

EXECUTIVE

Tuesday 11 January 2022

Present:

Councillor Bialyk (Chair)

Councillors Wright, Foale, Ghusain, Harvey, Morse, Sutton, Williams and Wood

Apologies:

Councillors Mitchell, K (as an opposition group Leader)

Also present:

Councillor D. Moore (as an opposition group Leader)

In attendance:

Chief Executive & Growth Director, Deputy Chief Executive, Director Finance, Assistant Director of Housing (LB), Asset Management Lead and Democratic Services Team Leader

1

CHRIS GALE

The Chair passed on his condolences and respects to Chris Gale, who was a former Councillor for both Exeter City Council and Devon County Council, who had recently passed away. The Chair highlighted that he had been an active Councillor, representing the Heavitree ward and had been a good friend.

2

CHIEF EXECUTIVE & GROWTH DIRECTOR

The Chair congratulated Karime Hassan, the Chief Executive & Growth Director who had been made a Member of the Order of the British Empire for services to government, in the in the Queen's New Year Honours. The Chair highlighted that it was a well-deserved honour and achievement for his work and vision for the city.

3

MINUTES

The minutes of the meeting held on 30 November 2021, were taken as read, approved and signed by the Chair as a correct record.

4

DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

5

QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER NO. 19

No questions from members of the public were received.

6

STRATEGIC CASE FOR THE EXETER DEVELOPMENT FUND

The Executive received the report on the strategic case for the Exeter Development Fund, which had been included as an appendix to the report presented at the meeting. The report set out the funding concept, which would combine public and private sector finances to transform the built environment. Work was ongoing to develop the business case, which would be presented to Members for their approval.

The Chief Executive & Growth Director highlighted the pivotal role of this work in developing the vision as set out in the Liveable Exeter Programme and discussed the complexity of the strategic case.

Members had set out a clear ambition in regards to the delivery of Net Zero and supporting active travel to help solve mobility and congestion issues. Members noted the current planning system alone could not deliver the required infrastructure or achieve net zero goals. Planning on its own could not deliver the quality of neighbourhoods and community infrastructure required, leaving local authorities to invest on infrastructure.

The new model was based on public sector investment and with equity investment from the Government to create a finance model at the commencement of the project to deliver the infrastructure to control how housing development was undertaken. Any increase in value would ensure that all financial returns would be repaid to the public sector.

Members noted that there were issues to address, but if successful it would be a major change for the public sector. The concept objectives stated that it would be publicly owned, impact driven for place making, professionally run with locally retained profits. The Strategic Business Case would also be presented to the Strategic Scrutiny Committee, who may decide to establish a Task & Finish Group to understand the detail and would include relevant professionals and partners to explain the detail behind the Business Case.

Councillor D. Moore, as an opposition leader, spoke on the item, and thanked the Chief Executive & Growth Director for the report. She referred to the Exeter Development Fund in the report appendix and agreed that finance was needed to invest in the transformation of the economy and built environment to achieve the net zero target. She enquired on the following strategic issues which would be beneficial for when the report would be presented to the Strategic Scrutiny Committee:-

- at the Council meeting in July 2021, in response to a question on which Council assets had been used to model the funding, it was stated that it wasn't known at that time. What were the principles underpinning the business model and was it intended that the assets put into the fund by the council in exchange for equity council owned assets or ones that might be developed as a result of the fund, such as build to rent property?
- although the focus on the achievement of Liveable Exeter was welcomed, there was more to be done across Exeter such as retrofitting the current housing stock. It was explained at the Audit and Governance Committee that the Council would not be proceeding with a retrofit company. Could the Leader confirm that this City Development fund was intended for investment in measures to reduce carbon emissions across the rest of the city as an equal priority?
- would the partner organisations also be presenting to their governing bodies?
- Exeter Global City Futures was not highlighted, could their role in Exeter City Futures and this project be clarified?

The Leader, in responding, stated that these questions would need to be presented at the Strategic Scrutiny Committee, however in reference to the question regarding

the retrofitting, he confirmed that the Audit and Governance Committee did not make policy, and was the role of Council.

