. Recommendations

The Task Group asks the Corporate Infrastructure & Regulatory Services (CIRS) Scrutiny Committee and Cabinet to endorse and action the recommendations below. The Task Group requests that a two part report should be brought back to the CIRS Scrutiny Committee in six months' time outlining:

- (a) progress against the Recommendations in this Report; and
- (b) progress of the Phase 2 roll out and proposed plans for the investment of gainshare monies

1	<p>RECOMMENDATION 1 IMPROVED DIALOGUE BETWEEN CDS, PROVIDERS AND THE PUBLIC</p> <p>Through the Cabinet Member for Economy & Skills, CDS be requested to:</p> <p>(a) Within the next three months, arrange and hold a stakeholder event in each 'lot' area, plus the two National Parks, with representatives from Airband or Gigaclear in attendance as relevant. These events should be used to inform local residents and businesses of roll out progress, as well as hearing and taking on board the concerns of local people. These stakeholder events should as a minimum, be repeated annually.</p> <p>(b) Produce a quarterly newsletter, to be published in Parish magazines and on the CDS website for each 'lot' area and the National Parks, detailing progress made to date (to include numbers of homes reached and take up) and outlining topics covered and discussion at the stakeholder events.</p> <p>(c) Begin using social media to inform residents and businesses about roll out progress.</p> <p>(d) Publish this Report on their website.</p>
2	<p>RECOMMENDATION 2 IMPROVED TRANSPARENCY OF DECISION MAKING</p> <p>Through the Cabinet Member for Economy & Skills, CDS be requested to:</p> <p>(a) Publish on their website the unredacted action plans for meetings of the CDS Board of 6th December 2011, 18th October 2013, 12th December 2014 and 13th March 2015.</p> <p>(b) Ensure that the Board's action lists are published on the CDS website within a week of the meeting being held.</p> <p>(c) Publish the Devon and Somerset Superfast Broadband Programme Audit Report, dated September 2015 on the CDS website.</p>
3	<p>RECOMMENDATION 3 MEANINGFUL CONSULTATION ON GAINSHARE / TAKE UP CLAWBACK</p> <p>Through the Cabinet Member for Economy & Skills, CDS be requested to commit a specific personnel resource to carry out a full consultation with communities on the options available for the spending and allocation of gainshare monies, including options for community match funding. The consultation should run for a minimum of 12 weeks, with an update on consultation methods and engagement circulated to the CIRS Scrutiny Committee promptly at 6 weeks. Given lack of digital connectivity in the communities at hand, the consultation should be available and promoted offline (i.e. in paper form), through Town and Parish Councils, libraries, local pubs and other community facilities and meeting places.</p>

4	<p>RECOMMENDATION 4 BETTER DIGITAL SKILLS FOR COMMUNITIES</p> <p>Through the Cabinet Member for Economy & Skills, CDS be requested to secure further funding to continue to provide digital skills workshops for communities across Devon increasing digital confidence and connectedness.</p>
5	<p>RECOMMENDATION 5 REMOVE THE COST THRESHOLD FOR THE BROADBAND USO</p> <p>The Cabinet Member for Economy & Skills to lobby Government to widen the Universal Service Obligation to ensure that <u>all</u> premises in Devon and across the UK have the right to request access to a broadband connection of at least <u>30Mbps</u>.</p>
6	<p>RECOMMENDATION 6 ALL NEW DEVELOPMENTS IN DEVON TO PROVIDE SUPERFAST BROADBAND ACCESS TO HOMES</p> <p>The County Council to work with Devon District Councils and the two National Parks to develop a co-ordinated and pragmatic approach to broadband infrastructure and planning conditions, recognising superfast broadband as the fifth utility and ensuring all new homes have access from day 1.</p>
7	<p>RECOMMENDATION 7 CLARITY AND TRANSPARENCY ON COMMERCIAL PLANS</p> <p>The County Council to lobby Government to require all wholesale providers of both broadband and mobile infrastructure to publish detailed commercial roll out plans so that communities and businesses are informed and able to plan for their digital future.</p>

2. Background

Broadband Connectivity in Devon

2.1 Improved broadband connectivity has already been provided to a great number of Devon homes and businesses by commercial providers such as BT and Virgin.

2.2 The Connecting Devon & Somerset (CDS) programme was set up under the Government's Superfast Broadband Programme to deliver next generation broadband infrastructure to areas where the commercial market has failed to invest. Whilst the ambition for the programme was to achieve close to 100% superfast coverage, it was acknowledged and expected that there would be a small percentage of premises across the CDS area which would not be covered by commercial plans or the main phases of the CDS programme.

Mobile Connectivity in Devon

2.3 The majority of improvements to mobile phone connectivity (voice and data) in Devon is expected to be delivered by commercial providers. Acknowledging that a number of 'not spots' are likely to remain, the Council and local authority partners are exploring the range of potential options for using public subsidy to improve mobile phone coverage across the Heart of the South West Local Enterprise Partnership (HotSW LEP) area.

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Scope of the Review

2.4 Since March 2012, the Council's Scrutiny function has monitored the roll out of the CDS Programme and more recently mobile connectivity, through regular reports to its Place Scrutiny Committee. Members of the Corporate Infrastructure & Regulatory Services Scrutiny Committee felt that a more in depth and robust approach should be taken going forward, and that a Task Group, which would drill down into the detail and examine the complex issues at hand, would be the best approach. Due to the public interest in the topic, the Chair stated that an update report on the work and findings of the Task Group be brought to the Committee, until the work of the Task Group was complete.

2.5 The scope of the review was to:

- Consider the impact of improved broadband and mobile phone connectivity across Devon on the local economy and local people;
- Monitor and scrutinise the progress of the continued rollout of the CDS programme and digital connectivity in the County;
- Consider how coverage and speeds for premises not covered by Phase 1 or 2 of the CDS programme can be best improved;
- Monitor and scrutinise the progress of mobile phone coverage improvements across Devon;
- To report back on a regular basis and make recommendations as appropriate to the Corporate Infrastructure & Regulatory Services Scrutiny Committee.

2.6 The Task Group recognised at an early stage of this review the relevance of both broadband and mobile connectivity to the wider digital infrastructure agenda and the Devon economy, and as such both areas have been explored in some detail. However, the majority of the key issues for review related to the roll out of the Connecting Devon and Somerset programme and as a result this report has a greater focus on broadband.

2.7 The Corporate Infrastructure & Regulatory Services Scrutiny Committee may wish to carry out a follow up piece of work which looks in more detail at mobile connectivity, particularly in relation to the availability of mobile internet across the County, against claims made by mobile providers, and to monitor the rollout of the publicly funded programme to service 'not spots'.

2.8 Somerset County Council's Policy and Place Scrutiny Committee were invited to join this review, but this offer was not taken up.

3. Findings

Why is Broadband and Mobile Connectivity important?

3.1 The Devon economy is characterised by its thousands of small businesses, with high levels of self-employment and large numbers of people working in rural areas. Agricultural activity in the county is four times that of the national average, and the number of tourism businesses is twice the national average¹. These industries are operating more than ever online, and newer areas of business such as science and technology are emerging in Devon but are often struggling to prosper with insufficient digital connections.

3.2 Broadband and mobile phone connectivity is vitally important to enable businesses and individuals to undertake tasks such as maintaining a website, responding to emails, completing tax returns, purchasing and selling, using cloud based software and the use of smart phone apps (the latter has been highlighted as a particular issue within agriculture). Tourists and visitors to Devon increasingly expect to be able access the internet on the move, whether they are in the middle of a town or the moor.

3.3 The inconsistency of broadband and mobile internet coverage in the region has been raised as a key issue by the business community and by town and parish councils; businesses cannot be certain about when they will have a connection and when they will not. The Task Group has also heard reports of businesses moving out of Devon to Bristol or even Cornwall, where broadband and mobile internet coverage is seen as better and more reliable.

3.4 The report of the South West Rural Productivity Commission² highlights Broadband and Mobile Connectivity as a key growth theme and states that 'improving digital connectivity has the potential to be a 'game changer', but if left unresolved will result in 'left behind' communities'. The report goes on to say that 'without exception, every contributor to the commission raised the issue of broadband and mobile connectivity. It is now viewed as an essential utility to allow businesses to function'. This view was echoed by many Task Group witnesses, and there is real concern that it is the lack of digital connectivity that is holding Devon back from competing on a national and European scale.

3.5 Although the effect on the economy and productivity has been the driving force for this review, the impact on communities, health and wellbeing and education is a key consideration. Digital connectivity has the potential to alleviate rural social isolation, enabling people to make social connections online and access services. The health and social care sector has begun to make use of innovations in tele-care, and school children increasingly need internet access to complete homework. This means that many communities and individuals without access to sufficient broadband are disadvantaged in their everyday lives.

¹ <http://www.devonomics.info/devon-story>

² <http://heartofswlep.co.uk/wp-content/uploads/2017/10/HotSW-14332-A4-Overview-report-digital-doc-FINAL.pdf>

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The Connecting Devon & Somerset Programme – A Timeline

3.6 While conducting this review, the Task Group was conscious that it's ambition was to be forward looking and make recommendations which would contribute towards the improvement of digital connectivity in Devon. However, to do this it has been necessary to reflect on the work undertaken through the CDS programme from its inception to the beginning of this Task Group review, and as such a timeline covering this activity is outlined below.

Phase 1

3.7 The Government launched their strategy 'Britain's Superfast Broadband Future' at the end of 2010, outlining their ambition to dramatically increase superfast broadband access across the UK. The strategy, managed by the Government's Broadband Delivery UK (BDUK) included considerable funding to help local authorities deliver broadband into areas that were not covered under a declared commercial programme.

3.8 Throughout 2011, Devon County Council worked to form a partnership with Somerset County Council, Torbay Council, Plymouth City Council and North Somerset Council and to develop a bid for funding from BDUK. Governance arrangements and financial commitments were agreed by the respective councils and the Connecting Devon & Somerset (CDS) Board formed (Bath and North East Somerset Council joined the programme in January 2012).

3.9 Following a successful bid for funding, the CDS Board took the decision to support the BDUK national framework rather than procure a broadband supplier independently. At this point in time there were very few providers in the market and the decision was made on the basis that the national framework would provide a competitive process and allow CDS to appoint a supplier and begin delivery at the earliest possible stage.

3.10 Only two providers met the requirements of the national framework - BT and Fujitsu. Other suppliers either failed the framework criteria or withdrew from the process. CDS worked closely with BDUK during the framework process to ensure that rural areas such as Devon and Somerset were properly served.

3.11 On 29th June 2012 CDS launched their invitation to tender for the first phase of the superfast broadband programme to provide wholesale broadband infrastructure capable of delivering superfast speeds (24Mbps+) and sought highest possible levels of superfast coverage to support Government's 90% coverage target. The invitation to tender required suppliers to complete its deployment by March 2015.

3.12 Only BT responded to the invitation to tender with a submission bid. CDS were not alone in this scenario; Fujitsu did not bid for any programme tenders nationwide. BDUK has been widely criticised for its management of the national framework, resulting in a tender process which appeared to favour BT. While maintaining that the framework offered value for money, the Government admitted that due to the scale of work and infrastructure required 'there are some projects which are not as commercially competitive³'.

³ <http://www.computerweekly.com/news/2240179713/Fujitsu-pulls-out-of-BDUK>

3.13 The tender was awarded to BT and the contract was signed in January 2013. An extended procurement period, delays in achieving state aid, along with the vast engineering challenge led to some delay, and at this stage deployment was rescheduled and expected to complete by December 2016. BT missed this target by circa 1700 premises and fully concluded delivery in March 2017.

3.14 The majority of the Phase 1 delivery was achieved through fibre to the cabinet (FTTC) technology, with a small number of harder to reach homes and businesses benefitting from fibre to the premises (FTTP).

Phase 2

3.15 In 2014 the Government announced a superfast broadband extension programme, providing funding on a matched funded basis with the aim of achieving 95% superfast coverage nationally by the end of 2017. The superfast extension was initially planned to be an open tender process, however, delayed and limited responses to the open market review and following a supplier engagement event held in November 2014, the CDS Board concluded that the risks associated with an open procurement process outweighed the benefits⁴. Consequently, and recognising the bespoke nature of the solution required for the two National Parks, two separate procurement processes were run; an open procurement process focussing on the National Parks and a separate tender was undertaken through the national framework for the remainder of Devon and Somerset.

3.16 Two responses were received for the National Parks tender. Following evaluation and moderation, Airband, a provider of fixed wireless broadband, were selected as the Preferred Bidder. Following due diligence and state aid approval, the contract was signed on 30th June 2015.

3.17 The response from BT through the national framework was evaluated and moderated and deemed to be deficient in a number of areas, proposing to use all available public funding, delivering below the target levels of connections in terms of homes reached and proposed not to complete until 2021/22. BT were not elevated to preferred bidder status and discussions were held between CDS, BT and BDUK to address the areas where the bid fell short. Despite this, the tender was still considered not to meet value for money and was therefore rejected. BT were informed of the outcome on 26th June 2015.

3.18 As a result of the failed procurement exercise CDS made the decision to undertake an open market tender process. An Open Market Review was launched in March 2016 and good engagement with suppliers was achieved, representing a range of technologies. Following advice from BDUK and the EU, the CDS Board agreed a lotting approach to procurement, which divided the Devon and Somerset area into six lots.

3.19 CDS received a number of bids across all lots, and in Spring 2017 awarded the lot 4 contract to Airband (already contracted to deliver the National Parks part of the programme). Gigaclear, a fibre to the premises rural broadband specialist, were awarded lots 1, 2, 3, 5 and 6.

⁴ <https://www.connectingdevonandsomerset.co.uk/wp-content/uploads/2016/06/CDS-Phase-2-Audit-Report.pdf>, p5

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Broadband voucher scheme

3.20 To help meet the additional Government target of ensuring that all businesses and residents have access to at least 2 Mbps, CDS created a Broadband Voucher Scheme which allowed anyone within the CDS area with a current broadband speed of less than 2 Mbps and who would not be included in the main CDS or commercial programmes, to apply for a £500 voucher to go towards the installation cost of a new alternative broadband connection. Residents and businesses could choose their supplier from an approved list which included satellite, wireless and fibre providers, all of which guaranteed at least 10 Mbps download speed.

3.21 As of March 2017, over 4600 vouchers had been approved and over 850 installations taken place. The application process is currently paused while the scheme is reviewed.

Transparency and Communication

3.22 CDS has come under public criticism about the way it has conducted its business and communicated with communities and businesses.

3.23 One of the most provocative subjects was the lack of available public information on planned premises connections relating to the Phase 1 roll out. CDS were unable to tell communities and businesses whether they would be included in the Phase 1 programme in advance of the work actually being carried out. This was due to non-disclosure clauses in the contract with BT, negotiated by Government, which classed this as Commercially Sensitive Information (CSI). Also worth noting is that CDS agreed deployment with BT at postcode not premises level, and therefore premises specific information was not a requirement of the contract.

3.24 Clearly, this was extremely frustrating for communities and businesses who were left not knowing when or even if they would have access to improved broadband speeds under the Phase 1 roll out. This uncertainty meant that individuals, communities and businesses could not make informed decisions about whether to seek alternative solutions (for businesses this often involved paying for an expensive fixed line) and impacted on their qualification for the CDS voucher scheme, which was only available to those who would not be covered by the main commercial or publicly funded programmes.

