

EXECUTIVE

Date: Tuesday 7 July 2020

Time: 5.30 pm

Venue: Legislation has been passed that allows Council's to conduct Committee meetings remotely.

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact John Street, Corporate Manager Democratic & Civic Support on 01392 265106.

During the Corona Virus outbreak, Executive Committee meetings will be held by virtual means. To view the meeting: <https://www.facebook.com/exetercitycouncil/live/%E2%80%99>

Membership -

Councillors Bialyk (Chair), Sutton (Deputy Chair), Foale, Ghusain, Harvey, Morse, Pearson, Williams, Wright and Wood

Agenda

Part I: Items suggested for discussion with the press and public present

1 Apologies

To receive apologies for absence from Committee members.

2 Minutes

To approve and sign the minutes of the meeting held on 2 June 2020.

(Pages 5 -
12)

3 Declarations of Interest

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item.

Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 **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 during consideration of items 17, 18 and 19 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1,2, 3 and 4 of Part I, Schedule 12A of the Act.

5 **Questions from the Public Under Standing order No. 19**

To receive questions relating to items on the Agenda from members of the public and responses thereto.

Details of questions should be notified to the Corporate Manager Democratic and Civic Support by 10.00am at least three working days prior to the meeting. Further information about speaking at a committee can be found here: [Speaking at a Committee](#)

6 **Post-Pandemic Recovery of Leisure Services**

To consider the report of the Director (JY).

7 **Overview of General Fund Revenue Budget 2019/20**

To consider the report of the Chief Finance Officer.

(Pages 13
- 36)

8 **Capital Monitoring 2019/20 and Revised Capital Programme for 2020/21 and Future Years**

To consider the report of the Chief Finance Officer.

(Pages 37
- 54)

9 **2019/20 HRA Budget Monitoring Report - Outturn**

To consider the report of the Chief Finance Officer.

(Pages 55
- 76)

10 **Treasury Management 2019/20**

To consider the report of the Chief Finance Officer.

(Pages 77
- 84)

11 **Emergency Budget 2020/21**

To consider the report of the Chief Finance Officer.

(Pages 85
- 112)

12 **Review of the General Buller Statue**

To consider the report of the Director (J-PH).

(Pages
113 - 118)

- 13 **Council Development Programme**
- To consider the report of the Director (BA). (Pages 119 - 128)
- 14 **The introduction of a Council Housing and Development Advisory Board**
- To consider the report of the Director (BA). (Pages 129 - 138)
- 15 **Greater Exeter Strategic Plan: Draft Policies and Site Options Consultation**
- To consider the report of the Director (BA). (Pages 139 - 160)
- 16 **Greater Exeter Strategic Plan: Joint Statement of Community Involvement**
- To consider the report of the Director (BA). (Pages 161 - 184)

Part II: Items suggested for discussion with the press and public excluded

No representations have been received in respect of the following items in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

- 17 **Post-Pandemic Recovery of Leisure Services**
- Report is considered under item 6.
- 18 **Resources required to develop Exeter's Local Plan**
- To consider the report of the Director (BA). (Pages 185 - 196)
- 19 **Exeter City Group - recommendations on governance and operating model**
- To consider the report of the Chief Executive and Growth Director. (Pages 197 - 204)
- 20 **Exeter City Living Ltd Business Plan 2020/2021**
- To consider the report of the Director (DB). (Pages 205 - 310)

Date of Next Meeting

The next scheduled meeting of the Executive will be held on **Tuesday 1 September 2020** at 5.30 pm in the Civic Centre.

A statement of the executive decisions taken at this meeting will be produced and published on the Council website as soon as reasonably practicable.

Find out more about Exeter City Council services by looking at our web site *http://www.exeter.gov.uk*. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265115 for further information.

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EXECUTIVE
(HELD AS A VIRTUAL MEETING)

Tuesday 2 June 2020

Present:

Councillor Bialyk (Chair)
Councillors Sutton, Foale, Ghusain, Harvey, Morse, Pearson, Williams and Wright

Apologies:

Councillor Wood

In attendance

Councillors Leadbetter, K. Mitchell and D. Moore

Also present:

Chief Executive & Growth Director, Director (DB), Director (J-PH), Chief Finance Officer, Corporate Manager Democratic and Civic Support, City Surveyor, Museums Manager and Cultural Lead, Democratic Services Officer (MD) and Democratic Services Officer (HB)

Councillor in attendance under Standing Order No. 44.

Councillor D. Moore speaking on items 8, 9, 10 and 11 (minutes 59, 60, 61 and 62 below).

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COUNCILLORS ATKINSON AND WOOD

The Chair passed on his and Members' condolences to Councillors Atkinson and Wood, whose fathers had recently passed away.

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MINUTES

Subject to the removal of Councillors Leadbetter, K. Mitchell and D. Moore from the list of those present and the inclusion of Councillor D. Moore in the list of those in attendance, the minutes of the meeting held on 7 April 2020, were taken as read and approved as a correct record, to be signed by the Chair at the earliest possible convenience.

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DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

55

GEORGE FLOYD AND THE COVID 19 PANDEMIC

The Chair referred to the recent tragic death in Minneapolis of George Floyd and the ongoing Covid-19 pandemic across the world and the impact both were having on those directly affected. He urged all to pause and reflect on these awful events and to respond in the appropriate manner, with respect for everyone.

QUESTIONS FROM MEMBERS OF THE PUBLIC

A member of the public, Mr Keith Lewis (not in attendance) had submitted the following question, relating to Minute No. 60 below, which was read out in his absence.

Question

The Net Zero Exeter 2030 Plan is very welcome, but it contains some aims that will be either impossible to achieve or are undesirable (examples 7.4 and 8.8 - this should be the case now; 9.4 - impossible within two years; 12.8 - Section 106's are not a general taxation). Will the Executive agree to review the aims to ensure that it does not adopt a Plan that is unlikely to be achievable?

Response

The Council Leader responded that the Council had set the question of how it sought to achieve a net zero Exeter by 2030. Many places had set an ambitious goal but few had mapped out what it will take to achieve the goal. A report by 'We Are Liminal', published this month, featured Exeter as one of only a handful of towns and cities to map out this journey. The Net Zero Plan was produced by Exeter City Futures and contained dozens of actions that needed to be pursued if the city wished to realise the goal in the time frame declared. Some of the issues raised were relatively minor in terms of their contribution to carbon. The scale of the challenge in delivering a net zero Exeter in a decade was massive. It was proven with Government policy that things which were deemed to be impossible can be achieved very quickly, e.g. seat belts, dog fouling, smoking in pubs, all show the power of policy led change.

Seeking to find a solution through the planning obligation mechanism for contributions to carbon off setting had some merit even if today this may not be the obvious route. For example, a CIL contribution towards the same purpose may be a route in the short term. Likewise whilst there may be practical considerations that challenge us in ensuring rainwater was recycled on all properties, the goal was still meaningful. Today nobody should think litter is a problem, but it was and that, when it came to Ultra Low Emission Vehicles, at some point choices would need to be made on the challenges faced.

The Greater Exeter Strategic Plan was confronting the reality that 2,600 homes a year had to be built in the Greater Exeter sub-region over the next twenty years. The highway network could not cope, and residents should not have to put up with the air pollution consequences of continuing with the current approach. Somethings had to give and the Plan was saying, that to achieve the goal we may have to pursue a policy of all vehicles being ULEV. This seemed an unrealisable goal in the next ten years, however the blueprint, would indicate what had to change and what issues should be prioritised to realise the goal.

COLLECTIONS DEVELOPMENT POLICY RAMM (2020–25)

The Museums Manager and Cultural Lead presented the report which set out the requirement to approve a new Collections Development Policy for the Royal Albert Memorial Museum and Art Gallery to cover the years 2020 to 2025. It was explained that, due to the Covid-19 pandemic and lockdown, the policy had not

undergone the customary period of consultation with professional colleagues and may be subject to later amendment. Future amendment might also cover any necessary revisions arising from Arts Council England's current work to produce new guidelines for museums on restitution and repatriation.

RESOLVED that the new Collections and Development Policy be formally adopted by Exeter City Council.

58

MEMBERS' ALLOWANCES AND EXPENSES PAID 2019/20

The Corporate Manager Democratic & Civic Support presented the report on the allowances paid to elected Members in 2019/20, the Council having a statutory obligation to publish all allowances paid and expenses claimed by Members each financial year.

RESOLVED that Executive Committee note the allowances paid and the expenses claimed by Members in 2019/20.

59

EXETER'S RECOVERY PLAN

Councillor K. Mitchell declared an interest as an employee of the RD&E Hospital.

The Chief Executive & Growth Director presented the report which outlined the work that was being progressed to produce a recovery plan as the city emerges from the crisis stage of Covid-19 to ensure a co-ordinated response to the challenges the local economy would be facing.

In addition to the Council's involvement in strategic initiatives through the Devon County Council Local Resilience Forum including its Business and Economy Recovery Task Group and the Heart of South West Local Enterprise Partnership Recovery Plan, a City Council led place based response would be vital to be co-ordinated through the recently created Liveable Exeter Place Board, under the Chairmanship of the Vice Chancellor of the University, Sir Steve Smith. The Board would bring together all the major organisations in the city as well as private and community sector figures. The following seven key themes had been identified, details of which were set out in the report:-

- Construction and development;
- City Centre;
- Visitor economy;
- Transport;
- Education;
- Business Support; and
- Community wellbeing.

In addition to the overarching, place-based recovery plan for the city, the Council would also focus on a number of internal priorities to ensure support for communities and the effective recovery of its operations, the key areas being:-

- Individual financial support;
- Homelessness;
- Council financial strategy;
- Council reinstatement; and
- Organisational change.

The Liveable Exeter Place Board would work through a number of themes and work streams some of which would be led by non-council members of the Board through sub groups such as the City Centre Group, chaired by John Laramy of Exeter College and the Visitor Economy Group chaired by Lord Courtenay as well as the Business Support Group. These work streams would help ensure there was one single recovery plan for the city and that it would be aligned to the regional work.

Councillor D. Moore, having given notice under Standing Order No. 44, spoke on this item.

The response of the Council Leader is attached as an appendix to the minutes.

Councillors Leadbetter and K. Mitchell, speaking as group leaders, welcomed the report. Councillor K. Mitchell asked for an assurance that all communities across the city would be involved in the recovery plan.

The Council Leader emphasised the role of the City Council in using its convening power to galvanise the key stakeholders and engage individuals, organisations and businesses to contribute to the plan of action to work collectively in putting together a plan. He also highlighted Exeter's strong place-making record with ambitious plans and programmes already in place to support the city and its communities. These included strong strategic and multi-sector collaboration, a garden City designation - Liveable Exeter, St Sidwell's Point, an UNESCO City of Literature designation, one of Sport England's twelve Local Delivery Pilots and the carbon neutral city roadmap.

He confirmed that all Members would be fully informed via Executive and Council through further reports and that there remained appropriate mechanisms for the plan to be considered through the Council's scrutiny process.

The Chief Executive & Growth Director concluded that, whilst the support for the recovery programme would need to have regard to the Council's financial position in light of the Covid-19 crisis and the income loss being experienced, the Council was in a position to build on longer term visions already established through the Exeter Vision 2040, Greater Exeter Strategic Plan, Liveable Exeter Transformational Housing Programme and Net Zero Exeter 2030, backed by the city's organisations working together to support all sectors. He referred to the important role of Members in bringing the city together and to the part to be played by Exeter on behalf of the region as a key driver of the wider economy and as an important advocate in seeking innovative funding mechanisms.

RESOLVED that:-

- (1) the draft recovery plan be approved and the work of council officers providing leadership and support to the recovery initiative be supported;
- (2) the progress made and the role of the City Council in the recovery programme through direct interventions in support of the Liveable Exeter housing programme and the Council's own development company Exeter City Living be reported back to Executive;
- (3) the request to the Liveable Exeter Place Board to adopt the Recovery Plan on behalf of the city as a whole be noted; and

- (4) Exeter City Council Officers leading on the recovery plan work and continuing to provide support to progress the individual work streams be noted.

60

NET ZERO EXETER 2030 PLAN

The Chief Executive & Growth Director presented the report which set out how the city of Exeter could achieve its ambition to be net-zero carbon by 2030. The Plan set out ways in which people could support in achieving the net zero ambition, and provide engagement across the city to support organisations, individuals and institutions in taking responsibility and contribute to achieving this goal.

The Chief Executive & Growth Director made the following points:-

- the Council had committed itself to a very ambitious carbon neutral goal before the Covid-19 crisis and lockdown and there was a need to build the Council's recovery plan around the net zero ambitions;
- during the last recession, goals for addressing global warming had been relaxed and, as such, it was important to ensure the highest standards would be incorporated within future policies, to include a significant shift away from global to local resourcing;
- given the unprecedented financial challenge, with a forecast loss of £10 million for the year against a £13.5 million net budget and the Council lacking sufficient organisational resources, a staged approach with alternative and innovative options was necessary to respond to the climate emergency, such as retrofitting of housing and initiatives around transport and mobility, as examples of a necessary mainstream approach; and
- it would be a city wide endeavour, Exeter City Futures having already established a network across the city with the Liveable Exeter Place Board identified as the appropriate body to adopt the plan on behalf of the city of Exeter as a whole. The Board had already amended the Exeter Vision 2040 with its commitment to a carbon neutral Exeter by 2030.

Councillor D. Moore, having given notice under Standing Order No. 44, spoke on this item.

The response of the Council Leader is attached as an appendix to the minutes.

During the discussion, the following points were raised:-

- report of Exeter City Futures welcomed as an accessible road map for the public and stakeholders towards achieving carbon neutrality;
- regardless of Covid-19, it would be important to build on earlier consultations with communities on the carbon neutral goal as well as the Council's considerable ability to build effective partnerships with the private and voluntary sector and the business community. Responsibility should also be accepted on an individual basis;
- an extensive retrofit programme for homes should be progressed as it will significantly help to contribute towards carbon savings and can also be achieved through the council housing stock. In addition, it should also be extended to the private sector. Fuel costs will be reduced, especially for families suffering fuel poverty; and
- a valuable virtual forum had been held on 20 May – an Emergency Transport and Travel Roundtable - including discussion groups from across the wider community.

RECOMMENDED that Council approve:-

- (1) the adoption of the Net-Zero Exeter 2030 Plan as Council policy to inform all policy documents, plans and corporate decision making in response to the Climate Emergency and in pursuance of the goal to make Exeter a carbon neutral city by 2030;
- (2) the Liveable Exeter Place Board as the appropriate body to adopt the Liveable Exeter Place Plan on behalf of the city of Exeter;
- (3) authorising the Chief Executive & Growth Director, in consultation with the Leader of the Council, to explore opportunities to secure investment and to create mechanisms for funding the programmes set out in the Plan; and
- (4) the Chief Executive & Growth Director reporting to Executive on how the City Council will deliver the actions set out in the section “what Exeter City Council can do”, once the financial position of the City Council has been clarified with Government financial support as a consequence of the Covid-19 crisis.

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PRIORITY ASSET INVESTMENT PROGRAMME

The Director (DB) presented the report which contained a number of urgent asset maintenance priorities, which had been identified as a result of the ongoing asset inspection programme. The report summarised the various projects to provide an overview of the scale of the investment required. It was important to ensure that Council owned assets were safe and maintained to maximise their longevity and value, however the coronavirus crisis had significantly impacted the Council's income, and it was not possible at the current time to commit to further expenditure.

The individual schemes identified were:-

- Parks Anti-intrusion measures;
- Riverside Sports Hall Roof;
- Corn Exchange Roof Replacement;
- Exmouth Buoy Store;
- Pines Gardens Gate House; and
- CCTV.

The total cost of the schemes would be £2,723,000, the Chief Finance Officer explaining that the annual capital costs from long term borrowing would be £117,597 which would add to the medium term reductions of £3.7 million identified before the Covid-19 crisis.

Councillor D. Moore, having given notice under Standing Order No. 44, spoke on this item.

The response of the Council Leader is attached as an appendix to the minutes.

Councillor K. Mitchell, speaking as a group leader, stated that the prioritisation of schemes identified and their relative importance in relation to other needs across the city should be considered at the same time as the emergency budget to be presented to the meeting of the Council on 21 July 2020.

Members noted that all the above schemes required long term investment to address the urgent needs and it was therefore important to highlight these at an

early stage notwithstanding the requirement to balance this year's budget, the shortfall having now been significantly exacerbated by the Covid-19 crisis.

RECOMMENDED that Council:-

- (1) recognise the priorities of the programme, the importance of good asset management and approve the budgets identified for each project in the report presented to the meeting, when funds are available; and
- (2) delegate authority to the Chief Executive & Growth Director, in consultation with the Section 151 Officer (or Deputy) and Leader of the Council (or Deputy), to give final approval to proceed once the Council's financial position is secure.

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**EXETER CITY GROUP - REQUEST FOR FUNDING FOR NEW COMPANY
BUSINESS CASES AND ADDITIONAL FINANCIAL SUPPORT**

The Chief Finance Officer presented the report which sought funding to develop three business cases to explore the feasibility of expanding Exeter City Group's range of Subsidiaries to include a Company providing market rent properties to let, a Consultancy Company and a Company to provide retro-fit solutions for existing housing. The report further sought approval for a Commercial Finance Manager to provide dedicated support to Exeter City Group and the other Council owned Companies, which would be funded by Exeter City Group along with funds received from the other Companies.

Councillor D. Moore, having given notice under Standing Order No. 44, spoke on this item.

The response of the Council Leader is attached as an appendix to the minutes.

The Chief Finance Officer explained that there was an immediate need for £300,000 to fund the creation of the business cases, to be funded from the balance left on the Business Rates Pilot and General Fund reserves. Extensive work was necessary to ensure viability prior to the establishment of the companies. The £60,000 required for the additional member of staff would ultimately be funded by the expanded Group of Companies, with the post predominantly seconded to the Exeter City Group to provide strategic financial support.

The Council Leader and another Member welcomed in particular:-

- a market rent housing company which would purchase property from Exeter City Living to provide good quality rented accommodation; and
- a company to support the Council in its ambitions to deliver retrofit solutions to existing properties and to encourage Passivhaus developments as part of the goal of becoming a carbon neutral city.

RECOMMENDED that Council approve:-

- (1) £300,000 for the development of three business cases to explore the feasibility of creating the new subsidiaries as set out in the report;
- (2) £60,000 for a new Finance Manager - Commercial to support Exeter City Group and the wider Council Companies, to be funded by the Companies themselves; and

- (3) delegating authority to the Chief Executive & Growth Director, in consultation with the Section 151 Officer (or Deputy) and Leader of the Council (or Deputy), to give final approval to proceed once the Council's financial position is secure.

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**CITYPOINT – UPDATE ON PARIS STREET AND SIDWELL STREET
REGENERATION**

The City Surveyor presented the report, which provided an update on the progress of plans to bring forward the comprehensive development of the CityPoint site, comprising the former Bus and Coach Station and adjoining areas of Paris Street and Sidwell Street.

Members noted the progress made in discussions with interested parties and recognised the importance of sustaining the momentum in bringing forward the Council's ambitions for this area of the city whilst recognising the changed economic circumstances and the impact on the property market.

RESOLVED that:-

- (1) the current progress for bringing forward the CityPoint site, as set out in the report, be noted;
- (2) the provisionally agreed Memorandum of Agreement with the principal land owners to facilitate the next steps towards the comprehensive redevelopment be progressed; and
- (3) the City Surveyor be authorised to explore, in conjunction with partners, potential routes for an early appointment of development partner(s) to deliver the scheme and objectives in a timely manner.

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APPENDIX

(The meeting commenced at 5.30 pm and closed at 7.33 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

REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Chief Finance Officer

Title: Overview of General Fund Revenue Budget 2019/20

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise Members of the overall financial position of the General Fund Revenue Budgets for the 2019/20 financial year and to seek approval for the General Fund working balance, a number of supplementary budgets and the creation of a new earmarked reserve.

2. Recommendations:

It is recommended that Members of the Executive note the report and Council notes and approves (where applicable):

- i. That the net transfer of £717,309 from Earmarked Reserves as detailed in paragraph 8.11 is approved
- ii. The supplementary budgets of £1,198,960 and budget transfers as detailed in paragraph 8.13;
- iii. That the Earmarked Reserves at 31 March 2020 be noted
- iv. That the Council Tax account and collection rate be noted
- v. That the outstanding sundry debt, aged debt analysis and debt write-off figures be noted
- vi. The creditors payment be noted
- vii. By taking into account the overall financial position of the Council, the General Fund working balance at 31 March 2020, be approved at £5,856,249;

3. Reasons for the recommendation:

To formally approve the Council's end of year financial position and carry forward any budgets that were not spent but where the funding is still required.

4. What are the resource implications including non financial resources.

The impact on the General Fund working balance is set out in sections 8.12.

5. Section 151 Officer comments:

The report needs to be read in the context of the Council's current financial position, which is the subject of the emergency budget report later on the agenda. Local Authorities are facing unprecedented financial challenges as a result of Covid-19. The Finance team have taken decisions to put the Council in the best possible financial position to address the financial difficulties faced. Decisions to offset the statutory repayment of debt against prior year overpayments and to refinance the capital programme using capital receipts rather than capital contributions are not taken lightly.

Members should note the difficult choices being taken, such as postponing £332,000 of supplementary budgets (Appendix 4). The Council faces continued financial challenges and will have a significant savings target over the medium term financial plan.

6. What are the legal aspects?

The Local Government Finance Act 1992 places a legal requirement on Council to approve not only the budget but also any changes to the budget proposed during the year. Council has a legal duty to ensure that the budget is balanced and that any changes to the budget are fully funded.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

Overview of General Fund Revenue Budget 2019/20

8.1 Financial Summary

FUND	Planned Transfer To / (From) Working Balance	Outturn Transfer To / (From) Working Balance	Outturn Variance
	£	£	£
General Fund	(849,250)	1,461,225	2,310,475

The outturn position of General Fund Revenue has enabled £1,461,225 to be transferred to the Working Balance at the end of the financial year, taking it from £4,395,024 to £5,856,249. Please also refer to para. 8.12.

8.2 General Fund (Appendix 1 & Appendix 2)

The Service Committees show an overall underspend of £2,158,845 against a revised budget of £24,332,110. Variances of more than +/- £30,000 are detailed below:

8.3 Chief Executive & Growth Director

Budget Heading	Over / (Underspend)
IT Services	(£172,255)
<p>Responsible Officer: Corporate Manager, Executive Support</p> <p>The refunds from Strata to shareholders were higher than anticipated.</p>	
Strategic Management	(£32,642)
<p>Responsible Officer: Chief Executive & Growth Director</p> <p>Work on the Commercialisation Website commenced in 2019/20 but has not yet finished, a supplementary budget will be requested for 2020/21. This project is being funded from the Transformation Reserve.</p>	

8.4 Communities, Health, Well Being & Leisure

Budget Heading	Over / (Underspend)
Active & Healthy People	(£187,503)
<p>Responsible Officer: Active & Healthy People Programme Lead</p> <p>£80,000 staff costs that were erroneously included within the ECC budget have now been correctly transferred to the budget that relates to the grant funding from Sport England for the Local Delivery Pilot.</p> <p>The three year Exeter Voluntary and Community Support Sector Service Contract commenced in December 2019 instead of September 2019; this budget is funded by Neighbourhood CIL contributions and so the 2019/20 underspend will be re-allocated over the three years of the contract.</p>	
St Sidwells Point	(£122,428)
<p>Responsible Officer: Director</p> <p>Works are still progressing on the project and a supplementary budget will be requested for 2020/21.</p>	
Grants and Social Inclusion	(£429,079)
<p>Responsible Officer: Active & Healthy People Programme Lead</p> <p>The new Exeter Grants Programme funded by Neighbourhood CIL and New Homes Bonus was introduced in September, this has resulted in a one-off in year underspend against plan of £61k. £368k of the new grants funding available was not allocated in this financial year, but the funding will be available to re-allocate in future years.</p>	

8.5 Strategic Housing, City Development, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates and Democratic Services

Budget Heading	Over / (Underspend)
Housing Needs & Homelessness	(£35,522)
<p>Responsible Officer: Service Lead, Housing Needs & Homelessness</p> <p>The Devon Home Choice budget included an allowance for new IT software including significant installation costs, however, the tender was won by the existing provider so the additional expenditure was not required. The Devon Home Choice budget is funded by members of the scheme through funds held in a reserve.</p>	
General Fund Housing - Property	£99,618
<p>Responsible Officer: Service Lead – Housing Tenancy Services & Service Lead – Housing Assets</p> <p>The Housing Needs team reassessed and re-banded a large number of households in Private Sector Leased (PSL) properties in order to create some move-on out of temporary accommodation. This provided an opportunity to handback some PSL properties with financially onerous lease agreements, this led to a rise in handback costs alongside a reduction in rental income. Although this represents an in-year overspend, it will achieve future revenue savings due to ending leases with favourable terms to the landlord.</p>	
Planning Services	(£333,813)
<p>Responsible Officer: City Development Manager</p> <p>Planning fee income has been higher than anticipated this year due to a number of major planning applications. Fee income attributable to the 20% fee uplift introduced in 2018 can only be used to improve the Planning service, there was a surplus of £109k of unspent fee uplift income at year end and this will be transferred to an earmarked reserve, the remaining additional income will increase the ECC general fund working balance.</p> <p>A £75k budget requested to pay consultants to review the Community Infrastructure Levy charging schedule remains fully unspent, a supplementary budget for 2020/21 will be requested. This budget will be fully funded from CIL contributions.</p> <p>£38k of Habitats Mitigation contributions has been collected from developers, this will also be transferred into an earmarked reserve.</p>	
Revenues, Benefits & Customer Access	£344,397
<p>Responsible Officer: System Lead Revenues, Benefits & Customer Access</p> <p>It has been necessary to review the Council's loss allowances (formerly bad debt provisions) for a range of outstanding debts, in order to ensure prudent provision is made for non-recovery. The calculation needs to reflect both historical payment patterns and also future expectations of recovery. Therefore, the Covid19 pandemic must be taken into account when making this assessment, which has unfortunately impacted on recovery rates and risk of default across most Council debts.</p>	

The recovery of overpaid housing benefits has been reviewed and resulted in an increase in the loss allowance of £189k. This does not reflect a significant change in the level of arrears at 31/3/2020, it is an estimate of credit risk and the estimated impact of Covid19. This is a necessary accounting cost rather than a reflection of service performance.

£13k has been spent on Welfare Support, this expenditure is all funded from an earmarked reserve.

There is a £142k variance against the housing benefits and subsidy budgets, this represents a variance of 0.4% against the £36m budget. Due to the introduction of the Homelessness Reduction Act the use of Bed & Breakfast accommodation has increased in 2019/20. Exeter City Council has to pay the full cost of the accommodation to the provider but the subsidy that can be claimed for this class of accommodation is capped at £121.15 per week.

Liveable Exeter Garden City	(£604,562)
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Responsible Officer: Project Director – Liveable Exeter

Work has commenced on the project. A supplementary budget will be requested for 2020/21, all expenditure is funded from an earmarked reserve.

8.6 Communication, Tourism & Culture

Budget Heading	Over / (Underspend)
Culture	(£45,568)

Responsible Officer: Service Lead Communications, Tourism & Culture

The Service has brought in an unbudgeted £50,000 for the 2019 Exeter Festival (mainly events and sponsorship) with other grants plus sales and sponsorship. These offset part of the costs of the events, giving the net underspend of £45,570.

Markets & Halls	(£129,845)
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Responsible Officer: Facilities & Markets Manager

As in previous years, the Markets and Halls team actively look for income-generating opportunities and have again increased their contribution to better than budget. This year car boot sales, street markets, and events at Matford were down (due to general economic pressures) but this was more than made up-for by invoiced income from the livestock auctioneer's commission ('Markets') £101,950 better than budget while ticket sales for Corn Exchange events ('Halls') were £27,895 better than budget.

Museum Service	(£596,760)
<p>Responsible Officer: Service Lead, Museums</p> <p>The Council is currently awaiting the results of the Valuation Tribunal Service considering the Museum's reduced business-rates (NDR) valuation and has incurred £85,770 legal costs, offset by a £70,000 contribution towards those costs that the Service Lead has obtained on behalf of other museums who will be affected by the rates-appeal decision. If the Council is successful, the revised valuation will be confirmed and RAMM will see its annual rates bill fall from around £375,000 a year to around £65,000 at most. It is proposed that the 2019/20 rates underspend of £315,758 be transferred to an earmarked reserve in case we are required to repay.</p> <p>A credit balance of £251,098 has built up from residual ACE funding. This element of ACE external funding is a contribution to full cost recovery and the ongoing infrastructure costs that will require management in the eventuality RAMM exits the programme. It is proposed that this is transferred into an earmarked reserve and utilisation of the funding will focus on funding projects and initiatives that enhance the sustainability of RAMM and its services in these circumstances.</p> <p>The main operational variances include £14,250 more income from events, £5,590 more from casual lettings and £8,235 more from lessons and courses than had been budgeted, and a £16,800 saving in CCTV camera maintenance as the contract had been cancelled pending other arrangements. The Service is requesting that the £16,800 CCTV saving be carried-forward into 2020/21 ready to meet RAMM's costs of the City Council's overall revised CCTV facilities.</p> <p>As in previous years, the RAMM Shop achieved good margins on its sales but, because footfall in the Shop is significantly restricted by the lack of space available, was unable to make enough sales to meet its contribution target (this year falling short by £19,360).</p>	
Visitor Facilities	£41,867
<p>Responsible Officer: Facilities & Markets Manager</p> <p>Temporary staff have provided cover for long-term sickness and for Quay Words events, there has been a reduction in commission received from ticket sales as more and more people buy directly on-line and not from EVIT. A small amount of lettings income was foregone as space was made available to Quay Words.</p>	

8.7 Environment and City Management

Budget Heading	Over / (Underspend)
Public Safety	(£30,071)
<p>Responsible Officer: Community Safety & Enforcement Service Manager</p> <p>A £30,000 budget that was to be funded from the Transformation Fund for CCTV modernisation was not utilised.</p>	

Parks and Green Spaces	(£204,345)
<p>Responsible Officer: Public & Green Space Operations Manager</p> <p>Long term sickness within the team prevented the planned works on children's play equipment from being completed, leading to an underspend of £152,000 on these works. A request for a supplementary budget for 2020/21 will be put forward.</p> <p>Vehicle and plant sales generated additional income of £15,000. Rents received exceeded the budget by £18,000</p> <p>Other net savings of £19,000 arose throughout the service.</p>	
Street Cleaning	(£67,873)
<p>Responsible Officer: Public & Green Space Operations Manager</p> <p>Staff costs were £39,000 less than the budget.</p> <p>Fuel costs for fleet vehicles and plant were £23,000 less than the budget.</p> <p>Vehicle and plant sales generated additional income of £6,000</p>	
Cleansing Chargeable Services	£330,488
<p>Responsible Officer: Service Lead, Cleansing and Fleet</p> <p>The new on-campus contract for the University of Exeter and the strong performance of the Garden Waste subscription service in attracting new subscribers have significantly contributed to the year-end outturn, and at Quarter 3 were expected to indicate an outturn better than budget. However, in the last quarter of the year it became apparent that disposing of unrecyclable trade waste would cost £124,000 more than budgeted, and purchasing new bins (including 400 for the University contract) cost £104,000 more than budgeted; future bin replacement budgets will be set on a rolling three-year cycle, to allow for ups and downs in the requirements. Agency staff required to maintain service levels cost £49,000 more than budgeted. These areas will be very closely monitored during 2020/21.</p>	
Exton Road Overheads and Fleet	£74,872
<p>Responsible Officer: Service Lead, Cleansing and Fleet</p> <p>The regular contracted clearing of Oakwood House drains now required after washing street-cleaners and other vehicles is costing around £25,000 a year more than budgeted; electricity cost £9,625 more than budgeted. Purchases of routine PPE (Personal Protective Equipment) during the year have cost £10,600 more than budgeted, but this is an irregular cost. £12,415 was spent on minor fleet improvements and subscriptions for GPS services essential for efficient fleet management, with short-term hire costing £7,180.</p>	
Recycling	£559,408
<p>Responsible Officer: Service Lead, Cleansing and Fleet</p> <p>Previous reports have noted the volatility and unpredictability of the global recycling market. This area has been under worsening pressure all year, with</p>	

- global recyclates prices collapsing - card sorted for recycling used to bring in £88 per ton and the price obtainable has fallen as low as £12 per ton, paper has dropped from £103 to £68, and glass has been unsaleable for some time.
- breakdowns with the MRF (Materials Recycling Facility) both increasing costs and stopping income generation (material that would be sorted for recycling and then sold instead has to be sent to other facilities who charge for disposal) - the Service is confident that the approved investment in kerbside recycling from 2021 will eliminate this barrier to recycling rates and saleability of recovered material
- significant extra pay costs covering long-term sickness absence and additional processing of material for recycling.