The Chief Executive & Growth Director in responding stated:-

- those involved with the modelling work would be invited to the Strategic Scrutiny Committee;
- the principle of the business case was asset based and there would be a choice on whether to put assets into a fund to raise equity or receive a Capital Receipt for the assets;
- the Council had made good progress with its plans for the retrofit of Council owned homes and would be looking at how retrofitting would be done for non-Council owned property and exploring options on how this might be achieved;
- other institutions would have the opportunity to report the business base to their respective Councils based on their own terms of reference; and
- Global City Futures were consultants to Exeter City Futures and were doing a lot of the work on the business case.

During the discussion the following points were made:-

- Pinhoe Ward was an example of an area that has been subject to significant growth in housing but has lacked community infrastructure demonstrating the inadequacies of the system. A change on how development was undertaken was needed. If the business plan can be made to work, the Council would have more control over developments to the way residents expected and to help meet the Net Zero 2030 Plan; and
- Exeter City Living had been setup to disrupt the market and was relatively small-scale. To reach the 2030 Net Zero target, more needed to be done and the report was a good step forward to achieving this, particularly with the proposed Scrutiny process.

RECOMMENDED that Council note the progress on the Exeter Development Fund Strategic Case and, recognising the complexity of the matter, agree to:

- (1) additional, dedicated briefings for Members on the strategic case and, when published, on the full business case; and
- (2) a report be presented to the Strategic Scrutiny Committee on the full business case including, if considered appropriate, the formation of a Task and Finish Group to review this in detail.

7

2022/23 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLAN

The Executive received the report on the strategic overview of the budgetary position for the 2022/23 financial year and beyond, which included the likely level of available resources, the known demand for resources and the proposals to ensure that a balanced budget could be achieved. Members noted that the Council was required to set a balanced budget and Council Tax prior to the start of the financial year.

Particular reference was made to:-

- The fact that, although a three year settlement in the comprehensive spending review had been provided for local authorities, for the Government had provided a one year roll over settlement only;

- due to the further delay to the fair funding review and resetting of the business rates, the Councils' settlement from the previous year had been improved;
- lower tier services grants had been granted again for a one year period along with a new Services Grant, which totalled £470,000 extra funding, and - offset the increase to the national insurance contributions under the new Health and Social Care Levy, which equated to an extra £156,000;
- the Council had an extra one year new homes bonus settlement of £1.362 million. The business rates had not changed and the figures for the business rates return were still pending;
- the Council Tax referendum threshold had been set at less than 2% or up to a maximum of £5. Exeter's budget strategy set out in the Medium Term Financial Plan assumed an increase of £5 which would be a decision for Members at Full Council;
- the proposed Capital Programme had not been finalised and there maybe changes made before February 2022, however the majority had already been approved.

The Director Finance in responding to a question stated:-

- inflation would be significantly higher and with added costs of £625,000 for next year on the assumption that the national pay award would be 1.5% and that the pay award for this financial year had not been agreed;
- the Inflation would be similar to the impact on households, notably utility and fuel costs; and
- the £5 increase on Band D properties would take Council Tax to £165 a year to Exeter City Council, a 3% increase in Council Tax.

The Chair commented on the staff pay award and provided assurances that the Council would honour all pay negotiations and implement those increases.

Members thanked the Director Finance for the detailed briefing on the Budget Strategy and Medium Term Financial Plan, which had been provided to all Members.

RECOMMENDED that Council note the contents of the report and approve the proposals to establish a balanced revenue budget and capital programme.

8

COUNCIL TAXBASE AND NNDR 1 2022/23

The Executive received the report which set out the 2022/23 Council Tax base in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012. The report further sought approval to delegate the Council's estimate of Business Rate Income (NNDR1) for the next financial year to the Director Finance.

Particular reference was made to the legal requirement to formally notify the preceptors that the Council Tax Base would be set at 37,666 Band D equivalent properties which was an increase of 289. The business rates were not currently ready and delegated authority was sought to notify the preceptors.