3.25 CDS have acknowledged the difficult situation many communities and businesses found themselves in as a result, but were bound by the terms of the contract with BT. However, CDS consider that they have taken a robust approach and have done their best within these constraints to update and keep communities informed. CDS have also provided evidence of the difficulties non-disclosure clauses presented for both communities and the programme, when invited as a witness to the Culture, Media and Sport Select Committee inquiry Establishing World Class Connectivity Throughout the UK. Critics however argue that CDS showed naivety and lack of foresight in entering into a contract which contained such restrictions.

3.26 Coverage information under Phase 2 has been more freely available than under Phase 1, although the publication of information has been slower than many would like. CDS have preferred to only release coverage information when details are certain, rather than risk overpromising on coverage. However, the Phase 2 contracts do not contain the same non-disclosure clauses as the Phase 1 contract and Gigaclear has now published roll

out schedule on their website and both Gigaclear and Airband websites operate a postcode checker and the opportunity to sign up for email updates.

3.27 Experiences shared by witnesses and town and parish councils indicates that many people feel communication from CDS has been poor, during both phases of the programme. In addition some feel that CDS only provide 'good news' stories rather than reporting on the real experiences of the public, and others feel that information is being purposely withheld or is misleading.

3.28 Meetings of the CDS Board are held in private and some questions have been raised as to the reasons for this. CDS have advised that these meetings are primarily contract management meetings with providers, and this being the case, it seems reasonable that the majority of discussion at these meetings is genuinely commercially sensitive and justified as being closed to the public. Brief action notes are published following these meetings on the CDS website with commercially sensitive information being redacted. However, these notes are not detailed, and there remains a need to provide accurate and up to date information about delivery to the public.

3.29 As recommended by the Place Scrutiny Committee at their meeting of 3rd September 2015⁵, an independent audit was undertaken of the first Phase 2 procurement process. The final report of the South West Audit Partnership concluded that both Phase 2 procurement processes were robust with no significant areas of non-compliance identified. Although governance arrangements were clearly in place and decision making compliant with this, a small number of recommendations were made to ensure continued oversight and strengthened governance for the next procurement phase⁶. This report is published on the CDS website.

3.30 Prior to the request from Place Scrutiny, an internal audit report was conducted by Devon Audit Partnership and concluded in September 2015 giving an audit opinion of a High Standard, noting that the system and controls in place adequately mitigated exposure to the risks identified. This report is not currently in the public domain.

3.31 Whilst recognising the complex and historic reasons for poor communication and lack of information around coverage and delivery, the Task Group has identified this as a fundamental weakness in the delivery of the CDS Programme to date, resulting in diminished public trust and widespread frustration. CDS Board meetings may continue to be held in private for reasons of commercial confidentiality, but notes from past meetings no longer deemed commercially sensitive should now be published. Going forward, residents and businesses need to be kept informed of progress and mechanisms should be put in place to do this. Broadband campaign groups are very active online and on social media, and there is an opportunity for CDS to increase its profile on platforms such as twitter and Facebook.

⁵<http://democracy.devon.gov.uk/CeListDocuments.aspx?MID=1510&RD=Minutes&DF=03%2f09%2f2015&A=1&R=0>

⁶ <https://www.connectingdevonandsomerset.co.uk/wp-content/uploads/2016/06/CDS-Phase-2-Audit-Report.pdf>

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RECOMMENDATION 1

IMPROVED DIALOGUE BETWEEN CDS, PROVIDERS AND THE PUBLIC

Through the Cabinet Member for Economy & Skills, CDS be requested to:

- (a) Within the next three months, arrange and hold a stakeholder event in each 'lot' area, plus the two National Parks, with representatives from Airband or Gigaclear in attendance as relevant. These events should be used to inform local residents and businesses of roll out progress, as well as hearing and taking on board the concerns of local people. These stakeholder events should as a minimum, be repeated annually.
- (b) Produce a quarterly newsletter, to be published in Parish magazines and on the CDS website for each 'lot' area and the National Parks, detailing progress made to date (to include numbers of homes reached and take up) and outlining topics covered and discussion at the stakeholder events.
- (c) Begin using social media to inform residents and businesses about roll out progress.
- (d) Publish this Report on their website.

RECOMMENDATION 2

IMPROVED TRANSPARENCY OF DECISION MAKING

Through the Cabinet Member for Economy & Skills, CDS be requested to:

- (a) Publish on their website the unredacted action plans for meetings of the CDS Board of 6th December 2011, 18th October 2013, 12th December 2014 and 13th March 2015.
- (b) Ensure that the Board's action lists are published on the CDS website within a week of the meeting being held.
- (c) Publish the Devon and Somerset Superfast Broadband Programme Audit Report, dated September 2015 on the CDS website.

Procurement, challenges and delays

3.32 The timeline at the beginning of this report shows clearly that both phases of the CDS programme has experienced some setbacks. The original invitation to tender for Phase 1 expected completion by March 2015. Following the procurement process this was reassessed and a target completion date was set on December 2016. When BT failed to meet this target a Remedial Plan was put in place and the delivery stage was finally completed in March 2017.

3.33 The decision by CDS to rerun the procurement process for Phase 2 greatly delayed the start of deployment, however despite this CDS remain confident that the delivery of new fibre and wireless services delivered by Airband and Gigaclear will be completed sooner (by March 2020), than if BT had been awarded the contract (by 2021/2022), as well as bringing superfast / ultrafast broadband to more premises.

3.34 In terms of deployment, all three providers have faced challenges. Any provider needing to carry out works on private land, whether ground works or the erection of transmitter masts, requires negotiation with land owners, and this has caused delays and challenges at times.

3.35 Transmitter masts used by Airband also require planning permission, and particularly in the National Parks where planning controls are tighter, this has required a variety of approaches, including working closely with communities and the use of natural materials for masts which blend into the rural environment.

3.36 Both BT and Gigaclear have needed to undertake works on the Highway which has involved working collaboratively with both Devon and Somerset Highways Teams. Gigaclear are keen to use 'narrow trenching' techniques as part of their deployment which allows works on the highway to be completed more quickly, however Devon County Council's Highways Team has expressed concern around this technique, citing evidence of negative experiences in other local authority areas. The Council's Highways Team, CDS and Gigaclear are working together to find a solution. In the same vein, the Highways Team have agreed to manage broadband infrastructure works as 'standard' rather than 'major' works, meaning the notice period that contractors are required to give to the Highways Team before they begin works is much shorter.

3.37 During the Task Group's review, construction firm Carillion collapsed into liquidation. Carillion operates a joint venture partnership, CarillionTelent, with UK technology and network specialists Telent. The joint venture is the main civil engineering contractor employed by Gigaclear to deliver their part of the Phase 2 programme. CDS have received assurances that Gigaclear has robust contingency plans and that they have a range of options available to deal with any change in circumstances affecting its sub-contractors. Dialogue between the CDS and Gigaclear is ongoing, to ensure that work continues to be delivered on time and on budget. Gigaclear's capacity to deliver their part of the programme was tested as part of the procurement process.

3.38 It would be easy to be critical of CDS's progress if purely comparing target and actual delivery timescales, however this does not tell the full story. The Devon and Somerset landscape is not only vast but varied in terrain and accessibility, and it seems that providers have at times underestimated the infrastructure requirements of this. At various times, CDS has needed to await BDUK negotiations with the EU, state aid approval and awards of additional funding, all of which impacted on their ability to maintain initial delivery targets.

3.39 We could also look back now with hindsight at the procurement processes for Phase 1 and 2 and be critical of the decision to use the national broadband framework, but it is important to remember that broadband technology and the market is considerably more advanced today than it was even a few years ago, and that the options available to CDS at that time were quite restrictive. Considering all evidence seen to date, including the opinion laid out in the audit report of the Phase 2 procurement, the Task Group considers that overall CDS has made good decisions, in the public interest, based on information available at that time.

Coverage and user experience

3.40 Supporting business and improving productivity is a key ambition of the CDS programme and as such the Task Group was concerned to hear that companies based in business parks felt that they had not been catered for. However CDS have advised that a high number of business parks were included in both phases of the roll out (some being part CDS funded and part commercial provision) including Marsh Barton, Dunkeswell, Pitts Cleave and Winkleigh.

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3.41 The Phase 1 programme delivered by BT consisted for the most part of fibre to the cabinet (FTTC) technology. This involved upgrading connections between the telephone exchange and the roadside green cabinet to fibre optic cable, which then connects to the copper cabling running to individual homes and businesses. In sparsely populated rural areas, green cabinets can be situated at a considerable distance from homes and businesses. The greater length of copper cable connecting the green cabinet to a premises, the slower the actual broadband speed received will be, with some estimates claiming that premises that sit more than 1000 metres from the green cabinet may not receive superfast (24Mbps+) speeds⁷. However, Government targets only require a premises to be connected to an upgraded green cabinet to be considered a 'home passed', which leaves some discrepancy between Government figures, and the actual experience of communities and businesses.

3.42 In terms of superfast connections through the publicly funded programme, CDS has overachieved on its Phase 1 target, providing superfast connections to over 280,000 homes and businesses. However, due to the underperformance of the commercial sector's private investment plans, CDS has fallen short of the governments ambition of 90% 'homes passed'. CDS report that actual 'homes passed' is around 88%.

3.43 The signal strength of fixed wireless broadband can also be diminished, if obstacles such as buildings and trees are located between masts and homes. Such issues should be taken into account in the planning and deployment stages, but problems with actual speeds available have been reported in areas covered by Airband. In addition, the Task Group has heard reports of Airband 'splitting' IP addresses which prevents users from accessing services which require two-way authentication, such as online banking. Airband have responded stating that this approach has been taken in response to the worldwide shortage of IP addresses, and that they can provide single IP addresses (at an additional cost) to customers upon request.

3.44 Data collected by thinkbroadband, an independent broadband news and information site, reports that 86.2% of premises in Devon and 87.85% of premises in Somerset have access to superfast broadband⁸, and that these figures take into account the distance limitations of fibre to the cabinet connections.

Take up clawback and gainshare

3.45 Now that Phase 1 deployment is complete, CDS are working to verify 'homes passed' figures with BT. Take up clawback monies are what BT owe to CDS where take up exceeds the BT base used in their financial model of 20%. This is set out in the contract. The National Broadband Framework was based on a gap funded model, and therefore the contract held with BT works on the same basis. Under this model, CDS gap fund the difference between the level of commercial investment offered by the supplier and the total cost to deliver the proposed solution. The commercial case for BT's level of investment would have been based on a number of factors, including the amount of revenue generated through take up of the wholesale services delivered. These were set at 20%. Where take up is higher than the 20%, the model would have required less public investment, as it would

⁷ <https://www.thinkbroadband.com/guides/fibre-fttc-ftth-broadband-guide>

⁸ <https://labs.thinkbroadband.com/local/>

have triggered more commercial investment from BT and less public subsidy from CDS. Under the terms of the contract and required under state aid, this 'over payment' needs to be clawed back by the public sector from BT. This is known as 'take up clawback'.

3.46 Clawback is calculated at the end of the deployment phase in the contract, then again after two years, again two years later, and finally after the final year (the BT contract is for 10 years in total). When take up levels were projected to be higher than the 20% baseline used by BT they offered to release some of this money early to local bodies including CDS. This is what is referred to as 'gainshare'. Government were required to re-negotiate the national State Aid Approval Scheme, and as part of agreeing a new National Broadband Scheme, reached an agreement that across the UK local bodies could reinvest up to £129 million of take up clawback sums (including early gainshare) with BT and without running a new open procurement. The early gainshare offer from BT was calculated by BT using the same model as for all other local body contracts. For CDS the sum offered was £4.8m, and was based on 30% take-up.

3.47 It is expected that take up clawback will exceed this sum over the next seven years. The higher take up is, the higher the final gainshare calculation will be, and CDS are working to promote take up across Devon and Somerset.

Beyond Phase 2 and reaching the very rural

3.48 Phase 2 deployment is due to complete by March 2020, which aims to provide superfast broadband access to 95% of premises. How to improve broadband speeds for the remaining, deep rural areas, which are difficult to reach with cable, remains the biggest challenge.

3.49 Airband and CDS are working on new equipment which can bounce signal off publicly owned structures as a way of overcoming line of site obstructions, as well as looking at White Space and other technologies.

3.50 Take Up Clawback monies provide an opportunity for CDS to invest in improving broadband in these very rural areas. CDS are taking this forward initially with Gainshare sums and are checking the state aid requirements to re-test commercial plans and then plan to run a public consultation.

3.51 It is vital that any public consultation on the spending of gainshare monies is adequately resourced and reaches the communities who are most in need.

RECOMMENDATION 3 MEANINGFUL CONSULTATION ON GAINSHARE

Through the Cabinet Member for Economy & Skills, CDS be requested to commit a specific personnel resource to carry out a full consultation with communities on the options available for the spending and allocation of gainshare monies, including options for community match funding. The consultation should run for a minimum of 12 weeks, with an update on consultation methods and engagement circulated to the CIRS Scrutiny Committee promptly at 6 weeks. Given lack of digital connectivity in the communities at hand, the consultation should be available and promoted offline (i.e. in paper form), through Town and Parish Councils, libraries, local pubs and other community facilities and meeting places.

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Digital Learning and Support

3.52 The economic and social benefits of improved broadband cannot be fully realised by simply providing superfast connections. Communities and businesses need to understand the possibilities that improved broadband provides and CDS have utilised EU funding to run the 'Get up to Speed' initiative, which has provided free workshops and talks for communities and businesses to help boost digital skills and share the benefits of superfast broadband. The first part of this scheme concluded in February 2018 but CDS have applied for funding to run a follow on programme which will be focused on businesses, and plans to address digital innovation in business as well as digital skills and capability.

3.53 Members have themselves seen the impact that these workshops have had on communities and individuals, providing people with the confidence to engage in the digital world and improve their skills. These workshops are relatively inexpensive for CDS to provide, but offer a valuable and much needed learning opportunity for many people.

RECOMMENDATION 4 BETTER DIGITAL SKILLS FOR COMMUNITIES

Through the Cabinet Member for Economy & Skills, CDS be requested to secure further funding to continue to provide digital skills workshops for communities across Devon increasing digital confidence and connectedness.

Universal Service Obligation

3.54 In December 2017 the Government announced that it was introducing a Universal Service Obligation (USO) for broadband⁹, with the intention of delivering broadband connections to those premises not included in previous superfast broadband schemes by 2020. The USO intends to provide a legal right to request a broadband connection of at least 10 Mbps download speed from a designated provider who will be obliged to provide a connection. However a caveat exists where providers will only be obliged to provide a connection 'up to a reasonable cost threshold'. Ofcom reports that 1.1 million premises (4%) in the UK would qualify for the USO. It is not yet clear what percentage of premises would likely qualify in Devon, but it seems likely that a number of rural homes will remain unconnected.

RECOMMENDATION 5 REMOVE THE COST THRESHOLD FOR THE BROADBAND USO

The Cabinet Member for Economy & Skills to lobby Government to widen the Universal Service Obligation to ensure that all premises in Devon and across the UK have the right to request access to a broadband connection of at least 30Mbps.

New housing developments

3.55 Housing developers have been widely criticised for not ensuring that new builds have broadband infrastructure. Government advice is that planning authorities should be considering superfast broadband provision in their decision making but there is currently no

⁹ <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8146>

statutory requirement to do so. CDS and upper tier councils have very limited power in influencing this but pressure is being put on through the Greater Exeter Strategic Plan (GESP) Board.