As a result, the total costs of recycling activities have gone up while income has gone down, and with a Service cost-base of £1,417,110 before income, changes quickly have material impact on full-year outturn. Recyclate sales income is £228,950 worse than budget and recycling credits are £92,790 worse than budget. Processing materials at other MRFs cost £117,000 more than budgeted and breakdowns cost an unbudgeted £54,000.

The reasons for the full 2019/20 results have been reviewed in depth and savings opportunities and areas for priority control have been identified. While little can be done about sale prices achievable, the Service is already making changes in practices that will reduce costs - these are medium term measures until the MRF and kerbside recycling capital investment is implemented in 2021/22.

Corporate Property - Estates	(£477,024)
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Responsible Officer: City Surveyor

Additional rental and other income of £483,000 arose in this service. This was mainly as a result of rental income from Senate Court and 1, Emperor Way, partially offset by reduced rental income from the Guildhall shop.

Income from electricity generated by solar panels on various properties exceeded the budget by £6,000

The £60,000 budget for the Corporate Asset Challenge was not spent, and a request to carry this budget into 2020/21 will be put forward.

Empty property rates costs were £21,000 less than the budget. Expenditure on supplies and services throughout the service were £7,000 less than the budget. Staff vacancies resulted in a £7,000 reduction in pay costs.

Net Internal Recharges borne by this service were £66,000 less than the budget. £52,000 of this is offset by reduced income in Corporate Property – Assets (below)

Following a review of bad debt provisions across the Council, an increase of £40,000 was made in this service reflecting the impact of Covid 19 on expected recovery levels

Additional costs of £73,000 arose as a result of lease requirements at several properties including the Civic Centre, Paris Street Cafe, Swan Yard Workshop, 78 Birchy Barton Hill and Bradninch Place. These are offset by savings in the Corporate Property – Assets unit (below)

Parking Services	£218,357
<p>Responsible Officer: Community Safety & Enforcement Service Manager</p> <p>The impact of the lockdown due to Covid19 resulted in greatly reduced income in the final weeks of the year; overall income from parking was £317,000 less than budgeted.</p> <p>Additional net costs of £44,000 are arose mainly in respect of increased charges for pay by phone and card payments and security costs, partially offset by lower utility and insurance costs.</p> <p>Backdated refunds of National Non Domestic Rates (NNDR) for three car parks have resulted in a saving of £113,000</p> <p>Staffing vacancies resulted in pay savings of £30,000</p>	
Growth & Commercialisation	(£36,483)
<p>Responsible Officer: Growth and Commercialisation Manager</p> <p>This Service is involved in many external and partnership initiatives. A number of growth projects scheduled for 2019/20 have been put on hold to determine partners and purpose; the Service had originally requested unapplied project funds totalling £45,100 be carried-forward into 2020/21 as a supplementary budget, and has now withdrawn that request as a contribution to the Covid19 impact savings. The Service will seek to meet the growth project objectives through other means.</p>	
Engineering Services	(£36,664)
<p>Responsible Officer: Public & Green Space Operations Manager</p> <p>Pay costs were £17,000 less than the budget mainly due to an officer taking flexible retirement.</p> <p>Works expected to cost £13,000 were delayed by the lockdown due to Covid19; a request will be made for a supplementary budget in 2020/21 to enable these works to be completed.</p> <p>Further net savings of £7,000 arose across the service.</p>	
Major Projects	(£285,950)
<p>Responsible Officer: City Surveyor</p> <p>A supplementary budget of £265,400 was approved at Council on 23 July 2019 in connection with the Bus Station Wider Options. As at 31 March 2020 only £101,141 had been spent; a £164,259 supplementary budget will be requested in 2020/21 to enable this work to continue.</p> <p>A supplementary budget of £112,000 was approved at Council on 23 July 2019 in connection with the demolition of Clifton Hill, and a further £4,640 budgets were vired from Leisure for ongoing revenue costs. As at 31 March 2020 only £33,702 had been spent; a £82,941 supplementary budget will be requested in 2020/21 to enable this work to continue.</p> <p>The contingency budget in this unit of £38,750 was not spent.</p>	

Corporate Property - Assets	(£148,460)
<p>Responsible Officer: City Surveyor</p> <p>Savings on asset improvement and maintenance costs were £101,000 less than the budget, partially offset by the £73,000 overspend in Corporate Property - Estates</p> <p>An £18,000 European Regional Development Fund grant has been received reducing net costs in this service.</p> <p>Pay costs were £27,000 less than the budget due to a vacant post.</p> <p>Internal income from recharges to other services was £52,000 less than the budget; this is offset by savings on internal charges in Corporate Property – Estates.</p> <p>Net additional costs of £6,000 arose across the unit</p>	
Corporate Property - Energy	(£55,048)
<p>Responsible Officer: City Surveyor</p> <p>A £54,000 European Regional Development Fund grant has been received reducing net costs in this service.</p> <p>Maintenance costs were £12,000 less than the budget.</p> <p>Internal income from recharges to other services was £11,000 less than the budget</p>	

8.8 Chief Finance Officer

Budget Heading	Over / (Underspend)
Corporate	£31,924
<p>Responsible Officer: Chief Finance Officer</p> <p>The overspend in this unit relates to Bank Charges in excess of the budget and administration fees incurred on new loans from the Public Works Loans Board.</p>	
Unapportionable Overheads	£71,941
<p>Responsible Officer: Chief Finance Officer</p> <p>The overspend in this unit arises from pension Strain Costs.</p>	
Financial Services	(£43,572)
<p>Responsible Officer: Deputy Chief Finance Officer</p> <p>Delays recruiting to the new Financial Services Team structure have resulted in reduced pay costs. In addition, income was received from Exeter City Living for provision of financial services. These savings were partially offset by additional IT and consultancy costs for the finance software systems.</p>	

Procurement	£89,885
<p>Responsible Officer: Service Lead - Commercial and Procurement</p> <p>The procurement department is still undertaking work to improve and firm up the council's procurement processes. This work is designed to identify and achieve efficiency savings however, the forecast position means that this remains an area of uncertainty. At present, areas benefiting from the service's work may reflect reduced costs in awarding contracts. These savings by the department have not been reflected in the outturn position for the 2019/20 year as had been projected.</p>	

8.9 City Solicitor

Budget Heading	Over / (Underspend)
Legal Services	£169,350
<p>Responsible Officer: Service Lead – HR</p> <p>Costs totalling £231,000 have been incurred regarding the long-running dispute over building work at RAMM; these will be covered by transfer from the earmarked reserve.</p> <p>Pay costs across the service were less than the budget, and income from recovery of legal costs, charges for services provided for Exeter City Living and internal recharges for other council departments exceeded the budget.</p>	

8.10 Other Financial Variations

Budget Heading	Over / (Underspend)
Net Interest	(£312,996)
<p>Interest paid was lower than expected due to the timing of borrowings in the year, loans were agreed at a time when rates were very favourable; this will result in significantly less interest being paid by the Council over the term of the loans than originally anticipated.</p> <p>Interest earned was higher than expected as the Council had more surplus cash than anticipated during the year, largely due to delays across the capital programme and the timing of borrowing. This surplus cash was put into temporary investments which resulted in higher than anticipated returns.</p>	
Minimum/Voluntary Revenue Provision	(£1,627,240)
<p>The Council is setting aside a prudent provision for repayment of debt, however it is taking advantage of paragraph 26 of the statutory guidance issued by MHCLG to offset that prudent provision against prior year voluntary overpayments. The balance relates to the lease element of the new fleet contract, which it is prudent to account for in the year to which it relates.</p>	

Business Rates	(£697,642)
<p>A better than budgeted performance from the Devon Business Rates pool is anticipated. Alongside this, the performance of Exeter means that the Collection Fund relating to Business Rates is in surplus and therefore, there will be a positive contribution to the 2020/21 budget.</p>	

8.11 Earmarked Reserves

During 2019/20 there has been an overall net transfer from Earmarked Reserves of £717,309. The details of all Earmarked Reserve movements are shown in Appendix 3.

Movement	2019/20
Opening Balance, as at 01/04/19	£9,247,185
Net transfer	(£717,309)
Balance, as at 31/03/20	£8,529,876

8.12 General Fund Balance

During 2019/20 there has been an overall net contribution to the General Fund Balance of £1,461,225. The minimum requirement for the General Fund working balance was approved by Council in February 2019 at £3 million.

Movement	2019/20
Opening Balance, as at 01/04/19	£4,395,024
Transfer To Working Balance	£1,461,225
Balance as at 31/03/20	£5,856,249

8.13 Supplementary Budgets & Budget Transfers

There is a requirement for some supplementary budgets in 2020/21 as the Council has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year.

It is therefore proposed that supplementary budgets totalling £1,198,960 identified in Appendix 4 are approved and added to the 2020/21 budget. Existing grants budgets that were to be funded from Neighbourhood CIL are to be reduced to enable the funding to be utilised elsewhere, this will be reviewed throughout the year. The remainder of the supplementary budgets will be financed from Earmarked Reserves (£1,143,440), CIL Admin (£75k) and the General Fund working balance (£118,520).

The impact on the projected General Fund working balance will be to reduce it to £5,737,729, which is above the minimum required for the Council.

Members must also note the supplementary budgets requested in Appendix 4, which it is not proposed to take forward at this stage. These total £331,670 and will be held pending certainty over the Council's future financial position.

Appendix 4 also lists proposed budget transfers which have been identified where budgets need to be transferred from one service area to another.

8.14 Council Tax

As at 1 April 2019, arrears amounted to £4.114m, the movements during 2019/20 were as follows:

	£m	£m
Arrears as at 1 April 2019		4.114
Add:		
2019/20 debits raised net of discounts	69.504	
Less:		
Payments received	(69.802)	
Refunds and change in pre-payments	0.962	
Write-offs	(0.268)	
Arrears as at 31 March 2020		4.510

Against the arrears of £4.510m, a bad and doubtful debt provision of £1.770m has been provided, calculated in accordance with the appropriate accounting guidelines.

The 'In-Year' collection rate has increased in comparison with the previous year. The collection rate for 2019/20 was 96.9% compared with 97.1% in 2018/19.

8.15 Outstanding Sundry Debt

An aged debt analysis of the Council's sundry debts is shown in the table below.

Age of Debt	March 2019	March 2020
Up to 29 days (current)	£1,356,559	£2,399,454
30 days – 1 Year	£1,613,514	£1,530,103
1 – 2 years	£647,966	£451,358
2 – 3 years	£617,436	£550,482
3 – 4 years	£511,466	£276,837
4 – 5 years	£275,815	£417,580
5 + years	£583,089	£752,772
Total	£5,605,845	£6,378,586

8.16 Debt Write-Offs

The following amounts have been written-off during 2019/20:

	2018/19 Total	2019/20
• Council Tax	£351,917	£268,615
• Business Rates	£73,387	£1,924,524
• Sundry Debt	£52,786	£36,552
• Housing Rents	£65,824	£74,727
• Non-HRA Rents	£167,125	£91,418
• HB Overpayments	£195,758	£153,310

8.17 Creditor Payments Performance

Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 94.51% for 2019/20 compared with 94.47% for 2018/19.

9. How does the decision contribute to the Council's Corporate Plan?

This is a statement of the projected financial position to the end of the 2019/20.

10. What risks are there and how can they be reduced?

The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 There are no significant equality and diversity impacts associated with this decision.

12. Carbon Footprint (Environmental) Implications:

There are no direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

Not applicable.

Dave Hodgson, Chief Finance Officer

Author: Nicola Matthews-Morley, Michelle White, Sally Reeve, Adrian Rutter and Rajah Mukwiri

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
None

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2019/20 GENERAL FUND BUDGET MONITORING - SUMMARY

OUTTURN

	Annual Budget £	Supplementary Budgets & Virements £	Revised Annual Budget £	Outturn £	Variance to Budget £
Chief Executive & Growth Director	2,694,930	142,770	2,837,700	2,635,607	(202,093)
Communities Health, Well Being, Sport & Leisure	5,118,705	2,922,770	8,041,475	7,297,985	(743,490)
Strategic Housing, City Development, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates, Democratic Services	5,674,040	(1,023,570)	4,650,470	4,114,437	(536,033)
Communications, Tourism & Culture	2,729,185	512,880	3,242,065	2,492,315	(749,750)
Environment and City Management	(627,990)	1,273,270	645,280	463,774	(181,506)
Chief Finance Officer	2,166,980	2,570	2,169,550	2,318,085	148,535
City Solicitor	816,010	1,929,560	2,745,570	2,851,053	105,483
less Notional capital charges	(5,874,930)	(1,440,390)	(7,315,320)	(7,315,311)	9
Service Committee Net Expenditure	12,696,930	4,319,860	17,016,790	14,857,945	(2,158,845)
Net Interest	216,000		216,000	(96,996)	(312,996)
New Homes Bonus	(2,517,780)		(2,517,780)	(2,517,778)	2
Revenue Contribution to Capital	0		0	32,048	32,048
Minimum Revenue Provision	738,020		738,020	693,222	(44,798)
Voluntary Revenue Provision	1,000,000		1,000,000	(582,442)	(1,582,442)
General Fund Expenditure	12,133,170	4,319,860	16,453,030	12,385,998	(4,067,032)
Transfer To/(From) Working Balance	250,530	(1,099,780)	(849,250)	1,461,225	2,310,475
Transfer To/(From) Earmarked Reserves	(643,000)	(2,190,900)	(2,833,900)	(717,309)	2,116,591
General Fund Net Expenditure	11,740,700	1,029,180	12,769,880	13,129,914	360,034
Formula Grant	(4,429,000)		(4,429,000)	(4,443,268)	(14,268)
Business Rates Growth / Pooling Gain	(1,385,000)		(1,385,000)	(2,082,642)	(697,642)
Covid19 Grant	0		0	(72,737)	(72,737)
CIL Other	0	(954,180)	(954,180)	(606,948)	347,232
CIL Admin	(95,380)	(75,000)	(170,380)	(92,998)	77,382
Council Tax	(5,831,320)		(5,831,320)	(5,831,320)	(0)
0	0	0	0	0	0

Working Balance March 2019

£ 4,395,024

£ 5,856,249

March 2020

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2019/20 GENERAL FUND BUDGET MONITORING - DETAIL

OUTTURN

	YEAR END FIGURES			
	APPROVED BUDGET	OUTTURN	VARIANCE	QTR 3 FORECAST VARIANCE
	£	£	£	£
TOTAL GENERAL FUND NET EXPENDITURE	24,332,110	22,173,256	(2,158,854)	(821,785)
Chief Executive & Growth Director				
IT SERVICES	1,742,430	1,570,175	(172,255)	(88,000)
STRATEGIC MANAGEMENT	804,570	771,928	(32,642)	13,500
CENTRAL SUPPORT	290,700	293,504	2,804	(500)
NET EXPENDITURE	2,837,700	2,635,607	(202,093)	(75,000)
Communities, Health, Well Being, Sport & Leisure				
ENVIRONMENTAL PROTECTION	180,500	158,692	(21,808)	(28,000)
LICENCING,FOOD,HEALTH & SAFETY	559,290	550,765	(8,525)	0
LEISURE & SPORT	5,347,280	5,373,133	25,853	22,220
ACTIVE & HEALTHY PEOPLE	786,455	598,952	(187,503)	(124,370)
ST SIDWELLS POINT	264,520	142,092	(122,428)	0
GRANTS/SOCIAL INCLUSION	903,430	474,351	(429,079)	(291,635)
NET EXPENDITURE	8,041,475	7,297,985	(743,490)	(421,785)
Strategic Housing, City Development, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates, Democratic Services				
HOUSING NEEDS & HOMELESSNESS	1,092,880	1,057,358	(35,522)	(38,300)
SUNDRY LANDS MAINTENANCE	89,980	89,980	0	0
GF HOUSING - PROPERTY	195,340	294,958	99,618	90,000
BUILDING CONTROL	51,180	45,029	(6,151)	(26,000)
PLANNING SERVICES	533,180	199,367	(333,813)	(140,000)
REVENUES, BENEFITS & CUSTOMER ACCESS	1,937,910	2,282,307	344,397	9,270
LIVEABLE EXETER GARDEN CITY	750,000	145,438	(604,562)	0
NET EXPENDITURE	4,650,470	4,114,437	(536,033)	(105,030)
Communications, Tourism & Culture				
CULTURE	414,100	368,532	(45,568)	(48,420)
TOURISM	168,490	156,574	(11,916)	(21,260)
MARKETS & HALLS	(431,730)	(561,575)	(129,845)	(18,410)
MUSEUM SERVICE	2,359,410	1,762,650	(596,760)	0
VISITOR FACILITIES	189,330	231,197	41,867	13,430
COMMUNICATIONS	542,465	534,938	(7,527)	9,070
NET EXPENDITURE	3,242,065	2,492,315	(749,750)	(65,590)
Environment and City Management				
PUBLIC SAFETY	260,190	230,119	(30,071)	5,000
PARKS & GREEN SPACES	2,095,940	1,891,595	(204,345)	0
BEREAVEMENT SERVICES	72,400	72,203	(197)	20,000
AFFORDABLE HOUSING DEVELOPMENT	0	9,816	9,816	9,800
DOMESTIC REFUSE COLLECTION	2,062,340	2,054,012	(8,328)	(23,150)
STREET CLEANING	1,565,960	1,498,087	(67,873)	(50,000)
PUBLIC CONVENIENCES	378,720	363,052	(15,668)	0
CLEANSING CHARGEABLE SERVICES	(316,850)	13,638	330,488	(71,835)
EXTON ROAD OVERHEADS AND FLEET	204,180	279,052	74,872	67,840
RECYCLING	141,970	701,378	559,408	380,585
CORPORATE PROPERTY - ESTATES	(2,722,990)	(3,200,014)	(477,024)	(365,000)
PARKING SERVICES	(6,064,750)	(5,846,393)	218,357	(70,000)
GROWTH & COMMERCIALISATION	419,940	383,457	(36,483)	8,000
ENGINEERING SERVICES	545,890	509,226	(36,664)	25,000
MAJOR PROJECTS	421,190	135,240	(285,950)	0

YEAR END FIGURES				
	APPROVED BUDGET	OUTTURN	VARIANCE	QTR 3 FORECAST VARIANCE
	£	£	£	£
WATERWAYS	352,050	343,712	(8,338)	60,000
CORPORATE PROPERTY - ASSETS	1,110,700	962,240	(148,460)	(38,000)
CORPORATE PROPERTY - ENERGY	118,400	63,352	(55,048)	(59,000)
NET EXPENDITURE	645,280	463,774	(181,506)	(100,760)
Chief Finance Officer				
CORPORATE	(34,120)	(2,196)	31,924	8,530
UNAPPORTIONABLE OVERHEADS	1,515,180	1,587,121	71,941	(23,000)
FINANCIAL SERVICES	568,830	525,258	(43,572)	(19,810)
INTERNAL AUDIT	96,930	95,288	(1,642)	(2,570)
PROCUREMENT	22,730	112,615	89,885	123,230
NET EXPENDITURE	2,169,550	2,318,085	148,535	86,380
City Solicitor				
TRANSPORTATION	0	(27,142)	(27,142)	0
HUMAN RESOURCES	613,060	611,086	(1,974)	(32,790)
LEGAL SERVICES	215,350	384,700	169,350	(24,860)
ELECTIONS & ELECTORAL REG	372,490	343,906	(28,584)	7,430
DEMOCRATIC REPRESENTATION	595,100	584,855	(10,245)	(19,420)
CIVIC CEREMONIALS	270,980	268,598	(2,382)	8,430
CORPORATE SUPPORT	678,590	685,049	6,459	(78,790)
NET EXPENDITURE	2,745,570	2,851,053	105,483	(140,000)

Earmarked Reserves

Account description	Opening Balance £	Transfers In £	Transfers Out £	Closing Balance £
PRINCESSHAY/MAJOR PROJECTS	(19,459)		19,459	0
PARTNERSHIP	(15,017)		15,017	0
CONSERVATION	(2,339)			(2,339)
VEHICLE LICENSING	(64,179)		4,714	(59,465)
S 57 GRANTS	(19,613)			(19,613)
SURE START	(20,000)			(20,000)
BUILDING CONTROL	(74,449)		25,805	(48,644)
LOCAL DEV FRAMEWORK	(36,642)			(36,642)
MALLINSON	(116,672)		9,484	(107,188)
OLD MILL	(5,499)			(5,499)
SHIP	(7,438)			(7,438)
HOUSING ASSESSMENT	(1,245)			(1,245)
Climate Change	(6,709)			(6,709)
DEVON HOME CHOICE	(101,506)		9,383	(92,123)
TRANSFORMATION	(1,271,073)		796,195	(474,878)
Habitat Assessment	(30,533)			(30,533)
Green Travel	(19,023)	(27,142)		(46,165)
AFU Archiving	(15,006)			(15,006)
Countryside Grants	(14,500)			(14,500)
Redundancy reserve	(288,638)		79,459	(209,179)
EBAC	(5,306)			(5,306)
Museum of the Year	(68,437)		30,560	(37,877)
RAMM Legal Costs	(287,803)		231,371	(56,432)
Natura 2000	(116,110)	(37,837)		(153,947)
Neighbourhood Plans	(36,553)		36,553	0
NHB - Ward Projects	(35,732)		32,609	(3,123)
NHB - Local Community Infra	(73,577)			(73,577)
NHB - MI & Unallocated	(66,906)		66,906	0
NHB - Active Exeter	(280,523)		142,092	(138,432)
NNDR Deficit	(560,731)		560,731	0
Capital Fund	(789,938)		289,938	(500,000)
LOCAL WELFARE SUPPORT (T006)	(35,987)		13,460	(22,527)
PINHOE COMMUNITY HUB	(76,320)		22,564	(53,756)
RIVERSIDE DILAPIDATIONS	(279,010)		56,000	(223,010)
2020-21 BUDGET	(400,000)	(1,225,230)		(1,625,230)
IFRS 9	(250,000)			(250,000)
NHB - LOCAL COMMUNITY GRANTS	(400,000)	(189,000)	93,612	(495,388)
LAND CHARGES	(254,465)	(24,578)		(279,043)
BUSINESS RATE PILOT	(902,173)		303,291	(598,882)
PLANNING INCOME	(70,000)	(108,950)		(178,950)
RAMM - NDR REFUND	(1,018,075)	(315,760)		(1,333,835)
GESP	(750,000)		145,438	(604,562)
LEISURE CONTRACT VARIATIONS	(360,000)		360,000	0
COVID19 GRANT	0	(72,737)		(72,737)
RAMM INFRASTRUCTURE RESERVE	0	(251,098)		(251,098)
ECL BUSINESS CASE	0	(300,000)		(300,000)
GOVERNANCE REVIEW	0	(75,000)		(75,000)
	(9,247,185)	(2,627,332)	3,344,641	(8,529,876)

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PROPOSED 2020/21 SUPPLEMENTARY BUDGETS & BUDGET TRANSFERS

Supplementary Budgets

Description	£	Funded by:
Chief Executive & Growth Director		
Agile & Flexible Revenue Expenditure	100,000	Transformation Fund
Communities, Health, Well Being, Sport & Leisure		
St Sidwells Point - Balance of NHB reserve	40,040	NHB
Community and Arts Grant Review	5,000	Neighbourhood CIL
Covid Grants - Expenditure	100,000	Neighbourhood CIL
Covid Grants - Expenditure	100,000	External Contribution
Covid Grants - Income	(100,000)	External Contribution
Community Buildings	(103,000)	Neighbourhood CIL
Small Grants Fund	(100,000)	Neighbourhood CIL
Large Grants Fund	(110,000)	Neighbourhood CIL
Strategic Fund	70,000	Neighbourhood CIL
Strategic Housing, City Development, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates, Democratic Services		
Liveable Exeter Garden City	604,560	Earmarked reserve
Housing Needs & Homelessness - Exenditure funded by Grants	740,480	Self-financing
Housing Needs & Homelessness - Grant Income	(740,480)	Self-financing
CIL Charging Schedule Consultancy	75,000	CIL
Planning Consultancy	104,000	Earmarked Reserve
District Heating Honoraria	6,000	GF Balances
Communications, Tourism & Culture		
Markets & Halls Apprentice	20,730	GF Balances
Environment and City Management		
Bus Station Wider Options	164,260	Business Rates Pilot
Inspection of bridges - £150k approved to be spent over 3 years then £40k pa	75,000	GF Balances
Piazza Terracina works delayed due to Covid19	13,000	GF Balances
Kerbside Recycling Project Manager	14,160	GF Balances
Commercialisation Website	45,480	Transformation Fund
Advanced Certification	6,800	Transformation Fund
Corporate Asset Challenge	60,000	Transformation Fund
Commercial Manager	18,300	Transformation Fund
Commercial Manager	(18,300)	GF Balances
City Solicitor		
Progressive Grades	7,930	GF Balances
Total	1,198,960	
Supplementary Budgets not being proposed for approval at this stage		
RAMM CCTV maintenance	16,800	GF Balances
Clifton Hill Demolition	82,940	GF Balances
Urgent structural works approved to be funded from 2019/20 vehicle sales in Parks and Street Sweeping	25,000	GF Balances
Play equipment budget not spent in 2019/20	152,000	GF Balances
Training	71,730	GF Balances
Total	331,670	
Funded by		
General Fund Balances	118,520	
Earmarked Reserves	1,143,440	
CIL	75,000	
Neighbourhood CIL	(138,000)	
Total	1,198,960	

0

Budget Transfers

Transfer £12,800 Tree Officer budget from Planning Services to Parks & Open Spaces
 Transfer £32,530 Commercial Development Manager budget from Strategic Management to Growth & Commercialisation
 Transfer £4,570 Advanced Certification budget from Strategic Management to Growth & Commercialisation
 Transfer £4,500 Over-Street Banners budget from Visitor Facilities to Communications

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REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Chief Finance Officer

Title: Capital Monitoring 2019/20 and Revised Capital Programme for 2020/21 and Future Years

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise members of the overall financial performance of the Council for the 2019/20 financial year in respect of the annual capital programme.

To seek approval of the 2020/21 revised capital programme, including commitments carried forward from 2019/20.

2. Recommendations:

It is recommended the Executive recommends to Council to approve:

- (i) The overall financial position for the 2019/20 annual capital programme.**
- (ii) The amendments and further funding requests to the Council's annual capital programme for 2020/21.**

3. Reasons for the recommendation:

- 3.1. Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.

Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.

In order to manage the risks associated with capital programming the annual capital programme is updated every three months to reflect any cost variations, slippage or acceleration of projects.

4. What are the resource implications including non financial resources.

4.1. The financial resources required are set out in the body of this report.

5. Section 151 Officer comments:

5.1. Members will note the significant spend in 2019-20 and the significant revised budget for 2020-21. Borrowing was only undertaken against either property expenditure or for the purposes of capital loans. Members will recall that such borrowing was undertaken at historically low rates of interest and that they match either the useful life of the asset or the loan period to which they relate. The Council has converted the financing of shorter dated assets from revenue to capital receipts to protect the General Fund Working Balance.

5.2 The normal capital monitoring reports will inform members of the progress against the revised 2020-21 capital programme, and will highlight any delays or issues caused by the restrictions under which the whole Country is operating.

6. What are the legal aspects?

6.1. The capital expenditure system is framed by the Local Government and Housing Act 1989.

7. Monitoring Officer's comments:

7.1. This report raises no issues for the Monitoring Officer.

8. Report details:

CAPITAL MONITORING 2019/20 AND REVISED CAPITAL PROGRAMME FOR 2020/21 AND FUTURE YEARS

8.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2019/20 Capital Programme was last reported to Executive Committee on 7 April 2020. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Council 21 April 2020	60,004,080	
Budget Deferred to 2020/21 & Beyond at Quarter 3	(18,272,680)	Approved by Council on 21 April 2020
Overspends/(Underspends) reported at Quarter 3	(90,310)	
Revised Capital Programme	41,641,090	

8.2. PERFORMANCE

Capital expenditure in the year amounted to £40,620,961. The actual expenditure during 2019/20 represents 97.6% of the revised Capital Programme, it is proposed to carry forward a total of £1.230 million budget into future years, whereas £0.787 million budget has been brought forward from future years and spent in 2019/20 (giving a net budget carry forward of £0.433 million), as indicated in Appendix 1.

Appendix 2 shows the overall position for those schemes which span more than one financial year.

8.3. CAPITAL FINANCING

The capital expenditure in 2019/20 of £40,620,961 was financed as follows:

	£
Capital Grants & Contributions	2,159,172
Capital Receipts	2,573,648
Community Infrastructure Levy	2,957,205
Revenue Contributions	32,048
Borrowing	32,898,888
TOTAL	40,620,961

8.4. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2019/20 are £12.055 million. Total General Fund capital expenditure is £40.621 million of which £32.899 million will be funded from borrowing, allowing £4.333 million of capital receipts to be carried forward.

Appendix 3 sets out the forecast use of the resources available for the General Fund and the likely amounts of borrowing that will be necessary to fund the capital programme over the next four years.

The value of actual capital receipts received in 2019/20 to date in respect of the General Fund are:

	General Fund £
Balance as at 1 April 2019	5,374,625
New Receipts	1,532,233
Amount used to finance capital expenditure in 2019/20	(2,573,648)
Balance as at 31 March 2020	4,333,210

8.5. EXPENDITURE VARIANCES

The main (greater than +/- £30k) variances and issues concerning expenditure that have arisen since 31 December are as follows:

Scheme	Estimated Overspend / (Underspend) £
Alphington Community Association Loan	(50,000)
Wessex Loan Scheme	(90,507)
<p>Officers Responsible: Director Communities, Health, Well Being, Sport & Leisure</p> <p>The new grants programme enabled Alphington Community Association to receive a Strategic grant and therefore the loan was not required.</p> <p>Wessex Home Improvement Loans have now made loans from all but £18,230 of the original sum paid to them, the loan repayments they receive are recycled to enable further loans to be made. The original budget was £90k higher than necessary so can now be shown as a saving.</p>	
Vehicle Replacement Programme	(367,774)
Civic Centre Air Conditioning Replacement	(125,000)
Livestock Market Drainage & Toilets	125,000
Capitalised Staff Costs	(100,000)
<p>Officers Responsible: Director Environment and City Management</p> <p>The Vehicle Replacement Programme budget was only required to purchase one vehicle in 2019/20 before the new lease agreement commenced.</p> <p>It is proposed to utilise the budget allocated for the Civic Centre Air Conditioning replacement to fund additional expenditure required at the Livestock Centre due to the increase in value of tender returns. These works will be carried out in 2020/21.</p> <p>No directly attributable staff costs were incurred this year.</p>	

8.6. SCHEMES TO BE DEFERRED TO 2020/21 AND BEYOND

Schemes which have been identified since 31 December as being wholly or partly deferred to 2020/21 and beyond are:

Scheme	Budget to be Deferred £
Customer Contact Platform	162,840
<p>Officers Responsible: Chief Executive & Growth Director</p> <p>Officers are currently planning works to be undertaken in 2020/21.</p>	
Leisure Centre Essential Enhancements	54,918
Riverside Leisure Centre	(82,452)
Leisure Complex - Build Project	(330,969)
Bus Station Construction	(215,029)
Pinhoe Community Hub	53,756
Agile & Flexible Rollout	105,303
Disabled Facility Grants	44,960
Warm Up Exeter/PLEA Scheme	53,048
<p>Officers Responsible: Director Communities, Health, Well Being, Sport & Leisure</p> <p>Works from the approved Leisure Centre Essential Enhancements schemes continue to be delivered.</p> <p>The Leisure Complex and Bus Station Construction budgets have been re-profiled in-line with anticipated expenditure.</p> <p>Pinhoe Community Club have plans to spend the remaining budget in 2020/21.</p> <p>There are plans to spend remaining Agile & Flexible budget in 2020/21.</p> <p>The residual Disabled Facility Grant and Warm Up budgets will be carried forward and added to the new funding to be spent in 2020/21.</p>	
Mary Arches Footbridge	240,000
Car Park Resurfacing, Lining & Boundary Improvements	140,717
Waste Infrastructure	64,500
<p>Officer Responsible: Director Environment and City Management</p> <p>Before capital works could commence on the Mary Arches Footbridge additional consultants reports were required to understand potential options, costs and programmes, to reduce risks going forward and to aid decision making. This report</p>	

was delivered in April 2020 so the budget can now be spent in 2020/21.