RESOLVED that:-

- (1) in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Exeter City Council as its tax base for the year 2022/23 shall be 37,666; and
- (2) the responsibility to approve the Council's NNDR1 return by 31 January 2022 be delegated to the Director Finance (Section 151 Officer).

9

HOUSING RENTS AND SERVICE CHARGES 2022-23

The Executive received the report which set out the proposed changes to Council dwelling rents, garage rents and service charges with effect from 1 April 2022.

Particular reference was made to-

- there would be a 4.1% increase in rent which would be significant, compared to the previous year which had been 1.5% This increase would offset the loss of income caused by the lower than expected increase last year;
- Council tenants have benefited from five years of a 1% reduction in housing rent; and
- the weekly increase would be £3.18 for a two bedroom flat with rent levels of £80 per week which was the lowest rent in the city for a property of this type.

The Deputy Leader and Portfolio Holder for Council Housing Development and Services welcomed the report and highlighted that discussions on rent increases had been held with the Housing team.

RECOMMENDED that Council approve:-

- (1) the increase of Council dwelling rent by 4.1% from 1 April 2022;
- (2) the increase of garage rent by 4.1% from 1 April 2022; and
- (3) the increase of service charges by 4.1% from 1 April 2022, with the exception of charges specified in paragraph 11.3 of the report.

10

LOCAL COUNCIL TAX SUPPORT SCHEME 2022-23

The Executive received the annual report which sought agreement on the Local Council Tax Support scheme for working age residents for 2022/23, which Members were required to approve each year.

Members were informed that prior to the Covid Pandemic, officers were intending to propose changes to the local scheme. However, due to the current circumstances and the impact of the Pandemic, there was concern that potentially vulnerable households might be affected by any proposed changes and officers wanted to take more time to model this in detail. In addition, due to staff resources being dedicated to administering the government's support to businesses and households affected by the pandemic and allowing the necessary IT to be developed by the supplier, it was recommended to maintain the scheme in its current form.

The Portfolio Holder for Supporting People expressed her thanks to the team who had supported residents and businesses through the Pandemic and acknowledged the volume of work that has been undertaken.

RECOMMENDED that Council approve the continuation of the current Local Council Tax Scheme into 2022-23 without substantive changes.

11 **HOUSING OMBUDSMAN COMPLAINT HANDLING CODE: SELF-ASSESSMENT**

The Executive received the report for the 2020 Housing Ombudsman Complaint Handling Code, which set out the good practice to enable landlords to respond to complaints effectively and fairly and to undertake regular self-assessments to benchmark themselves against the Code's requirements and identify areas for improvement. Members noted that the Council's Housing and Development Advisory Board, having reviewed the self-assessment on 16th November 2021, had not identified any issues or request any amendments to be made. The report had been presented to Members to ensure transparency.

RESOLVED that the Executive note the Housing Ombudsman Complaint Handling Code report.

12 **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 the following items on the grounds that they involved the likely disclosure of exempt information as defined in paragraph's 1, 2 and 3 of Part 1, Schedule 12A of the Act.

13 **OPTIONS REPORT FOR RENNES HOUSE**

The Executive received the options report for Rennes House, which outlined the significant challenges that had emerged since the decision to refurbish the building had been taken in 2018 in particular the escalated costs of implementing the previous decision as well as the requirements of the imminent Building Safety Bill. Members were requested to reconsider the decision taken in 2018 and to consider the option to demolish and re-provide homes. It was highlighted that the option of demolishing and re-providing would support a more comprehensive re-development in the local area with the consented Vaughan Road development and the fairly recently developed Chester Long Court.

Particular reference was made to the residents at Rennes House, who had been notified that a direction was being sought on the proposals. Officers would continue to engage with residents following the Members' decision and a full financial viability assessment would be undertaken including a discussion with Homes England on the opportunity for grant funding and which would be reported back to Members.

In response to a question raised by a Member, the Asset Management Lead explained that, of the 61 properties available in Rennes House, 11 were being kept empty awaiting Members' decision and officers were confident that a plan would be developed to accommodate the occupants of the remaining 50 properties.