3.56 However, demand for superfast broadband is growing from new home buyers and this is having an impact on developers. In addition BT now offer to fit fibre to the premises in any development of twenty or more houses, but this does tie residents in with BT as the internet service provider. There are also issues over the timescales for delivering on this commitment.

3.57 More long term, the GESP (looking forward to 2040) recognises the significance of digital infrastructure (broadband and mobile) to support housing growth and the economy. A digital connectivity study has recently been commissioned to look at the economic impact of improved digital technology and the infrastructure needed. This is expected to include recommendations for future planning policy, ensuring that investments are future proof.

3.58 Sufficient broadband is fast becoming as important to families and communities as any other utility but is yet to be properly recognised as such by developers and planning authorities. To ensure a joined-up approach to digital infrastructure planning, housing and the economy, the GESP team and councils will need to work closely with the other planning authorities across Devon, as well as the Heart of the South West Local Enterprise Partnership (HotSW LEP).

RECOMMENDATION 6

ALL NEW DEVELOPMENTS IN DEVON TO PROVIDE SUPERFAST BROADBAND ACCESS TO HOMES

The County Council to work with Devon District Councils and the two National Parks to develop a co-ordinated and pragmatic approach to broadband infrastructure and planning conditions, recognising superfast broadband as the fifth utility and ensuring all new homes have access from day 1.

Mobile connectivity

3.59 There are very few areas across Devon which are not commercially viable for commercial providers and therefore there has been a far greater proportion of private sector investment in mobile phone infrastructure than in broadband. However there remains around 5000 premises in Devon that do not have any mobile phone coverage, often referred to as 'not spots'.

3.60 Smart phones are increasingly becoming the device of choice for accessing the internet and for conducting both personal and business affairs on the move. In the past, there has been a clear focus on access to broadband, but it is now acknowledged that access to sufficient mobile internet is today a key factor in the development of the local economy.

3.61 The HotSW LEP has awarded £2.5 million to pilot different technologies and commercial models to improve coverage in 'not spots' across the HotSW area and Devon

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and Somerset County Councils are in the process of testing the market for appetite and piloting alternative solutions.

3.62 Opportunities to utilise the infrastructure being established for the emergency service network are being explored, although the location of these masts (mainly along roadsides) and the deployment timetable (finishing in 2021) will need to be considered.

Commercial plans

3.63 The majority of superfast broadband and mobile internet access is being provided without public subsidy, through commercial programmes. As well as BT and Virgin, Airband and Gigaclear are also running commercial broadband programmes in Devon. Whilst this is good news, there is no requirement for commercial providers to publish their planned roll out schedules.

3.64 The public need to know when they will be able to access improved broadband and mobile internet, regardless of whether this will be provided through commercial or publicly funded delivery. The current lack of certainty is unfair on communities and leaves many communities and businesses in limbo and unable to explore community broadband options or other solutions.

RECOMMENDATION 7

CLARITY AND TRANSPARENCY ON COMMERCIAL PLANS

The County Council to lobby Government to require all wholesale providers of both broadband and mobile infrastructure to publish detailed commercial roll out plans so that communities and businesses are informed and able to plan for their digital future.

4. Conclusion

4.1 During this review the Task Group has considered evidence from a wide range of witnesses and sources. Progress to deliver improved broadband services has appeared slow at times, and it is clear that there have been delays caused by the need to re-run the procurement process for part of the Phase 2 programme and through other unforeseen issues. However, the CDS programme is a large and complex infrastructure project, which has had to work within the limitations of the market and the structure put in place by Government, and the significance of this challenge should not be understated.

4.2 Statistics show that the majority of businesses and communities across Devon today have access to a sufficient broadband service, however there remains a number of areas still awaiting delivery, or who are likely to remain without a usable connection for some time. Increasingly, links are made between digital connectivity and productivity and many rural communities and businesses feel that they are being left behind.

4.3 The Task Group is satisfied that CDS is working hard with Phase 2 providers Airband and Gigaclear to provide superfast broadband and improved services to residents and businesses across Devon. However, going forward, CDS must commit to communicating

better with communities and businesses, and being as open as possible about the challenges it faces and the decisions it makes, including a full and proper consultation on the spending of gainshare monies.

4.4 In addition, both communities and businesses must continue to be supported in developing digital skills and the County Council must work closely with Devon planning authorities to ensure that superfast broadband is recognised as an essential utility for new homes.

4.5 Local authorities have no control over the plans of commercial wholesale broadband and mobile providers and so Government has a key role in requiring these providers to make public their plans, and ensuring that everyone in the UK is able to access a minimum of 30Mbps broadband speed.

4.6 Ensuring that superfast broadband is available to all communities and businesses across Devon requires CDS, the County Council, planning authorities, wholesale internet providers and Government to all step up, commit to the challenge and make informed, forward thinking plans for Devon's digital future

5. Membership

Councillors Alistair Dewhurst (Chair), Kevin Ball, Ray Bloxham, Paul Crabb, Ian Hall and Andrew Saywell.

6. Contact

For all enquiries about this report or its contents please contact:
Vicky Church (Scrutiny Officer) victoria.church@devon.gov.uk 01392 383691

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7. Sources of Evidence

Witnesses

7.1 The task group heard testimony from a number of witnesses and would like to express sincere thanks to the following people for their contribution and the information shared.

Councillor Stuart Barker	Cabinet Member for Economy & Skills, Devon County Council
Phil Norrey	Chief Executive, Devon County Council and Joint Chair of the CDS Board
Pat Flaherty	Chief Executive, Somerset County Council and Joint Chair of CDS Board
Keri Denton	Head of Economy, Enterprise & Skills, Devon County Council
Tom Dodd	Senior Manager, Economic Infrastructure & Strategic Intelligence, Devon County Council
Edward Cross	Economic Development Officer, Devon County Council
Phil Roberts	Connecting Devon & Somerset Programme
Sue Wilkinson	Federation of Small Business
Mike Matthews	Federation of Small Business
David Hinshelwood	Business Information Point
Edward Humber	NFU
Roger Cashmore	Member of the public (Thorverton) Parish Councillor
Karen Gilbert	Member of the public (Hexworthy)
Redmond Peel	Airband
Max Rae	Gigaclear
Joe Frost	Gigaclear
Julian Cowans	Superfast Cornwall
Laurent Boon	BT
Paul Coles	BT

7.2 In addition, the views of Devon town and parish councils was sought through an online survey. The Task Group were also provided with information on working practices from Devon County Council's Highways Team.

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Think Broadband

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8. Glossary

BDUK (Broadband Delivery UK)

An agency of the Department of Culture, Media and Sport responsible for the Government's national broadband and mobile connectivity programme.

Broadband

An internet provision that is distinct from the old dial up internet method and offers faster speeds though has no defined speed.

CDS Board

The body that oversees the CDS Programme and plan and coordinates the various aspects of the project. Members of the Board are Cabinet Members and Chief Executives of Devon County Council, Somerset County Council, CDS officers, representatives from partner authorities and BDUK

Commercial programme/delivery

An improved broadband service being wholly funded and delivered by a provider such as BT or Virgin.

Fixed wireless

Internet delivered through microwaves rather than cables relayed to a small radio device attached to the home or business.

Fibre

A method of transferring data by pulsating light along a plastic cable. The speed at which data can be transferred is much faster than copper cabling.

FTTC (Fibre to the Cabinet)

Fibre connections that run from the exchange to the cabinet. The cabling from the property to the cabinet will be on existing copper.

FTTP (Fibre to the Premises)

Fibre connections that run directly from the exchange to the property without any copper.

Gainshare

A clawback mechanism under which BT returns part of the public investment when take-up of the new broadband service passes 20%. Further detail is provided in paragraphs 3.44 and 3.45 of this report.

GESP (Greater Exeter Strategic Plan)

A joint plan created by East Devon, Exeter, Mid Devon, Teignbridge and Devon County Councils which will provide the overall spatial strategy and level of housing and employment land to be provided up to 2040.

Homes passed

The number of properties connected to a superfast enabled green cabinet under the Phase 1 programme.

IP address

A unique set of numbers that identify a computer or device when it is connected to the internet.

ISP (Internet Service Provider) / Retail provider

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A company who supplies internet services to homes and businesses. This service is separate from installation of the infrastructure which enables connection to the internet.

Mbps (Megabits per second)

The amount of data that can be downloaded or uploaded per second. All references in this report to Mbps relate to download speeds.

Mobile internet/data

Internet access provided through mobile networks (i.e. 3G or 4G).

Not Spots

Small number of areas in Devon and Somerset with no access to mobile voice or data networks.

Open Market Review

A process carried out with the commercial sector prior to procurement to identify which parts of the CDS area will receive a superfast connection through commercial investment and which areas will not, and therefore be eligible for CDS investment.

Phase 1

The first stage in the CDS programme which was delivered by BT and completed in May 2017.

Phase 2

The second stage of the CDS programme targeting harder to reach areas and is being delivered by Airband and Gigaclear.

State aid approval

Provided by Government where it can be demonstrated that the open/commercial market would fail to deliver improved broadband services in these areas, without public authority intervention.

Superfast Broadband

UK Government defines superfast broadband as speeds of over 24Mbps, whereas Ofcom's definition is speeds over 30Mbps.

Whitespace technology

A wireless technology which can be used to transmit broadband over considerable distances and through obstacles such as vegetation and buildings.

Wholesale broadband providers

Providers such as BT, Gigaclear and Airband who install the infrastructure which enables internet services to be delivered. The supply of the internet service is purchased from an ISP/retail provider.

Revenue and Capital Outturn 2017/18

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2017/18 REVENUE & CAPITAL OUTTURN

Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendations:

It is recommended that:

- a) Members note that the draft outturn for 2017/18, after carry forwards and contributions to balances, reserves and provisions, shows an underspend of £15,000 against the approved revenue budget;
- b) The 2017/18 revenue outturn be approved, including transactions on earmarked reserves and provisions, spending against budget, treatment of over and under spending and the implications for balances, as set out in the tables and the narrative of the report;
- c) The 2017/18 capital outturn be approved including spending against budget and proposed carry forwards, in accordance with the tables;
- d) The use of capital finance as set out in the Statement of Determination of Capital Finance on page 37 of the Capital Outturn Report be approved;
- e) A total of £8.416 millions is set aside from revenue resources as provision for credit liabilities (to repay debt);
- f) The Prudential Indicators as set out in section 11 of this report be noted; and
- g) The total monies owing to the Council as at 31st March 2018 be noted.

1. Background and Summary

- 1.1 Members may have noticed that this report is a month earlier than in previous years. The Accounts and Audit Regulations have changed the statutory deadline for preparation of the full Statement of Accounts from 30th June to 31st May with effect from this year. This means that the Outturn also has to be completed a month earlier to allow approval before the statutory deadline. Members will also notice that the report has been prepared in landscape format rather than portrait; this has been done to try and enable the outturn tables to be viewed more effectively on laptops and other devices.

- 1.2 Members have received regular budget monitoring reports throughout 2017/18 in which budget pressures and risks have been identified. The most significant of these related to Children's Services. The financial year has now ended and it is pleasing that the final position is a small underspending of £15,000 after transfers to Reserves. Detailed explanations for the final financial position for each service area are given in section 2 of this report.

2. Spending

2.1 Adult Care and Health

- 2.1.1 The outturn for Adult Care and Health Services shows an overall net underspend of £7.5 millions after taking into account grants and contributions carry forward and any other carry forward requests.

- 2.1.2 Adult Care operations and Health is showing an underspend of £6.7 millions. The underspend is the result of care packages for older people being 564 less than budgeted for and savings associated with contract negotiations and demand management. Disability Services are overspent with the number of care packages for the year ending 208 above budgeted levels

- 2.1.3 Adult Commissioning and Health has underspent by £782,000. Vacancy management, contractual savings and an underspend on adult mental health services have contributed to this position.

2.2 Children's Services

- 2.2.1 The outturn position for Children's Services is a £2.6 millions overspend.

- 2.2.2 For Children's Social Work and Child protection the overspend is £2.3 millions The most significant areas of overspend are residential and supported accommodation placements at £5.1 millions and Disabled Children's short-breaks services at £661,000. These overspends have been mitigated to some extent through lower numbers of looked after children than assumed in the budget and vacancy management across the service of £3.5 millions.

- 2.2.3 For Education and Learning General Fund the final position is an overspend of £260,000. The most significant adverse variance is within Schools Transport. The personalised transport budget has seen increased costs and higher numbers of children with Special Educational Needs requiring personalised transport.

- 2.2.4 Expenditure in Education and Learning relates to spending on schools which is funded from the Dedicated schools grant. The grant is shown as breakeven, this is following agreement with the Schools forum for the school's surplus balance of £20.92 millions and net High Needs deficit of £1.64millions to be carried forward into 2018/19.

2.3 Communities, Public Health, Environment and Prosperity

- 2.3.1 The outturn for Communities, Public Health, Environment and Prosperity shows an overall underspend of £1.3 millions after taking into account grants and contributions carry forward and any other carry forward request.
- 2.3.2 Economy Enterprise and skills is underspent by £234,000 the result of slippage on major development projects.
- 2.3.3 Planning, Transportation and Environment is showing an underspend of £821,000. This relates mainly to increased inspection and planning fees and reduced National Travel Scheme journey numbers.
- 2.3.4 Public Health underspent by £159,000 against the Public Health Grant, this has been added to the public health reserve.

2.4 Corporate Services

- 2.4.1 The outturn for Corporate Services shows an overall underspend of £1.1 millions after taking into account grants and contributions carry forward and any other carry forward requests.
- 2.4.2 Chief Executive, Legal and communications are £145,000 underspent. Higher income within the Registration Service has offset cost increases within Legal and Coroners service.
- 2.4.3 Digital Transformation and Business Support are showing an underspend of £1.3 millions. Scomis Group contribute £644,000 of the underspend, this is generated by the education sector and other commissioned work, vacancy management and underspends associated with facilities management offset other service pressures.
- 2.4.4 The County Treasurer is showing an underspend of £344,000 due to vacancy management and a reduction in the cost of unfunded pensions.

2.5 Highways, Infrastructure Development and Waste

- 2.5.1 The outturn position for Highways, Infrastructure Development and Waste is a £2.1 millions underspend.
- 2.5.2 The underspend relates to the release of the term maintenance contract contingency and mobilisation budget, reduced requirements for business as usual winter maintenance activities, vacancy management, higher than expected income and reductions in waste tonnages. This underspend has been partially offset by overspends within highways relating to increases in safety and emergency related expenditure, increases in street lighting energy costs and public rights of way works.

