

Prior to the 2017 revaluation, businesses (in reality mostly agents acting on behalf of businesses) could lodge appeals speculatively without investing time and resources to articulate the grounds for their appeals.

The 2017 list saw the introduction of the **check, challenge, appeal** process; in essence this placed a greater burden on businesses (or their agents) to articulate the reason for their appeals and provide evidence in support of their appeal. As the new process was more resource intensive for businesses and agents the number of appeals lodged against the 2017 list has been significantly lower than previous business rate revaluations.

Furthermore as a result of the Government's response to the Covid-19 pandemic, large numbers of businesses in 2020/21 and 2021/22 have been exempt from businesses rates or seen their liability significantly reduced as a result of various Covid-19 related reliefs. Additionally in response to the cost of living crisis, additional business rate reliefs have been introduced further reducing businesses liabilities to business rates. Consequently the incentive for businesses to appeal against their business rates liability is reduced.

With any revaluation list there is an incentive for agents to lodge appeals towards the end of a list because generally they are reimbursed on a no win no pay basis and receive a proportion of the back dated appeals if successful.

With the impending closure of appeals against the existing revaluation list officers of the Council have re-examined the appeals provision. Essentially the approach has been to move away from the blanket 4.7% appeals provision for all businesses registered for business rates, and instead take a more targeted approach looking at past appeals performance by individual business sectors and apply that to appeals already lodged. Furthermore officers of the Council have estimated the value of appeals not yet lodged (deadline September 2023).

The review undertaken with regards to the business rate appeal provision has supported a reduction in the business rate appeals provision of £868k of which Torridge's share at 40% equates to **£347k**.

Due to collection fund rules the reduction of the business rates appeals provision can only be **realised in 2023/24**. The reduction in the business rate appeals provision is an increase in retained Business Rate income for Torridge. This increased retained business rate income is one-off in nature. The updated MTFs presented to members on the same agenda as this report includes this additional business rates income.

2.2 Cemetery Charges – Residents Discount

Over the last three full financial years cemeteries within Torridge cost the Council circa £16k; i.e. direct costs have exceeded income from charges. When overheads (management, capital, insurance, etc) are taken into account the cost of cemeteries to the Council increase to over £40k per annum.

When inflation factors such as staff pay awards, fuel, machinery etc are factored in, the **direct cost** of providing cemetery services is projected to increase to £24k for 2023/24.

Currently Torridge Council provides a 50% resident discount for a selection of cemetery fees, the key charges in respect of income generated are:

- Interment single
- Interment double
- Interment Triple
- Exclusive right of burial for 25 years

There are no charges for children under 16.

Over 90% of the income generated by cemeteries is derived from Torridge residents.

For information the table below details the current position across Devon and Cornwall from available published fees and charges.

	Torridge	North Devon	Mid Devon	Exeter	Plymouth	Cornwall
Resident Discount	50.00%	50.00%	50.00%	0.00%	0.00%	50.00%
Charge						
Interment Single	1,365	1,340	1,098	1,267	1,290	1,447
Cost to Resident	683	670	549	1,267	1,290	724
Exclusive Right of Burial - Adult	1,103	1,248	1,087	1,267		965
Cost to Resident	552	624	544	1,267	-	483
Exclusive Right of Burial - Child	0	344	0	635	760	-
Cost to Resident	-	172	-	635	760	-

Reducing the resident discount to 25%, would generate additional income of £25k, which would essentially mean the income generated from the cemeteries would match the direct costs of delivering the service from 2023/24.

The proposed changes are detailed below

	2022-23 charge - Resident discount @ 50%	2023-24 charge @ 25% resident discount
Interment		
Adult Single	£682.50	£1,023.75
Adult Double	£835.00	£1,252.50
Adult Triple	£971.50	£1,457.25
Ashes Interment		
Adult	£150.00	£225.00
Scattering	£77.50	£116.25
Interment at Weekend	£150.00	£225.00
Exclusive Right of Burial - 25 years		
Adult	£525.00	£787.50
Renewal (plot un-used)	£525.00	£787.50
Ashes	£77.50	£116.25
Erection of Headstone	£175.00	£262.50
Erection of Tablet/Vase	£62.50	£93.75
Additional Headstone Inscription	£36.00	£54.00

2.3 Planning Pre- Application Advice

In 2014 the Council introduced a pre-planning advice service, the charges levied in 2014 have not been updated since. The benefits of the service being that it manages the expectation of applicants and also ensures better quality planning applications. In comparison with our nearest neighbours, North Devon Council and Mid Devon Council, the pre planning application fees charged are significantly lower, and in the opinion of Torridge's Planning Manager, don't reflect the significant officer time involved.

An analysis (see appendix A) of Torridge pre planning advice activity and fee income for the years 2018/19 – 2022/23 (to-date) was compared to the level of income which would have accrued based on if the Council had applied charges in line with those at North Devon Council.

	Actual Income £'000	Potential Income £'000	Additional Income £'000
2018/19	51	98	47
2019/20	50	95	45
2020/21	56	110	54
2021/22	61	117	56

Increasing pre planning application fees in line with those currently levied by North Devon should result in additional income to the Council of circa £40-50k per annum.

2.4 S106 monitoring fees

Torridge has not traditionally charged for Section 106 monitoring fees. When Section 106 agreements are levied against agreed developments, they generally come with agreed trigger points, e.g. release of funding upon the occupation of the 20th dwelling in a development. As Section 106 agreements may have multiple trigger points, there is considerable work for Torridge Officers across many disciplines to determine when trigger points have been met and to seek payment of the Section 106 monies due.

