

## **EXECUTIVE**

Tuesday 10 February 2009

### **Present:-**

Councillor Fullam (Chair)

Councillors S Brock, Cole, Edwards, R M Hannaford, Mrs Henson, Mitchell, Mrs J Morrish and Wadham

Chief Executive, Director Economy and Development, Director Community and Environment, Director Corporate Services, Head of Human Resources, Assistant Chief Executive, Corporate Finance Manager and Member Services Manager

**NB Minute 17 will be determined by the Special Meeting of Council on 24 February 2009.**

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### **DECLARATIONS OF INTEREST**

Members declared the following personal (\*prejudicial) interests:

<b>COUNCILLOR</b>	<b>MINUTE</b>
S Brock	17(owner of business in Magdalen Road) and 22 (lives near Alphin Brook)
Mitchell	24*(uncle is employee of Council)

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### **GENERAL FUND REVENUE ESTIMATES AND CAPITAL PROGRAMME 2009/10 TO 2010/11**

Councillor Mrs Brock declared an interest in this item as the owner of a business in Magdalen Road.

The report of the Head of Treasury Services was submitted, seeking approval for the General Fund revenue estimates for 2009/10 and recommending the Band D level of Council Tax for 2009/10. This report also included the proposed Capital Programme for 2009/10 and future years, and a note of the proposals in respect of the Housing Revenue Account.

The Director Corporate Services presented the report and corrected references to the financial year 2008/09 instead of 2009/10 in the text and Appendices. He referred to the key assumptions, the finance settlement, proposed savings and other factors which had contributed to the budget proposals.

Scrutiny Committee – Resources considered the proposed estimates and capital programme at their meeting on 28 January 2009 and the comments of members were noted. Executive noted that Scrutiny Committee – Resources had requested Executive to take a critical look at increasing the proposed Council Tax increase of 2.9% to 4.5% as proposed in the medium term financial plan, to ensure adequate resources for service delivery.

Councillors Mrs Morrish, Henson and Edwards spoke in favour of a higher level of increase than the 2.9% proposed by the Administration, citing the difficult financial situation facing the Council at the present time and specifically the impact of the

concessionary fares scheme. Whilst sympathetic to the desire to keep down the additional financial burden falling on Council taxpayers, Councillor Mrs Morrish stated that neither reduced services nor increased unemployment would be welcomed by citizens.

The Chair explained the rationale behind the increase and referred to “mixed messages” emerging from various sources. The proposed increase of 2.9% was in line with the direction of Central Government to keep Council Tax increases low and was consistent with his own Group’s previously expressed position. He re-stated his wish to assist people facing financial difficulty and commented that 2.9% was nevertheless likely to be above the rate of inflation. He reiterated his desire to work in conjunction with the other Group Leaders outside of the meeting of the Executive to achieve a consensus on the increase and hoped that discussions would continue with a view to achieving this.

Councillor Edwards drew attention to the Capital Programme allocation for central heating and requested that the replacement of the system at Rennes House would be re-prioritised. The Portfolio Holder Housing and Social Inclusion undertook to look into the possibilities.

Councillor S Brock requested the re-wording of the reference to ceasing funding for the Vibraphonic Festival to be replaced by “Further reduction in Festival Budget” and this was agreed by Executive.

**RECOMMENDED that:-**

- (1) the Council’s overall spending proposals in respect of both its revenue and capital budgets are approved, subject to the amendment with regard to the Festival budget indicated above;
- (2) the Council Tax for each Band be recommended to the Council as set out in section 22.3 of the report, subject to Devon County Council, Devon and Cornwall Police Authority and the Devon and Somerset Fire Authority confirming their Band D levels respectively;
- (3) when the actual Council Tax amounts for Devon County Council, Devon and Cornwall Police Authority, and the Devon and Somerset Fire Authority are set, then the revised Council Tax levels be submitted to Council on 24 February 2009 for approval; and
- (4) Members note the Statement given by the chief finance officer as required under Section 25 of the Local Government Act 2003.

