Corporate Peer Challenge
North Devon Council
10 – 13 October 2016
Feedback Report
1. **Executive summary**

North Devon Council has ambitious plans for the future of the area, the council and the population it serves. These have been driven by strong political and managerial leadership that has been important to manage a challenging period of cuts and will be crucial to oversee the future programme of the council’s transformation.

Austerity has effected the council significantly with funding shrinking by £4m since 2010-11, a reduction of 23 per cent. The council has done well to successfully manage this and has done so by making difficult decisions, including: moving from the Civic Centre in Barnstaple to the out-of-town site at Brynsworthy and also in reducing the workforce. It is to the council’s credit that it has achieved this without forced redundancies or a reduction in service levels.

The council is now preparing for continuing spending pressures by undertaking an ambitious programme of organisational transformation which, along with economic growth, forms the two corporate priorities.

Transformation is evidenced by the updated website which will, in due course, be important to promote the channel shift of customer engagement away from resource intensive telephone and in-person contact. This will, in turn, release staff resources and provide additional capacity. Transformation is now being led by the 21:21 project – 21st century services for a 21st century council. This sets out the programme of change that the council feels is important to achieve financial sustainability and to deliver high quality future services to its customers.

The priority of ‘growing North Devon’ is important to address economic fragility. The local economy is characterised by wage levels that are among the lowest in England, high average house prices, higher than average levels of seasonal and part-time working, comparatively low skill levels and high levels of self-employment.

Enabling economic growth has been characterised by joint working with Torridge District Council, with the two councils forming the Northern Devon functioning economic area. This is illustrated by a joint economic strategy; shared working with a joint venture called North Devon +, which provides some of the councils’ economic regeneration functions; and working together on a joint Local Plan that is expected to be adopted in 2017.

However, the history of shared services has not been straightforward. The case for savings and promoting service resilience is recognised by the council but a number of shared service arrangements have come to an end. With financial pressures expected to continue the council will need to consider future partnership options, particularly those which can promote resilience by scaling up with other councils and partners. This could also include new delivery models. An example of this is where the council is discussing with Mid Devon District Council on a shared Building Control service, with one of the advantages being to retain market share against other private sector providers.

The council has successfully managed the challenge of savings required since 2010. There is a clear financial plan for the medium- to long-term that supports council priorities. A financial gap of £180k is forecast for 2018-19 with this rising, cumulatively, to £402k in 2019-20. The council’s plans are to bridge this by a review of refuse/recycling collection
arrangements and, in particular, charging proposals for green waste that together are projected to deliver a saving of £340k. These along with other savings projects are expected to bridge the funding gap by 2019-20.

The view of the peer team is that the council’s ambitions and resources are not currently balanced. For example, the Delivery Plan (for the Corporate Plan) sets out many projects, some of which are major, but it does not prioritise, allocate resources or schedule delivery. At the same time business planning and project management are not sufficiently well developed to provide confidence in delivery. For example, the peer team was told of several project timetable slippages that could jeopardise delivery.

The priority on transformation is at the forefront of the council’s attention. This is understandable as it will deliver the savings to bridge the future financial gap. However, to provide longer-term growth in business rates and sustain future council revenue budgets, will require that the building blocks for economic growth are established now rather than later. This could include reviewing the opportunities available through: improved management of assets; a more informed and commercial outlook to develop income streams; and a properly evaluated ‘invest to save’ outlook that takes advantage of historically low interest rates.

The council has successfully managed a difficult six years with reduced staff and resources. Managing the future will require clarity of focus, a balance of resources and ambition, along with developing an increasingly commercial outlook. The council is at an important point where decisions made now will determine the extent to which it is able to control its destiny.

2. Key recommendations

We have included a range of suggestions and observations within the main section of the report that will inform some ‘quick wins’ and practical actions. The following are the peer team’s key recommendations to the council:

1) ensure that Members, staff and the community understand and commit to the priority of ‘growing North Devon’ and its importance for future economic prosperity, the benefits for residents and businesses and the council’s future funding

2) ensure that future iterations of the Delivery Plan demonstrate the prioritisation of projects so that projects can be scheduled and resources allocated

3) extend training and development to strengthen business planning, project planning and the allocation of resources to ensure successful project delivery

4) project delivery should assess capacity to deliver, which may lead to bids for additional resources – people and skills. This could include skills that are not readily available within the council and the investment in resources through an evaluated ‘invest to save’ programme.