A review of costs on the car park resurfacing scheme led to change in specification and subsequent procurement delay. Works now procured and programmed to start in May 2020.

The waste infrastructure budget will be used to provide recycling bins at the Quay in 2020/21.

8.7. CAPITAL PROGRAMME 2020/21 (Appendix 4)

The revised Capital Programme for 2020/21, after taking into account the carried forward requirements from 2019/20 now totals £62,275,310.

Description	£	Approval/Funding
2020/21 Capital Programme, as reported to Council 25 February 2020	26,786,260	
Budget Deferred to 2020/21 at Quarter 3	18,272,680	Approved by Council on 21 April 2020
Budget Deferred to 2020/21 at Quarter 4	369,100	
Loan to Exeter City Living	15,641,560	
Northbrook Flood Alleviation	100,000	Approved by Council 21 January 2020
Bowling Green Marshes Coastal Defence Scheme	151,100	
Topsham Flood Defence Scheme	800,000	
Harbour Patrol Vessel	25,000	Contributions from East Devon District Council & Exmouth Town Council Approved by Council 21 April 2020
Disabled Facility Grants and Warm-Up Grants	81,460	To reflect Better Care Fund allocation
Energy Saving Projects	48,150	ERDF Grant Funding
Revised 2020/21 Capital Programme	62,275,310	

8.8. FURTHER FUNIDNG REQUESTS

Pinhoe Station Road Playing Field Upgrades (£250,000)

Pinhoe Station Road Playing Field is the only significant area of public green space in the Pinhoe and Monkerton Area, an area which is currently seeing a lot of new development. This new development is expected to increase the demand on the sport pitches and outdoor facilities at Pinhoe Station Road, for which there is currently an under-provision and the existing facilities (BMX pump track and sports pitches) are in a poor condition which significantly limits their use. The new developments at Hill Barton and Monkerton have brought with them substantial Section 106 contributions towards outdoor leisure and provision and improvement of playing fields which serve these developments, of which Pinhoe is the primary site.

We therefore want to use some of this to improve the facilities at Pinhoe Station Road, namely:

Football Pitches Upgrade - funding to carry out a full upgrade of both the full-size and junior-size football pitches, which will increase the playing area of the full-size pitch to an FA standard adult 11x11 pitch and increase the junior pitch to the FA standard 9x9 Under 12s pitch. The works will include regrading of the pitches and improving the soil, and a substantial improvement to the pitch drainage, so that the pitches should be available for use most weekends of the year. The total cost for this element of works is estimated at approximately £200k

Skate Ramp & BMX jumps – To facilitate the new play area at the site, an existing skate ramp was dismantled and is stored in the Belle Isle Depot for re-use. This skate ramp was a popular facility, even given its small size, so we plan to reinstate the ramp at the eastern end of the playing field. The ramp will be widened to allow it to be better used and to improve safety for users. Additionally, the existing BMX jumps on the site have been allowed to degrade and become significantly overgrown, meaning that they are now unusable and offer just an unsightly mound in the park. We plan to level the existing ramps, and create a new pump track similar to the one recently built in Heavitree Park. The total cost for this element of works is estimated at approximately £50k

A capital budget of £250k is requested, with funds coming entirely from S106. Please note this budget is an estimate and expected costs will not be confirmed until the procurement process has been completed.

9. How does the decision contribute to the Council's Corporate Plan?

The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.

10. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

11. Equality Act 2010 (The Act)

11.1. Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;

- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2. In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3. In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4. In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1. The impact of each scheme is considered prior to approval. Any significant deviation from this will be noted within the body of this report.

12. Carbon Footprint (Environmental) Implications:

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

13. Are there any other options?

There are no other options.

DAVE HODGSON
Chief Finance Officer

Author:
Kayleigh Searle

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275

2019/20 CAPITAL MONITORING TO 31 MARCH 2020

Responsible Officer	Scheme	2019/20 Capital Programme	2019/20 Spend	2019/20 Budget to be Carried Forward to 2020/21 and Beyond	2019/20 Programme Variances (Under)/Over
		£	£	£	£
Chief Executive & Growth Director					
	Customer Contact Platform	164,940	2,100	162,840	
	Annual Contribution to Strata	53,900	53,904		4
	HR System	16,540	7,855	8,685	
	Cabinet & Network Replacement	53,090	62,255		9,165
	Legal Case Management	12,420	16,451	(4,031)	
Chief Executive & Growth Director	Cash and Income Management	22,200	22,205		5
	Oracle Weblogic	12,000	7,512	4,488	
	Car Parks	3,600	3,594		(6)
	GIS Systems	1,800	941	859	
	Service Desk	1,800	1,797		(3)
	Cemeteries	4,630	1,039	3,591	
	Financial Management	0	91	(91)	
TOTAL		346,920	179,743	176,342	9,165
Communities, Health, Well Being, Sport & Leisure					
	Leisure Centre Essential Enhancements	200,000	145,082	54,918	
	Riverside Leisure Centre	2,447,710	2,530,162	(82,452)	
	Leisure Complex - Build Project	9,227,200	9,558,169	(330,969)	
Director	Bus Station Construction	2,554,000	2,769,029	(215,029)	
	Pinhoe Community Hub	76,320	22,564	53,756	
	Agile & Flexible Rollout	600,000	523,568	105,303	28,871
	Alphington Community Association Loan	50,000	0		(50,000)
	Newtown Community Association - Belmont Park Community Building	50,000	50,000		
Environmental Health & Licensing Manager	Disabled Facility Grants	508,850	463,890	44,960	
	Warm Up Exeter/PLEA Scheme	612,950	559,902	53,048	
	Wessex Loan Scheme	215,870	107,133	18,230	(90,507)
	Agile & Flexible Working Pilot	124,900	124,900		
TOTAL		16,667,800	16,854,399	(298,235)	(111,636)

Responsible Officer	Scheme	2019/20 Capital Programme £	2019/20 Spend £	2019/20 Budget to be Carried Forward to 2020/21 and Beyond £	2019/20 Programme Variances (Under)/Over £
Environment and City Management					
Fleet Manager	Vehicle Replacement Programme	400,000	32,226		(367,774)
Service Manager Public & Green Space	Belle Isle Temporary Facilities	30,320	30,791		471
	Mechanisation of Street Scene	106,510	106,508		(2)
	Parks Infrastructure	151,810	147,246	4,564	
	Cemeteries & Churchyards Infrastructure Improvements	19,120	19,118		(2)
City Surveyor	Passenger Lift at RAMM	65,000	38,543	26,457	
	RAMM Roof Access Improvement	32,470	29,124	3,346	
	Guildhall Fire Alarms	30	24		(6)
	Energy Saving Projects	207,000	235,112	(28,112)	
	Matford Centre Fire Alarm Replacement	9,870	97		(9,773)
	Civic Centre Air Conditioning Replacement	0	0	(125,000)	(125,000)
	Civic Centre Kitchens Replacement	1,000	170	830	
	Livestock Market Drainage & Toilets	1,000	450	125,550	125,000
Commercial Operations Manager, Public Realm	Fire Risk Assessment Works	30,000	31,813	(1,813)	
	Outdoor Leisure Facilities	113,450	107,711	5,739	
	Belmont Park Enhanced Facilities	50,000	46,154		(3,846)
	Kings Arms Bridge	300,150	311,105		10,955
	Exeter Flood Alleviation Scheme	30,000	750	29,250	
	Replacement of Mallison Bridge (Exeter Quay)	15,000	9,484	5,516	
Service Manager, Community Safety & Enforcement	Mary Arches Footbridge	240,000	0	240,000	
	Car Park Resurfacing, Lining & Boundary Improvements	180,840	40,123	140,717	
	Improved Car Park Security Measures at King William Street & Arena Park	22,000	0	22,000	
	Repair to Walls at Farm Hill	30,000	0	30,000	
Cleansing & Fleet Manager	Bank Repairs & Stabilisation to Watercourses	15,010	15,202		192
	Waste Infrastructure	64,500	0	64,500	
	MRF CCTV & Alarm	14,950	14,946		(4)
Miscellaneous	Capitalised Staff Costs	100,000	0		(100,000)
TOTAL		2,230,030	1,216,696	543,545	(469,789)

Responsible Officer	Scheme	2019/20 Capital Programme £	2019/20 Spend £	2019/20 Budget to be Carried Forward to 2020/21 and Beyond £	2019/20 Programme Variances (Under)/Over £
Strategic Housing, Planning, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates					
System Lead, Housing Needs & Homelessness	Temporary Accommodation Purchase	89,200	88,598		(602)
Corporate Manager, Democratic & Civic Support	Replacement Audio & Visual Equipment at the Civic Centre and Guildhall	39,090	39,093		3
TOTAL		128,290	127,691	0	(599)
Communications, Tourism & Culture					
Director	Council Signage Improvement	910	910	0	(0)
RAMM, Operational Services Lead	RAMM World Culture Galleries	9,230	4,244		(4,986)
TOTAL		10,140	5,154	0	(4,986)
Chief Finance Officer					
Chief Finance Officer	Loan to Exeter City Living	7,150,000	7,150,000	0	0
	Purchase of Commercial Property	15,107,910	15,087,278	20,632	
TOTAL		22,257,910	22,237,278	20,632	0
GENERAL FUND SERVICES TOTAL		41,641,090	40,620,961	442,284	(577,845)

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CAPITAL SCHEMES SPANNING MORE THAN ONE FINANCIAL YEAR

Responsible Officer	Scheme	Total Capital Budget	Total Spend to Date	2019/20 Programme Variances (Under)/Over
		£	£	£
Communities, Health, Well Being, Sport & Leisure				
Director	Leisure Centre Essential Enhancements	1,266,480	269,964	0
	Riverside Leisure Centre	6,127,100	2,809,551	0
	Leisure Complex - Build Project	41,591,750	16,755,139	0
	Bus Station Construction	8,458,300	4,363,648	0
	Pinhoe Community Hub	100,000	46,244	0
	Newtown Community Association - Belmont Park Community Building	250,000	250,000	0
	Air Quality Monitoring Equipment	54,370	54,372	0
TOTAL		57,848,000	24,548,917	0
Environment and City Management				
Interim Public & Green Space Manager	Belle Isle Temporary Facilities	245,137	245,609	471
	Mechanisation of Street Scene	120,178	120,183	(2)
	Parks Infrastructure	500,000	235,434	0
	Cemeteries & Churchyards Infrastructure Improvements	180,000	45,205	(2)
City Surveyor	Passenger Lift at RAMM	203,220	41,763	0
	St Nicholas Priory	94,840	94,832	0
	RAMM Roof Access Improvement	68,500	50,146	0
	Guildhall Fire Alarms	39,020	39,017	(6)
	Matford Centre Fire Alarm Replacement	50,000	40,222	(9,773)
	Livestock Market Drainage & Toilets	200,000	5,070	125,000
Commercial Operations Manager, Public Realm	Repair Canal Bank at M5	64,520	37,631	0
	Car Park Surfacing - Haven Road	1,510	1,511	0
	Kings Arms Bridge	410,000	420,960	10,955
	Replacement of Mallison Bridge (Exeter Quay)	350,000	26,890	0
Service Manager, Community Safety & Enforcement	Repairs to Turf Lock Pier Head	75,000	1,500	0
TOTAL		2,601,925	1,405,973	126,643
Strategic Housing, Planning, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates				
System Lead, Housing Needs & Homelessness	Temporary Accommodation Purchase	584,950	584,350	(602)
Corporate Manager, Democratic & Civic Support	Replacement Audio & Visual Equipment at the Civic Centre and Guildhall	66,090	66,090	3
TOTAL		651,040	650,440	(599)
Communications, Tourism & Culture				
RAMM, Operational Services Lead	RAMM World Culture Galleries	358,740	353,753	(4,986)
TOTAL		358,740	353,753	(4,986)
GENERAL FUND SERVICES TOTAL		61,459,705	26,959,084	121,058

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GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2019-20 £	2020-21 £	2021-22 £	2022-23 £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Capital Receipts Brought Forward	5,374,625				5,374,625
GF Capital Receipts	1,532,233	0	0	0	1,532,233
GF Ring-fenced Capital Receipts	0	0	0	0	0
Revenue Contributions to Capital Outlay	9,484	107,188	697,900	103,900	918,472
Disabled Facility Grant	1,023,791	956,531	720,000	720,000	3,420,322
New Homes Bonus	22,564	68,403	0	0	90,967
Community Infrastructure Levy	2,957,205	0	0	0	2,957,205
Other - Grants/External Funding/Reserves/S106	1,135,380	857,882	160,000	160,000	2,313,262
Total Resources Available	12,055,282	1,990,004	1,577,900	983,900	16,607,086
GENERAL FUND CAPITAL PROGRAMME					
Capital Programme	41,641,090	46,264,651	4,836,900	983,900	93,726,541
Overspends/(Savings)	(577,845)				(577,845)
Slippage	(442,284)	369,104	73,180		0
Total General Fund	40,620,961	46,633,755	4,910,080	983,900	93,148,696

UNCOMMITTED CAPITAL RESOURCES:					
Capital Receipts Brought Forward	5,374,625	4,333,210	0	0	5,374,625
Resources in Year	6,680,657	1,990,004	1,577,900	983,900	11,232,461
Less Capital Receipts to carry forward	(4,333,210)	0	0	0	0
Less Spend in Year	(40,620,961)	(46,633,755)	(4,910,080)	(983,900)	(93,148,696)
Borrowing Requirement	32,898,889	40,310,541	3,332,180	0	76,541,610

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BUDGETS CARRIED FORWARD TO 2020/21 AND BEYOND

		2020/21 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2020/21 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2020/21 and Beyond at Qtr 4	Budget Reprofiled to Future Years	Total 2020/21 Capital Programme	2021/22 Budget as per Budget Book/Council Approvals
		£	£	£	£	£	£
Chief Executive & Growth Director							
	Customer Contact Platform	0	0	162,840		162,840	
	Annual Contribution to Strata	53,900	0	0		53,900	53,900
	Idox System for Planning	90,010	10,490	0		100,500	
	HR System		0	8,685		8,685	
	DR VDI Infrastructure		53,900	0		53,900	
	Street Scene and Other Asset Management	88,900	35,940	0		124,840	
	Legal Case Management		11,940	(4,031)		7,909	
Chief Executive & Growth Director	Cash and Income Management	0	36,350	0		36,350	
	Oracle Weblogic	0	0	4,488		4,488	
	GIS Systems	0	0	859		859	
	Land Charges	5,390	0	0		5,390	
	Cemeteries	6,150	0	3,591		9,741	
	Financial Management	172,150	201,230	(91)		373,289	
	Idox Environmental Health	0	17,250	0		17,250	
	Finance System Upgrades	35,000	0	0		35,000	
	Idox System Upgrades	15,000	0	0		15,000	
TOTAL		466,500	367,100	176,342	0	1,009,942	53,900
Communities, Health, Well Being, Sport & Leisure							
	Leisure Centre Essential Enhancements	1,041,600	(100,000)	54,918		996,518	
	Riverside Leisure Centre	0	3,400,000	(82,452)		3,317,548	
Director	Leisure Complex - Build Project	18,366,210	6,787,370	(330,969)	(98,180)	24,724,431	112,180
	Bus Station Construction	3,119,030	1,165,650	(215,029)	25,000	4,094,651	
	Pinhoe Community Hub	0	0	53,756		53,756	
	Agile & Flexible Rollout		0	105,303		105,303	
Environmental Health & Licensing Manager	Disabled Facility Grants	455,040	0	44,960		500,000	720,000
	Warm Up Exeter/PLEA Scheme	346,421	0	53,048		399,469	
	Wessex Loan Scheme	0	0	18,230		18,230	
TOTAL		23,328,301	11,253,020	(298,235)	(73,180)	34,209,906	832,180

BUDGETS CARRIED FORWARD TO 2020/21 AND BEYOND

		2020/21 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2020/21 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2020/21 and Beyond at Qtr 4	Budget Reprofiled to Future Years	Total 2020/21 Capital Programme	2021/22 Budget as per Budget Book/Council Approvals
		£	£	£	£	£	£
Environment and City Management							
Service Manager Public & Green Space	Parks Infrastructure	100,000	160,000	4,564		264,564	0
	Cemeteries & Churchyards Infrastructure Improvements	20,000	94,790	0		114,790	20,000
	Passenger Lift at RAMM	0	135,000	26,457		161,457	0
	RAMM Roof Access Improvement	0	15,000	3,346		18,346	0
	Energy Saving Projects	1,993,530	0	(28,112)		1,965,418	0
	Building Management System (BMS)	0	80,000	0		80,000	0
	Civic Centre Air Conditioning Replacement	0	150,000	(125,000)		25,000	0
	Civic Centre Kitchens Replacement	0	89,000	830		89,830	0
	Livestock Market Drainage & Toilets	0	194,380	125,550		319,930	0
	Fire Risk Assessment Works	0	620,000	(1,813)		618,187	0
	Beacon Heath Martial Arts & Boxing Club - New Roof	0	14,650	0		14,650	0
	Outdoor Leisure Facilities	115,350	0	5,739		121,089	0
	Repair Canal Bank at M5	26,890	0	0		26,890	0
	Northbrook Flood Alleviation	100,000	0	0		100,000	0
	City Wide Property Level Protection	0	46,660	0		46,660	0
	Bowling Green Marshes Coastal Defence Scheme	151,100	28,900	0		180,000	160,000
	Exeter Flood Alleviation Scheme	0	0	29,250		29,250	0
	Replacement of Mallison Bridge (Exeter Quay)	317,600	0	5,516		323,116	0
	Mary Arches Footbridge	0	0	240,000		240,000	0
	Topsham Flood Prevention Scheme	800,000	0	0		800,000	0
Service Manager, Community Safety & Enforcement	Car Park Resurfacing, Lining & Boundary Improvements	0	20,000	140,717		160,717	0
	Purchase of Harbour Patrol Vessel for Exe Estuary	45,000	30,000	0		75,000	0
	Improved Car Park Security Measures at King William Street & Arena Park	0	23,000	22,000		45,000	0
	Repairs to Turf Lock Pier Head	73,500	0	0		73,500	0
	Repairs to Salmonpool Bridge	25,000	20,000	0		45,000	0
	Repair to Walls at Farm Hill	60,000	0	30,000		90,000	0
	Bank Repairs & Stabilisation to Watercourses	20,000	0	0		20,000	0
Cleansing & Fleet Manager	Waste Infrastructure	259,200	0	64,500		323,700	144,000
	Improved recycling containers	0	0	0		0	2,150,000
	Enhance the Materials Reclamations Facility	0	0	0		0	1,500,000
Miscellaneous	Capitalised Staff Costs	50,000	0	0		50,000	50,000
TOTAL		4,157,170	1,721,380	543,545	0	6,422,095	4,024,000
Communications, Tourism & Culture							
Director	Council Signage Improvement	40,000	39,090	0	0	79,090	0
TOTAL		40,000	39,090	0	0	79,090	0
Chief Finance Officer							
Chief Finance Officer	Purchase of Commercial Property	0	4,892,090	20,632		4,912,722	
TOTAL		0	4,892,090	20,632	0	4,912,722	0
GENERAL FUND SERVICES TOTAL		27,991,971	18,272,680	442,284	(73,180)	46,633,755	4,910,080

REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Chief Finance Officer

Title: 2019/20 HRA Budget Monitoring Report - Outturn

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2020 in respect of the Housing Revenue Account and the Council's new build schemes.

An outturn update in respect of the HRA Capital Programme is also incorporated into this report in order to help provide a comprehensive financial update in respect of the Housing Revenue Account.

2. Recommendations:

2.1. It is recommended the Executive note the report and Council notes and approves (where applicable):

- The supplementary budgets of £657,040 as detailed in paragraph 8.4;
- The HRA financial position for 2019/20 financial year; and
- The revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 4

3. Reasons for the recommendation:

3.1. To formally note the HRA's projected financial position and to approve the reported variations to the HRA Capital Programme.

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep a HRA in accordance with proper accounting practices and to review the account throughout the year. Members are presented with a quarterly financial update in respect of the HRA and this is the final update for 2019-20.

4. What are the resource implications including non-financial resources

- 4.1. The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2019/20 are set out in the body of this report.

The impact on the HRA's available financial resources are set out in Appendix 3.

5. Section 151 Officer comments:

- 5.1. The Outturn position is broadly in line with previous budget monitoring reports. Members should note however that the healthy Working Balance is expected to be used over the life of the medium term financial plan to deliver key capital projects. The HRA, like the General Fund is affected by the Covid-19 restrictions and this report should be read in the context of the emergency budget, which cover the Housing Revenue Accounts alongside the General Fund.

- 5.2. Members should also note the significant Supplementary budgets being requested. These are affordable within the HRA's MTFP.

6. What are the legal aspects?

- 6.1. The Housing Revenue Account is framed by the Local Government and Housing Act 1989. This Act created the ring-fence and the structure within which the HRA operates and covers the detailed operation of the HRA, including the credits (income) and debits (expenditure) which make up the account.

7. Monitoring Officer Comments:

- 7.1. This report raises no issues for the Monitoring Officer.

8. Report Details:

HRA FINAL ACCOUNTS TO 31 MARCH 2020

8.1. Background to the HRA

The Housing Revenue Account (HRA) records expenditure and income relating to council dwellings and the provision of services to tenants. Housing authorities have a statutory duty to maintain a HRA account, which is primarily a landlord account, in order to account to their tenants for income and expenditure on council housing separately from other functions and services of the Council.

8.2. Projected Surplus/Deficit

The 2019-20 financial year has ended with an overall net surplus of £214,120. This represents a movement of £1.550m compared to the budgeted deficit of £1.336m for 2019-20 with, most notably, £1.301m relating to a reduction in the repairs and maintenance programme, large due to delays in the various programmes.

A projected under-spend of £1.193m has previously been reported to Executive Committee as part of the quarterly budget monitoring updates. The variances in the final quarter of the financial year have therefore resulted in further savings of £0.358m. The reasons for this and the main deviations from budget for the financial year are set out below. Please also refer to Appendix 1.

Budget Heading	Forecast Outturn Budget Variance at Quarter 3 (Under)/Overspend	Actual Budget Variance (Under)/Overspend
Approved Budgeted Deficit/ (Surplus)		£1,336,415
Management Costs	(£172,000)	(£148,300)
<p>Officers Responsible: Service Lead – Housing Tenancy Services & Service Lead – Housing Assets</p> <ul style="list-style-type: none"> • (£52k) Savings in employee costs, predominantly due to vacant Older Person Property Services officers' post during the year, this is a service charge item and will be reflected in the service charge next year. • (£49k) Saving made in respect of general management consultancy costs, in order to offset the additional cost of consultants appointed to undertake asset management procurement options, with regards to the reactive repairs contract. • (£29k) Saving made in publications and leaflets due to delay in the tenants' handbook publication. • (£20k) Savings in policy and communications in respect of the Insights publications, as a result of efficiencies from a new provider. • (£15k) Saving to be made in respect of tenant liaison, this will be required in 2020/21. Spend of c.£12,000 on resident involvement projects did not happen in 2019-20, in part due to COVID-19 and our ability to fully assess value for money or social value on these. • (£18k) Savings in respect of City Development team recharge due to vacant post that is historically charged 50% to HRA (currently being reviewed). • £29k overspend on internal procurement recharges, the internal procurement team have been helping the HRA throughout the year with the procurement of several large contracts, including asset management (reactive repairs), kitchens and bathrooms and pitched roofing. • £6k Amalgamation of various minor forecast (under)/overspends. 		
Housing Customers	(£18,150)	(£31,508)

Officer Responsible:**Service Lead – Housing Tenancy Services**

- (£27k) Savings in employee costs, predominantly due to vacant posts within the Lettings and Leasehold team.
- £7k Overspend on valuation survey fees as a result of more valuations undertaken in the year.
- £18k Overspend on legal services. The additional costs are in relation to two legal cases which required a significant input from the legal team and barristers' advice.
- (£30k) Amalgamation of various minor forecast (under)/overspends.

Sundry Land Maintenance**(£186,200)****(£189,837)****Officer Responsible:****Service Lead – Housing Tenancy Services &****Service Lead – Housing Assets**

- A dedicated Tree Officer for Housing has been appointed and started in November. Officers within Public Realm oversee the delivery of works to HRA trees and the works identified by the surveys are currently being prioritised. It is anticipated that slippage will occur in respect of works to HRA trees, whilst the programme of works are programmed and access issues resolved.

Ash Dieback disease has taken slightly longer to take hold in Exeter when compared with the surrounding area, but when it does there will be a rise in tree management costs, for this reason a supplementary budget will be requested to carry forward £66k of the budget into 2020-21.

Repair & Maintenance Programme**(£964,240)****(£1,300,676)****Officer Responsible: Service Lead – Housing Assets**

- (£475k) Saving - Originally budgeted £475k for site clearance and demolition costs in order to facilitate new build development sites. Following the decision for the HRA development programme to progress the former ECL sites, the anticipated site clearance and enabling costs will be required at a later stage and demolition costs will be incorporated in the capital budget.
- (£752k) Underspend in respect of the low maintenance and painting programme. The cyclical decorations budget for 2019/20 was originally set at £1.25m. There was a £400k underspend from 2018/19 that was carried over increasing the overall budget to £1.75m. The final outturn of spend against the cyclical decorations was £861k – we did have work on programme to just over £1m but a number of significant operational delays adversely affected the outturn position. Some of the delays experienced during 2019/20 resulted from a delay to an Agreement with the Rail Operator to work adjacent to their boundary on a scheme to deliver cyclical decoration and window/door installation, and delays for a £400k programme at Flowerpot Lane due to the requirement to undertake bat

conservation investigations before work could commence. We only had a small window of opportunity to undertake the bat investigations between Feb-Mar, which pushed the programme for this project back to the end of the financial year. We are currently about a quarter of the way through at this location now.

- (£297k) Saving in respect of routine service and maintenance contracts, which predominantly relates to savings in the gas servicing contract following the appointment of a new contractor.
- £345k overspend in respect of general reactive repairs due to the volume of repairs requested during the year and a period of full, whole property asbestos renovation and demolition surveys which drove costs up substantially. The whole property surveys have helped us plan asbestos works more productively and safely for the future and these larger surveys are not require any further ensuring budget pressures will be minimised. Equally, the new response repairs contract will assist in budget planning as we will deliver repairs and void work on a price per property and price per void – enabling greater control of this area of budget expenditure.
- £157k overspend on void repairs. Some properties that became void in the year required significant repairs before they could be re-let. Also more invasive asbestos works were carried out on void properties during the year which increased costs in this area.
- (£97k) underspend on Asbestos surveys and removal was a direct consequence of the reduced delivery of capital works. Some costs of asbestos removal was captured in general reactive repairs and voids, as identified above.
- (£182k) Amalgamation of various minor forecast under and over spends. Director has confirmed that noting to note

Revenue Contribution to Capital	(£nil)	(£nil)
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Officer Responsible: Service Lead – Housing Assets

- The amount of revenue monies required towards financing the HRA Capital Programme in 2019-20 was in line with budget.

Capital Charges	£329,000	£289,336
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Officer Responsible: not applicable (statutory accounting charge)

- Depreciation charges are higher than budgeted due to a change in the assumed life expectancy of kitchens, from 30 years to 20 years, in line with Asset Management Plans.

Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for future capital works or to repay debt.

Housing Assets	(£57,000)	(£51,181)
<p>Officer Responsible: Service Lead – Housing Assets</p> <ul style="list-style-type: none"> £75k overspend predominantly relates to consultancy advice in respect of asset management procurement options, including the general maintenance and void maintenance contract arrangements. £45k of the additional cost has been offset by savings within the HRA's General Management consultancy budget, as reported above. £92k overspend in respect of additional agency staff costs covering vacant posts. Recruitment to the proposed restructure of Housing Assets, as presented to Executive on 10 September 2019 has been delayed due to the current COVID-19 situation. (£241k) Consultancy fees saving - Production of an Employers Requirements document by ECL for the HRA to standardise new build developments and work by ECL to investigate the feasibility of adding additional floors to some of the Council's blocks of flats has been delayed until 2020/21. <p>With the HRA development programme commencing with sites that were originally to be developed by ECL, the requirement for site investigation work was already completed. As such, site investigation work will be required for the second phase of the development activity during 2020 and following years.</p> <ul style="list-style-type: none"> £23k Amalgamation of various minor under/overspends. 		
Rents	£nil	£15,824
<p>Officer Responsible: Service Lead – Housing Tenancy Services & Service Lead Revenues, Benefits and Customer Access</p> <ul style="list-style-type: none"> Rents collected in 2019-20 was largely in line with budget. 		
Interest	(£124,000)	(£134,194)
<p>Officer Responsible: Service Lead – Housing Tenancy Services & Service Lead – Housing Assets</p> <ul style="list-style-type: none"> Reflects additional interest receivable on HRA balances (Working Balance, Major Repairs Reserve and capital receipts). Underspends in both revenue and capital budgets are expected to result in higher than anticipated HRA balances. 		
Total budget (underspend)/overspend	(£1,192,590)	(£1,550,535)
2019/20 HRA Deficit/ (Surplus)		(£214,120)

8.3. Impact on HRA Working Balance

The total budget variances for 2019-20 have resulted in a surplus of £214,120, which will be transferred to the HRA working balance, as set out below.

The HRA Working Balance represents amounts set aside to help facilitate service improvements, repay debt or to provide investment in the stock in future financial years.

The forecast balance, as at 31 March 2020, is set out below:

Movement	2019/20
Opening HRA Working Balance, as at 1 April 2019	£10,025,355
Surplus for 2019/20	£214,120
Balance resolved to be retained (HRA contingency)	(£4,000,000)
Balance Available, as at 31 March 2020	£6,239,475

8.4. Supplementary Budgets

There is a requirement for supplementary budgets in 2020/21 as the HRA has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year.

It is therefore proposed that supplementary budgets totalling £657,040 identified in Appendix 2 are submitted to Executive for approval and added to the 2020/21 budget.

As part of the exercise to mitigate the anticipated negative impact of COVID-19 on 2020-21 HRA income, £508k of these supplementary budgets have been offered as savings. The impact of this and the risk to service delivery has been assessed by the Director on an individual basis.

8.5. Major Repairs Reserve

Under self-financing Councils are expected to set aside some of their income each year into the Major Repairs Reserve, in order to ensure appropriate provision is made towards financing future capital works or to repay debt. The balance held in the reserve at the end of the financial year is set out below:

Movement	2019/20
Opening Major Repairs Reserve, as at 1 April 2019	£14,255,232
Revenue monies set aside during 2019/20	£3,513,546
Amount used to finance capital expenditure during 2019/20	(£5,936,947)

Balance, as at 31 March 2020	£11,831,831
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8.6. HRA Debt

In October 2018 the Government formally removed the HRA debt cap, which restricted the amount of borrowing stock-holding local authorities could have for the purposes of the HRA. The lifting of the 'debt cap' means that local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

Executive on 8 October 2019 approved the first Council House Building Programme, which will deliver 100 new homes into the HRA at a cost of £18 million. It is expected that these schemes will be funded using the new freedoms to borrow in conjunction with potential grant from Homes England and retained Right to Buy receipts, which will be determined on a site by site basis.

As at 31 March 2020, the HRA's borrowing remained at the former 'debt cap' level of £57,882,413, as no new borrowing was undertaken before the year end.

At Spring Budget 2020, the Government announced a new, discounted rate of PWLB lending to support social housing, which enables the Council to borrow at 1% below the rate at which the local authority would usually borrow from the PWLB, specifically for social housing projects.

On 5 April 2020, the Council took out a loan of £15.4 million from the PWLB to support the social housing programme and therefore took advantage of the discounted rate.