(In accordance with Standing Order 43, Councillors Mrs Henson and Mrs Morrish requested that their names be recorded as having voted against Recommendation (2) above and Councillor R. Hannaford requested that his name be recorded as having voted for it).

(Report circulated)

The report of the Head of Treasury Services was submitted, seeking adoption by the Council of the Annual Investment Strategy 2009-10, as required under section 15(1)(a) of the Local Government Act 2003.

Scrutiny Committee – Resources considered the report at their meeting on 28 January 2009 and the support and comments of members were noted. Executive members welcomed discussion of ethical investment and supported the request of Scrutiny Committee – Resources to invite the Fund Manager to deliver a briefing for members on the Investment Strategy and ethical investments. Members acknowledged the difficulty of balancing cautious investment with reasonable interest rates.

In response to a member's query regarding the level of in-house expertise in the context of the Icelandic bank investments, the Director Corporate Services reported that those banks had high credit ratings and many professional advisers were advising investment in them at the time. He re-iterated that the great majority of the Council's investments were undertaken through external Fund Managers but it was necessary for the in-house team to make day-to-day treasury management decisions in accordance with the Strategy. He informed members that the Strategy reflected the amendments adopted by the Council in December 2008.

**RECOMMENDED** that the amended Annual Investment Strategy be adopted and the delegations contained therein be approved.

(Report circulated)

19      **THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES**

The report of the Head of Treasury Services was submitted, setting out the proposed 2009/10 prudential indicators for capital finance for adoption by the Council.

**RECOMMENDED** that the prudential indicators set out in Appendix A–C of the report be adopted.

(Report circulated)

20      **CORPORATE DEBT POLICY**

The report of the Head of Treasury Services was submitted, seeking approval for the Corporate Debt Policy.

Scrutiny Committee – Resources considered the report at their meeting on 28 January 2009 and the support and comments of members were noted.

The Director Corporate Services stated that the Council's policy was to try to avoid indebtedness in the first instance and to work with debtors to achieve a solution. The Chair supported the vigorous but flexible approach and the need to avoid incurring significant court costs. Executive members welcomed the policy.

**RECOMMENDED** that the Corporate Debt policy be approved.

(Report circulated)

21      **AUTHORISED SIGNATORIES FOR AFFORDABLE HOUSING SCHEMES**

The report of the Head of Housing Services was submitted, seeking to agree signatories to enable the Council to administer, validate and authorise the payment of Other Public Subsidy (OPS), Social Housing Grant (SHG) and Transitional Local

Authority Social Housing Schemes (TLASHG), to Registered Social Landlords (RSLs) and developers through the Homes and Communities Agency's online Investment Management System (IMS).

**RESOLVED:-**

- (1) that the following officers be designated as authorised signatories for the purposes set out in paragraphs 1 and 2 of the report and that the Homes and Communities Agency be informed.

All Financial Grant Claims	Head of Treasury Services (Andrew Stark) or Service Finance Manager (Brenda Steer) Strategic Housing Manager (Ron Mayers)
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Scheme-work Approvals	Head of Housing Services (Steve Warran) Strategic Housing Manager (Ron Mayers) or Housing Enabling Manager (David Gibbens) or Housing Enabling Officers (Gary Stenning and Kerry Plumb)
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Monitoring	As per scheme-work approvals plus Strategy and Enabling Assistant (Duncan Brownlie)
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- (2) that the Strategic Housing Manager (Ron Mayers) be designated as Systems Administrator for these purposes on the IMS Computer System

(Report circulated)

22

**RESULTS OF CONSULTATION ON ALPHIN BROOK CONSERVATION AREA  
APPRAISAL AND MANAGEMENT PLAN**

Councillor Mrs Brock declared a personal interest in this item as she lives near to Alphin Brook.

The report of the Head of Planning and Building Control was submitted, considering representations received in relation to the draft Alphin Brook Conservation Area Appraisal and Management Plan (CAAMP) and proposed amendments to the document to be recommended for adoption.