5) consider additional strategic capacity to support corporate planning so that the priorities of transformation and economic growth can be achieved in balance with the demands of operational service delivery
6) assess the council’s appetite for risk and consider the opportunities for commercialisation so that a programme of investment and financial return can be developed with confidence
7) learn from the experiences of shared services and adopt a more strategic approach to working with partners on new models for future service delivery
8) revise the out-of-date Asset Management Plan as an Asset Management Strategy that includes criteria for acquiring assets, including where this will support the delivery of corporate priorities
9) invest in a masterplanning approach to Barnstaple to prepare for future investment and economic growth opportunities
10) support the establishment of a Growth Board with Torridge, Taunton Deane, West Somerset councils and Exmoor National Park Authority to develop sub-regional growth priorities and growth bids.

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the council’s requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at North Devon were:

- Sandra Dinneen, Chief Executive, South Norfolk Council
- Councillor Tom FitzPatrick, Leader of North Norfolk Council
- Councillor Alan Boad, Leader Liberal Democrat group, Warwick District Council
- Douglas Spinks, Deputy Chief Executive, Woking Borough Council
- Deborah Poole, Head of Business Transformation and Organisational Development, Bromsgrove District and Redditch Borough Councils
- Sebastian Hribar, Executive PA to the LGA Chairman
- Andrew Winfield, Peer Challenge Manager, LGA.

Scope and focus

The main purpose of the peer challenge was to provide a corporate overview and an external check and reassurance that what the council is doing, and planning to do, looks relevant and realistic. In welcoming a robust external challenge by ‘critical friends’ the council wanted the peer challenge to give further confidence by validating the approach taken, and help to test, stretch and further evolve thinking for the future.

In particular the council wanted the peer challenge to consider:
• the opportunity to review/test the Corporate Plan and member buy-in to corporate priorities
• a closer review of the Corporate Plan priority of economic growth and what this means for generating income streams to support future council funding as well as creating jobs, prosperity and housing
• a review of the priority of transformation via lean process reviews and the implications from the use of new technology, service efficiencies, improved customer access and services and the change of organisational culture to support new ways of working.
• the implications of the above for council longer-term sustainability, including partnership working and possible moves to shared services.

The peer team also considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas we believe are critical to councils’ performance and improvement:

1. understanding of the local place and priority setting: does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. leadership of place: does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. organisational leadership and governance: is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. financial planning and viability: does the council have a financial plan in place to ensure long-term viability and is there evidence that it is being implemented successfully?
5. capacity to deliver: is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils’ needs. They are designed to complement and add value to a council’s own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days onsite at North Devon, during which they:
• spoke to around 75 people including a range of council staff together with councillors and external partners and stakeholders
• gathered information and views from around 24 meetings, including visits to key sites in the area and additional research and reading.

This report summarises the peer team’s findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (6 October 2016). In presenting feedback to you, we have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Leadership of Place and priority setting

It was evident to the peer team that the council is highly ambitious and that both members and officers bring considerable energy to bear on this. Member and officer working relationships throughout the council are strong and this is important for a positive working environment and for working together to deliver service priorities.

This ambition is directed by a clear and understood set of council priorities for the period 2015-2019. There are now just two priorities: organisational transformation and growing the economy of North Devon. The former is important to continue to gain service efficiencies at a time of continuing financial pressures for local government. The latter to address what is currently a low-wage economy which lacks some of the infrastructure to guarantee economic growth.

However, delivery of ambition will depend on prioritisation and managing available capacity. There is still work to be done on this. For example, the Delivery Plan, which underpins the Corporate Plan, contains 21 areas of work. Some these are major schemes, including: service reviews; a review of asset management; a review of joint working; consideration of alternative delivery models and options for increasing income. However, this plan contains no prioritisation of these aims and no timetable for delivery.