2.6 Other Items

- 2.6.1 A budget of £1.5 millions was set for the County Council elections; the outturn is an underspend of £249,000. A reduction in the insurance premium and claims has resulted in a underspend of £787,000 on the amount needed to be contributed to the Insurance Provision.
- 2.6.2 After the council's budget for 2017/18 was set, the Government announced in its own budget additional funding for adult social care. The Council's share of this funding, the Improved Better Care Fund grant was £15 millions in 2017/18, of that sum £6.901 millions is unspent and is being carried forward into 2018/19.
- 2.6.3 Capital Financing costs are £279,000 less than budgeted due to slippage in the Capital Programme. Interest Receivable is £654,000 more than budgeted largely as a result of having a higher level of cash to invest than anticipated. The authority also achieved a higher average return on investments in banks and building societies than budgeted of 0.54% compared with the target of 0.4%.
- 2.6.4 In February County Council changed the Minimum Revenue Provision Policy for 2017/18 to allow for £10.916 millions of overprovision in earlier years to be placed into an Earmarked Reserve to offset the risk of increased costs in future years due to changes being proposed in a Central Government Consultation. The results of the Consultation are now known and the proposed change that would have seen an annual increased cost of c£2 millions to the authority has not been made; the future use of the Earmarked Reserve will be considered in 2018/19.
- 2.6.5 £250,000 infrastructure development budget was carried forward from 2016/17 to 2017/18; it is now recommended that £217,000 is carried forward to support the remaining projects in 2018/19 and that £70,000 of the efficiency support budget is carried forward to enable the continuation of Chapter 8 training with Parish Councils.
- 2.6.6 It is recommended that £1.552 millions of the Dartington School budget is carried forward to fund the ongoing revenue costs of the Dartington School rebuild.
- 2.6.7 The snow and storms in March resulted in additional costs of £904,000 and this has been set against the Bellwin Scheme Related Emergencies budget; this sum is below the threshold that would allow a claim to be made from Central Government.
- 2.6.8 It is recommended that £318,000 of Direct Revenue Support for Capital is carried forward to 2018/19 in relation to flood relief schemes. It is recommended that the Outturn contributes £1.060 millions to the Capital Programme, this is made up of £450,000 share capital in Exeter Science Park Limited, £186,000 commitment to the Libraries ICT project and £424,000 towards the A361 North Devon Link Road project.
- 2.6.9 Due to the net underspend on services and other budgets it is recommended that £12 millions is added to the Budget Management Reserve to offset funding shortfalls in future years.

- 2.6.10 £1.370 millions is estimated to be received in relation to business rates pooling gain as well as a further £1.060 millions of additional Government grants to compensate the Council for lost income because of Government changes to business rates. As in previous years it is recommended that it is set-aside in the earmarked reserve to help mitigate future business rate risk associated with backdated appeals and other losses

3. Better Care Fund

- 3.1 The Better Care Fund (BCF) for 2017/18 totals £77.828 millions and is reporting an underspend of £8.863 millions (11.4%); £6.828 millions grant, £1.962 millions revenue and £73,000 capital. This total will be carried forward in full by the Council to 2018/19, to continue with 2017/18 spending plans within the terms of the BCF framework agreement. The revenue underspending of £1.962 millions is mainly attributable to reduced spending within Adult Carers and Care Act services of £1.511 millions. Based on the agreed risk share arrangement the distribution of the surplus means that the Council will receive £3.589 millions of the total carried forward sum in the 2018-19 financial year for BCF purposes. For more information on the Better Care Fund, please see the table on pages 22.

4. General Balances

- 4.1 The working balance at 31st March 2017 was £14.679 millions. The review of the financial risk assessment prepared when the 2017/18 Budget was considered indicates that the Council should hold a working balance of about £14 millions. The outturn has enabled £15,000 to be added to the working balance.

5. Earmarked Reserves

- 5.1 At the beginning of the financial year, earmarked reserves (excluding schools and non-schools carry forwards) stood at £71.388 millions. During the year earmarked reserves have increased by a net £14.601 millions to £85.989 millions. Within this overall increase, the Transformation Reserve has increased by £304,000 which is the net effect of the planned contribution to the reserve of £2.0 millions and in year costs. The Budget Management Reserve has increased by £400,000 as a result of the net effect of the planned transfer from the reserve of £11.6 millions and the transfer to the reserve of £12 millions set out above.
- 5.2 Details of earmarked reserves are contained on page 12.

6. Conclusion

- 6.1 Despite significant pressures in Children's Services the authority has achieved a net underspend overall. Careful budget management has allowed the authority to contribute £12 millions to the Budget Management Reserve and report an Outturn surplus of £15,000.
- 6.2 The level of earmarked reserves held by the authority is low compared with other County Councils. At 31st March 2017 Devon's reserves were 12th lowest out of 27 County Councils. The contribution to reserves of £12 millions is very welcome and will help to improve the authority's financial resilience and help to bridge the gap projected in the MTFS (Medium Term Financial Strategy) for 2019/20.

- 6.3 2019/20 is the last year of the current funding settlement from Government. The Council has no indication of the funding that it will receive from Government in 2020/21 and beyond. If history is repeated the Council may not know its level of funding for 2020/21 until late in the budget process for that year. This poses a significant financial risk to the Council and a reasonable level of reserves offers some protection against and softens the impact of a late, low settlement.

REVENUE OUTTURN SUMMARY 2017/18

	Final	Spending	Variations	Recommended Action				
	Approved		(Under) /	Grant	Other	Take to / (from)	Recommended	(Increase)/
	Budget		Over	C/Fwd	C/Fwd	Reserves	Outturn	Decrease
	(1)	(2)	(3)	to 18/19	to 18/19		(7)	in Balances
	£'000	£'000	£'000	from 17/18	from 17/18		£'000	(8)
				(4)	(5)	(6)		£'000
1 Adult Care and Health	222,790	212,716	(10,074)	96	2,462		215,274	(7,516)
2 Children's Services	142,623	124,369	(18,254)	20,810	30		145,209	2,586
3 Communities, Public Health, Environment and Prosperity	39,647	32,446	(7,201)	5,028	902		38,376	(1,271)
4 Corporate Services	33,664	31,892	(1,772)		610		32,502	(1,162)
5 Highways, Ifrastructure Development & Waste	59,017	56,763	(2,254)	182			56,945	(2,072)
6 County Council Elections	1,500	1,251	(249)				1,251	(249)
7 Central Contingency - Apprenticeship Levy	580	568	(12)				568	(12)
8 Pension Contribution Shortfall	1,881	1,448	(433)				1,448	(433)
9 Insurance Provision	1,356	569	(787)				569	(787)
TOTAL FOR SERVICES	503,058	462,022	(41,036)	26,116	4,004	0	492,142	(10,916)
10 Budget Carry Forward Fund	(29,890)		29,890	(27,231)	(2,659)		(29,890)	0
NON-SERVICE ADJUSTMENTS								
11 Other	0	(5)	(5)				(5)	(5)
12 Improved Better Care Fund Carry Forward	6,901		(6,901)	6,901			6,901	0
13 Capital Financing Charges	42,314	32,522	(9,792)			9,513	42,035	(279)
14 Capital Financing Charges - PFI	14,572	13,059	(1,513)			1,403	14,462	(110)
15 Investment Income on Balances	(750)	(1,404)	(654)				(1,404)	(654)
Levies and Contributions to Outside Bodies:							0	0
16 Environment Agency	509	503	(6)				503	(6)
17 Devon Sea Fisheries	338	338	0				338	0
18 Infrastructure Development	250	33	(217)		217		250	0
19 Efficiency Support for Sparse Areas	70		(70)		70		70	0
20 Dartington School	1,901	349	(1,552)		1,552		1,901	0
21 Bellwin Scheme Related Emergencies	1,500	904	(596)				904	(596)
22 Council Tax Support Partnership	350	38	(312)				38	(312)
23 Direct Revenue Support for Capital	1,580	2,322	742		318		2,640	1,060
24 Schools contribution to capital expenditure	(582)	(582)	0				(582)	0
25 Transfer to/(from) Budget Management Reserve	(11,600)	(11,600)	0			12,000	400	12,000
26 Contribution to Transformation Reserve	2,000	2,000	0				2,000	0

REVENUE OUTTURN SUMMARY 2017/18

	Final	Spending	Variations		Recommended Action			
	Approved		(Under) /	Grant	Other	Take to / (from)	Recommended	(Increase)/
	Budget		Over	C/Fwd	C/Fwd	Reserves	Outturn	Decrease
	(1)	(2)	(3)	to 18/19	to 18/19		(7)	(8)
	£'000	£'000	£'000	from 17/18	from 17/18		£'000	£'000
27 Local Service Support Grant	(388)	(545)	(157)				(545)	(157)
28 New Homes Bonus	(4,661)	(4,661)	0				(4,661)	0
29 New Homes Bonus Adjustment Grant	(235)	(231)	4				(231)	4
30 Small Business & Empty Property Rate Relief Grant	(1,639)	(2,709)	(1,070)			1,060	(1,649)	(10)
31 Business Rate Compensation Grant	(1,438)	(1,461)	(23)				(1,461)	(23)
32 Education Services Grant	(1,599)	(1,561)	38				(1,561)	38
33 Education Statutory retained duties - schools contribution	(1,459)	(1,459)	0				(1,459)	0
34 Independent Living Fund Grant	(2,793)	(2,793)	0				(2,793)	0
35 Special Education Needs & Disability Grant	(543)	(961)	(418)	418			(543)	0
36 Rural Services Delivery Grant	(5,983)	(5,983)	0				(5,983)	0
37 Transition Grant	(2,811)	(2,811)	0				(2,811)	0
38 Lead Local Authority Flood Relief Grant	(84)	(84)	0				(84)	0
39 Adult Social Care Grant	(3,592)	(3,592)	0				(3,592)	0
40 School Improvement Grant	(450)	(471)	(21)				(471)	(21)
41 Improved Better Care Fund	(15,352)	(15,362)	(10)				(15,362)	(10)
42 Other Grants	0	(219)	(219)	201			(18)	(18)
43 Pooling Gain		(1,370)	(1,370)			1,370	0	0
Sub Total	489,494	454,226	(35,268)	6,405	3,502	25,346	489,479	(15)
44 Routine Spending from Earmarked Reserves	5,710	1,145	(4,565)				1,145	(4,565)
45 Routine Use of Earmarked Reserves	(5,710)		5,710			(1,145)	(1,145)	4,565
46 TOTAL	489,494	455,371	(34,123)	6,405	3,502	24,201	489,479	(15)

REVENUE OUTTURN 2017/18

WORKING BALANCES

	Balance 1st April 2017 (1)	Contrib'ns (2)	Spending (3)	Balance 31st March 2018 (4)
	£'000	£'000	£'000	£'000
1 Working Balances	14,679			
2 External Support for Revenue Spending		489,494		
3 Net Revenue Spending			(489,479)	14,694
4 Total County Fund	14,679	489,494	(489,479)	14,694

EARMARKED RESERVES

	Balance 1st April 2017 (1) £'000	Contrib'ns from Budget (2) £'000	Contrib'ns from / (to) Outturn (3) £'000	Spending (4) £'000	Balance 31st March 2018 (5) £'000
1 Affordable Housing	202			(20)	182
2 Budget Management	34,041		12,000	(11,600)	34,441
3 Business Rates Risk Management	3,740		2,430		6,170
4 Public Health	226	159			385
5 Emergency	16,500				16,500
6 On Street Parking	4,953	412			5,365
7 Minimum Revenue Provision Risk Reserve	0		10,916		10,916
8 Service Transformation	11,726	2,000		(1,696)	12,030
	71,388	2,571	25,346	(13,316)	85,989
9 Schools Carry Forward	18,388		18,142	(18,388)	18,142
10 Non Schools Carry Forward	11,502		21,655	(11,502)	21,655
	29,890	0	39,797	(29,890)	39,797
Total	101,278	2,571	65,143	(43,206)	125,786

REVENUE OUTTURN 2017/18

FUNDING REVENUE SPENDING

	£'000	£'000
1 Total revenue spending		489,479
2 Budget Variation added to balances		15
3 Budget level		489,494
4 Financed by:		
5 Revenue Support Grant	(32,445)	
6 Business Rates Retention Scheme - Local Element	(20,626)	
7 Business Rates Retention Scheme - Top Up	(75,119)	
8 Business Rates Collection Fund Deficit	3,315	
9 Council Tax - precepts on District Councils	(364,619)	
10 Total financing		(489,494)

PROVISIONS

	Provision B/ Forward	Changes in 2017/18	Provision Remaining 31st March 2018	Recommended Action Increase / (Decrease) in provision	Provision for 2017/18
	£'000	£'000	£'000	£'000	£'000
1 Doubtful debts provision	1,073	1,160	2,233		2,233
2 Insurance	13,647	774	14,421		14,421
3 Out of date cheques	121	(16)	105		105
4 Coroners	150	(150)	0		0
5 Green Waste	100		100		100
6 Waste Management	215	(215)	0		0
7 Structural redundancies	84	126	210		210
Total	15,390	1,679	17,069	0	17,069

REVENUE OUTTURN 2017/18 – RECOMMENDED ACTION

ADULT CARE AND HEALTH

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwd in 2017/18 (3) £'000	Variations (Under)/Over (4) £'000	Recommended Action Other c/fwds in 2017/18 (5) £'000	Final Outturn (Under)/Over (6) £'000
Adult Care Operations & Health	195,946	189,212	0	(6,734)	0	(6,734)
Adult Commissioning & Health (incl Mental Health)	22,853	21,475	96	(1,282)	500	(782)
Better Care Fund (DCC) Contributions	3,991	2,029	0	(1,962)	1,962	0
Revenue Outturn	222,790	212,716	96	(9,978)	2,462	(7,516)

VARIATIONS BETWEEN BUDGET AND SPEND

Adult Care Operations & Health

Disability Services (including autistic spectrum conditions) - increased costs within Learning Disability largely volume related with the number of packages within this area 208 more than budgeted.

Other People - volume related savings across all services partially offset by residential/nursing increased cost pressures (incl market premiums). Overall care packages are 564 less than budgeted.