The Director Economy and Development reported that the proposed deletion of large areas from the Conservation area reflected his professional view that they did not meet the tests of special architectural or historic interest. He emphasised that Appeals Inspectors were now more likely to critically analyse whether areas made a specific contribution to the special character of an area.

Councillor Margaret Baldwin attended the meeting and spoke on this item under Standing Order 44. She reported that the issue had been discussed at length at the Planning Member Working Group and that all ward members opposed the proposed changes to remove the identified large areas from the conservation area. She stated that the area comprised a unique landscape with a strong rural aspect and feel which would be threatened by the impact of modern development and referred to Government guidelines on Conservation Areas. She urged Executive to reject the proposed amendment to the boundary.

Whilst acknowledging that the interpretation of the role of Conservation Areas had developed over the years, the Portfolio Holder for Sustainable Development and Transport, Councillor Wadham, spoke in favour of retaining the identified areas within the Conservation Area. He reported the strong view of local residents that the existing area should be retained and supported the view that this was an area of special interest. Seconded by Councillor Mrs Henson, Councillor Wadham moved that the existing boundary should not be amended, other than the inclusion of the small area of land alongside Cowick Lane. This was put to the vote and carried.

**RESOLVED** that:-

- (1) the current boundary of the Alphin Brook Conservation Area Appraisal be retained, subject to the inclusion of the small area of land alongside Cowick Lane; and
- (2) the Conservation Area Appraisal and Management Plan be adopted and published subject to the Head of Planning Services, in consultation with the Portfolio Holder for Sustainable Development and Transport and Chair of Planning Committee, making the necessary amendments to reflect the agreed boundary as set out in (1) above.

(Report circulated)

23

#### **PROPOSED EXTENSION TO HEAVITREE CONSERVATION AREA**

The report of the Head of Planning and Building Control was submitted, proposing an extension to the Heavitree Conservation Area to include the St Loyes Hotel on Salters Road.

**RESOLVED** that the Heavitree Conservation Area as extended be agreed in accordance with the plan attached to the report.

(Report circulated)

24

#### **STAFFING TERMS AND CONDITIONS OF EMPLOYMENT**

Councillor Mitchell declared a personal and prejudicial interest as his uncle is an employee of the Council and left the meeting during consideration of the item.

The report of the Director Corporate Services and Head of Human Resources was submitted, to (1) give further consideration to the discretions currently agreed by the Council for redundancy/efficiency compensation; (2) consider and agree a Redundancy Selection and Redeployment Policy for the Council in the event of compulsory redundancy situations; and (3) to give further consideration to the arrangements for protecting pay of employees in cases of redundancy redeployment and downgrading of posts.

The Director Corporate Services presented the report and explained the rationale behind the proposals.

A Statement by Karen Williams, Chair and Service Conditions Officer of Exeter City Unison branch, on behalf of Unison, together with the response of Management, was circulated. Karen Williams attended the meeting and addressed Executive members. She expressed concern about the short period of consultation regarding the proposals to change the level of discretionary benefit and reported that legal advice taken by Unison, supported by case law on the subject, had indicated that this had been insufficient. She reported that a well-attended branch meeting of

Unison on 29 January had unanimously rejected the proposals and instructed the Branch Committee to continue consultations on the matter along with the proposed Redundancy Selection and Redeployment Process. She also queried the selective use of comparative terms and conditions with other authorities and drew attention to the absence of an Equality Impact Assessment on the recommendations. She emphasised Unison's desire to maintain their record of co-operative working relationships with and support for the Council.

Councillor Edwards expressed sympathy with the position of Unison and agreed that the period of consultation had been short. He enquired whether the Council could revert to its former terms and conditions once the financial crisis was over and queried the impact of the local government review on the proposals.

The Director Corporate Services reported that in the event of a single unitary Council it was likely that the level of discretionary payments would be agreed between affected local authorities across the board. He acknowledged that an Equality Impact Assessment should be undertaken on the policy for redundancy and redeployment and agreed that one would be completed in consultation with the unions. The Head of Human Resources referred to advice received from the Local Government Employers organisation and the fact that a protected pay period of 5 years was no longer considered sustainable in equal pay terms.