Members that the peer team met displayed considerable pride in North Devon and, for example in the case of Barnstaple, “extraordinary pride in their home town”. This pride in place was repeated from all members that the team met. This is a powerful element that ties into the corporate priorities, to promote the ‘place’ of North Devon and the wonderful environment it offers.

The converse of this is that member pride in ‘their’ place can mean that the ‘big picture’ is not always seen, and may appear parochial. From meeting a small number of members, it appeared to the peer team, that the understanding of Corporate Plan priorities was uneven. Particularly so for the priority of economic growth and housing, which some members might see, as leading to change that could adversely affect the unique local environment and could contribute towards some anti-development sentiments.
Such sentiments could weaken the commitment to corporate and strategic priorities. For example, an uneven member commitment to economic growth could contribute to a lack of focus. It can also weaken the council’s ability to demonstrate to potential inward investors that North Devon is ‘open for business’. Executive Members, particularly need to have a clear understanding and commitment to their administration’s priorities so that they can, outwardly and internally, show the united leadership necessary to drive these. The peer team were not convinced this unity currently exists.

In shaping the place of North Devon housing is important to enable economic growth; the two needing to work hand in hand. The emerging Local Plan proposes circa 8,500 new homes in the district between 2011-31. This will be essential not only for existing residents and workers in the economy but also for those attracted through inward investment. Within this overall provision affordable housing will be critical as currently the ratio of average income to average house prices is one of the highest in the South West and England. The Local Plan proposes that 30 per cent of new houses built during the plan period will be affordable.

Business and project planning will be important to support decision-making on proposals and in allocating resources for their delivery. However, both these areas need to be strengthened. For example, there was no project plan or Gantt chart available for the projects on refuse/recycling, in-cab technology or CRM. This presents potential risks in project management and delivery and some instances already cited of timetable slippages. This is discussed in more detail later.

Delivering the council’s ambition will also depend on more extensive partnership working, including shared services and other new models of service delivery. These new ways of working can offer the means for leveraging resources and developing new income streams that will generate additional capacity and provide the wherewithal to deliver ambition. We develop this later in the report under the theme of ‘financial viability’.

4.2 Organisational leadership and governance

Organisational leadership – political and managerial - has shown strength and purpose in managing a period of turbulence, caused by cuts in grant funding. This has involved major rethinking on: council office location; maintaining service delivery; overseeing staff cuts of 26 per cent; and developing a new organisational structure. These challenges have been successfully met and put the council in a strong position to plan its future. An important vehicle for this, in addition to the weekly meetings of the senior management team (SMT) are the monthly Leadership meetings of SMT and the Executive to discuss upcoming matters, strategic issues and future council direction.

The peer team met with a number of staff from different front line services. All demonstrated a high level of commitment and goodwill to deliver first class services while also understanding the need for change. This is an important platform to support the delivery of an ambitious future change programme.

This reservoir of goodwill is important as staff ensure the delivery of the council’s agenda and make change happen. New working arrangements such as the Family Friendly policy, buying additional holiday leave and improvements to flexible working
are valued by staff in offering increased flexibility. Despite this there is a potential risk to this goodwill as, due to the cuts in resources, some staff and services appear to be great pressure. To mitigate this it will be important to continue and extend the work of senior managers to acknowledge and value staff service delivery. This will not only provide support but also sustain organisational goodwill for future change. Monitoring mechanisms could also include: reviewing staff sickness and stress levels, staff appraisals and staff surveys.

A new performance management framework is being embedded, which will be important for monitoring the delivery of council objectives and understanding where pressure points, for example on capacity, exist. The ‘golden thread’, with priorities running from the Corporate Plan to a Delivery Plan and service plans, is evident. The final element of staff appraisals is also adding value with training and development needs being identified.

However, the council would benefit from reviewing its stance on communications and consultation. One of the consequences of the budget cuts has been the reduction in resources allocated to communications and consultation and the Corporate Communications Strategy 2010-13 is now out of date.