Savings resulting from better contract negotiations and demand management

Other People/Disability in-house - reduction in staffing, transport and other costs

Social Care Reablement, Sensory, Community Enabling and other operational budgets - savings in staffing and contracts costs

Adult Commissioning & Health (incl Mental Health)

Staffing vacancy savings and efficiencies

Savings on contracts and central budgets

Net variance on Adult Mental Health services

Better Care Fund - share of underspend

CARRY FORWARD PROPOSALS

Better Care Fund

Prevention strategy

CONTRIBUTION (TO)/FROM OUTTURN

£'000 £'000

1,096

(2,686)

(3,649)

(678)

(817)

(6,734)

(571)

(283)

(428)

(1,282)

(1,962)

(9,978)

1,962

500

2,462

(7,516)

REVENUE OUTTURN 2017/18 – RECOMMENDED ACTION

CHILDREN'S SERVICES

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwd in 2017/18 (3) £'000	Variations (Under)/Over (4) £'000	Recommended Action Other c/fwds in 2017/18 (5) £'000	Final Outturn (Under)/Over (6) £'000
Children's Social Work & Child Protection	80,069	81,573	822	2,326	0	2,326
Education & Learning - General Fund	41,999	41,521	708	230	30	260
Education & Learning - Dedicated Schools Grant	20,555	1,275	19,280	0	0	0
Revenue Outturn	142,623	124,369	20,810	2,556	30	2,586
VARIATIONS BETWEEN BUDGET AND SPEND					£'000	£'000
<u>Children's Social Work & Child Protection</u>						
Independent residential care and supported accommodation increased numbers of young people and greater costs					5,156	
Net financial effect of placement mix, fewer numbers of looked after children and price variations					(1,859)	
Increase in Out of County adoption fees and adoption allowances					408	
Increase in number of families accessing Shortbreak Services & packages of care					661	
Disabled Children's Service vacancy, contract and other cost savings					(629)	
Vacancy & other staff related cost savings					(1,322)	
Other minor variations across the service					(89)	
						2,326
<u>Education & Learning - General Fund</u>						
Lower Legal costs, Admissions buy-back and staff vacancies and efficiencies					(101)	
Cost variations on external contracts					50	
Early Years provider support and development and Children's centres rent					(152)	
School/College Transport - Additional management action to reduce increased contractor costs					(358)	
Personalised Transport - increased costs and number of children with SEN requiring transport					734	
Unforeseen Teacher Pension and SCITT payments					60	
Other Savings					(3)	
						230
<u>Education & Learning - Dedicated Schools Grant</u>						
Schools' delegated budgets (including Special and Hospital schools)					(18,229)	
Schools' de-delegated budgets and centrally retained services for schools					(2,052)	
Early education for 2, 3 & 4 year olds - take up of 30 hours provision and planned carry forward of funding					(1,035)	
High Needs - Increased demand and cost in Independent SEN placements and Alternative Provision					2,036	
Revenue grants and contribution carried forward (including High Needs deficit)					19,280	
						0
						2,556
CARRY FORWARD PROPOSALS						
Inclusion: Additional short term capacity (3 staff) to manage down backlog of Statements to EHCP					30	
						30
CONTRIBUTION (TO)/FROM OUTTURN						2,586

REVENUE OUTTURN 2017/18 – RECOMMENDED ACTION

COMMUNITIES, PUBLIC HEALTH, ENVIRONMENT AND PROSPERITY

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwd in 2017/18 (3) £'000	Variations (Under)/Over (4) £'000	Recommended Action Other c/fwds in 2017/18 (5) £'000	Final Outturn (Under)/Over (6) £'000
Communities and Other Services	12,839	11,455	1,348	(36)	289	253
Economy, Enterprise and Skills	6,085	4,549	1,133	(403)	169	(234)
Planning, Transportation and Environment	20,254	16,442	2,547	(1,265)	444	(821)
Public Health	469	0	0	(469)	0	(469)
Revenue Outturn	39,647	32,446	5,028	(2,173)	902	(1,271)

VARIATIONS BETWEEN BUDGET AND SPEND

Communities and Other Services

Delay in review of county-wide research and intelligence resource					333	
Delayed spend on Locality and Town and Parish funds					(244)	
Savings on staffing, commissioning and residual commissioning issues					(125)	(36)

Economy, Enterprise and Skills

Slippage on major development projects					(311)	
Other additional income and staff savings					(92)	(403)

Planning, Transportation and Environment

Increase in inspection fees					(430)	
Increased cost of the pre-delivery stages of the North Devon Link road project					150	
Slippage on the implementation of the community flood schemes					(127)	
Delayed match funding spend on partnership schemes					(67)	
Delayed spend and savings on road safety and sustainable travel initiatives					(260)	
Increased income and savings on staff costs					(35)	
National Travel Scheme - Journey numbers reduced					(496)	(1,265)

Public Health

Lower demand than budgeted for Healthchecks					(114)	
Various contract arrangements - Slippage and reduced demand					(123)	
Reduced demand on smoking cessation services					(102)	
In year savings on staffing costs, and additional income					(130)	(469)
						(2,173)

CARRY FORWARD PROPOSALS

Community Flood schemes						127
Implementation of sustainable travel plans						79
Tour of Britain - contractual commitment						171
Match funding for partnership agreements for projects						211
Trading Standards - Development of laboratory services						25
Locality and Town and Parish funds						249
Gypsy and traveller - Fire safety audit remedial works						40
						902
						(1,271)

CONTRIBUTION (TO)/FROM OUTTURN

REVENUE OUTTURN 2017/18 – RECOMMENDED ACTION

CORPORATE SERVICES

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds to 2018/19 (3) £'000	Variations (under)/Over (4) £'000	Recommended Action Other c/fwds in 2018/19 (5) £'000	Final Outturn (Under)/Over (6) £'000
Chief Executive, Legal & Communications	4703	4558		(145)		(145)
Digital Transformation & Business Support	14412	13140		(1,272)	510	(762)
Human Resources & Organisational Development	3272	3261		(11)		(11)
Treasurer's Services	11277	10933		(344)	100	(244)
Revenue Outturn	33,664	31,892	0	(1,772)	610	(1,162)

VARIATIONS BETWEEN BUDGET AND SPEND

	£'000	£'000
<u>Chief Executive, Legal & Communications</u>		
Use of locum solicitors in Legal Services Safeguarding team	81	
Increased Coroners body removal and pathology costs	79	
Increased income in the Registration Service	(278)	
Other minor variations	(27)	(145)
<u>Digital Transformation & Business Support</u>		
Additional cost of Libraries remaining on DCC Wide Area Network	198	
Reduction in profit share from NPS South West	132	
ScoMIS Group	(644)	
Staff turnover and vacancy management savings	(387)	
Facilities Management savings	(192)	
Private Finance Initiative - savings in respect of facilities	(265)	
Other minor variations and additional income	(114)	(1,272)
<u>Human Resources & Organisational Development</u>		
Reduction in demand for Temp Solutions staff	283	
Delay in commencing countywide project management review	167	
Reprioritisation of organisational development resources	100	
Staff turnover and vacancy management savings	(157)	
Increase in demand for Safer Recruitment and First Stop services	(123)	
Other minor variations and additional income	(281)	(11)
<u>Treasurer's Services</u>		
Staff turnover and vacancy management savings	(129)	
Reduction in unfunded pensions liability	(80)	
Other minor variations	(135)	(344)
		(1,772)

CARRY FORWARD PROPOSALS

<u>Digital Transformation & Business Support</u>	
ScoMIS - Integrated Professional Services Automation, Customer Relationship Management and IT Service Management Tools and systems	150
ScoMIS - Provision of showcase event (ScoMIS Live) for existing and prospective customers	50
ICT Commissioning - Committed to completing Wide Area Network set-up	178
Private Finance Initiative - Legal advice	132
<u>Treasurer's Services</u>	
System Development	100
	610
CONTRIBUTION (TO)/FROM OUTTURN	(1,162)

REVENUE OUTTURN 2017/18 – RECOMMENDED ACTION

HIGHWAYS, INFRASTRUCTURE DEVELOPMENT AND WASTE

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds to 2018/19 (3) £'000	Variations (under)/Over (4) £'000	Recommended Action Other c/fwds in 2018/19 (5) £'000	Final Outturn (Under)/Over (6) £'000
Highways Maintenance	22,237	21,362	182	(693)	0	(693)
Street Lighting	3,858	4,467	0	609	0	609
Highways Network Maintenance	6,242	5,936	0	(306)	0	(306)
Infrastructure Development	(142)	(267)	0	(125)	0	(125)
Waste Management	26,822	25,265	0	(1,557)	0	(1,557)
Revenue Outturn	59,017	56,763	182	(2,072)	0	(2,072)

VARIATIONS BETWEEN BUDGET AND ACTUALS:

	£'000	£'000
<u>Highways</u>		
Increased safety related expenditure	683	
Street Lighting energy rates increase	609	
Additional works agreed for public rights of way	248	
Release of term maintenance contract contingency and mobilisation budget	(1,042)	
Reduced requirement for normal winter maintenance activities	(376)	
Reduction in planned works delivered	(214)	
Reduction in staffing costs and higher than expected income	(298)	
		(390)
<u>Infrastructure Development & Waste</u>		
Reduction in waste disposal tonnages	(429)	
Energy from waste plants - annual reconciliation payment and substitute waste income	(314)	
Energy from waste plants - lower tonnages processed	(254)	
Additional savings from new recycling centres contract	(293)	
Reduction in recycling credits payments due to reduced tonnages	(223)	
Reduction in insurances and other operational expenditure	(169)	
		(1,682)
		(2,072)
CARRY FORWARD PROPOSALS		
None		0
CONTRIBUTION (TO) /FROM OUTTURN		(2,072)

BUDGET ADJUSTMENTS 2017/18

	Original Budget £000	2016/17 Brought Forward £000	Virements £000	Final Budget £000
Adult Care and Health	216,493		6,297	222,790
Children's Services	118,131	22,424	2,068	142,623
Communities, Public Health, Environment and Prosperity	35,203	4,928	(484)	39,647
Corporate Services	33,352	132	180	33,664
Highways, Infrastructure Development & Waste	56,406	201	2,410	59,017
County Council Elections	1,500			1,500
Central Contingency - Apprenticeship Levy	692		(112)	580
Pension Contribution Shortfall	1,000		881	1,881
Insurance Provision	1,356			1,356
Total Service budgets	464,133	27,685	11,240	503,058
Budget Carry Forward Fund		(29,890)		(29,890)
Improved Better Care Fund C/F			6,901	6,901
Capital Financing	42,314			42,314
Capital Financing PFI	14,462		110	14,572
Interest on Balances	(750)			(750)
Revenue Support for Flood Prevention works Infrastructure Development	250		(250)	0
Efficiency Support for Sparse Areas		250		250
Special Education Needs Disability		70		70
Dartington School	543	385	(928)	0
Bellwin Scheme Related Emergencies	820	1,081		1,901
Highways Drainage and Safety Defects	1,500			1,500
Highways Rural Roads	500		(500)	0
Council Tax Support Partnership	2,000		(2,000)	0
Direct Revenue Support for Capital	350			350
Schools Direct Revenue Support for Capital		419	1,161	1,580
Spending from Reserves			(582)	(582)
	5,710			5,710

	Original Budget £000	2016/17 Virements Brought Forward £000	£000	Final Budget £000
Use of Reserves	(5,710)			(5,710)
Transfer from Budget Management Reserve	(11,600)			(11,600)
Contribution to Transformation Reserve	2,000			2,000
Precepts				
Flood Defence	509			509
Inshore Fisheries	338			338
Non-committee budgets	53,236	(27,685)	3,912	29,463
	517,369	0	15,152	532,521
Local Service Support Grant	(388)			(388)
New Homes Bonus	(4,661)			(4,661)
New Homes Bonus Adjustment Grant	(235)			(235)
Small Business & Empty Property Rate Relief Grant	(1,639)			(1,639)
Business Rate Cap Compensation Grant	(1,438)			(1,438)
Education Services Grant	(1,599)			(1,599)
Education Statutory retained duties - schools contribution	(1,459)			(1,459)
Independent Living Fund Grant	(2,793)			(2,793)
Special Educational Needs Grant	(543)			(543)
Rural Services Delivery Grant	(5,983)			(5,983)
Transition Grant	(2,811)			(2,811)
Lead Local Authority Flood Relief Grant	(84)			(84)
Adult Social Care Grant	(3,592)			(3,592)
School Improvement Grant	(450)			(450)
Improved Better Care Fund	(200)		(15,152)	(15,352)
TOTAL	489,494	0	0	489,494

BETTER CARE FUND S.75 POOLED FUND MEMORANDUM ACCOUNT

For the period 1st April 2017 to 31st March 2018

Gross Funding	Total £	Devon County Council			
		South Devon & Torbay CCG	NEW Devon CCG	Revenue	Capital
Contributions Received	(77,827,906)	(10,296,650)	(41,361,357)	(19,884,500)	(6,285,399)
Prior year carry forward	0				0
TOTAL FUNDING	(77,827,906)	(10,296,650)	(41,361,357)	(19,884,500)	(6,285,399)
Expenditure	Total £	Devon County Council			
		South Devon & Torbay CCG £	NEW Devon CCG £	Revenue £	Capital £
Care Act duties	128,000	94,400	377,600	(344,000)	
Dementia Diagnosis	613,267	130,400	581,600	(98,733)	
Disabled Facilities Grant	6,212,198	0	0	0	6,212,198
Enabling services	2,502,054	324,200	2,163,800	14,054	
Enhanced Community Equipment Services	7,149,751	1,027,200	4,108,800	2,013,751	
Enhanced Support for Carers	3,437,633	505,400	2,021,600	910,633	
Frailty & Community Care	19,039,461	4,405,250	14,597,757	36,454	
Hospital Discharge Services	914,003	250,000	717,000	(52,997)	
Improved Better Care Fund grant	8,534,652	0	0	8,534,652	
Rapid Response	3,303,000	408,000	2,600,000	295,000	
Single Point of Co-ordination	321,779	159,000	255,000	(92,221)	
Social Care Reablement	683,932	70,000	530,000	83,932	
Step-Up, Step-Down Care	3,401,559	778,000	2,829,000	(205,441)	
Support to social care	12,724,000	2,144,800	10,579,200	0	
TOTAL EXPENDITURE	68,965,289	10,296,650	41,361,357	11,095,084	6,212,198
NET OVER/(UNDER) SPEND	(8,862,617)	0	0	(8,789,416)	(73,201)
Refund to partners are as follows:					
South Devon & Torbay CCG	0	0			
NEW Devon CCG	0		0		
Devon County Council	(8,789,416)			(8,789,416)	
	(8,789,416)	0	0	(8,789,416)	0
Capital funding carried forward	(73,201)				(73,201)
	(8,862,617)	0	0	(8,789,416)	(73,201)

Assets and Liabilities - as at 31 March 2018	Total	South Devon &		
		Torbay CCG	NEW Devon CCG	Devon CC
	£	£	£	£
Plant & Equipment	0			0
less REFCUS adjustment	0			0
Stock	799,491	71,954	327,791	399,746
<u>Underlying Activity</u>				
Sundry Debtors	2,955,040	0	0	2,955,040
Payments In advance	15,963	0	0	15,963
Sundry Creditors	(2,604,741)	0	0	(2,604,741)
Receipts in advance	(2,505,000)	0	0	(2,505,000)
<u>Funding between partners</u>				
Receipts in advance	0			0
Payments In advance	0	0	0	

ALLOWANCES PAID TO DEVON COUNTY COUNCILLORS

UNDER THE MEMBERS ALLOWANCES SCHEME FOR THE YEAR ENDING 31ST MARCH 2018 Note: Basic & Special Responsibility Allowances and some elements of travelling & subsistence allowances are subject to taxation.