8.7. HRA Capital Programme

The 2019-20 HRA Capital Programme was last reported to Executive on 7 April 2020. Since that meeting the following changes have been made that have increased the programme.

Description	2019/20	Approval / Funding
HRA Capital Programme	£21,332,295	
Budgets deferred to future financial years at Quarter 3	(£4,399,605)	Council 21 April 2020
Underspend declared at Quarter 3	(£4,467)	Council 21 April 2020
Revised HRA Capital Programme	£16,928,223	

8.8. Performance

HRA Capital expenditure in the year amounted to £15,733,441, which equates to 93% of the revised approved capital programme (as set out above). The nature of capital investment in the financial year comprised:

HRA Capital Expenditure	£
Capital investment in existing stock	7,218,045
Capital investment in the provision of new council homes	8,515,396
Total HRA Capital Expenditure	15,733,441

A detailed list of HRA capital budgets and actual expenditure is set out in Appendix 4.

It is proposed to carry forward a total of £1.714 million budget into future years, whereas £0.420 million budget has been brought forward from future years and spent in 2019/20 (giving a net budget carry forward of £1.294 million), as indicated in Appendix 4.

8.9. HRA Capital Financing

The total HRA capital expenditure for 2019-20 will be financed as follows:

HRA Capital Finance	£
Major Repairs Reserve	5,936,947
Revenue Contribution to Capital	2,500,000
Capital Receipts	4,956,630
External Grants/Contributions	2,339,864
Total HRA Capital Financing	15,733,441

External Grants/Contributions are made up of; £1,404k commuted sums, £391k Estate Regeneration grant, £329k leaseholder contributions and £216k zero energy grant funding.

The impact on the capital resources available to the HRA over the next 3 years is set out in Appendix 3.

8.10. Capital Budget Variances

The details of key (greater than +/- £30k) variances from budget are set out below. The Service Lead – Housing Assets will be able to provide further details in respect of these areas, if required.

Scheme	Forecast Overspend / (Underspend)
Adaptions	£42,730
Officer Responsible – Planned Works Lead	
The works required under this budget is very reactive and during 2019/20 a number of larger adaptations were required, including two property extensions.	

Communal Area Improvements	(£53,788)
<p>Officer Responsible – Planned Works Lead</p> <p>There has been delays in this programme during the year due to programme identification and contractors only started part-way through year. It has been determined that there is scope in the 2020/21 budget to absorb the costs of any delays therefore £53,788 is reported as a saving in 2019/20.</p>	
ZEBCat	£121,349
<p>Officer Responsible – Planned Works Lead</p> <p>The ZEBCat project was due to be completed and all contractual payments made before the end of the 2019/20 financial year.</p> <p>Due to contractual delays and COVID19, the contract is not completed, this resulted in £21,349 overspend in 2019/20, and there are additional costs to come in 2020/21 of £100,000.</p>	

8.11. Schemes to be deferred to 2020/21 and beyond

Schemes which have been identified as being wholly or partly deferred to 2020/21 and beyond are:

Scheme	Budget deferred to/(brought forward from) future years
LAINGS Refurbishments	(£97,555)
<p>Officer Responsible – Service Lead – Housing Assets</p> <p>The refurbishment is ahead of schedule therefore there is a requirement to bring forward some budget from 2020/21.</p>	
Kitchen Replacement Programme	(£79,129)
<p>Officer Responsible – Planned Works Lead</p> <p>More kitchen replacements were undertaken in Q4 than anticipated as at Q3 reporting. Some of the budget that was carried forward to 2020/21 at Q3 has been brought back into 2019/20 to cover spend.</p>	
Rennes House Structural Works	£218,347
<p>Officer Responsible – Service Lead – Housing Assets</p> <p>The execution of this project is proving more complex than originally thought due to the arrangement of the building and certain works not being able to be carried out while the building is occupied. The more detailed design work and further professional</p>	

input has raised budgetary concerns and it is likely a further report will need to be submitted to committee.	
Fire Safety Storage Facilities	£54,121
<p>Officer Responsible – Compliance Lead</p> <p>Work was delayed on two projects towards the end of the year; a cycle store and bin enclosure. Both are expected to complete early 2020/21.</p>	
Electrical Re-wiring – Communal	(£54,254)
<p>Officer Responsible – Compliance Lead</p> <p>Contractor made good pace on projects in Q4 before the pandemic, this accelerated the programme and therefore 2020/21 budget has been brought forward to cover additional costs in 2019/20.</p>	
Central Heating and Boiler Replacement Programme	£147,112
<p>Officer Responsible – Planned Works Lead</p> <p>Programme picked up significantly in Q4, as anticipated, however; this was impacted by COVID-19 in mid to late March.</p>	
Window Replacements	£251,614
<p>Officer Responsible – Planned Works Lead</p> <p>In-year delays were experienced as a consequence of re-designing the installation programme to align the window and door installations. By doing so, the Council has secured contract and installation efficiencies and ensured less disruption for our tenants. Products come from the same suppliers so we are securing budget efficiencies through procurement economies of scale.</p> <p>The programme is also aligned with the cyclical decorations budget so we actually carry out multiple component and elemental works to a property all in one go but the programme design has taken some time to resolve and set out. One significant further in year delay in programme delivery has occurred due to the need for a bat survey on the Flowerpot Lane Estate which meant that the programme of works was delayed by six months.</p>	
Extra Care Scheme	£585,012
<p>Officer Responsible – Service Lead – Housing Assets</p> <p>Following completion of the concrete frame of the Extra Care scheme an updated programme was issued by Kier (just before lockdown) which showed overall completion of the scheme including external works and highways works completing at the beginning of December 2020.</p> <p>The delay with the frame sub-contractor had slowed the cash flow against forecast,</p>	

but this was expected to be made up over the summer. Kier have continued to operate during lockdown, but at a reduced rate, and could be as much as 8 weeks behind the December date – it is difficult to predict completion at this time due to some continuing issues with materials and supply chain, as the lockdown eases further Kier have committed to produce an updated programme to reflect the current position.

Acquisition of Social Housing - Open Market	£132,926
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Service Lead – Housing Tenancy Services

The purpose of this budget is to allow the HRA to buy properties on the open market to increase the stock available for social housing in-line with asset management strategy.

Properties are identified throughout the year and offers are made, subject to approval under delegated authority. The timing of spend on this budget is therefore subject to properties coming on to the market that fall within strategy and the house purchase process.

Bovemoors Lane	£171,776
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Officer Responsible – Service Lead – Housing Assets

Slightly behind profile but good progress is being made on site, expected to be completed early 2021.

9. COUNCIL OWN BUILD FINAL ACCOUNTS TO 31 MARCH 2020

9.1. The Council's own build properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing.

9.2. Key Variances from Budget

The 2019-20 year has ended with an overall net surplus of £11,383, which will be transferred to the COB working balance. This represents a decrease of £4,087 compared to the budgeted transfer to the working balance of £15,470. Please refer to Appendix 1 for more details.

10. How does the decision contribute to the Council's Corporate Plan?

The Housing Revenue Account contributes to two key purposes, as set out in the Corporate Plan; help me find somewhere suitable to live and maintain our property assets.

11. What risks are there and how can they be reduced?

It is not permissible for the HRA to go into an overall financial deficit position, it is therefore important to ensure that an adequate level of HRA balances is maintained as a contingency against risks. The HRA resolve to retain a working balance at no less than £4 million to mitigate against financial risks.

The implications of COVID19 are yet to be fully established but additional service delivery costs have been experienced to date and a specific record is being kept of such activity.

12. Equality Act 2010 (The Act)

12.1. Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding

12.2. In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

12.3. In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

12.4. In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:

12.4.1. There are no significant equality and diversity impacts associated with this decision.

13. Carbon Footprint (Environmental) Implications:

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

14. Are there any other options?

No

DAVE HODGSON
Chief Finance Officer

Author:
Kayleigh Searle

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

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**HOUSING REVENUE ACCOUNT
REVENUE OUTTURN**

APRIL 2019 TO MARCH 2020

Code	APPROVED BUDGET	QUARTER 3 FORECAST OUTTURN	2019-20 OUTTURN	VARIANCE SINCE QUARTER 3	OVERALL VARIANCE TO BUDGET	VARIANCE TO BUDGET
	£	£	£	£	£	%
85A1 Management	1,325,405	1,153,405	1,177,105	23,700	(148,300)	(11)
85A2 Housing Customers	1,371,670	1,353,520	1,340,162	(13,358)	(31,508)	(2)
85A3 Sundry Lands Maintenance	634,430	448,230	444,593	(3,637)	(189,837)	(30)
85A4 Repairs & Maintenance Programme	7,181,970	6,217,730	5,881,294	(336,436)	(1,300,676)	(18)
85A5 Revenue Contribution to Capital	2,500,000	2,500,000	2,500,000	0	0	0
85A6 Capital Charges	3,224,210	3,553,210	3,513,546	(39,664)	289,336	9
85A7 Housing Assets	2,002,100	1,945,100	1,950,919	5,819	(51,181)	(3)
85A8 Rents	(18,718,700)	(18,718,700)	(18,702,876)	15,824	15,824	(0)
85B2 Interest	1,815,330	1,691,330	1,681,136	(10,194)	(134,194)	(7)
85B4 Variance in Working Balance	(1,336,415)	(143,825)	214,120	357,945	1,550,535	
Net Expenditure	0	0	0	0	(0)	

Working Balance 1 April 2019 10,025,355 31 March 2020 10,239,475

COUNCIL OWN BUILD SITES

Code	APPROVED BUDGET	QUARTER 3 FORECAST OUTTURN	2019-20 OUTTURN	VARIANCE SINCE QUARTER 3	OVERALL VARIANCE TO BUDGET	VARIANCE TO BUDGET
	£	£	£	£	£	%
H005 Management	33,510	35,010	35,579	569	2,069	6.2
H006 Rowan House	(10,230)	(10,230)	(11,045)	(815)	(815)	8.0
H007 Knights Place	(59,040)	(59,040)	(57,709)	1,331	1,331	(2.3)
H008 Interest	5,740	5,740	6,052	312	312	5.4
H009 Capital Charges	14,550	14,550	15,741	1,191	1,191	8.2
Variance in Working Balance	15,470	13,970	11,383	(2,587)	(4,087)	(26.4)
Net Expenditure	0	0	0	0	0	

Working Balance 1 April 2019 274,855 31 March 2020 286,238

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Supplementary Budget Requests for 2020/21

Cost centre	Purpose	Amount (£)
H060 34050	Mitigate Ash Die Back disease	66,000
H068 31766	Whipton Barton Carehome demolition	200,000
H058 31829	Communal decs - delayed programme	100,000
H047 45052	Tenant liaison	15,000
H057 31802	Low Maintenance - delayed programme	200,000
H047 48114	Community development projects	10,040
H070 48063	Cosultancy fees - New build site investigations	66,000
	Total for the HRA	657,040

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2019-20 £	2020-21 £	2021-22 £	2022-23 £	2023-24 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						10,552,213
Major Repairs Reserve Brought Forward						14,255,232
Other HRA Sales	913,196	550,000	0	0	0	1,463,196
RTB sales	3,247,066	750,000	750,000	750,000	750,000	6,247,066
Surrender back to DCLG - pending investment in replacement affordable housing		0	(1,534,297)	0		(1,534,297)
Major Repairs Reserve	3,513,546	3,513,540	3,513,540	3,513,540	3,513,540	17,567,706
Revenue Contributions to Capital	2,500,000	5,246,550	4,000,000	2,900,000	3,050,000	17,696,550
External contributions	328,765	592,424	0	0	0	921,189
Grant funding - Estate Regeneration Funding	391,456	0	0	0	0	391,456
Grant funding - Zero Energy Buildings Project	216,000	0	0	0	0	216,000
Commuted sums	1,403,643	4,375,218	0	0	0	5,778,861
Borrowing	0	15,360,000	0	0	0	15,360,000
Total Resources available	12,513,672	30,387,732	6,729,243	7,163,540	7,313,540	88,915,172
CAPITAL PROGRAMME						
HRA Capital Programme	16,928,223	34,200,810	17,890,453	10,420,170	8,760,210	88,199,866
Outturn - Overspends / (Savings)	(292)	100,000				99,708
Outturn - Slippage / Re-profiling	(1,194,490)	1,194,490				0
Total Housing Revenue Account	15,733,441	35,495,300	17,890,453	10,420,170	8,760,210	88,299,574
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	10,552,213	9,755,840	5,193,471	2,658,674	448,674	10,552,213
Major Repairs Reserve Brought Forward	14,255,232	11,831,831	11,286,633	2,660,219	1,613,589	14,255,232
Resources in Year	12,513,672	30,387,732	6,729,243	7,163,540	7,313,540	64,107,727
Less Estimated Spend	(15,733,441)	(35,495,300)	(17,890,453)	(10,420,170)	(8,760,210)	(88,299,574)
Uncommitted Capital Resources	21,587,676	16,480,103	5,318,894	2,062,263	615,593	615,598
WORKING BALANCE RESOURCES:						
Balance Brought Forward	10,025,355	10,239,475	6,260,830	4,440,819	4,042,692	10,025,355
HRA Balance Transfer - Surplus/(Deficit)	214,120	(3,321,605)	(1,820,011)	(398,127)	(50,102)	(5,375,725)
Supplementary budgets to be requested		(657,040)				(657,040)
Balance Carried Forward	10,239,475	6,260,830	4,440,819	4,042,692	3,992,590	3,992,590
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(3,992,590)	(3,992,590)
Uncommitted HRA Working Balance	6,239,475	2,260,830	440,819	42,692	0	0
TOTAL AVAILABLE CAPITAL RESOURCES	27,827,151	18,740,933	5,759,713	2,104,955	615,593	615,598

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**2019-20
CAPITAL MONITORING - OUTTURN**

	2019-20 Capital Programme	2019-20 Spend	2019-20 Budget to be Carried Forward to Future Years	TO 2020-21	TO 2021-22	TO 2022-23	TO 2023-24	2019-20 Programme Variances (Under)/Over	
	£	£	£					£	
HRA CAPITAL									
EVERYONE HAS A HOME									
Z4212	Adaptations	595,910	638,640					42,730	
Z4703	Estate Improvements	52,543	53,479					936	
Z4705	Programmed Re-roofing - Flats	120,000	104,156	15,844	15,844			0	
Z4705	Programmed Re-roofing - Houses	200,000	223,636	(23,636)	(23,636)			0	
Z4709	Energy Conservation	0	-					0	
Z4713	Garage Upgrades	11,000	10,388					(612)	
Z4718	LAINGS Refurbishments	1,120,000	1,217,555	(97,555)	(97,555)			0	
Z4719	Kitchen Replacement Programme	241,000	320,129	(79,129)	(79,129)			0	
Z4721	Balcony Walkway Improvements	66,000	87,013	(21,013)	(21,013)			0	
Z4724	Bathroom Replacements Programme	383,000	408,566	(25,566)	(25,566)			0	
Z4729	Door Replacements (including Outbuildings)	427,000	422,726	4,274	4,274			0	
Z4743	Communal Area Improvements	60,000	6,212					(53,788)	
Z4745	Structural Repairs	176,000	196,546	(20,546)	(20,546)			0	
Z4755	Rennes House Structural Works	500,000	281,653	218,347	218,347			0	
Z4758	Common Area Footpath/Wall Improvements	191,780	211,885	(20,105)	(20,105)			0	
Z4763	Soil Vent Pipe Replacement	15,000	17,670					2,670	
Z4764	Electrical Central Heating	14,000	32,284					18,284	
Z4768	Fire Safety Storage Facilities	210,000	155,879	54,121	54,121			0	
Z4802	Electrical Re-wiring - Domestic	310,000	327,019	(17,019)	(17,019)			0	
Z4802	Electrical Re-wiring - Communal	248,000	322,254	(54,254)	(54,254)			20,000	
Z4903	Central Heating and Boiler Replacement Programme	590,670	425,274	147,112	147,112			(18,284)	
Z4906	Communal Door & Screens	62,000	52,702					(9,298)	
Z4909	Fire Risk Assessment Works	105,770	77,339					(28,431)	
Z4910	Loft and Cavity Insulation	3,000	8,602					5,602	
Z4915	Window Replacements	1,297,680	1,046,066	251,614	251,614			0	
Z4916	Replacement Housing Management System	68,190	35,023	33,167	33,167			0	
Z4917	Porch Canopies	0	-					0	
Z4918	Zebcat Project	516,000	537,349		100,000			121,349	
Z4914	Reroofing works Shilhay	0	2,000					(2,000)	
HOUSING REVENUE ACCOUNT TOTAL		7,584,543	7,218,045	365,656	465,656	0	0	0	99,158
COUNCIL OWN BUILD CAPITAL									
Z3220	Extra Care Scheme	6,449,320	5,864,308	585,012	585,012			0	
Z3201	Acquisition of Social Housing - Open Market	1,677,900	1,544,974	132,926	132,926			0	
Z3214	Rennes House	0	550					550	
Z5101	Estate Regeneration - Heavitree	391,460	391,460					0	
Z3253	Bovemoors Lane	800,000	628,224	171,776	171,776			0	
Z3255	Hamlin Gardens	25,000	45,855	(20,855)	(20,855)			0	
Z3260	Vaughan Road	0	40,025	(40,025)	(40,025)			0	
COUNCIL OWN BUILD TOTAL		9,343,680	8,515,396	828,834	828,834	0	0	0	550
OVERALL HOUSING REVENUE ACCOUNT TOTAL		16,928,223	15,733,441	1,194,490	1,294,490	0	0	0	99,708

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REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Chief Finance Officer

Title: Treasury Management 2019/20

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Council

1. What is the report about?

To report on the current Treasury Management performance for the 2019/20 financial year and the position regarding investments and borrowings at 31 March 2020. The report is a statutory requirement and is for information only with no key decisions required.

2. Recommendations:

It is recommended that, the Executive and Council note the content of this report.

3. Reasons for the recommendation:

It is a statutory requirement for the Council to publish regular reports on Treasury Management to Council. This includes an annual Treasury Management Strategy and half yearly report and a year-end report as a minimum.

4. What are the resource implications including non-financial resources

The report is an update on the overall performance in respect of treasury management for the 2019/20 financial year. Therefore, there are no financial or non-financial resource implications.

5. Section 151 Officer comments:

The net interest position is positive and reflects the significantly better interest payable position arising from the interest rate received on the PWLB loans. The Council's Treasury Management team have consistently provided a positive return against budget over a number of years, whilst maintaining investments in line with the Strategy approved by Council.

6. What are the legal aspects?

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management recommends that members be updated on treasury management activities regularly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code. Adoption of the Code is required by regulations laid under the Local Government Act 2003.

7. Monitoring Officer Comments:

This is an update report and raises no issues for the Monitoring Officer.

8. Report Details:

9. Economic Context and Interest Rate forecast

Interest rate forecasts, provided by our Advisors, are set out below.

Link Asset Services Interest Rate View 31.3.20								
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50

2020 started with optimistic economic indications pointing to an upswing in growth after the end of political uncertainty as a result of the decisive general election in December settled the Brexit issue. Since then, the whole world has changed as a result of the coronavirus outbreak. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two.

Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in quantitative easing (QE). The Government put in place a raft of measures to help employed, self-employed and businesses, to tide them over the lock down period. The measures taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%.

What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.

9.1. Treasury Management Strategy

The Council approved the 2020/21 Treasury Management Strategy at its meeting on 26 February 2020. The Council's stated investment strategy was to continue to hold small surplus funds and to seek to utilise its Call Accounts, Money Market Funds, use the Government's Debt Management Office and use short dated deposits which would be placed with Local Authorities, Banks or Building Societies which are on the Council's counterparty list.

The Council's stated borrowing strategy was to defer borrowing until later years, where possible, and to reduce the size of the Council's investment balance instead, however some targeted long term borrowing will be undertaken, where the costs will be offset against future income streams.

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and to mitigate exposure to counterparty risk.

9.2. Net Interest Position

The General Fund shows an improvement against the estimate for net interest payable, the position is:

	Estimate	Actual	Variance
	£	£	£
Interest Paid	911,000	639,454	(271,546)
Interest Earned			
Temporary investment interest	(324,000)	(604,639)	(280,639)
Science Park Loan	(25,780)	(25,850)	(70)
CVS Loan	(4,220)	(1,560)	2,660
ECL Loan	(466,000)	(271,348)	194,652
Less			
Interest to HRA	250,000	323,086	73,086
Interest to S106 agreements & CIL	104,400	89,665	(14,735)
Interest to Trust Funds	4,800	4,974	174
Lord Mayors Charity	100	84	(16)
Miscellaneous	(9,300)	(9,485)	(185)
GF interest (received) / paid out	(470,000)	(495,073)	(25,073)
Net Interest	441,000	144,381	(296,619)

CCLA - LAPF Dividend	(225,000)	(241,377)	(16,377)
Investment Loss - General Fund	0	0	0
Net Interest	216,000	(96,996)	(312,996)

9.3. The HRA earned £323,086 interest on its balances. This is calculated on the following:

- HRA working balance;
- The balance of funds in the Major Repairs Reserve and Useable Capital Receipts

However it has also had to pay interest on borrowing. As members will be aware, the Council had to borrow £56,884,000 to buy itself out of the HRA subsidy scheme. Interest of £1,979,563 has been charged to the HRA to cover the interest payment. Additionally £9,484 has been charged on the borrowing used to fund the Council's Own Build properties.

10. Investment Interest

10.1. A number of Money Market Funds have been set up by the Council, which also allow immediate access to our funds and spreads risk as it is pooled with investments by other organisations and invested across a wide range of financial institutions.

10.2. The council has made two investments, totalling £5m, in the CCLA – LAMIT property fund (April and November 2016). As at 31 March 20 the fund size was approximately £1,206 million, the dividend yield as at the end of March was 4.41%, which is significantly higher than the returns on other investment options available. The investment in the property fund is a long term commitment which will mean that there will be fluctuations in the return over the period of the investment. Details of the current value of the investment are provided later in the report.

10.3. The Council's investments as at 31 March 2020 are:

Money Market Funds

Amount	Investment	Interest rate
£1,000,000	Amundi Asset Management	0.41%
£Nil	Black Rock Asset Management	N/A
£Nil	CCLA Public Sector Deposit Fund	N/A
£10,000,000	Federated Investors	0.41%
£Nil	Aberdeen Standard Investments	N/A

Fixed Term Deposits - Current

Amount	Investment	Interest rate	Date Invested	Maturity Date	No. of Days
5,000,000	Slough Borough Council	1.10%	03/04/19	01/04/20	364
3,000,000	Standard Chartered – Sustainable deposit	0.85%	16/10/19	16/04/20	183
5,000,000	London Borough of Barking and Dagenham	0.90%	25/10/19	27/04/20	185
3,000,000	Wirral Metropolitan Borough Council	0.85%	12/02/20	12/05/20	90
3,000,000	Ashford Borough Council	0.85%	25/02/20	26/05/20	91
3,000,000	Goldman Sachs	0.97%	16/12/19	16/06/20	183
3,000,000	Thurrock Council	0.87%	31/07/19	30/06/20	335
2,000,000	Thurrock Council	0.88%	11/10/19	13/07/20	276
3,000,000	Hull City Council	0.90%	17/01/20	17/07/20	182
3,000,000	Salford City Council	0.87%	13/08/19	11/08/20	364
5,000,000	Warrington Borough Council	0.85%	01/10/19	29/09/20	364
5,000,000	Fife Council	0.85%	25/10/19	23/10/20	364
3,000,000	Lancashire County Council	0.95%	02/12/19	30/11/20	364
3,000,000	Barclays Green 95 day notice account	0.95%	18/10/19	95 days from notice date	Min: 95

The Barclays Green account is linked to projects in pursuit of the transition to a lower carbon economy and as such counts towards the Council's Green agenda and can be included in a sustainability clause in the audited accounts.

Property Fund

Amount	Investment	Dividend Yield
£5,000,000	CCLA – LAMIT Property Fund	4.42%

The value of the investment as at 31 March 2020 was £4,713,346. At the end of the financial year the value of the investment in the Property Fund is adjusted to equal the number of units held multiplied by the published bid price, with the gain or loss taken to the Available for Sale Reserve. Movements in the unit price therefore have no impact on the General Fund until the investment is sold or impaired.

11. Borrowings

- 11.1. The Council's long term borrowing is currently £110.684 million (£53.8 million General Fund and £56.884 HRA) and there is currently no short-term borrowings. Details of loans are set out below.
- 11.2. The Council made a one-off payment on 28 March 2012, to buy itself out of the HRA subsidy system. The final settlement figure of £56.884 million was confirmed in February 2012. The amount was borrowed from the Public Works Loans Board over a 50 year period and is repayable on maturity at the end of the loan term. The interest rate was 3.48% fixed for the term of the loan.
- 11.3. The Public Works Loan Board (PWLB) long-term borrowing rates fell during the period, prompting a decision on 26 September 2019 to borrow in readiness for the on-going capital programme. This was a timely decision as there was an announcement on 9 October 2019 to increase the interest rates offered on new PWLB loans by 1% with immediate effect.

Existing loans

Amount	Lender	Interest rate	End date
£56,884,000	PWLB maturity (HRA)	3.48%	28/03/2062
£2,200,000	PWLB 25 year annuity	2.34%	11/01/2044
£2,150,000	PWLB 25 year annuity	2.08%	04/04/2044
£4,650,000	PWLB 30 year annuity	1.61%	26/09/2049
£8,800,000	PWLB 35 year annuity	1.71%	26/09/2054
£36,000,000	PWLB 50 year annuity	1.80%	26/09/2069

12. Future Position

- 12.1 The future cash flow forecast includes planned borrowing of £40 million as part of the 2020/21 capital programme. The decision of whether to take external long-term borrowing will be made in light of current and forecast interest rates and the decision is delegated to the section 151 Officer and Leader of the Council.
- 12.2 At Spring Budget 2020, the Government announced a new, discounted rate of PWLB lending to support social housing, which enables the Council to borrow at 1% below the rate at which the local authority would usually borrow from the PWLB, specifically for social housing projects.
- On 5 April 2020, the Council took out a loan of £15.4 million from the PWLB to support the social housing programme and therefore took advantage of the discounted rate.
- 12.3 The Council's five Money Market Funds which are AAA rated, currently offer rates which vary from 0.12% to 0.33%, the rates are liable to fluctuation in the year.

- 12.4 The short term investments that are made through the call accounts and money market funds ensure cash can be accessed immediately. This has an ongoing impact on returns but increases the security of our cash.
- 12.5 We will also lend, when possible, to institutions on the Council's counterparty list which includes other Local Authorities, UK and Foreign owned banks and the Debt Management Office. The rates received for Local Authority deposits are currently between 0.60% and 0.75%.

13. New Investment Opportunities

- 13.1 Officers meet with the Council's treasury advisors in order to explore alternative investment opportunities.
- 13.2 Officers will continue to liaise to treasury advisors in respect of new investment opportunities. Any decisions taken will comply with the code of practice that requires the council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.
- 13.3 If an amendment to the current treasury management strategy is required, a report will be presented to committee requesting the necessary amendments.

12. How does the decision contribute to the Council's Corporate Plan?

Treasury Management supports the Council in generating additional funds for investing in Services, whilst minimising the amount of interest paid on borrowings. It does not in itself contribute to the Council's Corporate Plan.

13. What risks are there and how can they be reduced?

The council uses treasury management advisors who continually provide updates on the economic situation, interest rates and credit ratings of financial institutions. They also provide a counterparty list which details the financial institutions which meet the council's treasury management strategy.

14. Equality Act 2010 (The Act)

- 14.1. Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:
- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding
- 14.2. In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

14.3. In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

14.4. In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:

14.4.1. There are no significant equality and diversity impacts associated with this decision.

15. Carbon Footprint (Environmental) Implications:

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each new investment is considered prior to approval.

16. Are there any other options?

No

DAVE HODGSON
Chief Finance Officer

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:
None

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REPORT TO EXECUTIVE

Date of Meeting: 7 JULY 2020

REPORT TO COUNCIL

Date of Meeting: 21 JULY 2020

Report of: CHIEF FINANCE OFFICER

Title: Emergency Budget 2020/21

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 The impact of Covid-19 on the finances of local authorities is extraordinary, and newsfeeds across the country tell of Councils struggling to balance the books and warning of the possibility of section 114 notices. The situation is being closely monitored by Government with councils submitting regular reports on income losses and additional expenditure. Significant funding has been given by Government to the sector. In Exeter's case £1.379 million has been received. But the scale of income loss and additional expenditure incurred because of Covid-19 and the lockdown dwarfs additional funding received from Government. Today, in relation to the City Council, the estimated additional expenditure and income losses total £11.190 million. This represents close to a third of the Council's gross General Fund revenue budget (excluding housing benefit payments). It is worth noting that the Council's net budget is only £14m. The Council is obliged to take action to ensure our books balance at the end of the financial year. This report therefore seeks to set a revised budget for 2020/21 to address the additional expenditure and loss of income experienced as a result of the restrictions imposed to combat the Covid-19 pandemic.

1.2 The impact on business rates and the implications for the economy, particularly the key income streams for the city council in relation to the city centre, are matters that will challenge the medium term financial plan, and it is worth noting upfront that beyond this immediate year we face the requirement to make further savings of £4.350 million.

2. Recommendations:

2.1 That the Executive recommends and Council approves the Council's revised spending proposals in respect of both its General Fund and HRA revenue budgets;

2.2 That the Executive and Council notes that future budget monitoring reports will assess the position against this revised budget and further decisions may be required depending on the economic impact being experienced as the year progresses.

3. Reasons for the recommendation:

3.1 To ensure that the Council maintains a balanced budget, which results in the maintenance of the recommended minimum reserves level.

4. What are the resource implications including non financial resources.

4.1 The report sets out the revised budgets for 2020/21. Details of the resource implications are set out in section 8.

5. **Section 151 Officer comments:**

5.1 The revised General Fund budget will achieve the requirement to maintain a minimum balance in excess of £3 million. Whilst the proposals are balanced, there are a number of assumptions, which mean that significant changes could continue to occur during the year. It is expected that any further changes required will be dealt with in the normal Budget monitoring reports for both the General Fund and HRA.

5.2 Changes could be positive as well as negative, and if the financial position is deemed to be better, Members will have choices about where they wish to make changes. This could be to restart some of the spending which has been held back or they could choose to increase reserves to help smooth the future years savings required. Members should remain aware both of section 8.7 and the impact that this will have on the Council's financial position and the need to identify £5.8 million in savings from next year onwards. Much of the flexibility to spread these savings has been lost as a result of this emergency budget.

5.3 It is important to remember that Council is legally responsible for setting a balanced budget each year and for taking action when there are adverse movements in the projected financial position during the year. Therefore, if a decision is taken to remove a proposed reduction, then Council must identify how that will be funded.

6. **What are the legal aspects?**

6.1 The Local Government Finance Act 1992 places a legal requirement on Council to approve not only the budget but also any changes to the budget proposed during the year. Council has a legal duty to ensure that the budget is balanced and that any changes to the budget are fully funded.

7. **Monitoring Officer's comments:**

7.1 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances. Section 25 of the Local Government Act 2003 requires the S151 officer to report on the adequacy of the Council's financial resource.

- 7.2 The Monitoring Officers' comments are intended to assist all members of the Council when considering the complex legal background to their budgetary decisions and in particular to set out the legal factors and requirements which Members of the City Council need to consider in reaching decisions on the budget.
- 7.3 In coming to a decision in relation to the revenue budget, the City Council and Councillors have the following legal duties:
- To act in accordance with their statutory duties and responsibilities;
 - To act reasonably; and
 - To have careful regard to their fiduciary duty to its rate payers and council tax payers.
- 7.4 When making decisions, councillors are reminded of the obligation to act reasonably and in accordance with the principals set down in the Wednesbury case. This means that councillors are required to take into account all relevant considerations and ignore any irrelevant considerations. Put simply, it would be unlawful for the Council to come to a view which is unreasonable in the sense that it is so irrational that no reasonable authority could have reached it.
- 7.5 The meaning of fiduciary duty is more difficult to define but can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards to the council's rate payers. When discharging their fiduciary duties councillors will need to consider the following:
- Prudent use of the council's resources, including the raising of income and the control of expenditure;
 - Financial prudence both long and short term;
 - Striking a fair balance between the interest of the tax payers on the one hand and the community interest and adequate and efficient services on the other hand;
 - Acting in good faith with a view to complying with statutory duties and exercising its statutory powers for the benefit of the community.