The Chair emphasised the Council's appreciation of good staff relations and regretted the fact that it was faced with making decisions of this nature. He referred to the wish to treat staff fairly whilst being aware of the impact of the economy on the Council and in the wider community. In considering the terms and conditions of staff, the Council had to be mindful of the potential cost of benefits in the context of the current financial circumstances.

**RESOLVED** that, based on the Council's existing practices and retaining as much flexibility as possible with consideration to funding implications, the following recommendations be agreed:

**(1) Local Government (Early Termination) (Discretionary Compensation) (England and Wales) Regulations 2006 (Redundancy/Efficiency payments)**

- (i) To reduce the discretionary multiplier from 3.46 to 2 with a maximum of 60 weeks for both redundancy and terminations of employment in the interests of the efficient exercise of the Council's functions.
- (ii) To implement the changes with effect from 1 April 2009 except as indicated below.
- (iii) To continue to apply the maximum discretion arrangements that are currently in place to those redundancies and terminations of employment in the interests of the efficient exercise of the Council's functions arising from the current AFU restructure, the staffing reductions being considered at the RAMM (consequent upon Renaissance funding) and any staffing reductions resulting from the budget savings to be agreed by Council in February 2010 for the financial year 2009/10.
- (iv) To continue to consider each case on its own merits taking into account a business case.

(2) **Redundancy Selection and Redeployment Policy**

- (i) The Redundancy Selection and Redeployment Policy as outlined in Appendix A of the report, to complement the current Redundancy Policy, be agreed in principle, subject to the completion of an Equality Impact assessment in consultation with the unions, and the Leader and the Chief Executive be granted delegated authority to approve any amendments considered appropriate following that process.

(3) **Protected Pay Arrangements**

- (i) To reduce the period of protecting pay, in cases of redeployment to a lower graded post following redundancy or when a post is downgraded following Job Evaluation, from 5 years to 3 years with pay awards being applied for the first 2 years.
- (4) To notify the recognised Trade Unions and advise Devon County Council, as Administering Authority, of the Council's policy and notify employees.

(Report circulated)

25

**COUNCILLORS ALLOWANCES 2009/10**

The report of the Assistant Chief Executive was submitted, considering the report and recommendations of the Independent Remuneration Panel on Members' Allowances in relation to Councillors' Allowances for 2009/10.

The Assistant Chief Executive drew attention to the request of the Scrutiny Committee – Resources Budget Working Group at its meeting on 2 February 2009 that the recommendations of the Independent Remuneration Panel are considered in the context of the challenging financial situation currently facing the Council.

Executive was informed that it had been agreed at a meeting of the four Group Leaders, that no increase in basic or Special Responsibility Allowances should be recommended to Council for 2009/10, in view of the financial circumstances facing the Council at this time. Councillor Mrs Morrish reported that the Liberal Group had proposed a 10% reduction in allowances. Councillor Edwards, seconded by Councillor Hannaford, proposed that Executive recommend to Council a zero increase in members' allowances for 2009/10 and this was unanimously carried.

Councillor Prowse attended the meeting under Standing Order 44 and spoke in favour of no increase in allowances.

**RECOMMENDED that:-**

- (1) Council note the request of the Scrutiny Committee – Resources Budget Working Group to consider the recommendation of the Independent Remuneration Panel in the context of the challenging financial situation facing the Council and the recommendation of Executive that there should be no increase in basic or Special Responsibility Allowances for 2009/10; and
- (2) in the light of (1) above, Council consider and decide on the following recommendations of the Independent Remuneration Panel:

- (i) the basic structure of the current members' allowances scheme be retained for 2009/10, pending a more fundamental review including consideration of remuneration in the event of a shadow authority, when the outcome of the current review of local government in Devon is known, some of which may be determined by the Government in Implementation Orders;
  - (ii) the basic allowance continue unchanged in 2009/10, updated using the index previously agreed (i.e. the annual local government staff pay award for the previous year);
  - (iii) subject to updating for inflation, the other Special Responsibility Allowances continue unchanged;
  - (iv) the principle that any member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only should be retained;
  - (v) for the year 2009/10 Councillors' basic and Special Responsibility Allowances should be updated in line with the annual local government staff pay award for 2008/09 (2.45%);
  - (vi) that all Councillors be permitted to join the Local Government Pension Scheme, should they wish to do so, benefits to be based on both basic and Special Responsibility Allowances;
  - (vii) the Travel and Subsistence allowances provisions for staff continue to apply to Exeter City Councillors, where appropriate;
  - (viii) the current Dependants' Carers' Allowance scheme be maintained and the level of allowance, currently £5.73 per hour, continue to be linked to and updated in line with the minimum wage; and
  - (ix) the co-optees' allowance payable to the co-opted members of the Standards Committee continue at £25 per session for 2009/10.
- (3) that the current Independent Remuneration Panel members be invited to continue with a view to commencing a phased replacement from 2010.

(Report circulated)

#### **AMENDMENT TO STANDING ORDERS - ELECTION OF COMMITTEE CHAIRS AND DEPUTY CHAIRS**

The report of the Assistant Chief Executive was submitted, considering a reference back to Executive from Council on 16 December 2008 in respect of Standing Order 39, relating to the election of Committee Chairs and Deputy Chairs at the Annual Meeting of Council.

The Chief Executive reminded members that it had become common practice in recent years for the appointment of Chairs and Deputy Chairs of committees to be undertaken by the whole Council due to the considerable confusion which arose when separate meetings of each Committee were convened.



Councillor Mrs Morrish, seconded by Councillor R Hannaford proposed to retain the current arrangement whereby chairs and deputy chairs are elected by each Committee at the time of the Annual Meeting. This was put to the vote and lost.

**RECOMMENDED** that:-

- (1) the second sentence of Standing Order 39 (Election of Chairs and Deputy Chairs of Committees) be amended to read: *"The Chairs and Deputy Chairs of each Committee shall be elected by Council at the Annual Meeting"* and
- (2) Council be recommended to decide, on the basis of a straight majority of votes, and amend the Constitution accordingly.

(Report circulated)

27

### **MEMBERSHIP OF COMMITTEES**

**RECOMMENDED** that Councillor Shepherd be appointed to Scrutiny Committee - Resources to replace Councillor Boyle.

28

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 1 and 4 of Part I, Schedule 12A of the Act.

29

### **DELETION OF TEMPORARY CONTRACTS**

The report of the Director Corporate Services and Head of Human Resources was submitted, informing Members of proposals to delete a number of fixed term temporary posts from the establishment in response to budgetary pressures and re-prioritised service delivery. Approval was also sought for the associated severance payments for the termination of the temporary employment contracts.

**RESOLVED** that:-

- (1) the deletion of the fixed term temporary posts be noted and the costs associated with the redundancy severance payments be approved;
- (2) the employment of the holder of the post of Part Time Media Support Officer CX02126 be terminated on the grounds of redundancy on 31 March 2009 in accordance with the provisions of Regulation 19 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 with compensation being paid to the holder of the post in accordance with the discretion exercised by the Council under the provisions of the Local Government (Early Termination) (Discretionary Compensation) (England and Wales) Regulations 2006 and the post be deleted from the establishment; and

- (3) the employment of the holders of the posts of Countryside Ranger CE12236, Senior Litter Enforcement Officer CE07204 and Litter Enforcement Officer CE07205 be terminated on the grounds of redundancy on 31 March 2009 in accordance with the discretion exercised by the Council under the provisions of the Local Government (Early Termination) (Discretionary Compensation) (England and Wales) Regulations 2006 and the posts be deleted from the establishment.

(Report circulated to Members)

(The meeting commenced at 5.30 pm and closed at 7.50 pm)

Chair

**The decisions indicated will normally come into force 5 working days after publication of the Statement of Decisions unless called in by a Scrutiny Committee. Where the matter in question is urgent, the decision will come into force immediately. Decisions regarding the policy framework or corporate objectives or otherwise outside the remit of the Executive will be considered by Council on 24 February 2009.**