Surname	Inits	Basic Allowance £	Special Responsibility Allowance £	Mileage and Subsistence Expenses £	Carers Allowance £
Ackland	HA	9,937.91	0.00	144.04	0.00
Asvachin	M	9,937.91	0.00	0.00	0.00
Atkinson	Y	9,937.91	0.00	0.00	0.00
Aves	S	9,937.91	0.00	31.03	0.00
Ball	K	10,970.04	0.00	302.47	0.00
Barisic	E	1,032.13	0.00	359.40	0.00
Barker	SD	10,970.04	15,570.33	1,889.62	0.00
Berry	EJ	10,970.04	0.00	719.58	0.00
Biederman	F	10,970.04	2,337.41	1,452.01	0.00
Bloxham	R	9,937.91	2,337.41	490.20	0.00
Bowden	P	1,032.13	258.07	0.00	0.00
Boyd	A	1,061.62	0.00	1,207.80	0.00
Brazil	JC	10,970.04	752.69	2,052.76	0.00
Brennan	E	9,937.91	0.00	299.81	509.58
Brodie	JA	9,937.91	0.00	358.75	0.00
Brook	FJ	10,970.04	5,190.07	0.00	0.00
Channon	C	10,970.04	0.00	418.24	0.00
Chubb	I	9,937.91	0.00	0.00	0.00
Chugg	C	10,970.04	2,595.48	1,287.00	0.00
Clarence	C	1,061.62	0.00	137.95	0.00
Clatworthy	J	9,999.96	18,924.76	1,054.58	0.00
Colthorpe	P	10,970.04	3,784.91	0.00	0.00
Connett	A	10,970.04	5,190.07	301.00	0.00
Crabb	P	9,937.91	0.00	712.80	0.00
Croad	RF	10,970.04	15,570.33	4,037.33	0.00
Davis	AV	10,970.04	15,570.33	5,066.20	0.00
Dempster	A	1,061.62	0.00	0.00	0.00
Dewhirst	A	10,970.04	6,817.24	1,882.23	0.00
Dezart	G	1,032.13	0.00	55.80	0.00
Diviani	P	1,032.13	0.00	50.85	0.00
Eastman	AJ	10,970.04	0.00	651.42	0.00
Edgell	RC	10,970.04	2,861.36	2,448.22	0.00
Edmunds	M	1,061.62	0.00	135.90	0.00
Foggin	OM	1,032.13	0.00	0.00	0.00
Gilbert	R	10,970.04	2,595.48	2,670.42	0.00
Greenslade	BC	10,970.04	0.00	2,550.58	0.00
Gribble	G	10,970.04	0.00	2,366.56	0.00

Surname	Inits	Basic Allowance £	Special Responsibility Allowance £	Mileage and Subsistence Expenses £	Carers Allowance £
Hall	I	9,937.91	0.00	892.91	0.00
Hannaford	R	10,970.04	7,193.58	99.90	0.00
Hannan	A	1,032.13	0.00	0.00	0.00
Hannon	D	1,032.13	0.00	0.00	0.00
Hart	TJ	9,999.96	23,655.88	2,363.67	0.00
Hawkins	JD	10,970.04	2,337.41	1,609.95	0.00
Hellyer	L	9,937.91	0.00	891.04	0.00
Hill	R	1,032.13	0.00	0.00	0.00
Hodgson	J	9,937.91	0.00	946.85	0.00
Hone	J	1,032.13	0.00	0.00	0.00
Hook	G	10,970.04	376.34	436.86	0.00
Hosking	RW	10,970.04	0.00	1,805.95	0.00
Hughes BC	BC	1,032.13	0.00	0.00	0.00
Hughes S	S	10,970.04	15,570.33	5,098.98	0.00
Inch	A	9,937.91	0.00	1,379.86	0.00
Julian	R	1,061.62	258.07	1,405.04	0.00
Knight	J	1,061.62	258.07	227.78	0.00
Leadbetter	AR	10,970.04	15,570.33	5,163.15	0.00
Matthews	J	10,970.04	2,337.41	1,574.22	0.00
McInnes	JR	10,970.04	15,570.33	3,612.02	0.00
Morse	E	1,032.13	0.00	0.00	0.00
Moulding	AT	1,651.40	1,579.04	580.93	0.00
Owen	J	1,032.13	0.00	0.00	0.00
Parsons	BM	10,970.04	15,570.33	5,021.41	0.00
Peart	R	9,937.91	0.00	41.86	0.00
Prowse	GJ	10,970.04	0.00	0.00	0.00
Radford	RF	10,970.04	10,567.73	956.17	0.00
Randall Johnson	S	10,970.04	7,569.93	1,203.34	0.00
Rowe	R	1,061.62	287.43	223.61	0.00
Russell	E	9,937.91	0.00	442.82	0.00
Sanders	PR	10,970.04	2,595.48	0.00	0.00
Saywell	A	9,937.91	0.00	2,749.65	0.00
Scott	R	9,937.91	0.00	628.43	0.00
Sellis	D	10,970.04	3,784.91	1,393.04	0.00
Shaw	M	9,937.91	0.00	540.43	0.00
Slade	C	9,937.91	0.00	454.32	0.00
Squires	M	10,970.04	0.00	891.13	0.00

ALLOWANCES PAID TO DEVON COUNTY COUNCILLORS (Continued)

Surname	Inits	Basic Allowance	Special Responsibility Allowance	Mileage and Subsistence Expenses	Carers Allowance
Trail	J	9,937.91	0.00	0.00	0.00
Twiss	P	9,937.91	0.00	910.81	0.00
Vint	R	1,061.62	0.00	0.00	0.00
Way	N	10,970.04	3,408.57	0.00	0.00
Westlake	R	1,032.13	752.69	0.00	0.00
Whitton	C	9,937.91	0.00	50.80	0.00
Wragg	E	1,061.62	0.00	220.86	0.00
Wright	C	10,970.04	0.00	991.38	0.00
Yabsley	J	10,970.04	0.00	926.00	0.00
Younger-Ross	R	1,061.62	0.00	0.00	0.00

CAPITAL

7. The Capital Programme

- 7.1 The County Council approved the Capital Programme of £114.751 millions for 2017/18 in February 2017. The programme was increased during the financial year by £25.232 millions as a result of the previous year underspends and Members have been asked to approve a further £26.770 millions for other adjustments during the year.
- 7.2 The final capital programme for 2017/18 was £166.753 millions and actual capital expenditure was £126.206 millions. The table below summarises 2017/18 expenditure and approvals.

Capital Expenditure	Budget	Actual Spend	Variation
	£000	£000	£000
Adult Care and Health	10,386	7,160	3,226
Children's Services	6,929	4,699	2,230
Communities, Public Health, Environment and Prosperity	68,659	47,013	21,646
Corporate Services	8,524	4,800	3,724
Highways, Infrastructure Development & Waste	72,255	62,534	9,721
Total	166,753	126,206	40,547

- 7.3 As set out in the table above, the Capital Programme outturn variance was £40.547 millions (this compares to £36.651 millions in 2016/17). Within this total £35.647 millions represents slippage across a range of schemes which will be carried forward to future years and £4.900 millions savings achieved in programme delivery.

8. Variation between the delivered Capital Programme and Budget

- 8.1 The 2017/18 slippage totalled £35.647 millions. It is recommended that £24.857 millions are carried forward into the 2018/19 Capital Programme, and £10.790 millions into 2018/19 and beyond. An analysis of the underspending and the carry forward request is set out in the table below:

Programme Variation	Variation	Carry Forward to 2018/19	Carry Forward to 2019/20 and future years
	£000	£000	£000
Adult Care and Health	2,948	130	2,818
Children's Services	1,097	691	406
Communities, Public Health, Environment and Prosperity	18,808	11,593	7,215
Corporate Services	3,724	3,724	0
Highways, Infrastructure Development & Waste	9,070	8,719	351
Total	35,647	24,857	10,790

A summary of the main reasons for the variation between spend and budgets is explained in the following paragraphs.

8.2 Highways, Infrastructure Development and Waste

In 2017/18 the slippage on this part of the programme was £9.070 millions.

The Local Transport Plan (LTP) maintenance block funding and Pothole Action Fund (PAF) grant slippage was £4.3 millions in 2017/18. However, whilst it was the first year of a new term maintenance contractor and Devon encountered the worst weather conditions for some years, £40.4 millions of the £44.7 millions budget was still delivered.

Challenge Fund Street Lighting – The £1.5 millions slippage is the remaining funding of a 3 year £13 millions scheme to upgrade street lighting on main roads. It is anticipated that this will be completed in the first quarter of 2018/19.

Devon were also successful in being awarded £4.25 millions Challenge Fund grant in August 2017, with match funding contributions the scheme total is £5 millions. The announcement was welcomed but later than expected and therefore delivery of resurfacing and drainage on the A361 between Gornhay Cross and the M5, will span financial years, hence the slippage of £2 millions.

8.3 Communities, Public Health, Environment and Prosperity

In 2017/18 the slippage on this part of the programme was £18.808 millions.

The Planning, Transportation and Environment capital programme included a number of large schemes and a summary of some of the main areas of slippage are outlined below:

- Works commenced in September on the Tiverton Eastern Urban Extension scheme but this will span financial years. The 2017/18 variance was £1.369 millions;
- The budget for the South Devon highway for 2017/18, included assumptions with regard to land payments and part one compensation claims. Land has been agreed at a value lower than anticipated and the part one process will not result in any settlements in 2017/18, hence slippage of £2.840 millions;
- Tithebarn link road, phases 2a and b and the pedestrian and cycle bridge reported a 2017/18 variance of £1.3 millions. The levels of contingency included in the budget, were not required, an element of works will complete in 2018/19 and Highways England (HE), Growth and Housing Fund, awarded after some developer funding had been identified. This resulted in a mixture of slippage and savings; and
- Marsh Barton station is on hold currently, resulting in slippage of £3.614 millions Discussions continue with Network Rail to discuss funding sources and less expensive design works in order for the project to progress.

The Planning Transportation and Environment Schools programme slippage of £2.919 millions can be attributed to a number of schemes. There has been slippage on schemes externally managed either by Central Government or Academy Schools. In addition, a number of schemes were not progressed in line with the original programme due to resourcing challenges, high tender costs issues or ongoing review of needs meaning schemes have been delayed. The slippage has not negatively impacted on Devon’s statutory responsibilities nor reduced parental preference.

The remaining slippage balance is a result of a number of smaller schemes with slippage less than £1 millions and not listed individually.

Adult Care and Health

In 2017/18 the slippage on this part of the programme was £2.948 millions.

A significant part of the slippage relates to two projects, £1.000 million to support a future North Devon Community Facility, and £1.000 million to support Grants to Independent Sector providers to address market sufficiency issues for nursing care provision.

8.5 Children’s Services

In 2017/18 the slippage on this part of the programme was £1.097 millions.

The main reasons for slippage are within Education & Learning and include; Kingsbridge Early Years facility which due to tenders coming in much higher than expected due to various reasons has resulted in the project being delayed while funding issues are resolved, The South West Company Capital provision which due to various issues is currently being reviewed and Schools directly controlled capital has also seen underspends mainly due to the phasing or projects not running as anticipated.

8.6 Corporate Services

In 2017/18 the slippage on this part of the programme was of £3.724 millions.

The County Farms programme slippage is primarily related to two programme areas; Nitrate Vulnerable Zone compliant schemes where contracts have been let but contractors unable to commence until 2018/19 and the programme to upgrade existing farm dwellings to the Decent Homes Standards which will see significant spend in the new financial year, having required detailed feasibility work to progress scheme. The total scheme slippage within County Farms of £1.305 millions will be carried forward into 2018/19.

Within the ICT programme, the development and implementation of the ICT roadmap has continued in 2017/18, however, completion of the roadmap and business priorities focused effort in favour of revenue funded schemes ahead of capital schemes. These have been reprioritised and £669,000 slipping into 2018/19.

The Human Resources Management System project slippage of £375,000 is due to the delay in the rollout of the new system which has been deferred from July 2018 to October 2018.

Within the Estates programme, the upgrade of the boiler house and ventilation system at County Hall has required detailed discussions due to the Listed status of the building. A contractor has been appointed and £414,000 slipping into 2018/19. The Strategic Centres Accommodation Improvement Programme is being reviewed to reflect the changing requirements and nature of services/occupiers and £248,000. There are a number of smaller Estates programme schemes making up the balance.

9. Major Capital Investment

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9.1 Highways Capital development and Waste Management - £62.534 millions outturn spend

Over £38 millions of schemes were delivered within the LTP maintenance block funding. This targeted carriageway schemes including surface dressing treatments and preparatory patching works and a significant number of bridge schemes. £1.9 millions was spent on schemes funded by the Pothole Action Fund, designed to prevent potholes forming and allocated by working with the public and local councillors.

In early 2017/18, the Department for Transport awarded Devon £7.169 millions National Productivity Investment Fund. £3.169 millions was allocated in order to help reduce congestion and upgrade or improve highway and structures assets.

£5.2 millions was expended on the Challenge Fund Street Lighting project in order to upgrade street lighting on main roads, which will result in reduced maintenance, energy costs and carbon emissions.

The school's capital maintenance programme has seen £11.5 millions investment addressing the most urgent maintenance backlog issues within the schools estate.

9.2 Communities, Public Health, Environment and Prosperity - £47.013 millions outturn spend

The Planning, Transportation and Environment programme included a grant award by the Department for Transport of £7.169 millions from the National Productivity Investment Fund. £4 millions was allocated to accelerate design and development of transport schemes including

phase one of the major new junction serving Tiverton Eastern Urban Extension and the first phase of the E4 Strategic Cycle Corridor in Exeter.

Five major schemes were completed with significant external funding support from the Heart of the South West Local Enterprise Partnership and growth deal from the government. This included enlarging Portmore roundabout on the A361, a new cycle and pedestrian bridge crossing the A39 at Roundswell, A379 Bridge Road widening scheme in Exeter and a new signalised junction on the A379 at Sandy Park.

The Tithebarn Link Road and new cycle bridge crossing over the M5, were substantially completed in 2017/18. Of the £3.8 millions spent, £2.1 millions was funded by the Growth and Housing Fund.

The 2017/18 Planning Transport and Environment school's capital programme has delivered a new school in Exeter, Trinity C of E Primary school and funded the replacement of Loddiswell Primary school. New school sites were secured in Okehampton, Kingsteignton and Barnstaple, all of which have plans to deliver new primary schools in 2018. Additional places have been provided in existing schools including a significant expansion of St Andrews Primary in Cullompton and Special Education places in Exeter.

9.3 Adult Social Care and Health - £7.160 millions outturn spend

£6.429m of spend for adaptations to peoples homes to support their independence via partnership working with district/city councils responsible for housing.

A contribution of £750,000 towards the Extra Care Housing project in Totnes with the Guinness Partnership providing Devon County Council with nomination rights into 60 dwellings suitable for older people.

9.4 Children's Services - £4.699 millions outturn spend

The 2017/18 Children's Social care capital programme has continued to see external investment in the Atkinson Unit with three successful bids to improve the site and £968,000 spent to date. The enhanced facilities will continue to ensure that the unit offers the highest level of protection to the most vulnerable in our society.

The Care First System used by the social work teams has seen investment of £673,000 in 2017/18 to install and configure the upgrade.

The schools have also been continuing to invest in their infrastructure and equipment with many schools have been managing substantial capital resources funded by a multitude of sources which they have been putting to good use across the school network. Capital improvements have seen an investment of £2.767 millions across the School estate.

10. Financing the Capital Programme

10.1 The table below sets out how the Council planned to finance its capital spending and the actual sources of funding that were used. The third column shows the funding that will be carried forward into later years, with the final column showing savings from the funding source.

Capital Financing	2017/18 Final Budget	2017/18 Final Outturn	Capital Budgets Carried Forward	2017/18 Capital Budget Savings
	£000	£000	£000	£000
Capital Receipts Applied	17,528	8,085	9,087	356
Borrowing	18,893	13,378	4,985	530
External Grants and Contributions	127,201	102,388	21,085	3,728
Revenue Budgets	3,131	2,355	490	286
Total	166,753	126,206	35,647	4,900

- 10.2 The total borrowing required to finance the capital programme in 2017/18 was £13.378 millions. The council was able to meet all borrowing requirements from internal cash resources so did not need to increase external borrowing.
- 10.3 The Council had Capital Receipts unapplied of £12.136 millions at 1st April 2017. Net of the cost of sales, capital receipts of £9.709 millions were received in year from the sale of County land, building and other assets. Having applied £8.085 millions of capital receipts to finance spend, the closing balance for Capital Receipts is £13.760 millions. These movements are shown in the table below:

Capital Receipts	General Receipts	Investing in Devon	Total
	£000	£000	£000
Opening Balance 1st April 2017	(9,514)	(2,622)	(12,136)
Received in year	(9,709)	0	(9,709)
Applied to finance spend	7,422	663	8,085
Closing Balance 31st March 2018	(11,801)	(1,959)	(13,760)

11. Prudential Indicators

- 11.1 The prudential indicators are produced in line with the national code of practice that was drawn up by the Chartered Institute of Public Finance and Accountancy. This requires local authorities to monitor its overall debt level via a set of "prudential indicators", in order to form a judgement about affordable, prudent and sustainable levels of debt. The definition of debt for the Prudential Indicators that were calculated and agreed within the Capital Programme for 2017/18 includes both borrowing and other long-term liabilities such as PFI schemes.