8. **Report details:**

8.1 **Background**

- 8.1.1 On 25 February 2020, Council approved the budget for 2020-21, including setting the Council Tax for the City of Exeter. This resulted in a balanced budget for the year, with an amount to be put back into the General Fund Balance at year end.
- 8.1.2 The restrictions imposed to protect the public from the Covid-19 pandemic have had a material impact on the Council's financial position, both in respect of the General Fund and the Housing Revenue Account. Not only has the Council incurred additional unbudgeted expenditure as a result of its response to the restrictions and the additional responsibilities taken on, but the lockdown has resulted in a significant loss of income.
- 8.1.3 Projections of the financial impact on the Council show a position where the Council will be unable to simply use its General Fund Balance to offset the additional

expenditure and losses. As a result Council needs to take action early to protect the overall financial position of the Council. The projections are of course based on a number of assumptions, which are likely to change as the response to the pandemic progresses. The purpose of this report therefore is to deliver a balanced budget, bearing in mind that the position may change for better or worse over the course of the year.

- 8.1.4 As the situation is fluid, the proposals made to address the shortfall are such, that if the financial position of the Council improves, then elements of the reductions being proposed can be reinstated or reserves can be strengthened.
- 8.1.5 The report will set out the additional expenditure incurred, the projections of income lost, broken down between irrecoverable and potentially recoverable, and proposals to balance the budget. A separate section will set out those section for the HRA.

8.2 Additional Expenditure – General Fund

- 8.2.1 The table below set out the additional expenditure incurred / projected for the year:

	Actual incurred to June £m	Projected full year £m
Housing General Fund	0.190	0.206
Leisure	0.184	1.774
Waste Management	0.037	0.059
Wellbeing Hub	0.143	0.143
PPE	0.022	0.035
Other	0.150	0.411
Total	0.726	2.628

- 8.2.2 Housing General Fund – the major area of additional expenditure relates to the Government’s requirement to remove all rough sleepers from the streets from the end of March. The Council engaged in a contract with Great Western Hotel and provided accommodation for all rough sleepers. The cost to date of this has been £180,000 against which the Government provided a specific grant of £24,000. The projected costs allow for the scheme to run until the end of July. Any further extension of the scheme will cost the Council around £50,000 a month. Costs incurred after July have not been included in the model.
- 8.2.3 Leisure – Leisure is one of the hardest hit sectors of industry under the lockdown restrictions. It is still not certain when sites will be permitted to open, but it will not be before 4 July at the earliest. Legacy Leisure, have cut costs significantly, using the Government’s furlough scheme, but are still incurring costs without any income. Alongside this, the Council was in the process of tendering for a new Leisure operator as the existing contract ends in September 2020. As soon as the restrictions were implemented, all four shortlisted contractors indicated that they would not be in a position to continue with the tender process at this time, owing to the uncertain future for Leisure provision. Therefore, Exeter is in a difficult position and has been negotiating an end to the existing contract including cost recovery

payments to Legacy Leisure. A further report on this agenda sets out the costs of bringing Leisure provision back in house as a result of the stalled procurement. The unbudgeted costs to the end of the contact total approximately £235,000. Alongside this, it is estimated that the cost of bringing Leisure back in house will be net £1.542 million in 2020/21. This is owing to the limited opportunities to generate income over the remainder of this financial year and start-up costs required to ensure the smooth transition. To be clear, Leisure would cause a significant cost to the Council over and above the budget, whatever option was taken. It is one of the largest cost pressures facing Local Authorities as a whole as a result of the Covid -19 restrictions, regardless of the model being used.

- 8.2.4 Waste – Additional costs have been incurred to ensure that staff are as safe as possible when working. This has included providing additional vehicles to transport staff around to reduce the number in the cab at any one time and additional PPE.
- 8.2.5 Wellbeing Hub – The Council was responsible for providing services to vulnerable and shielded members of the Community. Additionally, the Council provided Community initiative grants to Community groups in conjunction with financial support also provided by the Exeter Chiefs.
- 8.2.6 Other costs incurred relate to the net interest position of the Council, which is expected to be affected by lower interest rates and additional short term borrowing required to offset the shortfall in income.

8.3 Income Losses – General Fund

- 8.3.1 The table below set out the lost income incurred to date / projected for the year. Some of the income loss is immediate and irrecoverable e.g. car park income / closure of facilities such as the Corn Exchange, some is projected e.g. commercial rent. This is due to the fact that it has been invoiced but not yet paid and may be recovered once the economy starts to recover. It will only be an actual loss when a bad debt provision is made or it is written off. Therefore there is scope for the position to be better or worse than projected:

	Irrecoverable loss to June £m	Projected loss to June £m	Projected full year £m
Car Parks	1.941		4.571
Commercial Rent		0.300	1.183
Leisure	0.031		0.081
Waste		0.426	0.886
Visitor attractions	0.468		0.906
Other	0.427	0.255	0.935
Total	2.867	0.981	8.562

- 8.3.2 Car Parks – The Council profiles and monitors the budget weekly, and for the period of lockdown was receiving between 2% and 5% of the expected income. During June this has risen to around 13% of the expected income and has resulted in an

actual loss of close to £2 million to the end of June, with further losses against budget expected throughout the rest of this calendar year as recovery will be slow.

- 8.3.3 Commercial Rent – The March quarter invoices totalled £1.340 million. Of this £0.788 million has been paid, £0.445 million has an agreed deferment plan in place and £0.107 million is owed by tenants who have not engaged with the Council. Of the £0.552 million, it is projected based on experience that at least £0.302 million will be paid and up to £0.250 million will be written off. Overall an amount of £1.183 million is projected for losses
- 8.3.4 Leisure - The current contract was expected to provide a small amount of income in the early part of the year, however this is not possible as the centres are closed. The restrictions in place even when the Government allows the reopening of the Centres makes it unlikely that any income will be generated this year.
- 8.3.5 Waste / cleansing is currently predicting a decrease in anticipated income primarily because of the fall in trade waste and recycling income. There has been a drop in recycling values and volumes as the global industry has been hit by the Pandemic.
- 8.3.6 The RAMM, Corn Exchange, Underground Passages and EVIT are all closed and therefore unable to generate income. Even when they are allowed to open, social distancing will continue to have a significant impact on income.
- 8.3.7 The Council's other income streams have also seen reductions to varying degrees as a result of the restrictions imposed. Again, it is anticipated that there will be future losses owing to the measures that will continue even after restrictions are lifted.

8.4 Summary of shortfall

- 8.4.1 The Council is estimated additional expenditure and income losses totalling £11.190 million. This represents close to a third of the Council's gross General Fund revenue budget (excluding housing benefit payments).

8.5 Options to address the gap

	£m
Covid-19 Grant from Government	1.379
Remove transfer to General Fund Balance	0.839
Use of General Fund Balance	1.247
Repurposing Earmarked Reserves	2.121
Use of Furlough scheme	0.403
Stop in-year Service Spend	1.623
Additional savings offered by Strata	0.121
Convert public toilet and play area maintenance expenditure to be funded by CIL	0.160
Offset statutory repayment of debt against previous voluntary repayments	0.638
Convert revenue used for capital expenditure to capital receipts	0.838
Remove voluntary repayment of debt	0.162
RAMM – successful appeal against Business Rates	1.659
Total	11.190

- 8.5.1 The following table sets out the proposals for addressing the gap.
- 8.5.2 The Council's ability to respond to the financial crisis is testament to the disciplined financial management decisions made over the past six years. Decisions such as the early repayment of debt and financing the capital programme in line with the useful life of assets have put the Council in a position where we can address the issue without placing a significant extra risk on the Medium Term Financial Plan and without dipping below our minimum reserve level. The section 151 Officer thanks members for the trust and support in enabling the Council to be in a financial position to face the challenges directly.
- 8.5.3 That is not to say that the decisions taken are without pain. Every option put forward has a negative impact to varying degrees, which will be set out in the section to which it relates. The Council is also hopeful that the Government will continue to provide financial support to all Councils and the impact of additional emergency grant will of course offset some of the reductions set out in the report.
- 8.5.4 The task in hand is to deliver in year savings without damaging the longer term ambitions of the city council to support a stronger city, delivering green and inclusive growth, active and healthy lifestyles, and building homes and neighbourhoods.
- 8.5.5 Much of our focus over the decade, since the beginning of the austerity programme enforced on the public services, has been to support growth. When Government reduced our rate support grant (then £10.6m, now £0.300m) it was explained that local authorities would be incentivised to support growth, we would receive financial rewards from building homes and a share of business rates from growing the economy. We became the second fastest growing city in the UK for the decade, a consequence of which we received income from new homes bonus and business rates to off-set the loss of grant. With one of the lowest council taxes in the country and limited to raising council tax by no more than £5 a year, like many councils we have had to generate income rather than relying on grant to support services and to achieve the outcomes expected of the council. We have protected funding to the arts and culture sector, indeed this year becoming a UNESCO city of Literature; we have massively invested in leisure and community infrastructure and embarked on a transformational agenda with Sport England to support active and healthy lifestyles, in the process we have become the most active city in the country. With WellBeing Exeter we have pioneered with partners across the health sector and local government integrated care investing in Asset Based Community Development. And the council has gone further than most in establishing Place Based Leadership to support an ambitious housing agenda to build within the city the homes that are needed. A city with tightly drawn municipal boundaries is working with its neighbours to deliver housing for the sub-region but is also focused on building within the city and has even set up its own housing development company to ensure we are not simply dependent on the private sector.
- 8.5.6 Much of this work is discretionary and it would be understandable if members directed officers to look at these discretionary services in order to address the £11.190 shortfall. However, this would undermine the great work done over the

decade that has resulted in a city with one of the strongest economies in the south west, indeed much of this 'discretionary' work is vital to supporting a recovery that will build back better. For example our work on the skills agenda and Net Zero Exeter will be vital to the recovery programme.

8.5.7 Therefore we have approached the strategy of addressing the £11.190 shortfall with some principles at the forefront of this exercise:

- We should not remove something that would harm the city and the council in the medium and longer term.
- We should adhere to our values and principles throughout, avoiding where possible job losses but embrace innovation and transformational change to deliver outcomes.
- balance reductions with the need to generate income over the medium and longer term
- Change is now ever present in the work place and therefore striving for efficiency savings is continuous.

8.5.8 We have therefore targeted areas of the council where funding has not been committed and where immediate action could be taken to stop expenditure in year. All directors have been tasked with going through budgets to consider every vacant post with a presumption that vacant posts will not be filled for the rest of the year unless an exceptional case can be made. The use of temporary agency posts will be minimised. Naturally this will cause some services to see standards slip below normal expectations, but it will be temporary. Likewise some areas will stop maintenance expenditure etc., in year. In addition many events and activities planned for the year have been put into some doubt because of social distancing and government guidance and these budgets will be taken as savings for this year. Front line services across the council will have to deliver £1.623m of savings. The detail of these service impacts are set out in Appendix 1.

8.5.9 In addition Strata, our IT Company, will be required to deliver £121,000 of savings. Strata – Aware of the challenges facing their owners Strata have offered a range of reductions to support the Councils. Following the same methodology adopted by Exeter, none of the proposals are permanent.

8.5.10 Covid-19 Grant – To date the Government has provided support of £3.2 billion to Local Authorities in two tranches. Exeter has received £1.379 million.

8.5.11 Remove transfer to General Fund Balance – The Council's budget, agreed in February, projected a transfer to the General Fund Balance at year end. This was due to the fact that the Government postponed the fair funding review late in the year after the Council had identified reductions. This will no longer be possible, so is removed.

8.5.12 Use of General Fund Balance – At the year end, the General Fund Balance has been increased to £5.850 million from the projected £4.350 million. This is the result of three proposed changes - the Council has opted to offset its statutory repayment of

debt against prior year voluntary overpayments (£0.5 million), the Council has opted to convert capital financing from revenue contributions to capital receipts (£0.6 million) and better performance from the Business Rates Pool (£0.4 million). It is proposed to leave the minimum level of £3 million in the General Fund Balance and use the rest as necessary.

8.5.13 Repurposing Earmarked Reserves – It is proposed to repurpose the following

	£m
Princesshay / Major Projects	0.019
Partnership	0.015
Neighbourhood Plans	0.037
NHB – unallocated	0.067
NNDR Deficit	0.561
Capital Fund	0.290
NHB – Local Community Grants (to be funded now from CIL)	0.495
2021-22 Budget (smooth savings profile)	0.637
Total	2.121

reserves:

This will of course mean these funds are not available for their original purpose and in particular, will mean that savings are re-profiled earlier over the medium term financial plan.

- 8.5.14 Use of Furlough scheme – the Council has saved approximately £0.403 million from using the Government’s Furlough scheme. Members of staff have continued to be paid 100% of their salaries during this time. Clearly this figure may change if facilities are opened quicker than expected or some staff furloughed for longer.
- 8.5.15 Stop in-year Service Spend – see section 8.5.8
- 8.5.16 Additional savings offered by Strata – see section 8.5.9.
- 8.5.17 Convert public toilet and play area maintenance expenditure to be funded by CIL – It is proposed to use funding from CIL (not neighbourhood CIL) to ensure that public toilet provision is maintained in the City and play area maintenance can continue.
- 8.5.18 Offset statutory repayment of debt against previous voluntary repayments – as with 2019-20, it is proposed to offset this year’s statutory debt repayment against prior years overpayments. This will save £0.638 million.

- 8.5.19 Convert revenue used for capital expenditure to capital receipts – In the budget, £0.838 million was set aside to fund capital expenditure. It is proposed to fund this from capital receipts instead.
- 8.5.20 Remove voluntary repayment of debt - £0.162 million was set aside as a further voluntary overpayment of debt. This can be removed.
- 8.5.21 RAMM – successful appeal against Business Rates – last year, the Council won an appeal against the rateable value of RAMM, which resulted in a repayment of Business Rates totalling over £1 million. However, the Valuation Office appealed and therefore the funds were placed in an earmarked reserve, in case the Council lost and had to repay the funds. The rates due for 2019-20 and 2020-21 were added to the reserve, however the appeal by the Valuation Office has been unsuccessful and furthermore, the Court of Appeal have rejected the Valuation Office’s attempt to appeal that verdict to a higher court. Therefore these funds are now available to offset the shortfall outlined above.

8.6 **Balanced budget**

- 8.6.1 Appendix 2 shows the proposed balanced budget, with a General Fund balance well in excess of the recommended reserve level. However, there are a number of further unknowns to be factored in, which will significantly reduce the General Fund Balance in this financial year.

8.7 **Financial Pressures**

- 8.7.1 The 2020-21 budget allowed for a pay award increase of 2%. The Unions have recently rejected an offer closer to 3% and therefore the pay award, when it is finally agreed will be far in excess of the amount allowed in the budget. Each 1%, over and above the budget will cost around £0.215 million. This is a nationally negotiated award, that the Council will have only a small influence along with all other Councils.
Likely cost - £325,000
- 8.7.2 There are a number of supplementary budgets proposed, which cover funds approved in 2019-20 that have not yet been spent. These are set out in the Outturn report on the agenda and total £0.118 million for those that are to be funded by General Fund Balances. **Cost - £118,000**
- 8.7.3 The proposal to bring Leisure in-house will require a significant amount of work and will pose challenges. Although there is a substantial allowance within this report, it is necessary to ensure additional funds are available for unexpected costs associated with bringing a large service back in-house. **Contingency - £450,000**
- 8.7.4 As mentioned above, the costs of housing rough sleepers have only been included up to the end of July. Any additional costs will have to be covered by General Fund reserves. **Likely cost - £50,000 per month**

- 8.7.5 The costs of the recommended capital projects being considered by this Council will have to be covered by reserves. As set out in the report, the revenue impact of financing these schemes is - **£117,597**
- 8.7.6 The Executive considered a report on the net zero Exeter 2030 Plan in June, which highlighted that a further report would be required to address the Council's plans to deliver the actions set out in the "what Exeter City Council can do" section. This has not yet been costed, but will be a significant pressure facing the Council. **Cost – Unknown**
- 8.7.7 The City is going to require to support to minimise the ongoing impact of the financial challenges arising out of Covid-19. Historically, the City Council has actively supported the recovery phase of a recession, through using its staff and bringing forward significant sites for redevelopment. Budget reductions over the last ten years mean that the Council does not have the resources available that it had previously, but it will be important for the Council to be at the heart of the recovery plan for the City. **Cost - unknown**

8.8 **Collection Fund**

- 8.8.1 The Council's Collection Fund holds all payments in and out relating to Council Tax and Business Rates. As such any losses incurred will be suffered by the Collection Fund in year and then distributed to the Council and Precepting Authorities in future years. This means the impact of the Pandemic will be felt over the medium Term. Although the Government have taken steps to offset the impact on Business by providing 100% relief for all retail, hospitality and Leisure businesses as well as Nurseries, the income received for both Business Rates and Council Tax are well below normal levels. The current projections are a shortfall of £5.025 million in Council Tax and £2.064 million in Business Rates. If this is the final position, it will impact the City Council by around £425,000 on Council Tax and £825,000 on Business Rates. This would be a one off reduction in income for the Council in either 2021-22 or 2022-23.

8.9 **Medium Term Financial Plan (MFTP)**

- 8.9.1 Whilst the budget proposals above deal with the issues arising in-year, there will be an impact on the Medium Term Financial Plan as the potential Council Tax and Business Rates losses feed through alongside the impacts of the proposals in this report. Appendix 3 shows the latest medium term financial plan, taking into account the risk of reduced business rates going forward. As can be seen there is an increase in the total savings required to £5.8 million but more importantly those savings are required earlier in the plan's timeframe.

8.10 **Housing Revenue Account (HRA)**

- 8.10.1 The HRA has also been affected by the restrictions imposed. This is particularly felt in additional costs relating to void properties and increases in arrears on rent payments. The latest estimate is and reduction in income / additional expenditure totalling £0.998 million.

8.10.2 Whilst this could be contained within the HRA balance, it will have an impact on the HRA MTFP as this projected using the HRA Balance by the end of the MTFP period. Therefore the HRA have put forward a range of proposals to address their shortfall again using a mix of vacancy freezes and delaying maintenance. These are set out in Appendix 4.

8.11 Emergency Budget Q&A

8.11.1 In order to assist staff, members and the wider public, a Q&A sheet has been produced, which is attached at Appendix 5.

8.12 Risk Assessment

8.12.1 The financial forecasts are based on a number of assumptions including the level of income losses and support from the Government. In addition there are a number of uncertainties that could affect the financial position either now or in the future. These include the costs of providing further services in support of the response (e.g. track and trace) and whether there is a second wave and additional restrictions imposed.

8.12.2 Although the Council faces risks from the assumptions and uncertainties outlined above these will be mitigated by the following:

- Adopting a prudent approach to financial forecasting which involves obtaining information from external professional sources;
- Continuous monitoring and review of the key factors together with regular reports to Strategic Management and Members on any key issues;
- Regular budget monitoring meetings with budget managers to ensure that budget pressures are identified at the earliest opportunity;
- Regular budget monitoring reports to Members which will include additional action where required;
- Retaining a prudent level of reserves and balances.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The budget underpins the Corporate Plan by determining the amount of funds available to the Council to deliver its priorities.

10. What risks are there and how can they be reduced?

10.1 The key risks are set out in section 8.12 above

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and

- foster good relations between people by tackling prejudice and promoting understanding.
- 11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:
- 11.4.1 The report sets out the financial parameters for the Council. Any decisions regarding specific changes in the level of service provided will be the subject of a future report

12. Carbon Footprint (Environmental) Implications:

- 12.1 Members have recommended to Council that the Net Zero Exeter 2030 Plan be adopted and that when the financial position is clearer the Chief Executive & Growth Director bring back a report to address how the council could progress those actions identified for the attention of the city council. Currently this emergency budget had focused on reducing the shortfall. The implications for addressing the Net Zero agenda and other growth items will be considered in the autumn when we will have a clear picture on income and the recovery phase.

13. Are there any other options?

- 13.1 Not applicable.

Dave Hodgson, Chief Finance Officer

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:

Democratic Services (Committees)

Room 4.36

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		Description	Savings Identified
Chief Executive & Growth Director			
		Reductions offered by Strata	(121,000)
Total			(121,000)
Communities Health, Well Being, Sport & Leisure			
		None directly - offered up earmarked reserve backing Grants (now funded fully from CIL)	0
Total			0
Strategic Housing, City Development, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates, Democratic Services			
	Housing Needs	Complex Needs Officer post remains Vacant	(38,084)
		Replace Agency with permanent appointment	(10,000)
		Additional Grant Funds available	(76,970)
		Reduce spend to save budgets by 25%	(16,750)
	Customer Access	Freeze appointment process for six vacant posts	(156,585)
		3 Posts have additional hours available - freeze appointment	(12,252)
		Offer up unused budgets (Lump sums, clothing and staff training)	(4,960)
		Reduce Carry over funding re Council Tax	(11,000)
	Planning	Freeze Vacancies	(94,000)
Total			(420,601)
Communications, Tourism & Culture			
	Comms & Marketing	Pause Citizen and hold most marketing activity	(50,000)
	ECC Staff Awards	Cancel Award Ceremony	(10,000)
	Arts & Events	TEDx and Exeter Food Festival - no contribution	(50,000)
Total			(110,000)

Environment and City Management			
	CCTV	Reduction in Agency Budget	(3,000)
		Remove Licence Budget	(2,000)
		Remove equipment maintenance budget reducing ability to fix cameras	(4,000)
		Remove equipment rental	(1,540)
		Remove data line rental losing coverage of Rennes House and St Thomas Park	(3,000)
		Reduce mileage allowances no non-emergency appointments at weekend	(1,950)
	Home Call	Vacancy freeze - no non-emergency appointments at weekend	(7,500)
		Reduce Overtime- increase lone working where required	(6,000)
		Reduce equipment budget - reuse more / charge for damaged or lost equipment	(2,000)
	Parks	Agency Staff - no cover for absences	(5,000)
	Refuse Collections	Agency Staff -reduced cover for absences	(16,178)
		Bins and Recycling Boxes - capitalise & convert funding to capital receipts	(78,900)
	Reactive Team	Redeploy 25% of staff time to offset loss of agency - reduced level of cleanliness	(13,425)
	Car Park Sweeping	Agency Staff - loss of cover for absences - reduced cleaning	(10,000)
	Other street sweeping	Agency Staff - loss of cover for absences - reduced cleaning	(10,000)
	Litter bins	Agency Staff - loss of cover for absences - reduced emptying of bins	(3,500)
	Graffiti Cleaning	Reduce Service - increased graffiti across City	(35,600)
	Public Toilets	Agency Staff - loss of cover for absences - reduced cleaning	(5,000)
	MRF	Agency Staff - loss of cover for absences	(21,695)
	Other Cleansing	Agency Staff - loss of cover for absences	(13,760)
	Cleansing	Remove conferences budgets	(1,600)
	Recycling	Vacancy Freeze - reduction in recycling comms	(7,300)
		Restrict repairs to Bring Banks to safety critical faults (or remove)	(4,000)
	Fleet	Revert to manual online driver licence checks	(1,500)
	Oakwood House	Reduced Cleaning	(2,440)
	Corporate Property	Reduced Consultants Fees budget - reduce advice available on specialist projects	(6,750)
		Asset Maintenance - reduce contingency - less emergency work undertaken	(9,000)
		Asset Maintenance - reduction in planned works	(120,000)
		Vacancy Freeze	(55,000)
	Car Parks	Reduction in overtime and agency Budgets - no security led ASB "blitz"	(11,750)
		Small budgets removed - minimal impact	(5,510)
		New online payment system	(15,000)
	Growth Team	Budgets not required due to lockdown	(8,900)
		Economic development projects put on hold	(10,000)
		Reduce skills projects	(5,000)
		Stop joint economic development projects with neighbouring LAs	(24,300)
	Canal & Exe	Vacancy Freeze - ferry operator	(12,500)
		Delay purchase of crane pads	(40,000)
		Delay improvement works to electricity - boat meters	(7,000)
	Engineering & Construction	Reduce Agency Staff, tools and other small budgets	(21,000)
	Footpaths	Remove programmed repairs or improvements budgets	(20,060)
	Signs	Only offensive graffiti / flyposting removed	(12,250)
	Street Naming	Reduce budget for sign replacement	(2,000)
	Land Drainage	Reduced watercourse maintenance	(24,000)
	Total		(670,908)

Chief Finance Officer			
	Internal Audit	Remove all non-staff Budgets	(1,780)
	Procurement	Remove all non-staff Budgets	(1,940)
	Finance	End Mortgage Administration Contract	(2,490)
		End payment to Strata for Analyst supporting new Finance System project	(11,700)
		Freeze Vacant Finance Technician post	(12,752)
	Corporate	End Payment kiosk contract	(966)
		Negotiated discount on Pension backfunding payment	(62,750)
Total			(94,378)
City Solicitor & Head of HR			
	Elections	Elections not running 2020-21	(142,600)
	Guildhall	Reduction in Food, clothing and other expense budgets	(3,700)
	Mayoralty	LM volunteered reduction in allowance, reduction in expenses etc.	(5,710)
	Twinning	Remove Gifts, hospitality, food and twinning expenses budgets	(17,440)
	Members	Remove member training, conferences, food and printing budgets	(10,880)
	HR	Reduce Staff Training Budget to only cover statutory H&S	(90,000)
	CSU	Remove budget for Express & Echo	(1,600)
	Mail	Reduced postal budget	(20,000)
	Civic Centre	Reduced Electricity, Cleaning, window cleaning, food and clothing	(35,050)
			(326,980)
GRAND TOTAL			(1,743,867)

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	2020-21 Budget	Revisions	Proposed Budget
	£	£	£
Chief Executive & Growth Director	2,838,330	(121,000)	2,717,330
Communities Health, Well Being, Sport & Leisure	7,169,710	1,998,000	9,167,710
Strategic Housing, City Development, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates, Democratic Services	5,738,010	641,400	6,379,410
Communications, Tourism & Culture	3,186,780	471,000	3,657,780
Environment and City Management	(1,467,760)	6,247,092	4,779,332
Chief Finance Officer	2,331,450	(78,378)	2,253,072
City Solicitor & Head of HR	828,030	(326,980)	501,050
Less Use of Furlough Scheme	0	(403,000)	(403,000)
less Notional capital charges	(7,315,330)	0	(7,315,330)
<u>Service Committee Net Expenditure</u>	13,309,220	8,428,134	21,737,354
Net Interest	527,000	290,000	817,000
New Homes Bonus	(2,489,740)	0	(2,489,740)
Revenue Contribution to Capital	838,000	(838,000)	0
Minimum Revenue Provision	1,350,000	(800,000)	550,000
<u>General Fund Expenditure</u>	13,534,480	7,080,134	20,614,614
Transfer To/(From) Working Balance	839,330	(2,086,299)	(1,246,969)
Transfer To/(From) Earmarked Reserves	(307,000)	(3,527,835)	(3,834,835)
<u>General Fund Net Expenditure</u>	14,066,810	1,466,000	15,532,810
Formula Grant	(4,501,000)	0	(4,501,000)
Covid-19 Grant	0	(1,306,000)	(1,306,000)
CIL income	(900,620)	(160,000)	(1,060,620)
Business Rates Growth	(2,578,000)	0	(2,578,000)
Council Tax	(6,087,190)	0	(6,087,190)
	0	0	0
Working Balance	March 2020		March 2021
	<u>£5,856,249</u>		<u>£4,609,280</u>

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MEDIUM TERM REVENUE PLAN (2019/20 - 2024/25)

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	
Resources							
Revenue Support Grant	365	371	379	386	394	402	
Business Rates Income (assumed by Government)	3,846	4,130	3,239	4,521	4,655	4,746	
Business Rates growth	2,087	1,772	0	0	0	0	
Business Rates pooling / pilot benefit	701	0	0	0	0	0	
NNDR Deficit to Cover	(473)		(16,588)	0	0	0	
Section 31 Grant		16,445	2,286				
Excess S31 to earmarked Reserve		(16,588)	16,588				
Covid 19 Support	73	1,306	0	0	0	0	
CIL income	700	901	1,090	1,090	1,090	1,090	
New Homes Bonus	2,518	2,490	1,127	678	0	0	
Council Tax	5,831	6,087	6,071	6,310	6,561	6,818	
Likely resources	15,648	16,914	14,192	12,985	12,700	13,056	
Expenditure							
Service expenditure							
Committee expenditure base budget	12,975	12,697	13,309	13,436	11,082	10,257	
Inflation	602	470	500	500	500	500	
Potential increase in service costs	1,083	2,343	1,788	(454)	75	135	
Budgeted reductions	(1,963)	(2,201)					
	12,697	13,309	15,597	13,482	11,657	10,892	
Supplementary Budgets	4,320						
Covid Pressures	0	11,190	0	0	0	0	
Net Interest	(97)	527	484	468	461	0	
Forecast Committee movements	(2,159)	140					
RCCO	32	288	0	0	0	0	
Repayment of debt	693	1,188	1,897	2,002	2,063	2,063	
Additional repayment of debt	(582)	162		0	0	0	
	14,904	26,804	17,978	15,952	14,181	12,955	
Other funding							
Contribution to/ (from) earmarked reserves	(717)	(434)	(112)	(76)	(116)	0	
Contribution to/ (from) balances - Other	1,461	(1,658)	(308)	(491)	35	101	
	744	(2,092)	(420)	(567)	(81)	101	
Covid Savings		(7,798)	(1,205)	0	0	0	
Further reductions required			(2,000)	(2,400)	(1,400)	0	(5,800)
Potential reductions identified			(161)	0	0	0	
Total Net Budget	15,648	16,914	14,192	12,985	12,700	13,056	
							(5,800)
Opening General Fund Balance	4,395	5,856	4,198	3,890	3,399	3,434	
Closing General Fund Balance	5,856	4,198	3,890	3,399	3,434	3,535	
Balance as a percentage of budget	37.4%	24.8%	27.4%	26.2%	27.0%	27.1%	

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	Description	Savings Identified
Housing Revenue Account		
Low Maintenance - delayed programme	2019/20 Supplementary budget request intended for catch-up of cyclical decoration and maintenance. Quality of products and workmanship could allow for programme extension and a corresponding reduction in revenue requirement. 7 year to an 8 year cyclical decorating schedule could be evaluated as part of this	(200,000)
Communal decs - delayed programme	As above but slightly reduced RAG rating due to this relating to communal areas rather than individual dwellings.	(100,000)
Whipton Barton Carehome demolition	Possibility to capitalise this with the Vaughan Road scheme costs - will consequently increase the capital requirement for the new development budget.	(200,000)
Decorations for Elderly & Disabled (Assistance Scheme)	Reduction in service offer to tenants during 2020/21 - Coronavirus will require continued social distancing - 50% budget reduction proposal.	(100,000)
Staffing reductions	Significant impact on delivery plans across the service - options not to recruit to some posts or delay recruitment to April 2021 - Shown estimate is based on salary savings projected to the 1st August 2020 - More significant savings would escalate the RAG status to Red .	(86,299)
General Maintenance	A reduction in the repairs budget will likely require us to delay or refuse some non-essential repairs - traditionally gates, fences, gardens preparation - negative tenant feedback would likely occur	(100,000)
Room Hire - For tenant engagement	Removal of budget would require a significant take-up in virtual meeting arrangements by tenants and leaseholders.	(500)
Tenants removals and legal expenses	Removal of the budget to support tenants to transfer - would be detrimental to many applicants seeking to move.	(20,000)
HRA Community Development Projects	Funding for the Youth Bus Project which supports pro-active work around anti-social behaviour could be terminated - however this could cause funding pressures in the General Fund if the service needs financial support from a different source to enable it to continue.	(8,000)
Older Persons Equipment Tools and Materials	Removal of budget used for the refurbishment of Older Persons communal rooms - may potentially adversely impact the responsive repairs budget if items needed to be renewed.	(10,000)
GRAND TOTAL		(824,799)

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Emergency Budget briefing and Q&A

Why is there an emergency budget?

An emergency budget is being proposed to balance the in-year budget. It is largely because of the effects of COVID-19. COVID has made a difference to both planned spend and the income we thought we would get.