An outcome is that arrangements for public consultation on council priorities and spending have been discontinued. With the future changes proposed for council services, and public access to these, it will be increasingly important to consult with residents and businesses. This will be to explain what these changes involve and to seek wider community buy-in. It should also seek to develop a community conversation on council services, who provides these, future forms of delivery and what services may no longer be provided, or at a reduced level. In this regard the role of members will be important and could be developed further as an enhanced community champion model.

In responding to financial challenges the council has invested in its website and this will become increasingly important in the shift from transactions by telephone and in-person to online. Increasing the council’s use of social media could be a means to promote community engagement and provide new channels for consultation. This would be at lower cost than traditional forms of consultation and many councils in England are increasingly using these to engage and consult with residents and businesses.

4.3 Financial planning and viability

The council has in place the key financial planning elements to provide confidence in the future allocation of resources to support the delivery of its priorities. It has accepted the government’s offer of a four year efficiency deal. This will be important to provide longer-term financial certainty to support strategic planning.

The austerity pressures since 2010 have been successfully met. Financial planning has been prudent and adapted well to government grant cuts while retaining service levels. The cumulative budget financial gap is £180k in 2018-19 rising to £402k in 2019-20. Clear plans are in place to make the savings required through charging proposals for green waste that together are projected to deliver a saving of £340k, with this built into the Medium Term Financial Strategy (MTFS). In addition if the council decides to roll out 3-weekly residual collections then there will be further savings, which along with
potential for a sharing agreement with the county council on a waste station, would bridge the budget gap.

In adapting to austerity and reduced resources the council has shown it is prepared to increase fees and charges and has agreed to increase Council Tax for 2016-17 by 1.99 per cent. Local government has been allowed to increase Council Tax up to 2020, following a period of government encouragement for tax freezes, incentivised by freeze grant. This will be particularly important for North Devon as Council Tax has not been increased since 2010 and resulted in tax funding falling to 39.6 per cent compared with the district council average of 46.3 per cent (2013-14 figures). With a reducing revenue budget the 1.99 per cent represents revenue worth around £110k per annum that becomes increasingly financially important.

New Homes Bonus (NHB) was formerly built into the council’s revenue budget but this has been reduced to 82 per cent for 2016-17, due to the uncertainties of future NHB funding, with £250k placed into one-off capital projects. This is a prudent move. In the future the council may wish to consider allocating a part of NHB to support economic growth, which is what a number of other councils do. This would demonstrate a financial commitment to reinforce an existing council priority.

The council has been proud to be debt free. An influential factor in shaping this outlook was the transfer of its housing stock in 2000 for a capital receipt of £43m. This was important to provide the resources to fund capital projects without borrowing. Projects included the Landmark Theatre and the harbour at Ilfracombe and enabled the delivery of the town centre improvements in Barnstaple. However, this resource is no longer available and with interest rates at an historic low the peer team were told, by members and senior officers, that the council might now be prepared to consider prudential borrowing above the £2m already financed. This would be an important change of outlook which could open up many investment possibilities. These should be explored.

The council’s Asset Management Plan, 2012-2016 (AMP) needs to be updated. The AMP is focused on mapping assets held and arrangements to maintain these. The peer team recommend that this be updated as an Asset Management Strategy that incorporates criteria for acquiring assets, particularly where these may support council priorities. The council has a good asset portfolio with a fixed value of £69m (2012) and is open and willing to use assets more creatively. Use of assets should be a cornerstone to support economic growth through, for example, commercial leasing arrangements, enabling the provision of housing, as well as developing new income streams to support the revenue budget.

The council is considering its approach to risk and the view of the peer team is that it should have greater confidence in this. Preparing for the end of Revenue Support Grant (RSG) funding from 2020, along with the proposed retention of business rates, requires local government to think differently about risk. At the same time low interest rates are prompting many councils to consider prudential borrowing to finance commercial ventures, to develop new income streams. Shifting its approach to risk will require the council to:

- gain assurance and confidence on what would be acceptable prudential borrowing levels, returns on investment and inherent risk
develop an understanding of local commercial markets and the opportunities for investment. This would also need to link to opportunities to deliver on corporate priorities, for example supporting economic growth and housing.