The Deputy Leader and Portfolio Holder for Council Housing Development and Services welcomed the detailed report and considered it was a good opportunity to develop housing in the area. Residents in the area were a community, and re-housing must work to ensure that care was given to keeping the community together.

RECOMMENDED that Council:-

- (1) note the issues that have arisen in implementing the previously agreed decision to refurbish Rennes House including the significant increase in cost to undertaking such work;

- (2) note the compliance and Health & Safety obligations that the Council would be required to undertake following implementation of the Building Safety Bill, which would be significant and challenging and potentially unachievable with the building in its current condition or if only refurbished in line with the previous decision by Members;
- (3) reconsider the way forward and, in particular, to consider whether Demolish and Re-provide is more feasible to ensure a greater benefit to both residents and the community and as the most cost effective option when considered over the lifetime of the building; and
- (4) agree to receive a report, setting out the financial viability appraisal and confirmation of funding arrangements, including the potential of external (Homes England) grant funding and the revision of the capital investment programme to accommodate the preferred option, which would include some re-prioritisation or delays to other capital work streams.

14

EDWARDS COURT OPTIONS REPORT

The Executive received the report which sought agreement for the next steps for housing management and care provision for the Edwards Court Extra Care Scheme. An additional budget was sought to provide the initial expenditure to make the scheme ready for occupation.

Members noted that Edwards Court had 53 units, developed to Passivhaus standard by the Council for the extra care scheme. It would provide residents with their own private living space, with shared communal areas. The original intention was the commissioned care provider would also provide housing management of the Scheme. Market changes since the original scoping work however, meant that the procurement process indicated that there was no interest from providers to undertake both functions.

Officers had assessed that the most efficient and practical way forward was for the Council, by way of the Council Housing and Development Service, to provide the housing management as well as the maintenance of the building. The cost would be covered by the rents and service charges, which were in-line with other extra care schemes and eligible for Housing Benefit. The procurement of a provider for the care element was about to commence.

The Deputy Leader and Portfolio Holder for Council Housing Development and Services welcomed the report and expressed her thanks to the officers who had been working with Devon County Council.

RECOMMENDED that Council:-

- (1) agree to continue using Edwards Court as an extra care facility with Exeter City Council maintaining the building and housing staff providing the non-care elements of the service and noting that Devon County Council will be responsible for securing care provision via a commissioned service;
- (2) approve a budget of £350,000 to be set aside to enable the scheme to be ready to receive its first tenants and commence operation;
- (3) agree that a contribution of £20,000 per annum, subject to an annual uplift be used as a contribution towards the care provider's scheme manager;

- (4) agree that an Extra Care Property Services Manager be recruited by Exeter City Council to manage all non-care elements of the scheme at a cost of £35,000 salary; and
- (5) agree the budget set out for the Medium Term Financial Plan as set out in Appendix 1 of the report.

15

MEMBERS' TRAINING

The Executive received the report which provided a quarterly update on the Members' training programme and included Members' attendance for the training sessions from 22 September 2021 to present and their feedback on the sessions attended.

The Councillor Development Steering Group had been undertaking a review of the Members' Induction Programme ahead of the May 2022 elections. Particular reference was made to:-

- contacting the newly elected councillors, to get their detailed feedback on the induction programme;
- requesting officers who conduct training to attend the next meeting of the Councillor Development Steering Group, to hear Members' views to help improve the development programme;
- the implementation of star ranking system to highlight the importance of sessions being held;
- the implementation of a manual update for Members attendance for those who have viewed the training recording, but were unable to attend the live session; and
- continue to maximise the Zoom functions for delivering training, which showed attendance was still higher than when sessions had been held in a physical capacity.

In response to a question from a Member, the Corporate Manager Democratic & Civic Support confirmed that training sessions for the Council's Harbour Board would be included as part of the training provided to Members.

RESOLVED that the Executive note the Members' Training report.

(The meeting commenced at 5.30 pm and closed at 6.37 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 22 February 2022.