11.2 The indicators are set annually when the budget is agreed and we report the final position of the indicators against the estimate within the outturn report. The indicators are adjusted after the budget is agreed for technical accounting changes. In 2017/18 no prudential indicators were breached

11.3 Capital Expenditure

The Prudential Indicators 2017/18 are based on the revised Capital Programme of £166.753 millions.

Capital Expenditure 2017/18	£000
Planned Expenditure	166,753
Actual Expenditure	126,206
Variance	40,547

11.4 Capital Financing Requirement (CFR)

The Capital Financing Requirement reflects the cumulative capital expenditure that Devon County Council has yet to finance. It is alternatively known as the underlying debt requirement.

2016/17	2017/18
£000	£000
<u>732,815</u> Opening Capital Financing Requirement	<u>724,104</u>
732,815	724,104
Capital Investment	
106,125 Property, Plant and Equipment	95,881
15 Heritage Assets	0
158 Intangible Assets	1,048
26,217 Revenue Expenditure Funded from Capital under Statute	28,827
0 Share Capital	450
Sources of Finance	
(18,385) Capital Receipts	(8,085)
(100,954) Government Grants and other contributions	(102,388)
Sums set aside from revenue:	
(1,837) Direct revenue contributions	(2,355)
(20,318) Statutory provision for the financing of capital investment	(8,416)
Capital provision	
6,026 Creation of Long Term Provision	5,758
<u>(5,758)</u> Provision remaining at year end	<u>(5,498)</u>
<u>724,104</u> Closing Capital Financing Requirement	<u>729,326</u>
Explanation of Movements in Year	
14,678 Increase in underlying need to Borrow (unsupported by government financial assistance)	13,378
268 Decrease in Capital Provision	260
(1,870) (Reduction)/ Increase in PFI liability	(640)
<u>(21,787)</u> Increase in the provision for repayment of debt	<u>(7,776)</u>
<u>(8,711)</u> Increase/(decrease) in Capital Financing Requirement	<u>5,222</u>

As approved by Council on 15th February 2018, Devon County Council reduced its minimum revenue provision (MRP) payment in 2017/18. This resulted in a revenue saving which has been moved to reserves for future costs. In addition, as a result of this one-off reduction in MRP payment and the in year internal borrowing for the capital programme, it has resulted in an increase to the capital financing requirement. If the MRP reduction hadn't been applied, the CFR would have reduced by £5.694 millions.

11.5 Authorised Limit and the Operational Boundary for External Debt

External borrowing totals £507.850 millions and other Long Term Liabilities total £127.995 millions. The actual external debt for 2017/18 was therefore £635,845 millions.

The authorised limit for external debt of £881.934 millions was not breached.

The operational boundary for external debt of £856.934 millions was not breached.

11.6 Ratio of Financing Cost to Net Revenue Stream

This key ratio shows the percentage of the net revenue budget which is used to finance debt. The long term commitment is that the capital finance charges excluding the capital financing costs included within the PFI and other PFI type of arrangements do not go above 12%. On an annual basis, the County Council when assessing the affordability of the programme estimate the relevant percentage.

Due to the MRP reduction applied in year, the total financing costs for 2017/18 have been reduced by £10.916 millions, resulting in a ratio of financing costs much lower than originally expected. This will balance out as the additional funds are released in coming years.

	<u>Including PFI Charges</u>	<u>Excluding PFI Charges</u>
Total Financing Costs	45.581 millions	32.522 millions
Net Revenue Stream	489.494 millions	489.494 millions
Actual	9.31%	6.64%
Estimated	11.62%	9.31%
Variance	-2.31%	-2.67%

12. Determination of Capital Finance

The Authority is required to determine its use of capital finance as defined by capital control legislation. The following use of capital finance sources, as outlined in the table shown on page 31 and compared to budget, is proposed:

That internal borrowing totalling £13.378 millions is used as authorisation to finance capital expenditure.

That expenditure of £102.388 millions is funded from government grants and external contributions to meet expenditure in 2017/18 for capital purposes.

That useable capital receipts of £8.085 millions are applied to meet expenditure in 2016/17 for capital purposes.

That remaining capital expenditure of £2.355 millions is met from revenue budgets.

CAPITAL OUTTURN SUMMARY STATEMENT 2017/18

	Revised Programme	Total Spending	Slippage and Other Variations	<i>Impact on 2018/19 Programme Increase / (Decrease)</i>	<i>Impact on 2019/20 Programme Increase / (Decrease)</i>	<i>Impact on 2020/21 Programme Increase / (Decrease)</i>	<i>Impact on 2021/22 Programme Increase / (Decrease)</i>	<i>Impact on 2022/23 Programme Increase / (Decrease)</i>
	(1) £'000	(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000	(7) £'000	(8) £'000
CORE PROGRAMME								
Adult Care and Health	10,386	7,160	(3,226)	130	2,818	0	0	0
Children's Services	6,929	4,699	(2,230)	691	406	0	0	0
Communities, Public Health, Environment and Prosperity	68,659	47,013	(21,646)	12,133	7,215	0	0	0
Corporate Services	8,524	4,800	(3,724)	3,724	0	0	0	0
Highways, Infrastructure Development & Waste	<u>72,255</u>	<u>62,534</u>	<u>(9,721)</u>	<u>8,719</u>	<u>351</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	166,753	126,206	(40,547)	25,397	10,790	0	0	0
TOTAL TO BE FINANCED		<u>126,206</u>						

CAPITAL PROGRAMME 2017/18 – STATEMENT OF DETERMINATION OF CAPITAL FINANCE

	Recommended Financing £000	Recommended Financing £000
SOURCES OF FINANCE		
External Resources		
Grants and Contributions	102,388	
Total External Sources		102,388
Internal Resources		
Useable Capital Receipts Applied	8,085	
Internal Borrowing	13,378	
Revenue Budgets and Earmarked Reserves	2,355	
	23,818	
Total Internal Sources		23,818
Total Sources of Funding		126,206

Capital Receipts	
Balance at Start of Year	12,136
Received During Year	9,709
Applied to Financing	(8,085)
Balance at Year End	13,760

Note

Analysis of balance of capital receipts at year end

Airport Receipts earmarked for IID	1,959
General Receipts	11,801
	13,760

DEBT (Monies Owed to the Authority) as at 31st March 2018

13. Recommendation :- that the position relating to debt be noted.

- 13.1 The County Council collects income from a wide range of sources to fund its services. Large elements of income are received automatically from Government and District Councils in respect of Revenue Support Grant, share of National Non-Domestic Rates and Council Tax.
- 13.2 Technology is also used to receive income via the telephone and the internet. Debt recovery agents continue to be used where non-sensitive debt has proved difficult to collect.
- 13.3 Income is also received from the raising of invoices to users of service. Accounts are credited with the income value with immediate effect, however, it is often the case that debtors take time to settle accounts and there is a time delay between accounting transactions and cash income.
- 13.4 The County Council has a number of debtor systems which encompass Adult Care functions, Devon Pensions Fund items and Corporate services.
- 13.5 As at 31st March 2018, the situation was as follows :-

	Corporate System	Adult Care Functions	Devon Pension Fund	Total
Total Invoiced Income for the Year	£163.000 million (£194.116 million at 31st March 2017)	£47.386 million (£46.661 million at 31st March 2017)	£10,321 million (£8.485 million at 31st March 2017)	£220.707 million (£249.262 million at 31st March 2017)
Outstanding debt older than 3 months	£2.161 million (£3.053 million at 31st March 2017)	£11.785 million (£11.554 million at 31st March 2017)	£0.192 million (£0.080 million at 31st March 2017)	£14.138 million (£14.687 million at 31st March 2017)
Percentage of Debt which is older than 3 months relative to whole year value	1.33% (1.57% at 31st March 2017)	24.87% (24.7% at 31st March 2017)	1.86% (0.94% at 31st March 2017)	6.4% (5.89% at 31st March 2017)

- 13.6 In terms of Corporate debt, active management of items throughout the year and recovery of a number of large value debts has helped to keep debt levels at a relatively low level.
- 13.7 Within the Adult Care Functions, elements of Residential Care debt are underwritten by property charges. At the year end, the level of debts over 3 months old secured by legal charge total £8,840,753 (£8,500,823 at 31st March 2017) and reduce the percentage of outstanding debt from 24.87% to 6.2% (6.5% at 31st March 2017).
- 13.8 The On-Street Parking system records monies owed for this service area. The nature of the individual debt is low value. At the year-end, gross debt totalled £1,166,657, with a bad debt provision of £735,339. The net debt was £431,318. Enforcement agents are used to recover related debt where appropriate.
- 13.9 Invoiced income in respect of the Devon Pension Fund is comparatively low in percentage terms and relates to a small number of debtors.
- 13.10 In addition, to mitigate the effect of non-recovery of debt, Provisions have been established to write-off corporate items which prove non-recoverable. At the year end, these total £200,000.

Page 93 **Mary Davis**

Electoral Divisions: All

Local Government Act 2003

Contact for Revenue Enquiries:

- o Mary Davis Tel No: 01392 383310
- o Angie Sinclair Tel No: 01392 380711

Contact for Capital Enquiries:

- o John Bougeard Tel No: 01392 383457

Background Paper Date 16th May 2018

Detailed financial working papers and systems

Executive Member: Councillor John Clatworthy

Public Health Annual Report 2017-18

Report of the Chief Officer for Communities, Public Health, Environment and Prosperity

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation: Cabinet is asked to receive the Annual Report of the Director of Public Health and to note its recommendations.

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### 1. Background

- 1.1. The Director of Public Health has a statutory duty to write an annual report, and the local authority has a statutory duty to publish it (section 73B (5) & (6) of the 2006 NHS Act, inserted by section 31 of the 2012 Health and Social Care Act). This enables the Director of Public Health to make an independent judgement about the state of health of the local population and ensures that the report will be published and in the public domain. The annual report by the Director of Public Health is therefore different from all other reports received from an officer in that it is not a Cabinet Member report.

### 2. Introduction

- 2.1. This Annual Public Health Report for Devon County Council is the eleventh in a series of annual reports on the health of the population of Devon which began in 2007-08. Over that period, there have been extraordinary improvements in the health of the population of Devon. The pattern of disease has changed over the years – while life expectancy has increased, as modern medicine develops new techniques and treatments, so has the prevalence of long-term health conditions, such as diabetes, heart and lung disease, arthritis and dementia. The health of the population of Devon generally compares favourably with other parts of England and Wales with the exception of some aspects of mental health, and deaths from skin cancer, strokes and falls.
- 2.2. While indicators of health and wellbeing in Devon compare favourably to national, regional and local authority comparator areas, there needs to be a continued focus on giving children the best start in life and therefore maintaining health and wellbeing throughout adolescence and adulthood into older age.
- 2.3. This year's public health annual report takes as its theme the health of children and young people. The report considers this through considering the life course of children from conception to adulthood.
- 2.4. As children grow up, research has shown that early influences on health can have life-long effects. Investing in the health and wellbeing of our children will result in long-term population benefits.
- 2.5. Growing up in a loving, nurturing and safe family environment is part of the child successfully developing into a healthy, happy adult. In some cases, children or young

# Agenda Item 12

people on the receiving end of harmful adult behaviours (such as substance abuse or domestic and sexual violence and abuse) will themselves replicate those behaviours and the cycle will continue. Those affected will frequently cite a lack of early recognition and support for these problems and highlights the importance of prevention and early intervention for both children and adults. It should also be remembered that the long-term impact of poverty and disadvantage on the health and wellbeing of children, and to wider society, is one that has a financial as well as a human cost.

2.5 The recommendations set out in the report are:

1. To reduce the number of children living in poverty and poor housing.
2. To improve the health of women before, during and after pregnancy, including a reduction in the proportion smoking in pregnancy, and the number of women who are obese in pregnancy.
3. To increase breastfeeding rates.
4. To improve communication skills in young children.
5. To promote healthy eating through national and local strategies to prevent overweight and obesity.
6. To improve oral health and dental hygiene in children, especially those in from the more socioeconomically-deprived areas.
7. To increase levels of physical activity in children and adults.
8. To promote the emotional wellbeing and mental health of children and young people, and to prevent deliberate self-harm.
9. To ensure young people have access to quality sexual health advice, education and services.
10. To ensure that personal, social and health education, and sex and relationships education, are provided to all children.
11. To reduce the consumption of tobacco, alcohol and illegal drugs.
12. To ensure that all children benefit from immunisation.
13. To prevent accidental injury and harm.
14. To improve the primary and community care of children with long-term health conditions.
15. To support adults in tackling behaviours that are associated with harm to children.
16. To reduce the attainment gap between young people from the highest and lowest socio-economic groups.
17. To improve the health, wellbeing and life chances of the most disadvantaged children and young people, particularly children in care, and reduce the inequality gap.
18. To improve the experience of children with special needs or long-term health conditions making the transition from children's services to adult services.
19. To adopt a "child health in all policies" approach, to help tackle inequality, reduce disadvantage and deprivation and improve the social determinants of health.
20. To improve the collection and analysis of data about children and young people and their families, to better inform decisions on how to improve the health and wellbeing of children and young people.

### 3. **Financial considerations**

3.1 Contained within the report.

## **4. Legal considerations**

- 4.1 The publication of the annual report of the Director of Public Health by Devon County Council discharges a statutory responsibility under the Health and Social Care Act 2012.

## **5. Environmental impact considerations**

- 5.1 Contained within the report.

## **6. Equality considerations**

- 6.1 Contained within the report.

## **7. Risk assessment considerations**

- 7.1 Contained within the report.

## **8. Recommendation**

- 8.1 Cabinet is asked to receive the Annual Report of the Director of Public Health and to note its recommendations.

**Dr Virginia Pearson  
CHIEF OFFICER FOR COMMUNITIES, PUBLIC HEALTH, ENVIRONMENT AND  
PROSPERITY  
DEVON COUNTY COUNCIL**

**Electoral Divisions:** All

Cabinet Member for Community, Public Health and Transportation and Environmental Services: Councillor Roger Croad

Chief Officer for Communities, Public Health, Environment, and Prosperity: Dr Virginia Pearson

## **Background publications**

Devon Joint Strategic Needs Assessment [www.devonhealthandwellbeing.org.uk/jsna/](http://www.devonhealthandwellbeing.org.uk/jsna/)  
Previous Annual Public Health Reports [www.devonhealthandwellbeing.org.uk/aphr/](http://www.devonhealthandwellbeing.org.uk/aphr/)



**SCHEDULE OF CABINET MEMBER DECISIONS TAKEN SINCE PREVIOUS MEETING**

| <b>Cabinet Remit/Officer</b>                          | <b>Matter for Decision</b>                                                                                                     | <b>Effective Date</b> |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Resources & Asset Management                          | Fin 551 - Approval to variations in the Capital Programme 2017/18 and 2018/19 and other property matters,                      | 13 April 2018         |
|                                                       | Approval to declare Haldon View, Exeter surplus to requirements                                                                |                       |
|                                                       | Approval to declare land adjoining Victoria Cottage, Bickington surplus to requirements                                        | 4 May 2018            |
|                                                       | Approval to declare land adjoining former Magistrates' Court, Totnes surplus to requirements                                   | 4 May 2018            |
| Community, Public Health Transportation & Environment | Approval of the detailed schedule of fees and charges for Planning, Transportation, Environment and Statutory Library Services | 19 April 2018         |
| Economy & Skills                                      | Approve of the detailed schedule of fees and charges for Trading Standards                                                     | 3 May 2018            |
| Highway Management                                    |                                                                                                                                |                       |
| Adult Social Care and Health Services                 | Approval to close Haldon View respite unit and to declare the building surplus.                                                | 12 April 2018         |
| Children's Services and Schools                       | Approval to lower the age range at West Down Primary School                                                                    | 8 May 2018            |

The Registers of Decisions will be available for inspection at meetings of the Cabinet or, at any other time, in the Democratic Services & Scrutiny Secretariat, during normal office hours. Contact details shown above.