Good decisions in previous years have put ECC in a much stronger position than some district councils.

However Members are legally required to deliver a balanced budget every year – unlike other public sectors – and a new budget for the year is being proposed.

What is being suggested?

Exeter City Council needs to make a substantial reduction (£1.7million) in what it spends between now and April 2021.

This will be followed by additional reductions for the following two years– as part of the medium term financial plan.

What does this mean?

Residents may notice things stop between now and April, and some permanent changes for two years after that.

Why didn't your planned income come in?

The budget sets out £8.5million of projected losses. For something like car parking, the government asked us to help keep people at home. At times our car parking income was 99%. For something like visitor attractions, we can't bring in any income from shows as our theatre is shut. The below is the best loss calculation without being able to be certain if we will face a second wave of COVID-19.

	Irrecoverable loss to June £m	Projected loss to June £m	Projected full year £m
Car Parks	1.941		4.571
Commercial Rent		0.300	1.183
Leisure	0.031		0.081
Waste		0.426	0.886
Visitor attractions	0.468		0.906
Other	0.427	0.255	0.970
Total	2.867	0.981	8.562

What is being proposed to makes things right?

To address the losses we have set out £12.7million of options:

	£m
Covid-19 Grant from Government	1.379
Remove transfer to General Fund Balance	0.839
Use of General Fund Balance	2.850
Repurposing Earmarked Reserves	2.121
Use of Furlough scheme	0.403

Stop in-year Service Spend	1.728
Additional savings offered by Strata	0.121
Convert Public toilet expenditure to be funded by CIL	0.055
Offset statutory repayment of debt against previous voluntary repayments	0.638
Convert revenue used for capital expenditure to capital receipts	0.838
Remove voluntary repayment of debt	0.162
RAMM – successful appeal against Business Rates	1.659
Total	12.793

What exactly are you planning on stopping between now and April?

Residents may notice the impact of budget reductions and vacancy freezes. The publication of The Citizen will be suspended along with most paid for marketing – even taking copies of The Express & Echo will be suspend. Planned festivals and events will not be sponsored this financial year. There will be a significant reduction in agency staff in roles along with reductions in high profile services such as graffiti removal. There are significant savings out of the eyes of the public, but will still have an eventual impact. There will be a significant impact by reducing planned asset maintenance. There will be no training for staff outside essential health and safety courses. A full list is contained in the report.

Hasn't the Government just given you the money?

No. This budget is required taking into account the money central government has already given Exeter City Council.

Didn't you just win a major court case regarding the RAMM?

Yes – This budget takes into account that payment. The proposed savings are in addition

What about jobs?

There are no direct redundancies as a result of this budget.

However, there is the potential for redundancies as a result of some of the changes to services outlined in the medium term financial plan over the following two years. And the process to make those savings may begin before April 2021.

What about the Job Retention Scheme?

The scheme is likely to have saved ECC over £400,000.

Doesn't ECC have reserves for this kind of thing?

Yes – this budget is using the council's reserves to partially offset the shortfall. There is a need to maintain a minimum level of reserves to protect against further unexpected events.

Why doesn't Council Tax pay for this?

Exeter City Council receives 8% of collected council tax.

Has Exeter City Council invested in the property market and is now in trouble because of that?

No. ECC has only invested in two properties – both of which are in our city – both of which were deemed vital to the economy.

Are there any other alternatives?

Financial projections will likely change between now and April. For instance, if a second wave of COVID returns, projections around car parking and income for the Corn Exchange will be significantly worse. Government may support district councils further.

The budget will be publicly debated by elected Members and is subject to their scrutiny and suggested amendments.

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REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

Report of: Director Jon-Paul Hedge

Title: Review of the General Buller Statue

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

- 1.1 This report is presented in context of the Black Lives Matters movement against systemic racism and discrimination. It asks the council's Scrutiny Programme Board to investigate the continued appropriateness of the statue of General Buller and his horse Biffen on the junction of Hele and New North Road in Exeter.

2. Recommendations:

- 2.1 That Scrutiny Programme Board agree that work be undertaken by the relevant committee to investigate the continued appropriateness of the statue of General Buller and his horse Biffen, and to act accordingly of its findings.

3. Reasons for the recommendation:

- 3.1 Black Lives Matter (BLM) calls for a level playing field for everyone in society – free from prejudice and inequality - regardless of skin colour.
- 3.2 BLM's #WhatMatters2020 campaign focuses on issues concerning racial injustice, police brutality, criminal justice reform, Black immigration, economic injustice, LGBTQIA+ and human rights, environmental injustice, access to healthcare, access to quality education, and voting rights and suppression.
- 3.3 The civil rights movement was founded in America and is designed to inspire and motivate communities and their representatives to ask if they are addressing 'What *Matters* in 2020'.

- 3.4 Following the outrage surrounding the death of George Floyd on March 25 2020 at the hands of a white police officer, activism and outrage over all aspect of inequality has increased on a global scale rarely seen in modern times. In the UK and in Exeter, there has been significant focus around the relevance of prominent statues on public land that personify racism and the glorification of a colonial past. Exeter has six statues of prominent white men who played a part in the city's history. The Buller statue is the most conspicuous by way of location and controversy.
- 3.5 The statue was originally funded by the people of Exeter. The purpose of the recommendation is to ascertain if its prominence is still appropriate to the people of Exeter today.
- 3.6 Communications from residents to elected representatives since George Floyd's death have largely supported Black Lives Matter. However there are differing views as to what should now happen to this statue. Of the opinions received so far, there is significant strength of feeling within our communities to remove the statue. However, there have also been strong opinions to instead relocate the statue as a cultural reference, redefine it by way of narrative through something like a sign, or leave it alone altogether and focus on education and inequality around the city's colonial standing. This reports asks the Scrutiny Programme Board to be the central point for correspondence and opinion already submitted and to provide an open and transparent, accessible and representative consultation into the matter as part of their assessment.
- 3.7 Explicit mapping of both ownership and critical pathways of any actions arising from the board's report also needs to be drawn together from the outset, so to avoid expectations being dashed and conclusions not being enacted on.
- 3.8 Given that the statue itself is Grade II listed – any conclusion centred on its removal would be subject to considerations including a rigorous formal planning procedure involving further mandatory consultation.

4. What are the resource implications including non-financial resources.

- 4.1 There are no resource implications other than officer and Member time in producing recommendations.

5. Section 151 Officer comments:

5.1 There are no financial implications contained in this report.

6. What are the legal aspects?

Please refer to paragraphs 3.7 and 3.8 set out above which identifies the legal considerations.

7. Monitoring Officer's comments:

Provided the issues surrounding planning and ownership are taken into consideration, this report raises no issues for the Monitoring Officer.

8. Report details:

- 8.1 Crediton born and Eton educated Rifleman General Sir Redvers Henry Buller, VC, GCB, GCMG, was the son of Exeter MP James Buller, and awarded a Victoria Cross for 'gallant conduct'
- 8.2 Despite his credentials and widespread public support and public funding, the statue itself was considered controversial even at the turn of the 1900s.
- 8.3 Dr Todd Gray MBE, one of Exeter's most prominent historians, states that: "The statue was created because of a public controversy in the early 1900s over questions of Buller's competency, public indignation regarding his dismissal from the military and party politics between the national Conservative government and the Liberal Exeter City Council.
- 8.4 "It was paid for through public subscription and erected on 'Buller Day'. The general was then widely perceived amongst Devonians as one of the county's greatest heroes and in 1900 was praised as 'a mechanical engine of war'."
- 8.5 Records indicate that the statue was acquired with funding received from around 50,000 members of the public and unveiled in 1905. The adult population of Exeter in 1901 was 47,185.
- 8.6 It was dedicated to the (then) City Council.
- 8.7 Up until 1974 Exeter City Council's predecessor authority held responsibility for it.
- 8.8 Legal advice provided by ECC officers says that following reorganisation under the Local Government Act 1972, the highway function passed to Devon County Council (this actually took place on 1st April 1974) and, as such, ownership of the highway and all attached to it should have passed on to Devon County Council.

- 8.9 However in writing this report officers at Devon County Council have submitted that the monument does not belong to them.
- 8.10 It is advised that reproduction of original documentation is sought and further explored by the committee.
- 8.11 In 2017 the statue was at the centre of a tragic accident involving 18 year old Tom Callaway. Now a separate petition regarding sensitives of the statue and its meaning to those who knew Tom is also underway, and under the spotlight of national media.

9. How does the decision contribute to the Council's Corporate Plan?

- 9.1 The report will help meet community aspirations and build great neighbourhoods

10. What risks are there and how can they be reduced?

- 10.1 From 1861 to 1905 six individuals were honoured with statues in Exeter. According to Dr Gray, none of Exeter's six statues would meet widely held views around equality and diversity should, they be proposed and publicly funded today.
- 10.2 The review has been sparked by this statue, but Exeter has a deep and detailed colonial past that have reference in many walks of life today.
- 10.3 There is a risk that no further action is taken from scrutiny's conclusions.
- 10.4 There is a risk that this statue is viewed in isolation.
- 10.5 Recommending more widespread and comprehensive rolling assessment would reduce this risk.
- 10.6 There is also a risk that hard to reach community voices will not be heard as part of the review. This could be reduced by comprehensive community consultation.

11. Equality Act 2010 (The Act)

- 11.1 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

- 12.1 There are no direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

- 13.1 Members could seek to widen the remit of the review and seek to bind the resolutions.
- 13.2 Members could not carry out the review.

Director

Jon-Paul Hedge

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquiries:

Democratic Services (Committees)

Room 4.36

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REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Bindu Arjoon

Title: Council Development Programme

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report provides an update on the Council's Social Housing development activity since the approval of the initial phase in October 2019. The report also seeks approval for the establishment of a budget for in-year development opportunities where time constraints do not allow a full Committee and Council reporting process to be followed. Additionally, approval is also sought from Members for the acquisition of 3 - three bedroom houses in Anthony Road, Heavitree, Exeter, as part of the HRA Development Programme.

2. Recommendation

That Executive recommend to Council:

- 2.1 That Members note the Housing Revenue Account Development Programme progress update;
- 2.2 That Members approve additional capital budget provision of £3m to allow urgent market opportunities to be pursued and secured where the Committee reporting timescales do not allow a full reporting process to be followed;
- 2.3 Council delegates authority to the Director in consultation with the Leader of the Council and the Portfolio Holder Council Housing Development and Services to spend the £3 million referred to in paragraph 2.1.2 above where in year opportunities market opportunities are identified; and
- 2.4 Members approve the acquisition of all three, 3 three bedroom houses in Anthony Road, Heavitree, Exeter, as part of the HRA Development Programme at a cost of £900k.

3. Reasons for the Recommendation

3.1 In October 2019, Executive and Council approved the initial phase of the HRA Development Programme. This phase consisted of 100 properties with an associated

budget of £18m. Good progress has been made in delivering the programme and full details for each site are provided in the body of this report below.

- 3.2 Whilst some development opportunities have a significant lead-in time allowing for a full reporting process to be achieved, some market opportunities need a quicker response. As such, budget approval of £3m is sought to allow for such opportunities to be secured. Periodic Development Programme updates to Members will include full details of any such schemes pursued at the next reporting stage.
- 3.3 In addition to the budget approval request as above, approval is also sought for the purchase of 3 properties in Anthony Road, Heavitree, Exeter. Essentially, 3 properties, originally intended for open market sale by Exeter City Living, remain unsold and it serves the Council's objectives to acquire more properties for social and affordable housing to proceed with the acquisition as part of the HRA development programme. These properties are adjacent to the Council's HRA housing estate, North Lawn Court.

4. What are the resource implications including non-financial resources.

- 4.1 The current initial phase of HRA development is budgeted at £18 million which is made up of the use of Right to Buy receipts and other capital contributions from the HRA and borrowing. Homes England Grant has not been sought at this stage as it is more advantageous for the Council to contribute Right to Buy receipts. Sites are continually assessed on their viability and the most appropriate source of funding.
- 4.2 Funding for the £3m development fund and for the acquisition of the properties at Anthony Road will be from additional borrowing. At Spring Budget 2020, the Government announced a new, discounted rate of PWLB lending to support social housing, which enables the Council to borrow at 1% below the rate at which the local authority would usually borrow from the PWLB. This takes borrowing rates to historically low levels.
- 4.3 The £3m capital fund and acquisition of Anthony Road would not breach the Council's £230m authorised limit for borrowing, which is the limit resolved by Council for the year in accordance with the Prudential Code.

5. Section 151 Officer comments:

- 5.1 The proposal to provide a fund to enable the HRA to acquire property is sensible and will ensure opportunities are not missed owing to the timings of Council meetings. As an indication the current rate for a 50 year maturity loan for the HRA is 1.23% meaning the interest cost to the HRA would be £36,900 a year. The HRA is not required to make a statutory repayment of debt, rather depreciation is a real cost in their accounts (although the depreciation cost is available to use for ongoing enhancements to the Housing portfolio).
- 5.2 Finance will work with Officers in Housing to ensure that the business case is viable for any properties acquired.

6. What are the legal aspects?

None identified.

7. Monitoring Officers comments:

This report raises no issues for the Monitoring Officer.

8. HRA Development Programme Update

- 8.1 The Council holds a stock of almost 5,000 residential properties within the Housing Revenue Account. This number reduces by about 40 per year, as stock is sold through the Right to Buy.
- 8.2 The Housing Revenue Account borrowing cap was lifted in October 2018, allowing Councils to borrow prudentially through their HRA to facilitate new development opportunities. An initial phase of development was agreed by Members for 100 properties at a cost of approximately £18m. A progress update for each site is provided below.
- 8.3 **Thornpark Rise.** This is a former garage site that is under construction and will deliver 9 new 3- bedroom family houses, very similar in design to the homes delivered at Silverberry Close, Barberry Close and Reed Walk. This site is being delivered by Exeter City Living (ECL) and the HRA will acquire the entire site once complete. Unfortunately, due to the implications of the Coronavirus, the contractor has suspended work whilst approximately only 5 weeks from scheme completion.
- 8.4 **Bovemoors Lane.** This is a former garage site and also the site of 4 non-traditional flats. The site was demolished and cleared in anticipation of development by ECL but is now being developed for Council Housing. Good progress is being made on site and work has continued throughout the lockdown period due to effective social distancing and materials management by the contractor. The 10 three bedroom houses under construction will be completed early in 2021.
- 8.5 **Hamlin Gardens.** This is a former under- used parking area on the edge of the estate. Planning consent has been secured for 21 new flats, a mix of 1 and two bedroom homes. The scheme has been tendered for a preferred main contractor and it is anticipated that work will commence in August/September 2020.
- 8.6 **Vaughan Road.** This site is located between, Vaughan Road, Pinhoe Road and Hill Lane and currently includes 12 HRA homes and a former Devon County Council care home (Whipton Barton House) which ECC has now acquired. This site is proposed as a collaboration with Exeter City Living with 60 of the 92 homes proposed on the site being held within the HRA and the other 32 being sold on the open market by Exeter City Living (on land sold to ECL by the HRA). Resident consultation has been completed and Planning Approval secured. The Second Stage tender pricing is due to be completed by the end of July 2020.
- 8.7 In addition to the schemes detailed above, the HRA Development Programme also includes two schemes previously agreed by Members. An Extra Care development – Edwards Court – is under construction and will deliver 53 one and two bedroom flats early in 2021. Additionally, 17 non-traditionally constructed Laings properties have

been demolished and are currently being replaced with traditionally constructed dwellings.

8.8

HRA Development Programme Summary		
Thornpark Rise	9 x 3 Bed Houses	April 2020*
Bovemoors Lane	10 x 3 Bed Houses	January 2021**
Hamlin Gardens	21 x 1 and 2 Bed Flats	Winter 2021**
Vaughan Road	60 x 1 and 2 Bed Flats	Spring 2022**
Total Phase 1	100 Properties	
Edwards Court	53 x 1 and 2 Bed flats	Early 2021**
Laings Renewals	17 x 2 and 3 Bed Houses	Early 2021**
Total Properties under construction	170 Properties	

* Work currently suspended due to Coronavirus restrictions

** All subject to re-evaluation as a consequence of the Coronavirus Pandemic

9. Additional Development Programme Budget

9.1 As progress is made with the next phase of the HRA Development Programme and the delivery of 500 new properties in total within a 10 year period, it is clear that being able to react promptly to market opportunities is key to securing schemes and being competitive within the market.

9.2 Accordingly, the availability of a budget – proposed at £3m – will enable prompt decisions to be made in seeking to secure development opportunities with updates provided to Members subsequent to any initiative proving successful.

9.3 It is intended that a further report will be presented to Members setting out the next phase of the Development Programme and the respective scheme proposals later in 2020.

10. Purchase of 3 Properties – Anthony Road, Heavitree, Exeter

10.1 An immediate opportunity exists to acquire 3 houses in Anthony Road, Heavitree, Exeter. The proposal consists of three, 3 bedroom houses, built to Passivhaus Standard, and located adjacent to the Council’s HRA housing estate, North Lawn Court.

10.2 The following benefits to the Council (HRA) have been identified with this proposal;

- New properties built to a very high specification and to Passivhaus Standard – Energy Rating SAP Band B (86)
- Building Biology health benefits
- The proposed acquisition is financially viable for the HRA on an affordable rent basis
- Build quality of market alternatives known to vary significantly in quality standards and durability
- Aligned with the Council’s Objectives regarding Carbon Reduction

- The properties are adjacent to the Council's North Lawn Court estate so provide logistical efficiencies in terms of visits/maintenance/servicing schedules etc.
- The location in Heavitree provides good benefits for a sustainable tenancy to be achieved – easy links to schools, shops and health facilities – and public transport links for wider travel/commuting
- Potential asset management future benefits relating to higher quality specification of build – reduction of capital investment requirements with prolonged lifespan of components

11. How does the decision contribute to the Council's Corporate Plan?

11.1 The proposals in this report are consistent with the corporate objective of delivering high quality, value for money services. The corporate priorities also support building great neighbourhoods and that residents have a home that is secure, healthy and affordable. It also contributes to the council being well run with good management of our assets.

12. What risks are there and how can they be reduced?

12.1 There is the potential for cost and time overruns with construction contracts, but we seek to mitigate these by having a more detailed design at tender stage and competitively tendering for a fixed price tender. The contract administration will be closely controlled to allow for the mitigation of risks and any potential design changes.

12.2 Delaying the start on site of these projects would likely lead to an increase in the build cost due to tender price inflation. The risk of this will be mitigated by ensuring the design work is well developed prior to tendering and that all the required due diligence is carried out before, during and after tendering.

12.3 It has been indicated that currently Homes England are allocating grants aimed at mixed tenure schemes and in particular at social rented properties. However, we are also being advised that there is a risk of this priority of grant for social rented altering to potentially other tenures.

13. Equality Act 2010 (The Act)

13.1 On 2 of the sites referred to in this report it has been, and will be necessary to move, decant or relocate some vulnerable tenants, this process will be carefully managed to keep the disruption to a minimum.

13.2 A focus on the quality of our properties and service delivery is likely to have a beneficial impact on Council tenants, a number of whom have protected characteristics or are vulnerable in the long term.

13.3 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

14. Carbon Footprint (Environmental) Implications:

- 14.1 The recommendations made in the report will help to deliver the Council's carbon reduction target (carbon neutral by 2030).
- 14.2 The HRA Development Programme is focussed on the environmental aspects of construction and delivery of Passivhaus certified properties will continue with the acquisition of the three properties in Anthony Road. As demonstrated above, existing properties are being assessed in terms of their respective energy performance and investment decisions are formulated to deliver the required improvements.

15. Are there any other options?

- 15.1 The alternative option would be to not proceed with the Development Programme, which would mean not taking advantage of the lifting of the HRA borrowing cap and not growing the Council's housing stock within the HRA.
- 15.2 In terms of the proposed acquisition of the Anthony Road properties, it is considered that this is the best option for the growth of the HRA property portfolio taking account of the benefits listed above. Alternative options could be argued to offer better vfm but the purchase of existing market properties include drawbacks such as;
- New-build market alternatives would likely to be situated on the periphery of the City making links to schools, shops and health facilities more challenging – therefore making such properties more challenging to achieve a sustainable tenancy
 - Acquisition of existing housing stock would require additional capital investment at an earlier point so a lower initial purchase price masks potential capital and revenue expenditure needs

Director Bindu Arjoon

Author- Adrian Pengelly, Service Lead – Housing Assets

Local Government (Access to Information) Act 1972 (as amended) **Background papers used in compiling this report:-**

None

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275

Equality Impact Assessment: Council Development Programme Report

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive and Council	Council Development Programme Report	That Executive recommend to Council for approval, That Members note the Housing Revenue Account Development Programme progress update. That Members approve	No group will be negatively affected. Potentially all groups will be positively affected.

		<p>additional capital budget provision of £3m to allow urgent market opportunities to be pursued and secured where the Committee reporting timescales do not allow a full reporting process to be followed.</p> <p>Council delegates authority to the Director in consultation with the Leader of the Council and the Portfolio Holder for Housing to award funds against the Housing Development capital budget of £3 million.</p> <p>That Members approve the acquisition of 3 three bedroom houses in Anthony Road, Heavitree, Exeter, as part of the HRA Development Programme at a cost of £900k.</p>	
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Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This is must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact –some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of	Positive	High,	Reason
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interest	or Negative Impact	Medium or Low Impact	
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Positive		Given the significance of the HRA both in financial terms as well as in terms of the range of services it delivers to a large number of residents, the continued investment in new housing will positively impact all waiting list groups.
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	Positive		The delivery of the Councils housing new build schemes will ensure that many homes will be built to wheelchair accessible standard or specifically for residents requiring adaptations.
Sex/Gender	Neutral		
Gender reassignment	Neutral		
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral		
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral		
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Positive		The provision of more affordable housing in the City will have a positive impact on all age groups
Pregnancy and maternity including new and breast feeding mothers	Neutral		
Marriage and civil partnership status	Neutral		

Actions identified that will mitigate any negative impacts and/or promote inclusion

No negative impacts are anticipated.

Officer: Adrian Pengelly

Date: 28th May 2020

REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Bindu Arjoon

Title: Introduction of a Council Housing & Development Advisory Board

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Council

What is the report about?

- 1.1 This report seeks member approval to establish a Council Housing and Development (CHD) Advisory Board to improve oversight and governance of the management and maintenance of Council Social Housing as well as the Council's ambitious Social Housing Development plans.

Recommendations:

- 2.1 That Executive recommend to Council for approval, the creation of a CHD Advisory Board, with the composition and terms of reference detailed in sections 9 and 10 of this report.
- 2.2 That the terms of reference set out in paragraph 9 are agreed and the Council's constitution be amended accordingly.
- 2.3 That the Independent Remuneration Panel on Members' Allowances, be requested to consider whether the position of Chair of the CHD Advisory Board would attract a Special Responsibility Allowance (SRA) and if so, the level of SRA, and recommend this to Council accordingly.
- 2.4 That Executive recommend to Council a budget of up to £16,000 to cover the cost of an additional resource, if required and a budget of up to £10,000 for the Special Responsibility Allowance.

Reasons for the recommendation:

- 3.1 Council Housing represents a major area of business for the Council, with an annual income of over £20m and an asset base with a use valuation in excess of £240m. It is also an area facing current and future challenges as a consequence of a challenging financial and policy environment on the one hand, and significant ambitions to build over 500 new homes in the next decade and improving the energy efficiency/carbon footprint of our existing stock on the other.

- 3.2 Given the significance of Council Housing both in financial terms as well as in terms of the range of services it delivers to a large number of residents, there is a need to introduce governance arrangements to strengthen levels of scrutiny and oversight as well as provide a mechanism for greater professional challenge.

What are the resource implications including non-financial resources.

- 4.1 There will be some additional staff resources required in order to support this Advisory Board. This has yet to be determined but is likely to be a grade F for approximately 18.5 hours a week. This would cost in the region of £13,763 (pay award pending), this is calculated at the top of the grade and includes on-costs.
- 4.2 Reasonable expenses would be paid to the external advisors and tenant/leaser holder representatives, for example, travel expenses, child care/caring expenses etc. and refreshments will be provided at meetings. No additional allowance will be payable.
- 4.3 The Chair on this Board would potentially attract a Special Responsibility Allowance (SRA). This would need to be considered by the Council's Independent Panel on Members' Allowances, who would be guided considering comparable levels of responsibility to other similar roles in the Council (Portfolio Holder, Scrutiny Chair etc.) These amounts range from £3k to £10,675.

Section 151 Officer comments:

- 5.1 The potential additional cost is noted and will be built into the HRA budget, if required, along with the contribution towards additional members' expenses. If the budget is not required, or is different to that requested, members will be informed during the usual budget monitoring reports received by Council.

What are the legal aspects?

- 6.1 Please see the Monitoring officer comments below.

Monitoring Officer's comments:

- 7.1 It is important to flag that this is an Advisory group and as such does not have any decision making power.

Report details:

- 8.1 The Council's Housing stock delivers an income via tenants' rent of over £20m and has assets worth over £240 million. It is a significant business of the Council, delivering a range of services to over 10% of the city but with an influence that reaches beyond this.
- 8.2 As with all Registered Social Landlords the Council is regulated by the Regulator of Social Housing's (RSH) whose role is to set standards and to intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants.
- 8.3 Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' Boards and Local Authority Councillors who govern service delivery are responsible for meeting the relevant standards and determining

how this is done. It is expected that the CHD Advisory Board would support the Council's Executive to achieve this.

8.4 The Regulator's primary focus is on promoting a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.

8.5 The Regulator take a co-regulatory approach which means:

- they regard Board members and Councillors as responsible for ensuring that providers' businesses are managed effectively and that providers comply with all regulatory requirements
- providers must support tenants to shape and scrutinise service delivery and to hold Boards and Councillors to account
- they operate as an assurance-based regulator, seeking assurance from providers as to compliance with the standards. In other words, the onus is on Exeter City Council as a provider to demonstrate their compliance to the Regulator. Where providers do not supply the requisite assurance, this will be reflected in the judgements reached.

8.6 The standards are classified as either 'economic' or 'consumer'. The economic standards currently relate to housing associations concerning governance and financial viability, value for money and rent standard. From April 2020 the rent standard will also relate to Local Authorities and Exeter City Council has been part of a pilot of its introduction.

The 4 consumer standards are:

- The Home Standard, which relates to the quality of the home and repairs and maintenance
- Tenancy Standard, this relates to allocations, mutual exchanges and tenure types
- Neighbourhood Standard, relating to neighbourhood management, local area co-operation and tackling anti-social behaviour
- Tenant Involvement and Empowerment Standard, which relates to customer service choice and complaints, involvement and empowerment and understanding and responding to the diverse needs of tenants

8.7 By having Independent Board Members (to include tenant representatives) as well as Councillors on the Advisory Board it would allow for a wide range of relevant experience and expertise to assist in the planning of Housing budgets, development of new homes and the delivery of the housing management service. The independent members will be able to consider the challenges faced by social housing due to external factors, give examples of good practice within the sector and would review and make recommendations in relation to performance and compliance with health and safety regulation.

It is good practice within the sector to 'engage in an appropriate level of consultation with tenants, members, officers and other stakeholders in a way that it delivers

efficient management and control of the HRA business plan'. *Chartered Institute of Housing Voluntary Code for a Self-Financed Housing Revenue Account 2013*.

- 8.8 Many Social Landlords have governance structures whereby a Board or Committee receive regular information about how the housing service is being delivered against a range of performance target criteria and objectives. As a Council, elected members already provide an over-view scrutiny and direction for the HRA – a CHD Advisory Board would enhance this process and not replace it, as it will function in an advisory capacity and not as decision- making body.

Terms of reference

9.1 The proposed terms of reference are:

- a) The Board shall work in advisory capacity to the Council;
- b) It will review, advise and make recommendations in relation to the Council Own Build (COB) programme and future activity in increasing the number of homes for residents owned by the Council, through acquisition and development opportunities;
- c) The Board will have oversight and review the major capital programmes such as the retro fitting programme to improve the energy efficiency of Council Housing properties;
- d) The Board will have an oversight of HRA budget monitoring, works schedule progress, tenant engagement and satisfaction;
- e) The Board will be aware of the government regulatory regime and give advice accordingly, ensuring that the Council has processes in place to comply with current regulations and standards as they relate to social housing;
- f) It will be able to recommend the allocation of resources within the budgetary framework agreed by the Council;
- g) The Board will recommend to Executive/Full Council the HRA medium term financial plan and Business Plan including revenue and capital budgets;
- f) It will review on a quarterly basis key performance and budgetary information;
- g) The Board will review Housing's Risk Register;
- h) The Board will consider and have oversight of Housing strategies, policies or service standards, including the overall Housing Strategy;
- i) It will consider and make recommendations on any other significant matters affecting Council Housing;
- j) The Board will report directly to Executive and Council as appropriate; and
- k) The Board will be chaired by an Elected Member of the Council

Composition of the Board

10.1 It is proposed that the Board will consist of:

- Five elected members to include: the Executive Member Portfolio Holder for Housing, Development and Services and will be reflective of the political structure of the Council
- Service User – the Chair of the Tenant Leaseholder Group
- Five External advisors/stakeholders
- The Director responsible for Council Housing and Housing Development
- Appropriate Officers will be invited to attend meetings of the Board when relevant

10.2 The Board would constitute up to five external advisors/stakeholders drawn from the following stakeholder areas;

- A representative from the Social/Affordable Housing sector in *Exeter (for example a retired Chief Executive or senior person from a local housing association)*
- A representative from health and social care
- A legal representative
- A financial representative
- A representative from the Police force

10.3 In addition to the HRA Housing Advisory Board, there will be a separate Tenants'/Leaseholders' Group to scrutinise performance and undertake other projects (in line with the Tenant Involvement and Empowerment Standard). Details will be decided and formalised as part of the current review of the Tenant Involvement Strategy.

How does the decision contribute to the Council's Corporate Plan?

11.1 The proposals in this report are consistent with the corporate objective of delivering high quality, value for money services and building great neighbourhoods.

What risks are there and how can they be reduced?

12.1 The main risk is that the Board will not operate as envisaged and exercise the appropriate degree of challenge. The quality and experience of the external appointees are likely to be important factors in this regard and the recruitment process will therefore need to be carefully planned and managed.

Equality Act 2010 (The Act)

13.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding.
- 13.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 13.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 13.4 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

Carbon Footprint (Environmental) Implications:

- 14.1 The HRA Advisory Board has a key role to play in the Council delivering on its target of delivering our carbon reduction target (carbon neutral by 2030). The Board will advise on key areas such as building energy efficient homes and the retro fitting of our existing stock.

Are there any other options?

- 15.1 There is the option of not establishing a specific Advisory Board for the HRA, but this is not supported for the reasons given in section 3 of this report.

Director, Bindu Arjoon

Author: Lawrence Blake, Service Lead - Housing Tenancy Services

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
None

Contact for enquires:
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01392 265275

Equality Impact Assessment: Introduction of a Council Housing and Development Advisory Board

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive and Council	Introduction of Council Housing and Development Advisory Board	That Executive recommend to Council for approval, the creation of a dedicated Council Housing and Development Advisory Board, with the composition and terms of reference	No group will be negatively affected. Potentially all groups will be positively affected.

		<p>detailed in this report.</p> <p>That the necessary changes be made to the Council's constitution and delegated authority be given to the Director responsible for the HRA in consultation with the Corporate Manager Democratic and Civic Support and Portfolio Holder for Council Housing, Development & Services to finalise the procedures for Board meetings and Terms of Reference.</p>	
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Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This is must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact –some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant			The reason for this report is that the HRA represents a major area of business for the Council, with an annual income of over £20

workers; asylum seekers).			<p>million and an asset base with a use valuation in excess of £210m. It is also an area facing major challenges in the years ahead as a consequence of a challenging financial and policy environment on the one hand, and significant ambitions to build over 500 new homes in the next decade and improving the energy efficiency/carbon footprint of its existing stock on the other.</p> <p>Given the significance of the HRA both in financial terms as well as in terms of the range of services it delivers to a large number of residents, officers believe there is a strong argument for modifying the governance arrangements in order to strengthen levels of scrutiny and oversight as well as provide a mechanism for more robust professional challenge.</p>
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	Positive		The Advisory Board will oversee the delivery of the Councils housing new build schemes it is likely that many homes will be built to wheelchair accessible standard or specifically for residents requiring adaptations.
Sex/Gender	Neutral		
Gender reassignment	Neutral		
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral		
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral		
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only)	Positive		The provision of more affordable housing in the City will have a positive impact on all age groups

as overriding consideration should be given to needs).			
Pregnancy and maternity including new and breast feeding mothers	Neutral		
Marriage and civil partnership status	Neutral		
<u>Actions identified that will mitigate any negative impacts and/or promote inclusion</u>			
No negative impacts are anticipated.			