- review its use of assets, including its strategy on asset acquisition, and how this could be used to leverage partnership funding and to develop new income streams.

The peer team recommend that the council review its stance on risk and evaluate the opportunities for borrowing that could enable: the development of investment options; the delivery of social objectives and corporate priorities; drive economic growth and achieve income streams. Many councils in England are doing just that [https://www.local.gov.uk/our-support/efficiency-and-income-generation/commercialisation](https://www.local.gov.uk/our-support/efficiency-and-income-generation/commercialisation)

The council is in a strong position to manage its financial future. The emerging financial gap is manageable with the review of refuse and recycling services projected, and other initiatives, to save £402k needed. This, along with the consideration of: changes in approach to risk, investment and income generation offers an important opportunity for the council to shape and control its destiny and deliver on its priorities.

### 4.4 Capacity and capability to deliver and to transform

The council is ambitious but it will need to temper this with the resources available. Since 2010 cuts in resources has led the council to reduce its workforce from 484 full time equivalents (FTEs) to the current level of 357 FTEs. This represents a reduction of 26 per cent and a significant cut in capacity. This provides the council with a challenge to allocate resources to priorities and to plan with the resources available.

The cuts may not have affected service levels but have inevitably impacted on the capacity within operational services. This risk is set out in a 21:21 highlight report on Phase 2 which states staff doing their day job and extra programme workloads “could lead to failure to deliver new works and recycling service and other projects.”

There is also the reduction in strategic capacity. There are no strategic director positions in the organisational structure. Instead there are four heads of service reporting to the Chief Executive, with the latter carrying head of service responsibilities that include planning, economic growth, human resources and IT. The cuts to resources, and with the council now working to such a demanding change programme, has led to loss of capacity and space for strategic planning. The peer team believe that now could be an opportune time to consider creating additional capacity to strengthen strategic direction.

Another capacity pressure is the Delivery Plan for the council’s corporate priorities. As mentioned above this contains twenty-one projects over the four year period but currently this has no project priorities or a schedule. This risks the council’s limited staff capacity being deployed ad hoc, along with potential project failure.

At the moment capacity does not match ambition. Decisions on priorities will become increasingly important to inform what the council wants to do with the capacity available. Stress on capacity may require a future internal discussion on what the council might do
less of or stop doing. It might also involve a debate on additional resources, which could be staff and/or skills. Ensuring a better balance of ambition with resources/capacity will be essential for delivering the transformation programme.

Transformation to date has been successful in achieving savings, improving service working and developing capacity. The first phase was the move from the Civic Centre in Barnstaple to the out of town location at Brynsworthy Environment Centre. This achieved savings of £300k. It has also been advantageous having staff located in an open plan office to encourage more cross service staff working. The council is proposing to extend this by moving staff from Lynton House to Brynsworthy.

Phase 2 of 21:21 is more ambitious and, potentially, carries more risk. It includes introducing a new CRM system by April 2017 along with a review of waste/recycling services. The former will provide improved connectivity of back office systems and provide a platform for online transactions. This will be supported by the work already conducted to improve the functionality of the council’s website. The latter will include capital investment of £200k in new technology to offer customer choice and to support new paid-for services, including charging for green waste during the 2017-18 financial year.

However, the peer team were not confident that that business planning and project planning arrangements were sufficiently robust to provide confidence of delivery. For example, the 21:21 Business Case omits elements of costs, capacity/resources and benefits/savings. The Programme Definition Document does not set out the resources/capacity required to deliver, does not set out quantifiable savings nor timeframes for the start and finish of each tranche of activity. Neither is there a Gantt chart to inter-relate the various projects and their dependencies.

Another example of the business planning arrangements is the CRM project that appears to be led by the supplier who, the peer team were informed, will not be on-site until December 2016. The timelines for implementation of the new system – April 2017 – already seem pressured, even at this very early stage. A properly defined scope, plan, issue and risk logs (as a minimum) would reduce the dependency on the supplier and shift project control back to the council. It is noted that since the peer challenge many of these supplier issues have been resolved.