In line with the Openness of Local Government Bodies Regulations 2014, details of Decisions taken by Officers under any express authorisation of the Cabinet or other Committee or under any general authorisation within the Council's Scheme of Delegation set out in Part 3 of the Council's Constitution may be viewed at <https://new.devon.gov.uk/democracy/officer-decisions/>



# DEVON COUNTY COUNCIL

## COUNCIL/CABINET FORWARD PLAN

In line with the public's general rights of access to information and the promotion of transparency in the way which decisions are taken by or on behalf of the Council, Devon County Council produces a Forward Plan of any Key Decisions to be taken by the Cabinet and any Framework Decisions to be made by the County Council. The Plan normally covers a period of a minimum of four months from the date of publication and is updated every month.

The County Council has defined key decisions as those which by reason of their strategic, political or financial significance or which will have a significant effect on communities in more than one division are to be made by the Cabinet or a Committee of the Cabinet. Framework Decisions are those decisions, which, in line with Article 4 of the Council's Constitution must be made by the County Council.

The Cabinet will, at every meeting, review its forthcoming business and determine which items are to be defined as key decisions and the date of the meeting at which every such decision is to be made, indicating what documents will be considered and where, in line with legislation, any item may exceptionally be considered in the absence of the press and public. The revised Plan will be published immediately after each meeting. *Where possible the County Council will attempt to keep to the dates shown in the Plan. It is possible that on occasion may need to be rescheduled.* Please ensure therefore that you refer to the most up to date Plan.

An up to date version of the Plan will available for inspection at the Democratic Services & Scrutiny Secretariat in the Office of the County Solicitor at County Hall, Topsham Road, Exeter (Telephone: 01392 382264) between the hours of 9.30am and 4.30am on Mondays to Thursdays and 9.30am and 3.30pm on Fridays, free of charge, or on the County Council's web site, 'Information Devon', (<http://www.devon.gov.uk/dcc/committee/>) at any time.

Copies of Agenda and Reports of the Cabinet or other Committees of the County Council referred to in this Plan area also on the Council's Website at (<http://www.devon.gov.uk/dcc/committee/mingifs.html>)

## FORWARD PLAN

All items listed in this Forward Plan will be discussed in public at the relevant meeting, unless otherwise indicated for the reasons shown

Any person who wishes to make representations to the Council/Cabinet about (a) any of the matters proposed for consideration in respect of which a decision is to be made or (b) whether or not they are to be discussed in public or private, as outlined below, may do so in writing, before the designated Date for Decision shown, to The Democratic Services & Scrutiny Secretariat, County Hall, Exeter, EX2 4QD or by email to: [members.services@devon.gov.uk](mailto:members.services@devon.gov.uk)

### PART A - KEY DECISIONS

(To Be made by the Cabinet)

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| Date of Decision | Matter for Decision                                                                                                                                                                                             | Consultees                          | Means of Consultation**                       | Documents to be considered in making decision                                                                                                                                                                    | County Council Electoral Division(s) affected by matter |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
|                  | <i>Regular / Annual Matters for Consideration</i>                                                                                                                                                               |                                     |                                               |                                                                                                                                                                                                                  |                                                         |
| February 2019    | Admission Arrangements and Education Travel Review: Approval to admission arrangements for subsequent academic year                                                                                             | Schools, GBs and Phase Associations | Formal consultation and Devon Education Forum | Report of the Chief Officer for Childrens Services outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                             | All Divisions                                           |
| 8 February 2019  | Target Budget: Target Budget: Impact of the Provisional Local Government Settlement for forthcoming year on the preparation of that year's budget and affirmation/re-affirmation of service expenditure targets | N/A                                 | N/A                                           | Report of the County Treasurer outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                 | All Divisions                                           |
| 10 April 2019    | County Road Highway Maintenance Capital Budget<br>Update on current years programmes and approval of schemes and proposed programmes for forthcoming financial year                                             | N/A                                 | N/A                                           | Report of the Chief Officer for Highways, Infrastructure Development and Waste outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | All Divisions                                           |

|                                           |                                                                                                                                                                                                          |                                                                |                             |                                                                                                                                                                                                                                                                                                                                                 |               |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 10 April 2019                             | County Road Highway Maintenance Revenue Budget and On Street Parking Account Allocation of highway maintenance funding allocated by the Council in the budget for the current/forthcoming financial year | N/A                                                            | N/A                         | Report of the Chief Officer for Highways, Infrastructure Development and Waste outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                                                                                                | All Divisions |
| <i>Specific Matters for Consideration</i> |                                                                                                                                                                                                          |                                                                |                             |                                                                                                                                                                                                                                                                                                                                                 |               |
| 16 May 2018                               | Realignment of the A379 at Slapton Line                                                                                                                                                                  | Land owner/occupier, Natural England, Slapton Line Partnership | Meetings and correspondence | Report of the Chief Officer for Highways, Infrastructure Development and Waste outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                                                                                                | Kingsbridge   |
| 16 May 2018                               | Ash Die Back Disease: Policy Update and Management                                                                                                                                                       | Devon Ash Die Back Resilience Forum                            | Meetings and Workshops      | Report of the Chief Officer for Highways, Infrastructure Development and Waste, Head of Digital Transformation and Business Support, Chief Officer for Communities, Public Health, Environment and Prosperity outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | All Divisions |
| 16 May 2018                               | Defra Consultation on the future for food, farming and the environment - Devon County Council's Response                                                                                                 | N/A                                                            | DCC a consultee             | Report of the Head of Economy, Enterprise and Skills outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                                                                                                                          | All Divisions |
| 13 June 2018                              | Future Direction of Network Management                                                                                                                                                                   | n/a                                                            | n/a                         | Report of the Chief Officer for Highways, Infrastructure Development and Waste outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                                                                                                | All Divisions |
| 13 June 2018                              | DCC Environmental Policy - New Strategies and Action Plans for Single Use Plastics and Water Consumption                                                                                                 | Devon Norse and Coaver Club (for Single-Use Plastics)          | Meetings                    | Report of the Head of Planning, Transportation and Environment outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                                                                                                                | All Divisions |
| 13 June 2018                              | Accommodation Strategy                                                                                                                                                                                   |                                                                |                             | Report of the Head of Adult Commissioning and Health outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                                                                                                                          | All Divisions |

|              |                                                                              |                                                                                                                                                                |                                                                     |                                                                                                                                                                                                  |                                                         |
|--------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 13 June 2018 | Disabilities Delivery Plan                                                   |                                                                                                                                                                |                                                                     | Report of the Head of Adult Commissioning and Health outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.           | All Divisions                                           |
| 13 June 2018 | Adult Services Market Sufficiency                                            |                                                                                                                                                                |                                                                     | Report of the Head of Adult Commissioning and Health outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.           | All Divisions                                           |
| 13 June 2018 | Honiton Primary School Capital Build                                         | School Governors, Local learning Community                                                                                                                     | Meetings                                                            | Report of the Head of Planning, Transportation and Environment outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | Feniton & Honiton                                       |
| 11 July 2018 | Sherford Main Street: Approval to appointment of contractor and construction | Community and Stakeholders as part of planning process and Highways England, Plymouth City Council, and South Hams District Council as part of design process. | Community and Stakeholder consultation as part of planning process. | Report of the Head of Planning, Transportation and Environment outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | Bickleigh & Wembury; Ivybridge; South Brent & Yealmpton |

|                     |                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                         |                                                                                                                                                                                                                             |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>11 July 2018</p> | <p>A Gateway to Northern Devon – A361/A39 North Devon Link Road: South Molton to Bideford Update and approval to go to tender and acquire land through negotiation /CPO</p> | <ul style="list-style-type: none"> <li>• Key Stakeholders: <ul style="list-style-type: none"> <li>o Local government - Devon County Council, North Devon Council, Torridge District Council, Mid Devon District Council</li> <li>o Statutory Bodies - Environment Agency, Historic England, Natural England</li> </ul> </li> <li>• Other Stakeholders: <ul style="list-style-type: none"> <li>o Government - MP for North Devon, MP for Torridge and West Devon</li> <li>o Local government - Heart of South West Local Enterprise Partnership</li> <li>o Transport - Network Rail</li> </ul> </li> <li>• Consultees: <ul style="list-style-type: none"> <li>o Local Government - Town and Parish Councils</li> <li>o Emergency Services</li> <li>o Statutory Undertakers</li> <li>o Other organisations</li> </ul> </li> </ul> | <p>A mini consultation for amendments to the improvements to Borner's Bridge Roundabout and Bishop's Tawton Roundabout will be held in June/July 2018. The improvements to Buckleigh Road Junction and Heywood Road Roundabout will be presented at the Torridge HATOC on the 19th June 2018. All other improvements are as per those presented in the online consultation held 9th June 2017 – 28th July 2017 and at the public exhibitions. Meetings to inform the districts and members have been organised for the beginning of June 2018. Ongoing liaison with affected</p> | <p>Report of the Head of Planning, Transportation and Environment outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.</p> | <p>Barnstaple North; Barnstaple South; Bideford East; Bideford West &amp; Hartland; Braunton Rural; Chulmleigh &amp; Landkey; Combe Martin Rural; Fremington Rural; Ilfracombe; Northam; South Molton; Torrington Rural</p> |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                              |                                                                                            |                              |     |                                                                                                                                                                                                                  |               |
|----------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 11 July 2018                                 | Foster Carer Allowances                                                                    | Foster Carers / Stakeholders | YES | Report of the Head of Children's Social Care (Deputy Chief Officer) outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.            | All Divisions |
| 11 July 2018                                 | Promoting independence in Devon: Our Vision, 5 year Plan and Annual Report for 2017"       |                              |     | Report of the Head of Adult Commissioning and Health outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                           | All Divisions |
| 12 September 2018                            | Residential Short Breaks for Disabled Children                                             |                              |     | Report of the Head of Children's Social Care (Deputy Chief Officer) outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.            | All Divisions |
| 12 September 2018                            | Children in Care - Placement Sufficiency                                                   | TBC                          | TBC | Report of the Chief Officer for Childrens Services outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                             | All Divisions |
| Between 13 October 2018 and 14 November 2018 | Street Lighting Policy and Contract                                                        | TBA                          | TBA | Report of the Chief Officer for Highways, Infrastructure Development and Waste outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | All Divisions |
| 8 February 2019                              | Children and Young People Plan Approval to Children & Young People's Plan for 2018 onwards |                              |     | Report of the Chief Officer for Childrens Services outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                             | All Divisions |

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**PART B -FRAMEWORK DECISIONS**

(Requiring approval of the County Council)

| Date of Decision                        | Matter for Decision                                                                                                                                                                                                                                                                                                                                                                        | Consultees                                                                     | Means of Consultation**                                                                 | Documents to be considered in making decision                                                                                                                    | County Council Electoral Division(s) affected by matter |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 15 January 2019<br><br>14 February 2019 | Pay Policy Statement Recommendation to County Council in February of each year to approve, in accordance with the provisions of the Localism Act 2011 of the Councils Annual Pay Policy Statement setting out its policy for each financial year relating to remuneration of Chief Officers and other employees and the relationship between the pay of chief officers and other employees | Appointments & Remuneration Committee                                          | Public Meeting                                                                          | Report of the County Solicitor outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | All Divisions                                           |
| February 2019<br><br>February 2019      | Revenue Budget, Medium Term Financial Strategy & Capital Programme for next subsequent financial year and beyond                                                                                                                                                                                                                                                                           | Public, Stakeholders, Trades Unions, Business and Voluntary Sectors and public | Statutory consultations, meetings, fora and public meetings, correspondence and website | Report of the County Treasurer outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | All Divisions                                           |

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| PART C - OTHER MATTERS<br>(i.e. Neither Key Nor Framework Decisions)         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                  |                         |                                                                                                                                                                                                                          |                                                         |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Date of Decision                                                             | Matter for Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Consultees                                                                                                       | Means of Consultation** | Documents to be considered in making decision                                                                                                                                                                            | County Council Electoral Division(s) affected by matter |
| <i>Regular / Annual Matters for Consideration</i>                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                  |                         |                                                                                                                                                                                                                          |                                                         |
| Between 16 May 2018 and 31 December 2019                                     | Standing Items, as necessary (Minutes, References from Committees, Notices of Motion and Registers of Delegated or Urgent Decisions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | As necessary                                                                                                     |                         | Report of the outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                                          | All Divisions                                           |
| Between 16 May 2018 and 1 May 2021<br><br>Between 16 May 2018 and 1 May 2021 | Standing items on the future management, occupation, use and improvement of individual holdings and the estate, monitoring the delivery of the Budget & the Estate Useable Capital Receipts Reserve in line with the approved policy and budget framework<br><i>[NB: Items relating to the letting or occupancy of individual holdings may contain information about, or which is likely to reveal the identity of, an applicant for a holding and about the financial and business affairs of the Council and any prospective or existing tenant that may need to be discussed in the absence of the press and public]</i> | To be considered at the Farms Estates Committee, including any advice of the Council's Agents NPS South West Ltd |                         | Report of the Head of Digital Transformation and Business Support, County Treasurer outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.    | All Divisions                                           |
| 16 May 2018                                                                  | Public Health Annual Report<br>Receipt of statutory annual report on the health of people in Devon by the Director of Public Health.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | N/A                                                                                                              | JSNA                    | Report of the Chief Officer for Communities, Public Health, Environment and Prosperity outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | All Divisions                                           |
| Between 16 May 2018 and 14 June 2018                                         | Approval to Revenue & Capital Outturn, for the preceding financial year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | N/A                                                                                                              | N/A                     | Report of the County Treasurer outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                                                         | All Divisions                                           |

|                                           |                                                                                                                                                                                                                                                        |                                                         |     |                                                                                                                                                                                 |               |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 11 July 2018                              | Annual Childcare Sufficiency Report: Endorsement of Annual report outlining how the Council is meeting its statutory duty to secure sufficient early years and childcare places and identifying challenges and actions for the coming year in relation | Interested parties and partners and schools and parents |     | Report of the Head of Education and Learning outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.  | All Divisions |
| 11 July 2018                              | Treasury Management Stewardship Outturn Report                                                                                                                                                                                                         | Corporate Services Scrutiny Committee                   | n/a | Report of the County Treasurer outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                | All Divisions |
| 14 November 2018                          | Devon Safeguarding Adults Board Annual Report 2017<br>To receive the Annual Report of the Devon Safeguarding Adults Board                                                                                                                              | N/A                                                     | N/A | Report of the Chair of the Safeguarding Board outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary. | All Divisions |
| 12 December 2018                          | Treasury Management Stewardship - Mid Year Position                                                                                                                                                                                                    | N/A                                                     | N/A | Report of the County Treasurer outlining all relevant considerations, information and material including any equality and / or impact assessments, as necessary.                | All Divisions |
| <i>Specific Matters for Consideration</i> |                                                                                                                                                                                                                                                        |                                                         |     |                                                                                                                                                                                 |               |

# Agenda Item 15