Officer: Lawrence Blake
Date: 28th May 2020

REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Bindu Arjoon, Director

Title: Greater Exeter Strategic Plan: Draft Policies and Site Options Consultation

Is this a Key Decision?

Yes

Is this an Executive or Council Function?

Executive for GESP and call for sites and Council for additional expenditure on staff resources

1. What is the report about?

- 1.1 This report seeks approval from Executive to consult on the Greater Exeter Strategic Plan (GESP) draft policies and site options consultation document and associated reports, hold a further 'call for sites' to inform the plan making process and increase staff resources in the GESP team.

2. Recommendations for Executive:

2.1 That the GESP Draft Policies and Site Options consultation document attached at Appendix A is approved for public consultation (all of the report appendices can be viewed here: <https://app.box.com/s/ge36i69xsqjoaetuer7csc3e27edty6>);

2.2 That the GESP Draft Policies and Site Options Sustainability Appraisal Report attached at Appendices B(1) and B(2) is approved for public consultation;

2.3 That the Initial Habitat Regulations Assessment Report attached at Appendix C is approved for public consultation;

2.4 That the content and conclusion of the GESP Equality Impact Assessment Screening Report attached at Appendix E are noted;

2.5 That delegated authority is given to the Leader, in consultation with the Portfolio Holder and Chief Executive and Growth Director, to agree changes to the above documents arising from decisions by the other GESP authorities before they are published for consultation;

2.6 That a 'call for sites' process, to be held alongside the consultation on the GESP Draft Policies and Site Options document, is approved;

2.7 That the content of the consultation statement for the 2017 Greater Exeter Strategic Plan Issues consultation attached at Appendix D is noted; and

Recommendations for Council:

2.8 That the GESP team is brought up to eight full time equivalent members of staff and that local planning authority staff resources are provided equitably to the team through equalisation arrangements. Subject to future confirmation of the additional GESP staff roles that will be required, for Exeter City Council this is likely to equate to a total contribution of approximately £62,000 per annum towards staff costs, or an additional c.£33,330 per annum on top of existing staff contributions.

3. Reasons for the recommendations:

3.1 Recommendations 2.1 to 2.7 are made to ensure that public consultation on the GESP Draft Policies and Site Options can commence in September 2020, enabling the GESP to progress towards adoption in a timely manner and in accordance with statutory requirements.

3.2 Recommendation 2.8 is made to ensure that the GESP can progress towards adoption in a timely manner; and to ensure that the costs of staff resourcing a shared equally and fairly between the four local planning authorities.

4. What are the resource implications including non financial resources.

4.1 Each of the Greater Exeter local planning authorities (LPAs) have currently agreed to budget contributions totalling £170,000 for the preparation of the GESP. The Councils' budget contributions are being used mainly for evidence preparation which is necessary for the production of a sound plan. The budget also covers public engagement and therefore there is no need for further funding to be provided to cover the draft policies and site options consultation.

4.2 The budget contributions do not cover staffing. Having considered the potential future staffing arrangements for the GESP team as outlined in section 8 of this report, staff or financial contributions would be required from each LPA to bring the staffing levels up to 8 FTEs. Although the specific costs of this staffing will be determined in future once the composition of the team emerges, it is likely that the total staff costs for each LPA will be approximately £62,000 per annum.

4.3 Looking at the wider GESP budget, additional budget contributions are not currently being sought. However, once the GESP has gone through its various consultation stages and has been submitted, an Inspector and Examination will be required and this could cost in the order of £150,000 which would require additional, equal budget contributions of around £37,500 from each of the four LPAs. This cost is likely to be incurred in 2022/23. A further report to Executive will consider this matter further in due course.

5. Section 151 Officer comments:

5.1 The additional cost is noted and has been built into the medium term financial plan (MTFP). The Council's financial position means that this will add to reductions required of the life of the plan. For the full context, Members should refer to the emergency budget, which includes an updated MTFP.

6. What are the legal aspects?

6.1 Section 19 of the Planning and Compulsory Purchase Act 2004 sets out a statutory requirement for LPAs to prepare development plans. These plans must identify the priorities for the development and use of land in the authority's area. This stage of the plan-making process is under "Regulation 18" of the 2012 Local Planning Regulations. The four LPAs formally agreed to prepare the GESP as a statutory joint development plan

at various meetings during 2016 and the GESP is incorporated into their Local Development Schemes accordingly.

6.2 Under relevant legislation, development plans must be accompanied by a Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) (see section 8 of this report). These similar requirements are usually integrated into one document/process which considers the effects of the plan on the environment, people and the economy, considers reasonable alternatives, propose measures to mitigate harmful effects, and proposes monitoring measures. The SA Report is provided at Appendices B(1) and B(2).

6.3 Legislation also requires that a plan will not adversely affect the ecological integrity of European wildlife sites. This is considered through a Habitats Regulation Assessment (HRA). The Initial HRA for this stage of the GESP plan-making process is included at Appendix C and is discussed in section 8 of this report.

6.4 Consultation on the GESP will be carried out in accordance with the Joint GESP Statement of Community Involvement, which is recommended for adoption under a separate report to Executive after being consulted on in 2017. Further details about the specific approach to consultation on the GESP draft policies and site options will be included in an engagement strategy. This will specifically consider the current COVID-19 pandemic.

6.5 Under the Equality Act 2010, the vision and draft policies of the GESP draft policies and site options consultation document have been considered through a screening process which has identified that the content does not require a full equality impact assessment (see section 7 of this report).

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

Introduction

8.1 The Greater Exeter Councils are East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council, together with Devon County Council as a key infrastructure provider and the Minerals and Waste Planning Authority for the area. The Greater Exeter Councils formally agreed to prepare a statutory joint plan at various meetings during 2016 and incorporated the GESP into their Local Development Schemes accordingly.

8.2 The GESP will cover the local planning authority areas of East Devon, Exeter, Mid Devon and Teignbridge (excluding Dartmoor National Park). It is being prepared jointly by those four LPAs with the support of Devon County Council under Section 28 of the Planning and Compulsory Purchase Act. It will:

- Set an overall vision and strategy for the area in the context of national and other high level policy and in particular climate emergency declarations and the NPPF;
- Contain policies and proposals for strategic and cross boundary issues where these are best dealt with on a wider geography;
- Set the overall amount of development for the period 2020 – 2040;
- Promote the Liveable Exeter vision by allocating urban regeneration sites in the city of more than 100 dwellings;

- Implement the overall vision and strategy by allocating strategic sites of 500 or more homes outside of the city which may include urban extensions and new settlements, together with strategic employment sites; and
- Provide district and city council local plans with targets for non-strategic development.

8.3 The GESP was subject to an early round of public consultation during February to April 2017. That 'Issues' consultation launched the concept of the GESP and explored the key issues that the plan should address. Responses to the comments provided during that consultation are set out within the GESP Issues consultation statement at Appendix D.

8.4 The adopted Local Development Schemes (LDSs) of the Greater Exeter local planning authorities (LPAs) set out the formal timetable for the GESP. The LDSs identify that the next round of public consultation on the GESP - the draft policies and site options consultation - was due to have commenced in June 2020. However, the COVID-19 pandemic has necessitated deferring the start of consultation until September 2020. In the future, the Councils' LDSs will need to be updated to reflect both this change and the longer term impacts of the pandemic on the GESP timetable.

8.5 The purpose of the draft policies and site options consultation is two-fold. Firstly, to invite comments on a number of draft strategic planning policies which would apply across the Greater Exeter area. These policies are limited to those which cover issues that are better dealt with consistently across the area, rather than on a district-by-district basis in local plans. Secondly, to discuss the proposed spatial development strategy for the area and provide the first indication of the potential housing and employment site options which may form part of the GESP. The proposed consultation document contains a total of 39 site options on which comments will be sought.

Content of the GESP draft policies and sites options consultation document

8.6 The four Greater Exeter LPAs are being recommended to publish the draft policies and site options document for an 8 week period of consultation, commencing in September 2020. Because it is a joint plan, the document must be agreed by all four LPAs before it is finalised.

8.7 The consultation document is divided into three main sections as follows:

- **Section A: Purpose**
This describes why the GESP is being prepared and how it relates to local plans and neighbourhood plans. This was an issue raised during the earlier Issues consultation.
- **Section B: Policies**
This section includes the draft vision for the Greater Exeter area. It has been revised to take account of comments received during the Issues consultation and work undertaken subsequently. The vision is split into three sections: 'the plan' which summarises the purpose of the GESP; 'the place' which explores the future of Greater Exeter; and finally a section on the 'priorities' for the area. The rest of Section B is divided into a series of thematic chapters which include the draft policies for the GESP and provide the associated explanatory text. The following thematic chapters are included:
 - Climate emergency;
 - Prosperity;
 - Homes;
 - Movement and communication;

- Nature; and
 - Quality places and infrastructure.
- Section C: Spatial development strategy and site options
This final section includes the spatial element of the GESP, setting out the amount of development required, a spatial development strategy and how this could come forward through a series of potential site options. The following elements are included:
 - The number of homes;
 - Existing housing sites and the number of houses on GESP allocations;
 - The spatial development strategy and associated map;
 - Four strategic growth areas covering the central, northern, southern and eastern areas of Greater Exeter;
 - The relationship with local plans and smaller sites; and
 - A series of 39 site options for housing and employment development which fall within the strategic growth areas.

8.8 It should be noted that not all of the site options will be required for further consideration and inclusion in the next stage of the GESP.

Spatial development strategy

8.9 As set out above, an important element of the draft policies and site options consultation document is the spatial development strategy contained in Section C, from which the 39 site options have been identified. The spatial development strategy is based on the following key themes, which are themselves informed by the draft vision:

- Protecting key environmental assets;
- Recognising the impact of development distribution in terms of carbon production;
- Identifying accessible and well connected development locations;
- Seeking increased densities in our urban areas and around transport hubs;
- Connecting settlements by IT and other infrastructure, reducing the need to travel and minimising grey infrastructure requirements; and
- Ensuring growth has a clear purpose, leading to individual character.

8.10 Driven by these themes, the spatial development strategy focuses strategic development:

- On brownfield and greenfield land in Exeter and other main towns where there is an easily accessible range of jobs, services, transport facilities and the potential to enhance these factors; and
- In new or expanded settlements of scale on key transport corridors, particularly the rail corridors which extend out from Exeter, ideally where cycling is also a feasible option to access key jobs and services.

8.11 Members should note that in addition to strategic development allocations made in the GESP, local plans and neighbourhood plans will have a role to play in allocating smaller sites in accordance with locally determined priorities and needs. Such allocations will be necessary to ensure that the housing and economic development needs of the four LPAs are met.

8.12 After explaining the derivation of the spatial development strategy, the consultation document identifies four potential strategic growth areas located across the Greater Exeter area where development would fit with the strategy. These strategic growth areas - central, northern, southern and eastern - have been assessed in the GESP

Sustainability Appraisal (see paras 8.19 to 8.24 of this report), which concludes that they offer the most appropriate combination of economic, social and environmental benefits (or minimised negative impacts) in terms of development. The four strategic growth areas also reflect the vision of an accessible and networked city region of linked and distinct communities. The site options contained in the consultation document are all within one of these strategic growth areas. The strategic growth areas are summarised below.

- Central strategic growth area: this large area includes Exeter and immediate surrounds, the “West End of East Devon” and the Tarka Line railway corridor as far as Crediton. It comprises the focal point of the Greater Exeter area’s transport connections. Much of the Central area has seen very substantial planned growth and investment. It contains the growing new town of Cranbrook, the Science and Sky Park economic hotspots (designated as an Enterprise Zone) and a number of major urban extensions to the city. It is a sustainable transport node with four railway lines, a series of stations (with additional stations planned), excellent bus and cycle provision and an emerging cycle and car club infrastructure. It is also the focus of the strategic road network, while major institutions such as the University of Exeter and the Met Office provide continued economic impetus. These conditions converge to drive significant demand for new homes and economic investment.

Within Exeter there is large brownfield regeneration potential for high quality sustainable development, as articulated in the Liveable Exeter vision for the city. The Central area also offers locations for further urban extensions and new settlements with good sustainability credentials. However, there are environmental sensitivities to consider, including the high quality historic environment and the internationally important Exe Estuary, Dawlish Warren and Pebblebed Heaths, which are potentially vulnerable to visitor pressure. High quality development, green infrastructure and habitat management will be key mitigation requirements, whilst an innovative and multi-modal transport strategy will support development. There are 26 site options within the Central strategic growth area.

- North strategic growth area: towards the northern boundary of the Greater Exeter area, about half way between Taunton and Exeter, the Northern strategic development area stretches from Tiverton to Cullompton. The existing mainline station at Tiverton Parkway combines with two motorway junctions to give excellent access and there are fewer national or international environmental sensitivities than in many other Greater Exeter locations. Proposals within the Mid Devon Local Plan Review include significant economic and housing expansion, with a new tourist and leisure hub at Junction 27 of the M5 and the initial phases of the Culm Garden Village, to the east of Cullompton. Improvements to the motorway junctions and a new railway station at Cullompton are key infrastructure requirements. There are 3 site options within the North strategic growth area.
- South strategic growth area: near the southern extent of Greater Exeter, Newton Abbot, Kingsteignton and Kingskerswell create a significant employment and housing area. This wider urban area has good transport links including the Great Western mainline railway, access to the strategic road network via the A38 and the recently completed South Devon Highway to Torbay. There is the potential to continue to develop the area’s role with additional homes and employment, following on from the strategic development allocated on the edge of Newton Abbot in the existing local plan. There are sensitivities to consider in this location; Dartmoor is within proximity of the northern part of the area, there are internationally important bat habitats and considerable reserves of the nationally significant ball clay mineral. Development impact would require mitigation, with green infrastructure likely needing to play an important role. There are 4 site options within the South strategic growth area.

- East strategic growth area: within the eastern part of the Greater Exeter area, the Waterloo Line provides a mainline rail service from Exeter to London together with important local connectivity between towns and to Exeter. The corridor is also well served by the strategic road network, including the A30 which provides good links east and west. The market towns of Honiton and Axminster have economic and housing potential, while settlements with existing stations may provide the opportunity for strategic expansion accompanied by sustainable transport options. Plans to improve frequencies along the Waterloo line would enhance the sustainability of proposals in this area. A key environmental consideration in the area is the presence of Areas of Outstanding Natural Beauty which would need to be protected. There are 6 site options within the East strategic growth area.

8.13 The significant work that has been undertaken on the GESP forms a tangible further stage in the project. The draft vision, draft policies, suggested spatial development strategy and site options require consultation in order that views of the community and stakeholders can be gathered, understood and used to inform the next stage of the GESP. An engagement strategy will be produced to set out how the consultation for this stage of the GESP will be undertaken. This will be in accordance with the revised Joint SCI for the GESP, which is being brought to Executive for approval in a separate report, and will need to respond to the current Covid-19 situation.

8.14 Recommendation 2.1 requests approval for consultation on the GESP draft policies and site options document.

8.15 It should be noted that each of East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council need to approve the consultation on the GESP draft policies and site options document and associated documents from September 2020. Consistent recommendations will be considered by the relevant decision-making body of each Council. During this process, there is the potential for some revisions to be identified by each Council. In order to enable such revisions to be considered through the democratic process in a timely manner, recommendation 2.5 requests that the Leader be given delegated authority, in consultation with the Portfolio Holder and Chief Executive, to agree changes to the consultation documents which may arise from decisions by the other GESP authorities, before they are published for consultation.

Evidence

8.16 In order for a local plan or a strategic plan such as the GESP to be adopted, it must first be examined by an independent planning inspector and found 'sound'. The National Planning Policy Framework (NPPF) sets out four tests of soundness. One such test is that the plan must be 'justified'. This means that it must include '...an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence' (NPPF, paragraph 35). On the basis of the need for firm evidence, a range of studies, assessments and research has been undertaken during the preparation of this consultation document.

8.17 The evidence base for the GESP is continually evolving and is made available online at www.gesp.org.uk/evidence/. The evidence base currently covers a variety of themes including housing, economic development, transport, digital connectivity, retail and environmental matters. Additional evidence will be added to the GESP website when the consultation starts and as the plan progresses. This will include the reporting of the housing and economic land availability assessment (HELAA) which considers sites put forward during a 'call for sites' process held in 2017. It is important to recognise that there is no need to have all the evidence for the plan completed at this stage and that the evidence currently compiled is sufficient for this stage of the plan.

Sustainability Appraisal/Strategic Environmental Assessment

8.19 One of the key evidence documents which will support the GESP as it progresses is the Sustainability Appraisal (SA)/Strategic Environmental Assessment (SEA). Preparing and consulting on the SA/SEA is a legal requirement of preparing a plan.

8.20 SA and SEA are similar processes. The SA process involves appraising the likely social, environmental and economic effects of the policies and proposals within a plan from the outset of its development while the SEA process focusses on environmental impacts. Because of the cross-over of these processes, they have been undertaken together for the GESP and are covered by the 'SA Report'.

8.21 The SA Report has been prepared to assess the GESP draft policies and site options consultation document. This is attached at Appendices B(1) and B(2). The SA Report has been undertaken by 'LUC', an independent consultancy. It follows on from the SA scoping report which set out the way in which the Councils proposed to undertake SA and which was consulted on in 2017 alongside the GESP Issues consultation. The SA approach was subsequently refined to reflect consultation comments received and also to ensure that the assessment objectives reflect each of the topics required by the SEA regulations.

8.22 The current SA Report assesses the potential environmental, social and economic impact of the key elements of the draft policies and site options consultation document. In particular, it assesses the vision, draft policies, spatial development strategy and site options. It also assesses 'reasonable alternatives' to the draft policies and site options to ensure that the GESP is progressing with an appropriate strategy. A key feature of the assessment of reasonable alternatives is the consideration of a longer list of 78 potential residential and employment sites. These sites derive from the 2017 call for sites submissions, the associated housing and economic land availability assessment (HELAA) and a wider assessment of potential development locations from within the strategic growth areas. The site options in the main GESP consultation document are considered to be the most appropriate to take forward for further consideration.

8.23 The SA Report concludes that the GESP draft policies and site options consultation document provides a basis to ensure that the level, type and location of growth in the plan area is appropriately balanced between the need to maintain and enhance the natural and built environment, to support economic aspirations for the Greater Exeter area and improve health and social wellbeing.

8.24 Recommendation 2.2 seeks approval for consultation on the SA Report alongside the GESP draft policies and site options consultation document.

Habitats Regulations Assessment

8.25 In addition to the SA, a further key piece of evidence which will inform the preparation of the GESP is the Habitat Regulations Assessment (HRA). Undertaking this process is a legal requirement of preparing a plan to ensure that it does not adversely affect the ecological integrity of a European site. European sites include Special Protection Areas (SPAs), which are classified for their bird populations of European interest, and Special Areas of Conservation (SACs), which are designated for habitats and species of European interest. There are various European sites in the local area which could be affected by the content of the emerging GESP including the Exe Estuary SPA, Dawlish Warren SAC, the East Devon Pebblebed Heaths SPA/SAC, the South Hams SAC and the River Axe SAC.

8.26 An initial HRA report has been prepared to assess the GESP draft policies and site options consultation document. This initial HRA Report has been prepared by 'Footprint Ecology', an independent consultancy who have been involved in HRA work within the Greater Exeter area historically. The initial HRA Report is attached at Appendix C.

8.27 Producing an HRA is not a legal requirement at this stage of the plan-making process, because the content of the GESP is not yet established. However, consideration of HRA matters at this initial stage enables an early understanding of any likely impacts which the emerging GESP may have on European sites, what evidence we might need to gather to understand potential impacts on sites and what amendments to the GESP might be necessary to reduce or remove these impacts.

8.28 The initial HRA Report first includes an initial screening of the policy content and site options in the GESP consultation document for likely significant effects on the European sites. It then provides recommendations to clarify points that are related to HRA. These have been incorporated in the GESP consultation document. Following the screening, topics for the subsequent 'appropriate assessment' stage of the HRA (to be undertaken alongside later stages of the plan) are highlighted with any further evidence which will be needed as the plan progresses. A full HRA, informed by the initial HRA and consultation responses to its contents, will be prepared to support the next version of the GESP.

8.29 In summary, the initial HRA report flags the draft policies which could have an impact on European sites. These policies cover housing, economic and employment targets, the airport, gypsy and traveller accommodation and some of the transport policies. The report also identifies that the site options could have an impact on European sites when considered alone or in combination. The initial HRA will enable appropriate evidence gathering to ensure that impacts on European protected sites are minimised and appropriate mitigation is identified.

8.30 Recommendation 2.3 seeks approval for consultation on the initial HRA Report alongside the GESP draft policies and site options consultation document.

Equality impact assessment screening report

8.31 Under the Equality Act 2010, local authorities have a legal duty to eliminate discrimination and promote equality within service delivery. Local authorities are required to have 'due regard' to the need to:

- Eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- Advance equality of opportunity (remove or minimise disadvantage, meet people's needs, take account of disabilities, encourage participation in public life); and
- Foster good community relations between people (tackle prejudice and promote understanding).

8.32 The protected characteristics under the Equality Act are:

- Age;
- Disability – including physical disability, mental health;
- Gender reassignment;
- Marriage and civil partnership;
- Pregnancy and maternity;

- Race;
- Religion or belief;
- Sex/Gender; and
- Sexual orientation.

8.33 In accordance with the Equality Act, the GESP consultation document has been subject to an equality impact assessment. A screening exercise has considered whether the vision and draft policies are likely to have an impact, either positive or negative, on the protected characteristics above. The purpose of this screening stage is to assess whether or not it is necessary to carry out a full equality impact assessment.

8.34 The screening report is attached at Appendix E. It concludes that the equality impacts of the vision and some of the draft policies will be positive, and that the remaining draft policies are likely to have no impact due to neutral or negligible effects on groups with the protected characteristics. Therefore the screening report concludes that a full equality impact assessment of the GESP consultation document is not required.

8.35 Recommendation 2.4 requests that the content and conclusion of the Equality Impact Assessment Screening Report attached at Appendix E is noted.

Call for sites

8.36 A call for sites invites landowners, land agents, planning consultants and the wider public to identify sites which they consider are appropriate and available for development. This evidence is vital in the plan-making process as it helps LPAs demonstrate that the sites included in a plan have a realistic prospect of coming forward. In this regard, call for sites information is critical in ensuring that a plan is 'deliverable over the plan period'. This is a central element of the 'effective' test of soundness identified in the NPPF and against which a planning inspector will ultimately consider the plan.

8.37 A call for sites was held in early 2017 alongside the GESP Issues consultation. This work has informed the site options included in the GESP consultation document. However, because circumstances regarding land availability change over time, through for example, the buying and selling of land, it is necessary to update the evidence by holding another call for sites. This will demonstrate the deliverability of the site options and potentially result in further sites being proposed. It is therefore proposed that a second Greater Exeter-wide call for sites be held concurrently with the GESP consultation in the autumn. The call would be a web-based process hosted on the GESP website, requiring basic site information and a plan to be provided. The information provided will be used as evidence for both the GESP and also the individual local plans of the four Greater Exeter LPAs.

8.38 Recommendation 2.6 requests approval to hold a further call for sites, to be held alongside the GESP draft policies and site options consultation.

Issues consultation

8.39 In addition to a range of evidence, the progression of the GESP has been informed by the initial Issues consultation which was held in 2017. The issues consultation document can be found at <https://www.gesp.org.uk/consultation-phases/issues/> together with the public comments received. These comments have been considered and, where appropriate, a response provided.

8.40 A variety of matters were raised in answering the six Issues consultation questions including:

- The need to clarify the role of the GESP, local plans and neighbourhood plans;
- The relevance and importance of the “duty to cooperate”;
- The role of government policies relating to housing need;
- The need for significant community involvement in preparing the GESP;
- Health and wellbeing;
- Environmental issues;
- Transport and other infrastructure provision;
- Housing matters;
- Employment issues; and
- The development strategy and the forms of new development.

8.41 It is a requirement that a statement is produced detailing the responses received during consultation and the way in which the preparation of the GESP has been informed by such responses. This consultation statement should then be made publicly available. The consultation statement for the previous GESP Issues consultation is therefore included at Appendix D. This will be made available on the GESP website.

8.42 Recommendation 2.7 requests that the content of the Issues Consultation Statement is noted.

Elected Members’ Involvement

8.43 Member involvement has been an important part of the work undertaken to develop the GESP. To facilitate Member engagement, the four LPAs set up a Member Reference Forum to discuss and consider the GESP and its evidence as it was prepared. The Forum originally comprised 5 members per authority, but this was extended to 10 members per authority in 2019 to allow for greater representation of the wider Council membership. In its first format, the Forum met five times between April 2017 and March 2019. Once reconstituted, it met a further five times between November 2019 and March 2020.

8.44 Forum Members have inputted to the general strategy to consider growth constraints and opportunities, the implications of the climate emergency, transport strategy and housing need. In the last three of the Forum meetings, Members have considered the draft policy wordings and the site options. Suggested changes by Members at these Forum meetings have been considered and taken into account in the GESP consultation document.

Future resourcing of the Greater Exeter Strategic Plan team

8.45 The GESP team was established in 2017 and is hosted by Exeter City Council at the Civic Centre in Exeter. It comprises planning officers from East Devon, Mid Devon and Teignbridge District Councils, Exeter City Council and Devon County Council. The team is established on an informal basis, with each officer continuing to be employed solely by their contractual employer.

8.46 From the outset, it was informally agreed by the authorities that each would contribute two officers to the team. However, due to individual authority demands this has not been consistently provided and the professional level and respective salary of individual officers provided by the different authorities varies. When established in April 2017, the GESP team included approximately 8.5 full time equivalents (FTEs). Over time this level of resource has fluctuated and, at March 2020, the number of staff had decreased to approximately 5.2 FTEs. In addition, in March 2020, the established team

leader left the project. There are a number resourcing issues which currently need resolving:

- The financial contribution to date has not been equally split between the 4 LPAs and remains unequally split within current arrangements;
- The current staffing levels have reduced by around 40%, significantly impacting on the ability of the GESP team to deliver the plan within identified timescales;
- There is no dedicated/appointed team leader responsible for project management, staff management (even if informal), Member liaison and wider engagement for the GESP (currently the team is being led by two principal planning officers); and
- There is no planning technician resource to assist with mapping and general IT/administration support.

8.47 Financing the staff resource is a particular consideration. Currently, each staff member is paid for by their respective authority. Because the professional level of the officers varies, there are different financial implications for each authority. It has been identified that there is a need to evenly distribute the financial costs relating to overall staffing between the four LPAs. This will have budget implications for each of the authorities.

8.48 It should be noted that the County Council sits outside of this discussion because it is not a LPA for the purposes of the GESP. The County Council does however continue to support an informal arrangement for the input of its resources and has provided consistent staff resources since the GESP team was established.

8.49 Going forward, there is a need to resolve the GESP team staffing resources in order to progress the plan. A detailed analysis of likely future staffing requirements for the GESP team has been undertaken and is provided in Appendix F. Although there will be some fluctuations in future workload, the analysis demonstrates that it is appropriate for the GESP team to increase staffing levels to 8 FTEs to steer the project forwards. There is also a need to discuss the composition of the team to consider the potential for a dedicated team leader and technician. Looking more widely, it is necessary to evenly distribute the overall staff costs between the four LPAs.

8.50 A range of staffing options have been discussed with the Leaders of the LPAs and are summarised below.

Option 1: Maintain the status quo

8.51 This option would see the GESP team remain at 5.2 FTEs, with each team member continuing to be employed solely by their individual authority. Under this option, there would be no financial equalisation agreement and a lack of resource in the team which would affect the GESP timetable.

Option 2: Retain existing staff and identify additional resource to bring staffing levels up to 8.0 FTEs

8.52 There are 3 scenarios under this option:

- 2a. Identify resource from within the existing planning teams and, subject to how these staffing contributions come forward, agree financial equalisation arrangements as necessary between the four LPAs covering the full LPA resource. Officers would

continue to be employed solely by their individual authority. This would require all LPAs to reprioritise current plan programmes in order to divert staff to the GESP.

- 2b. Recruit additional staffing resources through a competitive recruitment process. The full costs of LPA staff in the team would be apportioned equally between the four LPAs by way of a financial equalisation agreement, payable to a host authority. New officers appointed would be employed by a single host authority. This would improve the contractual management arrangements for the GESP team.
- 2c. A hybrid between 2a and 2b whereby additional resources are obtained through a combination of existing team members and external recruitment. All contributions, whether financial or existing officers, would be balanced equitably through a financial equalisation agreement for the four LPAs. New officers appointed would be employed by a single host authority.

Option 3: All GESP team members (excluding DCC officers) to be hosted by a single LPA

8.53 This would comprise both existing and new GESP team members who would be seconded to a host authority, with all financial contributions underpinned by an equalisation agreement. As per option 2, additional staff members would be recruited to bring staffing levels up to 8.0 FTEs.

8.54 The financial implications of options 2 and 3 are summarised in the table below, which shows that the total GESP team staffing costs for each LPA would be approximately £62,000 per annum for a team of 8 FTEs. Subject to future confirmation of the additional GESP staff roles that will be required, for Exeter City Council this is likely to equate to a total contribution of approximately £62,000 per annum towards staff costs, or an additional c.£33,330 per annum on top of existing staff contributions.

Options 2 and 3 – Equalisation (future only)			
	Estimated annual existing staff cost/contribution (£)	Annual equalised contribution or equivalent resource cost of the additional staff (£)	Total annual equalised staff cost/contribution (£)
Staff costs (TOTAL)	145,952	103,000	248,952
East Devon	39,213	25,750	£62,238
Exeter	28,670	25,750	£62,238
Mid Devon	44,933	25,750	£62,238
Teignbridge	33,136	25,750	£62,238

8.55 Following the analysis of staffing options, recommendation 2.8 requests approval to increase staffing levels in the GESP team to 8 FTEs and for the total staff resource provided by the LPAs to be provided equitably, supported by an equalisation arrangement.

9. How does the decision contribute to the Council’s Corporate Plan?

9.1 The recommended decisions will enable progress to be made towards the adoption of the GESP. Once adopted, the GESP itself will support the delivery of three corporate

objectives: Building Great Neighbourhoods; Tackling Congestion and Accessibility; and Promoting Active and Healthy Lifestyles.

10. What risks are there and how can they be reduced?

10.1 The GESP is being jointly prepared by four LPAs. This means that Committee decisions are required from the four LPAs to enable milestones such as consultations to be reached. There is a risk that one or more of the LPAs does not approve the GESP consultation or associated recommendations. However, significant steps have been taken to avoid this eventuality; Members from each of the LPAs have been involved in developing the GESP and given significant opportunities to shape the consultation documentation. It is acknowledged that revisions to the consultation material could be proposed through the Committee processes of the four LPAs. Recommendation 2.5 requests delegated authority for the Leader, in consultation with the Portfolio Holder and Chief Executive, to agree changes to the consultation material so that the consultation can be held in a timely manner. This same approach will be taken for all of the four LPAs.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending these proposals, potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 The GESP incorporates a target that carbon emissions from the Greater Exeter area are net zero by 2040 at the latest. This is ten years earlier than the national target and reflects the priority given to the climate emergency by the Greater Exeter Councils. Furthermore, the draft policy goes on to state that decisions on infrastructure investment and development applications will consider their impact on achieving this target. More widely, the draft policies contain significant requirements for new developments to be

carbon neutral, together with proposals for a low carbon transport strategy which would provide a significant contribution to meeting the target. Site options have been selected in large part because of their potential to minimise carbon emissions due to location and the potential to minimise the need to travel. It should be noted that planning decisions are just one of the actions needed to proceed to a carbon neutral area and country. Individual Councils may proceed faster towards carbon neutrality in accordance with their own individual policies.