Other local authorities charge a fee pertaining to the monitoring of S106 agreement. Any charging system should only recover the costs incurred by the Council. The MBWG has charged the Planning Manager to investigate how a system for Section 106 Monitoring fees could be introduced and reporting back to **Community and Resources on the 23rd January 2023**. A high level analysis by the planning manager has indicated that circa **£50k income** could potentially accrue on an annual basis.

2.5 Capital

The Council's approved capital program for the period at the time of writing this report is £25,986k with projected funding of £28,541k for the period up to 2026/27., the Council's funding of the Capital program being a combination of:

- Earmarked reserves (monies already set aside)
- Future contributions from the Councils revenue budgets – e.g. vehicle replacement
- External grant funding, e.g. Disabled Facilities Funding
- Capital Receipts

The majority of the Councils' capital program is funded from contributions from its revenue budget.

Whilst the Council's capital program is currently showing a surplus of £2.56m (£28.5m funding £26m commitments) this needs to be further analysed to provide context.

The Capital program needs to be separated between the general capital program and the vehicle replacement program. As previously reported to members, the Council is projecting sufficient funding to procure its next refresh of its frontline refuse fleet. However additional funds need to be set aside to build up the vehicle replacement reserve in order to fund the replacement of vehicles in 2031/32. Consequently the surplus in the vehicle program at 2026/27 only reflects the progress to building up the reserve for the 2031/32 refresh.

	Cap Program	Funding	(Surplus)/ shortfall
Vehicle Program	£5.06m	(£5.8m)	(£0.7m)
General Program	£20.9m	(£22.8m)	(£1.9m)

However, the following are not included within the approved capital program but have been identified as potential future costs.

- Leisure Centre £0.9m
(funding of £0.52m held in a leisure reserve)
- Electric Vehicles £0.33m
- Inflation on property related schemes £1.1m (inflation @ 10%)
- Any additional future capital schemes ???
- Linear defence works ???

When the Leisure, Electric Vehicles and inflation pressures are taken into account the "surplus" on the non-vehicle capital program reduces to £424k, before accounting for any new Capital Bids.

The MBWG in conjunction with officers reviewed the Council's approved capital program to ascertain if any schemes could be released. In determining the criteria for recommending a scheme be removed from the approved program, the following were used.

- Balance of funds on completed schemes
- Capital PiDs which have been in the Capital Program for a long time
- Capital PiDs where subsequent to the original submission circumstances prevent delivery of the original scheme, e.g. costs have significantly exceeded the available funds.

The table below details the schemes recommended for removal by the MBWG

Description	£'000	Notes	Year approved
Northam Burrows Estuary Works	157	Old PiD – contingency in nature	2014/15
Caddsdawn Phase 2	104	Scheme complete	16-17 (18-19)
Capital Digitisation	100	Old PiD	18-19
Windmill Lane Refurbishment	60	Old PiD – insufficient funding	20-21
Bridge Buildings	60	Now sold	20-21
Torridge Bowling Club Wall	51	Old PiD	16-17
Westward Ho – Seawall	50	Old PiD – contingency in nature	18-19
Torrington Pannier Market	50	Old PiD – Rural Prosperity fund	19-20
Holsworthy Agri Phase 2	47	Old PiD	17-18

Torrington ATP	33	Scheme complete	19-20
Torrington Sports Hall	32	Scheme complete	19-20
Calf Street Pay Area	24	Scheme complete	19-20
Bucks Mill Lime Kiln	20	Old PiD	17-18
Westward Ho – Seafront improvements	15	Old PiD	13-14
Northam Burrows - Gabions	12	Old PiD	18-19
CCTV	4	Old PiD	19-20
Total	818		

3. IMPLICATIONS

Legal Implications

No specific legal implications

Financial Implications

Considered within this report

Human Resources Implications

No specific Human Resources issues

Sustainability/Biodiversity Implications

None

Equality/Diversity

Not applicable

Risk Management

The Council is currently facing very significant financial pressures, it is therefore critical that the members reflect carefully on the proposals of the Member budget working group in order that the Council can move towards a semblance of financial health.

Compliance with Policies and Strategies

This report is in compliance with the Council's Constitution

Data Protection (GDPR) Implications

Not applicable

Climate Change

Not applicable

Lead Member Comments – Cllr Hodson

“As a member of the MBWG I commend the members who attended and the officers who supported the group in their deliberations. The new proposals as presented to Full Council whilst difficult reflect the financial challenges faced by the Council balanced against the desire to minimise redundancies and maintain service delivery

If members fail to support the proposals put forward, there is the very real possibility that the finances of the Council will have to be brought back into balance via cuts to our services”.

4. CONCLUSIONS

The scale of the financial challenge facing the Council cannot be overstated and is unlikely to abate in the short to medium term. At the current projected rate of overspend the Council's

Transition in Government Funding Reserve will be exhausted during 2024/25 and the Council will have to look into one or more of the following:

- Review of the Council's capital program
- Curtail non statutory spend
- Increase its borrowing
- Repurpose reserves
- Introduce vacancy freeze
- Cuts to Services

5. RECOMMENDATIONS

That Members approve the recommendations from the members budget working group

- 5.1 Approve the reduction in the resident discount for cemetery charges to 25% as detailed in 2.2
- 5.2 Approve the increase to pre planning application advice in line with the proposed charges detailed in appendix A
- 5.3 Agree the release of the Capital PiDs as detailed in 2.5