The CRM project savings are predicated on the integration of the new system with existing back office applications. However, the key core systems have not been identified and costs for the appropriate Application Programming Interfaces (APIs), that will enable the sharing of data between systems, have not been clearly defined. If APIs are not well designed there is a risk of project costs increasing and projected savings being reduced.

The CRM system is also regarded as a solution to the significant rise in customer interactions, from less than 75,000 in 2010 to 95,000 by 2015, which is taking up a high level of staff resources. However, this solution appears to have been derived without a complete understanding of service demand failure. For example, the work on process mapping demand failure is being undertaken after the procurement decision has been made, with uncertainty on when this might become operational and when notice will be served on the supplier of the current system.
Partners were positive about working with the council, with one saying “we like working with them” and another that the council was always willing to be involved in Devon-wide initiatives. This is important as partnership working, to deliver mutually shared objectives, is a more efficient use of resources and can draw upon partner skills that may not be readily available within the council.

However, there has been a history of difficulty on shared services. The council has undertaken a number of shared service initiatives, although this has appeared at times to be ad hoc and more opportunistic than strategic. The ending of some of these was described to the peer team as an unwillingness for a council to relinquish our “place”, and where “personalities and perceived need” could lead to changes in arrangements.

Shared services can be important to: gain cost savings; build service resilience and provide the ability to specialise in particular areas which would be cost prohibitive for individual councils. It will be important to learn from previous experience to inform future partnership arrangements. This will be important with: continuing financial pressures; the unfolding effects of Brexit; the need to develop new models of working, for example joint ventures with private sector providers to leverage resources and capacity; and the development of government policy on growth, housing and devolution.

The LGA website has a number of pages and tools that might be of assistance in the work on transformation https://www.local.gov.uk/our-support/guidance-and-resources/transformation

4.5 Economic growth and commercialisation

The council recognises that growing North Devon is key to securing future success and is one of the two Corporate Plan priorities. This is important for a local economy characterised by wage levels that are amongst the lowest in England, higher than average house prices, higher than average levels of seasonal and part-time working, comparatively low skill levels and high levels of self-employment.

Growing North Devon, as well as creating jobs, prosperity and housing, will be essential for generating income streams for future council funding. In particular economic growth will generate business rates to bridge anticipated the loss of RSG, and could also be used to fund additional skills/posts in key areas.

The council shares an economic strategy with Torridge District Council, which recognises that the two councils form a large part of the functioning economic area and the need for close working arrangements. However, the Northern Devon Economic Strategy 2014-2020 is acknowledged as being dated and lacking focus.

The imminent joint Local Plan is an opportunity to set out an updated and focused Northern Devon Economic Strategy. This would be valuable to crystallise a growth vision for Northern Devon. This could be a precursor to a growth portfolio that could be shared with developers and used to promote inward investment. This would send a message that Northern Devon is open for business.
This will need some swift decisions to be made on investing in economic growth and a more strategic approach to be taken. An example of this is the opportunity for the council to relocate the Leisure Centre at Seven Brethren, Barnstaple, which is coming to the end of its operational life, to adjoin the Tarka Tennis Centre. This would free up land for a capital receipt that would cover the costs of a new build leisure centre.

The peer team think that this is an important opportunity for the council but one which is part of a bigger opportunity for Barnstaple, which is recognised as the area’s principal retail, employment and leisure location. Masterplanning for Barnstaple would reveal development options, infrastructure requirements, development costs, investment opportunities and economic benefits.

The opening of the Taw Bridge and the town bypass (2007) has not only taken traffic out of Barnstaple town centre but opened up opportunities for more unified planning to include Pottington, Newport, Mill Road, Seven Brethren and the town centre that would support future economic growth. The recent Anchorwood Bank development, with an Asda, residential units and non-food retail, has flood defence works agreed as part of the s106 agreement. Further investment in flood remediation along the Taw could free up valuable development land to deliver housing and commercial growth. There is an increasing awareness that the Taw River flowing through the town could regain its commercial, residential and tourism prominence, as an integrating feature, through sympathetic development. As this can be a lengthy process there would be benefit in making the investment in masterplanning now. This could build on the work of the Riverfront Economic Plan, produced by the Barnstaple Coastal Community Team.