13. Are there any other options?

13.1 Consultation is a legal requirement of plan preparation. The first Issues consultation on the GESP was held in 2017. Subsequently there has been significant work undertaken to develop evidence, draft policies and consider site options. It is appropriate to consult on this work so that communities and stakeholders have an opportunity to provide comments and shape the development of the plan. There are therefore no alternatives to undertaking consultation on the GESP draft policies and site options document and associated evidence.

DIRECTOR: Bindu Arjoon

Author: Katharine Smith, Principal Project Manager Housing Delivery

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Appendix A:	GESP Draft Polices and Site Options consultation document
Appendix B(1):	GESP Draft Policies and Site Options Sustainability Appraisal main report
Appendix B(2):	GESP Draft Policies and Site Options Sustainability Appraisal appendices
Appendix C:	GESP Initial Habitat Regulations Assessment report
Appendix D:	GESP Issues Consultation Statement
Appendix E:	GESP Equality Impact Assessment Screening Report
Appendix F:	GESP team staff resources: Future options

The report appendices can be viewed here:

<https://app.box.com/s/ge36i69xsqjoaetuer7csc3e27edy6>

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Equality Impact Assessment: *Greater Exeter Strategic Plan: Draft Policies and Site Options Consultation*

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive 7 July 2020	Greater Exeter Strategic Plan: Draft Policies and Site Options Consultation	A: The GESP Draft Policies and Site Options consultation document attached at Appendix A is approved for public consultation; B: The GESP Draft Policies and Site Options Sustainability	Potentially, people within the following protected characteristics: <ul style="list-style-type: none"> • Race and Ethnicity • Disability • Sex and Gender

		<p>Appraisal Report attached at Appendix B is approved for public consultation;</p> <p>C: The Initial Habitat Regulations Assessment Report attached at Appendix C is approved for public consultation;</p> <p>D: The content and conclusion of the GESP Equality Impact Assessment Screening Report attached at Appendix E are noted;</p> <p>E: Delegated authority is given to the Leader, in consultation with the Portfolio Holder and Chief Executive, to agree changes to the above documents arising from decisions by the other GESP authorities before they are published for consultation;</p> <p>F: A 'call for sites' process, to be held alongside the consultation on the GESP Draft Policies and Site Options document, is approved;</p> <p>G: The content of the consultation statement for the 2017 Greater Exeter Strategic Plan Issues consultation attached at Appendix D is noted;</p>	<ul style="list-style-type: none"> • Age <p>See table below for further details.</p>
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		H: The GESP team is brought up to 8 full time equivalent members of staff and all Local Planning Authority staff resources are provided equitably to the team through equalisation arrangements	
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Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact – some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Positive		In connection with recommendation A, whilst the majority of the draft policies in the GESP consultation document will have a neutral impact in terms of race issues, a draft policy is included for the provision of sufficient pitches/plots to accommodate the needs of gypsies and travellers over the plan period. In connection with recommendations B to H, the equalities impacts are considered to be neutral.
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment	Positive / Neutral		In connection with recommendation A, the draft policies in the GESP consultation have the potential to provide a positive impact for disabled groups, e.g. the policy requiring accessible and adaptable homes

<p>that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.</p>			<p>including a proportion that are wheelchair adaptable or accessible. The draft transport and connectivity policies also have the potential to provide a positive impact for people with accessibility issues.</p> <p>The majority of the GESP consultation document will have a neutral impact on mental health issues. The aim of the emerging GESP is to provide healthy lives in great places with access to high quality green spaces. Therefore, the impact of the GESP with regard to equal opportunities for people with mental health disabilities is likely to be negligible.</p> <p>In connection with recommendations B to H, the equalities impacts are considered to be neutral.</p>
<p>Sex/Gender</p>	<p>Positive</p>		<p>In connection with recommendation A, some draft policies in the GESP consultation document, including those on transport/connectivity and work skills, provide potential positive impacts for women. Also, where other equality groups have been identified as benefiting from positive impacts, these have the potential to positively impact on women (e.g. being more common than men in having primary care responsibilities for disabled or elderly relatives as well as children).</p> <p>In connection with recommendations B to H, the equalities impacts are considered to be neutral.</p>
<p>Gender reassignment</p>	<p>Neutral</p>		<p>In connection with recommendation A, there is no clear or direct impact on equal opportunities of the GESP consultation document for people proposing to undergo, undergoing, or that have undergone gender reassignment.</p> <p>In connection with recommendations B to H, the equalities impacts are considered to be neutral.</p>
<p>Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).</p>	<p>Neutral</p>		<p>In connection with recommendation A, there is no clear or direct impact on equal opportunities of the GESP consultation document for different religious/faith/belief groups from the emerging plan.</p> <p>In connection with recommendations B to H, the equalities impacts are</p>

			considered to be neutral.
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral		<p>In connection with recommendation A, there is no clear or direct impact on equal opportunities of the GESP consultation document for different sexual orientation groups.</p> <p>In connection with recommendations B to H, the equalities impacts are considered to be neutral.</p>
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Positive		<p>In connection with recommendation A, the draft vision and some of the draft policies in the GESP consultation document that relate to the themes of low carbon, prosperity, homes, movement and communication, and quality places and infrastructure, have the potential to provide a positive impact for people of all ages.</p> <p>The Homes chapter of the GESP consultation document particularly has regard to housing types and tenures to ensure suitability for all age ranges.</p> <p>In connection with recommendations B to H, the equalities impacts are considered to be neutral.</p>
Pregnancy and maternity including new and breast feeding mothers	Neutral		<p>In connection with recommendation A, there is no clear or direct impact on equal opportunities of the GESP consultation document for pregnant women/women on maternity leave.</p> <p>In connection with recommendations B to H, the equalities impacts are considered to be neutral.</p>
Marriage and civil partnership status	Neutral		<p>In connection with recommendation A, there is no clear or direct impact on equal opportunities of the GESP consultation document for people who are married or within a civil partnership.</p> <p>In connection with recommendations B to H, the equalities impacts are considered to be neutral.</p>
<u>Actions identified that will mitigate any negative impacts and/or promote inclusion</u>			



Officer: Katharine Smith
Date: 8 June 2020

REPORT TO EXECUTIVE

Date of Meeting: 7 July 2020

Report of: Bindu Arjoon, Director

Title: Greater Exeter Strategic Plan: Joint Statement of Community Involvement

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 Statements of Community Involvement (SCI) are produced by local planning authorities to explain to the public how they will be involved in planning matters. This report concerns the proposed Joint Statement of Community Involvement (Joint SCI) that has been prepared for the Greater Exeter Strategic Plan (GESP). The Joint SCI sets out the proposed approach to public consultation on the GESP as it progresses through its statutory plan-making stages towards adoption.

1.2 Whilst there is no legal requirement to consult on a SCI, a draft of the proposed Joint SCI was itself subject to public consultation in 2017. This report explains how the proposed Joint SCI has been amended, both in light of responses to the 2017 consultation and to take account of Covid-19 restrictions on social interaction.

1.3 The proposed Joint SCI will cover the four Greater Exeter local planning authorities of Exeter City, East Devon District, Mid Devon District and Teignbridge District Councils. If approved by all four Councils, the Joint SCI will become a Local Development Document.

2. Recommendations:

2.1 That Executive approves the contents of the Joint SCI that has been prepared for the Greater Exeter Strategic Plan (GESP); and

2.2 That Executive gives delegated authority to the Leader, in consultation with the Portfolio Holder and Chief Executive, to agree changes to the Joint SCI arising from decisions by the other Greater Exeter local planning authorities and to approve it as a Local Development Document, noting that it will apply jointly to East Devon District, Exeter City, Mid Devon District and Teignbridge District Councils.

3. Reasons for the recommendation:

The recommendations are made:

3.1 A: To ensure that the public consultation on the GESP at each of its statutory stages is undertaken in a consistent manner by each of the Greater Exeter local planning authorities; and

3.2 B: To ensure that the Joint SCI be adopted by the four Greater Exeter local planning authorities in a timely manner, in advance of proposed consultation on the GESP Draft Policies and Site Options document in September 2020 (see separate Executive report).

4. What are the resource implications including non financial resources.

4.1 The adoption of the Joint SCI will commit the Greater Exeter local planning authorities to undertaking public consultation on the GESP in accordance with the methods set out in the Joint SCI. The costs associated with consultation will be funded by the joint GESP budget, to which each of the Greater Exeter local planning authorities have currently agreed to each contribute £170,000. Devon County Council has also made financial contributions to the preparation of the plan.

5. Section 151 Officer comments:

5.1 There are no additional financial implications for Council to consider arising from this report. The GESP budget is a matter dealt with in another report on the agenda.

6. What are the legal aspects?

6.1 The preparation of an SCI, setting out how a local authority will involve its communities, businesses and other interested parties in the preparation of planning policies and in determining individual planning applications, is a legal requirement under section 18 of the Planning and Compulsory Purchase Act 2004. However, there are currently no formal or regulatory requirements setting out how an SCI should be prepared and there is no legal requirement to consult on its contents.

6.2 Each of the Greater Exeter local planning authorities already have their own SCIs and these contain different consultation requirements. In order to overcome any difficulties with aligning these individual existing SCIs, a single Joint SCI specifically for the GESP is considered necessary. The Joint SCI will only apply to consultations on the GESP. The Greater Exeter local planning authorities' existing SCIs will remain in force for all other planning consultations.

7. Monitoring Officer's comments:

This report raises no issues to concern the Monitoring Officer.

8. Report details:

Introduction

8.1 The 2004 Planning and Compulsory Purchase Act requires local planning authorities to prepare an SCI. Each of the Greater Exeter local planning authorities already have their own SCIs containing different consultation requirements. In order to overcome any difficulties with aligning these individual existing SCIs, a single Joint SCI specifically for the Greater Exeter Strategic Plan has been prepared, which will only apply to consultations on that plan. The authorities' existing SCIs will remain in force for any other planning consultations.

8.2 Although consultation on SCIs is not legally required, a draft Joint SCI was published for consultation in 2017. Representations were received from 13 respondents and these are published at <https://www.gesp.org.uk/consultation-phases/procedural-documents/statement-of-community-involvement/>

8.3 A summary of the representations, together with responses, is attached at Appendix 1 to this report.

8.4 The Proposed Joint SCI

The proposed Joint SCI is attached at Appendix 2 to this report. The proposed Joint SCI balances the representations received in 2017 against the need to progress with the preparation of the GESP during the ongoing uncertainties of the COVID-19 pandemic. The main changes that have been made since consultation took place on the draft Joint SCI are as follows:

- Clarification has been provided that Devon County Council does not need to adopt the GESP, which is a matter for the four local planning authorities;
- It is recognised that consultation methods for the GESP must be chosen by balancing cost and time constraints;
- Whilst the statutory consultation period for plan making remains as 6 weeks, the standard consultation period for the GESP has been increased to 8 weeks;
- A clear explanation has been added that respondents' personal contact details will be retained in order to inform them about progress with the GESP, in line with the Data Protection Act 2018 and the EU General Data Protection Regulations;
- An additional requirement has been added to prepare a communication and engagement strategy with more specific proposals for each stage of consultation;
- It is now stated that paper copies of consultation documents will be made available at council offices and libraries where possible (see final bullet point below)
- It is also stated that electronic copies of consultation documents (or paper copies, on request) will be made available to community groups, councils and statutory organisations;
- It is stated that other requests for paper copies will be met, but at a price that reflects publication costs. This is necessary to help ensure that the local authorities can cover the costs of consultation costs;
- It now clarifies that, where resources allow, consultation documents will be made available in alternative formats upon request;
- More detail has been provided on the stages of plan preparation; and
- It is specified that some consultation methods (such as public exhibitions involving face-to-face contact and making paper copies of consultation documents available in public places) will be undertaken 'where possible' to reflect the ongoing uncertainties and implications of the COVID-19 pandemic.

8.5 Implications

Of the amendments listed above, two key changes have been made to the Joint SCI since draft stage. The increase in the consultation period from 6 to 8 weeks will help to ensure that individuals and organisations are more able to prepare thoughtful and well evidenced comments. This includes organisations who need to take comments through a committee structure. The reference to some consultation methods taking place 'where

possible' enables greater flexibility to progress the plan during the uncertain period of COVID-19. If some events such as face-to-face public exhibitions cannot take place, meaningful engagement will still be ensured using alternative means such as social media and online exhibitions. This flexible approach is supported by Government guidelines that urge local authorities to progress plan-making during the coronavirus pandemic (see <https://www.gov.uk/guidance/plan-making#COVID19>).

8.6 Other changes made to the Joint SCI are generally fairly minor and improve the readability of the document.

8.7 Conclusion

The GESP Joint SCI will provide the framework for consultation on the GESP as it progresses. It is recommended that Executive approves the content of the document.

During July and August 2020, support for the GESP Joint SCI will also be sought from the relevant decision making body/ies in each of the other Greater Exeter local planning authorities. Should any one of the Greater Exeter local planning authorities suggest a change to the Joint SCI, there will need to be a meeting of the council Leaders, in consultation with the relevant Portfolio Holders and Chief Executives or their delegates, to agree a final version of the document. Recommendation 2.2, sets this out formally.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 Adoption of the Joint SCI will support the continued progress of the GESP through its statutory planning stages. The GESP itself will support the delivery of three corporate objectives: Building Great Neighbourhoods; Tackling Congestion and Accessibility; and Promoting Active and Healthy Lifestyles.

10. What risks are there and how can they be reduced?

10.1 Each of the four local planning authorities are making appropriate arrangements for approving the Joint SCI. There is a risk that one or more of the local planning authorities does not approve the Joint SCI. This would mean that such an authority would instead consult on the GESP in accordance with their existing SCI. This would increase the likelihood of inconsistent consultation and public confusion across the Greater Exeter area which could lead to challenges as the plan progresses.

10.2 There is also a risk that revisions to the Joint SCI are made at Committee. This would then require each of the other local planning authorities to approve the revised versions. To overcome this potential issue, approval is sought to give the Leaders of the Greater Exeter local planning authorities, in consultation with the Chief Executives and Portfolio Holders, delegated authority to agree changes to the Joint SCI as part of the approval process.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;

- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal, potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 There are no direct carbon footprint implications arising from the recommendations. However, the Joint SCI includes the potential use of significant electronic, online and social media platforms which will help minimise the carbon impact of GESP consultations.

13. Are there any other options?

12.2 The alternative option is for the Executive not to support the content of the Joint SCI and for the authority to instead consult on the GESP in accordance with the adopted Exeter City Council SCI. Each of the other Greater Exeter local planning authorities would then also consult on the GESP in accordance with their individual adopted SCIs. The risk of potential inconsistencies and public confusion that this option could cause is set out in section 8 above and it is therefore not appropriate.

Director: Bindu Arjoon

Author: Katharine Smith, Principal Project Manager Housing Delivery

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

- Appendix 1: Greater Exeter Strategic Plan Joint Statement of Community Involvement: Summary of representations
- Appendix 2: Greater Exeter Strategic Plan Joint Statement of Community Involvement. 2020
- Representation made to the Draft Joint SCI, February-April 2017:
<https://www.gesp.org.uk/consultation-phases/procedural-documents/statement-of-community-involvement/>

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Appendix 1: Greater Exeter Strategic Plan Joint Statement of Community Involvement: Summary of representations

Consultation on the Joint Statement of Community Involvement (SCI) ran from 27 February 2017 to 10 April 2017. A total of 13 valid representations were received. These have been summarised and responses from the Greater Exeter Councils provided in the table below.

Summary of representation	Organisation/Individual	Response
Supports the principle of meaningful and early engagement of the general community, community organisations and statutory bodies.	Natural England	Support noted.
Councils should talk to communities about the emerging plan and invite active participation. Councils should also produce a summary analysis of the comments received on the first round of consultation and the extent to which these have influence work on the draft plan.	Exeter Green Party; Individual – ECC	Agreed. The issues consultation which took place between 27 February and 10 April 2017 represented the first stage in the process of preparing the GESP, asking communities to comment on the content of the plan, provide local knowledge and stimulate early debate. A summary analysis of the comments received during the issues consultation is to be published with the GESP draft policies and site options consultation document and will explain how the comments have been taken into account.
Draft SCI says all the right things but at what point will people be considered? It also doesn't specify weight/meanings attributed to responses.	Exeter Community Forum	The SCI promotes involvement for all and therefore it would not be appropriate to attribute different 'weightings' to responses. All comments are considered individually based on their merits or recommendations. It is considered that the SCI already expresses this approach in the section 'General principles for consultation and involvement'.
SCI doesn't mention what will happen with consultation input. Results need to be discussed with communities and explanation of why ignored.	Exeter Community Forum	Comments will not be ignored. The SCI states that comments will be published as soon as feasible and will include an explanation of how comments have been taken into account in decisions that have been taken.
SCI does not give enough information to inspire people to be involved.	Exeter Community Forum	The purpose of the Joint SCI is to set out the approach to consultation and involvement in the Greater Exeter Strategic Plan. Any information on planning issues or the content of the plan which would encourage involvement will be published as part of any subsequent consultation documentation.

Would help to have approximate timetable with official consultation periods.	Exeter Community Forum	It is beyond the scope of the SCI to set out dates for plan preparation or specific timescales for consultation stages. The timescale for the preparation of the Greater Exeter Strategic Plan is set out in the Local Development Scheme which is available at www.gesp.org.uk . This link is provided in the SCI.
Draft SCI doesn't give any opportunities to seek redress if the process lets them down. No explanation of how to challenge.	Exeter Community Forum	Comments noted. However, it is considered that this is beyond the scope of the SCI and therefore, no amendments are proposed. Interested stakeholders will be able to put forward their views during consultation stages and the examination process, where an Independent Planning Inspector carries out an examination of the Greater Exeter Strategic Plan, considering the views of interested people.
Agree that use of technical terms/jargon should be explained in lay terms and general document should be accessible and written in a straightforward way.	Exeter Community Forum	Support noted.
Fuller participation needs consideration. For example a meeting in a town hall in the town centre is not likely to be an effective means to enable participation from a broad section of the community.	Exeter Community Forum.	The SCI is intended to promote involvement for all. As a result, a wide range of methods will be used for any consultation relating to the GESP as set out under 'How we will consult and how you can get involved'. Social media will become a greater part of consultation going forward.
People need to have confidence that plans may be influenced. Pre-determined preferences should be identified beforehand.	Exeter Community Forum	Agreed. It is considered that the SCI already makes this clear by stating 'We will also explain how these comments have been considered or taken into account in the process of preparing the GESP'. No pre-determined preferences were identified during the issues consultation as this stage of consultation was primarily aimed at gathering people's views and local knowledge. The next stage of consultation will invite people to comment on draft policies, potential development locations and supporting information. The next stage of the plan will be informed by previous comments received and the results of ongoing evidence gathering.
Consultation processes should be discussed and agreed in advanced. Community organisations	Exeter Community Forum	Comments noted. It is agreed that consultation processes should be discussed and agreed in advance. The approach to

should be funded to facilitate consultation processes.		consultation is therefore set out in the SCI which itself has been subject to public consultation. However, there is a need to balance wide involvement in the planning process with the need for effective operation of the planning system. This difficult balancing act reflects cost and time constraints, and a level of discretion on the outcome.
An indicative timetable overall for the process and key decisions should be set out.	Exeter Community Forum	It is beyond the scope of the SCI to set out the timetable for the Greater Exeter Strategic Plan. This is set out in the Local Development Scheme which is available at www.gesp.org.uk . This link has been added to the SCI.
Consultation period should be longer than six weeks.	Exeter Community Forum	Agreed, and extended to 8 weeks.
It is not clear how 'conscientious consideration' will happen. What if there is disagreement about this?	Exeter Community Forum	All comments are considered individually based on their merits or recommendations. It is considered that the SCI as currently worded is clear in the approach taken under 'General principles of planning consultation'. Where there is disagreement, stakeholders will have the opportunity to express their views during any subsequent stages of consultation and through the examination process.
Assume there will be no charge to view or download documents.	Exeter Community Forum	Documents in electronic form will be published on the website and be available to download for free. Electronic copies (or paper copies, on request) will also be made available to community groups, councils and statutory organisations. Paper copies will be available to view at council offices and public libraries during normal opening hours where possible. Other requests for paper copies will be met, but at a price that reflects publication costs.
Not clear who 'we' is: Is this each district council, Devon County Council or another body that is overseeing the process.	Exeter Community Forum	This refers to the four authorities working in partnership on the GESP: East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council. Devon County Council will assist with producing the GESP. This is stated in the 'Background' section of the SCI.
There needs to be more transparency and public involvement during the next stage. At the very	Devon Campaign to Protect Rural England	Comments noted. The Greater Exeter Strategic Plan is subject to separate decisions by each of the local planning authorities

least, minutes of the meetings should be published, and the meetings should be open to the public. Technical documents should be published as soon as they are available.		in accordance with their own constitutions/schemes of delegation. Details of minutes/agendas are published on each Council's website and these meetings are open to the public. Technical documents are published on an ongoing basis on the GESP website. The purpose of the SCI is to set out the approach to consultation and involvement and not the decision making process. As such, no additional changes are proposed.
Concerned that local wishes encapsulated by NPs can be over-ruled by the GESP.	Ottery St Mary Neighbourhood Plan Group	Comments noted. However, they do not appear to directly relate to the scope of the Joint SCI. No changes are proposed as a result.
Draft SCI proposes a top-down consultation process with no sense of involving or engaging the community in plan-making other than inviting them to respond to fully worked out drafts.	Exeter Green Party	Not agreed. An issues consultation which took place between 27 February and 10 April invited people to comment on the content of the plan, provide local knowledge and stimulate debate early on in the process. This did not include any fully worked out proposals but represented a formative stage of consultation early in the development of the plan.
Issues should be put to the electorate via the ballot box.	Individual – East Devon	Not agreed. The Greater Exeter Strategic Plan is being prepared in full consultation with local communities in accordance with relevant legislation and associated government guidance, led by democratically elected councils.
What consultation has been carried out, or is intended to be carried out, to identify whether or not residents and businesses in these five local authority areas wish to develop into a 'Greater Exeter' and the implications that could contribute to loss of local identities and local environments.	Individual – East Devon	The decision to prepare a Greater Exeter Strategic Plan was taken at public Council meetings of each of the authorities involved. The issues consultation which took place between 27 February and 10 April 2017 invited people to comment on the potential content of the plan, provide local knowledge and stimulate debate early on in the process. Additional stages of consultation will take place on the draft policies and site options and going forwards before submission.
Suggests inclusion of 'fully independent' before consultants.	Individual – Mid Devon	Not agreed. The SCI promotes involvement for all stakeholders interested in the Greater Exeter Strategic Plan.
Suggests inclusion of 'to all residents in all areas' under how we will consult.	Individual – Mid Devon	Not agreed. There is a need to balance wide involvement in the planning process with the need for effective operation of the planning system. This difficult balancing act reflects cost and time constraints, and our level of discretion on the

		outcome.
Suggests inclusion of 'hard copy' before consultation documents under how we will consult.	Individual – Mid Devon	Agreed. An amendment is proposed to state 'We will make paper copies of consultation documents available at council offices and public libraries where possible'.
Suggests replacing 'we will consider organising or supporting consultation events' with 'we will organise and support consultation events if requested by local councils.'	Individual – Mid Devon	Comments noted. The following amendment is proposed to reflect the concerns raised: 'During the initial and publication stages of consulting on the GESP, we will organise or support consultation events such as public exhibitions where possible'.
Suggests removal of 'or a summary' before 'as soon as feasible'.	Individual – Mid Devon	Comments noted. The following amendment is proposed to reflect the concerns raised: 'We will publish comments received, including a summary, as soon as feasible.'

**Appendix 2: Greater Exeter Strategic Plan Joint Statement of Community Involvement.
2020**

Greater Exeter Strategic Plan
Joint Statement of Community
Involvement

To request this information in an alternative format please call 01392 265177 or email gesp@devon.gov.uk

We consider requests on an individual basis.



Exeter
City Council



Greater Exeter Strategic Plan

Joint Statement of Community Involvement

This is a Joint Statement of Community Involvement (SCI) that sets out our approach to consultation on, and involvement in, the preparation of the Greater Exeter Strategic Plan (GESP) only. It has been prepared in accordance with Government guidance on the production of SCIs:

<https://www.gov.uk/guidance/plan-making>

The Joint SCI has been adopted by the four local planning authorities working in partnership on the GESP: East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council.

This SCI is clear and concise to ensure that as many people as possible will read it and understand our approach to consultation on the GESP.

Important Note:

This joint SCI only sets out the consultation approach for the GESP and not for other planning policy documents (such as local and neighbourhood plans) or planning applications. All the partner local planning authorities (LPAs) have existing SCIs that specify their approach to consultation and involvement for other planning policy documents and planning applications. These existing SCIs are not affected by this document. Please contact the individual authorities for details of existing SCIs.

Background

The GESP will be a formal statutory Development Plan Document, providing the strategic planning policy framework for the four local planning authority areas (excluding any part of Dartmoor National Park) that together form the Greater Exeter area. Devon County Council is also a partner in producing the GESP. The GESP will contain strategic site allocations and policies, including those that set the overall spatial strategy and amount of housing and employment land to be provided in the area. It will cover the period 2020 - 2040.

Consultation is required at various stages during the GESP's preparation, in accordance with legislation, after which it will be submitted to Government. An independent Planning Inspector will then carry out an examination of the GESP, considering the views of interested people that submitted representations on the plan. The final decision on the soundness of the GESP will be made by the Inspector, after which the GESP will be adopted by the four local planning authorities. You can find government guidance on preparing local plans here: www.gov.uk/guidance/local-plans

It should be noted that because Devon County Council is not a LPA in the context of the GESP it will not formally adopt the plan. Similarly this SCI will not apply directly to the County Council or its planning functions.

General principles for consultation and involvement

We will apply some general principles to consultation on the GESP:

- Involvement will be open to all regardless of age, disability, gender, race, pregnancy or maternity, marital status, faith, sexual orientation or gender reassignment, rural isolation and social deprivation.

- We will undertake consultation when the plan is still at a formative stage, to ensure that there are sufficient opportunities for views to be shared throughout the preparation of the GESP
- We will choose consultation processes by balancing cost and time constraints
- Consultation publications will be clear and concise and avoid unnecessary jargon. They will give sufficient information to allow an informed response.
- At least **8 weeks** will be given for responses to be made on consultation material
- Responses will be published and considered conscientiously
- We will give an opportunity for anyone to be kept informed as the plan progresses

When we will consult

The timetable for the preparation of the GESP is set out in the Local Development Scheme which is available on the GESP website www.gesp.org.uk.

An initial 'issues' consultation took place between 27th February and 10th April 2017 to ask for views about the scope and content of the plan.

Who we will consult

- Statutory organisations including councils, infrastructure providers and government bodies as legally required or otherwise appropriate
- The general public
- Groups representing places or interested communities
- Local businesses
- Voluntary groups and other organisations
- The planning and development industry including consultants
- Others who have expressed an interest in the plan

Anyone can register to be kept informed about the preparation of the GESP and opportunities to engage in the plan-making process. Personal contact details will be retained to inform you about progress with the plan. Your data will be processed in line with the Data Protection Act 2018 and the EU General Data Protection Regulations.

How we will consult and how you can get involved

- We will contact appropriate organisations and individuals directly
- We will publicise consultations by a combination of the following methods: website, press release, social media, leaflets, posters, displays, community groups/community events where possible and in accordance with a communication and engagement strategy
- Consultation documents will be made available for download on the Council's websites and on the GESP website (www.gesp.org.uk). Paper copies of consultation documents will be made available for purchase at a price that reflects publication costs
- Where resources allow, consultation documents will be made available in alternative formats upon request. Requests will be considered on an individual basis
- We will provide consultation documents in an electronic format (and paper copy when asked) to community groups, councils and other statutory organisations
- We will make paper copies of consultation documents available at council offices and public libraries where possible
- During the initial and publication stages of consulting on the GESP, we will organise or support consultation events such as public exhibitions where possible

Once a consultation has been completed we will publish comments received, including a summary, as soon as feasible. We will also explain how these comments have been considered or taken into account in the process of preparing the GESP.

Figure 1 shows the possible methods of consultation that will be used at each stage of the GESP's preparation.

¹ The Town and Country Planning (Local Planning) (England) Regulations 2012




		ENGAGEMENT
INITIAL PREPARATION OF THE PLAN (REG. 18)	<p>During the formative stages of the plan we will ask you about:</p> <ul style="list-style-type: none"> - Initial issues, - Draft policies and site options, and - Key elements of the plan as needed 	Social media Website Emails Letters Questionnaires Surveys Exhibitions(*) Meetings(*) Focus groups(*) Leaflets
		
PUBLICATION OF THE PLAN (REG. 19)	<p>Continuing involvement by asking you to make comments on the Publication Draft version of the plan - this is the version (technically the 'pre-submission version') of the plan which will be submitted to Government together with the consultation representations received</p>	Social media Website Emails Letters Questionnaires Surveys Exhibitions(*) Meetings(*)
		
SUBMISSION AND EXAMINATION (REGS. 22 – 25)	<p>The plan will be submitted to Government for examination by an independent planning Inspector. The submitted plan, representations, and accompanying documents will be available for you to view</p>	Social media Website Emails Letters
	<p>If you have made comments on the plan at the Publication stage you will have the opportunity to submit further material in response to questions from the Inspector, and you will have the right to appear at the examination hearings</p>	Emails Letters
	<p>We will consult you on any additional modifications</p>	Social media Website Emails Letters
	<p>The Inspector's Report will be available for you to view</p>	Social media Website Emails Letters
		
ADOPTION (REG. 26)	<p>Once the strategic plan has been adopted by the partner councils, it will be available to view with the supporting adoption documents</p>	Social media Website Emails Letters

Figure 1: Mechanisms for consulting on GESP through the plan's preparation

(*) Face to face and/or online

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Equality Impact Assessment: *Greater Exeter Strategic Plan: Joint Statement of Community Involvement*

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive 7 July 2020	Greater Exeter Strategic Plan: Joint Statement of Community Involvement	That: A: The Executive approves the contents of the Joint SCI that has been prepared for the Greater Exeter Strategic Plan (GESP); and	Potentially all people with protected characteristics.

		<p>B: The Executive gives delegated authority to the Leader, in consultation with the Portfolio Holder and Chief Executive, to agree changes to the Joint SCI arising from decisions by the other Greater Exeter local planning authorities and to approve it as a Local Development Document, noting that it will apply jointly to East Devon District, Exeter City, Mid Devon District and Teignbridge District Councils.</p>	
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Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact – some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Positive		The range of consultation methods set out in the Joint SCI seek to ensure (as far as possible, taking cost and resource constraints into account) that all members of the community are able to engage in the preparation of the GESP.
Disability: as defined by the Equality	Positive		The range of consultation methods set out in the Joint SCI seek to

Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.			ensure (as far as possible, taking cost and resource constraints into account) that all members of the community are able to engage in the preparation of the GESP.
Sex/Gender	Positive		The range of consultation methods set out in the Joint SCI seek to ensure (as far as possible, taking cost and resource constraints into account) that all members of the community are able to engage in the preparation of the GESP.
Gender reassignment	Positive		The range of consultation methods set out in the Joint SCI seek to ensure (as far as possible, taking cost and resource constraints into account) that all members of the community are able to engage in the preparation of the GESP.
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Positive		The range of consultation methods set out in the Joint SCI seek to ensure (as far as possible, taking cost and resource constraints into account) that all members of the community are able to engage in the preparation of the GESP.
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Positive		The range of consultation methods set out in the Joint SCI seek to ensure (as far as possible, taking cost and resource constraints into account) that all members of the community are able to engage in the preparation of the GESP.
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Positive		The range of consultation methods set out in the Joint SCI seek to ensure (as far as possible, taking cost and resource constraints into account) that all members of the community are able to engage in the preparation of the GESP.
Pregnancy and maternity including new and breast feeding mothers	Positive		The range of consultation methods set out in the Joint SCI seek to ensure (as far as possible, taking cost and resource constraints into account) that all members of the community are able to engage in the preparation of the GESP.
Marriage and civil partnership status	Positive		The range of consultation methods set out in the Joint SCI seek to ensure (as far as possible, taking cost and resource constraints into

			account) that all members of the community are able to engage in the preparation of the GESP.
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Actions identified that will mitigate any negative impacts and/or promote inclusion

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Officer: Katharine Smith
Date: 8 June 2020

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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