Working more closely with sub-regional partners will be important to lobby for growth resources. The LEP has also been promoting the opportunity of councils across the area to work more closely together through a Growth Board. The proposed grouping of North Devon, Torridge, Taunton Deane, West Somerset and Exmoor National Park Authority would be in a position to consider sub-regional growth priorities and submit growth bids to the LEP. Growth point boards are in place for Exeter/East Devon and Plymouth which are places experiencing strong economic growth. The peer team recommend the council support participation in a Growth Board and work with partners for this to be established.

Connectivity is regarded as important for an area that feels itself to be peripheral at times. High speed broadband will be important and could enhance the unique offer of a quality environment with broadband able to support the conducting of business at a distance from large commercial centres. This should be a key feature for the future Northern Devon economy offer. The LEP has submitted a Growth Deal 3 bid for £10m for Devon and Somerset to move towards 100 per cent coverage.

Similarly transport infrastructure is regarded by the council as important to improve connectivity, east-west and north-south, to support economic growth. Discussions are taking place with Devon County Council and the LEP to upgrade the A361 link road to Taunton, which is important to link to junction 27 of the M5 and also the strategic rail network at Tiverton Parkway. This forms part of a £200m bid to the Local Majors Fund at the Department of Transport and links to a separate proposal for the creation of a new town adjacent to the A361 and close to South Molton. There are also ongoing
discussions with Network Rail and Great Western Rail to upgrade the rail link from Barnstaple to Exeter. This is supported by Exeter City Council.

Developing major transport projects is difficult but may be assisted by close working arrangements that the council has with the LEP and Devon County Council. They may also gain from an aggregation of growth potential across the district, including the masterplanning of Barnstaple town centre, a new North Devon Economic strategy and working sub-regionally through a Growth Board.

It was surprising to the peer team that the council has no tourism strategy. Tourism is an important sector within the overall economy with an estimated 25 per cent employed. This is an already important area and may have potential to grow further with effective marketing and the season extending. Although this can be a low wage and seasonal economy it may be possible to position this to be more up market with niche marketing for walking/surfing breaks, for example.

Housing affordability is a major issue exacerbated by a low wage economy and high house prices. The scale of this is illustrated by the Strategic Housing Market Assessment (SHMA) which states that property prices would need to fall by 69 per cent to achieve affordability. In addition there is an ageing population with 23 per cent aged over 65 years, higher than the England average of 16 per cent, and projected to rise to 32 per cent by 2031. This will carry future implications for housing.

Good work is being conducted on affordable housing provision, temporary accommodation and housing-related health issues, for example at Ilfracombe with proposed interventions of licensing and regulation of housing standards. This work also includes:

- a Discounted Sale option, which is the council’s version of starter homes and is an affordable resource retained in perpetuity
- provision of affordable housing at social rent below 75-80 per cent of market rent
- delivery of 1:1 affordable housing in rural areas for housing development above 15 units in Barnstaple, Ilfracombe and South Molton (lower thresholds apply in more rural areas).

The council recognises the importance of housing to work hand in hand with economic growth. The emerging Local Plan proposes growth of 8,768 homes over the 20 year plan period, with 30 per cent to be affordable. This will prove challenging, as it will for all local authorities, with the government’s current emphasis on starter homes set out in the Housing and Planning Act 2016.

The council’s housing stock was transferred to North Devon Homes in 2000. The relationship between the council and North Devon Homes is good, however there are opportunities to build on this. Many local authorities in England are exploring new models for housing delivery, including housing companies. The peer team recommend that the council explore these options with North Devon Homes, other local authorities and other potential partners to assess their viability.
5. Next steps

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the council wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Andy Bates, Principal Adviser, is the main contact between your authority and the Local Government Association (LGA). Andy’s contact details are andy.bates@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the council assess the impact of the peer challenge and the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the council. Our expectation is that it will occur within the next 12-24 months.